Japan’s Policy on the Trans-Pacific Partnership (TPP) in Light of IR Theory and Analytical Eclecticism

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Abstract

Japan’s policy toward the Trans-Pacific Partnership (TPP) Agreement has been controversial at the political, academic, and public levels. The domestic debate on the TPP literally split public opinion in Japan, and academic analyses are apt to be argumentatively divided into pros and cons. Likewise, earlier studies regarding the TPP in the field of international relations offered particular theoretical perspectives, yet tended not to conduct eclectic theoretical examination. In order to overcome the research gap, this paper attempts to provide both narrative and theoretical explanations by applying international relations (IR) theory in combination with “analytical eclecticism” as a research method in the field of global and international studies. As an application of IR theory and analytical eclecticism, this paper seeks to offer multiple theoretical perspectives and analysis on why Japan has supported and facilitated the TPP even after the withdrawal of the United States during the Trump administration.

Keywords: analytical eclecticism, Asia Pacific region, international relations (IR) theory, Japan, Trans-Pacific Partnership (TPP)
Introduction

Japan’s policy on the “Trans-Pacific Partnership” (TPP), a multilateral trade agreement, dates back to the administration of the Democratic Party of Japan (DPJ), which governed Japan from September 2009 to December 2012. In October 2010, Prime Minister Naoto Kan expressed Japan’s intention to participate in negotiations of the TPP, and in November 2011, Prime Minister Yoshihiko Noda officially stated that Japan would join the TPP negotiations. Yet, there were disagreements over the TPP inside the DPJ government, and former Ministry of Agriculture, Forestry, and Fisheries in the DPJ government, Masahiko Yamada, left the party in November 2012 and established the “Tax Cuts Japan – Anti-TPP – Zero Nuclear Party.” In the Lower House general election of December 2012, the DPJ government that facilitated Japan’s TPP policy failed to maintain the majority seats, and the Liberal Democratic Party (LDP), led by Shinzo Abe, who opposed Japan’s participation in the TPP negotiations, came back to power. In March 2013 however, Prime Minister Shinzo Abe reconsidered his TPP policy and announced Japan’s participation in the TPP negotiations. Japan joined the 18th Round of TPP negotiations, held in Malaysia in July 2013. The 12 TPP participants reached an agreement in Atlanta, Georgia, in the United States in October 2015, and the TPP Agreement was signed in Auckland, New Zealand in February 2016.

In April 2016, the Special Committee on the TPP Agreement was set up in the Japanese National Diet in order to ratify the agreement. The Diet deliberation on the TPP in the House of Representatives, however, was adjourned in the 191st ordinary Diet session. In the extraordinary 192nd Diet session, TPP deliberation was resumed in September 2016 and approved in November of that year. The debate on the TPP caused strong opposition and literally split public opinion in Japan, yet the TPP Agreement was endorsed in the House of Representatives on 18 May 2018 and the House of Councillors on 13 June 2018. Based on these events, a simple question arises. Why did the Japanese government decide to join and facilitate the TPP in spite of strong opposition? The policy-making process of Japan’s participation in the TPP has been analyzed by economists and political scientists (e.g. Nakano, 2011, 2013; Kim, 2013, 2016; Sayama, 2015; Ito, 2016; Suzuki, 2016; Yamashita, 2016; Funabashi, 2018; and Urata, 2018), but most analyses tend to be argumentatively divided into the “for TPP or against TPP” camps (e.g. Mulgan & Honma, 2015, pp. 123-156), and earlier studies in the field of international relations do not necessarily provide multilayered theoretical explanations regarding this research case.

In order to overcome the research gap, this paper attempts to set forth both theoretical and narrative explanations by applying international relations (IR) theory and “analytical eclecticism” as a research method in the field of social and political science (e.g. Katzenstein, 2008; Sil & Katzenstein, 2010). In an application of IR theory in combination with analytical eclecticism, this paper seeks to clarify the multiple theoretical explanations on why the Japanese government decided to join the TPP even after the withdrawal of the United States from the multilateral agreement.

Background of Japan’s Policy on the TPP Negotiations and Agreement

In 2006, Singapore, New Zealand, Chile, and Brunei entered into the “Trans-Pacific Strategic Economic Partnership Agreement” (TPSEP) or the Pacific 4 (P4), which was initially negotiated in 2003 and enacted in 2006. According to the government of New Zealand, the P4 was signed as “the first free trade agreement linking Asia, the Pacific and the Americas” (New Zealand Foreign Affairs and Trade, 2016). The P4 as a free trade agreement
in the Asia Pacific region can be regarded as a prototype of the TPP Agreement.

In March 2010, the United States, Australia, Peru, and Vietnam decided to participate in the negotiation of the P4 held in Australia. The P4 was expanded and renamed the “Trans-Pacific Partnership Agreement,” or the TPP Agreement. Malaysia expressed its willingness to join the TPP negotiations held in Brunei in October 2010 (MOFA, 2011, p. 1). Canada and Mexico also participated in the TPP negotiations held in Auckland in December 2012 (MOFA, 2012, December 17). These 11 countries facilitated all TPP negotiations thereafter.

In Japan, two prime ministers of the DPJ played initial important roles in policymaking on TPP negotiations. Prime Minister Naoto Kan showed an official willingness to participate in TPP negotiations during his policy speech at the 176th extraordinary session of the Diet on 1 October 2010 (Prime Minister of Japan and His Cabinet, 2010, October 1). Prime Minister Kan stated:

We will look into participating in such negotiations as those for the Trans-Pacific Partnership Agreement and will aim to build a Free Trade Area of the Asia Pacific. With a view toward making the East Asian Community a reality, I want to open our country to the outside world and move forward with concrete steps of negotiations as much as possible.

