Ph.D. Dissertation

A Study of the Postwar Evolution of Japan's Island Strategy in the Pacific With a Focus on the PALM Summits

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A Study of the Postwar Evolution of Japan's Island Strategy in the Pacific With a Focus on the PALM Summits

(戦後における日本の太平洋島嶼戦略の展開: 太平洋・島サミットの実施を中心に)

By

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By my signature affixed, I hereby declare that the form and substance of this dissertation is based entirely upon my independent research in pursuit of the subject matter. The thoughts expressed in writing are wholly and truly my own unless where appropriately acknowledged.

MANGISI, Tevita Suka

Friday, 24th July 2009.

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'Ofa atu...

TSM

Osaka, 2009.

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ABSTRACT

The Pacific Islands region is composed of 12 independent and 2 self-governing small island developing states. These 14 countries, together with New Zealand and Australia, comprise the membership of the regional political body, the Pacific Islands Forum or PIF. Since 1997, Japan has engaged the PIF at Summit level meetings held in Japan on a triennial basis. These Summit meetings have become known as the Pacific Islands Leaders Meeting of PALM

The PALM Summit is seen as an enhanced Japanese island strategy in the Pacific region. PALM is indicative of a more proactive and independent foreign policy tool used by Japan to conduct its relations with the Pacific Islands Countries (PICs) in order to satisfy its vital or national interests. This proactive diplomatic engagement has been indicative of what this work calls "strategic reactivism."

Japan is generally recognized as what Kent Calder has called a "reactive state." The "reactive state" theory suggests that Japan lacks or avoids diplomatic initiative regarding international issues, even though it has the capability to do so. Accordingly, Japan is said to react to world events when formulating foreign policy and does not seek to take a leadership or proactive role unless pressured to do so by international or external sources. This external pressure, or *gaiatsu*, is an inherent characteristic of Calder's definition of a reactive state.

In considering Calder's definition, this work suggests a need for its reinterpretation. There have been cases where Japan has pursued proactive foreign policy initiatives in times when there were both an absence of *gaiatsu*, and presence of *gaiatsu*, to do otherwise. Furthermore, this work suggests that Japan's *prima facie* reactive foreign

policy initiatives, in reality are calculated and conscious acts by Japan to protect other vital interests. In such situations, Japan is seen as constantly strategizing, maneuvering, and sensing the international environment ("*kikubari*") so as to determine whether or not it should respond to international issues in a proactive manner or, be voluntarily reactive, in order to maintain, attain, or enhance other interests whatever they may be at any one time. In considering such situations, this study proposes the concept of strategic reactivism to more accurately describe Japan's foreign policy initiatives.

In so proposing, strategic reactivism suggests Japan has a calculated foreign policy approach to international issues. It responds to international matters in a manner, either by reacting to *gaiatsu* or by pursuing its own independent foreign policy, a*s long as its interests are protected.* Japan is not reactive in the sense Calder describes but is *strategically* reactive which suggests a conscious and calculated foreign policy initiative whether or not *gaiatsu* is present. In considering the limitations of Calder's definition of a reactive foreign policy, this work proposes Japan's foreign policy is more accurately described as strategic reactivism.

Policy initiative is determined through voluntary calculations which results in measured foreign policy behavior that is best suited to protecting vital interests and allowing foreign policy to evolve with time on any given issue. As such, Japan voluntarily reacted to the Nixon Doctrine to protect its economic and security interests with the U.S. It again voluntarily reacted to the South Pacific Forum's protests against Japan's nuclear waste dumping plans in the Pacific Ocean in order to maintain its image as a peaceful and friendly state. Again, Japan voluntarily reacted to *gaiatsu* from the U.S. when the latter demanded Japan shoulder more of the costs of U.S. security interests in the Pacific Islands region. This resulted in the creation of the "Kuranari

Doctrine" and the doubling aid to the region. Following the end of the Cold War, Japan was able to become more proactive in its relations with the Pacific Islands region. It had calculated the new strategic environment and therefore found it could undertake greater independent foreign policy initiatives to that region. This measured proactivism resulted in the PALM Summit initiative and the creation of the Pacific Environment Community. Such strategic calculations in Japan's reactions to regional or international events is a hallmark of Japanese foreign policy. In terms of the Pacific Islands, the trend appears to suggest future strategy will serve to strengthen its proactive foreign policy approach to the Pacific Islands region and may well result in Japan taking greater leadership initiative over regional affairs.

With regards to the Pacific Islands, this pressure has come from Japan's alliance partner the U.S. and more recently, from New Zealand and Australia. There have been circumstances however where Japan has actively pursued its own diplomatic initiatives and has been proactive in its foreign policy formulation without any pressure from abroad. In such circumstances, Japan had not reacted to international pressure per se. In perceiving the international circumstances at such times, it had been through conscious and deliberate strategizing that Japan determined it was in its interests to act. Japan does calculate its reactions to international events so as to determine when it can take a more proactive and independent foreign policy initiative in a particular situation or alternatively remain voluntarily reactive.

Japan's postwar diplomatic strategy in the Pacific Islands region is an example of strategic reactivism. During the 1990s, there had been an apparent absence of developed country leadership in the Pacific Islands region. This circumstance had been described as "strategic neglect" of the region given the end of the Cold War and any real or

perceived threat of communist influence in the Pacific Islands. Japan strategically reacted to these new circumstances by initiating the PALM Summit with the 16-member countries of the region's political body, the Pacific Islands Forum (PIF) as a way to furthering its own interests in the region and thus demonstrating its able leadership in Pacific Island affairs. Here we can observe a shift in Japan's engagement with the region from being voluntarily reactive to being more proactive.

On the 22nd and 23rd May 2009, Leaders and representatives of the 16 members of the PIF, the PIF Secretariat, and Japan, gathered in the northern island of Japan at Tomamu, Hokkaido for a two-day PALM Summit meeting; the fifth time it has been held. However with increased non-traditional Pacific power interests taking focus on island regional affairs, the situation today begs greater attention from the policy pundits in Tokyo with regards to how best to maintain Japan's position amongst the island states today than it was in 1997 when "strategic neglect" was increasingly present. Such attention must not only be focused on hosting the event per se but logistically-speaking, the lead up to the PALM Summit itself, the conduct of pre-negotiations of the PALM declaration and incidental documents, and the organization of the Summit itself, plays an important part in forming a successful, more personal, and cordial relationship between Japan and the PICs.

What this work seeks to do is establish a basis for an understanding of the evolution of Japanese postwar interests in the Pacific Islands region which has culminated in the PALM Summits. In doing so, understanding how Japan approaches and engages the PICs through the PALM mechanism, one must gain the adequate and accurate background knowledge of how PALM came into being in the first place. This work also addresses this need. This study therefore covers a 40-year period from 1969 - 2009.

Through a historical approach with support of case studies, the research presented will describe the evolution of Japanese diplomatic engagement in the region and its shift from being voluntarily reactive to being proactive. This work describes how Japan initially had reacted to U.S. demands to shoulder greater responsibility with regards to U.S. geopolitical interests to later finding its own interests in conducting relations with the PICs. This study closes with policy proposals submitted for consideration in light of how Japan's island strategy in the Pacific may be strengthened further through future PALM summit meetings.

Note. Throughout this work, Japanese names are written in their traditional order with the family name first and given name second.

INTRODUCTION

1. Period of Study

Following Japan's defeat in the Second World War, its geopolitical and strategic interests in the Pacific Islands region had effectively been "rolled back" by the Allied forces. Up until 1945, Japan had mandated control over what are today the Micronesian islands of the Federated States of Micronesia, the Republic of the Marshall Islands, Palau, and the Commonwealth of the Northern Mariana Islands.[1] Japan would not undertake any official engagements with the islands of the Pacific until almost a quarter of a century later.

As several Pacific Islands regained their independence and self-governance from the colonial powers[2] in the 1960s and throughout the following 20 years, Japan found itself in a situation of having being pressured into officially engaging the new political actors of the region. Pressure from its alliance partner, the United States (U.S.), and from the Pacific Islands Countries (PICs) themselves, in addition to the development of the Law of the Sea and post-Cold War politics in the region, were premises to which Japan eventually used to justify its initiation and conduct of these relations. Issues as to *how* to conduct such relations with these emerging new actors in international affairs and *to what end*, were contemplated. What tools could Japan use to diplomatically engage these new island states? With time, Japan came to understand the importance of the

[1] On 17th December 1920, the League of Nations under Article 22 of its covenant, confirmed a Class C mandate for Japan to administer these islands. This meant that Japan was permitted to administer them in accordance to Japanese law "as integral portions of its territory."

[2] In the postwar period, these powers, known regionally as metropolitan or traditional Pacific powers, were Australia, New Zealand, the United States, the United Kingdom, France, and the Netherlands.

PICs to its vital interests. It incrementally found ways to proactively pursue these interests in the region without the need to concede to international opinion and influence.

This work focuses on the 40-year period from 1969 to 2009 during which time Japan has conducted diplomatic relations with the independent PICs and shifted from being reactive to more proactive. Namely the period examined attempts to reveal and explain the changing nature of Japanese diplomacy in the region from being initially reactive to international pressure and circumstances to instigating the formulation of its own policies for its own interests absent external pressures. The case of Japan - PIC relations describes a shift from reactive foreign policymaking in Japan generally, through what this work calls strategic reactivism, to a proactive diplomatic engagement with the region.

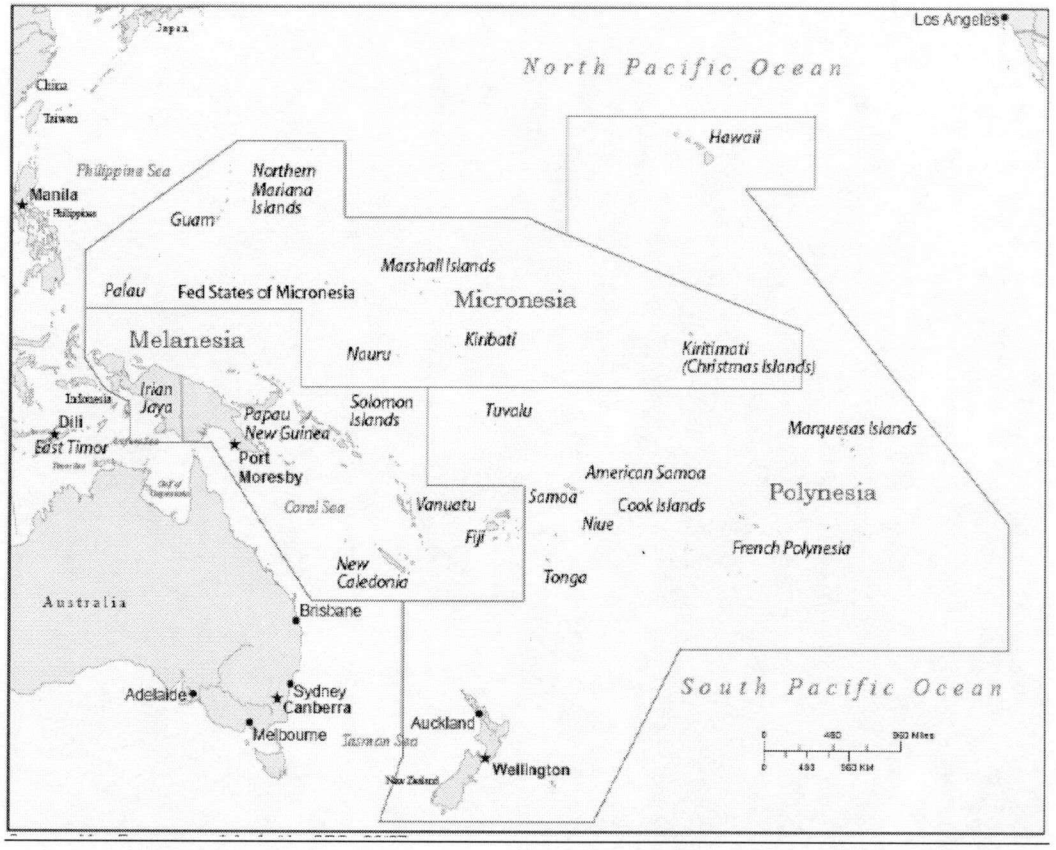
2. Focus of this Study

The PICs in this work refers to the 12 independent and 2 self-governing[3] small island developing states, which are full members of the regional political organization the Pacific Islands Forum (PIF). These PICs are Papua New Guinea (PNG), Solomon Islands, Vanuatu, and Fiji, which compose the sub-region of Melanesia, Kiribati,

[3] The Cook Islands and Niue are two self-governing states in free association with New Zealand. In essence, this status means that by conventional practice, these PICs conduct official business independently, although by law New Zealand has responsibility for their defense and foreign affairs. Niue and Cook Island nationals hold New Zealand citizenship and these PICs use New Zealand currency. Similarly, FSM, RMI, and Palau have a similar status of self-governance in free association with the US (known as Compact of Free Association [CFA]). Under the agreement, the US has certain defense rights and responsibilities. The significant difference between the CFA and the relationship that Niue and the Cook Islands share with New Zealand is that the FSM, RMI, and Palau, have their own passports and citizenship and as such have also qualified for membership of the United Nations. FSM and RMI renewed their development assistance arrangements under their CFAs with the United States on 1st May and 30th June 2004 respectively. Palau's current development assistance under its CFA expires on 1st October 2009.

Figure 1

The Three Ethnic Sub-Regions of the Pacific Islands:
Melanesia, Micronesia, and Polynesia



Source: www.fas.org/sgp/crs/row/RL34086.pdf, p.CRS-27 (Accessed Friday, 11th January 2008.

Federated States of Micronesia (FSM), Republic of the Marshall Islands (RMI), Palau, and Nauru, which comprise the sub-region of Micronesia, and Samoa, Tuvalu, Niue, Cook Islands, and Tonga, which make up the Polynesian sub-region.[4] Australia and

[4] It must be noted that the three sub-regions of Melanesia, Micronesia, and Polynesia, are based on ethnic divisions of the Pacific Islands peoples. The sub-regions as used in this work are based on PIC membership of the PIF. PIF full membership is drawn only from independent and self-governing PICs. As such, it should be noted that there are other Pacific Islands which are ethnically part of the three sub-regions but are not full members of the PIF. For example, the indigenous peoples of New Caledonia (French) and West Papua [formerly Irian Jaya] (Indonesia) are Melanesian, the indigenous peoples of Guam (US) and the Commonwealth of the Northern Marianas (US Commonwealth) are Micronesian, and the indigenous peoples of French Polynesia (French), Wallis and Futuna (French), American Samoa (US), Tokelau (New Zealand), Easter Is. (Chile), and Hawaii (US) are Polynesian.

New Zealand are also full members of the PIF but are not considered here because of their separate and distinct relations with Japan as developed states and co-donors of Official Development Assistance (ODA) to the PICs.

This study focuses on Japan's diplomatic relationship with the PICs. The relationship is examined so as to determine patterns of Japanese diplomacy and regional strategy within the 40-year time period. In doing so, the work hopes to clarify the status of this regional strategy to-date and by implication, how this strategy can be improved on. By describing future implications for Japan – PIC relations, the work seeks to conclude by suggesting why the PIC's are important to Japan's interests and hence the importance of sustaining and enhancing Japan's island strategy.

3. Methodology

This study is based upon a historical approach to describing modern official or diplomatic relations between Japan and the PICs. The meaning of "modern" in this work is the postwar period.

Today, the primary tool employed by Japan to engage the PICs is through summit diplomacy. This meeting, commonly known as the Pacific Islands Leaders Meeting or the PALM Summit (*shima samitto*), was initiated by Japan in 1997. PALM has been held on a triennial basis since then. To understand current Japanese interests in the Pacific Islands region, this work uses the PALM Summits as a basis for answering three basic and inter-related research questions. They are:

1. Why does Japan engage in diplomatic relations with the PICs?
2. How does Japan engage in diplomatic relations with the PICs? and
3. What influences (1) Why and (2) How Japan engages in diplomatic relations with the PICs?

The PALM Summits are a good case study indicating a proactive Japanese diplomatic strategy. But in order to understand the status quo in Japan-PIC relations, a historical explanation of the evolution and development of this relationship must be undertaken. As such, by utilizing case studies during the four decades under examination here, this work will be able to describe the influences on Japan, and Japan's own independent motivations, to conduct relations with the Pacific Islands region.

This study *does not* seek to discover or create a model or theory of Japanese policymaking towards the Pacific Islands which may or may not be applicable in a more general sense. The intention of this work is to clarify the *actual* motives and background to the development of Japan's postwar Pacific Island policy. In other words, this research is undertaken primarily to reveal the intentions behind how Japan's Pacific Island policy evolved after World War II and what had influenced its development to-date.

Having said this, it is however advantageous to suggest some analytical models which may be employed in this regard.

3(a) *Some Analytical Models to Note*

In adopting this historical approach, the history of Japan - PICs relations through the case studies can be explained through the use of two inter-related analytical models. It

may be useful to make some reference to them here. The first analytical model is drawn from Kent Calder's thesis on the "Reactive State."[5] The second analytical approach is based on Graham Allison's "Organizational Behavior" and "Governmental Politics" models (OBM and GPM)[6].

The Reactive State theory tries to explain the reason behind the disparity between Japan's ability for greater initiative in its foreign policy pursuits and its actual foreign policy behavior within the international system. Calder defines reactive foreign policy as a one where "the impetus to policy change is typically supplied by outside pressure and reaction prevails over strategy in the relatively narrow range of cases where the two come into conflict."[7] Calder explained this systemic anomaly by pointing to both domestic and international structural factors. The Reactive State model suggests that these factors discourage or even prevent Japan pursuing a more proactive and independent foreign policy initiative commensurate with its international status as an economic superpower and donor.

Calder explained that domestically, the lack of cohesion of the Japanese government under strong political leadership, in addition to bureaucratic turf battles seeking to protect ministry, bureau, or sectional interests, results in indecisiveness and / or an inability by Japan to take a proactive foreign policy initiative. This leaves Japan's policy decision-making process prone to influence or pressure from abroad.[8] Such external

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[5] Kent E. Calder, "Japanese Foreign Economic Policy Formation: Explaining the 'Reactive State'," *World Politics*, 40, 1988, p. 519.

[6] Graham Allison, *Essence of Decision: Explaining the Cuban Missile* Crisis, Boston: Little Brown, 1971. See also by the same author with Philip Zelikow, *Essence of Decision: Explaining the Cuban Missile Crisis*, 2nd ed., New York: Longman, 1999.

[7] Calder, *op. cit.*, p. 518.

[8] Watanabe Akio, "Nihon no Taigaiseisaku Keisei no Kiko to Katei" (The Structure and Process of External Policy Formation)," in Hosoya Chihiro and Watanuki Joji, (eds.) *Taigaiseisaku Kettei Katei no Nichibei Hikaku* (A Comparison between Japan and the US on the Process of External Policy Decision), Tokyo: University of Tokyo Press, 1977, pp. 37 - 38. See also Sato Seizaburo, "The

pressure or *gaiatsu* is exerted on Japan particularly from the United States.[9] In addition, the strategic relationship Japan shares with the United States in terms of common political, economic and security interests, underwritten by their security alliance, is a major international structural factor also discouraging Japan from pursuing independent foreign policy initiatives.[10]

Not challenging the validity of Calder's thesis, Watanabe Akio suggested that the reactive nature of foreign policy is not an exclusive characteristic of Japanese diplomatic behavior but rather a tenet of all state behavior.[11] As such, the US reacted to Iraq's invasion of Kuwait by working through the United Nations to lead a military force to expel Iraq from that country. Likewise China reacted to Japan's hosting of its regional summit meeting with the PICs in 1997, 2000, 2003, and 2006 by likewise organizing its own summit meeting in March 2006. All states, Watanabe suggests, have reactive foreign policies to international events and therefore are no different from Japan. He suggests that there is no peculiar characteristic of a reactive foreign policy unique to Japan; all states are reactive.[12]

Foundations of Modern Japanese Foreign Policy," in Robert A. Scalapino, (ed.), *The Foreign Policy of Modern Japan*, Berkeley: University of California Press, 1977, Donald Hellmann, "Japanese Politics and Foreign Policy: Elitist Democracy within an American Green House," in Inoguchi Takashi and Daniel I. Okimoto, (eds.), *The Political Economy of Japan, Volume 2: The Changing International Context*, Stanford, California: Stanford University Press, 1988, Robert M. Orr, Jr., *The Emergence of Japan's Foreign Aid Power*, New York: Columbia University Press, 1990, and Michael Blaker, "Evaluating Japan's Diplomatic Performance," in Gerald L. Curtis, (ed.), *Japan's Foreign Policy After the Cold War: Coping with Change*, Armonk: M. E. Sharpe, 1993.

[9] Edward J. Lincoln, *Japan's New Global Role*, Washington D.C.: Brookings Institution, 1993. See also Blaker in Curtis, (ed.), *ibid.*

[10] See for example Donald Hellman, "The Confrontation with Realpolitik," in James Morley, (ed.), *Forecast for Japan: Security in the 1970s*, Princeton, NJ: Princeton University Press, 1972. See also Blaker in Curtis (ed.), *ibid.*, and Lincoln, *ibid.*

[11] "Interview with Dr. Watanabe Akio," Deputy Chair, Research Institute of Peace and Security, Tokyo, Wednesday, 3rd October 2007.

[12] See also Stephen J. Anderson, "Japan as an Activist State in the Pacific Basin: Japan and Regional Organizations," *Journal of East Asian Studies*, 7:2, Summer / Fall, 1993, pp. 498 - 544 especially pp. 499 - 500.

Noting Watanabe's point, it is submitted that even though all states are in fact reactive to international events that affect their interests, the Calder thesis suggests Japan is in general *always* reactive and may be *moreso* reactive in its diplomatic approach. The unique character of Japan's reactive foreign policy approach stems from the fact that it generally is reactive even though it possesses the economic clout and potential influence to proactively initiate or take leadership in certain international issues.[13]

Other scholars have alluded to normative factors prevalent in Japan as a result of its militarist tradition of the past, and its resulting devastating loss in the last World War.[14] As a result, foreign policymaking in Japan has been described as *otsukiai gaiko* where diplomacy is conducted in the name of good and cordial relations and nothing further.[15] In other words, in pursing its vital interests, Japan's diplomatic world view is primarily in pursuit of non-material interests.[16] Establishing peaceful relations with other states and creating a reputation internationally as a peace-loving country (non-material interests), is linked to Japan's material interests.[17]

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[13] "Interview with Ambassador Okawara Yoshio," President, Institute for International Policy Studies, Tokyo, Thursday, 24th July 2008. See also Peter J. Katzenstein, *Cultural Norms and National Security: Police and Military in Postwar Japan*, Ithaca, NY: Cornell University Press, 1996, and Robert Gilpin, "Where Does Japan Fit In?" in Kathleen Newland, *The International Relations of Japan*, London: Macmillan, 1990, pp. 5 - 22.

[14] Thomas U. Berger, "From Sword to Chrysanthemum: Japan's culture of anti-militarism," *International Security*, Vol. 17, No. 4, Spring 1993, pp. 119 - 150. See also Peter J. Katzenstein and Okawara Nobuo, *Japan's National Security: Structures, Norms, and Policy Responses in a Changing World*, Ithaca, N.Y.: East Asia Program, Cornell University, 1993.

[15] Zhao Quansheng in a previous work also uses the term to describe Japanese foreign policy maker's use of official development aid to create and nurture informal mechanisms and networks to conduct its foreign relations. See Zhao Quansheng, *Japanese Policymaking: The Politics Behind Politics (Informal Mechanisms and the Making of China Policy*, Westport, Connecticut: Praeger, 1993.

[16] Hirata Keiko, "Cautious Proactivism and Reluctant Reactivism: Analyzing Japan's Foreign Policy Toward Indochina," in Miyashita Akitoshi and Sato Yoichiro, (eds.), *Japanese Foreign Policy in Asia and the Pacific: Domestic Interests, American Pressure, and Regional Integration,* New York: Palgrave, 2001, p. 76.

[17] "Interview with Dr. Toyama Kiyohiko MP," Tokyo, Thursday, 24th July 2008.

Japan can be likened, in this situation, to a defendant in the court of world opinion. Japan is concerned about its postwar international image as it wrestles with its legacy of historical aggression. This search for a new postwar identity is reflected in its unusually high sensitivity to how other states view it. Therefore, because of the nature of Japan's domestic policy- and decision-making processes, resulting in the disability to create coherent national policy on an issue, *gaiatsu* or world opinion / external (international) pressure, they argue, is a decisive element in the finality of official Japanese foreign-policy action. Therefore, in order to understand the reactive nature of Japanese foreign policy-making, it is necessary to understand the domestic circumstances of the Japanese bureaucracy.[18] To do so, Allison's OBM and GPM become very useful in that regard.

Allison provided his OBM and GPM as alternate explanatory approaches to decision making analysis by governments, vis-à-vis the traditional Rational Actor Model (RAM). The RAM theorizes that when a decision maker has a number of alternatives to assist him or her in making a decision, the decision maker will choose the alternative which best maximizes benefits for the organization or the state. The OBM however suggests that the decision maker is often not at liberty to choose from a number of options but rather follows established standard operating procedures, or norms[19], of the organization

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[18] Kusano Atsushi presents an additional factor to *gaiatsu* that influences Japan's official policy process. In analyzing Japan's deregulation programme pushed for by the Hosokawa Administration in 1993, Kusano contends that certain changes in the programme had been undertaken without international pressure or *gaiatsu*, particularly from the US. Influence to policy change in the case of deregulation had come from within Japan. Domestic pressure or *naiatsu*, had also contributed to new approaches within Japan's deregulation programme. See Kusano Atsushi, "Deregulation in Japan and the Role of *Naiatsu* (Domestic Pressure)," Institute of Social Science, University of Tokyo, 1999, pp. 65 - 84. Professor Kusano later was a member of the PALM Expert Advisory Committee (PEAC) which provided policy recommendations to the Japanese government with regards to the 2009 PALM summit meeting.

[17] Hara Kimie, "Norms, Structures, and Japan's 'Northern Territories' Policy, in Sato Yoichiro and Hirata Keiko, (eds.), *Norms, Interests, and Power in Japanese Foreign Policy*, New York: Palgrave Macmillan, 2008, p. 82.

to which he or she presides over. Similarly yet in a different vein, the GPM argues that a decision maker may also not be free to choose what he or she rationally knows to be the alternative best to increase the returns for his or her organization, as the decision maker must compete and often bargain with other decision makers from other organizations which are also pushing their respective agenda on a particular policy issue. In essence, Allison suggests that government decisions are not always outcomes of rational choices of best alternatives but are often established organizational procedures of a government department (OBM) or, the result of inter-departmental negotiations and bargaining between government policy actors (GPM).[20]

Returning to the Reactive State discussion and the role of *gaiatsu* on Japanese foreign policy formulation, a debate has emerged since Calder's seminal article that has challenged the validity of the view of Japan as being a passive and non-proactive state actor in international affairs.[21] These scholars have suggested various instances where Japan had in fact behaved proactively in seeking out its own interests internationally despite contrary opinions from the international arena.[22] *Japanese Foreign Policy in*

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[20] Kobayashi Izumi, *China's Advances in Oceania and Japan's Response*, draft chapter forthcoming, 31st July 2007. Kobayashi, in line with Allison's thesis, suggests that once a policy response is completed, it is the role of the bureaucrat to put forward justifications as to why the policy had been formulated. The justification does not elucidate the "behind-the-scenes" politicking between ministries and within ministries themselves. See also Albert M. Craig, "Functional and Dysfunctional Aspects of Government Bureaucracy," in Ezra F. Vogel, (ed.), *Modern Japanese Organization and Decision-Making*, Tokyo: Charles E. Tuttle Company, 1975, pp. 3 - 32.

[21] David Potter and Sudo Sueo suggest Japan's reactivism in its foreign policy making is actually a strategic or rational choice in response to international circumstances at any given point and is not a result purely from external pressure placed on it by for example the US. See David Potter and Sudo Sueo, "Japanese Foreign Policy: No Longer Reactive?" *Political Studies Review*, Vol. 1, 2003, pp. 317 - 332. In the same vein, S. J. Maswood argues Japanese foreign policy is be more "active but constrained" or as Michael Green's observations suggest, there is an "emerging strategic view - a reluctant realism" in Japan's diplomacy. See S. J. Maswood, (ed.), *Japan and East Asian Regionalism*, London: Routledge, 2001, p. 134, and Michael Green, *Japan's Reluctant Realism: Foreign Policy Challenge in an Era of Uncertain Power,* New York: Palgrave, 2001, p. 8.

[22] See for example Hirata Keiko who argues in times where the US does not impose on pressure to behave internationally in certain ways, or where the US is complacent or acquiesces to Japanese international initiatives, then Japan may undertake a proactive foreign policy approach. Hirata gives

Asia and the Pacific, edited by Miyashita Akitoshi and Sato Yoichiro, provides a good overview of the evolving debate regarding the reactive state model and its application to Japan. Their volume includes a collection of scholarly works that depict Japan as being proactive and assertive in independent foreign policy in certain situations. These situations, the authors admit, do not dispense fully with the reactive state theory but also do not subscribe to the theory's suggestion that Japan's foreign policy machinery is totally at the mercy of *gaiatsu*. The authors contend that areas of foreign policy where Japan has demonstrated and can demonstrate initiative are dependent on both international and domestic factors. Utilizing a global systems and a domestic political process approach to analysis, the authors presented cases where Japan had displayed its ability to pursue its own foreign policy agenda. These ranged in topical issues such as Japan's policy toward individual countries in the region (including Russia, China, the Korean Peninsula issue, and relations with Vietnam) to Japan's relations with APEC. Japan's foreign policy had also been influenced by its domestic political process in areas such as its foreign economic policymaking through "transpacific" alliances of domestic interests, as well as bureaucratic competition and protectionism between and within government departments.[23]

Notwithstanding these domestic "material" influences on Japanese foreign policymaking, "non-material" influences such as normative and cultural elements have

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the example of Japan's relations with the Socialist Republic of Vietnam (SRV). She describes how Japan's relations with the SRV alternated between proactive and reactive foreign policies depending on whether or not US pressure was present. She thus disagrees with separating reactivism and proactivism when analyzing Japanese foreign policy and proposes a "hybrid model" as both actions often occur simultaneously depending on the international circumstances. Hirata Keiko, "Japan as a Reactive State?: Analyzing the Case of Japan - Vietnam Relations," *Japanese Studies*, Vol. 18, no. 2, 1998, pp. 1 - 31.

[23] Sato Yoichiro, "Modeling Japan's Foreign Economic Policy with the United States," in Miyashyita Akitoshi and Sato Yoichiro, (eds.), *Japanese Foreign Policy in Asia and the Pacific, New York*: Palgrave, 2001, Ch. 2, pp. 13 - 32.

served to also determine the outcome of the policy-making process.[24] This had been demonstrated in relations to Japanese diplomatic responses to events in the Middle East as well as nuclear issues between India and Pakistan. The point made was that Japan, at times, does show ability for independent foreign-policy making though such ability is limited to, or determined by, domestic and international situations at any particular instance.

3(b) *an Eclectic Analytical Approach*

In contrast to the reactive state theory, this study follows the explanation that subject to Japan's own strategic calculations as to how to react to international issues, Japan does have the ability to purposely pursue its own foreign policy agenda. In certain circumstances, Japan has found it possible to strategise towards a proactive foreign policy agenda for the sake of maximizing its own benefits and opportunity. The reactive state theory as defined by Calder suggests that Japan only creates foreign policy action in response to *gaiatsu*. There is an unwillingness to undertake such policy initiative but because of external pressure, Japan *involuntarily* complies. However, to use this theory alone to clarify the historical development of Japanese policy engagement with the Pacific Islands regions (or other regions)[25] does not explain why at certain times within

[24] On the influence, or the lack of influence of domestic and international norms on Japanese foreign policy, see also Sato and Hirata, (eds.), *op. cit.* The authors demonstrate from a rationalist and constructivist approach that the policymaking process in Japan is influenced by norms when: 1) Norms serve to prop up Japanese material and power interests, or 2) Norms are adopted or internalized by policy decision makers, notwithstanding Japan's material and power interests. The cases provided covered issues related to three areas, namely: 1) Japanese security and diplomatic policy, 2) International political economic issues, including a chapter on the effect of norms on Japanese aid policy to the Pacific Islands, and 3) the environment.

[25] For Japanese proactive foreign policy initiatives in Vietnam and Cambodia, see Hirata, in Miyashita and Sato, *op. cit.*, Ch.5, and for proactive foreign policy initiatives in the Middle East, see Kuroda Yasumasa, "Japan's Middle East Policy: Fuzzy Nonbinary Process Model," in Miyashita and Sato, *op. cit.*, Ch. 6.

that history, Japan had demonstrated a proactive foreign policy. In addition to that, the theory as Calder defines it does not adequately address all possible sources of Japan's reactivity. Indeed, Japan may choose to be reactive based upon its own calculations on how to respond to any given international event.[26] Calder's theory lacks explanatory power in this regard and so an approach to the study of Japanese foreign policy towards the Pacific Islands region is best undertaken from a number of analytical approaches.

The research presented here has found that the evolution of Japan's foreign policy to the Pacific Islands region had shifted from being reactive to *gaiatsu*, to being proactive. Japan had developed a will or intent to conduct its own independent foreign policy initiatives in the Pacific Islands region over the 40-year period studied in this work. This study demonstrates that a proactive foreign policy agenda is evident in Japan's regional relations with the Pacific Islands.

The research methodology adopted here to describe the shift from reactive to proactive foreign policy-making to the Pacific Islands is called "analytical eclecticism."[27] This approach combines various analytical approaches to understanding Japanese foreign policy in the Pacific Islands region and thereby determining implications for future diplomatic action.

Peter J. Katzenstein and Okawara Nobuo, in proposing analytical eclecticism suggested combining the explanatory powers of realist, liberal, and constructivist approaches to identify the different layers and relationships contained in a problem which might otherwise be hidden if only one approach is used. Graham Allison likened

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[26] Tamamoto Masaru, "Japan's Search for a World Role," *World Policy Journal*, Issue 7, 1990, pp. 493 - 520. See also Susan J. Pharr, "Japan's Defensive Foreign Policy and the Politics of Burden-Sharing," in Gerald L. Curtis, (ed.), *Japan's Foreign Policy After the Cold War*, Armonk, NY: M. E. Sharpe, 1993, pp. 235 - 262.

[27] Peter J. Katzenstein and Okawara Nobuo, "Japan, Asia - Pacific Security, and the Case for Analytical Eclecticism," *International Security*, 26, 2001/02, pp. 153 - 185.

this approach to "discovering the true taste of a soup or broth." In observing the broth (problem), one may take out one ingredient (analytical approach) and try and guess what the taste of the broth is (explain the problem). However in taking out two or more ingredients (eclectic analytical approach), one may get a more accurate guess of what the taste of the broth is. In research Allison suggests, the best approach is to adopt a multidisciplinary approach.[28]

In order to understand why and how Japan diplomatically engages the Pacific Islands region and what influences why and how it does so, this work has reviewed and observed the 'ingredients" of the history of this engagement through examining the interplay of Japanese domestic bureaucratic structures illuminated by the OBM and GPM, the role *gaiatsu* as described by the reactive state theory, and Japanese strategic thinking. Domestic, international, and Japan's own diplomatic strategy, have contributed to the evolution of Pacific Island policy initiatives from reactive to proactive foreign policy initiatives.

Through the historical and case study approach proposed, it will be demonstrated that the premise of Japan's diplomatic engagement with the PICs was generally a result of Japan's reactive foreign policymaking. Japan's reactions in form and substance were the outcome of the effects of *gaiatsu.* What is suggested here is that these reactions were actually in pursuit of its national interests. What the cases and history clarify is that Japan had initially lacked a clear and coherent Pacific Island strategy, and that domestic policy processes had been greatly influenced by pressures from abroad. This 40 - year period however also signifies a change in this trend. Overtime, Japan found avenues through which it could undertake a proactive diplomatic approach based upon its own

[28] "Interview with Professor Graham Allison," Kennedy School of Government, Harvard University, Cambridge, MA, Tuesday, 18th December 2007.

vital interests. This proactive approach had thus resulted in the creation of the PALM summit in 1997 which still continues to-date.

4. Strategic Reactivism Defined

As discussed previously, the definition of reactive foreign policy states that Japan lacks independent foreign policy strategies or initiatives, because it typically needs external pressure or *gaiatsu* in order to instigate policy change. However as also discussed, such a definition cannot explain cases where Japan has been proactive in its foreign policy pursuits nor can it consider the possibility that Japan's reactions are a product of 'will' or 'intent'. Voluntary reactivity is a strategic response indicating Japan's protection of other vital interests. These cases suggest the need for a reinterpretation of Calder's definition of what reactive foreign policy is to reflect more accurately Japan's diplomatic strategy in the Pacific Islands region or in a more general sense.

When interpreting the definition in this manner, it gives some explanation to the anomalous cases where Japan had been able to proactively (or reactively) pursue its own foreign policy interests. Broadly speaking therefore, reaction *does not* prevail over strategy as Calder suggests because *reaction is strategy.*

The case studies in this work demonstrate Japan does have a strategy in its foreign policy initiatives but calculates when, where, and in what circumstances it should be reactive or proactive in its diplomatic approach. In all circumstances with regards to the pursuit of Japan's interests internationally, this work suggests that *Japan reacts to international conditions presented to it at any time, but in reacting or responding to such conditions, does so mindfully and strategically, in order to ensure its vital interests*

are protected or attained. Japanese foreign policy in this sense may be called strategic reactivism and may be reactive or proactive depending on the circumstances and as long as its interests are protected or attained. Even in situations where Japan is deemed to be reactive, it is submitted that Japan is strategically acting as such to protect its vital interests.[29] Japan's typical reactive response to *gaiatsu* from the U.S. is voluntarily done so to secure what Miyashita calls its "crucial commodities," that is, its export market and security interests.[30]

Conceptually speaking, the intention behind a foreign policy strategy is "to create favorable effects in support of policy goals for the advancement or protection of national interests...For the nation-state, strategy and strategic objectives are derived from the policy consideration of protecting or advancing national interests within the context of the strategic environment as it is, and as it may become."[31] So strategy is used in foreign policy implementation in order to attain, maintain, or enhance Japan's interests in a given regional or international environment. This strategy can be implemented through either a reactive or proactive foreign policy approach. Either way, as long as Japan's interests are served, Japan will move towards a reactive or proactive foreign policy approach as the situation so dictates.

Strategic reactivism suggests that Japan remains cognizant and sensitive to the regional interests of the traditional Pacific Island metropolitan (and former colonizing) powers, the United States, Australia, and New Zealand. This consideration for the

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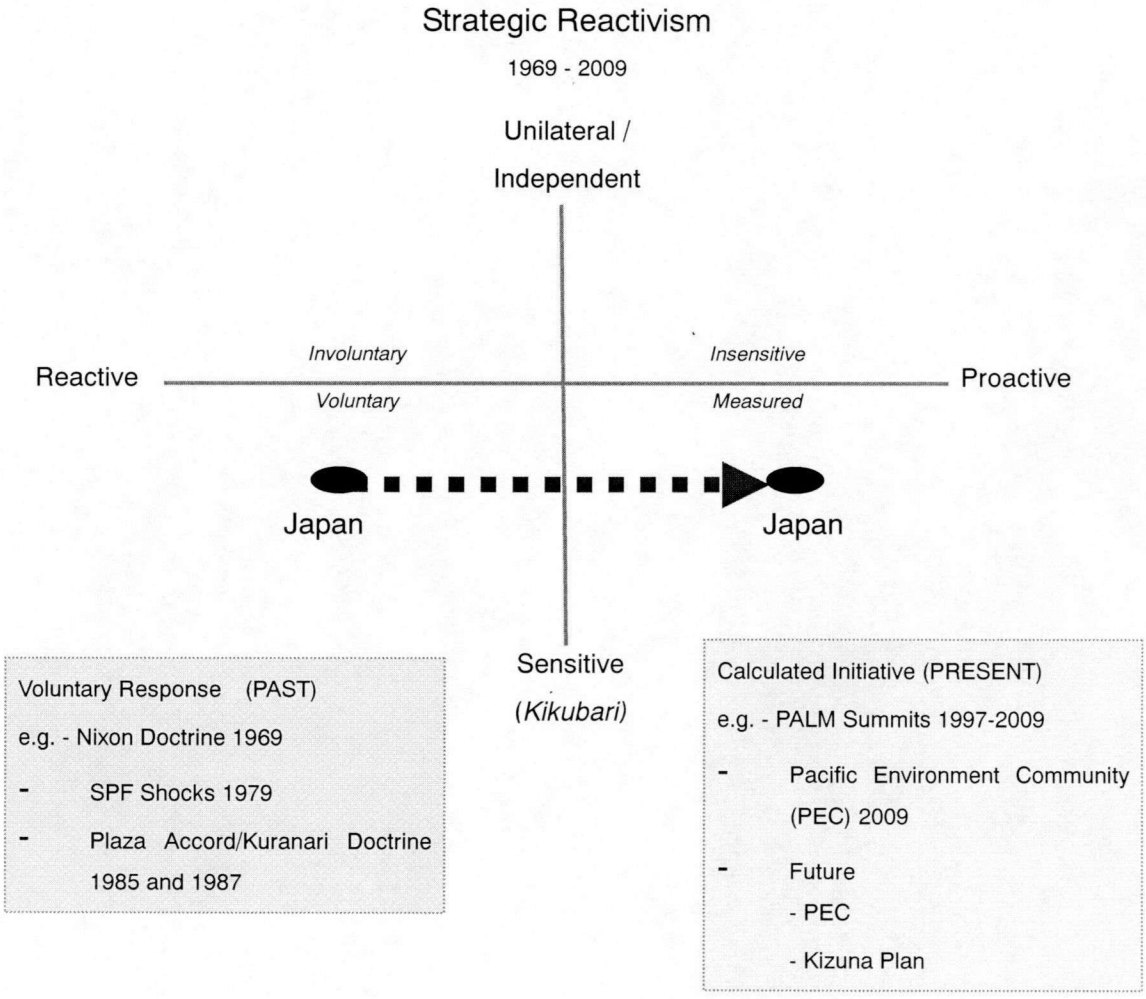
[29] Miyashita Akitoshi likewise suggests that Japan's reactions to *gaiatsu* from the U.S. is premised upon a willful act rather than an absence of a coherent policy. See Miyashita Akitoshi, "*Gaiatsu* and Japan's Foreign Aid: Rethinking the Reactive-Proactive Debate," *International Studies Quarterly*, Issue 43, 1999, pp. 695 - 732. In this same vein, Tamamoto Masaru adopts the concept of "willful innocence" in describing Japan's foreign policy. See Tamamoto, "Japan's Search for a World Role," *op.cit.*

[30] Miyashita, *ibid.*, p. 698.

[31] Harry R. Yarger, *Srategic Theory for the 21st Century: The Little Book on Big Strategy*, Strategic Studies Institute, Carlisle, Pennsylvania, 2006, pp. 45 and 49.

interests of other actors and prevailing regional or international circumstances can be described conceptually in Japanese as *kikubari*. This concept suggests that after "paying consideration to interests of relevant actors and conditions, [Japan chooses] its position

Figure 2



Source: Author, Thursday, 23rd July 2009

(to remain reactive or go further to be proactive) according to them."[32] In adopting *kikubari* as a strategic tool to determining how Japan should focus its foreign policy

[32] "Email Communication with Kurusu Kaoru," Wednesday, 22nd July 2009.

pursuits in reaction to given international events, Japan had been able to calculate its positions and maneuver within the given strategic regional environment of the Pacific Islands in order to secure its interests. This work shows that over the 40-year period of Japanese postwar island strategy in the Pacific region, there has been a shift from voluntary reactive to a more measured form of proactive engagement with the Pacific Islands.

The historical development of Japanese island strategy in the Pacific Islands should therefore be read in the light of its reactive foreign policy making. Initially, Japan engaged the Pacific Islands in reaction to U.S. *gaiatsu.* It did so foremost to protect its interests existing within the parameters of its relations with the U.S. Japan's economic and political / security interests were satisfied within its bilateral relations with the U.S. and so voluntarily reacting to U.S. demands, naturally protected these interests. For the first 20 years of Japanese engagement (1969 – 1989) with the Pacific Islands region, it was based upon Japan's reactions to international or regional events. These reactions served to protect Japanese interests not related to the Pacific Islands. Japan engaged the Pacific Islands initially not because it had any vital interests in the region but did so in response to regional or international *gaiatsu.* And in reacting to external pressure as such, Japan was protecting other interests unrelated to its engagement with the Pacific Islands region. However Japan gradually "learned" to find value in its relations with the region within the 1990s. With increased level of personal exchanges between officials, Japan incrementally found non-material interests in the region which would serve to support Japan's wider interests elsewhere. The culmination of nurturing these non-material interests resulted in the PALM summits starting in 1997 with the most recent summit held in 2009.