Kan’s announcement on Japan’s TPP participation caused nationwide sensation that split Japanese public opinion into two. On 12 November 2011, Prime Minister Yoshihiko Noda expressed an official view on Japan’s participation in TPP consultations, and eventually on the Free Trade Area of the Asia Pacific (FTAAP), in his opening statement during the Asia Pacific Economic Cooperation (APEC), held in Honolulu (Prime Minister of Japan and His Cabinet, 2011, November 13).

Meanwhile, the LDP opposed the DPJ government’s participation in TPP negotiations, arguing that the decision to participate was made in haste. In essence, the LDP opposed “Japan’s participation in the talks as long as the envisioned trade agreement [was] designed to scrap all tariffs without exceptions” (Asahi Shimbun, 2012, November 22) In other words, the LDP supported Japan’s participation in the TPP consultations on the condition that Japan could protect its “trade sanctuaries” as national interests.

Notably, a turning-point for Japan’s policy in favor of the TPP was marked when Prime Minister Shinzo Abe officially visited the United States in February 2013. On 22 February, the prime minister delivered a speech in Washington regarding Japan’s TPP policy in which he referred to his talk with President Barack Obama. Abe stated that President Obama took into consideration “bilateral trade sensitivities” that would protect certain products from excessive taxation, such as agricultural products for Japan and certain manufactured products for the United States. Significantly, Obama assured Abe that the United States would not force Japan to eliminate all tariffs with no sanctuary in TPP negotiations. With the promise by the US president, Abe came to a conclusion that Japan should join TPP negotiations (Prime Minister of Japan and His Cabinet, 2013, February 22).

At a press conference on 15 March 2013, Prime Minister Abe officially announced that the Japanese government would take part in TPP negotiations. In his speech, the prime minister described the TPP as “the opening of the Asia Pacific Century.” He also emphasized the point that the TPP could be a step toward the Regional Comprehensive Economic Partnership (RCEP), and the FTAAP (Prime Minister of Japan and His Cabinet, 2013, March 15).

After being approved by the other TPP countries, the Japanese government officially participated in the 18th Round of TPP negotiations, held in Kota Kinabalu, Malaysia on 23 July 2013. In the 18th Round, Japan’s entry as the 12th member of the negotiations was “welcomed” by the other 11 countries. As a result of Japan’s entry, the combined Gross
Domestic Product (GDP) of the countries involved in TPP negotiations amounted to about 40% of global GDP and approximately one-third of all global trade (Office of the United States Trade Representative, 2013, July 23).

On 27 August 2013, Japan joined the stakeholder’s meeting at the 19th Round of TPP negotiations, held in Brunei (Cabinet Secretariat, 2013, August 27). After more than five years of negotiations, TPP participants reached an agreement on 5 October 2015 in Atlanta, Georgia, in the United States (Cabinet Secretariat, 2015, October 5). On 4 February 2016, the TPP Agreement was officially signed by 12 participants in Auckland, New Zealand. Shortly thereafter, in January 2017, the administration of President Donald Trump withdrew the United States from the TPP (Executive Office of the President, 2017, January 25). After the US withdrawal, the other 11 countries continued their TPP negotiations and reached an agreement on the “Comprehensive and Progressive Trans-Pacific Partnership” (CPTPP) at the ministerial level on 10 November 2017 in Da Nang, Vietnam (MOFA, 2017, November 11). Finally, the 11 countries signed the CPTPP on 8 March 2018 in Santiago, Chile (Cabinet Secretariat, 2017, March 8).

Table 1: Chronology of Japan’s Policy on the TPP Negotiations and Agreement

<table>
<thead>
<tr>
<th>Year / Month</th>
<th>Sequence of the Relevant Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>PM Ohira proposed the “trans-pacific cooperation concept”</td>
</tr>
<tr>
<td>Oct 2010</td>
<td>PM Kan expressed Japan’s willingness to join TPP negotiations</td>
</tr>
<tr>
<td>Nov 2011</td>
<td>PM Noda officially announced that Japan would join TPP negotiations</td>
</tr>
<tr>
<td>Feb 2013</td>
<td>PM Abe confirmed that the US would not force Japan to eliminate all tariffs</td>
</tr>
<tr>
<td>March 2013</td>
<td>PM Abe officially announced Japan’s participation in TPP negotiations</td>
</tr>
<tr>
<td>July 2013</td>
<td>Japan participated in the 18th Round negotiations in Kota Kinabalu, Malaysia</td>
</tr>
<tr>
<td>Oct 2015</td>
<td>TPP negotiators reached an agreement in Atlanta, the United States</td>
</tr>
<tr>
<td>Feb 2016</td>
<td>TPP was signed by 12 participants in Auckland, New Zealand</td>
</tr>
<tr>
<td>April 2016</td>
<td>TPP was deliberated for approval in the National Diet of Japan</td>
</tr>
<tr>
<td>Nov 2016</td>
<td>TPP was approved in the Lower House at the Diet of Japan</td>
</tr>
<tr>
<td>Jan 2017</td>
<td>The United States withdrew from the TPP</td>
</tr>
<tr>
<td>Nov 2017</td>
<td>11 countries reached an agreement on the TPP</td>
</tr>
<tr>
<td>March 2018</td>
<td>11 countries signed the TPP in Santiago, Chile</td>
</tr>
<tr>
<td>June 2018</td>
<td>TPP 11 (CPTPP) was endorsed in the Upper House at the Diet of Japan</td>
</tr>
<tr>
<td>Dec 2018</td>
<td>TPP 11 (CPTPP) came into force</td>
</tr>
</tbody>
</table>

Note: The timeline made by the author in reference to this paper.