Japan's island strategy had its beginnings in the form of reactive foreign policymaking albeit voluntarily done so for the protection of its other interests at that time. Over the 40-year period in this study, this strategy has evolved from being voluntarily reactive to a more measured form of proactive engagement in the form of the PALM summits.

5. The Position of this Work within the Literature[33]

The most comprehensive work available on Japan – PIC relations in the context of this study has been Kobayashi Izumi's *Taiheiyo Toushyo Shyokokuron* (Studies for Pacific Island Countries) published in 1994.[34] Kobayashi's study focuses on four topical areas. His discussion ranges from Japan's historical role in the region as well as the history of the PICs themselves. This includes periods from their first discovery by the West to their colonisation, and finally to their independence. Kobayashi proceeds to discuss issues facing the PICs in terms of statecraft and statehood. In doing so, Kobayashi's study critiques Japanese ODA policy and its implementation in the region. He argues that Pacific Islands' notions of prosperity differ from that which Japanese ODA seeks to attain. As such, the effects of Japanese ODA fail to enhance Pacific Island prosperity and development because of this disparity in value systems and goals. Based upon the perceived differences, he proffers advice to Japanese policymakers as to how

[33] For academic sources relating to Pacific Islands studies in Japan not within the political science discipline, see Yamamoto Matori, "Pacific Islands Studies in Japan," Paper presented to the International Conference on Retrospects and Prospects of Pacific Islands Studies," Academic Sinica, Taipei, 24th June 2005. Pacific Islands Studies in Japan according toe Yamamoto focuses primarily on island-specific anthropological, cultural, and linguistic research approaches.

[34] Kobayashi Izumi, *Taiheiyo Toushyo Shyokokuron* (Studies for Pacific Island Countries), Tokyo: Toushindo, 1994.

best to engage the Pacific Islands region and assist them in their development.[35] In addition, Kobayashi has argued in later studies that Japan remain cognizant of other state interests in the region, particularly China and Taiwan, which may hamper Japanese interests.[36]

Three years after the publication of Kobayashi's seminal work, the inaugural Summit meeting between Japan and the Pacific Island Countries (PALM), was held in 1997 in Tokyo. That same year, a timely study on the PALM Summit by Gerard A. Finin and Terence Wesley-Smith was published by the East-West Center in Hawaii.[37] Their anticipatory analysis focused on the gradual build-up of diplomatic attention shown to the Pacific Islands by Japan, describing the PALM being the natural outcome of years of enhanced cooperation and friendship: "the summit [was] a logical culmination of events over the last three decades that [had] made Japan a major player in regional affairs."[38] The authors continued by reflecting upon a possible greater assertion of Japanese interests in the region. They concluded by stating that "Japan's motivations for engagement in the islands primarily reflect national interests."[39] These interests focused on the region being a source of natural materials for Japan.

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[35] See also the chapter by Kobayashi Izumi in the policy proposal by Japan's Ministry of Finance's Foundation for Advanced Information and Research's Committee for Oceania and Pacific Island Countries Support / Committee for Pacific Aviation Tourism called "Pacific Aid Initiative: A Proposal for Japanese Assistance to Pacific Island Nations." This report published in April 1988 was heralded as Japan's initial attempts at formalizing a policy with regards to Pacific Island Countries. The Committee was chaired by Tokyo University Professor, Dr. Watanabe Akio. The five-chapter proposal was essentially a means to introduce the Pacific Islands to Japanese policymakers. The research underscored the importance of Japan's contribution to Pacific Island development, what kind of development was needed in line with the Pacific Islands unique circumstances, and how such development assistance should be rendered by the government.

[36] Kobayashi Izumi, "China's Advances in Oceania and Japan's Response: A Look at Japanese ODA Policy", *op. cit.*

[37] Gerald A. Finin and Terence Wesley-Smith, "A New Era for Japan and the Pacific Islands: The Tokyo Summit," *Asia Pacific Issues*, Analysis from the East West Center, No.32, Honolulu, September 1997.

[38] *Ibid.*, p. 10.

[39] *Ibid.*

The following year, Fiji's Sandra Tarte completed the first book published in English on Japanese aid formulation and implementation in the Pacific Islands region.[40] Tarte's study sought to identify the effect of Japanese aid on Pacific Islands as recipients, with particular focus on fisheries aid. She also described the internal pressures on ODA policy-making as a precursor to discussing its relevance to the case of the Pacific Islands region. Tarte also revealed how greater competition amongst distant-water fishing nations, like Japan, for access to the PIC's fishing grounds, and the rise of an environment-friendly international consciousness,[41] had given greater diplomatic leverage to the PICs in engaging more rigorously with Japan regarding fisheries aid and access fees to the fishing grounds. Tarte contends that Japan's primary interest in the Pacific Islands has been fisheries.

Similarly, Watanabe Akio, writing on the eve of Japan's second PALM summit meeting in 2000, suggested that Japan's interests in the Pacific Islands region focuses on the region's natural resources; mineral, marine, and forestry, and it is that interest which drives Japanese diplomatic engagements with the PICs. Accordingly, it was resource diplomacy that was the driving force behind Japan's decision to inaugurate the PALM process in 1997. Watanabe suggested that the Pacific Ocean is the common thread binding Japan and the PICs and that both sides should work further to using that bond (the Pacific Ocean) for their mutual benefit.[42]

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[40] Sandra Tarte, *Japan's Aid Diplomacy and the Pacific Islands*, Canberra and Suva Fiji: National Centre for Development Studies and the Institute of Pacific Studies, 1998.

[41] Sandra Tarte expands on the notion of international norms playing a determinant role in Japan's PIC diplomacy in "Norms and Japan's Foreign Aid Policy in the South Pacific", in Sato and Hirata, (eds.), *op. cit.*, Ch. 7.

[42] Watanabe Akio, "The New Relations between the Pacific Island Nations and Japan," Sasakawa Peace Foundation, Tokyo, July 2000.

Tanaka Yoshiaki expanded on the issue of how Japan used ODA in the Pacific Islands region and its subsequent impacts upon PIC security. He suggested because of proximity reasons, Japan's ODA, is granted without strict application of its ODA conditions on issues such as good governance and democratization.[43] He further suggested that Japan however should not sit by idly and watch political developments in the PICs. Through mid- to long-term development strategies which account for the specific development stages that each PIC is at, regional stability and security, and therefore Japanese interests in the region, would be achieved.[44]

The Cook Islands' Ron Crocombe has written a volume examining the impact of Asian countries on the Pacific Islands region. Studying the demographic, economic, and geopolitical transitions in the region, Crocombe revealed fundamental changes in regional outlook in terms of political, economic and social relations with Pacific powers. He observes a paradigm shift in regional emphasis on traditional Pacific powers namely the U.S., Australia, and New Zealand, to "replacing the West" with Asia, as the preferred dominant (non-traditional) Pacific powers in the region. His work includes Japan, and other Asian states engaging the PICs as the new Pacific powers, though his book identifiably focuses most attention on China's influence in the region.[45]

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[43] Tarte echoes this point in suggesting that the flexible and cautious application of the 1992 ODA Charter was a reflection of Japan's traditional normative practice of non-interference in the domestic affairs of recipient countries. She further stresses the point that Japan officially informed the PICs that "the Charter did not apply to the island states." Tarte in Sato and Hirata, *op. cit.*, pp.141 - 142.

[44] Tanaka Yoshiaki, "Pacific Islands and Japan in the Global Context: Democracy, Foreign Aid, and Economic Development", in Eric Shibuya and Jim Rolfe, *Security in Oceania in the 21st Century*, Honolulu; Asia Pacific Center for Strategic Studies, 2003. Sato Yoichiro and Asano Masahiko contend that the norms of human rights and democracy contained within the 1992 and 2003 ODA Charter were merely a response to foreign pressure. The authors concluded that the expression of human rights and democracy as a guideline is effectively in name only and that it did not affect the level of ODA granted during the 10 - year (1994 - 2004) period covered in their study. See Sato and Hirata, (eds.), *op. cit*, Ch.6. See also "Interview with Dr. Eric Shibuya," Marines War College, MD, Wednesday, 12th December 2007.

[45] Ron Crocombe, *Asia in the Pacific Islands: Replacing the West*, Suva: IPS Publications, The University of the South Pacific, 2007. See also Terence Wesley-Smith, "Self-Determination in

These aforementioned works are excellent sources on Japan – PIC relations. And it is in these studies' footsteps that my work seeks to build on.

6. Structure of this Work and Chapter Outline

Excluding this chapter and the conclusion, the remainder of this study will be composed of six chapters. Chapter 1 will set the background to the Pacific Islands region by providing an overview of the politics, geography, and economy of the PICs. It will also present an overview of Japan's pre - World War II relations with the Pacific Islands region in order and the effect of the outcome of that war on Japan's interests in the PICs.

Chapter 2 describes Japan's first postwar official engagements with the PICs. It examines the effects of the 1969 Nixon Doctrine on Japan's foreign policy and the subsequent influence it had on Japan's diplomacy towards the PICs from the late 1960s to the mid-1970s. The Doctrine called for a greater shouldering of defense responsibilities by its allies and other friendly states. The U.S. could not sustain alone the costs of maintaining a direct security presence in third countries such as Vietnam. In Japan's case, because of social and legal restrictions on its ability for military deployment abroad, Japan, reacted through its shear economic strength, and provided financial assistance to help alleviate the costs of US security interests. In terms Japan's relations with the Pacific Islands, this financial assistance and later Japanese investments were provided through the U.S., to the Trust Territory of the Pacific Islands

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Oceania: New Roles for US, Japanese and Asian Power?" *Japan Focus*, 07th February, 2007. Like Crocombe, Wesley-Smith does not solely focus on Japanese official activities in the region but describes security problems, especially in the post-9/11, in the Islands region, in addition to problems of governance and economic viability, may give opportunities for Pacific Rim states, such as the US, China, and Japan, as he terms it, the "re-colonizing" of the Islands.

(TTPI). Japan's first postwar official engagement with the PICs was due to *gaiatsu* from the U.S. through the Nixon Doctrine, to contribute to the burden of maintaining U.S. security interests in the TTPI.

Chapter 3 will focus on Japan's attempts at nuclear dumping in the Pacific Ocean, the consequent opposition posed by the PICs during the period from the late 1970s, and Japan's reactions to these protests. It describes the development of Japan's nuclear industry as a means for energy security and therefore leads to the need to dispose of nuclear waste as an ancillary requirement. The chapter suggests that in 1979, when the decision to dump nuclear waste in the Pacific Ocean was made, the subsequent shock from the regional protests required a fundamental change in Japan's strategy in the islands. Japan reacted to the pressure placed on it by the PICs by not only canceling its planned nuclear waste dumping but by having to recognize the PICs as legitimate state actors in the Pacific region by the mid-1980s. This culminated in the visit to Fiji by Japan's Prime Minister Nakasone Yasuhiro in 1985 and later by his Foreign Minister Kuranari Tadashi in 1987.

Chapter 4 focuses on Japan's diplomatic policy in the latter half of the 1980s. The 1985 Plaza Accord allowed Japan greater financial resources to spend in response to pressures from the US for greater equitable contributions to security matters. The Accord also was signed as an attempt by the G5 governments (US, Japan, France, UK, and Germany) to alleviate the bilateral trade frictions between the US and Japan. Japan reacted by developing new political-strategic rationales for the need to spend. The strengthened yen as a result of the Plaza Accord allowed this to happen through the doubling of ODA spending in the Pacific Islands region. *Gaiatsu* in relations to sharing in the costs of US security interests in the Pacific Islands (and elsewhere) were simply

domestic justifications for the need to simply spend Japan's accumulated financial reserves.

Chapter 5 considers the development of Japan's summit diplomacy through the PALM Summits from 1997 - 2006, as a demonstration of Japan's proactive diplomatic engagements and strategic reactivism in its islands strategy. Chapter 5 argues that as a result of the end of the Cold War, the Pacific Islands experienced a "strategic neglect" by traditional Pacific powers. There was no longer a threat of a spread of communism into the Pacific Islands region as the 1990s started. Diplomatic presence by regional powers was drawn down in addition to levels of development assistance. Within this new regional situation, Japan found itself with the opportunity to strategically react to the circumstances so as to push its own diplomatic agenda.

Finally, Chapter 6 will focus on the development of the 2009 PALM Summit as a reflection of the current status of Japanese interests in the PICs. The sixth meeting of PALM (PALM VI) reflects an independent and proactive Japanese island strategy with implications for the creation of a Japanese – PIC "community" to the exclusion of Australia and New Zealand. The creation of the Pacific Environment Community (PEC) is seen as a precursor to an evolving Japanese strategy of engagement. The PEC focuses on the environment and climate change issues in the Pacific Islands. However there are policy proposals which suggest that defining "environment" in such narrow terms should be avoided and a broader definition be later adopted. The meaning of "environment" in the PEC may later evolve into encapsulating the approved four pillars of economic growth, sustainable development, good governance, and security for Pacific Islands development. PEC is strengthened also by Japan's greater investment in what is called the "Kizuna Plan," which strengthens personal networks and thus

understanding and support between Japan and the PICs.

This work concludes by suggesting a possible means to which the PALM process may be improved further. The summit meeting structure appears to have established a mechanism through which Japan will further enhance its vital interests in the Pacific Islands region through the PEC. However underlying issues within the structure may still have room for improvement. This improvement falls within the logistical organization of the summit meeting itself. The improvement of logistics serves to strengthen personal networks and relations which are important for a "close knit" community sought to be created through the PEC. Logistics serves to strengthen the foundation on which the structure of PALM rests and the suggestion is with lessons learned from logistical mistakes during the recent PALM Summit in May 2009, this is a way to clearly demonstrate a practical personal affiliation Japan seeks to have with the PICs through the PEC. The "politics of personality" the chapter opines is of utmost importance for a successful implementation of the idea of a Japan – PIC community.

Chapter 1

Overview of the Pacific Island Countries and Region And Japanese Interests

1. Introduction

In the previous introductory chapter, this author introduced the methodological approach to be used to study Japanese foreign policy making towards the Pacific Islands region. This methodology combines both the decision-making analytical concepts of OBM and GPM, in addition to the "Reactive State" thesis, as well as historical explanations and empirical evidence through case study approaches. In order to establish a descriptive setting for this approach, this chapter provides an overview of the politics, geography, regionalism, and economics of the region. In doing so, the chapter will also examine other issues such as the strategic and cultural importance of the region for Japan. In turning the focus to Japanese interests in the region, a historical overview of Japan's activities in the PICs will then be given covering pre- and postwar Japanese involvement in the Pacific Islands. The hope of presenting this historical description is to introduce the reader to Japanese activities in the PIC. Subsequent chapters will then focus in detail on specific cases during the 40-year historical period which have led to the evolving and defining of the Japanese Pacific Islands diplomatic strategy today.

2. Pacific Islands Politics

The PICs comprise independent and self-governing small island developing states. Their political systems range from democratic governments with a Prime Minister as

Head of Government and a ceremonial position, the Governor General as Head of State and representative of the Monarch of the United Kingdom, to Republics with a President being both Head of Government and State or with both a Prime Minister as Head of Government and a President as Head of State. Generally all the PICs are democracies except for Tonga, which as the only PIC not to be formally colonized, retained its hereditary monarch as both Head of Government and State.[46]

The process of decolonization from the metropolitan Pacific powers, namely the US, Australia, New Zealand, and the UK, started 50 years ago. Samoa was the first country to gain independence, which it did in 1962, and Palau was the most recent in 1994. Though these PICs comprised the last major region in the world to undertake the decolonization exercise, the process occurred relatively peacefully with most newly born island states adopting governing institutions in the likeness of their former colonial masters.

Though the transition to full sovereignty in the PICs was uneventful, post-independence has witnessed political instability ranging from four military coups in Fiji since 1987, secessionist movements in PNG, Solomon Islands, and Vanuatu, as well as challenges to the traditional ruling systems in Samoa, and Tonga.

The fusion of imported administrative procedures and traditional aspects of governance has resulted in post-independence "growing pains". What can be said with certainty is that the stability of the PICs has been a major issue for current PIC

[46] It should be noted that the King of Tonga, in his first time to open Tonga's parliament since succeeding to the throne in 2006, approved on the 28th May 2009 the process of adopting democratic reforms. These reforms will be implemented at the polls in its 2010 elections. For the first time in Tonga's history, voters will elect all 30 members of its parliament. The 30 members would then elect the Prime Minister from amongst its members. The Prime Minister will then appoint her or his ministers from the sitting members of the parliament to form the Cabinet. By-elections will thereafter be held to fill in the vacated seats left by the new Cabinet members.

leadership as well as for the interests of the developed countries with a stake in developing a stable Pacific Islands region. Maintaining stable governing structures are often complicated by traditional loyalties to family, village, or district and which are seen as trumping any particular PIC's national interest. Such situations draw out the incompatibilities between what is considered to be acceptable to local island standards and what is deemed as corrupt and bad governance in the non-Island sense.

To be sure, the PICs have had to re-think much of their traditional practices because of the pressures of the realities to which they have found themselves in today. Spurred on by aid conditionalities of donors, and coupled by the realities of their cash-strapped economies, and pressured by a more globally-aware local population eager to emulate what they have become accustomed to abroad, PICs have been forced to adapt and re-adapt to situations far from their control or reach.

The PICs, as mentioned, have achieved independence in the form of statehood or self-governance. However, this independence is being tested in today's globalised reality resulting in whether independence in the literal sense of the word has truly been achieved.[47]

Naturally though, given the generally small geographical landmasses characterizing most of the PICs, their dispersed geo-physical locations allow them to generate large areas of Exclusive Economic Zones (EEZ) under current international law. Taking

[47] Te'o I. J. Fairbarn, Charles E. Morrison, Richard W. Baker, and Sheree A. Groves, *The Pacific Islands: Politics, Economics, and International Relations*, Honolulu, University of Hawaii Press, 1991, Chs. 2 and 3.

Figure 3

An Overview of the Pacific Islands Region

Sub-Region, Country and Date of Independence	**Land Area (km.sq.) and Sea Area (000 km.sq.)**	**Population**	**Major Exports to Japan**
Melanesia			
PNG (1975)	462,840 / 3,120	5,670,544	Metallic ores and Oil and related products
Fiji (1970)	18,272 / 1,290	906,000	Woods and related Products, and Seafood
Solomon Is. (1978)	28,369 / 1,340	552,438	Woods and related Products
Vanuatu (1980)	11,880 / 680	208,869	Seafood
Micronesia			
FSM (1986)	701 / 2,978	108,000	Seafood
Kiribati (1979)	690 / 3,550	105,400	Seafood
RMI (1986)	179 / 2131	60,400	Seafood
Palau (1994)	494 / 629	20,579	Seafood
Nauru (1968)	21 / 320	13,287	Seafood
Polynesia			
Samoa (1962)	2935 / 120	176,908	Processed foods and Beverages
Tonga (1970)	699 / 700	114,689	Vegetables, Fruits, and Nuts
Cook Islands (1965)	240 / 1,830	21,000	Seafood
Tuvalu (1978)	26 / 900	11,810	Seafood
Niue (1974)	259 / 390	2,166	Seafood
TOTALS	551,452 / 29,523	7,972,090	

Sources: *Statistical Handbook 2008 Japan's: Trade and Investment with Forum Islands Countries, Pacific Islands Center, Tokyo*, 2008, and Fairbarn, Morrison, Baker, and Groves, *The Pacific Islands: Politics, Economics, and International Relations*, Honolulu, University of Hawaii Press, 1991, Table 1.1.

Kiribati again as an example, although having a land area of just 690 sq.km., it is able to claim a 3,550,000 sq.km. EEZ. Regionally speaking, the PICs generate 29,523,000 sq.km. of EEZ: more than six times that of Japan's.[48] In terms of fisheries, the central and western Pacific areas comprise one of the world's richest fishing grounds for tuna. The PICs' control over this vast expanse of ocean and its marine resources have given them some viable options in economic sustenance in addition to, as some have argued, diplomatic leverage in conducting relations with Japan.[49] However, generally speaking, given the PICs' general lack of land-based natural resources to exploit for the purpose of trade for economic growth and development, the fisheries sector, especially tuna exports, is a major source of income for them.

3. Pacific Islands Geography

Geo-physically, the Pacific Islands region is composed of islands ranging from the largest and most populous, Papua New Guinea, with a land area of 462,840 sq.km. (Japan is 377,835 sq.km.) and a population of 5,670,544, to the smallest, Nauru, with a land area of just 21 sq.km., and Niue, with a population of 2,166. The PICs consist of just over 30 million sq.km. of land and sea area, from Palau and FSM in the region's west and north west, to Tonga in the south, to RMI and Kiribati in the north and north east, and to the Cook Is. in the east. Land-wise however, the PICs collectively comprise only 551,452 sq.km. or about 1.8% of the total region. Save for the Melanesian

[48] See http://en.wikipedia.org/wiki/Exclusive_economic_zone accessed Wednesday, 31st December 2008.

[49] Tarte, *op. cit.*, 1998., p. 9. See also by the same author, Lecture Topic: "Regional Strategies: The Pacific Islands and Japan," Suva Fiji: University of the South Pacific, 9th April 1997, and "Japan and the Pacific Islands: The Politics of Fisheries Access, Aid, and Regionalism," Life and Peace Institute, 2002.
[Available URL:
http://www.life-peace.org/sajt/filer/pdf/Militarisation_Economic_Penetration/japan_and_the_pacific_islands.pdf accessed Tuesday, 4th September 2007.]

sub-region which comprises most of the total land area of the PICs at about 95%, (PNG alone making up 84% of total PIC land area), and in addition to that sub-region's land-based natural resource endowment, the physical characteristics of the remaining PICs of Micronesia and Polynesia, being scattered across the vast Pacific Ocean area, makes for the disadvantages PICs generally have in terms of trade capability, economic development, communications, as well as government administration.

In terms of local government, for example, Kiribati, a country of 33 islands spread over an area 5 million sq.km. of ocean space, has its outermost island situated over 4,000 km away from the capital and main island of Tarawa[50]: about the same distance between Tokyo and Phnom Penh in Cambodia. The difficulties PICs have with regards to transport and communication due to vast distances within and between themselves as well as between themselves and their international markets, is not hard to envision. These difficulties are then compounded by the realities of limitations in natural resource endowment vital for economic growth and development.

Common limitations in political and / or economic capacities has led PICs to realise the need for greater cooperation in their activities. Greater bargaining strength in numbers cooperation has moved the Island states to a greater focus on regional diplomacy.

4. Pacific Islands Regionalism

Pacific Island regionalism had its roots in the 1947 establishment of the South Pacific Commission (SPC) based in the French territory of New Caledonia. The SPC came to represent a venue for the Pacific metropolitan powers at that time (the United

[50] Fairbarn et. al., *op. cit.* p. 4.

Kingdom, the United States, France, the Netherlands, Australia, and New Zealand) to discuss issues pertinent to colonial administration which included the rising tide of Communism and possible threats to their interests in the Pacific Islands region. However; the people of the PICs themselves had no part in this intergovernmental forum.

The decolonization process hastened the need for an alternative venue where the PICs themselves could meet and discuss common matters of interest. In 1971, the five independent and self-governing PICs at that time, Samoa (Western Samoa as it was then known), Cook Islands, Nauru, Fiji, and Tonga, met, and established, together with New Zealand and Australia, the South Pacific Forum. The SPF has been known as the Pacific Islands Forum (PIF) since 2000. Today, the PIF has expanded its membership to 16 full members, two associate members (New Caledonia and French Polynesia), and five observers (Tokelau, Wallis and Futuna, Timor-Leste, the United Nations (UN), and the Commonwealth Secretariat). 14 of the 16 full members of the PIF are members of the UN and are collectively known as the PIF Group because of their bloc-voting and common stances on international issues with implications to the region.

The SPC has evolved from, and dispensed with, its colonial vested interests and has come into effective control by its PIC majority membership. In addition, the acronym remaining the same, the South Pacific Commission changed its name to the Secretariat of the Pacific Community in 1997 to mark its 50th anniversary as a regional organization. Membership now consists of the aforementioned metropolitan powers, except for the United Kingdom and the Netherlands, in addition to all PICs regardless of their political system. Being the most comprehensive in its regional coverage with 26 members, the SPC limits its activities to social and economic development projects whilst the PIF is

the regional political representative body. In 1988, the South Pacific Organisations Coordinating Committee (SPOCC) was established to ensure coordination, and no overlap or duplication, in regional organization activities. It was renamed the Council of Regional Organisations in the Pacific (CROP) in 1999. These organizations include the PIF and SPC, as well as the South Pacific Regional Environment Programme (SPREP), South Pacific Geosciences Commission (SOPAC), South Pacific Tourism Organisation (SPTO), University of the South Pacific (USP), Pacific Islands Development Program (PIDP), Fiji School of Medicine (FSM), and the South Pacific Board for Educational Assessment (SPBEA). The Secretary-General of the PIF is the permanent Chair of the CROP with the PIF Secretariat serving concurrently as the CROP's Secretariat.

As the regional political representative body, Japan's Pacific Island's diplomacy and engagement policy is channeled through the PIF via its triennial Summit meeting known as the Pacific Islands Leaders Meeting, or PALM. PALM was first initiated by Japan in 1997 and has been held at various locations around Japan since then with the most recent, held in Hokkaido from 21st - 22nd May 2009 and is known as PALM V. PIC interests are formally discussed at this forum and what Japan can do to assist in attaining those interests. PALM will be addressed in greater depth in Chapters 5 and 6. PALM is also Japan's opportunity to expand its influence in the PICs so as to facilitate its own interests in the region and in the wider international arena.

As touched upon earlier, save for the Melanesian sub-region, the majority of PICs lack the resources, "natural, human, and capital," to effectively generate an economic base for development. Their limitation in land mass underlines their lack of land-based resources such as minerals and forestry, and in some cases like Nauru and Tuvalu, non-arable land for a thriving agricultural sector. Even in the larger Melanesian

countries of PNG, Fiji, and others, although endowed with larger land masses with accompanying natural resources, their lack of capital and organized technical wherewithal to take advantage of their comparative advantages generally finds these islands in difficult economic circumstances.

Having said that, it has been outlined briefly that the limitations in land mass have been somewhat offset by the PICs' control over large areas of EEZ which gives these economies recourse to economic growth through fisheries. Island regionalism has served this purpose well through island representation via the FFA at international fisheries access negotiations with distant water fishing nations like Japan and the U.S., as well as technical support and research through the SPC.

But the structural limitations still pervade all attempts for sustained growth and economic viability in the long-run. In addition to the limitations in land size and natural resources outlined, other limitations such as the fragility of the ecosystem to both manmade activity and natural disasters, and cultural practices which are not conducive to sound governance, also limit the potential for economic activity. Furthermore, the local markets of the PICs themselves are miniscule within the ambit of the world economy leaving PICs vulnerable and at the mercies of the vagaries of the international market forces and ulterior political motives of PIC benefactors through condition-imposed financial assistance. And coupled with the lack of domestic structural requirements to sustain and promote economic activity such as necessary human resources, capital, and regulatory infrastructure, a future potential sustained economic growth for the PICs appears bleak.

The size of the PIC market is insignificant in terms of world economics and actual bilateral trade with Japan. In Japan's case, one of the reasons officially stated by the

Japanese government in justifying its Pacific Islands regional strategy is Japan's need for trade. It is nonsensical, however, to suggest that trade with the PICs is a justification for the need to engage the region diplomatically.

In terms of trade, the value of Japanese exports to the PICs in 2007 amounted to 0.123% of Japan's total exports for that year. This percentage is even smaller (0.079% of total exports) when figures for Japanese exports to the PICs are averaged over the period since 1998. On the other hand, Japan's imports from the PICs represented 0.159% of Japan's total imports in 2007. Since 1998, the figure is lower at an average of 0.136% of total Japanese imports. In 2006, Japanese total trade itself comprised 15.5% of Japan's gross domestic product. In taking the average figures of Japanese trade with the PICs in relation to Japan's total trade, the figures not surprisingly show how insignificant the value of PIC trade is for Japan. This insignificance is further compounded when Japan and PIC trade figures are placed within the context of Japan's total trade value in terms of total GDP. As such, what these figures suggest is that the rationale or justification for the importance of trade with the PICs as spelled out in policy[51] statements cannot be a justifiable rationale for engaging the PICs. Furthermore, figures relating to Japanese outward foreign direct investment in the PICs suggests a similar storyline. Total Japanese FDI abroad in 2005 was $407,500,000,000. Japan's FDI in the PICs region amounted to just 0.08% of that figure.[52] In light of these figures, it is difficult to comprehend this given the impact of the bilateral trade relations has in

[51] See for example, the 2003 Ministry of Foreign Affairs policy statement, "Why the Pacific Islands are Important to Japan? Relations between Japan and the Pacific Island Countries, and Japan's Cooperation"
[Available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2003/relation.html accessed Tuesday, 4th September 2007.]

[52] *Statistical Handbook 2008: Japan's Trade and Investment with Forum Islands Countries*, Tokyo: Pacific Islands Center, 2008, and *OECD Factbook, Economic, Environmental and Social Statistics*, 2008.

terms of the value of Japan's overall international trade relations.

5. Other Facts

5(a) *Strategic Importance of the PICs for Japan*

According to its Ministry of Defense (MOD), Japan shares with Australia what it has termed "common strategic issues" and a "shared commitment to the security and prosperity of the Pacific region...including in relations to development assistance."[53] What this means exactly has not been elaborated in the literature nor by the Ministry itself. However, during fieldwork studies conducted, what was revealed was that the MOD as well as the Japan Self-Defense Force (JSDF) itself, appear to have no standing strategic knowledge of the military value the PICs have or would have for Japan. In an interview, Dr. Kobayashi Izumi, the Executive Director of the Japan Institute for Pacific Studies (JAIPAS),[54] a Tokyo-based think tank, has suggested this assertion may be correct. It was made clear to Kobayashi, that, in addition to the MOD requesting the executive director to give a lecture *explaining* the strategic importance of the PICs to Japan, and during an interview granted to a JSDF officer seeking information on the same issue of the strategic importance of the PICs for Japan, there was no clear strategic idea or plan with regards to the importance, if any, of the PICs in Japan's security

[53] Japan-Australia Joint Foreign and Defence Ministerial Consultations Joint Statement, 6th June 2007.

[54] Previously known as the Japan Micronesian Association (JMA), the Japan Institute for Pacific Studies (JAIPAS) changed its name in 1999 to reflect its research approach of the Pacific Islands region as a whole. JAIPAS was organized initially at the request of the Ministry of Foreign Affairs' North American Bureau Director General Okawara Yoshio in the early 1970s. The request was made in reaction to U.S. pressure on Japan to encourage Japanese business and investment to enter the U.S. Trust Territory of the Pacific Islands (TTPI) in support of the Territory's development. Given the TTPI was in the Micronesian sub-region of the Pacific Islands, JAIPAS was therefore named JMA. The JMA was formally approved by Foreign Minister Kimura Toshio as a government-authorized privately organized non-profit organization on the 5th November 1974. "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Friday, 3rd July 2009.

calculations. The fact that the JSDF and MOD sought answers from an academic research institute is evidence of the fact that MOD does not have internal wherewithal to produce strategic or tactical plans with regards to military interests Japan may have in the PICs.[55]

5(b) *Cultural Importance of the PICs for Japan*

Cultural connections and affiliations Japan has with the PICs stems from its days during which most of the most of Micronesian sub-region (today the Northern Marianas, Palau, FSM, and RMI) was a colony of the Japanese empire though legitimated by a League of Nations mandate following the First World War.[56] During this time, intermarriage between Japanese and local Micronesians had occurred. In addition, trade relations were gradually developed and emigration to the sub-region from Japan was encouraged by the Japanese administration. By the onset of the Second World War Japanese nationals outnumbered the native Micronesians.[57]

Descendents of Japanese – Micronesian marriages or other acts of consummation,[58] have prospered in Micronesian society. These *nikkeijin* have held, or are currently

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[55] Japan's lack of interest in the Pacific Islands region in terms of security is also a product of its alliance with the U.S. U.S. naval force projection has a security "footprint" over the Pacific Islands region. As such Japan ahs not had the need to factor the region into its security calculations. "Interview with H.E. Mr. Stuart Beck," Ambassador and Permanent Representative, Permanent Mission of Palau to the UN, New York, Monday, 10th December 2007.

[56] Mark R. Peattie, *Nan'yo: The Rise and Fall of the Japanese in Micronesia, 1885 - 1945*, Honolulu: University of Hawaii Press, 1988, Ch.2 especially pp. 52 - 57.

[57] *Ibid.* pp. 157 - 161.

[58] During the Japanese mandated period in Micronesia, it was believed that Japanese genes were superior to that of the indigenous Micronesians. In terms of chiefly consanguinity, the Paramount Chief of the Marshall Islands, the senior Kabua, arranged for his daughter to be impregnated by a Japanese man. Kabua's daughter gave birth to Amata Kabua who inherited the paramount chief title, and subsequently led the Marshall Islands to independence and became its first President. Officially, this arrangement has been denied as ever happened by the RMI. "Interview with Dr. Kobayashi Izumi," Executive Director, Japan Institute for Pacific Studies, Tokyo, Tuesday, 26th August 2008.

holding, prominent positions in the governments of the region.[59] For example, the first and current presidents of FSM (Tosiwo Nakayama and Emanuel Mori respectively) have Japanese ancestry as seen by their surnames. Likewise, the first president of RMI (Amata Kabua) and former president of Palau (Kuniwo Nakamura), as well as those country's current ambassadors to Japan (Jiba Kabua and Minoru Ueki from RMI and Palau respectively), are also of Japanese ancestry.

This cultural fact is used by Japan's Ministry of Foreign Affairs (MOFA) to justify promoting relations with the PICs.[60] However, the cultural connection with the Micronesian sub-region affecting or influencing Japanese official policy to the wider Pacific region is in fact a non-consideration. Cultural affinities are not a consideration during the determination of the amounts of assistance to the Pacific Islands. The historical connection only surfaces as a "feel good" after thought once the policy process has been finalized.[61] The point here is that in formulating diplomatic policy, Japan's foreign ministry does not consider this historical fact in its policymaking process, although verbally stating it as such. The procedures and processes of deciding Japan's strategies in the Pacific in fact do not factor into its calculations this historical fact. The reality is that the stated rationale of the importance of the PICs is based on "deep historical ties" is not a factor considered or influential in diplomatic calculations by Japan within its relations with the PICs.[62]

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[59] 20% of Micronesian populations today are estimated to be of Japanese descent or Nikkeijin. See Kobayashi Izumi, *Mikuronesha no Nikkeijin – Mikuronesha Chiiki no Nikkeijin ni Kansuru Chousa Kenkyuu* (People of Japanese Descent in Micronesia: A Survey and Study of *Nikkeijin* in the Japanese Mandated Territory), Tokyo: Japan Institute for Pacific Studies, 2002, p. 44.

[60] "Interview with Kasahara Kenichi," Deputy Director, Oceania Division, Ministry of Foreign Affairs, Tokyo, Tuesday, 26th August 2008.

[61] "Interview with Dr. Kobayashi Izumi," Executive Director, Japan Institute for Pacific Studies (JAIPAS), Tokyo, Friday, 29th August 2008

[62] *ibid.*

The making of policy must be accompanied by justifications for the sake of public legitimacy and transparency. As such, MOFA's Oceania Division must find ways to justify its budget relating to development aid contributions to the region. One justification is the "deep historical ties" that in fact do exist between Japan and its Pacific Islands neighbors. The justification is a mechanism to get the approval from the Ministry of Finance for the proposed aid budget, and the "latent" approval of other sections within the Ministry of Foreign Affairs.[63]

6. Japanese Historical Interests in the Pacific Islands Region: An Overview

As the reader knows, Japan has had both informal and formal relations with the PICs, particularly those islands in Micronesian sub-region, in its modern history. These PICs being nearest to Japan made them the first likely point of contact. [64] The Commonwealth of the Northern Marianas for example is closer to Japan's capital of Tokyo than Japan's southern island of Okinawa is to Japan's northern island of Hokkaido.

Japan's initial forays into the Pacific Islands region occurred in the prewar periods that encompassed the second half of the Meiji era (from the latter 1880s) to the First World War, to its occupation of, in 1914, and subsequent award of former German territories in Micronesia by the League of Nations in 1919, to its defeat in the Second World War in 1945--a duration of around 60 years. This period is not considered in this

[63] "Interview with Takahashi Masashi," Principal Deputy Director, Oceania Division, Ministry of Foreign Affairs, Tuesday, 26th August 2008. Not only must MOFA justify to the Ministry of Finance the need for an aid budget for the Pacific Islands, it must also convince other sections within MOFA itself so that there will be no intra-Ministry challenges to Oceania Division's aid budget request.

[64] Refer to Figure 1.

work though a brief historical overview of the prewar situation will be given.

This period of two decades between Japan's initial contacts with the Pacific Islands region and the First World War was one not comprised of official state action but rather primarily of private individuals, with government and political support, seeking fortune in the reputed but yet to be tapped riches of the region that had been publicized in Japan. The image of a South Seas paradise, captured in songs and pictures, was a romantic view prevalent during the end of the Meiji period (1867 - 1912). This image in itself was enough to spur the initial stages of the southward drive into the vast, little known ocean space of the Pacific. There were a number of official circles that also held strategic and political aims in pressing the Japanese southward advance into the Pacific Islands. At this time, it was a known fact that most of the Pacific Islands region was being carved up by the imperialism in the West and politicians and officials saw Japan losing out in the quest for the Empire's territorial advancement. So with such backing from "officialdom," and spurred by both personal ambition in commerce and the desire to promote Japan's interests, fearless and adventurous men (and later women) from all over Japan ventured into the Pacific Ocean.

Between 1890 and 1905 at least, these would-be entrepreneurs were mired by financial difficulties and wavering support domestically as well as the challenges posed by the already present Spanish colonial government in the sub-region and later by powerful German imperial interests as well. The great dream held by these aspiring mercantalists for personal fortune and fame, and contributing to the glory and power of the rising Japan after the victories against China and Russia, spurred these men on.

Japan's initial interest in the Pacific thus was conceived amidst the state imperialism existing of the 19th century which ended the Tokugawa period and Japan's policy of

"sakoku" or self-exclusion. The period witnessed Japan's desire to "bandwagon" on the wave of imperialistic fervor as a means towards political (and military) and economic greatness. Expansion into the Pacific region was seen as a means for acquiring territory as well as resource wealth. This encroachment to the south, known as *Nanshinron*,[65] had a two-pronged approach. Firstly, the inward encroachment saw Japanese advancement into mainland East Asia and south into resource rich Southeast Asia and further even into Melanesia (specifically Papua New Guinea and the Solomon Islands). The outward advance took Japanese expansion directly into the Pacific region starting with Micronesia as Japan's immediate neighbour in the Pacific. The southward advance included military concepts of strategic denial as a means to protect Japan's sphere of imperial influence over the region.[66]

By the turn of the 20th century, Japan's fishing industry had built considerable economic interests in the Pacific's Micronesian region. Up until the outbreak of the First World War, Japan's interests were explicitly limited to commercial enterprise.[67] It was not until 1914, with the state of world political events in Europe and their impact on European colonial possessions in the Pacific Islands that Japan, now an established maritime power in East Asia, found greater formal and strategic interests in the Pacific Islands region.

The First World War marked Japan's strategic move towards political control in the Pacific region. Japanese business thrived given the change in the local governing circumstances as Japan took control of the German colonial possessions in Micronesia.

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65 Tarte, *op. cit.*, 2002, p. 1. See also Ronni Alexander, "Japan and the Pacific Island Countries," *La Revue Juridique Polynesienne*, 2001, p. 124.
[Available URL: http://www.upf.pf/recherche/IRIDIP/RJP/RJP_HS01/08_Alexander.doc accessed Thursday, 10th May 2007].
66 Alexander, *ibid.*, p. 125.
67 Tarte, *op. cit.*, 2002, pp. 1 - 2.

And with the outcome of the First World War, Japan by 1920 had legally obtained authority over the former German colonies. Japan, in effect had been in possession and control of the islands for the 6 years prior to the Treaty of Versailles.

One of the outcomes of the 1919 Treaty of Versailles establishing peace between Germany and the Allied victors at the end of the First World War was not only the creation of the League of Nations, to arbitrate and solve international disputes, but also was an outcome of negotiations amongst the Allied victors of the First World War on to how to divide up the conquered territories previously held by Germany.

The internationalist approach by the US leadership at these negotiations pressured the Allied powers to accept control of these former German territories within the new equitable international order aspired to by the Treaty and the international organization it sought to create. This meant that such control of the former German island colonies would be held under the supervision of the League of Nations as mandates and that the control given to the mandatories would be subject to annual status reports to the League regarding the administration of the mandated territory.[68]

The possession and mandate given to Japan to govern the former German-held Micronesian islands facilitated a Japanese commercial stronghold and migration into Micronesia. And although the Japanese commerce flourished during this period, the overall economic benefit to Japan was seen as minimal compared to what may be reaped through possession of the more lucrative islands lying further south in Southeast Asia, and the Melanesian islands of New Guinea, and the Solomon Islands. In addition to the commercial value of those southern islands, the strategic advantages of possessing them further were reasons used to justify Japan's aggressive military

[68] See Article 22 of the Covenant of the League of Nations.

campaign to obtain those islands from what later became Allied interests, in the ensuing two decades. Japan's formal control over the Micronesian islands was maintained until Japan's defeat by the Allies in the Second World War.[69]

Japan had a considerable impact on Micronesian society at this time. By 1935 onwards, the Japanese population that had gone into these islands started outnumbering indigenous inhabitants. Since Japan could not annex these islands because of US opposition following WWI, Japan focused on culturally assimilating the local population by way of Japanese language localisation and familiarization tours to Japan as early as 1923.[70] Although trade and commerce expanded, the economic benefits shared with the islanders were soon re-channeled into preparation for war. The local manpower used by the Japanese for the expansion of commerce and trade was also eventually re-directed towards the possibility for conflict.

The strategic location of the mandated territory in Micronesia had enhanced the unease and tension between Japan and the U.S. vying for influence in the region. The Micronesian islands acquired by Japan in 1914 lay across vital sea lanes the U.S. would likely utilize in maintaining maritime communications with its military interests in Guam and the Philippines, Guam being just 138 miles to the South West of the Marianas; the Philippines lying 800 miles to the west of Palau where Japan's South Seas Government or *Nanyo-Cho* was located.

By the end of the First World War in 1918, Japanese blue water naval superiority in

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[69] Peattie, *op. cit.*, Ch. 9. especially pp. 307 - 310.

70 Tarte, *op. cit.*, 2002, p. 2, fn. 2 and 6. Such was the impact of Japanese presence in Micronesia until the end of the Second World War that 23% of present-day Federated States of Micronesia (FSM) are composed of Japanese descendents. Samantha Majick, "A Reluctant Power: Japan Remains An Ambivalent Pacific Player," *Pacific Magazine*, September 2005, p. 2. [Available URL: http://www.pacificislands.cc/pm92005/pmdefault.php?urlarticleid=0001 accessed Thursday, 10th May 2007.]

East Asia and the north western Pacific had been established. However with the further projection of U.S. naval power westward beyond the Hawaii Islands, and the increasingly cloaked activities of the Japanese authorities in Micronesia making room for much suspicion and distrust within U.S. strategic thinking, the stage was being set for an inevitable confrontation between the two Pacific maritime and imperial powers.

The fortification by Japan of its acquired territory logically had military planners in the U.S. very worried and fearful of Japanese strategic interests. The restrictions imposed by the Japanese administration on the entry of foreign vessels undoubtedly fueled the suspicions of a possible military build-up no matter what the Japanese government said to the contrary.

From Japan's perspective, the Micronesian islands were a natural buffer zone between Japan's southern frontiers and potential maritime threats to its southern and eastern sea borders. The acquisition and "ownership" of those Micronesian islands was a strategic decision to strengthen Japan's own security interests. Although steps were taken towards maintaining order between the naval powers at the League of Nations and through the Washington Naval Treaty, particularly between Japan and the U.S. in the Pacific, it was the shroud of secrecy that Japan covered its activities with in the Pacific Islands that became one of the reasons eventually pushing Japan and the US towards military confrontation with each other.

The cloaking of Japanese activities in its mandated area intensified the mistrust and suspicion within U.S. military planning circles. And when Japan withdrew from the League of Nations in 1935 and the Washington Naval Treaty the following year, there was now no restriction for an unlimited strengthening of naval capabilities by the Pacific maritime powers. Japan thus had a free hand in doing what it saw as appropriate

within its Micronesian territories, be it military or otherwise. For all intensive purposes, the mandated area of Micronesia had become a part of the Imperial Empire.

From 1930 to the attack on the United States at Pearl Harbor, Hawaii, at the end of 1941, Japan appeared to have had systematically prepared its Pacific Islands territories for military operations by way of establishing air and communications facilities, ground and naval force bases, as well as the insertion of personnel, and aircraft and naval contingents.

The Pacific War resulted in death through combat and non-combat circumstances for both the Japanese as well as the Micronesians. The Allied victory effectually saw Japanese political, military, and economic interests in the region terminated. Japanese enterprise was destroyed during the ensuing bombings and battles, and its distant-water fishing fleet was severely restricted in its movements by the U.S.-led Allied Occupation in Tokyo and the United Nations trusteeship for the Pacific Territories established in 1947.[71]

What started as cultural and trade exchanges at a commercial level historically, the postwar period saw Japan's interests in the Pacific Islands effectively curtailed by the victors of the Second World War. Japan's foreign policy was thereafter considerably influenced by the Allied Occupation, in particular the US political-strategic and economic interests.

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[71] The Trust Territories of the Pacific Islands (TTPI) were created under Article 1 of the Trusteeship Agreement for the Former Japanese Mandated Islands, between the UN and the U.S. Article 2 designated the U.S. as the administering authority. The TTPI was different in substance to other trust territories as it was designated a "strategic territory" by the UN Security Council. That meant that the U.S. as the administering authority could use the territory for military purposes and restrict entry to it by third states (Articles 3 and 5). Article 15 said the Agreement could not be amended without the concurrence of the U.S. as the administering authority. The UN Security Council approved the Agreement 2nd April 1947 and was ratified by the U.S. on the 18th July the same year.

The postwar international political situation also had a profound effect on the Pacific Islands region. The ensuing polarization of international politics and ideology between US (capitalist / democratic interests) and the Communist interests of the Union of Soviet Socialist Republics (USSR) saw the growing strategic importance, of the Pacific Islands region. Prior to the 1970s, the colonial powers in the Pacific Islands were politically and ideologically aligned with U.S. interests. As such, they successfully imposed their shared interests of denying USSR influence in the region. Strategic denial from the 1960s and especially from the 1970s had to consider the new political actors in the region--the new independent and self-governing island countries.

Subsequent chapters will describe how Japan's diplomatic activities in the Pacific Islands region developed during the Cold War period. As will be seen, Japan's initial official engagement with the PICs was in reaction to pressure primarily from the U.S. to contribute more to what was perceived as their shared security interests in the Pacific Islands in the 1960s and likewise later in the 1980s. There was also pressure from the PICs themselves which Japan reacted to. This pressure came in the form of regional protests against Japan's proposed Japanese nuclear waste dumping in the Pacific Ocean in the late 1970's. Despite being generally reactive to international and regional pressure, Japan gradually found how it could pursue its interests in the region from the 1990s until the present. From 1997 Japan came to realize the importance the PICs had for Japan and had thereafter proactively sought to satisfy those interests within its relations with those regional actors.

Chapter 2

The Nixon Doctrine and Its Influence on Japanese Foreign Policy: The Genesis of Modern Japanese Diplomacy In the Pacific Islands Region

1. Introduction

The war in Vietnam after 1965 found the U.S. sustaining losses not only in terms of military hardware and manpower but also the domestic and international political support and a strain on its economy in order to pay for the sustained military campaign. Inversely, the U.S.' treaty ally, Japan, benefitted from the ongoing conflict through trade with the U.S. and South Vietnam. This trade included the supply of goods and services to satisfy U.S. military orders and rest and relaxation, and requests to facilitate its ongoing fight to stave off the communist threat.

American military efforts at confronting and containing the "domino effect" of the spread of Communism in Vietnam was aimed also at protecting Japan. Strategically, Japan was viewed by U.S. defense planners as the "last domino to fall" before a communist encroachment on U.S. territory could be achieved. Japan managed to resist calls by its ally to militarily assist more directly with the war relying on constitutional prohibitions as well as a lack of domestic political support. Instead, Japan was able to assist in alleviating the heavy financial burden on the American economy by contributing through financial means to U.S. geo-strategic interests in the Asia-Pacific region.

This chapter focuses on one part of this financial assistance which was directed at assisting in alleviating the strains on the U.S. economy in having to sustain its strategic interests in the Pacific Islands, namely, the US Trust Territory of the Pacific Islands (TTPI). This chapter further attempts to examine the beginnings of the early postwar decades of Japan's diplomatic activities in the Pacific Islands region. In doing so, it will seek to clarify why the decision was made given the limited economic and strategic interests Japan had in the region in the early postwar.[72] Furthermore, this clarification may serve to highlight Japanese "strategic reactive" foreign policy-making in terms of the government's reactions to the international circumstances of the time and US influence on Japan.

2. The Cold War[73] and the International Political Circumstances Pre-1969

Although the ideological conflict between the U.S. and the USSR had its beginnings even before the advent of World War I,[74] the Cold War in terms of this work follows its

[72] For example, Japanese exports to the Pacific Islands amount to an average of 0.079% of total Japanese exports between 1998 - 2007. This period also finds an average of 0.136% of Japan's total imports coming from the Pacific Islands. And total Japanese trade itself only amounts to 15.5% of Japan's GDP for 2006. Strategically, official Japanese statements which have mentioned any interests in the Pacific Islands was in a joint statement made in 2007 with the Australia at their joint Foreign and Defense Ministerial Meeting where both countries declared that "shared commitment to the security and prosperity of the Pacific region...including in relations to development assistance." What this meant has not been expanded on or defined in official documents.
See Japan-Australia Joint Foreign and Defence Ministerial Consultations Joint Statement, 6th June 2007.

[73] The term is used to describe the geo-political tensions in relations between the United States and the Union of Soviet Socialist Republics after the Second World War. The term found wide usage through Walter Lippmann's *The Cold War: A Study on U.S. Foreign Policy*, New York: Harper, 1947.

[74] It has been argued that the Cold War had its roots during the First World War with the October Revolution in Russia. The overthrow of the Russian Provisional Government in 1917 by the communist revolutionaries triggered the ensuing civil war ending five years later with the creation of the Soviet Union. Therein lay the foundation of the ideological disputes which pervaded most of the 20th century and thus labeled the Cold War. See for example, John Lewis Gaddis, *Russia, the Soviet*

development immediately following the Second World War and the response by the US through what became known as the Truman Doctrine. Accordingly, the doctrine as enunciated by its namesake, President Harry S. Truman, stated that the U.S. would assist governments that were non-communist in orientation, from both internal and external challenges to their viability. In effect, the U.S. would assist friendly government to the U.S. to "contain" the spread of communism to those countries and hence beyond. In doing so, the American government's position, backed by its military and economic might, in addition to international and domestic support, mapped out the U.S. path through the Cold War years for the next 35 years.

Under President Truman, containment saw its policy implementation through initial anti-communist rhetoric in Europe to actual combat operations through conventional military means in the Korean peninsula following North Korea's attack on the South. President Dwight D. Eisenhower provided what was called a "New Look" approach on US containment policy. This new approach was characterized with much more direct military confrontation against the spread of communism. The Eisenhower Administration's approach sought not only to contain the spread of communism but also to force its retreat through possible military means. This "rolling back" of the spread of communism was an anti-communist policy element driven by President Eisenhower's secretary of state John Foster Dulles. The "roll back" policy even provided for the use of nuclear weaponry in massive retaliation to deter USSR expansionism if it was expedient to do so. Expediency was therefore based on tactical and strategic rationales as well as economy. The John F. Kennedy and Lyndon B. Johnson Administrations took a similar approach to the Truman Doctrine in terms of containment policy. Presidents

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Union and the United States: An Interpretive History (2nd ed.), New York: McGraw-Hill, 1990.

Kennedy and Johnson, however, took the fight to contain the spread of communism to the "New Frontier," the third world. Kennedy and Johnson perceived countries like a set of domino blocks standing next to each other. When one block fell, it caused the inevitable chain reaction of knocking down subsequent blocks until all blocks had fallen over. This domino effect was likened to the spread of Communism in the third world. When one country was "knocked over" by Communist influence, it was perceived that it would influence the next country, and the next, and so forth, until all those countries became Communist. Confronting and containing this challenge in the world's periphery was therefore the strategic characteristic of the Kennedy and Johnson Doctrines.

The regions of the Third World, with their characteristic weak governments and underdeveloped economies, were where the U.S. targeted its efforts to contain the threat of communism. The composition of those governments, whether democratic, despotic, or otherwise, was secondary to the requisite that it had to be friendly to the U.S. and its allies and therefore be anti-communist.[75] The US thus intervened in the periphery to sure-up and to consolidate these friendly governments against the potential for civil war. Civil disorder and a failure of the government in these countries was fertile ground in U.S. calculations for communist influence and support by the USSR. The Kennedy and Johnson Doctrines aimed at not only expanding its military responsive capability (flexible response through threats of escalating hostilities) but also developing the local economy in order to stave off any possible communist influence.

The containment policy, in its various forms, was aimed at containing the spread of Communism and thereby limiting the growth and strength of the USSR through various means. These included military coalitions, conventional and nuclear weapons

[75] Raymond Aron, *Imperial Republic: The United States and the World 1945 - 73*, London: Weidenfeld & Nicolson, 1974, p. 306.

development, espionage, proxy wars, propaganda, and other methods, which in the end, never brought the two superpowers into direct conflict. As Robert S. Litwak describes, "it truly became a policy of all things to all men – one which could be used to initiate or rationalize such diverse undertakings as the Marshall Plan and the Vietnam intervention".[76]

As the U.S. continued with its universal application of containment, the economic toll on having to sustain such a commitment became evident. The shear financial requirement needed to pay for the global containment policy, in addition to engaging in limited wars within the periphery, was a drain on the U.S. treasury. Economic concerns in this regard coupled with waning public support for the war in Vietnam at that time, prompted the American government to reconfigure its containment policy approach--A policy that would not only be economically feasible but also importantly, acceptable to the U.S. electorate. This new policy had also to have the image of being militarily and politically honorable in the midst of its communist adversary.

By 1969, the Vietnam War in its fourth year since the escalation of direct military involvement by U.S. combat troops, with mounting costs and domestic opposition, the new Nixon administration was faced with how to draw down America's commitment to the war militarily without losing face in the presence of the Soviets, a USSR now approaching nuclear parity with the U.S. given the latter's drawn out pre-occupation with the war in Indochina.

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[76] Robert S. Litwak, *Détente and the Nixon Doctrine*, New York NY: Cambridge University Press, 1984, p. 13. The Truman Administration in fact decided as early as 1950 to increase its assistance to the French in their fight again the communist Vietminh in Indochina. Thus the path towards more direct US intervention in Indochina was paved. See Senator Gravel (ed.), *The Pentagon Papers: The Defense Department History of United States Decision Making in Vietnam (Vol.1)*, Boston: Beacon Press, 1971, pp. 55 - 57.

Since the outset of the war, about half a U.S. million military personnel had been utilised at a monthly running cost of two and a half billion dollars.[77] The economic strain saw a rise in domestic prices in the U.S. In addition the annual weakening of the dollar found American policymakers having to devalue its currency in 1971. What was clear by the time the Nixon Administration took office was the logic of containment and the proponents of that policy's universalism had worn thin given the realities of the mounting costs compared to the perceived benefits.

At home, electoral pressure on the Nixon government to hold true to its election promise of ending the war in Vietnam was prompting the government to re-consider its position on the containment of the Communist threat. Such pressure was compounded by the daily images flooding the living rooms of the American public disgusted by the images of young U.S. soldiers dying seemingly in a vain attempt to protect the peoples of the country they were sent to defend. The change in strategic containment of the communist threat was beckoning not only from the domestic front but also spurred on by the change in the geopolitical landscape in Asia. The political fall-out between the USSR and China which resulted in border clashes between their militaries in 1969 opened up avenues to possible changes to US engagement policies in Asia particularly with China. The postwar international system that hitherto was characterized by the bipolar dominance of the USSR and the U.S. was no more. Furthermore, the rise of Japan as an economic powerhouse internationally and in particular in Asia, in addition to the financial strain on the US economy for sustaining such a policy called for a re-assessment of the U.S. approach towards containment.

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[77] *Defense Department Report for FY1970 - 74*, Government Printing Office, 1970, p. 72.

Nixon was elected to the presidency in November 1968 amidst these domestic and international circumstances carrying the expectations of the U.S. voters to end the war in Vietnam. In July the following year, at an informal meeting with the media on the U.S. Pacific Island territory of Guam, President Nixon almost off-the-cuff spelled out what his new foreign policy direction for the country was going to be. In what later became known as the Nixon Doctrine, this new foreign policy approach covered three aspects namely: 1) upholding U.S. treaty obligations; 2) protection of allies and other countries vital to U.S. and regional security interests from aggression of nuclear power; and 3) providing military supplies and finance to these countries when attacked by other means. These three aspects were subject to the country being threatened to be responsible for providing its own manpower.

Although this new policy enunciation was to be applied globally, at the time of its announcement, the policy was primarily directed at providing an avenue for the US' withdrawal from Vietnam. The turning over of the primary responsibility for defense to the country became known as "Vietnamization." This in effect was the localization of the containment policy. The aim therefore of Vietnamization was give the primary duty of containing the spread of communism, to the country that is under threat. The U.S. would provide support and supplies for containment; however, the country concerned was to provide the soldiers. The desired effect of Vietnamization was to allow the withdrawal of US military personnel from the theater of conflict.[78]

The basic message of the Nixon Doctrine was more formally declared in 1971 with Nixon's *State of the World Report* which said "America cannot and will not conceive all the plans, design all the programs, execute all the decisions and undertake all the

[78] For a good analysis of the concept of "Vietnamization" please see Guy J. Pauker, *An Essay on Vietnamization*, RAND research paper, March 1971.

defence of the free nations of the world. We will help where it make a real difference and is considered in our interest."[79] Nixon's more constricted form of global constraint against the spread of Communism sought to restrict the US' role to that of a deterrent and thus not getting directly involved with the actual fighting of ground wars in Asia. This restraint on the universal application for containment was primarily a cost-cutting measure in order to serve the domestic demands of the electorate which were increasingly demanding greater fiscal conservatism in terms of military-related spending. In implementing these cost-cutting measures, the US sought from its allies and other friendly countries the shouldering of greater responsibility with regards to their own national defence.

3. The Nixon Doctrine and its Influence on Japanese Foreign Policy

President Eisenhower in 1954 referred to the spread of Communism through what had become known as the Domino Theory. In referring to the then-conflict in Indochina between the French authorities and the Communist insurgents, Eisenhower suggested that if Indochina fell to the hands of the Communists, it would only encourage and embolden similar Communist insurgencies in neighboring countries in Southeast Asia and so on would Communism be spread. This theory had been used as a justification for subsequent containment policies by the American government.

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[79] Richard Nixon, *US Foreign Policy for the 1970's,* Vol. 2, 1971, pp. 118 - 9. Cf. the Kennedy Doctrine where President John F. Kennedy announced that "[w]e shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and the success of liberty". *Public Paper of President John F. Kennedy*, Government Printing Office, 1961, p. 1.

Japan was one of the U.S.' many forward military outposts which in the fight to halt the spread of the Communist threat. If Indochina and the rest of Southeast Asia were to fall under Communist and therefore USSR influence, Japan would be defenseless. In ensuring Japan's security, the U.S. government worked hard to maintain Japanese commitment to the fight against Communism thus keeping the Communist threat as far from the U.S. mainland as possible.

Prior to the change in U.S. Asia policy in 1969, the universal commitment by the U.S. in the fight against communism globally, and in particular, Vietnam, found Japan making lucrative profits through business ventures related to the ongoing war. The economic benefits of the war for Japan far outweighed the political effects the Nixon Doctrine had on Japan. Although given political support to the US' military activities in Vietnam, the Japanese government successfully kept at bay US lobbying and pressure for it to give direct military assistance in terms of hardware and manpower to the military campaign in Indochina. Japan buffered itself on the dual excuse of not having the support of the Japanese electorate and further, the US-inspired "peace" constitution restricted Japan's ability, even if it was willing to. As such, the war raged on and Japan drew wealth from the carnage being played out in Vietnam. Japan filled its coffers with U.S. dollars as the American military procured goods and services related to its military campaign.

The economic boom felt in Japan was indeed not restricted to itself but the surrounding economies of the region. Estimates have calculated Japan earning at least one million dollars a month from the ongoing conflict in Vietnam.[80] The lucrative

[80] Michael Schaller, *Altered States: The United States and Japan Since the Occupation*, New York: Oxford University Press, 1997, p. 198. See also "Vietnam: Japan's Major Role," *Far Eastern Economic Review*, 12th March 1973, pp. 33 - 45.

earnings through the Vietnam War Japan collected were also reinvested back into the region in the form of foreign direct investments, and development assistance. Undoubtedly, with the US economy on the downturn, this misfortune was compounded by the fact that Japanese prosperity was viewed as being achieved through the hardships of the US and without the apparent will to assist its ally in its military endeavors.

From 1965 with the escalation of the conflict in Vietnam by direct U.S. military intervention Japanese exports quadrupled in the ensuing seven years. Japan also achieved a trade surplus against the U.S. for the first time. By the time the Nixon Doctrine was announced, this surplus had quadrupled from $334 million to $4.5 billion.[81]

By 1969, the U.S. was no longer able to shoulder the financial burdens of its universal application of containment. As one of its solutions, it turned to Japan, with its burgeoning economic prowess, to assist in this regard. Given the imperative of the Nixon Doctrine was the greater responsibility of allies and friendly states with regards to its own defense, in terms of Japan, this did not mean a military build-up of Japanese military might let alone the much feared notion of Japan going nuclear, but Japan was to extend its economic power to assist in the fight against Communism and hence alleviate the financial burdens faced by its alliance partner. Part of this financial alleviation led to Japan's first major financial contributions to American strategic interests in the Pacific Islands, specifically, the US Trust Territory of Micronesia.

4. Japanese Initial Engagement with the Pacific Islands

By 1969, only two countries of the Pacific Islands had gained full independence.

[81] Schaller, *ibid.*, p. 202

These were Samoa (Western Samoa as it was then known) in 1962 and Nauru in 1968.[82] Japan at the time of the Nixon Doctrine had established diplomatic relations with only Nauru. It is not clear from interviews with relevant officials at Japan's Ministry of Foreign Affairs why Japan chose to establish relations with Nauru before Samoa, despite the latter having been independent longer though it maybe speculated that it was based on two reasons.

First was the phosphate trade. Nauru at this time was one of the world's phosphate richest countries and the mineral thus became that country's number one export earner. However, the impact of this phosphate trade is miniscule compared with the "war" trade benefits Japan was experiencing at this time.

More convincing could be the second reason. Japan had occupied Nauru in 1942 during its military campaign in the Pacific theater. It had forcibly removed 1200 Nauruans to work on the Micronesian island of Chuuk, which was part of Japan's mandated area in the Pacific Islands. Half of these Nauruans perished during the ensuing fighting in World War II. It has been suggested that the remorseful feeling and anti-war sentiment that pervaded Japan at that time influenced the decision to formalize diplomatic relations with Nauru.[83] With regards to development assistance extended by Japan to these independent countries in the Pacific Islands at this time, there has been no evidence to suggest there was.

All other island entities in the Pacific region at the time of the Nixon Doctrine were thus still under colonial rule, had self-government or were a strategic trust territory under the United Nations. The TTPI located in the Micronesian sub-region had been

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[82] In 1965, the Cook Islands gained self-governing status in free association with New Zealand which is politically different from full independence.

[83] "Interview with H.E. Ms. Marlene Moses," Permanent Representative and Ambassador, Permanent Mission of Nauru to the UN, New York, Tuesday, 11th December 2009.

granted to the United States to administer and develop with the eventual aim of gaining independence. Under the League of Nations, Japan was given a mandate to govern these same islands. With Japan's defeat by Allied forces in the fighting in 1944, the U.S. took control of the Japanese mandates and was eventually granted formal control under a trusteeship agreement with the United Nations (UN) on the 18th July 1947. At the San Francisco Peace Treaty Conference in September 1951, Japan formally renounced all its interests in the PICs and in particular its interests in its League of Nation's mandate over its former Micronesian territory. Namely, Japan declared that it "...[renounced] all right, title and claim in connection with the League of Nations Mandate System, and accepts the action of the United Nations Security Council of April 2, 1947, extending the trusteeship system to the Pacific Islands formerly under mandate to Japan."[84]

The enunciation of the Truman Doctrine coincided the same year with the creation of the TTPI. The Trust Territory became part of U.S. strategic calculations in its fight to contain the spread of communism.

The recognition of the islands as a strategic area by the United Nations was evidenced by the fact that the UN Security Council had granted the trusteeship to the U.S. under Article 82 of the UN Charter which provided for a strategic trust territory over the area (versus an "ordinary trust"). Out of 11 trust territories created by the UN after World War II, only the TTPI was designated a "strategic" trust territory. Different from other trust agreements which are overseen by the UN General Assembly, the TTPI agreement was overseen by the UN Security Council and the U.S., under the agreement was authorized to secure the area by way of closing port access to the islands, even to UN inspection, as well as not reporting on its activities under the trust arrangement, to

[84] *Conference for the Conclusion and Signature of the Treaty of Peace with Japan*, San Francisco, California, 4th - 8th September 1951, Record of Proceedings, p. 314.

the UN. In addition to the having the ability to fortify the territory, the strategic trust agreement could not be amended or revoked, without U.S. consent.

Although the essence of the trusteeship arrangements by the UN was that the administering countries were to ensure the development of the trust territory in preparation for independence or political union with the administrating country. For security and strategic reasons, the U.S. chose to pursue the second option.

In 1962, President Kennedy had issued the National Security Action Memorandum (NSAM) No.145 ordering the political, economic, and social development of the TTPI with a view towards establishing a permanent political relationship with the islands. The idea of the islands being held in trust so as to prepare it for independence became secondary due to the geo-political situations of the time. The following year, President Kennedy issued NSAM No.243 on 9th May 1963 which established the "Solomon Mission to the Trust Territory".

The Solomon Mission, named after Anthony M. Solomon, was tasked with recommending ways to which NASM No.145 could be implemented. The pertinent conclusion of the Solomon Report suggested an extra option with regards to the kind or relationship the U.S. could pursue with the TTPI. As Solomon advised President Kennedy in 1963, "the United States had a paramount interest in the islands, and that they could not be left to go their own way or be returned to Japan."[85]

Although the trusteeship agreement had as its aim of developing the territory so that it may one day have the capability to become independent, (the alternative to that was to

[85] *Solomon Report*, Confidential Report to President John F. Kennedy on the Status of the U.S. Trust Territory in the Pacific, 1963, p. 6. See also Howard P. Willens and Deanne C. Siemer, *National Security and Self - Determination: United States Policy in Micronesia 1961 – 1972*, London: Praeger, 2000, pp. 3 - 6, and 38 - 49. Willens and Siemer's volume provides a historical explanation of the U.S.' attempts to implement the recommendations of the Solomon Report and President Kennedy's decision to incorporate the TTPI into U.S. sovereignty.

remain as a trust territory until such time), the Solomon Report also recommended a third option of self-government in free association with the U.S. Although the gist of the report provided recommendations and advice as to how to convince the Micronesians to remain in a permanent political relationship with the U.S., the Solomon Mission finding evidence in the Trust Territory of the wish for independence, headed this off with the third option for self-government in free association.[86] It was the U.S. administration and development of this Trust Territory that Japan would be asked to contribute as a result of the Nixon Doctrine.

What has been described in the foregoing now is by 1969, the US and the Nixon Administration was faced with a demanding electorate to pull out of Vietnam because of the mounting financial costs in sustaining direct engagement. As such, part of the reasoning behind the Nixon Doctrine as elucidated above was to have other non-communist powers shoulder some of the costs of containing the communist threat. Japan with its economic wherewithal at this time was seen as a source of such financial assistance which would facilitate in this Cold War endeavor. Indeed, Japan was to assist in shouldering the costs of the US administration and development of its Trust Territory in the Pacific Is.

5. Japanese Development Assistance in the Trust Territories

Generally, ODA per se cannot be provided to recipients that have yet to be self-governing or independent. If development assistance is to be contributed, it must be channeled through the substantive governing or administrating country of the intended

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[86] Ron Crocombe, *The Pacific Islands and the USA*, Suva, Fiji, and Honolulu, HI: Institute of Pacific Studies, and Pacific Islands Development Program, 1995, pp. 26 - 34.

recipients. The Nixon Doctrine had the effect of pressuring Japan to contribute more in terms of sustaining the costs of shared security interests. This contribution from the Japan came in the form of financial and economic means. In the case of contributing to American strategic interests in the Pacific Islands, Japan, through the U.S., reacted to U.S. pressure by undertaking its first formal relations with the Pacific Islands through development assistance to the TTPI.[87]

In 1969, the TTPI was still closed to any foreign investment under Article 8 of the Trusteeship Agreement.[88] As part of U.S. strategic objectives in Micronesia, foreign investments, and hence possible foreign influences, were prohibited. This was part of the fortification of the TTPI against possible foreign elements harmful to American interests. Foreign investments were thus limited only U.S. citizens or investment made by the indigenous Micronesians themselves. However, the economic climate as has been demonstrated in the U.S. was telling that it was difficult for the U.S. economy to develop the territory effectively with the view of winning over the Micronesians to a permanent political union with the US. The Nixon Doctrine thus was partly an attempt by the U.S. administration to alleviate the financial pressures on is economy by drawing on the economic wherewithal of Japan.

There were two ways in which the U.S. had used Japanese financial shouldering to assist in sustaining and enhancing U.S. control over the trust territory of Micronesia: 1) Japanese war reparations to the U.S., and 2) eventually through direct Japanese investment.

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[87] On the use of ODA as Japan's contribution to regional or international security interests, see Shafiqul Islam, "Foreign Aid and Burdensharing: Is Japan Free Riding to a Co-prosperity Sphere in Pacific Asia?" in Jeffrey A. Frankel and Miles Kahler, (eds.), *Regionalism and Rivalry: Japan and the United States in Pacific Asia*, Chicago: University of Chicago Press, 1993, Ch. 8, pp. 321 - 331.
[88] "Trusteeship of Strategic Areas," *United Nations Security Council Resolution 21*, 2nd April 1947.

In 1969 the U.S. and Japan reached an agreement for the payment of war reparations by Japan to the U.S. This was the only agreement by Japan for the payment of war reparations with regards to its military campaign in the Pacific Islands. The agreement in April of that year specified that $10 million of the reparations was to be used for the benefit of the people of the TTPI.

In addition, Japan and the U.S. had also established in 1969 a $5 million fund to compensate Micronesians who had suffered damage during the battles between the U.S. and Japanese forces in Micronesia. These funds were known as "post-secure claims" and the $10 million as part of the Japanese war reparations to the U.S. was considered separate and not part of the post-secure claims.[89] The establishment of this fund was legally formalized two years later under the Micronesian Claims Act.[90] To this extent, it may be seen that the U.S. and Japan had agreed on alternative means to which the Japanese economy could assist in shouldering the costs of U.S. security interests in Pacific.[91]

The Solomon Report had previously recommended that after a scheduled plebiscite to determine the status of the TTPI by the Micronesians, Japanese business and investment should be allowed back into Micronesia.[92] This recommendation was based on the fact that the Micronesians still had a close affinity with the Japanese as their former administrators. In fact, in measuring the status of development under the U.S. administration, the Solomon Mission used the Japanese mandated administration as a

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89 *Trust Territory of the Pacific Islands: 22nd Annual Report to the United Nations on the Administration of the Trust Territory of the Pacific Islands*, U.S. Department of the Interior, 1st July 1968 - 30th June 1969.

90 *Mister Ralpho* v *J. Raymond Bell, Chairman, Foreign Claims Settlement Commission of the United States, et. al.*, United States Court of Appeals for the District of Columbia Circuit, 12th September 1977, paras. 5 and 6. [Available URL: http://altlaw.org/v1/cases/417993 accessed Sunday, 19th July 2009.]

91 "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 29th May 2009.

92 *Solomon Report*, p. S-25 – S-26.

yardstick to determine the extent of U.S. development projects in Micronesia. The Report's findings suggested the rapid growth experienced in Micronesia and the modalities as to how the Japanese administration implemented its development measures were notable.[93]

The recommendation to open the TTPI to Japanese (and all international) investments was formally passed in 1974.[94] The need for financial contributions from Japan was noted as early as 1963. The Solomon Report advised that the "deficit area"[95] of the TTPI needed continued and sustained financial assistance in order to ensure U.S.

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[93] *Ibid.*, pp. S-10 – S-11.

[94] The Japan Institute for Pacific Studies was created in this same year. Under its previous name the Japan Micronesia Association (JMA), it was established in 1974 by businessman Iwata Yoshio to facilitate business and investment activities by Japan in the TTPI. The JMA effectively was an informal conduit through which Japan could conduct quasi-official relations with the TTPI. Iwata had been interested in assisting the development of developing countries since his early interests in the rubber industry in Southeast Asia, especially Malaysia and Indonesia, in the 1920s. During this time, he was also appointed by the Japanese government to research development and commercial opportunities in Japan's mandated territory in Micronesia. He subsequently established the Showa Gomu (Rubber) Company. Following Japan's defeat in the Second World War and the signing of the subsequent 1952 peace treaty by Japan and 49 other countries, Japan's Prime Minister Yoshida Shigeru also invited Iwata to be a specialist advisor on Southeast Asia for the Japanese government regarding Japan's planned USD 1,190,000,000 in reparations to Burma, Philippines, Indonesia, and Thailand through goods, services and investments. Japan's reparations / economic development assistance to that region was part of the peace treaty signed. Iwata's passion for development assistance also extended to the Pacific Islands region. As a result of the Nixon Doctrine and the pressure on Japan to contribute more towards the burden of costs the US shouldered during the Cold War, Iwata was contacted in 1971 by the Director General of the North American Bureau of MOFA Okawara Yoshio to establish an organization to assist MOFA in attracting Japanese investment into the TTPI. Iwata actually wanted to expand his development assistance activities to the wider Pacific Islands region though however Okawara suggested to first start with the TTPI as it fell under his purview at MOFA (US-Japan Alliance relations). As such, when in 1974 the TTPI was opened for the first time to Japanese and other international investment interests, the JMA was formally established. Kobayashi Izumi was Iwata's personal secretary (*deshi*) at the time of the JMA's establishment. In May 1999, the JMA changed its name to JAIPAS to reflect its more broader policy-oriented research regarding Japan-Pacific Islands regional relations. "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 15th May 2009. See also Kobayashi Izumi, "Twenty Years History of the Japan Micronesian Association," *Journal of the Pacific Society*, 66/67, June 1995. For more information on Japanese reparations, see the online article, "War Reparations", *howstuffworks*, available URL: http://history.howstuffworks.com/world-war-ii/war-reparations.htm/printable accessed Friday, 15th May 2009.]

[95] This term was used by the Solomon Report to indicate that due to the limited capability for growth the TTPI's private economy, and the limited ability for the TTPI to effectively use funding from the US to promote economic growth, implications for the TTPI to sustain itself financially in future is unlikely. Financing for the TTPI would be a long term strategy. *Solomon Report.* p. S-25.

security interests in the region. Given the state of the US economy by 1969, and coupled with the U.S. government's wish for eventual permanent association with the TTPI because of wider geo-strategic reasons, the U.S. managed to convince Japan to contribute to the development of the TTPI and hence the sustaining of US security interests in the Pacific Islands region. To facilitate further injection of Japanese finance into the TTPI, Japanese (and international) the TTPI was opened to foreign investments in 1974.

6. Conclusion

The genesis of Japan's engagement with the Pacific Islands stemmed from its heeding of its alliance partner's request for greater contribution towards the containment goals of the US government. In 1969, the Nixon Doctrine was announced requiring amongst others, that alliance partners and friendly states shoulder much of the burden of their own defense. This call emanated from the increasing pressure faced by the U.S. government both economically as well as politically. Given Japan's legal and political elements could not consider U.S. requests for direct military interventions by Japan in containing the spread of communism, Japan did facilitate the Nixon Doctrine through the strength of its economic means.

Part of the burden carried by the U.S. government was its need for political, economic, and social development of its Pacific Trust Territory in Micronesia. As the Solomon Report had surveyed, the level of development and governance in the Territory was insufficient if Micronesia was to consider ever becoming a permanent political unit under the U.S. More financial assistance and investment was required though at the then current status of the U.S. economy, it thus put forward the Nixon Doctrine as a means to

remedy its quagmire not only in Vietnam but also in sustaining its forward projecting military outposts. Japan was viewed generally in the Pacific Territories as a beneficiary of the past when the region was under its mandated control. The U.S. viewed Japan's economic ability as a means for Japan's contribution to U.S. containment policy in line with the requirements also of its shared security treaty. In these circumstances, Japan had found its way towards its initial official engagements into the Pacific Islands region through burden sharing of U.S. geo-strategic interests.

Chapter 3

The Decision for Nuclear Waste Dumping and Japan's Reactions to the Pacific Islands Shocks

1. Introduction

In 1966, regional opposition to nuclear testing in the Pacific Islands region became a topical issue with France completing the first of many tests in French Polynesia. Although the two PICs that were independent and self-governing at the time, (Samoa gained independence in 1962 and the Cook Islands, self-government in 1965) protested to France through the regional body existing at that time, the South Pacific Commission (today the Pacific Community), it was ignored. The SPC, as discussed in Chapter 1, was a regional forum where political issues were barred from discussion by the founding Pacific colonial members of which France was a member. The issue of French nuclear testing in the Pacific was deemed to be political and therefore was barred from discussion.

The issue of nuclear testing in the Pacific became a regional concern amongst PICs. Given the issue was deemed political in nature by the SPC and therefore could be considered for discussion at that regional body, the PICs resorted to the possibility of forming their own regional organization where political and other issues could be discussed. The nuclear issue therefore provided a basis for the independent island states to form their own regional organization to represent PICs interests as a region.

In the meantime, France continued its nuclear tests in the eastern Pacific Ocean undeterred by the protests from the Pacific Islands. Thus in 1971, prior to the

resumption of further nuclear tests by France that year, the leaders of the five independent and self-governing states, namely Samoa (Western Samoa as it was then known), Cook Islands, Nauru, Fiji, and Tonga, in addition to the leader of New Zealand and Minister of Foreign Affairs of Australia, met in the New Zealand capital of Wellington and held the inaugural meeting of the South Pacific Forum.

This first meeting, which was held between the 5th - 7th of August 1971, discussed issues related to the welfare and development of the South Pacific island nations, namely trade, shipping, civil aviation, foreign investment and tourism, Law of the Sea, marine resource development, education, telecommunications, national parks, a regional disaster fund, joint diplomatic representation, and regional cooperation. Notably, the issue of French nuclear testing was not itemized on the agenda for discussion. However, according to the meeting's Communiqué, the leaders and representative discussed the issue of the nuclear tests throughout the three-day summit. Indeed, the nuclear testing issue was a common thread binding all the items on the Summit agenda as seen in the communiqué prepared at the end of the meeting:

> ...attention was drawn to the forthcoming series of nuclear tests to be conducted by France in the South Pacific. Participants expressed deep regret that atmospheric tests of nuclear weapons continued to be held in the Islands of French Polynesia despite the partial Test Ban Treaty and the protests repeatedly made by a number of the countries attending as well as other Pacific countries. They expressed their concern at the potential hazards that atmospheric tests pose to health and safety and to marine life which is a vital element in the Islands' subsistence and economy and addressed an urgent appeal to the Government of France that the current test series should be the last in the Pacific area.[96]

[96] First South Pacific Forum Communiqué, Wellington, New Zealand, 5th - 7th August 1971, p. 1.

The SPF gave the island countries a voice to protest against the use of the Pacific Islands region as testing grounds for nuclear devices. New Zealand was charged with the responsibility of communicating the SPF's concern to France. As a result, France subsequently announced a cancellation of its remaining tests for that year. This case marked the first regional protest by the Pacific Islands on a nuclear-related issue.

The South Pacific Forum was again tested some eight years later on the related issue of nuclear waste dumping in the Pacific. This chapter focuses on official plans by Japan to dump its nuclear waste into the western Pacific Ocean and its justifications, the subsequent Pacific Island regional protests against such plans through the South Pacific Forum, and Japan's response. The chapter serves as a second case study to indicate Japan's lack of an independent Pacific Islands diplomatic strategy. It demonstrates Japan's overestimation of its understanding of Pacific Island sensitivities on nuclear issues. The shock of SPC protests against Japan's planned nuclear waste dumping, in addition to the growing international consensus against such proposed acts, saw Japan's reactive response to the regional situation by cancelling its proposed plans. The chapter demonstrates that even with regards to the PICs, Japan reacted to the pressure applied to it by the PICs regarding its planned dumping. The "SPF shocks" found Japan reacting even to small island developing state demands by thereafter having to consider issues and interests of the PICs as political actors in the region.

2. Background to Japan's Nuclear Industry

Japan is the only country that has experienced the devastating effects of nuclear warfare. Despite this, the Japanese government has embraced the use of nuclear energy and technology for the nation's development. Ten years after the end of World War II

the Japanese government passed the Atomic Energy Basic (AEB) Law (*Genshiryoku no Kihon Hou*) in 1955. Accordingly, it states that "[t]he object of this Law should be to secure energy resources in the future, to achieve the progress of science and technology and the promotion of industries by fostering the research, development and utilization of atomic energy and thereby to contribute to the welfare of mankind and to the elevation of the national living standard."[97]

It is clear from the article that the intention of the AEB law is to promote Japan's living standards through energy security by way of research, development, and use of atomic energy. The law limited the use of nuclear technology and energy for peaceful purposes only and democratic methods, transparency, and independent control were to be the three tenets governing research activities and any incidental international collaboration.[98]

In 1954, funding was provided to the amount of ¥230 million to begin the new nuclear industry. In 1961, construction of Japan's first nuclear reactor power plant commenced at Tokai, Naka District, in Ibaraki Prefecture. The Tokai Nuclear Power Plant as it came to be known was not completed until 1966. Since then, Japan's nuclear industry has developed by building further nuclear reactors on each of the four main islands of Hokkaido, Honshu, Kyushu, and Shikoku. Today, there are 53 operating nuclear reactors providing the energy needs for the country. And although Japan's nuclear industry has faced protests and resistance[99] against the production of nuclear

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[97] *Atomic Energy Basic Law, No.186*, 19th December 1966, Article 1.
[98] *Ibid.*, Article 2.
[99] See for example the non-profit organisations Citizen's Nuclear Information Center (CNIC) and the Stop Rokassho campaign. The CNIC was established in 1975 for the purpose of conducting research on safety, economic, and proliferation issues related to nuclear energy. It is anti-nuclear in its research approach and seeks a non-nuclear world. The Stop Rokassho campaign is a project created in 2006. Rokassho, a place located in the Aomori Prefecture, is the site of the Rokassho Re-processing Plant which succeeded the Tokai Nuclear Power Plant in Ibaraki Prefecture once it

energy because of accidents and subsequent cover-ups by the respective governing bodies,[100] it has not stopped the construction and planning for further construction of more nuclear reactors. The development of the nuclear energy industry was and is assisted by current and active support of the Japanese government. Two reactors are currently being constructed in Hokkaido and Shimane-ken with 13 other reactors being currently planned for construction. Nuclear energy has been a national strategic priority for Japan since 1973. Today, the nuclear reactors provide about 30% of Japan's electricity needs and it is forecasted to increase by 10% within the next 10 years.

Japan is a country with very few natural resources. It imports around 80% of its basic energy needs. Most of its energy needs were initially satisfied through oil imports from the Middle East. Almost 70% of Japan's electricity was fuelled by imported oil in the first half of the 1970s. Japan's vulnerability to the geo-political events of the time became evident with the first oil shock in 1973.[101] A strategic re-evaluation of Japan's energy policy led to the need for greater emphasis and diversification of the source and use of energy. A major nuclear energy construction programme was soon implemented and the production of nuclear power thus became a national strategic priority.[102] By the end of that decade, Japan's nuclear energy industry had developed to the extent that it essentially was achieving its own domestic nuclear power production capability. The

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was closed down in 1988. The Stop Rokassho campaign seeks to inform the public of the dangers inherent in the nuclear activities conducted that the Rokassho Re-processing Plant.

[100] For example in December 1995, a nuclear reactor facility in Monju, Fukui Prefecture caught fire when its coolant leaked and reacted with the air. The company that built and operated the facility attempted to cover up the extent of the accident by falsifying data and destroying evidence. Two years later, a the Tokai facility's waste storage and processing facility caught fired and exploded. Again the body responsible for its operation attempted another cover-up attempt. Steven Dolley, *Japan's Nuclear Criticality Accident*, Washington DC: Nuclear Control Institute, 4th October 1999. See also "Asia-Pacific Nuclear Accident Shakes Japan," *BBC News*, Thursday, 30th September 1999.

[101] Toichi Tsutomu, "Energy Security in Asia and Japanese Policy," *Asia-Pacific Review*, May 2003, p. 7.

[102] "Interview with Ishida Taro," Director of Public Relations, Federation of Electric Power Companies, (*Denjiren*), FEPC Head Office, Tokyo, Wednesday, 17th September 2008.

energy policy thus had become subject to considerations of securing its energy capacity and minimizing its dependence of imports.[103]

However, some resources crucial for Japan's nuclear power needs did not exist naturally in Japan. Uranium which is used to extract plutonium, the reactive element creating nuclear energy, must be imported. Most of Japan's supply of uranium is imported from Australia. Australia provides about one third of Japan's uranium needs whilst other countries provides the remaining two thirds.[104] Since Japan did not, and still does not, have any naturally existing uranium, and given the strategic importance of nuclear energy is to Japan's energy requirements, ensuring these trade relations become an important and crucial element of Japan's relations with its suppliers. In the context of the Pacific Islands, Japan's crucial trade in uranium with Australia, the largest donor of development aid to the Pacific Islands and member of the Pacific Islands Forum, has had implications for Pacific Island regional approaches to the issue of shipping of nuclear materials through Pacific Ocean.[105]

By 1979, as Japan's nuclear industry grew towards attaining independent production capability, issues of managing and disposing of radioactive waste, as a product of this strategically important industry, came to the fore. Accordingly, the Japanese government needed to ascertain the best ways to dispose of this nuclear waste without harm coming to people or the environment. What that meant was either disposing of or diluting the

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[103] "Nuclear Power in Japan," World Nuclear Association, May 2009. [Available URL: http://www.world-nuclear.org/info/inf79.html accessed Wednesday, 17th September 2008.]

[104] "Interview with Mr. Ishida Taro," *op. cit.*

[105] Since the commencement of the shipment of nuclear waste through the Pacific Ocean in 1992, the SPF and later PIF had consistently voiced their concerns through their annual Leaders Summit and resulting Communiqué. In 2002, Australia announced its reservations to the constant expression of concern by the PIF to the shipments. It was noted in an interview with the Federation of Electric Power Companies, that the FEPC had lobbied their Australian uranium suppliers in 2002 for assistance in lobbying the Australian government for assistance in convincing its PIF colleagues of the safety of their shipping of nuclear materials through the Pacific Ocean. "Interview with Mr. Ishida Taro," *ibid.* In 2007, the issue was dropped altogether from the PIF Summit agenda.

waste so that it would eventually lose its radioactive and dangerous properties thus posing no harm if exposed to the natural environment.

There are four types of nuclear wastes: (1) Exempt Waste and Very Low-Level Waste (VLLW); (2) Low-Level Waste (LLW); (3) Intermediate-Level Waste (ILW); and (4) High-Level Waste (HLW).[106]

In the environment, there are naturally occurring radioactive materials which are harmless on their own. When combined with other materials with like levels of radioactivity, and produced as a waste from the nuclear industry, these are classified as VLLW. They are disposed in the ordinary daily manner with other domestic refuse. LLW is waste that is generated from the nuclear fuel cycle as well as hospitals and other industries. These wastes have been determined to be suitable for low-level or shallow burial. Of the total LLW disposed, about 1% of that waste is considered radioactive. ILW is considered about 4% radioactive when total waste is combined. ILW requires shielding. This means ILW be mixed with other materials such as bitumen or concrete and solidified before disposal. Depending on the strength of the radioactivity emitted by the waste, ILW will either be buried (short-lived waste) or disposed of further underground (long-lived waste). Finally, HLW is the result of the processing of raw uranium in the nuclear reactor in order to make the plutonium used to generate nuclear power. The waste is thus highly radioactive and of an extremely high temperature requiring both shielding and cooling. Cooling generally takes about 50 years at the most before disposal underground. HLW is mixed with glass (vitrified) and then locked within stainless steel or copper containers before buried.[107]

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[106] "Interview with Mr. Ishida Taro," *ibid.*

[107] "Interview with Mr. Ishida Taro," *ibid.* See also "Managing the Waste Stream From Nuclear Power", Federation of Electric Power Companies, Tokyo. [Available URL: http://www.japannuclear.com/nuclearpower/program/waste.html accessed Wednesday, 17th

The governing body created under the AEB Law and responsible for radioactive waste management was the Science and Technology Agency (STA), an arm of the Prime Minister's Office. STA functions were subsequently incorporated into the Nuclear and Industrial Safety Agency (NISA), located in the Ministry of Economic Trade and Industry (METI), in 2001.[108]

In 1979, the STA announced that Japan planned to commence "experimental" deep sea disposal of LLW in the Pacific Ocean. Government plans involved dumping 5,000 and 10,000, 55 gallon-drums of LLW filled with cement, in an area of high seas north-east of the Mariana Islands[109] at a depth of about 6 kilometers. The weight of the cement is intended to ensure the drums sunk to its intended depth. Planning thus was underway with actual dumping scheduled for 1981. Thereafter, the STA was to monitor the effects of dumping on the environment and if proven safe and successful, further dumping at larger quantities was planned per annum. The justification for the dumping was made under the then provisions of what was known as the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter 1972 (LC), colloquially known as the London Dumping Convention, and the Dumping regime resulted from the LC that existed at that time. Japan justified its plans as within accepted international practice in line with the LC and the dumping regime.[110]

September 2008.]