In order to ratify the TPP Agreement, the Japanese government initiated the domestic endorsement process and deliberation in the Special Committee in the Diet in April 2016. The TPP was approved in the Special Committee of the Lower House on 4 November 2016, as well as in the Plenary Session of the Lower House on 10 November 2016. After the United States decided to withdrawal from the TPP in January 2017, the Japanese government, during the Shinzo Abe administration, continued to support the modified TPP Agreement, the CPTPP (or the TPP 11), which was agreed upon by the 11 countries on 10 November 2017. The Abe government needed to ratify the CPTPP in the Diet. The TPP 11 Agreement was endorsed in the Lower House with a majority support by the LDP, Komeito, Japan Restoration Party, and the Party of Hope on 18 May 2018 (Japan Times, 2018, May 18). Likewise, the CPTPP was endorsed in the Upper House by a majority vote, supported by 168 and opposed by 69, on 13 June 2018 (House of Councillors, 2018, June 13). The CPTPP was ratified by Mexico, Japan, Singapore, New Zealand, Canada, and Australia (New Zealand Government, 2018, October 31) and was eventually enacted on 30 December 2018. Thus, the Japanese government both supported and approved the TPP despite strong domestic opposition, as will be discussed in the next section.
The Pros and Cons on Japan’s Policy toward the TPP

Internationally, there have been neutral and supportive analyses of the TPP (e.g. Mulgan & Honma, 2015; Bhala, 2016; Das & Singh, 2018) as well as unsupportive and negative opinions and objections to the treaty (e.g. Kelsey, 2011, 2013; Baker, 2017; Sharp, 2018). Chaisse, Gao, and Lo examined the implications of the TPP for international economic law and rule-making (e.g. Chaisse, Gao & Lo, 2017), and Palit suggested that China and India should join the TPP in order to make the best of the multilateral free trade deal (Palit, 2014). A Korean researcher praised Japan’s leading role in the negotiations of the TPP 11, arguing that the Japanese government “made a great effort not only to prevent TPP Asian countries such as Malaysia and Vietnam from leaving, but also to freeze the original TPP 12 articles in the hope of the U.S. returning” (Kim, 2018, p. 6). Likewise, The Washington Post published an article titled, “Japan Takes the Lead on Asian Free Trade” in “America’s absence” (Funabashi, 2018).

Domestically, after Prime Minister Naoto Kan argued that Japan should “open” itself for the TPP, numerous books were published in objection to the TPP, although there were also neutral and affirmative analyses. One of the most famous and sensational books in Japan has been, TPP Bokokuron (TPP without a Country) (2011), authored by Takeshi Nakano, then Assistant Professor of Kyoto University. Nakano opposed Japan’s entry into the TPP on the basis of “economic nationalism” and “trade protectionism.” Nakano’s main argument is that Japan would not be able to expand its export through the TPP, and that the TPP could weaken Japanese economy, employment, and agriculture (Nakano, 2011). Nakano edited another book, TPP Kuroi Joyaku (TPP as a Black Treaty) (2013), and argued that Japan should withdraw from TPP negotiations or refuse to ratify the treaty, proclaiming that the TPP is not consistent with Japan’s national interests (Nakano, 2013, pp. 60-61).

Koji Iwatsuki, a lecturer at Nagoya University Law School, disagreed with the TPP, arguing that the clause on “investor-state dispute settlement” (ISDS) in the TPP is problematic and that the clause left open the possibility that the Japanese government to be sued by American corporations. Iwatsuki argued that the “ISDS clause” might erode Japan’s sovereignty as a state (Iwatsuki, 2013, pp. 95-118). He also pointed out the fact that the governments of Canada and Mexico had lost lawsuits to American corporations, but not the other way around after the conclusion of the North American Free Trade Agreement (NAFTA) (Iwatsuki, 2013, pp. 106-107). In contrast, Motoshige Ito, Professor at Tokyo University, evaluated the TPP affirmatively, stressing that Japan has already successfully concluded several Economic Partnership Agreement (EPA) deals including ISDS clauses and has yet to be sued by any foreign corporation or investor. Ito, furthermore, argued that the ISDS clause is an important protection for Japanese investors who work in the Asia Pacific region (Ito, 2016, pp. 24-25).

Masayasu Murakami, Professor at Yamagata University, warned that the price for medication in Japan could be drastically increased by the TPP, similar to the result of the Australia-US Free Trade Agreement (FTA) (Murakami, 2013, pp. 177-182). Murakami, moreover, contended that Japan’s universal health insurance coverage would be damaged by the influence of the TPP in the long run (Murakami, 2013, pp. 182-185). Katsuya Tamai, Professor of Tokyo University, contradicted the argument that the price of medication would increase due to the TPP. He argued that, on the contrary, Japanese medical industries could be competitive in the Asia Pacific region if the TPP were to be enacted (Tamai, 2016).

Nobuhiro Suzuki, Professor at Tokyo University, opposed the TPP Agreement, arguing that the agreement could devastate Japanese agriculture and would harm the food safety of the Japanese people on account of the possible increase of genetically modified foods, food
additives, and residual chemical pesticides on imported food products (Suzuki, 2016). On 27 October 2016, Suzuki was invited by opposition parties to the Diet deliberation on the TPP and provided unsworn testimony opposing the treaty (Jiji Tsushin, 2016, October 27). Kazuhiro Yamashita, a senior research fellow of the Canon Institute for Global Studies, contended at the same session that international competitiveness of Japanese agriculture would be strengthened by the TPP (Yamashita, 2014, pp. 19-32; Yamashita, 2016). From an economic perspective, Shujirō Urata shed light on expected economic benefits even after the US withdrawal from the TPP and argued that the Japanese government should pursue the TPP 11 (Urata, 2018). Thus, earlier research shows a clear divide over Japan’s policy toward the TPP, and multiple theoretical perspectives are important to examine and comprehend Japan’s TPP policy.

**Methodology: IR Theory and Analytical Eclecticism**

In order to provide theoretical perspectives and explanations on Japan’s TPP policy and fill a gap between the pros and cons on the controversy, this research applies orthodox IR theory in an ecletic manner by employing “analytical eclecticism” (analytic eclecticism) as a research method in the study of social science, especially world politics as suggested by Rudra Sil and Peter Katzenstein (2010). The analytically eclectic research method provides wider and multiple scopes in combination with theoretical explanations and narratives in the study of international relations (e.g. Katzenstein, 2008; Sil & Katzenstein, 2010).

Employing an eclectic analytical research method, this paper attempts to provide four theoretical perspectives and analyses - “classical liberalism,” “neoliberalism,” “classical realism,” and “neorealism” - in order to examine the multiple and overlapping theoretical aspects of the TPP. Orthodox IR theory and theoretical approaches (i.e. liberalism, realism, and constructivism) are useful perspectives, but any application of limited theoretical perspective is insufficient to investigate Japan’s TPP policy. Indeed, some earlier studies examined the TPP from the theoretical perspectives of IR and economics (e.g. Backer, 2014, p. 80; Kerr, 2016; Zhang, 2018), and limitations of each theoretical explanation regarding the TPP were pointed out in earlier research (Stent, 2014; Kim, 2016, pp. 34-39). Significantly, the use of analytical eclecticism enables observers to eschew theoretically one-sided viewpoints which tend to simply support or criticize the TPP.

Through the lens of IR theory combined with analytical eclecticism, the following four perspectives can be investigated in the analysis of the TPP. First, in IR theory, “classical liberalism” is considered to be “a paradigm predicated on the hope that the application of reason and ethics to international relations can lead to a more orderly, just, and cooperative world” (Kegley & Blanton, 2011, p. 37). From a classical liberalist viewpoint, “free trade” and “commerce” can reduce international conflict and promote peaceful international relations as proposed by Immanuel Kant and Adam Smith (Kegley & Blanton, 2011, p. 38). The international community has made efforts (including the TPP) to establish and facilitate international trade liberalization based on the classical liberalist ideal.

Second, “neoliberalism,” as defined by IR theory, is the new “theoretical perspective that accounts for the way international institutions promote global change, cooperation, peace, and prosperity through collective programs for reforms” (Kegley & Blanton, p. 42). Neoliberal theorists argue that international cooperation is possible and achievable owing to the “complex interdependence” and “international regime” in the international system, as argued by neoliberal theorists such as Robert Keohane and Joseph Nye Jr. (Kegley & Blanton, 2011, p. 41). Based on the idea of international cooperation and mutual interdependence, European countries have achieved “regional integration,” while countries in the Asia Pacific are currently exploring the feasibility of the TPP as part of regional and
international integration.

Third, the premise of “classical realism” is that “world politics is essentially and unchangeably a struggle among self-interested states for power” and that each sovereign state “pursues its own national interests” (Kegley & Blanton, 2011, p. 31). In other words, a classical realist believes that sovereign states make decisions on the basis of “national interests” for “self-help” and “relative gains” as emphasized by realist pioneers and theorists, such as Niccolo Machiavelli and Hans J. Morgenthau (Kegley & Blanton, 2011, p. 32). Hence, it is natural for the Japanese government to pursue relative gains in the TPP so that Japan can increase its international competitiveness in free trade and protect its agricultural sensitivities.

Fourth, “neorealism,” also known as “structural realism,” is a “theoretical account of states’ behavior that explains it as determined by differences in their relative power within the global hierarchy, defined primarily by the distribution of military power,” as theorized by neorealism’s leading proponent, Kenneth Waltz (Kegley & Blanton, 2011, p. 35). From a neorealist perspective, a “hegemonic state” determines the behavior of other countries and contributes to international stability in an anarchic world (Kegley & Blanton, 2011, p. 66). Moreover, “balance of power” and “structural factors” should be taken into account in terms of structural realism (Kegley & Blanton, 2011, p. 33, 35). In this respect, Japan-US relations and strategic and structural factors relating to Japan’s policy on the TPP should be examined. Although analytical eclecticism does not provide a particular theoretical aspect and is not flawless, the use of combined theoretical explanations assists in scrutinizing the multiple aspects of Japan’s TPP policy.

**Classical Liberalism: Liberal Free Trade and Prevention of War**

From the perspective of IR theory, the peace philosophy of Immanuel Kant, a German political philosopher who insisted that international peace is attainable by the abolishment of standing armed forces and the establishment of international organizations, is considered to be one of the foundational tenets of classical liberalism. In addition, from a perspective of classical liberalism, it is argued that “free trade” contributes to amicable and peaceful international relations. For instance, John Stuart Mill, an English economist in the 19th century, emphasized that international peace could be achieved by the promotion of “free trade” (Ishikawa, 2011, p. 79). With regard to war and peace, J. S. Mill noted in his writing, *The Principles of Political Economy* (1848) that

> It is commerce which is rapidly rendering war obsolete, by strengthening and multiplying the personal interests which are in natural opposition to it. And it may be said without exaggeration that the great extent and rapid increase of international trade, in being the principal guarantee of the peace of the world, is the great permanent security for the uninterrupted progress of the ideas, the institutions, and the character of the human race. (Mill, 1848, Book III, Chapter 17)

Indeed, it has been analyzed that one of the economic causes of the Asia Pacific War was a “block economy” based on the policy of “trade protection” rather than “free trade” after the Great Economic Depression in 1929 (e.g. Watanabe, 2014, p. 4). The block economy was an economic policy adopted by the United States, the United Kingdom, France, and the Soviet Union, all of which possessed colonies in Asia and Africa. In a similar vein, Japan’s desire to expand its territory within the Asia Pacific region brought about the Manchurian Incident of 1931 and the establishment of Manchukuo in 1932. Nevertheless, the Empire of Japan expressed the concept of the “Greater East Asia Co-Prosperity Sphere” (*daito a*
As a regional hegemony in 1940 (Koga, 2006, p. 198). It has been argued that economic and political history of the bloc economies of the 1930s and the so-called “ABCD economic encirclement” (America, Britain, China, Dutch), especially “a US oil and scrap iron embargo” eventually drove the Japanese Empire into waging a war against the United States (Selden, 2009; Takahashi, 2011). In other words, it can be regarded as a historical lesson that it was not simply Japan’s expansionism that led to Japan’s involvement in the war but that an “economic block” based on “trade protection” rather than “free trade” paved the way for the Asia Pacific War.