[108] "The Importance of the Establishment of NISA," Nuclear and Industrial Safety Agency homepage. [Available URL: http://www.nisa.meti.go.jp/english/index.htm accessed Wednesday, 17th September 2008.]

[109] See "Japan Plans to Begin Ocean Disposal," *Nuclear News*, November 1980, p. 20.

[110] Jon Van Dyke, et. al., "Nuclear Activities and the Pacific Islanders," *Energy*, Vol. 9, April 1984, p. 743. See also James B. Branch, "The Waste Bin: Nuclear Waste Dumping and Storage in the Pacific," *AMBIO*, Vol. 13, 1984, p. 327. It should be noted that this was not the first time Japan had planned to dump nuclear waste into the Pacific. Between 1955 - 1969, albeit in very much limited quantity compared to that which it was intending to dump in 1981, was 1,661 containers of LLW. See W.F. Holcomb, "A History of Ocean Disposal of Packaged Low-Level Radioactive Waste," *Nuclear Safety*, Vol. 23, March - April 1982, p. 184.

3. The London Dumping Convention 1972 and the Location of a Dumping Site

One year after the end of World War II, several countries had already fully operational nuclear industries. These countries began using the oceans as disposal sites for their LLW, known as "radwaste." Although a number of countries objected to this practice, they were effectively ignored.

The first international effort to create a regime to control the unregulated dumping of radioactive waste into the oceans was at the 1958 United Nations Conference on the Law of the Sea (UNCLOS I).[111] Member states participating in UNCLOS I agreed to an article which said:

> ...every State shall *take measures* to prevent pollution of the seas from the dumping of radioactive waste, taking into account any standards and regulations which may be formulated by the competent international organizations...[and] all states shall co-operate with competent international organizations in *taking measures* from the prevention of pollution of the seas or air space above, resulting from any activities with radioactive materials or other harmful agents.[112]

Unfortunately, although the agreed language of the article expressed the intention of regulating the dumping of radioactive waste and other forms of pollution detrimental to the oceans and air was finalised, the legal interpretation of the article was missing. In other words, the issues of what kind of measures were to

[111] UNCLOS I was the first of three meetings of countries to find agreement on the use of the oceans and its marine resources. UNCLOS II and III were concluded in 1960 and 1994 respectively. UNCLOS is now considered to be the codification of customary international law on the rights and responsibilities of states regarding the use of the oceans and its resources (including the seabed).
[112] UN Convention on the High Seas, 1958, Geneva, Article 25, para. 1. See also "Note on International Conventions Relating to Radioactive Marine Pollution," *Nuclear Law Bulletin*, Vol. 13, April 1974, p. 41.

be adopted and to what those measures were to be applied by signatories, was not determined.[113] The article was therefore lacking teeth for its own enforceability. However in terms of developing a global position on the issue of nuclear waste dumping, UNCLOS I did propose for the UN's specialized agency dealing with the promotion of safe and peaceful use of nuclear power, the International Atomic Energy Agency (IAEA), to conduct research into the technical problems surrounding the issue of nuclear waste dumping in the oceans. In 1961, the IAEA recommended that the disposal of LLW in the oceans should be done so only under regulation and control. The disposal of HLW should not be permitted. Unfortunately again, the recommendations by the IAEA was not adopted into treaty law so again, the problem of enforceability of these recommended controls world-wide fell by the way side.

Regionally however, certain countries were able to come together and "develop, at the international level, a safe and economic method for ocean disposal and to demonstrate this by a joint experimental disposal operation involving several member countries."[114] European countries with membership of the Organization for Economic Cooperation and Development's (OECD's) Nuclear Energy Agency (NEA) were given dumping protocols to follow in addition to supervision in 1967. Primary dumping states Britain, Switzerland, Belgium, and Netherlands coordinated their dumping activities in 1967, 1969, and from 1971 – 1982.

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[113] See M. S. Schenker, "Saving the Dying Sea? The London Dumping Convention on Ocean Dumping," *Cornell International Law Journal*, Vol. 7, 1973, p. 37. See also Myres S. McDougal and William T. Burke, *The Public Order of the Oceans: A Contemporary International Law of the Sea*, Burmingham, England, New Haven Press, 1985, pp. 864 - 8.

[114] Robert S. Dyer, "Sea Disposal of Nuclear Waste: A Brief History," in Thomas C. Jackson, (ed.), *Nuclear Waste Management: The Ocean Alternative*, New York: Pergamon Press, 1981, p. 12.

In the U.S., the Atomic Energy Commission (AEC) permitted LLW disposal in the ocean at particular locations only. These were in the Atlantic Ocean off the American states of Massachusetts and New Jersey, as well as in the Pacific Ocean off the city of San Francisco. Because of public opposition to ocean dumping, the AEC, by 1963, had stopped ocean dumping and moved to sites on-land although between that year and 1970, when radwaste disposal was finally terminated, the U.S. did manage to dispose of approximately 350 containers of LLW into the ocean.[115]

In 1972, the UN funded a two-week conference held in London from 30th October - 13th November. Representatives from 92 countries, both dumping and non-dumping states alike, as well as both developed and developing states, met with the intention of creating a truly global environmental regime in order to control all waste disposal in the oceans. From the Pacific Islands region, Fiji, Tonga, New Zealand, and Australia attended, in addition to Japan.

The effect of the creation of the dumping regime in 1972 did not prevent radwaste dumping but rather permitted its continuation through regulation. As a result of this conference, the LC was created and the participating states of the resulting regime agreed to the strict control of LLW (and ILW) dumping into the oceans. Dumping was regulated through licensing procedures which was in turn controlled by the member states. Although the member state controlled the licensing procedure and the enforcement of the license requirements, it was the regime that determined the criteria over which the licenses had to be based and enforced. Japan however did not become a member of newly created dumping regime.

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[115] Holcomb, *op. cit.*, p. 189.

In 1979, Japan and the US announced that they were to resume ocean dumping of their nuclear waste. The following year Japan opted to take membership of the LC in further justification of its planned dumping activities in 1981.[116] Reacting to the planned dumping by the US and Japan, a concerted network of non-government organizations principally by Greenpeace, developing states especially from the South Pacific region, and several European countries succeeded in having a moratorium on radwaste dumping passed by the members of the dumping regime in 1983. The moratorium did not impose legal penalties under the LC on dumping nations but it did pronounce radwaste dumping was no longer acceptable internationally and therefore such practices had to stop.

As expected, leading dumping states US and Britain were fervently opposed to the moratorium and Britain went as far as threatening to pull out of the dumping regime because of it had further plans to dump LLW.[117] However in apparent support of the challenges provided by the efforts of Greenpeace and the associated countries mentioned above, the Transport Union workers who were to be used to move the LLW offshore boycotted Britain's official plans. As a result, the British government cancelled its planned dumping at that time.

Furthermore, as shall be seen later in this chapter, the unified protests by the SPF against Japan's planned dumping in the Pacific Ocean, riding on the international anti-dumping sentiment that had emanated from the global dumping regime at that time, the Japanese government reacted by canceling its planned dumping activities in 1984. Prime Minister Nakasone Yasuhiro the following year in his official visit to the Pacific Islands region officially stated in Fiji that Japan had in fact shelved its plans to dump

[116] Jon Van Dyke, "Ocean Disposal of Nuclear Wastes," *Marine Policy*, Vol. 12, April 1988, p. 86.
[117] "United Kingdom: Ocean Disposal Operations to Continue," *Nuclear News*, July 1983, p. 50.

LLW in the Pacific Ocean.[118]

In 1985, the transnational coalition of anti-dumping entities were successful to extend the moratorium on nuclear waste dumping with greater requirements to be satisfied before the moratorium could be lifted. These requirements included the need to understand comprehensively all social, economic, political, legal, and environmental implications of radwaste dumping. Japan as a pro-dumping state regularly opposed the moratorium even after its prime minister had announced to the Pacific Islands region that Japan had cancelled its dumping plans. Accordingly, at the 1987 meeting of the parties to the LC, the Japanese delegation iterated that it still regarded radioactive waste dumping at sea as an option still open to it.[119] Japan based its premise on the fact that it did not have any suitable land-based disposal sites to dispose of its nuclear wastes in addition to the prevailing scientific communities consensus that LLW sea disposal poses little risk to the environment. So even if it in fact sought to incorporate the regime's policy into its national approach on the matter, it would hot be able to implement it because of this problem. As such, Japan had continuously looked to the surrounding oceans as possible alternatives for dumping. However, by 1993, Japan (and the US) decided to adopt the global anti-dumping decision into national policy and stopped dumping.

4. Japanese Relations with the Pacific Islands at this time

Chapter 2 explained that Japan's first official engagement with the Pacific Islands in

[118] *Fiji Times*, 16th January 1985. Cited also in Ogashiwa Yoko, "Regional Protests Against Nuclear Waste Dumping in the Pacific," *Journal of Pacific Studies,* Vol. 15, Suva Fiji: University of the South Pacific, 1990, p. 61.
[119] See Van Dyke, *op.cit.*, 1988, p. 82.

terms of offering development assistance was to the TTPI through the U.S., as the administering country. The development assistance was provided as a reaction to U.S. pressure on Japan to contribute more to sharing in the costs of its shared security interests with the U.S.

Japanese foreign development assistance had its roots in war reparations to countries that suffered damage from Japan before and during World War II. In 1954, the same year Japan joined the Colombo Plan for Cooperative Economic Development in South and Southeast Asia, Japan also finalized the first of its war reparation agreements with various countries in Southeast Asia. This came in the form of grants, loans, and export credits.[120] From 1969, economic aid was also provided to other countries in Southeast and East Asia not formally covered by any reparations agreement though it was understood that it was given as part of Japan's compensation payouts to countries damaged by Japan's occupation.[121] As such, Japan's aid initially had a deliberate Asian focus. In 1969, Japan concluded a reparations agreement with regards to its wartime aggression in the Pacific Islands. As explained, this was concluded with the US in relations to the Micronesian islands under U.S. control and was Japan's first means towards assisting the development of the Pacific Islands.

Aid granted to the independent PICs did not commence until the mid-1970s.[122] The 1970s witnessed a change in Japanese aid policy as it expanded and moved its focus away from solely concentrating on East Asia to encompass a broader foreign policy objective. International events during the 1970s turned Japan's focus towards securing

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[120] Tarte, *op. cit.*, 1998, p. 18.
[121] Takagi Shinji, "From Recipient to Donor: Japan's Official Aid Flows, 1945 to 1990 and Beyond," *Essays in International Finance*, No. 196, Princeton: Princeton University Press, 1995, p. 12.
[122] Tarte, *op. cit.*, 1998, Ch. 4 in particular pp. 85 and 94.

its sources of natural resources vital to Japan's economic livelihood.

The first oil shocks of 1973-74 and the advent of UNCLOS III had serious implications to Japan's resource diplomacy. With regards to the Pacific Islands region, UNCLOS III was negotiating the legal concept of the exclusive economic zone (EEZ) which if accepted, would enclose much of the lucrative tuna fishing grounds and other marine product sources into PIC jurisdiction. As such, Japan's reacted to these international developments by offering development aid as a precursor for Japanese access to the raw materials under Pacific Island jurisdiction. Access to the raw materials was the justification for the need to engage the PICs at this time. It was the diplomatic tool used by the Japanese government in order to conduct its foreign relations with the Pacific Islands region. ODA contributions thus were focused primarily on the fisheries industry.

In 1975, Japan offered its first ODA grants to the PICs. This was offered to Papua New Guinea when that country attained independence from Australia the same year. From 1975 on, Japan advanced its ODA contributions primarily through fisheries development aid to the rest of the independent PIC states in its attempt to secure its diplomatic interests in the region.[123] Throughout the 1970s, Japan's aid policy to the region was focused on the areas of PIC development which would benefit its resource diplomacy most. As such, the fisheries sector was the tool used by Japan to assist in PIC development as well as to secure its fishing grounds in the region. Fisheries was chosen not so much as it reflected an overall national interest Japan had in the region but was the only avenue Japan could consider as a means to engage the region to engage the

[123] Tarte, *ibid.*, Ch. 4.

Pacific Islands.[124] Interest in PIC fisheries was a reflection of the interests of Japan's fisheries industry, a minor component of overall Japanese economic interests. In searching for a method or approach as to how to engage the island states of the region diplomatically, fisheries was the only alternative the Japanese government had as a tool to engage and maintain relations. It was not an interest in fisheries per se.

Be that as it may, Japan's resource diplomacy of the 1970s as a reaction to the international events described above, was used as justification for the need for further contributions to and engagement with the PICs. It was international circumstances which Japan had reacted to in order which prompted its further engagement with the PICs.

To be sure, prior to Japan's 1979 decision to resume nuclear waste dumping in the Pacific Ocean, Japan was of the opinion that it was managing well its regional relations and island strategy in the Pacific through its ODA disbursements, its specific assistance to fisheries development, which culminated also in the establishment of Japan's first diplomatic mission in the region. These "good times" in Japan's islands diplomacy in the Pacific may have given the government a false sense of comfort in contemplating its decision to dump nuclear waste into the Pacific.

During the late 1970s, Japan was also developing or attempting to develop a conceptual framework where all its security interests could be incorporated. This developing concept became known as "comprehensive security" which combined Japan's economic (resource), political (diplomatic), and strategic (military) interests.[125] Conceptually easy to combine these interests, in practice it was often difficult to use and

[124] "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 30th May 2008.
[125] Dennis Yasutomo, *The Manner of Giving: Strategic Aid and Japan's Foreign Policy*, Lexington, MA: Lexington Books, 1986, p. 32.

lead Japan's actions in its international relations. This became clear in the case of the Pacific Islands reactions to Japan's decision to resume dumping of LLW in the Pacific.

By 1979, as Japan's nuclear industry had grown to the extent that it was attaining independent production capability, the economic viability of the nuclear industry also rested upon its ability to dispose of its waste in a cost-effective manner. It therefore was decided that year that it was economically sound to explore the option of dumping certain wastes in the Pacific Ocean. The nuclear industry found it feasible on economic grounds to dispose of LLW in the Pacific Ocean. At the this time, Japan's political interests in fostering closer and more cordial diplomatic relations with the PICs through the tool of fisheries development was not fully realized. Japan had yet to realize the importance of the new political actors in the Pacific Islands region to its own national interests. After 1979, this was to change.

The announcement that Japan was going to dump nuclear wastes in the Pacific caused a regional outcry. Member countries of the SPF protested against the decision. Somewhat surprised by the criticism, the Japanese government found itself scrambling to address the protest from PICs with which Japan thought had been maintaining good diplomatic relations. Japan's approach towards the PICs in terms of aid policy had to be reconfigured so as to understand in greater depth the issues important to the PICs.[126] Japan's domestic economic and business interests were not always compatible with its political interests as demonstrated by this case of Japan's nuclear dumping plan in the Pacific.

[126] "Interview with Dr. Kobayashi Izumi," *op. cit.*, 30th May 2008.

5. SPF Shocks: 1979 - 1981

The decision by Japan (and the U.S.) to resume nuclear waste dumping in the Pacific Ocean was met by PIC protests. Japan had announced that it was to begin its experimental dumping in the Mariana Trench north east of its Ogasawara Islands in 1981. This decision was discussed at the South Pacific Forum meetings of 1979 and 1980. The PICs unanimously condemned nuclear waste dumping generally and the use of the Pacific Ocean for nuclear-related activities. Nevertheless, apart from specifically naming the U.S. in the SPF's 1979 Communiqué and urging that country to dispose of its nuclear wastes on its mainland, the 1979 and 1980 communiqués made no specific reference to Japan. This was despite in 1980, Kiribati, the host PIC of the SPF Summit meeting, had called on the summit to protest directly against Japan and its plans.

Pacific Islands that were not members of the SPF also signaled to Japan their opposition to the planned dumping. A party from the Commonwealth of the Marianas had travelled to Tokyo shortly after the announcement of Japan's dumping plans, and presented to the Japanese Diet (parliament) a petition stating the opposition of more than 12 million members of seventy organizations.[127] In addition, the Governor of the Northern Marianas, together with the Governors of American Samoa, Guam, and Hawaii, officially declared their condemnation of the planned nuclear waste dumping by both Japan and the U.S.[128]

Since the creation of the SPF in 1971, the annual meeting had not referred to any aspect of its relations with Japan until by implication in their 1979 and 1980 communiqués. Japan was subsequently named in the 1981 SPF Communiqué in the

[127] "Mariana Islanders Protest Plans By Japan to Dump Atomic Waste," *New York Times*, 3rd August, 1980.
[128] Robert Trumbull, "Pacific Governors Oppose Dumping Atom Wastes," *New York Times*, 5th October 1980.

provisions condemning the act of and planning of dumping nuclear waste in the Pacific.

Despite, in Japan's purview, its relations with the PICs being perceived as "normal and cordial" per se, and hence warranting no great effort by Tokyo to consider Pacific Islands regional issues, the first time Japan was referred to by the SPF Leaders through the SPF was in protest. The PICs Leaders at the 1981 SPF Summit held in Vanuatu in referring to its previous collective decisions to condemn nuclear-related activities in the Pacific including nuclear testing and waste dumping, stated that Japan (and the US) should "store or dump" their nuclear waste in their own countries. The Leaders expressed that:

> The Governments comprising the South Pacific Forum,
>
> Recalling the resolution passed at previous South Pacific Forum meetings condemning any actions representing further exploitation of the Pacific for nuclear purposes in ways which disadvantage the peoples of the Pacific;
> Reaffirms its strong condemnation of testing of nuclear weapons or dumping or storage of nuclear wastes in the Pacific by any government as having deleterious effects on the people and environment of the region;...
> Urges...*Japan to store or dump [its] nuclear waste in their home countries rather than storing or dumping them in the Pacific...*[129]

Over the following two years, there was a lull in the subsequent SPF Communiqué's specific references to Japan when expressing regional protest and condemnation of the proposed plans for dumping by any country of nuclear waste in the region's oceans. In 1984, the SPF Summit again renewed its protests against Japan intentions for waste

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[129] *Forum Communiqué*, Twelfth South Pacific Forum, Port Vila, Vanuatu, 10th - 11th August 1981. [Emphasis added]
[Available URL: http://www.forumsec.org.fj/_resources/article/files/1981%20Communique.pdf accessed Friday, 30th May 2008.]

dumping in the Pacific. In an official visit to the Pacific Islands region by the Japanese prime minister the following year, Nakasone declared that all plans for nuclear waste dumping were cancelled out of consideration for PIC interests.

In 1983, Kiribati and Nauru gained membership of the global ocean dumping regime under the LC. These two PICs conveyed the region's views on anti-dumping in the Pacific Islands region to the international level in the hope of seeking approval from members to amend the LC so as to prohibit the disposal of all forms of nuclear waste in the oceans.[130]

Kiribati and Nauru impressed upon the regime the fact of the PICs heavy reliance on the oceans for their wellbeing both economically as well as for physical sustenance. They argued that the scientific status quo suggesting that the oceans have a unique quality of being able to absorb and or neutralize the radioactive properties of nuclear waste were unsound and inconclusive. The potential for nuclear waste leakage into the oceans food chains would prove to be disastrous for the PICs.[131]

Japan had, in unison with other pro-dumping members states, argued that the scientific justification for dumping was sound and that the practice was no threat to the marine environment. They questioned the scientific and technical basis for the Kiribati and Nauru submission and therefore opposed the proposal for an amendment to the LC for a blanket prohibition of dumping of any nuclear waste in the oceans. The 1983 meeting of the parties to the LC failed to adopt the proposed amendment. Many governments, though supportive of the Kiribati and Nauru stance, felt that it would be better to give some time to the dumping states to build the necessary land-based

[130] Van Dyke, et. al., *op. cit.*, 1984, p. 743. See also London Dumping Convention, *Report of the Seventh Consultative Meeting*, LDC 7/12, 9th March 1983, pp. 19 - 30.
[131] London Dumping Convention, *Evaluation of Oceanic Radioactive Dumping Programmes*, Joint Submission by Kiribati and Nauru, LDC7/INF.2, 9th March 1982.

disposal sites before a reconsideration of an LC amendment be made in future. The 1983 regime thus resolved the issue by voting on a declaration, sponsored by Spain, to impose a moratorium on further dumping activities until the dangers of dumping on the marine environment could be investigated again. The vote was in favor of the Spanish proposal.[132] There was thus a growing international and transnational consensus on the need to ban ocean disposal of nuclear waste. Members resolved to submit the question of scientific justification for or against dumping and to re-visit the issues again in 1985.

The final report of the expert committee released in 1985 for member's consideration found that the science was not conclusive on whether or LLW dumping pose a threat to the environment. As such, the issue of whether or not the LC should be amended would have to be considered in the light of conflicting evidence in the scientific community. The meeting of the parties resolved to extend the moratorium again with consideration of amending the LC not solely based on scientific evidence but on wider considerations. These considerations included all social, economic, political, and legal implications of a resumption of nuclear waste dumping. In 1985 an extension of the global moratorium on nuclear waste dumping in the oceans was approved by parties to the LC.

6. Japanese Strategic Reaction and Decision

Japan's ignorance of issues important to the PICs albeit conducting diplomatic relations with the region since 1968 became clear. The 1980 protests from the PICs were unprecedented and Japan was shocked by the outcry in the islands region. This

[132] Clifton E. Curtis, "Ocean Dumping Nations Vote Radwaste Suspension," *Oceanus*, Vol. 26, Spring 1983, pp. 76 - 78. See also by the same author, "Radwaste Dumping Delayed: An International Moratorium Keeps Nuclear Wastes at Bay," *Oceans*, Vol. 16, May - June 1983, pp. 22 - 23.

was cause for much worry in Japan. With the encouragement of the U.S., an official Japanese delegation comprised of scientists and politicians traveled to the Pacific Islands region to lobby for PIC support for their dumping plans.[133] This trip occurred in September, two months after the 1980 SPF Summit meeting. It was doomed to failure.

The Japanese delegation visited Papua New Guinea, Samoa, and Fiji, in addition to New Zealand and Australia, as well as Guam. The telling question which solidified and confirmed regional opposition to the planned dumping was when the delegation was asked specifically in Fiji whether Japan could guarantee that its planned dumping of LLW on the region's waters would pose no danger to the Pacific Islands and its people. Japan could not provide such a guarantee. Local protests also marred the delegation's efforts in Samoa and both the Samoan and Papua New Guinean governments reiterated to the delegation that their countries would never agree to have the Pacific Islands region used as a dumping ground for nuclear waste or nuclear testing for that matter.

The SPF took its protests further internationally in 1980. At the United Nations General Assembly meeting that year, the Papua New Guinean Minister of Foreign Affairs further announced the PICs opposition to nuclear dumping plans in the Pacific and spoke of the dangers it posed to the Pacific Island's environment and its people. Vanuatu, which gained its independence also in 1980, immediately joined the chorus of protests against the planned dumping activities. At that year's South Pacific Conference held in Papua New Guinea, Vanuatu echoed regional opposition to nuclear waste dumping and suggested that if Japan's arguments that nuclear waste dumping poses no threat to the environment, then such waste should be disposed of on their own land.[134]

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[133] *Pacific Islands Monthly*, September 1980, p. 5.
[134] Angus Smales, "Politics without Protest Emerge from South Pacific Conference," *Pacific Islands Monthly*, December 1980.

Vanuatu took the regional protest again to the United Nations upon taking membership the following year.

The events of the 1980s were a "wake-up" call for Japan with regards to its diplomatic strategies in the Pacific Islands. It was shocked after a decade-long presumption since the establishment of the SPC in 1971 that its relations with the PICs were favorable. It was a somewhat rude awakening when the first mention of Japan in a regional statement by Leaders of the PICs was in no less terms ad condemnation and protest against Japan's plans for nuclear waste dumping.

Reacting to the PICs protests, the STA, representing Japan at a meeting of the Asian Development Center Conference in December 1980, informed the attending Pacific Island delegations that Japan had decided to cancel its planned nuclear dumping whilst opposition to it was evident.[135] Furthermore, the Japanese government again reiterated to the PICs the following year February that its planned nuclear dumping, initially scheduled for that year, was to be cancelled.[136]

A myriad of international and domestic concerns had led to Japan's decision. Domestically, like the Pacific Islands, Japan's fisheries industry had expressed concerns regarding the implications of the planned 1981 experimental nuclear waste dumping on their fish stocks in the Pacific Islands. In fact, the industry threatened the government with mobilizing its fishing vessels to the dump site to block any effort made by the Japanese government to dump its nuclear waste.[137] In addition to that, the Government of the Northern Marianas had threatened to close its EEZ to Japanese fishing interests if

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[135] Van Dyke, et. al., *op. cit.*, 1984, p. 13.
[136] Henry Kamm, "Islanders Fight Japan's Plan to Dump Atom Waste," *New York Times*, 18th March 1981.
[137] Trumbull, *op. cit.*, 1980. See also John Junkerman, "Deep-Sixing the Atom," *The Progressive*, Vol. 45, December 1981, p. 32.

the government did not heed their demands for an end to the planned dumping.[138] Japanese concerns also were heightened to the fact that the US on the other hand had been urging Japan to take greater leadership strides in the area of environment protection. US influence with regards to environmental issues had influenced Japan likewise to re-think its dumping plans.[139]

Overall though, Japan was also in the midst of re-inventing its international image because of its historical military aggression in the Pacific Islands (and Southeast / East Asia). An insistence by Japan on its plan to dispose of its nuclear wastes in the Pacific Islands region whilst active and vocal protests were being made by the PICs would not give credence to its image of a peace-loving country.[140]

However, Japan's announcement to cancel its planned dumping in 1981 was essentially to buy time to see through that current regional row but its plans to dump would resume at a later date.[141] In reality, Japan's reaction to PIC protests was aimed at announcing a cancellation of its planned dumping with the purpose of allaying PIC fears of the issue whilst still maintaining its intentions to proceed with nuclear dumping at a later date. Indeed, this intention did come to the fore when the STA apparently expressed its intention in August 1984 that Japan was intending to resume its plans for LLW dumping in the Pacific despite of its previous undertakings not to do so.[142] Indeed, as far back as 1980, despite the fact that Japan did express in December that year to

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[138] Daniel P. Finn, "Nuclear Waste Management Activities in the Pacific Basin and Regional Cooperation on the Nuclear Fuel Cycle," *Ocean Development and International Law Journal*, Vol. 13, 1983, pp. 216.
[139] Thomas L. Friedman, "Baker to Japan: Share the Global Burden," *International Herald Tribune*, 12th November 1991.
[140] Luther J. Carter, *Nuclear Imperatives and Public Trust: Dealing with Radioactive Waste*, Washington DC: Johns Hopkins University Press, 1987, p. 364.
[141] Takehiko Ishihara, "Ocean-Dumping of Low-Level Wastes in Japan: Past and Future," *Proceedings of Waste Management*, Tucson, Arizona, 1982.
[142] Jane Dibblin, "Paddling in the Nuclear Pool," *New Statesman*, 1st March 1985, pp. 18 - 19.

PICs that it would not proceed with dumping plans in the Pacific without consideration of PIC interests, STA representatives were still adamant of the fact that nuclear waste dumping did in fact require the consent of the foreign governments let alone the PICs. Furthermore, an STA official had been reported as having said that Japan still needed to dump its nuclear wastes at sea and that such plans have not been given up on as yet.[143]

Again, the PICs at the August 1984 SPF Leaders Summit in Tuvalu met with the intention of protesting Japan's disregard for their 1980 assurance to the PICs that it was not contemplating further plans for dumping. In their communiqué, PIC Leaders decided that "[g]overnments continue to protest individually, as well as collectively,... and to Japan over proposals to dump nuclear waste in the Pacific."[144]

Japan again found itself specifically named in the wording of the communiqué protesting its plans to dump in the Pacific despite previous undertakings. Leaders had agreed to use both bilateral and regional approaches to voice their concern and protest against Japan's decision to move forward with its plans.

Following this latest regional protest, and coupled by the changing nature of the international dumping regime which had witnessed a growing international consensus against nuclear waste dumping in the oceans, the STA declared again that it would not pursue any further dumping plans without consideration to the interests of the PICs. It was apparent that Japan's interests in maintaining and enhancing its peaceful and friendly image internationally would have been at odds with any apparent plan to push through its nuclear dumping plans in the face of regional protests. In addition, the

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[143] Don Kirk, "Double Standards in Japan's Nuclear Policy," *New Statesman*, 5th September 1980, p.4. See also Kamm, *op. cit.*, 1981.

[144] *Forum Communiqué*, Fifteenth South Pacific Forum, Funafuti, Tuvalu, 27th - 28th August 1984 [Available URL: http://www.forumsec.org.fj/_resources/article/files/1984%20Communique.pdf accessed Wednesday, 13th May 2009.]

emerging concept of a South Pacific Nuclear Free Zone been pushed by Australia and New Zealand, and an emerging international consensus against such practice as evidenced by the international regime's decision on a nuclear waste dumping moratorium in 1983 and 1985 added to the Japan's decision to cancel its dumping plans.

Japan's interest in shedding its image of being a historical military aggressor in the region found that it was in its interests to capitulate even to the regional protests of the small island states of the Pacific. Although this was victory nonetheless for the strength and dynamism of Pacific Island regionalism, this case still demonstrated Japan's reactive foreign policy to its world environment. Its reactive responses to the PIC protests demonstrated further its lack of appreciation of the issues important to the PICs although conducting diplomatic relations with them.

The events surrounding Japan's decision to dump LLW into the Pacific Ocean was a telling event that prompted Japan to take more serious consideration regarding Pacific Island interests and issues. Hitherto, albeit by 1979, Japan had established its first diplomatic mission in the PICs (Fiji) and had ongoing development aid relations with PIC membership of the SPF, it became evident that in deciding to proceed with plans to dump nuclear waste in the region in 1981 that Japan really had not realized how sensitive the issue was to the PICs. It stemmed simply from not only a lack of clear diplomatic strategy Japan had in the islands region but also the status of the region in wider global affairs.[145] Be that as it may, Japan appeared to have miscalculated its views regarding the conduct of relations with the island states and thus was taken-back by the uproar coming from what hitherto was a region of tranquility and peace.

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[145] "Interview with Dr. Kobayashi Izumi," Executive Director, Japan Institute for Pacific Studies, Tokyo, Thursday, 28th August 2008.

Japanese concerns for its international image as being peace-loving and friendly was a major factor in driving Japan's decisions to change its policy decision for dumping. Coupled with pressure from the U.S. in terms of sharing the burden of "leading" the Pacific Islands region in terms of environmental concerns, and later, in terms of political and strategic concerns as the Cold War made forays into the islands region, and as the newly independent island states conducted adventurous foreign policies with the USSR, Japan now had to give greater attention to its conducting of relations with the PICs.

The issue of nuclear waste dumping however served as a catalyst for the strengthening of PIC regional cooperation and making their collective action one recognizable at the international level. In being able to be recognized at such a level, Japan was thus prompted to make further effort towards considering the interests of its Pacific Island neighbors. These considerations came forth as Japan entered the latter half of the 1980s with amassed reserves and a continuing and growing trade surplus.

Japan had found itself in an economically and financially powerful situation after 1985 whereby it had the wherewithal to contribute more in terms of development aid to the PICs. This enhanced financial power was a direct result of what became known as the 1985 Plaza Accord. More importantly, Japan's subsequent decision to contribute more was in reaction to U.S. pressure on Japan to contribute more to its shared security interests with U.S. in the Pacific Islands region.

As will be elucidated in the next chapter, yet again, Japanese foreign policy to the Pacific Islands region was in reaction to international pressures to use its new-found financial capability to contribute more to political-strategic interests in the Pacific Islands region. Japan's renewed vigor to just spend its accumulated wealth was

encapsulated, in terms of relations with the Pacific Islands region, in what had become known as the Kuranari Doctrine.

Chapter 4

The Need to Spend: Realities of the Kuranari Doctrine As Japan's Pacific Islands Policy, 1987 – 2009

1. Introduction

The Kuranari Doctrine may be cited as the first articulated policy document Japan created to justify its need to engage the Pacific Islands. Named after the Foreign Minister at the time of its 1987 formulation, the policy declaration announced Japan's intention to double the amount of Japan's ODA to the Pacific Islands to assist in their development.

Commentators have speculated on the reasoning behind this enhanced island engagement and have pointed to the prevailing international circumstances of the time. Chief amongst the rationale behind the Kuranari Doctrine was the ongoing Cold War and the encroachment into the "American Lake" to which Japan was bound to help maintain within the western sphere of influence to which it was part of. Sandra Tarte for example has suggested that the intentions of Japan's ODA contributions to the Pacific Islands had evolved from grants for fisheries development intending to facilitate Japan's food security and resource diplomacy in the 1970s, to a political strategic outlook aimed at sharing in the costs of maintaining U.S. and western security interests in the 1980s.[146]

This work does not challenge these submissions and agrees that these reasons were justifications for the strategic use of ODA. In differentiating this work, it will be argued

[146] Tarte, Lecture Topic: "Regional Strategies: The Pacific Islands and Japan," *op. cit.*, 9th April 1997, p. 6.

that Japan's ability to contribute by way of and increased amount of ODA to the region was based first on its financial ability to do so. In other words, if Japan lacked the economic and financial capability to double for example, its aid as intended under the Kuranari Doctrine, it is doubtful that such an aid doubling plan would have materialized. Or, it is doubtful Japan would have been able to answer the call by the U.S. to contribute more to the security costs of maintaining western interests in the Pacific Islands region.

The external pressure on Japan calling on it for greater commitment towards "burden sharing" of security interests in the Pacific Islands. Japan reacted to this *gaiatsu* by increasing its ODA commitment to the PICs. It must be noted though that Japan's ability to respond to *gaiatsu* was based upon the strength of its economy, its burgeoning trade surplus vis-à-vis the U.S., the rise in the value of its currency, and its increased accumulation of bank reserves.

Gaiatsu also emanated from ongoing trade tensions between Japan and the U.S. Pressure was applied on Japan to assist in correcting its trade imbalance against the U.S. by way of spending its accumulated foreign reserves it had through its trade surplus. Japanese reaction to this *gaiatsu* was linked to U.S. pressures regarding Japan's apparent lack of costs sharing in security matters in the Pacific Islands. The signing of fisheries access agreements by Kiribati and Vanuatu in 1985 and 1987 was cause for concern in the U.S. The possibility for use of such agreements for other strategic reasons such as intelligence gathering, establishment of a land presence, and also political interference were enough to sound off alarm bells in U.S. security circles.[147]

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[147] John C. Dorrance, "The Pacific Islands and U.S. Security Interests: A New Era Poses New Challenges," *Asian Survey*, Vol. 29, No. 7, July 1989, pp. 705 - 708. Dorrance was writing from his experience as a senior diplomat with the US State Department's Australia, New Zealand, and Pacific island affairs Division. See also Kim Byung Ki, "Moscow's South Pacific Fishing Fleet Is Much

In reacting to this pressure to spend, the Ministry of Foreign Affairs in this case had to justify to the Ministry of Finance the need to spend. This chapter argues that this pressure on Japan to simply spend was behind the policy justification for a shift in focus of Japanese ODA contributions to the Pacific Islands. Spending Japan's accumulated wealth was a response to international pressure to correct Japan's trade imbalance with the U.S. In doing so, Japan therefore was able to use the additional pressure from the U.S. for "burden sharing" in security interests in the Pacific as a means and justification to spend its accumulated wealth. Japan's reaction to *gaiatsu* to spend in other words was the driving force behind the doubling of ODA to the Pacific Islands. Political and strategic intentions behind the ODA in support of U.S. security interests, is submitted, were an afterthought.

This chapter will argue therefore that the increase in ODA contributed to the region was because Japan primarily needed to spend its access reserves. This need simply coincided with the fact that Japan also had to respond to pressure from the U.S. for greater Japanese contribution to sharing the costs of maintaining America's security interests in the Pacific.

In 1985, an agreement by the G5 Members (the U.S., UK, France, West Germany, and Japan) was reached at the Plaza Hotel in New York to address primarily the economic difficulties faced by the U.S. at the time especially in relations to its trade relations with Japan. The agreement later dubbed the "Plaza Accord" was reached whereby action was taken by Japan and other signatories, to assist the U.S. in reducing

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More Than It Seems," *Asian Studies Backgrounder*, No. 80, The Heritage Foundation, 6th September 1988, Frank C. Langdon, "Challenges to the United States in the South Pacific," *Pacific Affairs*, Vol. 61, No. 1, Spring, 1988, pp. 21 – 23, and Shiro Saito, *Japan at the Summit: Its Role in the Western Alliance and in Asian Pacific Co-operation*, London: Routledge, 1990, Ch. 8, particularly pp. 128 – 139.

the value of the dollar through an adjustment of the value of their respective currencies. The Accord intended to facilitate the U.S. in reducing its mounting massive trade deficit by reducing the value of the dollar, thereby making U.S. exports cheaper to buy. The adjustment of the dollar resulted in an almost doubling of the strength of the yen.

As a result of the Plaza Accord, Japan found an opportunity to use its strengthened currency to respond to pressure from the U.S. to contribute more to their shared security interests in the Pacific Islands, and in so doing, Japan was working to adjusting its trade imbalances again the U.S. It was a case of "killing two birds with one stone," as the expression goes.

The Kuranari Doctrine was not only a response for greater burden sharing on security matters in the region but it was importantly also a reason behind Japan's desire to spend its excessive reserves. The Kuranari Doctrine in the final analysis was a policy creation to justify Japan's reactive foreign policy responses to U.S. demands.

2. Background to the Kuranari Doctrine: Common Perceptions

Postwar government policy in Japan focused on strengthening its economy. Security matters were primarily left to the U.S. under their shared security alliance. Economically, the Pacific region was seen by Japanese industry as a supplier of fish and other natural resources to satisfy Japan's local market demand. Fisheries aid was seen as the main diplomatic tool with which to engage the PICs. This became important as the majority of PICs gained independence and self-government during the 1970s. This decade also witnessed the advent of the Law of the Sea and with it concept of a coastal state's exclusive economic zone being incorporated into international law. The EEZ fenced in much of the lucrative fishing grounds within PIC legal jurisdiction and

therefore using fisheries aid to the PICs was to become a means to maintain access to these natural resources.[148]

However with the Cold War politics being played out and Soviet "incursions" into the region via fishing agreements with certain PICs being evident, and coupled with U.S. pressure for greater burden-sharing by Japan in security arrangements, saw Japan in the 1980s incorporate its political interests into its ODA rationale for the Pacific region. Between 1975 and 1985, 70% of Japanese ODA was focused on fisheries grant aid. Cold War politics saw an expansion of ODA target areas from interests in fish resources to other sectors of direct benefit for PICs namely "health, education, communications and transport sectors."[149]

The Cold War had reached the Pacific[150] and saw Tokyo officials stating they could not "tolerate to see another Cuba in the Pacific."[151] Japan was prompted for the first time to make official visits by then Prime Minister Nakasone to the region in 1985[152] followed two years later by Foreign Minister Kuranari who laid out the doctrine which bears his name and from Japan's perspective, served to do its part in the anti-communist cause of the United States and other Western powers. For the benefit of the PICs in a bid to win support, the Kuranari doctrine confirmed Japan's respect for PIC sovereignty and

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[148] Sandra Tarte, "Japan's ODA in the Pacific Island States," in David Arase, *Japan's Foreign Aid: Old Continuities and New Directions*, London: Routledge, 2005, pp. 237 - 239.

[149] Tarte, *ibid.*, p. 237.

[150] By 1987, the Soviet Union had established fisheries agreements with two PICs namely Kiribati in 1985 and Vanuatu in 1987. Of interest, the Soviet-Kiribati agreement coincided with the first Japanese head of government's (Prime Minister Nakasone) visit to the Pacific Islands, and the Soviet-Vanuatu agreement with Prime Minister Nakasone's Foreign Minister's (Kuranari Tadashi) like visit and announcement of Japan's ODA doubling plan.

[151] From speech by Mr. Iino Kenro, former Ambassador of Japan to Tonga (et. al.), "Japan's Foreign and Economic Cooperation Policy to the Pacific," University of the South Pacific, Fiji, 28th July, 2004, p. 5.

[152] Prime Minister Nakasone envisioned an Asia-Pacific Community which explicitly included the PICs. See Finin and Wesley-Smith, "A New Era for Japan and the Pacific Islands: The Tokyo Summit," *op. cit.*, p. 3.

independence and its willingness to promote economic and regional cooperation as well as personnel exchanges.[153] Cold War politics was having positive impacts on PIC economic livelihood. The doctrine saw ODA levels to the region quadruple between 1985 and 1990 increasing from USD24 million to USD98 million.

The historical and unprecedented visits by Japanese high political figures underscored the importance Japan attached politically to the region vis-à-vis the Cold War.[154] The value of the yen against the dollar had strengthened for example by 54% from ¥240 to around ¥120 to the U.S. dollar[155] within two years between 1985 when the Accord was signed in 1987. What this meant was the value of Japan's ODA generally had doubled and would therefore be prime use as strategic ODA in response to U.S. demands for burden-sharing in the islands region. Significantly also, this two-year timeframe also coincided with the first visit by a Japanese head of government to Fiji in 1985 and the subsequent visit in 1987 by Minister Kuranari.

With Japan's diplomatic posture through the Kuranari Doctrine of not interfering within the political affairs of the PICs, it was a natural reaction that the PICs would seem more favorable to a more assertive Japanese political overture into the Pacific. For example, during the third coup d'état in Fiji and the subsequent handing over of

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[153] Iino, *op. cit.*, p. 5.

[154] It has been submitted also that the Kuranari Doctrine not only was a result of the Cold War politics of the day and Japan's wish to further demonstrate its support for the United States in terms of geo-political interests, but also was an official reaction borne out of demands of the local nuclear power industries for the need to dump off-shore its nuclear waste. Deciding to dump the nuclear waste in the Pacific region caused uproar within the PICs entailing opposition against the idea much to the surprise of policymakers in Tokyo. Initial plans for dumping were to take place in 1980. Throughout most of that decade, Japan lobbied the region to allow its dumping activities but to no avail. The visit by Prime Minister Nakasone as well as the formulation of the Kurunari Doctrine has been seen as diplomatic (and economic) measures to facilitate the planned dumping of the nuclear material. On this account, see Alexander, *op. cit.*, 2001, pp.126 - 128.

[155] Hisane Misaki, "China and the Legacy of the Plaza Accord," *Asia Times online*, 21st September 2005. [Available URL: http://www.atimes.com/atimes/Global_Economy/GI21Dj01.html accessed Monday, 1st June 2009.]

government to military control in 2000, "Australia, New Zealand, United States, and the European Union withheld aid to the Interim Military Government during the abrogation of the constitution. Contrary to the urging of these governments, Japan continued its aid presence with small but highly visible donations."[156]

The Japanese position was acknowledged later by the former democratically elected Prime Minister of Fiji and co-Chair with Japan's Prime Minister Koizumi Junichiro of the Third Pacific Islands Leaders meeting, that Japan's assistance "helped Fiji at a crucial time".[157] Japan's promotion of democracy and human rights as a universal truism follows its own unique path different from that of the traditional metropolitan western powers in the Pacific. A suspension of aid assistance is not an option under the Kuranari Doctrine purely because of Japan's calculated move not to encroach upon any of its other more prioritized interests in the region.[158] This is the meaning of Japan's respect for PIC sovereignty and independence under the Doctrine. "It is an outcome which Japan will find easier to accommodate than New Zealand [and Australia] which will need to avoid over-reacting."[159]

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[156] Robert Seward, "Pacific Island States Reconsidered."
[Available URL: http://www.meijigakuin.ac.jp/~iism/pdf/nenpo_006/p003Seward.pdf accessed Monday, 1st June 2009.]

[157] Iino, *op. cit.* p. 6

[158] Although there are clear common political interests between the regional powers and members of the Pacific Island Forum Australia and New Zealand, and Japan, such as regional development and stability, how this is carried out is cause for tensions at times. As has been acknowledged by Ambassador Iino Kenro, "Japan has the same policy as Western countries in regards to advocating democracy and human rights as the universal concept – BUT [emphasis added] we have a different approach in accomplishing this." See Iino, *ibid.*, p. 6. See also Finin and Wesley-Smith, *op. cit.*, p. 7 and "Japan Chapter", *Country Studies*, Federal Research Division, Library of Congress as part of the Country Studies / Area Handbook Series, U.S. Department of the Army, 1986 - 1998.
[Available URL: http://countrystudies.us/japan/134.htm accessed Monday, 1st June 2009.]

[159] John Henderson, "Political and Social Change in Oceania," Seminar Paper presented at colloquium, *New Zealand and Japan: What Next?,* Peace, Friendship and Exchange Programme, Japan - New Zealand Relations, Embassy of Japan, February, 2000, para. 12.
[Available URL: http://www.nz.emb-japan.go.jp/political/whatnext/henderson.html accessed Monday, 1st June 2009.]

It must be noted that compliance with democratic principles of good governance is a core element of Japan's 1992 ODA Charter which guides decisions on whether to suspend or maintain ODA donations to recipient states. But as Tanaka Yoshiaki has pointed out elsewhere, the application of this principle is inconsistent and selective based on Japan's other political and diplomatic interests.[160] The Pacific region, as a recipient of Japanese ODA has not been subject to Japanese retributory measures with regards to ODA suspension unlike countries in Africa and the Caribbean (Togo and Haiti) where Japan suspended aid to these countries in the case of human rights violations and a coup respectively. This immunity to possible Japanese ODA suspension and strict application of ODA Charter principles of democracy to the Pacific region, as mentioned, falls within Japan's established Pacific Island policy through the "Kuranari Doctrine" which, among others, states respect for the independence and autonomy of PICs.[161]

Cold War politics of burden-sharing led to an enhancement of Japanese diplomatic engagement with the PICs through the Kuranari Doctrine. The Doctrine was part of Japan's contribution to U.S. strategy in maintaining the Pacific region within its sphere of influence through an increase in ODA spending without political strings attached to notions of good governance or democracy.

3. Background to the Plaza Accord

Following its defeat in the Second World War, Japan's policymakers were keenly aware of the anti-sentiments prevailing against it as a convicted aggressor state and

160 Tanaka in Shibuya and Rolfe, (eds.), *op. cit.*, 2003, pp. 101 - 107.
161 Iino, *op. cit.*, p. 6. See also Alexander, *op. cit.*, p. 128, Finin and Wesley-Smith, *op. cit*, p. 3, and Tarte in Arase, *op. cit.*, p. 21.

retreated from creating or maintaining close political and cultural ties in the international sphere save for that which existed with the United States as the occupying force in Japan and later as its allied partner. In doing so, Japan turned its energies towards rebuilding its war-torn economy. Japan's postwar Constitution facilitated this effort by disenabling Japan to exert efforts and finances towards national security through legal provisions. With the support of the United States giving stimuli to Japanese industry and access for Japanese produce to U.S. markets, in addition to providing Japan physical protection by way of the shear U.S. military might, Japan was the first of the East Asian countries to achieve accelerated economic growth. The U.S. consciously sought to develop Japan's economy by creating conditions conducive to economic growth and democracy so as to prevent or discourage possible communist influence in Japan.

The Japanese government directed its economic intervention through two approaches. First, it created specific industrial polices with an emphasis on export expansion and import limitation. In addition, the government targeted specific industries with state assistance and incentives. Finally, through increased demand from the U.S. for military supplies during the Korean War (and again later during the Vietnam War), this Japanese postwar model for economic development proved a success and was soon mimicked by its Asian neighbors particularly South Korea and the Republic of China (Taiwan).[162]

Japan's success in its economic recovery was particularly evident towards the end of the 1960s when it successfully implemented its plan to double its income within one decade. As it turned out, it took only seven years to accomplish this goal adding greater

[162] Javed Maswood, "The Rise of the Asia-Pacific," in Anthony McGrew and Christopher Brook (eds.), *Asia-Pacific in the New World Order*, London: Routledge, 1998, pp. 58 - 60.

merit to Japan's economic miracle and model. Japan had offered specific incentives to industry such as low interest rate investment loans to encourage export expansion whilst government protected these industries from import competition. Such loans were subject to being repaid in foreign currency rather than in yen and thus led to accumulation of foreign reserves. Through such incentives, this allowed Japanese industries to become competitive in the international market place whilst protecting them domestically from foreign competition. Maintaining a high level of domestic savings for the purpose of further planned investment was also established.

By the 1980s, Japan and other economies in the Asia-Pacific region became the most dynamic economic region in the world. Japan's primary destination for its exports was still the U.S. and the Japanese government at the same time was protecting its industries through restricted access by foreign businesses to its domestic market. This protection included US products which led to trade frictions between the two security allies. Nevertheless, Japan's relentless pursuit of economic growth had, by the 1980's, saw it become an economic superpower to which many indications suggested had caught up with the world's leading industrial countries. By maintaining its production base in Japan and amassing annual trade surpluses, Japan became the largest holder of credit in the world.

Conversely, Japan's main trading partner, the U.S., was suffering from a continuing worse budget deficit during the early 1980s that saw it become the world's largest debtor by the end of that decade. This was in part due to the so called "Reaganomics" approach to U.S. economic policy which pursued tax cuts with increased military spending.

Financing the U.S. military might had to come from somewhere. Part of this financing came from Japanese money through its purchase of U.S. notes and dollar-denominated securities sold by the U.S. Treasury in attempts to alleviate its debt. The 1980s saw U.S. trade deficit accumulate to about $500 billion with Japan alone.[163] The rising value of the dollar contributed to the U.S.' expanding import volume and hence contributed further to the deepening U.S. debt. The U.S. increasingly viewed Japan as an ally that was more willing to accept U.S. troops onto its territory to secure its borders whilst it enjoyed amassing greater economic wealth through keeping US business out.

Japan's accumulating trade surplus against the U.S., the restricted entry into its domestic market to U.S. and foreign business generally[164], and its perceived "free riding" on the back of its security alliance, provoked much resentment in the U.S. itself. Demand by U.S. industry for protectionist policies from the increasing influx of cheaper Japanese products became evident as the value of the dollar soared allowing for even more cheaper imported goods entering the country.

Trade frictions between the U.S. and Japan became so intense that the matter took up political significance. In order to address the looming economic crisis, the US sought agreement with the four leading economic powers at the time namely France, Germany, Japan, and the United Kingdom, to help force the value of the dollar down by revaluing their own currencies.

The Plaza Accord was aimed at strengthening the yen against the dollar. The effort therefore was based on the premise that as the value of the dollar fell against the yen,

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[163] Schaller, *op. cit.*, p. 255.

[164] During the 1980's only 1% of commercial assets in Japan were owned through FDI. See T. J. Pempel, "Regime Shift: Japanese Politics in a Changing World Economy," *Journal of Japanese Studies*, Vol. 23, No. 2, Summer 1997, pp. 199 - 200.

the strengthened yen would encourage greater volumes of now cheaper U.S. produce to be exported as demand for imports in Japan should rise. At the same time, U.S. demand for foreign goods should fall as imports would become more expensive to buy with the falling value of the dollar. The aim therefore was to balance the US' ballooning trade deficit. Almost two years later, the yen had essentially doubled in value against the dollar strengthening from 254 yen to the dollar before the Accord to 127 yen to the dollar in 1997 when the Finance Ministers again met in France to agree on stopping the falling value of the dollar.[165]

4. The Effect of the Plaza Accord on the Japanese Economy

The Plaza Accord heralded yet another attempt by the U.S., since the first of the Nixon Shocks in the early 1970s, to intervene in the currency exchange markets, to control the value of the dollar.[166] And although the theory of the Accord proved to benefit the US' economic situation, it proved even better for the Japanese. Japanese exports actually increased by just over 20% the following year after the signing of the Plaza Accord compared to a 5.5% increase of U.S. exports. Despite the Accord and the revaluation of the yen, the Japanese government refused to submit to a loss of share in the international market. To assist local industry which voluntarily cut back on their profit margins in order to remain competitive in their international trade, Japan's Treasury, and Ministry of International Trade and Industry provided access to readily available funding for exporters to alleviate the restrictions on their capability due to the increase in the value of the yen. The Accord thus worked in considerable favor for Japan

[165] Schaller, *op. cit.*, p. 255.
[166] Walter LaFeber, *The Clash: U.S. Japan Relations Throughout History*, New York: W. W. Norton and Company Ltd., 1997, p. 376.

as it not only improved their balance of trade but it also gave Japan a greater return on investments.[167]

As the value of the yen soured, the purchasing power of Japanese investors likewise increased. This led to increased off-shore foreign direct investments by Japan, particularly in South East Asia. By the end of the 1980s, Japan had effectively tripled the amount of investment holdings in the Southeast Asia as compared to the beginning of that decade. The strength of the yen also gave greater capability to the Japanese government through increasingly amounts of foreign reserves, to contribute more to the international community through ODA. Again, by the end of the 1980s, Japan was now on the verge of eclipsing the US as the world's largest donor of ODA.

The strength of the yen as such was that it generated so much domestic savings that it gave Japan the option to export these finances back into the world. The money supply in Japan had reached a certain level that it could not be absorbed or used domestically. With increasing pressure from the U.S. towards a more favorable balance of trade, in addition to greater demands of burden sharing in terms of security and defense issues,[168] Japan spent its accumulated wealth through an increased level of ODA in addition to FDI and also increasing its contributions to international organizations such as the United Nations, the World Bank, Asian Development Bank, and the International Monetary Fund.

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[167] James M. Vardaman, *Contemporary Japanese History: Since 1945*, Tokyo: IBC Publishing, 2006, pp. 168 - 170. See also LaFeber, *ibid.*, 1997, pp. 377 - 378. Schaller describes a post-Plaza Accord situation in Japan, given the strong yen, where Japanese investors moved away from investing in dollar denominated securities, to buying up of US real estate and corporate assets. These included music and film industry assets such as CBS Records and Universal Studios, as well as hotel properties in Hawaii and other prestigious real estate such as the Rockefellar Center in New York. Schaller, *op. cit.*, pp. 255 - 256. See also Gerald L. Houseman, *America and the Pacific Rim: Coming to Terms with the New Realities*, London: Rowman & Littlefield Publishers, Inc., 1995, p. 68.

[168] Kenneth B. Pyle, *Japan Rising: The Resurgence of Japanese Power and Purpose*, New York: The Century Foundation, 2007, p. 258.

The economic effects of the Plaza Accord were almost immediately felt in Japan. By the second year of the 1990s, Japan was ranked the number one foreign investor in Thailand, the Philippines, Singapore, and Hong Kong.

The Japanese government researched ways as to how best to utilise this economic wherewithal it had at its disposal. One way was to invest abroad given production costs in third countries especially Asia, were much lower now especially with the strengthened yen. As such, FDI served as a channel to move Japanese money abroad. The increase in FDI was one method of enhancing Japan's trade relations as it stimulated further imports by Japan from those resource-rich countries.

Furthermore, government's reserves which had amassed as a result of the strengthened yen allowed it greater use of foreign policy tools such as ODA which became increasingly used to accomplish Japan's political and strategic economic goals. ODA was aimed either at supporting U.S. security policy by ensuring developing remain "friendly" to the U.S. and western influence as was the case in the Pacific region. Or with regards to developing countries with natural resource endowments as in Southeast Asia, Japanese ODA was strategically offered on a comprehensive development initiative seeking to enhance the complementarities with Japan's own economy.

By the end of the decade, Japan was to become the largest given or ODA abroad. In terms of the Pacific Islands region, the amount of ODA effectively quadrupled by 1989. Government and business formed an ever-closer working relationship as trade, FDI, and ODA were inter-linked in order to facilitate Japan's production networks particularly in Asia. As Kenneth Pyle notes, the "trinity" of trade, FDI, and ODA, were "three side of

one body".[169]

5. The Effect of the Plaza Accord on Japanese Politics

As has been explained, the Plaza Accord did little to slow the pace of Japanese exports which allowed Japan to amass greater wealth in terms of foreign reserves from its burgeoning trade relations despite the stronger yen. In theory, the accord should have had the effect of making Japanese exports more expensive abroad and hence reverse the trend to which led the U.S. into deeper debt by having Japan buy more of the now cheaper U.S. goods. Although this did occur, the Japanese did not want to lose market share in its international trade and so the export industry, with assistance from the government, absorbed the higher costs of export to retain market share and therefore remain competitive in the export market. The accord appeared to be doing nothing to solve the increasingly large trade gap between Japan and the United States. Indeed, this bred resentment against Japan resulting in the ensuing pressure from the United States on Japan to help remedy the imbalance. Two years after the Plaza Accord, trade differentials between Japan and the US was almost at the $60 billion mark.

Political pressure from the U.S. was countered by the Japanese political directorate through the use of its strengthened yen. Even prior to the Plaza Accord, Japan had responded to criticisms in the 1970s of Japan free-riding on the U.S. security bill was countered by Japan's financial contributions to maintaining U.S. bases on its soil. Political criticism and pressure was responded to by economic wherewithal. And with the onset of the Plaza Accord, Japan simply defrayed its responses to U.S. pressure

[169] Kenneth B. Pyle, *The Japanese Question: Power and Purpose in a New Era*, (2nd ed.), Washington D.C.: The American Enterprise Institute, 1996, pp. 132 - 133.

during the mid-80s to the 1990s through the use of its strengthened currency by way of increasing, and re-defining its ODA use, towards the developing world. Between 1986 and 1989, that four-year period saw Japan almost double its amount of ODA allocation from $5.6 billion to almost $11 billion dollars. Entering the 1990s, this increase in ODA levels thus saw Japan graduate from the second largest to the largest ODA donor in the world. The Pacific Islands benefitted from this expansion of ODA contribution. By 1997, Japan had displaced traditional metropolitan powers Australia and New Zealand, as the largest donor of development assistance to at least two PICs, namely Kiribati and Samoa.[170]

What is important to note is that during the time of the Plaza Accord, the Cold War was still the defining feature of international politics. As such, the use of ODA by Japan was influenced by the politics of the Cold War and incidental to that, the interests of the U.S. in the context of the Cold War and the Security Alliance Japan shared with the U.S. Coinciding with the economic difficulties and trade-related problems the U.S. was facing due to Japanese industry, calls for greater Japanese consideration in terms of defraying costs of US security interests helped mould Japanese ODA into a diplomatic tool used to demonstrate Japanese support of such interests. This call was more readily answered as the buying power of the yen surged after the Plaza Accord. Thus Japan increasingly began to view ODA as a tool to potentially solve or ease tensions with the U.S. not only in terms of pressures for increased burden sharing in security matters but also with regards to their trade relations.

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[170] Ministry of Foreign Affairs, *Waga Kuni no Seifu Kaihatsu Enjo; Jokan* (Our Country's Government's Development Assistance; A Lady-in-Waiting), Tokyo: Kokusai Kyoryoku Suishin Kyoukai, 1988, pp. 8 - 10.

The Plaza Accord thus affected Japanese politics through greater pressure from the U.S. for Japanese contribution to U.S. interests abroad. Japan responded in like through increasing its ODA contributions in part as a response to U.S. calls for Japan to do more in security-related areas. Japanese responses to U.S. pressure resulting from the Plaza Accord to do more in terms of defense obligations was to maintain a non-military stance regarding the use of its ODA but to strategically allocate such ODA to countries and regions important to western interests.

6. The Effect of the Plaza Accord on Japanese ODA Policy

The late 1980s were reminiscent of the economic miracle of the 1960s. Japan was already viewed as the ideal trading nation but was also fast becoming the world's foremost creditor nation and, following the Accord, had become the second largest aid donor. The economic miracle of the 1960s was again being experienced as Japan re-found its steady financial and economic footing.

With this renewed economic vigor and enthusiasm, new national goals were being pondered so as to guide where Japan should be heading. In contemplating such goals, the question of where ODA or how ODA would fit into these goals was likewise considered. The evolution of aid from its original use as a tool for national economic re-construction starting in the 1950s to the multi-dimensional use of aid in terms of economic, political-strategic, and diplomatic usages in the 1980s had never developed an aid philosophy or rationale that fit well into overall Japanese foreign policy per se.

The surge in Japanese ODA levels related to the strengthening of the yen had Japan re-visit the topical issue of having to integrate Japanese ODA policy within the ambit of Japan's overall foreign policy objectives. The developing paradigm of a renewed

foreign policy objective in Japan in the late 1980s found a Japan showing enthusiastic and proactive approaches to political-strategic issues in the international arena. This did not mean that the economic development foundations of the Japanese foreign policy initiatives were being abandoned. Rather the Plaza Accord gave Japan the opportunity to broaden its use of ODA as a tool within its foreign policy objectives.

Importantly also, ODA was utilised through non-military diplomatic avenues which was justified through the support of the Japanese people.[171] Indeed, the new found strength of the yen and its enhanced use through increased levels of ODA was justified as it was used for the welfare of the country as a whole. In effect, the Accord hastened the realization amongst policymakers in Tokyo for the need for an aid philosophy which could fit well into overall Japanese foreign policy at that time. Japan's rise to the second largest donor of aid as a result of the Plaza Accord, and finally the largest donor of ODA by the beginning of the 1990s, increased its visibility on the international stage as an influential actor and economic super power. As such, it was all the more meaningful to require an incorporation of Japan's aid policy into its wider foreign policy objectives.[172]

In sum, the economic wellbeing experienced by Japan after the Plaza Accord filled the government's coffers with increasing amounts of reserves and boosted Japan's holdings of country with the largest amount of international credit. The strong yen also meant that the value of Japan's ODA contributions would be higher and given the

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[171] Sandra Tarte submits that the coinciding of Japanese domestic ODA norms of reciprocity, non-interference, and self reliance, with existing international norms of burden-sharing in security matters and aid conditionality, receives public support in how ODA funds are used abroad. Domestic norms that are engrained in Japanese society enables the government to justify the diplomatic use of ODA through public justification. See Tarte, in Sato and Hirata, *op. cit.*, pp. 129 - 144.

[172] Shima Nobuhiko adds that at various summit meetings, Japan had been pressured also in these venues to contribute more in terms of development assistance given its stature as an economic power. See Shima Nobuhiko, *Shunou Gaiko: Senshinkoku Samitto no Rimenshi* (Leaders Diplomacy: Behind the Scenes of Advanced Country Summit Meetings,) Tokyo: Bungeishunju, 2000, Ch. 6, pp. 167 – 189.

government's now, ready supply of reserves, in addition to the placement of aid policy in a renewed vigorous and proactive foreign policy, ODA levels being contributed abroad likewise increased in support of these foreign policy objectives. Japan was more conscious now of greater responsibility in terms of being a trade partner and western ally. Aid was focused less on the separation of economics and politics as it initially was during the economic recovery period in the 1950s and 1960s but melding the two in support of trade and political-strategic interests. Thus the Plaza Accord facilitated the use of ODA as a tool for Japan's pursuit of broader interests in the international arena which were not only in Japan's interests but had benefits for its Western Allies.

7. The Effect of the Plaza Accord on Japanese ODA to the Pacific Islands

The Plaza Accord had an unprecedented and massive impact on Japanese ODA to the Pacific Islands. As has been described, the purchasing power of the yen almost doubled against the value of the dollar by 1987. And as has been submitted, this, in addition to its accumulated financial reserves, allowed the Japanese government to vastly increase the amounts of its aid contributions. This included Japanese aid to the Pacific Islands.

One month before the signing of the Accord in September 1985, the meeting of the South Pacific Forum Summit Meeting of Leaders in the Cook Islands passed a resolution thanking Japan for the visit to the Pacific Islands that year by Prime Minister Nakasone and sought further assistance from Japan to assist regional, especially smaller islands, development.

Prime Minister Nakasone had visited Papua New Guinea and Fiji in January of that year. In addition to confirming to the Pacific Islands in Fiji that Japan had decided to stop its plans to dump nuclear waste in the Pacific Ocean, he also stated that "[i]n light of the importance of these [Pacific] islands' economic and political stability to the peace and stability of the Pacific region, Japan has been extending as much economic and technical cooperation as possible in fishing, tourism, and other areas."[173] Nakasone went on to express the intention for further cooperation in the development of the Pacific Islands. He used the occasion also to present a donation of half a million dollars to the regional university, the University of the South Pacific, located in Fiji's capital Suva.

Prime Minister Nakasone's pledge to further cooperate with Pacific Islands' development had been the impetus for the Forum Meeting later that year to make the regional position of seeking further assistance from Japan. The 1985 Forum meeting marked the first the regional body sought development assistance directly from Japan. The timing could not have been more precise as the request came as the Leaders of the G5 nations had agreed to gather and meet the following month to weaken the dollar against the yen.

Nakasone's commitment to Pacific Islands development reflected his general foreign policy outlook of alleviating trade difficulties as discussed above with its alliance partner the US through greater involvement in burden-sharing. As it came to be seen, the Accord allowed Japan the wherewithal to satisfy a need for a more equal partnership in its alliance affairs with the U.S. through non-military defense-only mean. With regards to the Pacific Islands, Japan's foreign policy came to follow the strategic

[173] *Pacific Magazine*, September/October 1986, pp. 62 - 64.

interests the US had in that region. As such, the political-strategic aid from Japan as a result of the Accord for the Pacific Islands had as a justification, Japanese security interests in containing Soviet Union activities in the Pacific Islands. What must be emphasized is that without the immense reserves Japan had accumulated in addition to its large amount of credit and surplus, it is unlikely Japan would have had the chance or ability to commit more fully to U.S. pressures on Japan in terms of trade and security relations. The signing of the accord gave an avenue to Japan demonstrate its support and position within U.S. interests in the Pacific Islands and that the support was given through increased aid for the region's development. This commitment eventually was brought to fruition through the Kuranari Doctrine.

The speech made by Kuranari in Fiji in 1987 espoused five principles which were to guide Japan's engagement with the region:

(1) respect independence and autonomous initiatives of the island nations

(2) support regional cooperation

(3) strive to preserve the political stability of the Pacific island region

(4) assist regional economic prosperity; and

(5) promote personnel exchanges.[174]

These five principles declared by the foreign minister became known as the "Kuranari Doctrine" and was a basis for Japan's proactive island strategy in the region. This strategy, especially the first principle of respecting PICs "autonomous initiatives", was tested later that year when Fiji suffered its first coup four months after Kuranari's

[174] 1987 MOFA Diplomatic Bluebook [Available URL: http://www.mofa.go.jp/policy/other/bluebook/1987/1987-3-2.htm accessed Tuesday, 12th August 2008.]

visit.

Being true to the principles espoused earlier that year, Japan reacted with measure without the harsh criticisms and suspension of development aid which was carried out by other western donors. In Japan's view, it was to "continue to extend economic aid regardless of government changes because the construction of hospitals and other assistance are not closely related to politics."[175] According to the chairman of the Japanese Government's Advisory Committee for Oceania and Pacific Island Countries Support, Tokyo University professor Watanabe Akio, Pacific Islands traditional development partners Australia and New Zealand were seen as meddlesome and intrusive in the internal affairs of Fiji (and the Pacific Islands generally). Such behavior, according to Watanabe, created hostility against these traditional donors and development partners.[176] Furthermore, the Japanese Government's Advisory Committee mentioned above was at that time developing a proposal with regards to Japanese development assistance to the region. The report, called the "Pacific Aid Initiative: A Proposal for Japanese Assistance to Pacific Island Nations" and published in April 1988, echoed the first principle of the Kuranari Doctrine and recommend respect and support for Pacific Island domestic affairs as a means to further Japan's interests in the region. Given this hands-off approach to Pacific Islands domestic affairs by Japan under the Kuranari Doctrine, Japan was therefore free to pursue its aid policy without fear of a resistance by the Pacific Islands to Japanese intentions in the region. As such, the Kuranari Doctrine aimed to facilitate Japan's intentions to increase its development assistance to the region in support of wider political-strategic interests as well as trade

[175] *The Fiji Sun*, 22nd May, 1987, p. 7.
[176] *Pacific Aid Initiative: A Proposal for Japanese Assistance to Pacific Island Nations*, Tokyo: Foundation for Advanced Information and Research, pp. 2 - 8.

interests vis-à-vis its relations with Japan. These intentions as stated could only have been feasible through the increased capacity Japan gained through the Plaza Accord, to contribute greater amounts of ODA to the region, line with its greater foreign policy interests.

Chapter 5

PALM I –IV: Searching for a Pacific Islands Strategy

1. Introduction

Throughout Chapters 1-4, this work has attempted to demonstrate that Japan's Pacific Island's strategy has been based upon strategic reactions to international events especially with regards to US pressure and influence in the areas of trade and security issues (Alliance relations). This has been especially so in terms of Japan's conduct of relations with the Pacific Islands region stemming from the fact that Japan has not had the opportunity to configure an independent and proactive foreign policy engagement strategy with the PICs.

The end of the Cold War in 1989 saw what has been called a "strategic neglect"[177] of the islands region as there was no longer a threat of a communist encroachment into the region. As such, there was no longer a security threat justification for the need for high levels of ODA contribution to the Pacific Islands in the case these microstates be overridden by communist influences.

This decade also witnessed the reinvigoration of the reform debate at the United Nations (UN) with Japan toted as a leading contender for permanent membership on an enlarged United Nations Security Council (UNSC).[178] In addition, this fervor was

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[177] "Strategic neglect", refers to the major Pacific powers loss of interest in the Pacific Islands region with the end of the Cold War. See *Report from the Conference on Island State Security*, Asia Pacific Center for Strategic Studies, Honolulu HI, 22nd - 24th June 1999. [Available URL: http://www.apcss.org/Publications/Report_Island_State_Security.html accessed Tuesday, 12th August 2008.]

[178] For a historical approach to the reform debate of the UN Security Council since the establishment of the UN itself, see Dimitris Bourantonis, *The History and Politics of UN Security Council Reform*, London: Routledge, 2005. Bourantonis provides in-depth analysis of the key issues in the reform debate including the right to veto, equitable representation and legitimacy, efficiency,

carried on into Japan's bid as the representative of the Asia Group of UN member states for a place on the rotating non-permanent membership of the UNSC. These national interest objectives of Japan molded its approach during this decade to the PICs in attempting to garner international support for its UN activities and aspirations. This approach can be categorized as an independent and proactive foreign policy engagement with the PICs by Japan. At a time when traditional regional powers were cutting back on their assistance to the PICs, Japan had found a place for itself to demonstrate regional leadership through a more proactive and independent foreign policy engagement. This enhanced engagement came in the form of the first of the Japan-hosted summit meetings in Japan.

This chapter attempts to chronicle the events surrounding the decision by Japan to engage the PICs at Summit level meetings and its subsequent evolution from the first meeting in 1997 to its fourth meeting in 2006. The chapter hopes to demonstrate the influences on both Japan and the PICs which led to the molding of the regional relationship during that time.

2. Evolving Issues in Japan--PICs Relations and Japanese Strategic Reactivism and Proactive Island Engagement

1989 was a watershed year in world politics. The Cold War was coming to an end resulting in a shift in geopolitical configurations. More immediately within the Pacific Islands region, it marked the end of any possible communist influence by way of encroachment into the otherwise Western leaning Pacific Islands. The Pacific Islands

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new permanent members, and their membership rights.

region thus was to remain the "American Lake"[179] and therefore, in strategically calculations, seemingly not a possible site for political tussling for influence over the 14 PICs. The geopolitically important position the PICs found themselves in during the Cold War saw vast amounts of ODA from current and former Western colonial powers and other powers, dispersed throughout the region in order to maintain the pro-West stance of the PICs. The end of the Cold War period saw this attention no more.

Given the political-strategic use of ODA, the PICs suddenly found themselves with a foreign policy challenge as to how best to maintain or generate its strategic value so as to attract the much needed aid and investment needed to strengthen their economies. Given that during the Cold War, the common denominator that linked western developed country interests with the Pacific Islands was to keep the independent PICs friendly to western interests. Aid was the diplomatic tool used to create that reality. This changed after the fall of the USSR.[180] In other words, the PICs had to find alternative and innovative mechanisms which would maintain the interest in them of not only the West but of any state which would be favorable towards assisting their development.

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[179] See for example Martin L. Lasater, "Moscow Steams Full Speed into America's Pacific Lake," *Heritage Foundation: Policy Research and Analysis*, No. 53, 7th October, 1986. According to the author, the reference to the Pacific region by the coined term "America's Lake" was indicative of the US' "enormous land, sea, and air military presence in the Pacific region." [Available URL: http://www.heritage.org/Research/RussiaandEurasia/asb53.cfm accessed Tuesday, 12th August 2008.] Hal M. Friedman suggests that the term was first used in the 19th century to refer to the Gulf of Mexico and the need for US control over it for strategic purposes. It was later used in reference to the Pacific Ocean by General Douglas MacArthur in 1945. Hal M. Friedman, *Creating an American Lake: United States Imperialism and Strategic Security in the Pacific Basin, 1945 - 1947*, London, Greenwood Press, 2001, Ch. 1.

[180] This point was broadly accepted by a two - day international conference meeting organized by the Asia Pacific Center for Strategic Studies (APCSS) in Honolulu, Hawaii, to discuss security issues within the Pacific region. The conference was attended by over forty official and unofficial representatives from Pacific Island countries, leaders of regional institutions and NGOs, senior level government officials and policymakers from Washington, and scholars from within the Pacific region and Pacific rim including Japan. The conference agreed that with the lack of military threats to the region in the post-Cold War era, there has been a tendency for what was termed "strategic neglect" by major powers. The "central tension" existing between PICs and the major powers was the latter's loss of interest in the region. *Report from the Conference on Island State Security*, *op. cit.*

The situation appeared daunting. The elimination of the superpower rivalry in the Pacific Islands region mean that Western interests had no fear of losing the dependent countries of the Pacific to any anti-Western interests at that time. Coupled with limited funding authorized for the peace dividend, the US minimized its diplomatic presence in the region by way of an overall reduction of direct ODA relations with PICs. The closing of its USAID regional office in Suva, Fiji in 1994 was indicative of this draw-down. Furthermore, with regards to its relations with its freely associated states in Micronesia, there was a marked reduction in and greater US control over how its ODA was to be utilized by FSM, RMI, and Palau.[181]

The United Kingdom, too, was drawing down from the region. The UK marked this event by its withdrawal from the regional body, the South Pacific Commission, in 2005[182], as well as its diplomatic missions to several PICs[183]. British ODA to the PICs was now to be distributed to the region primarily through the European Union.

France and New Zealand had retained a presence in the Pacific Islands given their territorial interests. Their presence however lacked the wherewithal to effectively contribute to any meaningful contribution to regional growth as a whole. Australia, as the largest aid donor to the region, maintained a regional influence because of security reasons[184], especially in the central western pacific region of Melanesia (Papua New

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[181] See Scott Whitney, "Watery Continent or Invisible Lake? US Pays Little Attention to Asia But Less to the Pacific," *Pacific Magazine*, June Issue, 2003.
[Available URL: http://www.pacificislands.cc/pm62003/pmdefault.php?urlarticleid=0004 accessed Friday, 11th April 2008.]

[182] The UK initially withdrew at the beginning of 1995 but rejoined again in 1998. In January 2005, the UK withdrew its membership again.

[183] "Britain Withdraws from Aid Body Second Time", *Outrigger*, Issue 48, Winter 2004/2005 [Available URL: http://www.pacificislandsuk.org/outrigger5.htm accessed Tuesday, 13th May 2009.] See also "Britain lowers flag in Tonga to mark withdrawal from three Pacific nations", *Radio New Zealand International*, 5th March, 2006. [Available URL: http://www.rnzi.com/pages/news.php?op=read&id=22623 accessed Friday, 11th April 2008.]

[184] Finin and Wesley-Smith, *op. cit.*, p. 2.
[Available URL: http://www.eastwestcenter.org/stored/pdfs/api032.pdf accessed Friday, 11th April

Guinea, Solomon Islands, and Vanuatu). Australia as such had since been seen as the primary "care-giver" to the region. It led the way in island development initiatives through not only bilateral aid contributions, but also through contributions to the regional organisations such as the SPF and later the PIF. Australia also had taken the leading role in regional security initiatives such as peacekeeping operations in the Melanesian region of the near failed state of the Solomon Islands.[185] Although at the forefront of regional governance, security, and ODA commitment, Australia's direct and often meddlesome approaches to its multilateral and bilateral diplomacy in the context of strategic use of its ODA had found itself at odds with several PICs.[186]

By the early 1990s, what had the ending of the Cold War imply for Japan as an economic super power as well as the largest (political-strategic) ODA donor in the world? The end of the Cold War provided Japan with a practical opportunity to influence the region more directly and assertively as a way to pursue its international political goals at a very small comparable financial cost.[187] Under 1% of its total ODA budget at that time was used as development aid for the Pacific Islands region.

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[185] Under Japan and Australia's Joint Declaration on Security Cooperation, March 2007, Japan offered in July 2008 to contribute peacekeepers to the Pacific regional peacekeeping effort in the Solomon Islands. This was duly noted by the PIF Summit held in Niue in August that year though it was unclear in what exact form and substance was Japan willing to contribute to the security endeavor. Nevertheless, that was the first time for Japan to express its willingness to re-enter the Pacific Islands in terms of security and military matters since the end of the Second World War. Some commentators suggest Japan's willingness to physically send members of its military into the Pacific Islands region is in reaction to China's strengthening relations with the PICs both militarily, politically, and economically. See Ben Reilly, "Japan's aid to the South Pacific and the China factor", *Aid, International Relations, Pacific Policy Project*, 6th August 2008. [Available URL: http://www.eastasiaforum.org accessed Thursday, 25th September 2008]. For the 2008 Pacific Islands Forum Communiqué, see available URL: http://pidp.eastwestcenter.org/pireport/special/Forum_2008_Communique.pdf accessed Thursday, 25th September 2008.

[186] Finin and Wesley-Smith, *op. cit.*, p. 6.

[187] James A. Nockels, "Defense Cooperation in Southeast Asia and the South Pacific," in Ralph A. Cossa, (ed.), *The New Pacific Security Environment: Challenges and Opportunities*, Washington D.C.: National Defense University Press, 1993, Ch. 9, pp. 133 - 144 generally and pp. 134 - 136 particularly.

The end of Cold War hostilities and the subsequent strategic neglect by traditional Pacific powers of the region gave Japan the opportunity to strategically react to the new international circumstances in terms of it being able to create a more proactive and independent foreign policy.

3. Japan - PIC Relations in the 1990's

In Chapter 4, it was demonstrated that the effect of the Plaza Accord on Japanese aid contributions to the islands region was a substantial increase in dollar terms. This had been noted by the SPF in its communiqués and as such, Pacific Islands Leaders called for greater engagement by Japan with the PICs. The efforts by Japan to enhance its relations with the PICs through its use of ODA contributed to the creation of a new mechanism by SPF to coordinate aid donor activities and interests in the region. This new mechanism was called the Post-Forum Dialogue (PFD).

The PFD was created by Pacific Island leaders at the 1989 SPF Summit as a response to the increased aid contributions in 1988 by Japan (and Canada). Selected countries and organizations which have an active and constructive involvement in the region are invited to become members of the PFD known as PFD partners. PFD partners and SPF Members meet over two days immediately following the Forum Summit meeting. Members of the PFD are known as PFD partners. There were six original partners of the PFD process namely Canada, China, Japan, France, the U.S., and the UK. To date, this number has expanded to14 members.[188]

[188]These member countries are Canada, China, the European Commission, France, Germany, Indonesia, India, Italy, Malaysia, Japan, Philippines, the Republic of Korea, the United Kingdom, the United States and Thailand. Two panels made up of regional ministerial representatives meet with PFD partner delegations and discuss matters of relevance to both sides of the dialogue which range from trade, fisheries, regional and international security, climate change, disarmament, drugs and

By the turn of the decade, Japan had substantially increased its aid contributions to the region and as such, had influenced the SPF to create a new regional mechanism so as to better coordinate Japan's and other PFD partners' regional diplomatic engagements. More importantly, the 1990s was to witness a reduction of several traditional Pacific powers. The implications for an enhanced engagement by Japan had become all the more glaring. Japan had become the second largest donor of development aid (after Australia) to the region and its ability to strategise in the new Pacific regional situation was indicative of Japan taking a leadership role in regional affairs and in pursuing its own interests.

The Pacific Islands region in its post-Cold War situation found Japan with an opportune moment to strategically react to the reduction of traditional Pacific power activity through the creation of its own proactive foreign policy initiative. Japan further responded to requests from the SPF for assistance in trade-related avenues to assist in Japan-PIC trade and investment at the1994 SPF Summit.

In 1996, Japan funded and established the Pacific Islands Center (PIC) based in Tokyo with the aim of providing official avenues for trade and investment opportunities between Japan and the PICs. As a non-metropolitan power, Japan was increasingly becoming more proactive than several traditional Pacific Islands development partners in its engagements with the region. The increase in aid since the late 1980s to the establishment of the PIC in Tokyo in 1996 culminated in Japan being the first non-metropolitan power to initiate a summit-level meeting with the PICs in 1997.[189]

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economic development. It should be noted that the 2005 Pacific Island Forum Communiqué directed a moratorium be placed on the admission of any further dialogue members and that the Forum Secretariat revise the criteria for admission to be presented at the 2006 Pacific Island Forum Summit Meeting. Italy was welcomed by the PIF as the 14th member of the PFD process under the revised criteria in 2007.

[189] In 1990, the US became the first Pacific power to engage the SPF at the summit-level. Other

4. The Road to PALM

In 1996 Japan announced its candidature from the Asia Group of members of the United Nations for a non-permanent seat on the United Nations Security Council. Japan was competing against fellow Asia Group member India for the seat. At the same time, Australia had announced its candidature for a seat from the Western European and Other Group (WEOG) of United Nations members. Finally, Japan won resoundingly over India by 140 votes to 40.[190] In support of Japan's candidature, the SPF had decided at its 1996 SPF Leaders Summit to give Japan its votes.[191] The leaders decided that "[i]n recognising the importance of Japan as a constructive partner for the region, the Forum also expressed its strong and unanimous support for the candidature of Japan for the UN Security Council for the same two year term."[192] The willingness of the SPF to extend its support to Japan's UNSC aspirations that year was telling. Japan had not officially requested the support from the SPF for its candidature. The gesture by the PICs to unilaterally back Japan's candidature without Japan having to lobby for it was indicative of the status of relations between Japan and the PICs at that time. Japan and India were both donors to the Pacific Islands region with established diplomatic relations with all SPF members and missions in the region further. The motivation behind PIC support though for Japan and not India was a diplomatic boon for Japan's

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metropolitan and non-metropolitan powers have followed suit namely Japan in 1997, and China and France in 2006. It is also worthy to note that Chinese Taipei has held summit level meetings with those PICs which afford it official recognition. The first of which was held in Palau in 2006.

190 V. Sudarshan, "Is There Life Without a Veto? India pegs back UNSC dreams to a non-permanent seat," *Outlook*, 22nd January 2007.

191 Twenty-Seventy South Pacific Forum Communiqué, Majuro, Republic of the Marshall Islands, 3rd – 7th September 2006, para. 46.

192 *Forum Communiqué*, Twenty-Seventh South Pacific Forum, Majuro, Republic of the Marshall Islands, 3rd - 5th September 1996.
[Available URL: http://www.forumsec.org.fj/_resources/article/files/1996%20Communique.pdf accessed Saturday, 22nd November 2008.]

islands strategy at that time.

In an interview, Kobayashi Izumi[193], recalled in 1996 when he received a telephone call from the Director of the Ministry of Foreign Affairs' Oceania Division requesting policy advice. The Oceania Division as it turned out wanted to propose to the Japanese Government a diplomatic approach to the PICs indicating their appreciation for the regional support received for Japan's successful candidature for the UN Security Council seat that year. It was in this conversation that the idea of the PALM Summit was brought forward.

Kobayashi proposed the idea of a summit meeting as a next step in forging closer relations with the Pacific Islands. He explained that his inspiration for the proposal was drawn from when the US hosted the first ever summit meeting between a developed country and members of the SPF. In 1991, President George H. W. Bush hosted the Leaders of the SPF in Hawaii for a Summit meeting. Kobayashi explained that the Summit photo showing the Leaders of the PICs together with President Bush provided a powerful image for him to envision the possibility for the prime minister of Japan to likewise host a summit meeting with PIC leaders. In any case, it was this powerful image drawn from the U.S. and PIC leaders photograph at that Summit meeting was the inspiration behind Kobayashi's advice to the Oceania Division to propose the organizing of a summit meeting between Japan and the PICs.

The use of ODA had become entrenched and levels at that time were judged as adequate to assist in the regional development. What was needed was a different approach. In Kobayashi's opinion, the human relations forged by the meetings of

[193] Osaka Gakuin University, Friday, 5th June 2009. For a good overview of the purpose of summit diplomacy, see G. R. Berridge, *Diplomacy: Theory and Practice*, Basingstoke: Palgrave, 2002, Ch.10.

leaders serves to enhance any working relationship. Hitherto, Japan's relations with the PICs, although close and cordial at that time, had been conducted at the Ambassadorial and official level. To enhance the already good relations existent at that time, a meeting of the heads of government was proposed. In bringing a "human face" to conducting Japan's regional relations with the PICs, the summit meeting could then be a tool to investigate further improvement in relations or to address issues to which Japan and the PICs may agree or differ on.[194]

The purpose of the summit mechanism was to serve as a more ideal way to solve possible future disputes or disagreements between Japan and the PICs. In Kobayashi's words, a summit meeting would be a "just in case" diplomatic tool to be used to pursue Japan's national interests. Given the proximity of the PICs to Japan in terms of physically neighboring each other in the Pacific Ocean, it was likely that common regional issues would often present themselves for consideration. Given that leaders of Japan and the PICs' joint decision at a summit meeting would be final in terms of approaches to common interests, it would legitimize and strengthen relations further given that leaders had met personally on the matter and decided under consensus. More importantly though, the summit meeting would allow the maintaining of personal contacts between the leaders of Japan and of the PICs, in addition to personal contacts between the leaders of the PICs themselves to strengthen in regards to regional relations with Japan.

In essence, the foremost rationale as proposed was for the summit meeting to be a diplomatic tool used for the purpose of bringing leaders together to meet face-to-face,

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[194] On an account regarding the importance of human networking and relations in diplomacy, see Harrison M. Holland, *Managing Diplomacy: The United States and Japan*, Stanford, CA: Hoover Institution Press, 1984, Ch. 2, pp. 18 - 38.

thereby creating personal networks between leaders and deepening of already close relations. The establishment of that mechanism could then be used as a discussion venue for any and all issues pertaining to Japan-PIC relations. The first Pacific Islands Leaders Meeting was thus a result of the PICs, acting as a region, to give its support to Japan's 1996 candidature for the non-permanent seat on the UN Security Council.

After the proposal of the summit idea, it was left to the Oceania Division to devise the specifics and logistics as to how to operationalise the idea of a summit meeting between Japan and the PICs. The search for interests to justify the idea had thus begun. What Japan had to be mindful of was not making the proposed summit meeting little more than an effort to promote goodwill. As important as that goodwill was, the PICs were also looking to what Japan could do in seeking to engage the region at this level to further enhance PIC development in all respects.

The first PALM Summit (PALM I) was held in Tokyo in 1997. Thereafter, it was held every three years in various locations around Japan. In 2000, the second PALM Summit (PALM II) was held in Miyazaki, Kyushu, and the third and fourth PALM Summits in 2003 and 2006, (PALMs III and IV), were held in Okinawa. The PALM mechanism has served as a means to further enhancing relations between Japan and the PICs through not only personal relations between the leadership but also as an institutionalised mechanism to which issues of interest for Japan and the PICs can be discussed and achieved.

5. In Search of Japanese Interests in the Pacific Islands Region

Almost 30 years after Japan's initial establishment of diplomatic activity in the region, geo-strategic realignments resulting from post-Cold War politics found Japan in an opportune position. The reality of the instigation of PALM was rather not in line with the officially worded three topic agenda that focused on 1) the economic situation in the Pacific Island countries, 2) the economic development and economic assistance in the Pacific Island countries and 3) the common challenges and scope for future cooperation[195], but rather was for ensuring successful Japanese access to the region's sea lanes of communications (SLOCs) and natural resources, as well as political rationales to garner PIC support for Japan's international political aspirations.[196] And economic incentives via ODA were to be the common thread binding such interests towards its successful attainment.

In addition to this, Japan's move towards attaining a greater role in the region was driven by its wish to increase its international stature by way of being seen as providing leadership in a region that had lost its strategic appeal in the new world order.[197] The US hegemon was moving out from the region towards more politically and

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[195] Press Secretary, "Japan-South Pacific Forum dialogue," Press Conference, Ministry of Foreign Affairs of Japan, Tokyo, 7th October, 1997.
[Available URL: http://www.mofa.go.jp/announce/press/1997/10/1007.html accessed Saturday, 22nd November 2008]

[196] See also Scott Whitney, "Powell's Pacific Man: Assistant Secretary of State James Kelly Takes Point on the Pacific," in *Pacific Magazine*, June 2003, p. 3
[Available URL: http://www.pacificislands.cc/pm62003/pmdefault.php?urlarticleid=0005 accessed Saturday, 22nd November 2008], Iino, *op. cit.*, p. 12 and Finin and Wesley-Smith, *op. cit.* pp. 1 - 2.