Based on the lesson of the Asia Pacific War having been precipitated in part by the economic blocks and the extreme trade protectionism of the 1930s, the international community decided to establish the United Nations for the maintenance of international peace and security. Likewise, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD), or the World Bank, were organized in 1946 with a view to facilitating international free trade and financial assistance. In the Cold War political context, the United States and the Western camp decided on the General Agreement on Tariffs and Trade (GATT) in order to promote international trade liberalization in 1948. The purpose of the GATT was to promote worldwide free trade and peaceful resolution of international trade disputes (Horiuchi, 2006, pp. 125-127).

In 1952, the Japanese government applied for GATT membership, and Japan became a formal member state of the GATT in September 1955 (Forsberg, 1998, pp. 185-187). Still, the United Kingdom and other European countries feared, from a trade protectionist perspective, that “Japan would resort to predatory trade practices” and invoked Article 35, or the “general escape clause,” virtually excluding Japan from GATT privileges (Forsberg, 1998, pp. 190-191). Meanwhile, Prime Minister Hayato Ikeda made diplomatic endeavors to resolve Japan’s unequal economic partnerships with the United Kingdom and other European countries, and finally put an end to the discriminatory situation in 1963 (Tadokoro, 2011, pp. 114-115).

From 1947 to 1994, there were eight rounds of GATT discussions despite its “provisional” nature. In the first round, which took place in 1947, 23 member states gathered in Geneva in order to discuss the issue of tariffs. Japan joined the fourth round of GATT discussions in 1956. Japan participated in the following rounds: the Dillon Round (1960-1961), the Kennedy Round (1964-1967), the Tokyo Round (1973-1979), and the Uruguay Round (1986-1994). In the Uruguay Round, the 123 member states agreed upon not only tariffs but also non-tariff measures, rules, services, intellectual property, dispute settlement, textiles, agriculture, and importantly, creation of the World Trade Organization (WTO) (WTO, 2016). As a result of the Uruguay Round, the Japanese government started to import rice as “minimum access rice” in April 1995, with “4% of domestic rice consumption, gradually increasing to 8% by 2000” (Kato, Gemma & Ito, 1997, p. 193). This agreement was also confirmed within the WTO and articulated during TPP negotiations (Yamashita, 2015). In short, from a classical liberalist viewpoint, the TPP is in line with the GATT as a provisional international regime as well as the WTO as an official international organization to facilitate a global free trade system that fundamentally contributes to peace and prosperity of international relations.

Neoliberalism: Mutual Interdependence and International Integration

From a neoliberal perspective, the creation of a regional free trade network is regarded as precipitating “mutual interdependency” and “international integration,” facilitated by “international cooperation” in an anarchic world. European countries succeeded in the creation of an international community i.e. the European Union (EU); similarly, the
negotiations of the TPP can be considered to be part of the development of regional economic integration in the Asia Pacific area, although the situations in Europe and the Asia Pacific are different.

Historically, the initial stages of the European integration process stemmed from the creation of the European Coal and Steel Community (ECSC), established based on the 1950 Declaration by French Foreign Minister Robert Schuman and the 1951 Paris Treaty. The purpose of the ECSC was to facilitate economic cooperation in the region, and it was also aimed at reducing international tension between Germany and France, which fought against each other over Alsace-Lorraine (Kitani, 2006, p. 24). Furthermore, the European Economic Community (EEC) and the European Atomic Energy Community (EURATOM) were created based on the 1957 Roman Treaty. By integrating the ECSC, the EEC, and the EURATOM, the European Community (EC) was founded in 1967. Importantly, the EC contributed not only to the economic stability of Europe but also to the peace and security of the region as a “non-war community,” and the EU eventually developed into the EU in 1993 (Kitani, 2006, pp. 25-33). Thus, international integration in Europe was motivated not only by economic benefits but also by political stability on the basis of “international cooperation” which is consistent with the premise of neoliberalism.

In comparison with the regional integration process in Europe, the integration process within the Asia Pacific has been relatively gradual, and the TPP can be perceived as part of this economic and political integration process. Whereas the regional integration of Europe developed among the countries of Western Europe, basically excluding the Eastern European countries, the development of partnership in Asia has been in progress both in the East Asian region as well as the Asia Pacific region (Oya et. al., 2006; Terada, 2013).

In the Asian region, the Association of Southeast Asian Nations (ASEAN) was organized by five original countries in 1967. The ASEAN members decided not to be involved in the Vietnam War (1965-1975) and intended to create a “non-war” region. In 1971, the Zone of Peace, Freedom and Neutrality Declaration (ZOPFAN) was declared and the Treaty of Amity and Cooperation in Southeast Asia (TAC) was confirmed by the ASEAN member states. In 1995, the Treaty of Southeast Asia Nuclear Weapon-Free Zone (Bangkok Treaty) was signed in Bangkok and came into force in 1997. In 1999, ASEAN membership was expanded to 10 countries, and there were no armed conflicts among the member states. Therefore, the creation of the ASEAN has contributed to the peace and security of the Asian region (Koga, 2006, p. 199).