[197] Finn and Wesley-Smith, *ibid.*, p. 2. See also Dawn Matus, "What Role For Tokyo?: Japan Cautiously Seeks To Expand Its Influence," *Pacific Magazine*, December, 2003, pp. 2 - 4. [Available URL: http://www.pacificislands.cc/pm122003/pmdefault.php?urlarticleid=0007 accessed Saturday, 22nd November 2008.]

economically important areas in the Eurasian continent[198] while the biggest donor to the region, metropolitan and regional power, and member of the Pacific Islands Forum, Australia, was increasingly pressing PICs with its western neo-liberal democratic treatise of the need for domestic government reform in line with principles of good governance (democracy, transparency and accountability) and human rights.

With Japan's diplomatic posture of not interfering with domestic affairs of the PICs, it was a natural reaction that the PICs would seem more favorable to a more assertive Japanese political overture into the Pacific. For example, during the third coup d'état in Fiji and the subsequent handing over of government to military control in 2000, "Australia, New Zealand, United States, and the European Union withheld aid to the Interim Military Government during the abrogation of the constitution. Contrary to the urging of these governments, Japan continued its aid presence with small but highly visible donations."[199] Indeed it was acknowledged later by a previous democratically elected Prime Minister of Fiji, that Japan's assistance "helped Fiji at a crucial time".[200]

Japan's pursuit of democracy and human rights as a universal truism follows its own unique path different from that of western countries. A suspension of aid assistance is not an option purely because of Japan's calculated move not to encroach upon any of its other more prioritized interests in the region.[201] "It is an outcome which Japan will

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[198] Whitney, *op. cit.*, p. 2.

[199] Seward, *op. cit.*

[200] Iino, *op. cit.* p. 6

[201] Although there are clear common political interests between the regional powers and members of the Pacific Island Forum Australia and New Zealand, and Japan, such as regional development and stability, how this is carried out is cause for tensions at times. As has been acknowledged by Ambassador Iino, "Japan has the same policy as Western countries in regards to advocating democracy and human rights as the universal concept – BUT [emphasis added] we have a different approach in accomplishing this". See Iino, *ibid.* p.6. See also "Japan Chapter", *op. cit.*, and Finin and Wesley-Smith, *op. cit.*, p.7. In PALMs II and III, Australia, New Zealand, and Japan had agreed for greater donor coordination with regards to their development assistance to the PICs. In an interview with Dr. Hoshino Toshiya, Counselor / Minister of the Permanent Mission of Japan to the UN, he

find easier to accommodate than New Zealand [and Australia] which will need to avoid over-reacting."[202]

It must be noted that compliance with democratic principles of good governance is a core element of Japan's 1992 ODA Charter to which guides decisions on whether to suspend or maintain ODA donations to recipient states. But as has been pointed out elsewhere, the application of this principle is inconsistent and selective based on Japan's calculated political and diplomatic interests.[203] The Pacific region, as a recipient of Japanese ODA, has not been subject to Japanese retributory measures with regards to ODA suspension. This has not been the case in other developing countries in Africa and the Caribbean (Togo and Haiti). Japan had suspended aid to these countries in because of human rights violations (Togo) and a coup (Haiti).[204] This immunity to possible Japanese ODA suspension and application of ODA Charter principles of democracy to

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agreed that this trilateral agreement was a means to which Australia and New Zealand were using to draw Japan into making its aid contributions in line with their priorities. In general, Hoshino did admit Japan generally follows "western" rules with regards to aid usage for example through its ODA Charter, however where vital interests are at stake, Japan will strategise in order to protect such interests. Japan having an independent ODA policy in the PICs may be seen as such an interest. "Interview with Dr. Hoshino Toshiya," Counselor / Minister, Permanent Mission of the Japan to the UN, New York, Friday, 7th 2007. Hoshino's views in this case has been echoed in the final recommendations of Japan's PALM Expert Advisory Committee (PEAC) to the Japanese government on policy approaches to PALM V held in 2009. PEAC, chaired by Dr. Kobayashi Izumi, recommended that aid coordination with Australia and New Zealand in the Pacific Islands region is important "*depending* on the areas of cooperation" [emphasis added]. This recommendation suggests that there must be leeway to allow for Japan's own independent interests to be achieved where aid coordination and cooperation may not be feasible. PALM Expert Advisory Committee, *Proposal by the Expert Committee for PALM 5*, Tokyo, 5th March, 2009. Dr. Toyama Kiyohiko, Member of the House of Councilors for the New Komeito Party and former Parliamentary State Secretary for Foreign Affairs during the Pacific Islands Leaders Summit 2006, agreed with the suggestion that although Japan must engage Australia and New Zealand in terms of aid coordination and cooperation, Japan must still maintain its own unique characteristics and approach towards aid contributions to the Pacific Islands region. Japan has its own priorities and should not be pressured by Australia and New Zealand to do otherwise. "Interview with Dr. Toyama Kiyohiko MP," Tokyo, Thursday, 24th July 2008. On agreeing with this point, see also "Interview with Mr. Takahashi Masashi," Principal Deputy Director, Oceania Division, Bureau of Asian and Oceanian Affairs, Ministry of Foreign Affairs, Tokyo, Tuesday, 22nd July 2008.

[202] Henderson, *op. cit.*, para. 12.

[203] Tanaka, in Shibuya and Rolfe (eds.), *op. cit.*, Ch.7, p. 103.

[204] *Ibid.*, pp. 102 - 6.

the Pacific region, as mentioned, falls within Japan's established cold war policy "Kuranari Doctrine" which, among others, stated respect for the independence and autonomy of PICs.[205]

The road to PALM was paved by Cold War politics of strategic denial of the advancing communist threat and was part of Japan's contribution to the Western camp's common strategy to keep the Pacific region distinctly aligned with the West in outlook. This was coupled by Japan's own interests in resource diplomacy vis-à-vis access to the region's natural resources and securing its SLOCs. The new political realigning of international politics saw Japan developing political interests in attaining regional support for its more assertive political presence in global politics as well as heightening its visibility as a more influential political player in regional politics. At the international level, indeed the region's tendency to bloc vote at that fora find the potential for Japan to gain 12 (or 14 if including Australia and New Zealand) votes in its support where its relations with the region are successfully played out.

6. PALM: Japanese Strategic Reactivism in the Pacific Islands Region

Japanese ODA has been and is strategically used not only to cater for the development needs of local island economies but also ensuring Japan's own security and prosperity; a small investment for a high political return. Indeed, as Japan's former minister of Foreign Affairs (and prime minister at the time of this writing), Aso Taro, succinctly stated, "it must not be forgotten that in the end, ODA is implemented for

205 Iino, *op. cit.*, p. 6. See also Alexander, *op. cit.*, p. 128, Finin and Wesley-Smith, *op. cit*, p. 3 and Tarte, *op. cit.*, 2003, p. 21.

Japan's own sake...ODA is essentially about having other countries first use the precious money of the Japanese people for the benefit of the Japanese people later on...This is the reason why I say that I highly approve 'checkbook diplomacy'."[206] From what Aso was declaring, ODA is 'checkbook diplomacy' and it represents a means towards purchasing from, or investing in, the international community for its own benefit. Conversely, it is likewise true to state that if the use of ODA funds or Japanese tax payer's money will not benefit Japan and its peoples, then it is not worth the investment of the ODA. ODA is limited to the worth of what Japan calculates as its gains from the use of the "precious money of the Japanese people..." The aim and worth of ODA spent is to receive more than the value of what was spent in the first place.

The PALM initiative, officially, is a diplomatic tool which intimates Japan's friendly and good intentions to the region as a "friend, first and foremost."[207] and outlines Japan's assistance to the region further which has "no direct linkage between [Japanese] assistance and a kind of return..."[208] In reality, as with Japanese aid generally, the PALM Summit is a diplomatic tool where diplomacy is practiced and accompanied by the lure of the yen whilst at the same time playing to the sensitivities of the financially challenged PIC leadership. From the PIC perspective, it is an opportunity to which they may express developmental aspirations in line with the Millennium

206 Aso Taro, "ODA: Sympathy I Not Merely for Others' Sake," Tokyo, Japan National Press Club, 19th January, 2006, pp.1 and 3.
[Available URL: http://www.mofa.go.jp/announce/fm/aso/speech0601-2.html accessed Sunday, 25th May 2008.]
207 Dawn Matus interview with Mr. Kazuo Kodama, Deputy Director General of Japan's Ministry of Foreign Affairs' Asian and Oceanian Affairs Bureau, "Friend, First and Foremost; Kazuo Kodama on Japan's Role In the Pacific," *Pacific Magazine*, December 2003, p. 1.
[Available URL: http://www.pacificislands.cc/pm122003/pmdefault.php?urlarticleid=0008 Sunday, 25th May 2008.]
208 Matus, *ibid.* p. 2.

Development Goals, for example, which are then made specific to the region whilst at the same time from the Japanese perspective, aiming to "enhance the happiness and to raise the profile of Japan and its people in the world..."[209] It is, as former Foreign Minister Aso aptly put it, "a respectable means to export Japanese culture" or "soft power"[210]. The export of such soft power is seen as an invaluable investment on good returns today with even better prospects for the future with the yet untapped natural resources abound in the Pacific region's ocean floor.

It is important therefore to understand the mechanics of the PALM Summits to-date and its aspirations of seeking to assist in the development of the underdeveloped PICs whilst at the same time ensuring an achievement of Japanese national interests in the region.

7. Evaluating PALM I – IV: Three Dimensions of ODA Policy

Japanese Ambassador to Tonga, Iino Kenro, aptly echoed the premise to which Foreign Minister Aso describes the purpose of Japanese assistance. He stated that:

> Japan's initiative to host the PALM Summit reflected the importance placed by Japan for the region – that is, (i) the countries in the region are important suppliers to Japan of valuable raw materials such as fishery, forestry and mineral resources; and (ii) the region provides a maritime transportation route for important material to Japan.

209 Aso, *op. cit.*, p. 1.
210 Aso, *ibid.*, p. 3. The concept of 'soft power' was first coined by Joseph Nye, *Bound to Lead*, New York: Basic Books, 1990. The concept entails a discussion of the exertion of power of country A over country B by means of cultural and ideological attraction or co-option. The concept goes beyond ideas of 'stick' (military might) and 'carrot' (economic might / ODA), collectively coined by Nye as 'hard power', as the successful use soft power by country A results in it not needing to use economic or military means to attain country B's compliance. There is no need to threaten to use or use the 'stick' and at the same time, country A saves on 'carrots'. Soft power is a country's attraction and attraction may lead to acquiescence.

> Therefore, *to assist countries in the region to become politically stable and economically prosperous, thereby becoming friendly to Japan, is important in terms of Japan's security in the context of a new post-Cold War international environment.*[211]

This premise had also previously been declared by Japan's Fisheries Minister where it was stated that "Japan does not have military power, unlike the US and Australia...Japanese means is simply diplomatic communication and ODA. So in order to get appreciation of Japan's position, of course, that is natural that we must do, result on those two major truths."[212] The use of ODA is to attain what is needed first and foremost by Japan. With regards to the Pacific region, it is however not limited to the two economic interests outlined by Iino in his statement but also includes the pursuit of political interests.

Japan has three stated interests in the Pacific region. These are 1) Securing its SLOCs in the region, 2) Access to the region's natural resources of the region and 3) Gaining the support for the advancement of Japanese political objectives in the wider

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211 Iino, *op. cit.*, p. 7. [emphasis added]

212 Nic Maclellan, "The Nuclear Superhighway: Japanese aid and the transshipment of radioactive materials through the Pacific," Tereseia K. Teiwa, Sandra Tarte, Nic Maclellan and Maureen Penjuelli, *Turning the Tide: The need for a Pacific Solution to Aid Conditionality*, Suva, Greenpeace Pacific, June, 2002, Ch. 2, p. 1 and fn. 4.
[Available URL: http://www.wagingpeace.org/articles/2002/06/00_maclellan_turning-tide.htm accessed Sunday, 25th May 2008.] The Minister, Komatsu Masayuki, explained this position to the media on the event of Japan using ODA, on the moratorium on whaling issue, so as to sway PICs in favor of pro-whaling. In the most recent meeting of the members of the International Whaling Commission (IWC) in June, 2005, in South Korea, accusations were abound regarding Japan's vote buying techniques via ODA use. The most interesting case was that of the Solomon Islands. After giving Prime Ministerial assurances to Australian and New Zealand Ministerial lobbying that the Solomon Is. would not vote for Japan's intentions to end the moratorium or to extend whaling for scientific purposes, the Solomon Is. did the opposite at the vote. It is interesting to note also that just one week prior to the meeting of the IWC, Japan had concluded a multi-million dollar aid package with the Solomon Islands and has in addition been paying for the Solomon Is. IWC membership fees and covering air fares and per diems for Solomon Is.' official delegations to the meetings. Robyn Ball, "Whaling and the Pacific vote: The importance of the Pacific in deciding how far whaling nations can go," *ABC Asia Pacific*, 19th July, 2005. [Available URL: http://abcasiapacific.com/new/infocus/s1400056.htm accessed Tuesday, 12th August 2008.]

international fora particularly on the issue of United Nations Security Council reform and its aspirations for a permanent seat thereon.

The common thread binding the pursuit of these interests in the region is through the use of ODA bilaterally with individual PICs or to the PICs collectively through PALM meetings.[213]

Japanese interests in the Pacific region's natural resources (fish, timber and mineral deposits), SLOCs (for example for shipment of nuclear spent fuel (MOX) from and to Japan for power generation[214]), and the need for cooperation in the international fora (in particular, for the reform of the UN Security Council and Japan's wish for permanent membership) have been recurring themes appearing in the outcomes or declarations of the PALMs I - IV summits.

The issue of sea-lane access is premised upon Japan's need to export its nuclear spent fuel to Europe for reprocessing and then importing back to Japan as plutonium, for re-use in its nuclear power industries. This is an unstated meaning behind Ambassador Iino's suggestion of the region provides a maritime transportation route for

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213 One of the organizational failures of PALM I which led to complaints by several PIC leaders was the lack of attention and exposure afforded to PALM I by the public in general by way of media coverage and official attention. For example, then Prime Minister Hashimoto Ryutaro, although the official host of the Summit, scheduled time for his welcome speech only and thereafter had to attend to other official business leaving PALM I in the chairmanship of Japanese official level personnel. In contrast, PALMs II - IV were relocated from Tokyo where Pacific Island issues would not fair much attention to Miyazaki (PALM II) and Okinawa (PALM III and IV). The Summit meeting drew greater visible public attention and local publicity, and was chaired entirely by Prime Ministers Mori Yoshiro (PALM II) and Koizumi Junichiro (PALMs III and IV). The Japanese government spent USD 6,000,000 for the hosting of PALM IV which in addition to the meeting proper itself on the 26th and 27th May, 2006 included an official banquet in Tokyo on the evening of the 25th May and the leasing of a 747 JAL jet to transport PIC leaders and delegations from Tokyo to Okinawa. "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, 2nd November, 2006.

214 Japan's nuclear industry arranges for its spent nuclear fuel to be shipped to the United Kingdom and France for reprocessing. This involves the separation of uranium and plutonium from the spent fuel in order to re-use the plutonium. Such shipments have used the Pacific region's shipping lanes to transport the nuclear material from and to Japan. Because of public opposition in Japan to plutonium used in its industry, reprocessed fuel has been shipped in a plutonium / uranium oxide mix known as MOX. See Maclellan, *op. cit.*, p. 2.

important material to Japan. Although a "continuing concern" with the SPF since 1992, Japan had successfully maneuvered so that the issue had become gradually minimized in importance to eventual removal from the outcomes of its summit meetings with the PICs. In 2002, Australia, a major source of Japanese uranium exports used in its nuclear power industry objected at the Forum Meeting to the meeting's expression of serious concern with regards to the nuclear shipment issue. By 2007, the issue had been removed altogether from the Forum Leader's discussion agenda.

On the issue of natural resources, a resource-poor Japan views much of its resource diplomacy successfully exercised in the region. In general, the PICs have rich natural resource endowments but lack the technology to take advantage of it. The larger PICs of Melanesia have exploitable mineral resources on land whilst the much smaller PICs of Micronesia flaunt sizeable Exclusive Economic Zones for lucrative fishery activities. And the common denominator that binds the Pacific region into a value for money bundle is it's yet to be fully discovered and exploited natural resource endowment within the seabed. What will be seen is that given the economically and politically inferior status of the PICs, it provides for an opportunity for Japan to use its ODA strategically to reap the benefits of having access to benefits from the region today and in future. A lucrative return on an under 2% of ODA spent in order to attain such benefits. It must be noted that Japan-Pacific Island trade is maintained purely for the benefit of the region's economies. This trade relationship has no significant impact on Japan's total trade with the world amounting for example in from the years 2001 - 2005 to only 0.1167% on average of Japan's total trade.[215] This indicates that trade with the Pacific is a means to maintain Japanese presence within present day and future trade in

[215] Japan Customs Department, URL: http://www.customs.go.jp/toukei/suii/html/time_e.html.

regional resources which have yet to be tapped into. To be sure, the benefit the PICs attain from Japan-PIC trade today keeps the island states willingly engaged with Japan.

Stemming from the successes of Japan's summit diplomacy and ODA politics, the region as a whole has generally supported Japan's initiatives at the international fora. In particular, with regards to its long-standing aim of attaining a Security Council seat on a reformed UNSC and United Nations generally. PALM IV in 2006 saw unanimous support given bilaterally by each PIC delegation to Japan for its bid for Security Council reform and a permanent seat. In exchange, Japan had committed the highest ever amount of ODA to the region for the next three years: An amount to the tone of USD450 million.

7(a) *Access to SLOCs in the region*

It is interesting to note that since 1992, the date which Japan commenced shipping of nuclear spent fuel through the Pacific region to Europe and re-shipping it back as plutonium and nuclear waste, the Pacific Islands Forum (PIF) and South Pacific Forum (SPF) Summits had continually aired formally through its communiqués its "concern" and "continuing concern" of the shipment by Japan (and others) of nuclear material from and to Japan through their SLOCs. However, only once, at the inaugural summit meeting of PALM in 1997, had Japan "noted the Forum's *continuing concerns* over the shipment of plutonium and high level waste through the Pacific region."[216] The PALM I Summit's choice of words followed that appearing in the 1997 Forum's communiqué which read "[t]he Forum agreed that shipments of plutonium and radioactive wastes

[216] PALM I Joint Declaration 1997, para. 6. [emphasis added]

through the region posed a *continuing concern...*"[217]

What seemed to be a shared conclusion on the nuclear shipment issue as agreed upon in PALM I and further iterated in the SPF communiques of 1998 and 1999 leading up to PALM II in 2000, became short-lived. The delegates to the 2000 PALM II Summit, despite the reiteration within the 1998 and 1999 SPF Summit Communiqués of the "continuing concern" the Pacific region had towards the shipments, opted not to use such wordings as it previously did at PALM I. Instead, PALM II sought to proffer a solution to the quagmire. That was by way of having the Summit agree to a form of "cooperation" on the issue. The PALM II Summit's relevant clause read:

> *Cooperation* in promoting dialogue between coastal and shipping states to address the concerns of Pacific island countries regarding the shipment of radioactive materials through the Pacific region, particularly the safety and the potential economic losses from any accident during the shipments.[218]

What should be noted is that the PALM II wording quoted above appeared in the Summit's Declaration and not the Summit's Initiative (known as the Miyazaki Initiative or the Pacific Common Frontiers Initiative). The Miyazaki Initiative, named after the venue of PALM II, Miyazaki in Kyushu Island, contained the details for implementation of agreed policies which would form the foundation of Japan-PIC relations for the next three years. The Initiative was proclaimed by the Foreign Ministry of Japan as giving "concrete form to this concept [reference to the theme of PALM II "Our Common Vision for the Future"]. The Miyazaki Initiative represents a major guideline for Japan's

[217] 1997 South Pacific Forum Communiqué, Cook Islands, para.32. [emphasis added]
[218] Japan's Ministry of Foreign Affairs Official URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2000/palm-summit/seika/miya_dec.html, p.3, accessed Thursday, 25th December 2008. [emphasis added]

diplomacy toward the Pacific Island Countries".[219] In essence, the initiative was aimed at prescribing the steps or procedures as to how the general termed Summit Declaration was to be carried out. However, the issue of shipment of radioactive materials appearing in the declaration found no place in the resulting implementing procedures of the initiative.

One might point to the $10 million offered by Japan following the 2000 PALM Summit as a "good will" trust fund to be used in the case of an environmental catastrophe involving shipments. The interest accrued could be used to finance other PIC projects in the environment, energy, and tourism sectors[220]. This was duly noted with gratitude in the PIF Summit later that year.[221] Furthermore, Australia's reservation to the Forum Summit's like Declaration in the 2002 Forum Summit Communiqué had given weight for the silencing of the issue altogether in the negotiated PALM III Declaration in 2003.[222] Indeed, although the issue remained topical at the annual meetings of the PIF Summit, the 2002 PIF Summit and subsequent Summits to-date had removed any mention of Japan specifically in its paragraphs opting instead for the use of the wording "shipping states."[223] Nevertheless, it may be submitted that the strategic use of ODA coupled by the success of the PALM III Summit on this issue of Japan's use of the region's SLOCs has been successful to-date.

The issue of nuclear shipments were included in PALM I under the issue heading of "Environment". PALM II also included it in its Summary Declaration under the same

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[219] "What is the PALM? – An outline and history of the PALM summits", Japan's Ministry of Foreign Affairs official URL: http://mofa.go.jp/region/asia-paci/spf/palm2003/outline.html accessed Thursday, 25th December 2008.
[220] Alexander, *op. cit.*, p. 130.
[221] 2000 PIF Summit Communiqué, Kiribati, para. 32.
[222] Australia is an exporter of uranium to Japan for use in Japanese nuclear reactors for the production of electricity. As such, Australia has not objected to the shipment of MOX and plutonium. Maclellan, *op. cit.*, p. 4.
[223] 2002 PIF Summit Communiqué, Suva, para. 4.

issue heading of "Environment" but clearly absent in the like issue heading in the implementation procedures of the Miyazaki Initiative. However, nowhere under the issue heading of "Environment" in the PALM III implementation procedures known as the Okinawa Initiative, nor any of the other four issue headings making up the initiative, was the issue of nuclear shipments mentioned.

7(b) *Access to the region's natural resources*

The importance of the region's natural resources was underscored by a proposal by a Japanese businessman at the advent of Papua New Guinea's independence in 1975. It was suggested that Japan purchase the whole country outright![224] As far- fetched as this may sound, it reflected the interest Japan had developed in the region's natural resources particularly in Melanesia and Micronesia.[225]

After the loss of Japanese political and economic influence in the Pacific region in the aftermath of its defeat by Allied Forces in the Second World War, Japanese business led the way for Japan's gradual emergence in the region again both economically and politically a decade or so later. Natural resource exploitation in the larger Melanesian islands was undertaken in the 1950s and 1960s. With the greater demand for fisheries production in Japan to satisfy the country's food requirements, Japan looked to the Pacific region for distant water fisheries. Little restrictions on Japan's fisheries industries made for the region's vast ocean resource in this period as a lucrative ground to draw on to satisfy Japan's food needs.[226]

224 Finin and Wesley-Smith, *op. cit.*, p. 4 and fn. 6.
225 Magick, *op. cit.*, p. 4.
226 Tarte, *op. cit.* 2003, pp. 4 - 5.

What must always be kept in mind is that vis-à-vis the region as a whole, the economic motivation for Japan's interests are the resource riches that are found in the ocean not the PICs themselves. However, as always, developments in the greater ambit of international relations at the global scale occurred to which found Japan having no choice but to make overt approaches to the PICs itself in order to maintain its interests. Two occasions prompted such diplomatic initiatives. These were the 1970's oil shocks and developments in international law.

Initially, Japan's distant water fisheries based their headquarters in the PICs themselves for proximity reasons to fishing grounds. However with better freezing technology created in the 1960s, the headquarters could be sited in Japan as the catch would remain in good quality during shipment from the distant fishing grounds because of the new freezing methods. The heavy reliance therefore of the fisheries industry on fuel access and fuel prices became apparent. As such, when the oil crises of the 1970s occurred, the industry in general suffered because of the rise in price of fuel by as much as eight times the original price. Coupled by increasing competition from other suppliers of fish from Korean and Taiwanese markets, the fishing industry was forced to seek government help to ease the stresses of the market.[227]

In addition to this, there were developments in international law which saw coastal states assume greater control over their adjacent waters up to 200 nautical miles. The advent of the concept of the EEZ being imbedded in international law was opposed by Japan for the reason of requiring freedom of fisheries and development of that industry. By 1975, 85% of Japan's primary catch, tuna, was sourced from the Pacific region. This figure subsequently rose to 90% within the following five years. The Japanese

[227] Alexander, *op. cit.*, p. 132

government responded by the use of ODA in the form of fisheries grant aid to ensure access to the PICs EEZs[228] and the $1.7 billion world industry of which about half of the market was sourced from the Pacific region.[229]

More recently, ODA has also been used to focus attention on mineral exploration of the seabed of the Pacific Ocean of which 20 million sq.km. fall within the jurisdiction of the PICs according to established Law of the Sea. Although yet to be fully realized, the potential for mineral wealth extraction is viable enough to keep Japan engaged within the region.[230] Statistics suggest an estimated gross value of oil and gas reserves in the Pacific region as ranging from $500 billion to $7 trillion.[231]

The advent of threats to Japan's interests in the natural resources of the region due to the international rise of fuel and the international Law of the Sea developments led to greater attention given by Japan to the PICs. Be that as it may, ODA disbursements to the region were primarily focused on achieving first and foremost the natural resource extraction that Japan needed and PIC concerns for development were incidental.

The PALM Summit stemmed from the evolution of Japanese interests in the natural resources of the region. It was the ultimate result of Japan's diplomatic overtures to host at the summit level a meeting with the PICs and to solidify its commitment to regional concerns and thereby further solidifying its interests in the region's natural resources. Each successive PALM Summit declared cooperation between Japan and the PICs regarding natural resources. In the 1997 PALM Summit, it was agreed that "...the crucial importance of fisheries to the economic security of the Pacific region [was

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[228] Tarte, *op. cit.*, 2003, pp. 5 - 7. See also Alexander, *ibid.*, pp. 132 - 134.
[229] Finin and Wesley-Smith, *op. cit.*, p. 4.
[230] Finin and Wesley-Smith, *ibid.*
[231] James M. Anthony, "Conflict over Natural Resources in the Pacific", in Lim Teck Ghee and Mark J. Valencia, M.J., (eds.), *Conflict over Natural Resources in South-East Asia and the Pacific*, Tokyo, University of the United Nations Press, 1990, Ch. 6 generally and in particular section 6.6.

recognized and the Summit] confirmed its intention to fully cooperate in establishing measures to ensure the effective conservation and management of the highly migratory fish stocks..."[232]

In the same vein, the PALM II, in a more expanded and detailed format both iterated the importance of the region's natural resource endowment both in its declaration and initiative under the topic of "Regional and Global issues of common concern". The 2000 summit declared that:

> The Leaders expressed their determination to aim at...where the Pacific Islanders are blessed,...with the riches of the surrounding environment...including fishery resources and sea-bed mineral resources...
> The Leaders therefore confirmed the importance of the following mid-to-long term priorities with regard to Japan-SPF cooperation in the international arena...
> Strengthening the conservation, development and management regime of marine living resources, in particular fisheries...(and)
> Strengthening the cooperation in addressing issues relating to sea-bed mineral and renewable resources.[233]

In spelling out the procedures as to how this "aim" was to be implemented, the initiatives were stated under the said topic and sub-topics "Efficient Utilisation of Fisheries Resources" and "Conducting Marine Resources Investigation".[234]

One would not be blamed in thinking that there has been an apparent gradual lack of interest by Japan in natural resources within the region given the noticeable silence of the PALM III Okinawa Initiative on the issue of natural resources. What PALM III

[232] PALM I Joint Declaration 1997, para. 3.
[233] PALM II Declaration 2000, pp. 2 - 3.
[234] PALM II Miyazaki Initiative 2000, p. 3.

suggests is that the PALM Summit outcomes are "living" documents. What this means is that the Summit outcomes are adapted to prevailing issues that Japan and the PICs believe are pertinent at the time of their meeting. Importantly, the overall aim of the PALM Summits do not change namely in Japan's view, to secure its interests in natural resources and others mentioned above and below.

Given that the 2003 PALM met during the ongoing U.S.-led war on terror and international security concerns stemming from the 9/11 terrorist attacks on the U.S. as well as the terrorist bombings in Bali, Indonesia, it was sensical that the issue of security was to be topical at the meet. Likewise at the 2006 PALM, security was the first topical issue discussed by the Summit meeting. Furthermore, international issues indeed were of interest to the PICs such as the United Nations Millennium Development Goals (MDGs) and the United Nations World Summit on Sustainable Development which both came to fruition in 2000 and 2002 after the previous Summit. These were featured well in the 2003 Okinawa Initiative. Given that the PALM document is a "living" document, it was understood that guidelines cemented in the 2000 Miyazaki Initiative were still carried forward into the Okinawa Initiative and further into the Okinawa Partnership of the 2006 PALM. As stated by the 2003 Summit, "[T]he Leaders of Japan and the PIF expressed their determination to achieve their "common vision for the future" as expressed in the Miyazaki Declaration in 2000...(and) much of the ongoing work arising from the Miyazaki Initiative will be continued under this Okinawa Initiative."[235]

[235] PALM III Okinawa Initiative 2003, paras. 2 and 4.

7(c) *Support for Japanese vital interests*

Scholars and officials alike have agreed that Japan indeed appreciates the support shown by the PICs for its work in the international fora.[236] Apart from having intentions to be more politically assertive on the wider global arena such as attaining a permanent seat on a reformed United Nations Security Council, Japan needs regional political support in not only that plight but also with regards to its own initiatives within the Pacific region itself. China, as a global power, has explicitly objected to Japan's wish for a permanent seat on the UNSC. Japan therefore faces an obstacle there. Further, Japan's efforts towards garnering political support within the Pacific region itself may be stifled by the increasingly influential China in the region as well. So Japan's successful regional initiatives by way of support gathering in the region has implications also for its political ambitions at the international level.

To-date, all independent PICs are members of the United Nations. Together, with Australia and New Zealand, the Pacific Island Forum Group, as they are known at the New York headquarters, make up 14 votes. From Japan's perspective, such support may be crucial in swinging an issue of interest to its favour. According to Dr. Watanabe Akio, this need for political support comprises Japan's main interest in the region. And incidentally further, is Japan's concern over an increasingly influential and active China.[237] Japan's Foreign Ministry has throughout the PALM initiatives used it as a platform to raise Japan's wider international interests and to gather support. As iterated by a senior diplomat in the Ministry, "We are truly grateful to all Pacific Island countries for their unflinching support for Japan's Security Council bid for some time.

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[236] See also Magick, *op. cit.*, p. 3.
[237] "Interview with Dr. Watanabe Akio," Research Institute for Peace and Security, Tokyo, Wednesday, 24th October 2007. See also Magick, *ibid.*, pp. 2 - 3.

That support is evidence of how much trust they have in Japan."[238] In essence, the "tit-for-tat" wrangling over different issues at the PALM Summits have with it a view of the PICs receiving ODA in exchange for its political support for Japanese initiatives; a resounding similarity to Chinese overtures in the Pacific region vis-à-vis Taiwanese economic and diplomatic activity.

In 1997, Japan and PIC Leaders agreed to cooperate and "...continue to work together in the United Nations and other international fora ... (and) confirmed its continued commitment to the early achievement of United Nations reform ... and to the Security Council..."[239]

The 2000 Summit had similar wordings appearing in its Declaration calling again for wide-ranging UN and Security reforms. Then Prime Minister Yoshiro Mori in his keynote address stressed the issue of PIC support on this point by stating

> For global issues to be tackled effectively, international cooperation in the United Nations and the strengthening of the UN framework are becoming increasingly pivotal. We would like to work together with the Pacific Island Countries aiming at the early realization of comprehensive United Nations reforms, including Security Council reforms...[240]

Again, as was the case regarding the issue of natural resources mentioned above, PALM III did not explicitly mention the issue of the need for cooperation at international fora. The issue had already been imbedded into the PALM raison d'être.

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[238] Magick, *ibid.* p. 3.
[239] PALM I Joint Declaration 1997, para. 5.
[240] Japan Ministry of Foreign Affairs
Official URL:
http://www.mofa.go.jp/region/asia-paci/spf/palm2000/palm-summit/seika/keynote_mori.html p.4 para. 3, accessed Saturday, 29th November 2008.

Indeed, the Foreign Ministry stated that "the aim of the Third Japan-PIF Summit Meeting, in our view, is to discuss direction of our further cooperation in the context of changing world and based on outcome of the Second Summit."[241] It is clear therefore that the pertinent issue of cooperation in the international fora was part and parcel of PALM III and IV. PALM IV was a resounding success where Japan found unanimous support from all participants for Japan's bid for a permanent seat on a reformed UNSC. The official stance by Japan on this issue of PIC support for Japan can be summarized succinctly by the answer the Foreign Ministry has provided regarding the question "Why the Pacific Island Countries are important to Japan?" The Ministry stated that "[t]hese countries are Japan's neighbours across the Pacific Ocean. They are friendly toward Japan, and close partners who understand and support Japan's position in the United Nations and other international arena."[242]

8. Conclusion

What this chapter set out to do was to describe Japanese strategic reactions to a regional situation in the Pacific Islands. This situation witnessed the "strategic neglect" of the region by its traditional metropolitan powers following the end of the Cold War. This situation there presented an opportunity for Japan to take greater proactive diplomatic actions so as to achieve its own independent foreign policy goals. These goals were justified in terms of its resource diplomacy, its need for the use of the

[241] Remarks by Mr. Kazuo Kodama, Deputy Director General of the Asian and Oceanian Affairs Bureau, Ministry of Foreign Affairs, Japan, to the opening Session of the Preparatory Meeting for the Japan-PIF Summit Meeting, Tokyo, 6th March, 2003.
[Available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2003/pre_remark.html accessed Saturday, 29th November 2008.]

[242] Japan Ministry of Foreign Affairs
Official URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2003/relation.html, bullet point 1, accessed Saturday, 29th November 2008.

region's SLOCs, as well as gathering support for Japanese aspirations with a reformed UN Security Council. The proactive approach Japan adopted was to be enhanced through the creation of the PALM mechanism. Japan's relations with the Pacific region can be defined by its needs for resources (both natural and nuclear fuel resources hence the importance of the region's SLOCs) and the need for political ascension internationally namely, the need for a permanent seat on the UNSC. These goals have been achieved through a more personal interaction between leaders of the PICs and Japan nurtured through the PALM summits. The projection of reputation and image by Japan as a development partner unique in its own way from other aid donors to the region is a deliberate act by Japan to secure its interests. In a way, this intangible interest is an overarching national interests pursued by Japan in the region in order to secure tangible interests of its industries (fisheries, nuclear power, and so forth).

The PALM Summit is used as a tool to pursue Japan's interests through the use of ODA. The intangible benefit outlined is an important return on the spending of under 2% of Japan's total ODA budget. From a Japanese policymaking perspective, the region is a treasure trove for future potential economic benefits as well as for current political support.

Interests in the use of the region's SLOCs for the transshipment of nuclear spent fuel from and to Japan was secured in spite of the repeated expression of concern by the Pacific Island Forum since 1992 to-date. As a means to co-opt the PICs on the issue, a rationale behind the convening of the inaugural PALM Summit in 1997 was to deal with the nuclear shipment issue. Initially declaring a joint concern for such shipments by delegates to PALM, subsequent PALM initiatives in 2000 and 2003 were devoid of any mention of the issue. Furthermore, hither to the 2002 Pacific Island Forum Summit,

Japan had always warranted a mention in the PIF communiqué regarding the region's concern for Japan's nuclear shipments. The 2002 PIF Summit communiqué and all subsequent communiqués had removed mention of Japan outright. As mentioned, the 2007 PIF Communiqué had no mention of the issue whatsoever.

The PALM Summits have further consolidated Japanese interests in the natural resources (fisheries as well as the mineral resources) of the region. This is not to say that the PICs do not benefit from the ODA which goes towards sustaining fisheries and the environment conducive to the industry. Nevertheless, such ODA, at its current levels to the region enhance a lucrative return in terms of present and future access to the region's resources.

Finally, the PALM Summits serve Japan's purpose of consolidating political support for its international aspirations particularly with regards to an expanded UNSC with Japanese permanent membership. Indeed it is also a boon for PICs in order to attain much more assistance from Japan in exchange for support.

Japan's intangible interests in the region is strengthened not only through hosting the PALM Summits but also it depends on how it hosts the PALM Summits. Logistics and arrangements which involve the organization and arrangements related to the Summit is also as important. The success of the Summit in terms of intangible interests not only lie in the aid packages announced for the benefit of the PIC. Aid packages to the region are not the exclusive territory of Japan. Japan's intangible interests in being, and being seen to be a unique development partner for the PICs is also delivered through the organization of the Summit.

What the final Chapter will attempt to do is review the logistical organization of PALM I – IV in order to determine whether or not the summit was a success in terms of

Japan's islands strategy. The Chapter will further discuss PALM V as the most recent expression of Japan's diplomatic strategy and likewise evaluate the outcome to determine implications on future relations between Japan and the PICs.

Chapter 6

PALM V: 2009 and the Future of Japan – Pacific Islands Relations

1. Introduction

In organizing PALM V, the Japanese government had demonstrated its most active approach toward arranging and organizing its 2009 triennial summit meeting with the PICs. This involved the establishment for the first time of the PALM Expert Advisory Committee (PEAC) to recommend policy options, an increase in aid contribution to the region for development priorities generally, and a separate contribution on environmental issues. PALM V also signaled a greater effort at proactively promoting Japan's interests in the region by demonstrating regional leadership on issues of the environment. The creation of a new Japanese initiative, the Pacific Environment Community (PEC), is evidence of an enhanced move by Japan to promote its own diplomatic agenda.

Hosting PALM V, in comparison to PALMs I – IV, demonstrated a much more eager and vigorous Japan with regards to enhancing its regional relations with the PICs. This chapter will evaluate Japan's organization of PALM V. This will be done by analyzing how it approached its pre-summit preparations through PEAC, its organizing of the PALM preparatory Senior Officials Meeting (SOM) and negotiations of the PALM V Leaders Declaration text, and its logistical arrangements for the PALM V meeting itself. PIC delegations and their views on the organization of PALM V as a whole will also be

looked at. In doing so, this chapter may predict future implications for Japan – PIC relations through the PALM summits.

2. Evaluating the Logistics of PALM I – IV

2(a) *PALM I*

PALM I was heralded as a breakthrough in Japan-PIC relations. It was the first summit level meeting ever to be hosted by a non-traditional (metropolitan) Pacific power. The announcement of the intended meeting by Japan in 1986 was seen as Japan's taking greater initiative and leadership of Pacific Island issues. Indeed it was indicative of a more proactive diplomatic approach by Japan in the region at a time traditional Pacific powers such as the US and the UK were drawing down their diplomatic presence (refer to Chapter 5).

PALM I was a good intention on Japan's part to demonstrate its appreciation for PIC regional support for its candidacy and winning of the non-permanent seat at the UN Security Council's elections in 1986. As outlined in the previous chapter, PIC support was given without being requested by Japan and as such, Japan wished to likewise show its support for PIC issues. The question was how Japan should show its appreciation. The summit meeting, as a diplomatic tool, had been the approved choice for showing this appreciation however it was still uncertain how this tool was to be used.

Logistics indicates how much weight or importance is afforded a particular event. A poorly organized event suggests the aim of hosting it was not seriously considered and therefore the end results may not be that which is intended. This section will examine the logistical organization of PALMs I – IV to determine to what extent the intentions of hosting the summit were successful or not. Far from being officially announced by

Japan in their published outcomes of each summit meeting, this section will suggest underlying issues which may not have been fully satisfied or the intended end results in considering those issues were not accomplished. By looking at the behind-the-scenes interactions between Japanese and PIC officials, far from the diplomatic niceties of the leaders, a more realistic picture of Japanese organization of its regional strategy in the Pacific Islands may be inferred or understood.

If the intention behind PALM was to foster personal networking and understanding between leaders of Japan and the PICs, PALM I failed to achieve that goal. In fact, the summit may as well not have been held as PIC leaders and representatives, and their delegations had returned from Japan feeling that they were not accorded the appropriate measure of consideration by their Japanese hosts commensurate with summit-level meetings. The following were reasons behind this conclusion:

1. PALM I was not a summit meeting per se but rather was in effect, a meeting of PIC leaders and representatives held in Japan. As host of PALM, Japan dispatched its State Secretary for Foreign Affairs Koumura Masahiko to chair the summit. Prime Minister Hashimoto Ryutaro and Foreign Minister Obuchi Keizo had been committed elsewhere at that time. PM Hashimoto did plan to deliver a key note address at the opening of PALM I but had to cancel this event as well. The State Secretary delivered the keynote address instead. It seemed a discourtesy to have heads of governments invited by Japan to the inaugural summit meeting between leaders of Japan and the PICs only to have the Japanese leader not attend the summit proper and to have their meeting chaired by a person significantly lower in position

to the prime minister.[243]

2. The PALM I deliberations did not involve the discussion or the passing of an implementation plan to facilitate the operationalising of the PALM Leaders Declaration. As a result, the outcome, although well-intended, had no agreed means as to how the outcome was to be carried out. PIC leaders left with only a vague impression regarding Japan's commitment to the region.
3. Summit meetings are strategically organized to be highly visible political gatherings by government leaders. In terms of regional summit meetings between a developed country and developing states, the summit is used by the developed country to announce a multifaceted commitment of aid contributions as a demonstration of its cordial and strong relations with those developing states.[244] There was no announcement of a committed development assistance package to address priority areas agreed to by the delegations at the summit.
4. Summit meetings are a diplomatic tool which facilitates or improves on international dialogue between government leaders. The meeting agenda and conduct of the summit is supported by pre-summit meetings between diplomats and relevant specialists at the official level both at the international and intra-national levels. In preparing for PALM I, there had been no opportunity for a pre-summit meeting between Japan and the PICs.[245] The absence of a PALM I preparatory

[243] These were impressions given to me by PIC Ambassadors to the UN when fieldwork was conducted in New York in December 2007. For example "Interview with H.E. Mr. Collin Beck," Permanent Mission of the Solomon Islands to the UN, New York, Wednesday, 19th December 2007, "Interview with H.E. Ms. Mylene Moses," Permanent Mission of Nauru to the UN, New York, Tuesday, 15th December 2007, and "Interview with H.E. Mrs. Fekita 'Utoikamanu," Permanent Mission of the Kingdom of Tonga to the UN, New York, Friday, 21st December 2007. All 12 independent PICs are members of the UN.

[244] Jan Melissen, "Summit Diplomacy Coming of Age," *Discussion Papers in Diplomacy*, Netherlands Institute of International Relations, The Hague, 2003, p. 14.

[245] *Ibid.*, p. 17.

meeting did not give Japan the opportunity to understand issues pertinent to the island countries. The logistics and organization of PALM I may have been wanting given there was no chance made for input by PIC officials at a pre-PALM preparatory meeting.

5. The time and location of a summit meeting is also a strategically calculated decision in order to attain maximum public exposure for the leaders especially the host country. As Osaka Gakuin University professor Kobayashi Izumi stated, the purpose of the PALM can be stated in two equally important reasons. One is to create a personal network and relationship between the leader of Japan and the leaders of the PICs. This will facilitate Japan's pursuit of its interests in the Pacific Islands region where the human-to-human contacts between the leaders are established. It creates clarity in intent and greater understanding in doing so, minimizes the possibility for misunderstanding. The other reason for PALM is to sensitise the Japanese public to the importance of the PICs to Japan's interests.[246] In making the public aware of how the PICs can contribute to Japan's vital interests, it lends legitimacy to Japan's island strategy where public understanding is attained. It thus becomes important to strategically choose a time and place where the biggest impact with regards to public awareness can be achieved. This entails media interest in PALM and their willingness to cover the summit over their medium for public consumption. Mobilising a public awareness campaign through public action in support of PALM is an end result required through the strategic choice of the summit venue. The choice of Tokyo to hold PALM I did not achieve this end result. A meeting of PIC Leaders with Japan did not draw much interest from a public unaware about the

[246] "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 20th June 2008.

Pacific region. Public ignorance also was perpetuated further by a lack of interest in the PALM by not only the media,[247] but also by the government in general which had greater interests in other aspects of their foreign relations. Issues about the Pacific Islands could not compete with other international matters such as relations with the US, China, or Southeast Asia. PALM I was a little known occurrence in the plethora of official business in Tokyo and was therefore limited to the knowledge of those organizing and attending.

PALM I can be categorized as historical, or in Prime Minister Hashimoto's words, "an epoch-making event"[248] in the sense that it was the first-ever summit meeting hosted by a non-traditional Pacific power, Japan, with the PICs. PALM I was a demonstration of Japan's enhanced engagement with the region indicating a greater proactive island strategy. The leaders in normal diplomatic form did represent the region in describing PALM I as an "initiative which [was] another expanding already strong links between the region and Japan. The implementation of this strategy however failed at first instance. The Leaders Joint Declaration at the conclusion of PALM made no

[247] Chino Keiko, special guest and presenter at the Second Meeting of the Pacific Islands Researchers Forum (PIRF), Hakone 20th January 2008. Ms. Chino is a columnist and former editor of the *Sankei Shimbun*. She is also a member of the Steering Committee for the Sasakawa Peace Foundation's South Pacific Island Nations Fund (SPINF). SPINF, chaired by Dr. Watanabe Akio, allocates research funds for projects dealing with development issues in the PICs as well as projects pertaining to policy-oriented research for the benefit of Japan and PIC relations. PIRF is a project created and chaired by this author since August 2008, with funds from SPINF. It subsequently was invited by the Ministry of Foreign Affairs as a Non Profit Organisation representative at PALM V in Hokkaido, 22nd – 23rd May 2009. The research forum was also represented on an official government delegation to the PALM V Summit itself. PIRF was announced at the PALM V meeting as one of the success stories of Japan's "Kizuna Plan" which promotes greater human-to-human contact between Japan and the PICs. Ms. Chino was also a member of the Japanese Government's PALM Expert Advisory Committee (PEAC) chaired by Dr. Kobayashi Izumi, which was responsible for proposing policy options for Japan with regards to its approach to PALM V.

[248] Hashimoto Ryutaro, "Keynote Speech by Prime Minister Ryutaro Hashimoto at the Japan – South Pacific Forum Summit Meeting on October 13, 1997", 13th October 1997. [Available URL: http://www.mofa.go.jp/region/asia-paci/spf/summit97/speech.html accessed Thursday, 25th September 2008.]

reference to a specified aid package as per normal practice in summit meetings. It also lacked a clear vision as to how the stated aspirations in the declaration would be implemented. The fear that the summit may become a gathering of leaders for the sake of stating good intentions, without a "road map" as to how those good intentions were to be operationalised, became a reality. This may have been compounded by the fact that there were no preparatory meetings held by Japanese and PIC officials in order for Japan to get a sense of current and evolving issues of concern to the PIC leaders. There was also no strategic decision in where to host the summit in order to gain the greatest exposure for public knowledge regarding Japan - PICs engagement. Most important, there was no chance to form and personal relationships or networks between the leader of Japan and the PICs. To make the inaugural summit truly "epoch-making", the meeting had to have been conducted as a summit per se with the presence and chairmanship of the leader of Japan.

2(b) *PALM II*

On 7th October 1999 at the 11th Post - Forum Dialogue (PFD)[249] meeting held in Palau, Japan's State Secretary for Foreign Affairs Azuma Shozo referred to that year's SPF Communiqué which referred to 1) the importance of Pacific Island's regional relations with Japan and 2) requested another summit meeting with Japan. In so doing, Azuma indicated at the PFD that Japan was considering hosting a second summit meeting with SPF members in 2000 prior to the Kyushu/Okinawa Summit of G8 Leaders scheduled for 21st - 23rd July 2000. In preparation for PALM II, the issue regarding greater strategic thought in choosing the venue for PALM II was discussed.

[249] See Chapter 5 sub-heading 3. Japan - PIC Relations in the 1990's, for more information.

Prior to Azuma's announcement of Japan's intention to hold a PALM II meeting in 2000, planning had already been undertaken towards the summit meeting. Again, the Oceania Division sought Osaka Gakuin University Professor Kobayashi's advice and guidance on the matter.[250]

In the early months of 1999, Oceania Division Director Katagami Keichi had made contact with the Japan Institute of Pacific Studies to seek Kobayashi's advice regarding the organization of PALM II. The major issue in Kobayashi's mind was the need to strategically choose the venue for PALM II to be held. Recalling the lack of media interest and local Tokyo enthusiasm for PALM Summit and Pacific Island issues in general, Kobayashi suggested that the summit be moved to a city center located in rural Japan. The rationale behind this was because by hosting an international meeting of leaders in this area, it would create greater local media interests and citizen participation because of the relative lack of exposure of such a city to international events, let alone Japan's prime minister himself hosting the event in such a city. Such local attention would serve as a possible test case through media interest and televised images of how a Japanese segment of the population can be mobilized in support of a summit meeting between Japan and the PICs. This would be a good starting point for creating public awareness with regards to PIC issues, and why Japan's engagement with the region satisfies its interests.

Kobayashi recalled Katagami's laughter in response imagining having to move a summit meeting of leaders outside the country's capital, especially to a rural setting. Katagami accusingly replied that the logistics of organizing such a high level meeting outside of Tokyo was too burdensome. It was clear that Katagami's focus was more

[250] "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 5th June 2009.

towards the need to organize and implement successfully the summit meeting rather than looking at the medium to long-term effects of hosting the meeting. In Kobayashi's opinion, image and impression was important on forming good relations with the PICs. Hosting PALM II in a small rural city would be easier in terms of mobilizing the local population and media in support of the summit because rarely if anything of such magnitude would take place there. In doing so, a good impression on the PIC leaders attending would be achieved through the apparent "national" media coverage, in addition to the local population's passionate appearance at the venue of the meeting and through the waving of PIC flags along the roadside as PIC leader's motorcades are driven past. Politically for Japan's leadership, it would enhance local support for the prime minister in making the effort to choose the location for his hosting of an international meeting. For Katagami, the thought of relocating a summit meeting outside of Tokyo though prevented him from seeing the longer term benefits. Prior to 1999, Tokyo had never hosted a summit meeting outside of Tokyo.

Later in June that year, the G8 Summit meeting in Cologne, Germany approved Japan's offer to host the 1999 G8 Summit. Based on appeals from Japan's southern Ryukyu Islands, Prime Minister Obuchi had arranged for that summit to be moved outside of Tokyo, to be held in Okinawa. That G8 Summit subsequently became known as the Kyushu / Okinawa Summit. A precedent had been set by the Obuchi government which allowed for future possible summits to be moved outside of Tokyo. By prime ministerial direction therefore, the logistical arrangements had to be provided to facilitate summit meetings held at alternative locations to Tokyo.

With this good timing, Kobayashi's submission for a re-location of PALM II outside of Tokyo was carried by the Oceania Division and later approved by Prime Minister

Obuchi for the Japanese prime minister to host PIC leaders in Miyazaki City, Miyazaki Prefecture in Kyushu on the 22nd April 2000. Prime Minister Obuchi approved the move from Tokyo to Kyushu based upon the need for a "test run" of Japan's handling of a "smaller" summit meeting with the PICs in preparation for the G8 Summit in Okinawa two months after PALM II.[251] It was noted that the G8 Foreign Minister's Meeting was to meet at the Miyazaki Kanko Hotel in Miyazaki City, on the 13th July. PALM II in effect therefore was a G8 preparatory meeting in terms of logistical and organizational approaches to holding a summit. PALM II thus was approved to be held in Miyazaki.

The decision to host PALM II outside of Tokyo was obvious. In contrast to PALM I, the public participation and media coverage of PALM II was large. The formal schedule of PALM II ran over three days from Friday, 21st - Sunday, 23rd April although the summit meeting itself was held on the afternoon on Saturday, 22nd. Japan, as the host, clearly demonstrated its willingness to engage not only formally but informally through less official occasions with PICs leaders, which served to mould stronger and personal bonds amongst the leadership.[252]

Another issue that deepened the public's interest as well as the media's interest in PALM II was the fact that the Chair of PALM II, and the Chair of the SPF, had reciprocal personal histories with the Pacific Islands and Japan respectively. Japan's Prime Minister Yoshiro Mori and Chair of PALM II[253] had a familiar and personal association with the Pacific Islands, especially with the Japan's former mandated

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[251] *Ibid.*

[252] For an overview of the three-day program, please see the photojournal in that regard by the Ministry of Foreign Affairs at available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2000/palm-summit/diary/index.html accessed Saturday, 20th June 2009.

[253] Prime Minister Obuchi had suffered a stroke on 2nd April 2000 which led to Mori, who was Secretary General of the ruling Liberal Democratic Party, being appointed as prime minister and as such, becoming co-chair of PALM II held later that month.

territory of Micronesia. His father, Mori Shigeki, served in the Japanese military and was stationed in what is present-day FSM. Although aggressors during World War II, the local islanders treated and cared for the senior Mori as the US moved in to occupy and liberate the Micronesian islands. This instilled deep feeling in him towards the Pacific islanders. The sentiment was later passed onto Prime Minister Mori as a child upon his father's return to Japan after the war.[254] In addition, the SPF Chair and Palauan President, Kuniwo Nakamura, was a *nikkeijin*. He was the son of a Japanese immigrant from Mie Prefecture, and an indigenous Palauan chieftain. The image of a PIC leader with strong Japanese heritage in terms of physical features and name, together with the Japanese leader with historical and personal affiliations with the Pacific Islands, was newsworthy material focusing not only on development issues pertaining to PALM II itself but also on other socio-cultural and personal issues such as Japanese presence and diaspora in the PICs both historically and genealogically.

Advances such as the foregoing worked well towards enhancing the Japan-PIC relations in terms of personal and human bonds between the leaders. It also enhanced further the understanding or the awareness of the Japanese people regarding PIC issues and Japanese relations with the PICs through the strategic choice of the venue. One of the outcomes of the summit was also the passing of an implementation plan. Known as the "Pacific Common Frontiers Initiative" or the "Miyazaki Initiative," it sought to operationalise the leaders' declaration, the "Miyazaki PALM Declaration: Our Common Vision for the Future". PALM I had lacked such an initiative.

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[254] Giff Johnson, "Japan's Mori: Ties to the Pacific More Than Aid and Trade," *Marianas Variety*, Thursday, 28th May 2009. [Available URL: http://www.mvarietynews.com/index.php?id=17317:japans-mori-ties-to-pacific-are-more-than-aid-and-trade&option=com_content&catid=3:pacific-islands&Itemid=43 accessed Saturday, 20th June 2009.]

With there were advances in summit diplomacy with the PICs, there were also aspects of PALM II that were insufficiently organized. Two aspects can be identified.

1. In terms of aid contributions, there was no clear statement of a summit aid package, typifying or highlighting the gathering of PIC leaders at the invitation of Japan. There were announcements of financial contribution in the Miyazaki Initiative, for example contributions to regional information technology projects (paragraph 1-2), contributions in support of the SPF (paragraph 3-2-1), as well as contributions to the operations of the PIC (paragraph 3-2-2), but there was no announcement of an overall aid package granted by Japan to the PICs. As such, it was still not clear as to how exactly was Japan going to assist the region in terms of other aspects of the leaders' declaration which considered issues such as the environment, which was the subject of a separate agreement at PALM II, energy, economic vulnerability, transnational organized crime, and other matters.
2. The problems elucidated in number one above may have been a result of not convening a pre-PALM preparatory meeting between Japan and the PICs. As in PALM I, where a preparatory meeting was held, issues pertinent to Japan and the PICs could have been identified and clarified and therefore incorporated into the agreed text of the final document. In not holding such a preparatory meeting, the resulting implementation plan could not fully articulate a substantive approach to operationalising the leaders declaration.

2(c) *PALM III*

The need for strategic choice of the venue where Japan could host PIC leaders for a PALM summit meeting was clear after the successes of PALM II and the failures of

PALM I. Hosting PALM II in Miyazaki was influenced by the larger summit meeting of the G8 countries in Kyushu/Okinawa. In 2003, the question for the Japanese government was not whether or not it was to be held outside of Tokyo but rather where outside of Tokyo. Planning for PALM III did not have a "bigger" meeting of leaders like the 2000 Kyushu/Okinawa G8 Summit to influence the location as to where the pending PALM summit meeting would be held.

In advising the organizers in the Ministry of Foreign Affairs' Oceania Division, JAIPAS suggested the venue should:

1. continue to be held outside of Tokyo; and
2. have or portray similar social and economic characteristics to the PICs.[255]

In doing so, the hope was PIC leaders would naturally feel an affinity towards Japan through that chosen location. The location of PALM III should demonstrate that within Japan itself, there are similar development aspirations to PICs. JAIPAS advised that the best location would be Okinawa.[256] It was suggested that the tropical surroundings and less formal "island" way of life in Okinawa would be familiar to the visiting leaders and would therefore provide a logical setting for the summit meeting. This was later captured in the attire worn at the second day of PALM III when leaders chose not to wear suits in favor of the less formal and tropical "kariushi" shirts.[257] Importantly, Okinawa's development experience as smaller tropical islands of Japan mirror the current experiences of PICs in terms of for example fisheries and other marine resource

[255] *Op. cit.*, fn. 206.
[256] "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 3rd July 2009. See also Kobayashi Izumi, "Okinawa: the cornerstone of Pacific diplomacy," *Asahi Shimbun*, 21st June 2006. This newspaper piece was talked about the benefits of hosting the PALM summit in Okinawa, after PALM IV in 2006. The points made in the piece were the same arguments put forward by JAIPAS for PALM III to be held in Okinawa in 2003.
[257] See for example the available URL: http://www.kantei.go.jp/foreign/koizumiphoto/2003/05/17sima_e.html accessed Sunday, 21st June 2009.

development as well as environmental protection and conservation issues. Kobayashi argued that "Okinawa [had] the potential to serve as the communication hub for Japan's diplomacy in the Pacific."[258] Okinawa and the PICs have a natural affinity and familiarity with each other which would make it the most ideal venue to host PALM III. Much of this may be based on the fact that many Pacific Islanders, especially in Micronesia, are descendent from Okinawan immigrants. The local Okinawan people themselves would not seem distant or foreign to visiting PIC delegations as there will be an "island" identity or understanding already present. Public support for PALM III would be easily mobilized.[259] Finally, the University of the Ryukyus, as a national university, could be utilised as a center for Pacific Islands Studies in Japan. In light of the foregoing, JAIPAS recommended that the PALM summits be held in Okinawa permanently.

JAIPAS' recommendation to have PALM III strategically hosted in Okinawa was based on an apparent sense of social and cultural understanding as islands people living in similar physical and geographical conditions facing similar development difficulties and aspirations. The Oceania Division accepted JAIPAS' recommendation and submitted it to Prime Minister Koizumi with its recommendation for approval: Approval was forthcoming.

With the venue confirmed to be in Okinawa, it was officially announced on 9th May 2003 that Japan was going to host PALM III in Nago City, Okinawa on the 16th and 17th May that year. It was also announced that for the first time, Japan was to co-chair the meeting with the current chair of the PIF. This was a new initiative on behalf of the Japanese government and one aimed at demonstrating Japan's wish to demonstrate its

[258] Kobayashi, "Okinawa: the cornerstone of Pacific diplomacy", *op. cit.*
[259] *Op. cit.*, fn. 206.

wish for equal partnership with the PICs in terms of running the meeting. In PALMs I and II, the chairmanship of the summit was Japan. This new emphasis on equal partnership through the co-chairmanship was evidenced also by the first ever holding of a pre-PALM preparatory meeting on the 6th and 7th May 2003 in Tokyo.

The preparatory meeting was attended by representatives from all 16 PIF member states in addition to relevant officials from the Japanese side. The meeting was chaired by Japan through the MOFA's Deputy Director of the Asian and Oceanian Bureau Kodama Kazuo. There was even ministerial representation from the Republic of the Marshall Islands indicating greater importance placed on the PALM initiative at this time. The two-day meeting sought to discuss and finalise issues on the PALM III agenda which revolved around security, trade and investment, environment, education, and health and sanitation. On the second day of the meeting, non-governmental organizations (NGOs) from Okinawa were included in the session discussing issues about the environment. Not only was PALM III more organized in the sense that it included a preparatory meeting of officials before the summit proper, but it was also well organized in the sense that it included interests outside official circles, namely NGO groups. The inclusion of the Okinawan NGOs served the purpose of attaining advice from bodies that have had experience in environmental problems similar to those existing in the PICs and their region. Not only that, by including NGOs the Japanese government would have been seeking legitimacy for this policy and diplomatic tool. Being inclusive of interests representative of wider Japanese society, such as NGOs, the PALM mechanism was to be "sellable" in terms of public accountability of the government. This inclusiveness was reflected in the PALM III leaders declaration stating the need for "Enhanced cooperation with other organization...including those

from Civil Society."[260] Advice from the NGOs was given to the meeting regarding ways to address environmental issues in remote island settings, on how to mobilise the local communities through activities on environmental protection, on public awareness activities for school children, on mangrove conservation, and on the protection of migratory birds.[261] Accordingly, the wide-ranging issues tasked to the preparatory meeting had as its intention of providing "a comprehensive strategy for cooperation between Japan and PIF members along with an Action Plan to implement it."[262]

PALM III, as a result of discussions carried out at the officials level during the preparatory meeting, endorsed what became known as the "Okinawa Initiative". This document continued the principles within the "Miyazaki Initiative" of PALM II in 2000 but honed them into the prevailing international consensus regarding development issues. As such, the Okinawa Initiative was created within the framework of the recently held World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa on 26th August - 4th September 2002[263] in addition the Millenium Summit Goals (MSGs) passed by the United Nations during its Milleniuam Summit meeting on the 6th - 8th September 2000.

The Okinawa Initiative was divided into two documents. The first was the Leaders Declaration and the second was an implementation plan. Like the 2000 summit meeting, PALM III included a plan, known as the "Joint Action Plan," to operationalise the

[260] "The Okinawa Initiative: Regional Development Strategy for a More Prosperous and Safer Pacific," p. 2. [Available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2003/outcome-2.html accessed Sunday, 21st June 2009.]

[261] See available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2003/pre_meet.html accessed Sunday, 21st June 2009.

[262] Refer to fn. 213.

[263] See the Ministry of Foreign Affairs' "The Third Japan – PIF Summit Meeting (PALM III): Outline and Achievement". [Available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2003/outcome-6.html accessed Sunday, 21st June 2009.]

decisions made by the leaders.

The leaders declaration, called the "The Okinawa Initiative: Regional Development Strategy for a More Prosperous and Safer Pacific," focused on five principle areas where Japan and the PICs could work together for their joint benefit. These were, in addition to pursuing the MSGs and the outcome of the WSSD, "human security and peace consolidation"[264] issues, the PIF initiative for the creation of a regional development policy framework[265], and working more closely with development partner governments (referring mainly to New Zealand and Australia) and NGOs.

The Joint Action Plan was established to implement these target areas within the regional context. The plan focused the five principles into the areas of PIC security interests. Security was defined broadly. This broad interpretation of the meaning of security was to accommodate the island region's meaning of security. The PICs did not view their security problems within the narrow meaning of the word such as traditional military threats. Security threats in the PICs were more from transnational and natural security problems such as terrorism, transnational crime, natural disasters, economic vulnerabilities and other issues of human security. The Plan also focused on providing a

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[264] This principle was in relation to the civil conflict in the Solomon Islands at the time where an armed rebellion based on ethnic divisions within the government's security establishment had crippled the government's ability to control the country. Australia was preparing a regional peace mission to the Solomon Islands. Known as the Regional Assistance Mission to the Solomon Islands (RAMSI), the civil and military operation started in September 2003 after endorsement from the PIF Summit meeting on the 14th - 16th August that year in New Zealand. Japan had committed itself through PALM III to the provision of financial resources to assist in the costs of re-establishing civilian control of the Solomon Islands.

[265] The PIF Secretariat had been developing a proposal for the PIC leader's consideration regarding a regional development policy framework. The PIF Leaders Meeting held in Apia Samoa from the 5th - 7th August 2004 called for the officially called for the creation of such a plan. The Pacific Plan was tabled for consideration at the 2005 PIF Leaders Meeting held in Madang, Papua New Guinea from 25th - 27th October and approved by leaders. The Pacific Plan had been developed in light of the 2003 PALM's Okinawa Initiative. See the Ministry of Foreign Affairs' "Japan - PIF Summit Meeting". [Available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2006/info2.html accessed Sunday, 21st June 2009.]

sustainable and safe natural environment for the region, better education and improved human resource development, strengthening the health sector, as well as boosting trade opportunities and economic growth.

PALM III thus was successful for the following reasons:

1. It was inclusive to the extent that it provided a channel for non-official input from NGOs to the summit preparation process thus enriching the PALM process through greater consideration of interests.
2. Including NGOs also was also a public legitimising tool for the PALM process as a government initiative within Japan.
3. The approval for Okinawa to be a permanent venue for the PALM process would cement the location best suited for the further development of Japan – PIC relations. The strategic choice of Okinawa as a venue was based upon similar lifestyles and aspirations both the local people and PIC people share. A natural affinity between Okinawa and the PICs could be sustained, fostered, and nurtured far in the future.
4. PALM III was also notable because it was a first time attempt by the attending three regional developed countries, to coordinate and harmonise their development assistance to the region. This was done through their "Joint Statement on Cooperation among Australia, Japan, and New Zealand on Development Assistance in the Pacific Region" which was explicitly stated to be in support of the Okinawa Initiative.

Since 1997, Japan had developed its island strategy through summit diplomacy into a successful tool for effectively engaging the PICs. By 2003 Japan had gradually

"muddled through,"[266] and incrementally learned how best to conduct its relations with the PICs at the summit level. It had now strategically located and confirmed a permanent venue, Okinawa, to host PIC leaders. Japan had also adopted a pre-summit preparatory meeting of officials from Japan and the PICs to ensure pertinent issues from both sides were tabled before their leaders. The preparatory meeting also was opened to NGOs for wider consultation purposes and to have transparency for public legitimization purposes of government initiatives. The chairmanship of the summit meeting was no longer in the hands of Japan but shared as co-chair with the chairman of the PIF that year. The success of PALM III was acknowledged by the PIF Summit meeting that year as a "significant step forward for the development of the region represented by the Okinawa Initiative."[267]

As successful as the PALM process had been thus far, some criticisms in the outcome of PALM III were still evident. To say the least, PALM III, like the previous two 1997 and 2000 summit meetings, did not endeavor to use the gathering as a means to further boost Japan's political image by announcing an aid package to the region. According to the "fact sheet"[268] produced by the MOFA which indicated what areas of development would be a joint initiative by Japan and the PICs, what areas would be solely a PIC initiative, and what areas Japan would cooperate or assist in, the document still did not make any specific financial commitments to indicate the level of assistance Japan was to offer. So whilst the Okinawa Initiative was deemed more

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[266] Charles E. Lindblom, "The Science of 'Muddling Through'," *Public Administration Review*, 1959, pp.79 - 88.
[267] Thirty-Fourth Pacific Islands Forum Communiqué, Auckland New Zealand, 14th - 16th August 2003, p. 11.
[268] Ministry of Foreign Affairs' "The Third Japan – PIF Summit Meeting (PALM 2003) Fact Sheet," May 2003. [Available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2003/outcome-7.pdf Tuesday, 23rd June 2009.]

"action-oriented"[269] with more details as to the implementation of the summit initiatives via "fact sheet" and the action plan, there still lacked an aid package with a stated financial commitment.

2(d) *PALM IV*

On 21st October 2005, MOFA officially announced that Prime Minister Koizumi planned to co-chair and host PIC leaders for PALM IV in Okinawa on Friday, 26th and Saturday, 27th May the following year. Prime Minister Koizumi was to co-chair the meeting with the PIF Chair at the time Prime Minister Sir Michael Somare of Papua New Guinea.[270]

On the Friday, 29th and Saturday, 30th October 2005, Japan dispatched its special envoy Ambassador Arima Tatsuo to the PFD held in Papua New Guinea to discuss with Pacific Islands government representatives further issues pertaining to the planned PALM IV.[271] The dispatch of Ambassador Arima to attend the PFD was an indication of Japan's effort for greater involvement by way of engaging the PICs. The previous three PALM summits did not witness such action by the Japanese government regarding its pre-PALM preparations.

Another indication of Japan's wish to enhanced engagement of the PICs in the lead up to PALM IV was its formal consultation of experts on Japan – PICs relations. Although the ad hoc three-person committee had no official mandate from government

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[269] Ministry of Foreign Affairs', "Joint Press Conference at the End of the Japan - Pacific Islands Forum (PIF) Summit Meeting (PALM 2003), 17th May 2003, p.2. [Available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2003/outcome-7.pdf accessed Tuesday, 23rd June 2009.]

[270] Ministry of Foreign Affairs' "The Fourth Japan - Pacific Islands Forum Meeting," 21st October 2005. [Available URL: http://www.mofa.go.jp/announce/event/2005/10/1021-4.html accessed Tuesday, 23rd June 2009.]

[271] *Ibid.*

to advise its on possible policy approaches to the PICs in PALM IV, it was a marked occasion indicating an expansion of MOFA's consultation process outside official circles. What that meant is that MOFA was ready not to rely only on advice from its officially-made committees such as the pre-PALM preparatory meeting between Japanese and PIC officials. Now it showed greater initiative in consulting with an expert committee albeit "behind closed doors". The expert committee's recommendations in this regard were not publicized and remained closed for international official use only.

Kobayashi and JAIPAS were requested by the Oceania Division in late 2005 to coordinate between Pacific Islands specialists of his choosing in order to formulate and submit policy recommendations to the Japanese government regarding PALM IV. In that regard, Kobayashi coordinated the exercise between himself, Dr. Watanabe Akio, and Mr. Araki Mitsuya. Kobayashi and Watanabe were already noted scholars on Japanese diplomatic strategy in the PICs. Araki, President and Chief Editor of the International Development Journal Co. Ltd., was a specialist on Japanese ODA. Drawing on the specialized knowledge of Kobayashi in PIC regional affairs, Watanabe's knowledge on Japanese regional diplomatic initiatives generally, and Araki's specialization on Japanese ODA strategy, this "closed door" committee provided confidential advice to MOFA with regards to Japan's approach to PALM IV.[272]

The basis of the policy recommendations given to Japan's government by the expert committee was the need to differentiate PALM IV from the previous PALM summits. The fact of the matter was that the PALM summits had two essential uses as a tool of engagement. One was to create the personal network between Japan's leader and the

[272] "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 12th June 2009.

leaders of the PICs. The second was a sensitizing and educational purpose for the Japanese public in general to understand the importance of the PICs to Japan's interests at large. In fact, if there were any other mechanism to be able to attain these two goals of Japan's island strategy, then that approach could be used instead of summit diplomacy. However given that the PALM mechanism was deemed to be the most appropriate tool to-date, then how that tool was to be used became important. This had been the intentions behind the PALM summits since 1997, and as the use of summit diplomacy evolved, it was essential that Japan continuously demonstrated new initiatives in its engagement with the PICs. In turn, the PICs will actively remain engaged with and supportive of Japan's interests.[273]

It must be noted that the PIF Communiqué passed by PIC leaders in 2005 approved the regional development framework known as the Pacific Plan. This plan was not only approved by PIC leaders, but all PFD partners, including Japan, hailed the document as an approach to be adopted also in development partner engagements in terms of development assistance.

The Pacific Plan consists of four "pillars" or target areas for regional development. These are namely: economic growth, sustainable development, good governance, and security. In terms of the policy recommendations to MOFA's approach to PALM IV, it was decided that the Pacific Plan be used as a guideline for Japan's regional engagement through the PALM process. The four pillars of the Pacific Plan was adopted by PALM IV within its "Okinawa Partnership" agreement, with one more extra "pillar" proposed by Japan. This fifth pillar focused on building human relations and

273 *Ibid.*

networking aptly called "people to people communication and exchange."[274] In the leaders declaration at PALM IV, they recognized that the PALM IV Okinawa Partnership and its implementation strategy known simply as the "Assistance Plan", would enable the Pacific Islands region to achieve its goals under the Pacific Plan.[275]

The final point indicating an enhanced engagement by Japan with the PICs was its announcement of an aid package. It is not clear why Japan at PALM IV decided to announce a monetary value of development assistance commitment though Kobayashi suggests that it was in reaction to China's own Pacific Islands regional diplomacy.[276]

On the 4th and 5th April 2006, China hosted its first summit meeting of Pacific Island leaders in Fiji. The leaders of the PICs that afford recognition to China's "One China Policy" attended. These PICs were namely, PNG, Vanuatu, Fiji, FSM, Samoa, Cook Islands, Niue, and Tonga. Australia and New Zealand attended at ministerial level. Chinese Premier Wen Jiabao, the highest ranked Chinese political leader to visit the Pacific Islands, opened the summit meeting. Premier Wen committed $375 million towards the economic development initiatives in the PICs that were attending the summit during the subsequent three years. Kobayashi explained that this commitment by China to the PICs put pressure on Japan to similarly show greater initiative in its engagement with the PICs. Prior to PALM IV, Japanese ODA commitment to the region averaged around one per cent of Japan's total ODA budget. This came to an average of about $$100 - $150 million per year. In response to China's inaugural

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274 Ministry of Foreign Affairs' "Leaders' Declaration: Okinawa Partnership for a more robust and prosperous Pacific region", Okinawa, 27th May 2006, p. 2. [Available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2006/declaration.html accessed Thursday, 25th June 2009.]

275 *Ibid.*

276 Kobayashi, "Okinawa: the cornerstone of Pacific diplomacy," *op. cit.* Also "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 23rd June 2006.

summit meeting with the PICs, Japan made an unprecedented announcement of an aid package at PALM IV, just over a month after China's commitment was made. The aid package included a commitment of $450 million to the PICs over the following three years as well.[277] According to the Oceania Division however, it denied ever being influenced or pressured by China's aid commitment at its first ever summit meeting in Fiji.[278] Although admitting the "China card" was used to secure approval for the $450 million aid package this card was played merely as a justification by Oceania Division in its negotiations with the Ministry of Finance, as well as inter-sectional interests, to have that amount approved. In calculating the aid package, Oceania Division revealed that China's diplomatic activities in the Pacific were not an issue of concern. In fact, their securing of the $450 million was confirmed before the China Summit with the PICs in April. So in fact, the aid package figure was not in response to the committed Chinese assistance that resulted from its first summit meeting in the Pacific Islands.

Any possible challenges to what is perceived as Japan's vital interests, such as Chinese interests in the Pacific Islands is used, after the fact, to justify to other inter-ministry and intra-ministry interests the need for an aid package to be secured. Accordingly, this is a typical negotiation tactic within the bureaucracy. Even during the Cold War period, the threat of communist expansion into the Pacific Islands (albeit in the Oceania Division's opinion there were none), in addition to U.S. pressure for more equitable sharing of security costs by Japan, were used as reasons to secure vast amounts of ODA funds from the Ministry of Finance with the approval or acquiescence of internal MOFA sectional interests to contribute to the islands region. In the

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[277] *Ibid.*, 23rd June 2006.

[278] "Interview with Mr. Takahashi Masashi," Principal Deputy Director, Oceania Division, Ministry of Foreign Affairs, Tokyo, Tuesday, 22nd July 2008.

Division's point of view, the most important issue for it was securing their annual budget.[279] After this fact, it was diplomats / bureaucrats within the Division's job to work to justify the amount it was requesting. This is a typical scenario enlightened by Allison's OBM and GPM.

Another aspect that had also led to Japan's announcement of its PALM IV aid package was driven not only by China's initiation of summit diplomacy with the region but also because of China's opposition to Japan's bid for a permanent seat on a reformed UN Security Council.[280] Japan had managed through the PALM IV leader's declaration to gain support of the PICs in addition to Australia and New Zealand for Japan's aspirations for permanent membership on the UN Security Council. Japan, Australia, and New Zealand relations also reconfirmed their commitment to harmonizing where possible their development assistance to the Pacific Islands through their Joint Statement on Enhanced Donor Cooperation for "Okinawa Partnership for a more robust and prosperous Pacific Region."[281]

The use of summit diplomacy with regards to Japan's other vital interests such as permanent membership on the Security Council is shown in the case of PALM IV and the unanimous support the region displayed for Japan in that regard. By demonstrating its greater commitment to the region through an invigorated pre-PALM preparatory process, it served to consolidate PIC support around Japan's international interests marking a success of the PALM summit as a tool for use in attaining such interests.

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[279] *Ibid.*

[280] Alexei Kral, "Japan's Quest for a UN Security Council Seat," Woodrow Wilson International Center for Scholars, Washington DC, 21st October 1999, p. 2.

[281] Ministry of Foreign Affairs', Joint Statement on Enhanced Donor Cooperation for "Okinawa Partnership for a more robust and prosperous Pacific Region," by Australia, Japan, and New Zealand, 27th May 2006. [Available URL: http://www.mofa.go.jp/region/asia-paci/spf/palm2006/joint.html accessed Thursday, 25th June 2009.]

The PALM IV summit was successful for the following reasons:

1. The PFD process in late October 2005 was utilized by Japan to start working with the PICs in preparation for PALM IV.
2. MOFA sought policy proposals from external experts on Pacific Island politics and development issues indicating its willingness to consult widely and externally in terms of government strategy and policy.
3. The official's level preparatory meeting between Japan and the PICs was a continued trend from PALM III albeit chaired again by Japan through the Deputy Director General of MOFA's Asian and Oceanian Affairs Bureau.
4. Okinawa, was used again as the strategically chosen venue as approved by Prime Minister Koizumi at PALM III.
5. Aid package was announced in addition to the leaders declaration and implementation plan.
6. PALM IV adopted as a guiding principle the Pacific Plan for Japanese development assistance to the Pacific Islands region.
7. PALM IV added a fifth pillar to guide Japanese development assistance to the Pacific Islands in the form of people-to-people communication and exchange.

PALM IV had seemed to demonstrate a fully evolved strategy which started in 1997 with clear misjudgments according to managing Japanese diplomatic relations with the PICs through summit diplomacy, to the successes of the 2006 summit. Japan had now secured a permanent venue to host the PALM summit, it had confirmed the attendance of the Japanese leader as co-chair of the summit, it had established a pre-PALM

preparatory meeting process in addition to seeking advice from specialists related to the PALM process, and it had also made an aid package announcement indicating its financial commitment to Pacific Islands development. This maturation of the PALM summit resulted in expressed regional support for Japan's vital interest of pursuing a permanent seat on a UN Security Council. The investment in personal networking between the leaders at the recurring summit meeting had forged relations to the point of each of the islands states bilaterally acting in support of Japan's UN interests. This support also did consolidate the legitimacy of this policy initiative in terms of gaining public support. The demonstrated PIC backing of Japan's interests in the international arena had served to show why the PICs are important to Japan in terms of public knowledge. Maintaining relations with the PICs through the PALM summits was justified in that regard.

The issue of how then to approach a PALM V summit given the apparent fully functioning intentions of the PALM process at PALM IV was a challenge to be reckoned with. This issue is addressed in the next section.

3. Identifying Current Issues in Japan – PIC Relations: The Creation of PEAC

The relationship between Japan and the PICs today is now guided by the latest PALM summit outcome. The most recent PALM summit (PALM V) was held between Friday, 22nd and Saturday, 23rd May 2009 in Tomamu Hokkaido. PALM V was preceded by other official events in Tokyo from Wednesday, 20th and Thursday, 21st May which included a Water Forum meeting hosted by former Prime Minister and chair of PALM II

Mori Yoshiro, and an audience with the Emperor and Empress of Japan.

One major initiative differentiating Japan's preparation and organization of PALM V was its official creation of an expert committee, PEAC. The difference between the advisory committee which made policy proposals to the Japanese government in the lead up to PALM IV was that PEAC was given a mandate and terms of reference by the government to work by. In addition, PEAC's findings during its work period as well as its final report to MOFA were to be made public. In preparing for PALM V, the Japanese government wanted full disclosure to the public of its organizational approach. Especially so with regards to its consultations with non-official sources, the image of an "open-minded" bureaucracy seeking advice from non-bureaucrat experts would invoke a belief in the public that Japan's Pacific Islands policy is not necessarily that of the government, but that of an expert committee referred to by the government. The establishment of PEAC was a means to soften the bureaucratic image of government that is seen as closed to non-official opinion.[282]

In preparing for the first PEAC meeting, Oceania Division had sought Kobayashi's guidance as to suitable persons to make up the committee. In considering ways to differentiate PALM V from the previous summit meetings, the important aspect in Kobayashi's mind was to ensure a wide representation of interests on the committee. Hitherto, interest in PALM was limited only to those few that had any official or other knowledge of Pacific Island issues. As said, PALM also had as an important goal the

[282] Kobayashi suggested that the Japanese government often views themselves as a "think tank" which does not need to consult widely outside official circles. This may be a result of the recruiting traditions into government where top students from elite universities are recruited into government. As such, a superior-complex type mentality pervades government echelons allowing them to believe in the finality of their decisions without the need to consult wider interests in society. By officially commissioning PEAC, it is an attempt by government to soften or displace such an image by demonstrating to the public its need or wish to follow or consider the advice of persons outside the confines of the bureaucracy. "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 12th June 2009.

aim of educating the Japanese public on the need to conduct relations with the PICs and thereby demonstrating the importance of the region to Japan's interests. In line with this thought, Kobayashi recommended committee members not to be restricted to Pacific Islands specialists, as was the case in PALM IV, but to have members reflecting wider interests in Japanese society. By agreeing to be a member of PEAC, Kobayashi hoped that these individuals from the wider society would be sensitized or become "educated" on the importance of the PICs to Japan and thereby facilitate its wider dispersion into Japanese society.[283]

The members that were approved by the government through Kobayashi's recommendations were Dr. Kusano Atsushi, trade and ODA policy expert (Professor of Keio University); Ms. Chino Keiko, journalist (Sankei Shimbun), Dr. Nakano Yoshiko, NGO sector (President of the Organization for Industrial, Spiritual, and Cultural Advancement [OISCA]), Dr. Noda Masato, NGO sector (Director of Nagoya NGO Center) and ODA evaluation expert (Chubu University), and Mr. Tokita Hozumi, from the private sector (petroleum research, Cosmo Oil). In addition to Kobayashi, PEAC was composed of six members. The membership reflected the intention of the committee to be as widely representative of Japanese society. Members were drawn from the business sector, NGOs, academia, and the media, from which their expertise was also to be tapped so as to formulate Japan's approach to PALM V.

The inclusion of Chino was aimed at gaining media support and therefore public dissemination of issues regarding the Pacific Islands issues vis-à-vis the PALM process. Kusano was seen as an expert source of how Japan could enhance the effectiveness of its aid contributions to the Pacific Islands region, after a thorough review and evaluation

[283] "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 28th November 2008.

as advised by Noda. Nakano and Tokita would then provide insights and advice from an NGO and private sector point of view in terms of their own specialized interests in development assistance and environmentally sustainable mineral exploration.

At PEAC's first meeting (PEAC I) on the 25th November 2008, Parliamentary Vice-Minister Minorikawa Nobuhide presented PEAC members with a letter commissioning them with the authority to prepare for PALM V by reviewing the Okinawa Partnership and thereby determining current issues pertinent for consideration by Japan in considering its island strategy.[284] PEAC was directed to meet a total of six times between November 2008 and March 2009. By the beginning of March 2009, PEAC was to submit concrete policy proposals to the government. These proposals were to form the foundation for the pre-PALM preparatory meeting known as SOM (Senior Officials Meeting) scheduled for the 24th and 25th of March in Tokyo. SOM was then to discuss and finalise the issues to be discussed and agreed upon by leaders at PALM V.

PEAC I than proceeded with the appointment of its chair, Kobayashi Izumi, and having discussions involving preliminary issues raised by MOFA's Deputy Director of the Asian and Oceanian Affairs Bureau Dr. Kohara Masahiro. Kohara raised priority issues from MOFA's point of view such as climate change, people-to-people exchange and human development, and sustainable development, whilst considering Japan's diplomatic strategies within the region as well as the region's priorities in the Pacific Plan.[285]

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[284] PEAC I Report, Tuesday, 25th November 2008, p. 2. [Available URL: http://www.mofa.go.jp/region/asia-paci/palm/palm5/expert-1.html accessed Friday, 26th June 2009.]
[285] *Ibid.*

4. Understanding the PEAC Report

The PEAC Report was completed on Thursday, 5th March 2009 after almost four months deliberation by its six members over the direction Japan should take with regards to PALM V. PEAC held monthly meetings with related government officials in addition meetings with special guests from the PICs namely Mr. Asterio Takesy, Director of the regional organization South Pacific Regional Environment Programme (SPREP) during PEAC III [Tuesday, 13th January 2009], and the Premier of Niue and Chair of the PIF, Hon. Toke Tufukia Talagi during PEAC VI [Thursday, 05th March 2009].

From the outset of the PEAC meetings, two broad themes appeared to dominate discussions regarding Japan's approach to PALM V. These themes or pillars were encapsulated in the environment especially climate change, and human development / security. These two pillars were broad enough to be a common thread binding all PIC concerns regarding their development and yet could be referred to in specific bilateral instances.[286] For example in PEAC V, it was suggested that the PICs would inevitably request assistance with regards to infrastructure development. In that case, such development could still be tied into broad interpretations of the environment and human security. Infrastructure development assistance, for example, building water tanks or bridges, can also be seen in terms of human security needs for fresh water or the movement of people from low-lying islands to larger islands in the case of flooding or

[286] PEAC II and IV Reports, Wednesday, 17th December 2008, and Tuesday, 10th February 2009, p. 3, and pp.4 - 5 respectively. [Available URLs: http://www.mofa.go.jp/region/asia-paci/palm/palm5/expert-2.html, and http://www.mofa.go.jp/region/asia-paci/palm/palm5/expert-4.html both accessed Friday, 26th June 2009.]

hurricanes respectively.[287]

It was also resolved that by focusing Japan's islands strategy on environmental and human security pillars of assistance, it would be more likely to be accepted by the Japanese taxpayer as reasons for the need to contribute to the Pacific Islands region. It was considered that in legitimizing Japan's diplomatic policy approach to the PICs, focusing on human security and Japan's international contributions as a pacifist state to vulnerable and internationally marginalized or peripheral states such as the PICs would be more likely to be acceptable to the Japanese in the government's spending of public funds. Helping the socially marginalized was noted as a key feature of Japan's "peace" constitution. Japan also was an islands country in the Pacific Ocean and so by proximity to neighboring PICs, the public may accept a decision to contribute development assistance in that regard as well.[288]

In reviewing PALM IV and evaluating Japan's development assistance approach, it was found that development assistance with regards to climate change issues were not received from Japan by the region.[289] In line with Japan's proactive diplomatic strategy in promoting internationally its "Cool Earth" environmental initiative[290], it reinforced

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[287] PEAC V Report, Wednesday, 18th February 2009, p. 5. [Available URL: http://www.mofa.go.jp/region/asia-paci/palm/palm5/expert-5.html accessed Friday, 26th June 2009.]

[288] PEAC II Report, *op. cit.*, pp. 2 - 3.

[289] Presentation by Mr. Asterio Takesy, Director of the South Pacific Regional Environment Programme to PEAC III, Tokyo, Tuesday, 13th January 2009.

[290] Known as "Cool Earth 50", this policy was put forward by former Japanese Prime Minister Abe Shinzo in a policy speech dated 24th May 2007. The policy suggests an international goal of halving global emissions of green house gases (carbon dioxide) by the year 2050. All states must participate in reducing their carbon dioxide emissions. In assisting developing countries in this regard, Japan established a financial mechanism known as the "Cool Earth Partnership" worth USD 10 billion over five years from 2008. [Available URL: http://www.mofa.go.jp/POLICY/environment/warm/coolearth50/index.html accessed Saturday, 27th June 2009.] See also "Cool Earth Partner: Financial Mechanisms to Support Climate Change Efforts by Developing Countries" for more information on funding availability to developing countries to assist in their green house gas reduction efforts. [Available URL: http://www.kyomecha.org/pdf/kickoff_cool.pdf accessed Saturday, 27th June 2009.]

the need for focus to be made on environmental issues in the PICs as a pillar for considering Japan's assistance in PALM V. It was understood that Japan's assistance had focused on fisheries and infrastructure development but not on climate change issues.

In formulating PEAC's policy proposals, it was also suggested that Japan's diplomatic approach should be mindful of the need for strategies in order to attain its vital interests in the region. In that regard, tenets of the Kuranari Doctrine, although not specifically mentioned, appeared where it was submitted that Japanese assistance should not be "intrusive and forcible"[291] and that Japan should not "impose modernization but respect the tradition..."[292] As a result, Japan had maintained a good reputation amongst the PICs because it shared the "same viewpoint as the island nations."[293] In maintaining such a reputation, PEAC warned that Japan's assistance must be differentiated from the region's former colonizers (reference to New Zealand and Australia), unlike the approach China is taking towards the PICs by way of a south-to-south or developing country-to-developing country approach.[294] Japan must identify with PIC aspirations and vice versa. Only then, will Japan be able to secure its interests in the region.

One submission even referred to Japanese assistance as being "passive" and subject to the control of international influences and pressures, a clear reference to the reactive state theory. Therefore, in light of issues regarding the environment and Japan's own proactive international environmental policy initiative through "Cool Earth 50", Japan should make its own steadfast stand regionally and push forward its own agenda in pursuit of its own interests in the islands.[295] PEAC in fact was echoing the tenets of

[291] PEAC I Report, *op. cit.*, p. 3
[292] PEAC II Report, *op. cit.*, p. 4.
[293] *Ibid.*, p. 2.
[294] PEAC I Report, *op. cit.*
[295] PEAC III Report, *op. cit.*, p. 4.