Japan as an economic power has been cooperative and supportive of the economic cooperation and regional integration of the Asia Pacific. Indeed, Japan’s policy on economic cooperation in the Asia Pacific region dates back to the “Pacific Basin Cooperation Concept” (kan taiheiyo rentai koso), proposed by Prime Minister Masayoshi Ohira in 1978. Based on the concept, the Japanese government supported the establishment of the Asia Pacific Economic Cooperation (APEC), proposed and facilitated by Australian Prime Minister Bob Hawke in 1989. Japan also supported the initiation of the ASEAN to create the ASEAN Regional Forum (ARF) and became a member state in 1994. In December of 1997, in response to the Asian Economic Crisis which had begun in Thailand in July of that year, Japan, China, and South Korea were invited to the APEC Summit as APEC + 3, with the objective of overcoming the economic crisis. In this context, Prime Minister Junichiro Koizumi proposed the creation of the “East Asian Community” in 2002. In the meanwhile, Australian Prime Minister Kevin Rudd made a proposal to establish the “Asia Pacific Community” in 2008, and the concept was supported by Japanese Prime Minister Yasuo Fukuda and welcomed by US President Barack Obama (Koga, 2006, pp. 200-205; Akimoto, 2013), although the regional integration process has been relatively incremental.

In this context, TPP negotiations can be recognized as a new trend toward the
economic integration of the area. Indeed, it is fair to argue that the negotiation and formation of the TPP is one of the “overlapping” and “multilayered” economic integration processes occurring in the Asia Pacific region, which has also witnessed other regional architectures, such as the RCEP including ASEAN + 6 (Japan, China, South Korea, India, Australia, and New Zealand) and the FTAAP as a free trade zone by APEC member states in progress (Oba, 2016).

Japan’s support for the TPP could facilitate a Japan-China-Korea FTA, which may pave the way for the subsequent entry of other Asian countries into the TPP, in something of a “domino effect.” In this way, Japan will be able to contribute to the regional trade liberalization of the area, which includes the formation of the FTAAP, as examined by Hiroko Ota, Professor at the National Graduate Institute for Policy Studies (Keizai Seicho Forum, 2016, pp. 17-18). As the premise of neoliberalism states, Japan’s policy on the TPP will be contributive to the international integration and trade liberalization in the Asia Pacific region.

Classical Realism: Pursuit of National Interests and Trade Protectionism

From a classical realist perspective, it is natural for Japan to protect its national interests. Yet both opponents and proponents of Japan’s involvement in the TPP have based their arguments on the protection of Japan’s national interests. In the proponent camp, it has been considered not only that Japan’s participation in the TPP would contribute to its national interests and national security by strengthening both its political assertiveness and the Japan-US alliance but also that the agreement could lead directly to Japan’s economic growth at the same time (Oyane & Onishi, 2016, pp. 65-67).

As previously observed, the TPP is in line with the GATT/WTO free trade systems, but the WTO was recognized as too complicated and not sufficiently effective. Therefore, WTO member states decided to enter into other bilateral free trade agreements (FTAs) as well as economic partnership agreements (EPAs) in search of arrangements that would better serve their respective national interests. Whereas FTAs are aimed at facilitation of trade liberalization by reducing or eliminating tariffs, EPAs include investment and trade rules such as indication of origin, intellectual property, etc. The Japanese government concluded an EPA with Singapore in 2002 for the first time, and with Mexico (2005), Malaysia (2006), Chile (2007), Thailand (2007), Indonesia (2008), Brunei (2008), ASEAN (2008), the Philippines (2008), Switzerland (2009), Vietnam (2009), India (2011), Peru (2012), Australia (2015), and Mongolia (2016), and signed with the EU in 2018. According to the Ministry of Foreign Affairs (MOFA), Japan’s “economic diplomacy” toward FTA, EPA, and TPP is considered to be significant for enhancement of Japan’s national interests (MOFA, 2016).

In terms of “national interests,” the LDP used to be opposed to Japan’s participation in the TPP negotiations under the DPJ government. However, the LDP was against those TPP negotiations that might force Japan to eliminate tariffs “with no sanctuary.” For this reason, the LDP supported Japan’s involvement in TPP negotiations on the condition that Japan would protect five critical agricultural exports: rice, wheat, pork and beef, dairy, and sugar, which are vital to Japan’s national interests. Indeed, Prime Minister Abe emphasized the point regarding “sanctuary” at a press conference on 15 March 2015:

We will keep our promise with the people of Japan. This is why I had a meeting with President Obama, from which I confirmed that a prior commitment to eliminate tariffs with no sanctuary is not a requirement for participating in the TPP negotiations. (Prime Minister of Japan and His Cabinet, 2013, March 15)

At the same time, Abe stressed that Japan’s participation in the TPP could contribute to
Japan’s national interests, stating, “I firmly believe that creating new rules in the Asia Pacific Region with these countries is not only in Japan’s national interests, but also certain to bring prosperity to the world,” and, “I will firmly defend Japan’s sovereignty and, through the negotiations, achieve the best way based on our national interests” (Prime Minister of Japan and His Cabinet, 2013, March 15).

In order to clarify the merit of the TPP, the Japanese government estimated the economic effects of the TPP. According to the research conducted by the Cabinet Secretariat in October 2010, it was estimated that Japan’s GDP would be increased to 0.48 - 0.65 %, or 2.4 - 3.2 trillion yen, in about 10 years as a result of Japan’s participation in the TPP. Yet this estimate was based on the fact that Japan would eliminate all kinds of tariffs immediately upon ratification of the TPP, and therefore, the Ministry of Agriculture, Forestry, and Fisheries reported that the TPP would cause some 3.5 million people to be unemployed, unless the Japanese government took appropriate measures (NDL, 2012, p. 6).