"strategic reactivism" as outlined elsewhere. By analyzing regional circumstances in the Pacific Islands, Japan can in fact strategise and react to the status quo by being proactive in pursuing its own interests.

During PEAC IV, the discussion went even as far as re-evaluating its trilateral aid coordinating relationship with New Zealand and Australia. PEAC warned that by identifying closely with those two countries as co-donors to the Pacific Islands, Japan may jeopardize its "good reputation" by being seen as, whether mistakenly or not, as "attempting to put the Pacific island countries under control via good governance measure in tandem with Australia and New Zealand."[296] Later in PEAC V, the meeting suggested caution when providing assistance to the PICs that it avoids being identified with these countries.[297] This recommendation was given serious consideration in terms of Japan's diplomatic strategy in the islands. PALM V, unlike PALM III and IV, did not consider another trilateral donors agreement seeking to coordinate and harmonise donor activity in the region between Australia, Japan, and New Zealand. In fact, PEAC had discussed the possibility of coordinating its own ODA initiatives with China.[298] Although no trilateral agreement between the three PALM donors to the Pacific was signed, it however did not mean there was not going to be any discussions were going to take place on the subject matter. ODA initiatives were still to be coordinated and PEAC recommended it to be so. However it was stressed that such coordination was to be done as far as it could. This left room therefore for Japan to protect its own interests in the case clashes with other donor's development contributions to the PICs were

[296] PEAC IV Report, Tuesday, 10th February 2009, p. 2. In the same vein, PEAC also submitted that Australia and New Zealand *et. al.*, "try to force their ideas/opinions, which is why the recipients do not necessarily favour their assistance." See PEAC V Report, *op. cit.*, p. 5.
[297] PEAC V Report, *ibid.*
[298] PEAC VI Report, Thursday, 5th March 2009, p. 4.

encountered. What was new however was MOFA's suggestion to PEAC that "[c]oordinating with other donors, *especially* China...is also an important factor to consider."[299]

The gist of the PEAC discussions revolved around the need to differentiate Japan's form of assistance to the PICs from other donors, namely New Zealand and Australia, and to focus such assistance on a regional and country-specific basis. The issues of environment and climate change as well as human security and development were proposed as two pillars to which Japan's assistance could be channeled through.

At the second last meeting, in light of the foregoing discussions outlined, MOFA proposed to PEAC V the idea of establishing what came to be called a "Pacific Environment Community" or PEC. The idea of PEC was accepted by PEAC though the meeting warned that although the idea was good, the important thing was how the idea was to be implemented. This was in reference to PEAC's understanding of other donor's often heavy-handed use of ODA to impose their opinions on the PICs. So it was not a question of what the idea was, but how the idea was to be put forward and carried out.[300]

PEAC also agreed that the PEC idea was one step forward in demonstrating Japanese independent and proactive initiatives in the islands region. This would hopefully nurture a sense of communal existence between Japan and the PICs further enhancing the personal relations and networking existing through the PALM summits. As the Tongan Prime Minister Hon. Feleti Sevele suggested during his intervention at the Water Forum summit in Tokyo during the pre-PALM V programmes on Wednesday, 20th May, he referred to the region's relations with the Japan like a rugby team. There

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[299] *Ibid.* [emphasis added]
[300] PEAC V Report, *op. cit.*, p. 4.

are 15 players in one team. There are 14 PICs and Japan, makes up one team. Prime Minister Sevele invited Japan to take initiative in leading the "team" on issues pertinent to the development of the region. The creation of the PEC would enhance this sense of community. However, it was noted during the PEAC discussions that because the PICs differ in their development stages and require different forms of assistance, not all PICs would recognize the environment and climate change as priorities on their development agendas. For example, in a discussion with one of the delegates to PALM V from Tonga, it was stated that at the SOM in late March, the discussion on the agenda for consideration by leaders at PALM V was "hijacked" by the smaller island states of the PICs.[301] This suggests that the larger island countries like Tonga may not view issues on the environment as particularly urgent in terms of its development.

In consideration of making PEC all encompassing with regards to the differing development aspirations by the PICs, PEAC agreed that Japan should initially have as its focus environmental issues pertaining to climate change and its negative implications on the region. However, it was considered that the term "environment" itself should be interpreted broadly to encompass a wide range of areas which would include all aspects of PIC development. Such aspects would include economic, cultural, and even political aspects as well. This inclusive definition of "environment" would gradually allow Japan to establish itself as a regional leader in the Pacific Islands providing its own "brand" of assistance different from traditional Pacific powers New Zealand and Australia, as well

[301] The smaller islands states of the PICs are a sub-grouping of PIF members, because of size, have specific interests in their development agenda from other members of the PIF. The smaller island states meet usually one day before the PIF summit at the summit venue, in order to provide common stances during the summit proper. Members of the smaller island states sub-group are all the PIF members from the Micronesia sub-region (Kiribati, RMI, Palau, Nauru), and three PICs from the polynesian sub-region (Tuvalu, Cook Islands, and Niue).

as China.[302]

The idea of a broadly defined meaning to "environment" in the context of the PEC was proposed to Premier Talagi at PEAC 6. In response, the premier suggested that Japan should approach the PICs on a country-by-country basis because of the differences in their development needs. In doing, so through the PEC mechanism, it "will make the PEC framework a more meaningful one."[303]

In addition to further detailed discussions by PEAC on the need to strategically choose the venue for hosting PALM,[304] the main contribution the PEAC made towards Japan's current diplomatic strategy to the PICs through the PALM process was the submission for approval of the PEC. The creation of PEC was a major step forward in Japan's diplomatic engagement signifying an enhanced proactive approach to its affairs with the PICs and demonstrating a willingness to lead the region in terms of their shared interests and relations. This was even demonstrated to the extent that Japan did not consider signing a trilateral agreement with co-donors and traditional Pacific powers New Zealand and Australia, even going as far as recommending Japan distance itself from these countries and coordinating more with China. Through the expanded or broad meaning of the "environment", Japan was stepping to the fore in promoting its own independent agenda in its regional affairs with the Pacific Islands.[305] In pursuit of this new policy of engagement, Japan subsequently announced at the SOM that Japan was to commit up to $500 million within the next three years to development initiatives under

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[302] "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 23rd January 2009.

[303] Presentation by PIF Chair and Premier of Niue, Hon. Toke Tufukia Talagi to PEAC VI, Tokyo, Thursday, 5th March 2009.

[304] PEAC IV Report, *op. cit.*, pp. 3 and 4.

[305] For a copy of the final eight-page PEAC report, please refer to URL: http://www.mofa.go.jp/region/asia-paci/palm/palm5/expert-pro.pdf accessed Tuesday, 30th June 2009.

the agree PALM V framework. In addition, a separate $68 million was committed from Japan's Cool Earth 50 financial mechanism to further deepen cooperation under the PEC. It is noteworthy that the aid package is an increase in amount from PALM IV of about $50 million. In addition, for the first time, Japan committed funds to address climate change problems. PALM V thus sought to strengthen its partnership with the PICs under three pillars of cooperation. These included the environment and climate change, human security and issues of PIC vulnerabilities, and people-to-people exchanges (the "Kizuna Plan").[306]

5. Political PALM: Proactivity on Hold?

Since Japan commenced official engagements with the PICs since 1969, it has never sought to involve itself in the internal political affairs of the 14 islands states in this study. This policy of non-intervention (leaving the politics of the islands to the islanders themselves) was further confirmed as Japanese island strategy in 1987 through the Kuranari Doctrine. As stated elsewhere for example, Fiji, at the outset of the establishment of the Doctrine governing Japan - PIC relations, experienced its first of four coups to-date. Fiji has seen the military oust its democratically elected government twice in 1987 and again in 2006. The third coup in 2000 was a civilian-led uprising which held the first ever elected Indian Fijian Prime Minister, members of his Cabinet and several members of parliament, hostage. Whilst generally based on race relations between the indigenous Fijians and its Indian Fijian population, the first three coups sought to strengthen the political position of the indigenous Fijians because of the

[306] PALM V Action Plan. [Available URL: http://www.mofa.go.jp/region/asia-paci/palm/palm5/dec_annex2.pdf accessed Tuesday, 30th June 2009.]

relative commercial strength of its Indian Fijian population.

On 4th December 2006, the Fijian military led by Commodore Frank Bainimarama ousted the democratically elected government of Prime Minister Laisenia Qarase[307] whom he worked to put in power following the 2000 coup. The 2006 coup however seemed like a "reverse racist" approach to Fijian race relations as Bainimarama accused the Qarase government of racist policies against Indian Fijians as well as seeking to pardon the perpetrators of the 2000 Coup. Bainimarama was the head of the Fiji military in 2000 when the military moved in to quell the civilian coup at that time.

Throughout the four coups, Japan did not directly involve itself with the issue and chose to continue to engage Fiji through diplomatic channels and offering assistance in terms of its development. Japan's actions won it praise not only within Fiji but from around the region in its ability to demonstrate its own diplomatic approach to PIC issues. The 2006 coup was justified by the Fijian head of state President Ratu Josefa Iloilo through the legal "doctrine of necessity." The Fijian interim administration declared that it will hold elections by May 2009 and this road map back to democracy was accepted by the PIF as well as the international community. On Thursday, 9th April 2009, a constitutional challenge made by former Prime Minister Qarase against the validity of the coup under the doctrine of necessity was being decided. Fiji's Court of Appeal held that the coup was in fact not supported by the legal doctrine of necessity and therefore illegal. Bainimarama resigned. The following day, in response to the court's judgment, the President Iloilo abrogated Fiji's constitution, dismissed all the judges, and declared he would rule by decree. He further declared that elections will not be held until 2014 and subsequently reinstated Bainimarama as interim prime minister including his

[307] Former Prime Minister Laisenia Qarase as Chair of the PIF in 2003 co-chaired PALM III with former Japanese Prime Minister Koizumi Junichiro.

Cabinet to implement his decision.[308]

In the lead up to PALM V the following month, Japan was under pressure from Australia and New Zealand not to invite Fiji. This predicament had Japan facing the issue of whether or not to get involved within the domestic politics of Fiji or do otherwise and not issue an invitation to the interim leader Bainimarama. The PIF had reacted to the situation in Fiji by suspending Fiji from all meetings involving PIF-related activities effective from 02nd May 2009.[309] This was an unprecedented move by the PIF. Despite the PEAC recommendations of differentiating its diplomatic approach to that of Australia and New Zealand, and despite further lobbying by the PEAC Chair to keep Japan aloof of domestic political issues faced by PICs and thereby not politicizing the PALM process,[310] the suspension of Fiji from the PIF allowed Japan's co-host of PALM V Prime Minister Aso Taro the ability to likewise make the unprecedented decision not to invite Bainimarama to the PALM V summit. However, in light of trying to maintain Japan's long-term interests in region, Japan compromised by inviting Fiji at the official level. Fiji was represented at PALM V by its resident ambassador in Japan H. E. Ratu Inoke Kubuabola.

The decision by Prime Minister Aso not to invite his Fijian counterpart to PALM V because of Fiji's domestic political troubles signaled the Japan's return to its general reactive foreign policy stance of being influenced by external pressures without clearly examining the situation for itself and strategizing its actions likewise. In a telephone conversation between the Director General of MOFA's Asian and Oceanian Affairs

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[308] "Abrogation of the Fiji Constitution on 10 April 2009 and related events," Munro Leys Law Report, Suva Fiji, 16th April 2009. [Available URL: http://www.munroleyslaw.com/legalalerts/abrogationofthefijiconstitutionon10April2009andrelatedevents.asp accessed Tuesday, 30th June 2009.]

[309] Pacific Islands Forum Secretariat Press Statement No.21/09, 2nd May 2009.

[310] "Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 15th May 2009.

Bureau Saiki Akitaka whilst en route to the airport in Tokyo in preparation for departure to Australia, and Kobayashi, Saiki stated that Japan's "hands were tied" with regards to the Fiji question.[311] International reaction to the political troubles in Fiji has been negative. Therefore, Japan must follow likewise. The United Nations, the PIF, and traditional powers in the Pacific Australia and New Zealand, have condemned the 10th April abrogation of the Fijian Constitution and use of rule by presidential decree. As such, Japan had no choice but to adopt the same stance.[312]

This telephone call with a senior policymaker at MOFA regarding Japan's island strategy suggests that Japan still had no set national strategy towards the PICs. It is also reminiscent of a PEAC III discussion where it was held that "...Japanese national strategy is uncertain, being too influenced by the world. Japanese policy should be firm when assisting this important region..."[313] Despite this, it appeared Japan showed its intentions of ensuring all PICs were still present at its summit meeting thereby extending the invitation for Fiji to be represented at the official level.

6. The Importance of Logistics[314]

Thus far, the examination of PALM V as a demonstration of the evolving Japanese diplomatic engagement in the Pacific Islands has been positive. Japan had demonstrated in the lead up to PALM V that it has enhanced its engagement with the region through the following:

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311 *Ibid.*
312 *Ibid.*
313 PEAC III Report, *op. cit.*, p.4.
314 This section is based on personal observations and experiences as an official NPO representative on the Tongan delegation to PALM V. Representation was made on behalf of the soon-to-be NPO registered Pacific Islands Researchers Forum (PIRF).

1. Creation of PEAC to provide transparent and expert policy proposals with regards to PALM V;
2. Pre-PALM preparatory meeting on the 24th and 25th March, 2009 which for the first time was co-chaired by Japan and the most senior official from the Niue delegation (note the Niuean Premier was co-chair of PALM V);
3. Defining a new form of Japanese proactive and independent engagement through the PEC; and
4. Declaring an aid package with increased funding for the PICs with a separate funding mechanism for PEC.

Japan has to-date demonstrated its willingness to engage the region through its own independent initiative the PEC. It was hoped that PALM would be a starting point of Japan's greater involvement in consideration of its relations with the region without necessarily having to refer to external influences or *gaiatsu* to determine its actions in the region. The PEC was to be that starting point. Having said this, it does appear that Japan has implemented as far as possible all that it can do to sustain and develop further its relations with the islands in order to secure its own vital interests in the region, be they non-material or otherwise. However although the overall framework of the relationship through PALM V seems on solid footing, there are smaller issues which maybe referred to in the aftermath of the 2009 summit that still can be addressed for future reference. In doing so, it will only serve to strengthen all aspects of Japan – PIC relations. Reference is made to logistical arrangements regarding the organization of the summit meeting.

According to the Oxford Dictionary, "logistics" is defined as "the practical organization that is needed to make a complicated plan successful when a lot of people and equipment is involved."[315] Planning for a summit meeting involving 14 heads of government and two ministerial representatives over a four-day period is a complicated matter. There are issues of security, transportation, meeting venues, and even meals, which must be organized so that there are no embarrassing diplomatic incidents which could adversely affect the higher goals of the meeting of leaders. Logistics therefore serves to make this complex plan into a practical procedure to be followed through with success. The success at all levels of the summit meeting means the official guests, both the leaders and other delegates, leave the host country with a sense of completion in terms of treatment as well as success in terms of the summit goals and outcomes.

What has been outlined earlier regarding the outcome of PALM V suggests that it was as successful summit meeting outcome. The PICs left Japan with an increased amount of financial assistance in terms of the summit aid package in addition to additional funding for the PEC under Japan's Cool Earth 50 financial mechanism. Equal partnership was further demonstrated through not only the co-chairing of the summit by the leaders of Japan and Niue but also for the first time at the official level.

In terms of PEC and its attempt to not only strengthen Japan's presence in the region through a leadership role between itself and the islands of the region, PEC also attempts to create a sense of community or belonging so that PICs may identify with Japan and its initiatives in the region. The symbiotic relationship will work well in that regard, through strengthened non-material relations, for the benefit of all members within that community. These non-material relations between states also are fostered at the personal

[315] Personal IC Dictionary SL-LT3 definition.

level between people. This is the essence of the PALM V's Kizuna Plan. In that sense, addressing logistical arrangements made by Japan with regards to the PALM summit may work towards strengthening the "kizuna" or bonds, between Japan and the PICs in the interests of the PEC.

During the two-day summit in Hokkaido, the issue of security, and transportation became an issue for some delegations. The security of a head of government is by normal protocol procedure, a compulsory element of logistical support in terms of diplomatic engagement. When PIC leaders travel for example to the United Nations in New York, they are afforded the courtesy by the US government. At least three secret service agents with an official car and escort, is provided for the PIC leader from the time of arrival to departure. Likewise in Australia, members of the Australian Federal Police are dispatched to secure the locations and movements of the PIC leader to ensure his or her safety. Even in the PICs themselves, for example in Tonga, it is common protocol procedure to afford not only a visiting head of government, but even a visiting ambassador, is provided with an escort of two plain clothed officers from the point of arrival to departure. France even provided helicopters to transport visiting PIC leaders for a summit meeting in New Caledonia from the international airport to the venue of the meeting.

Security arrangements in Japan during the PALM V summit in comparison to that of the US, Australia, France, or even Tonga, may need to be re-evaluated. Transportation of *all* PIC leaders at the summit meeting was by bus. The security implications of that is that in an unfortunate incident of a terror attack on that mode of transportation, it would be with greatest ease that all political leaders of the PICs would be eliminated. In addition, if providing a bus to transport government leaders around was not only a

failure in logistics, the bus itself did not contain adequate number of seats to accommodate the leaders.

At an important diplomatic event such as the PALM summit, where Japan was attempting to court the PIC leaders into a new relationship based on the PEC, thereby strengthening Japan's non-material interests in the region, an image of three government leaders standing in a bus because of inadequate numbers of seats, may not be of good support for Japan's wish for enhanced communal relations with the PICs.

In addition, the image of officials scurrying about outside of the buses for five to ten minutes after leaders and officials had already boarded the buses does not provide a good image of the well-reputed protocol arrangements of MOFA. To by cynical, such logistical mishaps may be evident or seen in protocol arrangements in the PICs. However in a developed country like Japan, hosting heads of governments for a summit meeting, it has not left a very good impression in some of the visiting delegates. Though as one Secretary for Foreign Affairs informed, "as islanders, we accept and push on".[316]

Further to the issues regarding security and transportation of leaders, even seemingly simple arrangements regarding meals was found wanting. It may have been somewhat a rude awakening where the arrangements of 5-star accommodations for visiting delegations were successfully made only to be realized that at least one PIC leader was not allocated a meal at an official luncheon.

Inquiries with MOFA's head of logistics at the Oceania Division as to what may have happened were not immediately returned. It may be assumed that for example the use of buses to transport visiting heads of governments is normal protocol procedure.

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316 Off-the record conversation, Tomamu, Hokkaido, Saturday, 23rd May 2009. Similar conversations were also held with other senior officials from the Cook Islands, Solomon Islands, Papua New Guinea, and Tonga.

However when searches were made with regards to protocol procedures regarding visiting African heads of governments for the Fourth Tokyo International Conference for African Development (TICAD IV) in 2008[317], the logistical arrangements were different. As expected, visiting leaders from Africa were afforded diplomatic courtesies involving individual vehicles with accompanying security escorts.

Logistical arrangements regarding meeting procedures at the pre-PALM preparation meetings may also be noted for further organizational improvements. Negotiations on the final agenda and text of documents for the consideration of leaders were held at SOM on the 24th and 25th March 2009, as well as on the 21st May 2009, one day before the summit proper.

The purpose of the SOM was to consider the PEAC report in addition to finalizing the agenda and documents for leader's consideration. SOM started however with the Pacific Islands Forum Secretariat (PIFS) insisting on holding a PIF-only meeting so that PIC delegations could be fully briefed on issues emanating from the brief information Japan had provided SOM at the opening of the meeting but also for PIF to be able to take a regional position on the PEAC proposals. PIFS expressed dissatisfaction with the lack of cooperation by MOFA in terms of information exchange and clarity of issues prior to the SOM. Finalization of the texts were not completed during the SOM and it was agreed that follow-up correspondences were needed. The draft texts of the documents for PALM V were to be circulated by Japan to the PICs by 8th April 2009. This was to give time to the PICs to clear the drafts with their relevant line ministries in their respective governments. It was thus agreed that a final meeting to agree to the texts

[317] TICAD is an international conference first held in Tokyo 1993 (TICAD I) with the aim of enhancing and coordinating development initiatives in Africa. Subsequent meetings have been held in Tokyo in 1998 (TICAD II), 2003 (TICAD III), and most recently in Yokohama in late May 2006 (TICAD IV).

was needed and was scheduled for Thursday, 21st May in Tokyo. The draft text actually were not received by delegations either en route to Japan for the summit meeting between 16th and 20th May or on the 21st May at the final pre-PALM preparatory meeting itself.

Having agreed to finalise the texts on the 21st May during SOM back on the 25th March, Japan appeared not to be prepared for the final negotiations. The PIF delegations were composed of the same officials who had attended SOM. That is, the Deputy Secretary General of PIF in addition to the heads of PIC foreign ministries. Japan was represented not by the senior officials during SOM but by junior officers of the Oceania Division. It was strange to participate in final negotiations on important texts to be considered by leaders the very next day between very senior officials from the PICs on one side, and junior officer of the Oceania Division on the other. Furthermore, during the negotiations, the Japan's delegation had to repeatedly interrupt the submissions made by PIF on the text whilst they discussed amongst themselves both verbally and by mobile phone with the MOFA head office, on the different issues and concerns being raised. In referring to the Pacific Plan and the 2008 PIF Communiqué by PIF during the negotiations, the leader of the Japanese negotiation team apologized by saying they were not so familiar with those documents. These documents indeed form the basis for the PALM process since PALM III had decided the Pacific Plan was to be a guide for Japan's assistance to the PICs. Logistically, the Japanese negotiation team appeared not to be ready for the final meeting to confirm the texts. Even on the first session of the summit held the following day, Japanese officials had to re-collect the texts which had been distributed to the seats of each of the delegations stating that there had been mistakes in the final draft by the Japanese side. These final texts were not distributed

again until the final session when the texts were to be decided upon by the leaders. Although the texts were passed, the lead-up to that decision and all the behind-the-scene incidents during the negotiations on the text indicated a less than prepared Japanese side.

The duty of the officials is to protect the head of delegation, in this case the leaders, from experiencing unsavory occurrences during a summit meeting such as PALM. To be sure, leaders generally were pleased with the outcome and the Japanese proposal for PEC was received well. The overall framework for Japan - PIC relations had been strengthened through the PALM process and the advent of the new diplomatic tool of the PEC. Apart from the framework, what may need to be improved upon for future strengthened relations at both the working and personal levels are logistical arrangements. Logistics may be seen as the "oil in the works" that would keep and maintain the smooth operations of the overall machine. That machine is the successful PALM summit approach with its newly created PEC.

Future implications for an enhanced Japan - PIC relationship look more favorable than ever. But to personalize the relationship further as per the original intention of the PALM summit process, logistics play an important part. In doing so, the already successful Japanese proactive and independent Pacific Island policy initiative will only be strengthened further thereby securing Japan's vital interests with the Pacific Islands region.

Conclusion

This work is a historical review and observation of the evolution of Japan's island strategy in the Pacific region with focus particularly on the PALM Summit process. In clarifying the *actual* motives and background to the development of Japan's postwar Pacific Island policy, it was suggested that certain theoretical concepts could be used to view the shift in Japan's diplomatic approach over the 40 - year period under examination. This shift was demonstrated diagrammatically in figure 3. From that perspective, this work introduced the concept of strategic reactivism as a means to describe a more accurate assessment of Japan's foreign policy approach.

This work did not seek to discover or create a model or theory of Japanese policymaking towards the Pacific Islands which may or may not be applicable in a more general sense. However the theoretical descriptions mentioned are beneficial for future research approaches to studying Japan's foreign policy strategy in the Pacific Islands region. With that thought in mind, this study was aimed at bringing the reader to an understanding first of the history and development of Japanese interests in the Pacific Islands in the postwar period. After establishing the premise for Japan – PIC relations, this understanding may form a firm foundation upon which future more conceptualized research may be undertaken.

In reviewing the literature, it is understood that the study of Japan – PIC relations is very much undeveloped and therefore little is understood on the topic. What has been published in academia has been determined to be an inadequate description of the realities behind Japan's motivations to engage in the Pacific Islands region. Unlike the

literature generally, this research has found Japan is motivated to engage the Pacific Islands region not by material interests but by non-material interests. In addition, this work has found that Japan's foreign policy approach is not reactive as commonly understood through Kent Calder's work, but rather is strategically reactive. Japan's strategy uses *kikubari*, the assessment or calculation of the interests of relevant actors and conditions, to determine whether it will be reactive or proactive in its response to the international environment. In doing so, Japan either willing behaves in a reactive manner or chooses to be more proactive in its approach to the Pacific Islands. Whether or not the strategic reactive nature of Japan's foreign policy can be applied generally may also be a subject for future research. However *prima facie*, it is suggested that all countries react to any circumstances in the international environment and after strategically assessing how a country should respond to those circumstances, it either chooses to be proactive or otherwise remain reactive. It all depends on a country's *kikubari* calculations which than directs the country towards a response which seeks ultimately to protect its vital interests.

This work had demonstrated that Japan's island strategy in the Pacific region had shifted over time from being willingly reactive to *gaiatsu* to becoming more proactive, in a measured way. Although Japan had initiated the PALM process in 1997, and created the Pacific Environment Community in 2009, which are indications of Japan's proactive diplomacy in the region, it still considered the interests of traditional Pacific powers Australia and New Zealand through the fact that these two countries have been included in both of these Japanese initiatives. How Japan's proactive strategy in the region evolves into the future, time will tell. However this work concludes with some recommendations suggesting what Japan may consider in order to strengthen its

proactive strategies in the region.

The PALM Summit is a diplomatic tool indicative of Japan's ability to project its own interests via proactive and independent foreign policy initiatives. Initially as has been demonstrated, Japan had no specific goal within which it could satisfy its national interests in the Pacific region.

The year 1969 was the watershed to which Japanese postwar diplomatic engagement with the Pacific Islands were initiated. The basis of its official strategy in the region was influenced through pressure from the United States. In 1969, the Nixon Administration had just come to power. That year, whilst transiting the US Pacific territory of Guam, President Richard Nixon announced what was to become known as the Nixon Doctrine, and the foundation of US security policy in light of the Cold War. Importantly, in light of the Nixon Administration's intentions of drawing down US involvement in the Vietnam War, calls for countries to shoulder a greater expense in their own country's security arrangements was one of the elements of the Nixon Doctrine. The intention behind this requirement was for countries to provide for their own conventional defense to fight and contain the spread of communism, a process called "Vietnamisation" in the context of the Vietnam War. The process would enable the majority of US troops and military personnel in those countries to return back to the U.S. In terms of Japan – U.S. security relations, the Nixon Doctrine put pressure on Japan to take greater responsibility in terms of their shared security interests under the U.S. - Japan Alliance. Sighting domestic traditional political opposition in addition to constitutional prohibitions however, Japan was able to avoid direct military contributions in terms of military offensive capability. Instead, Japan contributed financially to U.S. security interests by offsetting the costs of maintaining such

interests. The U.S. Trust Territory of the Pacific Islands was one of such interests. Indeed, in 1969, Japan had no shared security interests with the U.S. in terms of the TTPI let alone the wider Pacific Islands region. However as part of Japan's reactions to US demands to shoulder greater security responsibilities, and demand was related to tensions in US-Japan trade relations reflective of the worsening state of the US economy whilst Japan was inversely proportional to that, Japan with its financial wherewithal, contributed financially towards the sustaining of the TTPI by way of development assistance, and later by direct investment.

To be sure, Japan's initial diplomatic forays into the Pacific Islands was due to reactions to U.S. pressure for Japan to shoulder the burden of sustaining its security interests in that region. From 1969 onwards, Japan engaged the Pacific Islands primarily in reaction to international events. Through the 1970s, most of the Pacific Islands were achieving statehood. Regaining their sovereignty from their colonial masters, the PICs were able to conduct independent foreign policy initiatives which would lead to greater Japanese engagement in the region.

By 1979, there appeared new political actors in the Pacific Islands region. The development of international law regarding use of the seas during this decade was a basis for Japanese engagement with the region. The Law of Sea and its provisions regarding exclusive economic zones gave these new political actors sovereignty over vast areas containing marine resources which were a focus of Japanese fisheries industry interests. As such, Japanese engagement with the region throughout the 1970s saw fisheries development as an appropriate diplomatic tool through which to engage these new political actors. Japanese interests in the PICs were limited at this time to the interests of fisheries business. These business interests were thus used as the

mechanism in which Japanese official relations could be established. Fisheries industry already had business interests in the Pacific Islands region since the 1950s. As such, it was seen as appropriate to use the existing Japanese presence in the islands as a means through which diplomatic engagements could be made. Given that such business relations had existed prior to Japanese official contact wit the PICs in 1969, contribution to the development of the fisheries industry in the PICs was an appropriate way to conduct relations with the PICs. The fisheries industry was not a national interest priority which caused Japan to engage the PICs. It was merely a tool to which could be used as a means to initialize diplomatic relations with the PICs. The fisheries industry had established a presence amongst the PICs and fisheries was identified as an industry in the islands to which Japan could contribute to in terms of development assistance. It is generally agreed that the interests of the Japan's fisheries industry that reflected a need in the national interest to engage the PICs.

This work suggests that the interests of the fisheries industry did not necessarily reflect Japan's main national interest in economic growth. Diplomatic engagement was a result of Japan's reactive foreign policy process which found it having to find ways and means (tools) to which it could use to engage the PICs. In fact, anything could have sufficed but given that the fisheries industry at the time was deemed to be the *most appropriate means* to use as a basis for engagement, fisheries thus was used to justify such engagement. Any means would have sufficed as long as the need to diplomatically engage the PICs was made. The point is therefore, that Japan's national interests were not based on the fisheries industry's interests in the region. More importantly was Japan's interests in maintaining a good international image and maintaining good relations with all countries. Ascertaining ways and means to

maintain good relations with all countries was what Japanese diplomacy was actually concerned about most vis-à-vis the PICs. The fisheries industry was thus seen as a means to fulfill that national interest.

The need to maintain a good image regionally and internationally was challenged in 1979 when Japan decided to undertake plans to dump nuclear waste in the Pacific Ocean. The subsequent protest by the PICs, which already had been grappling with nuclear issues as a region, found Japan needing to recognize the PICs as state actors and therefore enhance their diplomatic engagements with the region. This recognition was more so required when later, Japan failed to convince the PICs of the safety of nuclear waste dumping regionally and internationally through the London Convention's dumping regime, and hence resulting in its decision to suspend its plans in 1981. The final cancellation of the plans was announced in 1985 by Prime Minister Nakasone Yasuhiro himself on his official visit to Fiji.

Japan was shocked at the sudden protest by the PICs despite what appeared to be the good relations it was conducting with the PICs up until 1979. Even the establishment of Japan's first Embassy in the region as a sign of improving diplomatic relations added to the shock. Nevertheless, regional protest through the SPF at the time, and the actual naming of Japan in the SPF Communiqué and condemning Japan's plans, was cause for Japanese back tracking from its 1979 decision. What was important was Japan not being seen to be behaving as a bully against the PICs. Maintaining a good international image and cordial relations with the PICs made Japan react to PIC protests by canceling its dumping plans. More importantly, the "SPF Shocks" had the effect of prompting Japanese foreign policy makers to take greater notice of island issues and interests. The protests thus contributed to a shift in

Japanese diplomatic style of engagement with a greater political and strategic purview. But independent diplomatic initiatives was still absent at this time and Japan still had not managed to configure its own proactive diplomatic approach to the region. In effect, Japan was still maintaining its basic foreign policy making behavior of reacting to international circumstances as they present themselves at any point in time. Japanese relations with the PICs at this time too were still based on ad hoc responses to international events.

The latter half of the 1980s witnessed Japan's greater political and strategic concerns shown to the islands region. This was accompanied by a doubling of aid contributions during this time and a clearer pronouncement of Japanese diplomatic intentions towards the PICs. This intention was encapsulated in what had become known as the "Kuranari Doctrine," named after the Japanese foreign minister at the time Kuranari Tadashi. The Doctrine was in effect a Japanese diplomatic tool used to address US concerns for USSR involvement in the PICs. At this time, Tonga, Kiribati, PNG, and Vanuatu had had official contacts with the USSR. At the time Prime Minister Nakasone Yasuhiro made his first official visit to Fiji in January 1985, Kiribati that same year had negotiated a fishing agreement with the USSR against US objections. Furthermore, in 1987, Vanuatu likewise signed a fishing agreement with the USSR and Tonga's Minister of Foreign Affairs and Defense visited Moscow. Whilst on the official visit, the Tongan Minister declared the USSR was a country with legitimate interests in the Pacific Islands region. These events were worrying enough for the US that President Ronald Reagan, fearing a weakening of its Cold War alliance system with Australia and New Zealand, the ANZUS Treaty[318], pressured Japan to do

[318] Gregory E. Fry, "International Cooperation in the South Pacific: From Regional Integration to

more to counter possible inroads the USSR may make into the Pacific.[319] The Reagan Administration had repeatedly suggested that the basis for an alliance system was the indivisibility of military means and the equitable sharing of the costs to sustain an alliance system.[320] The Kuranari Doctrine was the policy result of Japan's reaction to US demands for greater burden sharing on its part with regards to US security interests. The effects of the Plaza Accord thus gave Japan greater wherewithal to shoulder greater responsibilities in that regard. Japan's aid doubling plans to the PICs were thus initiated and its diplomatic approach gained clearer expression in 1987 through the Kuranari Doctrine.[321] By 1990, Japan almost doubled the amount of its aid contribution compared to metropolitan power Australia.[322] Japan thus by the turn of the decade became the largest bilateral donor to the Pacific Islands region.

The end of the Cold War resulted in what was called a "strategic neglect" of the Pacific Islands region. No longer was there a threat of communist influence taking hold in the region so therefore there was no longer the need to give as much consideration as there used to be to PIC issues. Japan, however, at this time was now the largest donor of development assistance to the PICs and had improved its relations with the SPF members through the Kuranari Doctrine. Relations were generally

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Collective Diplomacy," W. Andrew Axline (ed.), *The Political Economy of Regional Cooperation: Comparative Case Studies*, London: Pinter, 1994, p. 146.

[319] Robert Gates, *From the Shadows: The Ultimate Insider's Story of Five Presidents and How They Won the Cold War*, New York: Simon and Schuster, 1996, p. 256. Gates describes President Reagan's intent to counter the spread of Soviet influence in the Pacific Islands let alone at the wider global level.

[320] Ted Galen Carpenter, "Pursuing a Strategic Divorce: The US and the Anzus Alliance," Policy Analysis: Washington DC: Cato Institute, 27th February 1996.

[321] It is worthy to note that the US also signed a multilateral fisheries treaty with the PICs that same year. The majority of the funding for the treaty arrangement was contributed by the US State Department and not the fisheries industry. This indicated that the fisheries treaty was in fact a political tool of engagement with the PICs. The USSR fisheries agreements and diplomatic overtures were significant enough for the US to counter through its own region-wide treaty arrangement.

[322] "Australia, Japan Close to Agreement on Regional Aid Coordination," *Pacific Report*, vol. 2, no. 17, 19th September 1989, p. 6.

perceived by both sides as amicable, beneficial, and cordial. Japan's adherence to the Kuranari Doctrine's principle of effectively not involving itself in the internal politics of the PICs, especially when Fiji's coup took place three months after Foreign Minister Kuranari's January visit to Fiji, was praised by the PICs. This stance was in contrast to harsh reactions and suspension of aid contributions from the PIC's traditional donors and development partners the US, Australia, and New Zealand. The 1990s became a period of self-discovery by Japan of its own interests in the islands region. With the drawdown of traditional Pacific power interests in the region, marked by a reduction in aid contributions, Japan had found fertile ground to pursue its own foreign policy initiatives in line with its own interests. In 1996, the idea of a summit level meeting between Japan and the PIC leadership was initiated. This proactive diplomatic mechanism came to fruition in 1997. The PALM Summit was therefore a culmination of almost three decades of Japanese postwar diplomatic activity. Hitherto, such activity was premised upon its reactions to international and/or incidental regional pressures, such as US demands for "burden sharing" and what has been called here "SPF Shocks". With improved regional relations with the PICs in the 1990s, and the "strategic neglect" of the region by traditional Pacific powers, Japan found the opportunity to strategise given these new international circumstances to use to its own advantage. The PALM Summits are a result of Japan's strategic reactivism to the international events during the 1990s and today so as to enable it to pursue its own proactive diplomatic interests in the Pacific Islands region.

After reviewing Japanese postwar diplomatic engagement with the PICs over the last 40 years since 1969 with particular focus on the PALM summit, and in observing the culmination of this review in PALM V in 2009, it can be concluded that Japan has

discovered the important of engaging the PICs to its own interests. This discovery has resulted in its proactive diplomatic initiatives resulting in the creation of the PEC in addition to its support of the Pacific Islands region's four pillars of its Pacific Plan namely 1) Economic growth, 2) Sustainable Development, 3) Good Governance, and 4) Security. Today, Japan's islands strategy is based on a two-pronged approached. Firstly, it focuses on its five pillar support for the PICs namely, the four pillars of the Pacific Plan mentioned above, plus, the pillar of people-to-people exchange (the Kizuna Plan). The new aspect of Japan's approach and indicative of its proactive foreign policy comprises the second prong, that is, the PEC.

The PALM summit has evolved incrementally into a strengthened expression of Japan's willingness to take its own initiatives in the region and demonstrating its leadership potential within group dynamics in international relations. This is demonstrated in Figure 4 below. The strengthening of PALM is evident especially from 2003 onwards. There is a clear indication of Japan's greater expression and demonstration of its proactive island strategy and transparency. Of particular note and indicated by the asterix, are the publication of the PEAC findings and recommendations the first time for public knowledge. In addition, Japan did not sign a trilateral donor's agreement with traditional Pacific powers Australia and New Zealand as was the custom since 2003. This maybe interpreted as Japan's intention to be freed from the constraints placed under it by such agreements with regards to how it uses its ODA in light of its relations with the PICs. It is indicative of a Japan seeking to strengthen its position amongst the Pacific powers by way of determining its own independent use of its development assistance to the region.

Figure 4

Strengthening of Japan – PIC relations through PALM

J = Japan Chair

J/PIC = Japan and PIC Co-Chairing

	PALM I 1997	PALM II 2000	PALM III 2003	PALM IV 2006	PALM V 2009
Chair	J	J	J/PIC	J/PIC	J/PIC
Aid Package Announced	No	No	No	Yes	Yes
Pre-Summit Preparatory Meeting	No	No	Yes (J)	Yes (J)	Yes (J/PIC)
PALM Expert Advisory Committee (PEAC)	No	No	No	Yes	Yes*
Donor Coordination	No	No	Yes	Yes	No**

Source: Author, Tuesday, 14th July 2009.

The Pacific Islands region for Japan is a source of support for other vital interests Japan has at the international level. Japan's non-material interest in the region is surely linked to such other interests for example permanent membership in a reformed UN Security Council. In looking to the future, with the benefit of hindsight regarding the strengthening of Japan's active diplomacy in the region, this work will close with some policy recommendations. These recommendations seek to advise on how to strengthen further the regional strategy Japan has achieved to-date through PALM V. This enhancement of Japan - PIC relations of course is symbiotic and benefiting the PICs as well. Japan will take a welcomed leadership role in Pacific Island regional affairs whilst the PICs will gain a diplomatic option to pursue its own regional interests where other regional and international avenues fail.

The next step for PALM to be taken at PALM VI and further into the future is recommended as follows:

1. Japan can strengthen its position in the region through the PALM Summit by ensuring all logistical arrangements for visiting leaders and delegations equal, or better, the protocol afforded these PIC leaders by other regional powers. Logistics is the "fine tuning" of the PALM "machine" that will ensure its operations into the future. It not only strengthens the existing framework of the PALM but also strengthens the personal relations between Japan's leaders and officials with that of the PICs. This personal relationship is vital to the success and implementation of the perceived "community" through the PEC.
2. The venue to which the PALM summit will be held at should be strategically located. The purpose of this is to maximize the benefits and exposure of the summit

regarding the demonstration to the Japanese public of the importance of the PICs to Japan's interests and also to facilitate the further enhancement of social and professional networking amongst leaders and officials alike.

3. The "E" in "PEC" must be defined in a broader more inclusive context. The current narrow definition as important as it is, and the emphasis PALM V affords the meaning of "environment," excludes priorities of other PICs which do not focus their development goals primarily on the environment as currently defined. By broadening the definition of "environment" it can be used to include all development issues currently under the region's four pillars of the Pacific Plan. As such, an expanded meaning of "environment" can incorporate the environment of economic growth, the environment of sustainable development, the environment of good governance, and the environment of security. In defining the meaning of environment in this manner, the development priorities of *all* PICs will be included in the PEC.

4. Related to recommendation 2, where the "E" in "PEC" adopts the broader definition as proposed, future Japanese diplomatic strategy will then be based on a new two-pronged approach. Each approach is interdependent of each other but is separate also in their own function and intent. PALM VI and the future of Japan's regional engagement will be based on 1) the PEC, and 2) the Kizuna Plan. A newly defined PEC as outlined will encompass all PIC development interests whilst the Kizuna Plan, through enhanced personal relations will maintain the human network which exists independently from international relations. These transnational networks serve to strengthen the related intentions of the PEC.

5. A PEC Secretariat should be considered for establishment. This will be located in Tokyo either at the Pacific Islands Center or other appropriate venue or may even consider the absorption of the trade-related functions of the PIC into the PEC Secretariat. The Secretariat will be headed by a Secretary-General who by convention, should be selected from the PICs. The Chair of the Pacific Islands Forum will concurrently be Chair of the PEC. Staff of the PEC will be composed of both Japanese officials and PIC officials who preferably had previously lived, worked and / or studied in Japan. Funding for the PEC will be the primarily be from the Japanese government with percentage contributions from the PICs.

Japan's island strategy in the region is based upon non-material interests. A common understanding and a sharing of common knowledge on issues serves to strengthen Japan's diplomatic initiatives with the PICs. This commonality is the foundation of what is nurtured through "kizuna". Kizuna is therefore an important element of the PALM process and a foundation to strengthening the new initiative of the Pacific Environment Community. Japan's impetus to engage the PICs will depend on how it strategises and calculates its responses to prevailing regional conditions. This is done through *kikubari*. These actions therefore comprise the answers the three research questions posed at the beginning of this work. Japanese strategy is based on non-material interests and the pursuit of such interests is undertaken through the PALM summit meetings. The influences on this engagement will depend on the circumstances. To be sure, Japan does strategise through the use of *kikubari* in order to secure what interests it holds. This strategy has evolved from being initially reactive to being more proactive in its engagement with the PICs.

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(b) Interviews

"Interview with Professor Graham Allison," Kennedy School of Government, Harvard University, Cambridge, MA, Tuesday, 18th December 2007.
"Interview with H.E. Mr. Stuart Beck," Ambassador and Permanent Representative, Permanent Mission of Palau to the UN, New York, Monday, 10th December 2007.
"Interview with Dr. Hoshino Toshiya," Counselor / Minister, Permanent Mission of the Japan to the UN, New York, Friday, 7th 2007.
"Interview with Ishida Taro," Director of Public Relations, Federation of Electric Power Companies, (*Denjiren*), FEPC Head Office, Tokyo, Wednesday, 17th September 2008.
"Interview with Kasahara Kenichi," Deputy Director, Oceania Division, Ministry of Foreign Affairs, Tokyo, Tuesday, 26th August 2008.
"Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 23rd June 2006.
"Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Thursday, 2nd November, 2006.
"Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 30th May 2008.
"Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Osaka, Friday, 20th June 2008.
"Interview with Dr. Kobayashi Izumi," Executive Director, Japan Institute for Pacific Studies, Tokyo, Tuesday, 26th August 2008.
"Interview with Dr. Kobayashi Izumi," Executive Director, Japan Institute for Pacific Studies, Tokyo, Thursday, 28th August 2008.
"Interview with Dr. Kobayashi Izumi," Executive Director, Japan Institute for Pacific Studies Tokyo, Friday, 29th August 2008
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"Interview with Dr. Kobayashi Izumi," Osaka Gakuin University, Friday, 3rd July 2009.
"Interview with H.E. Ms. Marlene Moses," Permanent Representative and Ambassador, Permanent Mission of Nauru to the UN, New York, Tuesday, 11th December 2009.
"Interview with Mr. Takahashi Masashi," Principal Deputy Director, Oceania Division, Ministry of Foreign Affairs, Tokyo, Tuesday, 22nd July 2008.
"Interview with Ambassador Okawara Yoshio," President, Institute for International Policy Studies, Tokyo, Thursday, 24th July 2008.
"Interview with Dr. Eric Shibuya," Marines War College, MD, Wednesday, 12th December 2007.
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"Interview with Dr. Toyama Kiyohiko MP," Tokyo, Thursday, 24th July 2008.
"Interview with H.E. Mrs. Fekita 'Utoikamanu," Permanent Mission of the Kingdom of Tonga to the UN, New York, Friday, 21st December 2007.
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