In an application of the Global Trade Analysis Project (GTAP) Model proposed by Professor Thomas W. Hertel at Purdue University, the Japanese government estimated the economic effects of the TPP on the Japanese economy in 2010, 2013, 2015, and 2017. This is because the Cabinet Secretariat of Japan considered the GTAP Model to be a global standard tool for analysis of economic effects. In 2010 and 2013, the Japanese government estimated the economic effects of the TPP on the condition that the TPP agreement would require Japan to eliminate tariffs immediately after the agreement was enacted. In 2015, on the other hand, the government calculated the economic effects of the TPP based on the basic agreement that was outline in October 2015 in Atlanta (NDL, 2016, pp. 4-6).

Table 2: Economic Effects of the TPP on the Japanese Economy

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP</th>
<th>Export</th>
<th>Import</th>
<th>Consumption</th>
<th>Employment</th>
<th>Agriculture</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>+ 0.66%</td>
<td>+ 0.55%</td>
<td>+ 0.60%</td>
<td>+ 0.61%</td>
<td>N/A</td>
<td>¥3 trillion</td>
</tr>
<tr>
<td>2015</td>
<td>+ 2.59%</td>
<td>+ 0.60%</td>
<td>+ 0.61%</td>
<td>+ 2.02%</td>
<td>+ 795,000</td>
<td>¥210 billion</td>
</tr>
<tr>
<td>2017</td>
<td>+ 1.5%</td>
<td>+ 0.36%</td>
<td>-0.38%</td>
<td>+ 0.24%</td>
<td>+ 460,000</td>
<td>¥90-150 billion</td>
</tr>
</tbody>
</table>

Note: Estimation based on GTAP Model applied by the Japanese Government (NDL, 2016, p. 6; Cabinet Secretariat, 2017, December 12, p. 2)

In the TPP negotiations, the Japanese government negotiated for the protection or sanctuary of five critical agricultural products, and it turned out that Japan would not need to eliminate all tariffs straight away while the sanctuaries were in place. As a result, the estimations in 2013 and 2015 are rather different, and the 2015 estimation is relatively positive and beneficial to the Japanese economy. This can be recognized as an example of the Japanese government’s efforts to protect and maximize its national interests in international relations on the basis of the premise of classical realism. As such, even after the US withdrew from the TPP, the economic effect analysis of the CPTPP by the Japanese government in December 2017 indicated that the TPP 11 would contribute to Japan’s economic growth, as shown in Table 2.

Neorealism: External Pressure and Strategic Perspective

In terms of neorealism, a hegemonic state plays a dominant role in international rule-making processes in an anarchic international system; the hegemon also influences the decision making processes of other countries. In this regard, it would be fair to consider the possibility that Japan’s initial decision to participate in the TPP was preconditioned by the hegemonic influence of the United States - especially during the George W. Bush administration. The reasons why the Bush/Obama administrations actively facilitated the TPP
was that through it, the United States would be able to maintain political leadership in the Asia Pacific region, where regional integration excluding the United States, such as ASEAN + 3 and ASEAN + 6, had already been in progress. Hence, it can be argued that US leadership in the TPP negotiations not only contributed to the national interests of the United States (NDL, 2012, p. 9) but also influenced the TPP policy of the Japanese government.

The United States expressed its interest in the TPP during the George W. Bush administration, and Susan C. Schwab, a representative at the United States Trade Representative (USTR) during the Bush administration, stated on 6 March 2008 that US participation in the TPP could be important to the national security of the United States. Likewise, Thomas Donilon, Assistant to the President for National Security Affairs, made a similar comment on 6 October 2011 (Kato, 2013, p. 21).

From a neorealist perspective, it is natural for Japanese policymakers to seek to strengthen the Japan-US relations because Japan structurally depends on the military power of the United States, a dependence that was initially founded upon the basis of the Japan-US Security Treaty. In this respect, Japan’s economic cooperation with the United States enhances the credibility and functionality of the Japan-US alliance. Indeed, Article 2 of the Japan-US Security Treaty refers to the significance of the bilateral “economic cooperation” as follows:

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institution, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between them. (MOFA, 2014)

Given Article 2 of the Japan-US Security Treaty, it is logical to recognize that the TPP contains strategic implications for the Japan-US relations. Kazuya Sakamoto of Osaka University, for instance, noted that the TPP, which contributes to the bilateral political values and economic collaboration, is consistent with Article 2 of the Japan-US Security Treaty (Sakamoto, 2016, p. 24). Shotaro Yachi discussed military and security aspects of the TPP, and the significance of the Japan-US military alliance as well as the maintenance of the balance of power in the Asia Pacific region (Yachi, 2010).

Likewise, in terms of strategic implications of the TPP, Thomas Kato observed that Japan’s policy on the TPP is consistent with Japan’s security policy on the right to collective self-defense in that both would be able to strengthen the Japan-US relations. Moreover, Kato argued that the strategic connotation of the TPP can be seen in the fact that Japan has participated in the Rim of the Pacific Exercise (RIMPAC), composed of the military forces of the TPP participants, i.e. the United States, Australia, Canada, Mexico, Malaysia, Singapore, Peru, and New Zealand (Kato, 2013, pp. 128-129). In this sense, some analysts have observed that the TPP could be regarded by Beijing as an “economic containment” policy (e.g. Drysdale, 2011; Kujiraoka, 2016).

As pointed out by Hugh White, Professor of Strategic Studies at the Strategic and Defense Studies Centre of the Australian National University, the primary aim of the US policy toward China is “to preserve [the US’s] position as the primary strategic power in Asia,” and if it fails, “the biggest risk is not that China will throw America out and establish its own hegemony over Asia but that the two countries will be drawn into prolonged and inconclusive strategic rivalry carrying immense economic costs and strategic risks – including the risk of major, even nuclear, war” (White, 2013). This is a nightmare scenario for both the United States and China and consistent with a warning by neorealist theorist John

Some have argued that the US policy on the TPP should be regarded as “counterbalancing” rather than “containing” China (Manning, 2013). It was argued that successive presidents of the United States, from Nixon to Obama, “have pursued a policy of facilitating China’s economic modernization and integration into the international system” instead of attempting to contain or restrict it (Manning, 2013). Also, it was clarified that despite any connection between China’s economic rise and US economic interests in Asia, the United States pursues trade policy based on its own national interests not based on how the policy will affect the economic power of China. This argument was extended to say that the US policy on the TPP would not be judged as “containment policy”, because China cannot be perceived as a direct and imminent threat to the United States (e.g. Sakamoto, 2013, p. 7).

Regardless of whether the US policy vis-à-vis China is one of “containment” or “counterbalance,” the Bush and Obama administrations both recognized that Japan’s participation in the TPP could amplify “both the economic and strategic importance of the TPP for the US,” as observed by Aurelia George Mulgan, Professor at the University of New South Wales (Mulgan, 2016; Teh, 2016, p. 8). During the Trump administration, Trump encouraged Japan to sign the Japan-US bilateral trade deal (Harris, 2018), as the United States and China were then entrapped in the so-called “trade war” (BBC, 2018, December 2). Nonetheless, the Japanese government has pursued involvement in the TPP even without the United States based on Japan’s own “national interests” and “international cooperation” in the Asia Pacific. Thus, it is not only the neorealist perspective that remains a critical one to understanding Japan’s participation in the TPP, but the other three theoretical perspectives are also important and necessary to comprehend Japan’s policy with respect to the TPP Agreement.

Conclusion

This paper has examined Japan’s policy on the TPP from the perspectives of IR theory in combination with analytic eclecticism. There exists strong criticism against Japan’s policy on the TPP, while the Japanese government has supported the agreement. In academic literature, there are both opponents and proponents of Japan’s involvement in the TPP, and this paper has highlighted a perception gap between the arguments.

From the perspective of classical liberalism, the TPP is consistent with the tradition of “liberal free trade,” as proposed by Adam Smith. From a theoretical viewpoint, the free trade system leads to peaceful international relations. For this reason, the section of the paper on classical liberalism clarifies how “trade protectionism” in the 1930s caused economic blocks, which finally led the Empire of Japan to the Asia Pacific War. It also contextualizes the historical development of trade liberalization and argues that the GATT/WTO system is congruous with the similar free trade systems, including the TPP. Therefore, it is theoretically natural for Japan to join the TPP in the context of liberal free trade system.

Employing a neoliberal viewpoint, Japan’s policy on the TPP can be regarded as an effort to facilitate “international integration,” as part of “international cooperation” in the world of “mutual interdependence.” This section of the paper comparatively analyzes the integration process of Europe and the Asia Pacific region. The integration process of Europe was initiated by the creation of the ECSC, and the community was expanded into the EC, and finally developed into the EU. In the Asia Pacific, currently, the ASEAN, the APEC, and the ARF are recognized as the footprints of regional integration. From a neoliberal viewpoint, Japan’s policy on the TPP as well as the RCEP and the FTAAP can be identified as endeavors to promote the regional integration of the Asia Pacific.
Classical realism, which values “national interests,” also provides theoretical explanations regarding Japan’s TPP policy. It has been proposed in this paper that the Japanese government facilitated the EPA and the TPP to maximize Japan’s national interests as explained by the Ministry of Foreign Affairs of Japan. Indeed, the Japanese government joined the TPP on the condition that Japan could protect or provide so-called “sanctuary” for five products: rice, wheat, meat (pork and beef), dairy, and sugar. More significantly, it has been clarified that Japan’s participation in the TPP would contribute to the increase of Japan’s GDP. To be sure, the classical realist perspective proves that Japan’s TPP policy was determined in pursuit of national interests.

Within neorealism, it has been examined how the United States and the Japan-US military alliance influenced Japan’s policy on the TPP. In terms of Article 2 of the Japan-US Security Treaty, Japan’s involvement in the TPP would strengthen Japan-US relations not only in the field of defense arrangements but also in terms of bilateral economic cooperation. The Bush administration considered the TPP to be strategically important to national security of the United States. Therefore, the TPP can be regarded as a tool to reinforce the Japan-US alliance. Even after the US withdrawal from the TPP during the Trump administration, the United States has pressured Japan into participating in the bilateral trade deal, which would inevitably influence the TPP.

In conclusion, although this paper does not focus on the pros and cons on the TPP itself, this paper substantiates that the four theoretical perspectives assist in investigating Japan’s policy on the TPP in an application of analytical eclecticism and IR theory. In sum, the Japanese government participated in the TPP negotiations to support the free trade tradition (classical liberalism), to achieve regional integration based on international cooperation (neoliberalism), to pursue Japan’s national interests (classical realism), and to strengthen the Japan-US alliance system as well as strategic interests (neorealism). Although the United States under the Trump administration has seceded from the TPP, the TPP itself is important within the international free trade system, and it is expected that other Asia Pacific countries will seek to participate in the treaty in the future.

Notes

1 The Manchurian Incident (September 18, 1931), also known as the Mukden Incident, refers to ‘seizure of the Manchuria city of Mukden by Japanese troops in 1931, which was followed by the Japanese invasion of all of Manchuria and the establishment of the Japanese-dominated state of Manchukuo’ (Swift 2019).
Japan’s Policy on the Trans-Pacific Partnership (TPP)

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