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**Regionalism, Membership and
Leadership: Insights from Asia and
beyond**

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December 2021

Abstract

This paper offers an alternative interpretation of regionalism, focusing on its membership perspective. This alternative interpretation provides insights into the exclusionary aspect of regionalism, for which mainstream international relations theories lack a certain efficacy in providing plausible explanations. We hypothesize that a state forms a regional group in which it can be a leader, excluding states that are more powerful than it is. States value the leading position in a regional group, even in a small regional group.

Keywords: Regionalism, Membership, Leadership, Exclusion, Non-western international relations theory

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Abstract

This paper offers an alternative interpretation of regionalism, focusing on its membership perspective. This alternative interpretation provides insights into the exclusionary aspect of regionalism, for which mainstream international relations theories lack a certain efficacy in providing plausible explanations. We hypothesize that a state forms a regional group in which it can be a leader, excluding states that are more powerful than it is. States value the leading position in a regional group, even in a small regional group. To test the hypothesis, this paper investigates regionalism launched in Asia during the second half of 20th century, with special attention to the inclusion and exclusion of the US. By analyzing diplomatic records obtained at four national archives (Australia, Japan, the UK, and the US), as well as memoirs by retired officials and other studies, this paper shows that regionalism in Asia was often pursued in an exclusionary manner, mainly by Japan, and to a lesser degree by Indonesia. The paper also discusses whether and how regionalism in Europe can be explained with this alternative theory.

Keywords: Regionalism, Membership, Leadership, Exclusion, Non-western international relations theory

Regionalism, Membership, and Leadership: Insights from Asia and beyond

Shintaro Hamanaka

1. Introduction

This study offers an alternative explanation to the formation of inter-state groups or institutions. The alternative interpretation provides insight into the exclusionary aspect of inter-state groupings, for which mainstream international relations theories lack a certain efficacy in providing plausible explanations. In line with the increased scholarly interest in competition among regionalism projects with different membership configurations, this paper sheds light on not only inclusion in, but also exclusion from, regional membership (Cooper and Stubbs 2017; Katada 2017). The main claim of this study is as follows: states pursue inter-state institutions or groups from which more powerful states are excluded, and the creation of a *regional* group is an effective way to exclude rivals and to hold the leading position, because the membership of regionalism can be controlled relatively easily. The rationale behind this pursuit is that states value the leading position, even in a small regional group. In this study, regionalism refers to state-led processes of building and sustaining regional institutions among three or more states (Börzel and Risse 2016),¹ and regional groups and institutions are used interchangeably because, upon establishment of a regional institution, membership often comes first, and various institutional features are designed by the group members.

There are three important caveats here. First, we are not arguing that regionalism entails only exclusionary elements. It has logics of both inclusion and exclusion, but our point is that the latter should not be overlooked (Davis and Wilf 2017). Second, we are not arguing that there is one absolutely right interpretation of regionalism. There should be several plausible interpretations of regionalism that are not necessarily mutually exclusive, which could collectively offer “eclectic explanation” (Hammer and Katzenstein 2002), and our point is that the alternative interpretation of regionalism from the exclusionary side deserves close examination. Third, although the proposed theory has some roots in Asia (the so-called non-western international relations theory), we expect it to have global applications (Acharya and Buzan 2017; Acharya 2017; Katzenstein 2018). The paper’s aim is not to claim that international relations in Asia, including regionalism, function totally differently from those in the West. We argue that a certain factor affecting international relations, including regionalism, is powerful in Asia, but not necessarily powerless in non-Asian contexts. What is this factor? Status, in particular, the status of the leading position in institutions. Status is an important factor for all states, but especially for Asian states (Johnston 2012; Paul et al 2014; Lin and Katada 2020).

In examining the plausibility of the alternative interpretation of regionalism, this study analyzes regionalism launched in Asia involving Japan for three methodological reasons (see Section 4.2 for the discussion of “Japanese involvement”). First, because many regionalism projects have involved Japan (see Table 1 for analyzed cases), we can generalize the pattern of the membership preferences of Japan and other concerned countries in a relatively clear manner. Second, while some studies, particularly analyses of trade regionalism, emphasize

¹ Regions are social construction between national and global that make references to territorial location and to geographic contiguity (Börzel and Risse 2016).

cases where Japan insisted upon US membership, such as Asian-Pacific Economic Cooperation (APEC), Japan in fact has been interested in assuming leadership not only in trade regionalism but also in other issue areas such as finance (Katada 2017). Hence, our approach can avoid the over-emphasis placed on trade cooperation that tends to be open in nature (see Section 6 for the comparison between trade and non-trade issues). Third, Japan's strong engagement with Asia-only groups that exclude the US is an interesting subject of analysis, given strong US-Japan bilateral relations (see Section 2 for details). The exclusion of the US from regionalism in the Asia-Pacific region has become a hot research topic among scholars in recent years (Pempel 2019), but this has been the critical policy question, at least for Japan throughout the post-war period, as we will see later. As discussed by Wilkins and Kim (2020), China is the promoter of exclusive Asian regionalism, but so *was* Japan before the rise of China. We will briefly discuss the plausibility of the hypothesis based on recent cases of Asian regionalism led by China as well as historical European experiences in the latter part of the paper.

This paper is structured as follows. Section 2 critically reviews how existing theories explain the exclusionary aspect of regionalism. We then develop a hypothesis from the perspective of states that desire to hold the leading position in institutions, combining the literature on status in international politics and hegemonic stability theory. Section 4 discusses the methodology to examine the hypotheses. Using diplomatic archives and other sources, Section 5 provides alternative narratives of membership politics in regionalism surrounding Japan, by emphasizing the exclusionary side. Based on the empirical findings, Section 6 examines and refines the hypothesis. The final section concludes the paper, with some remarks on European regionalism and Asian regionalism led by China.

2. Explaining the Exclusionary Aspect of Regionalism: Pitfalls of Mainstream IR Theories

When one examines a hypothesis, there is no need to reject competing hypotheses. Hence, in defending the plausibility of the exclusionary regionalism interpretation proposed in this study, we do not have to denounce competing interpretations of regionalism. Nevertheless, a critical review of mainstream interpretations of regionalism is useful because a new theory or interpretation becomes valuable when it explains something that cannot be fully explained by existing theories. This section briefly examines how existing theories explain the exclusionary aspect of regionalism and whether they explain one of the most interesting findings of this study, namely, Japan's strong interest in regionalism excluding the US. We look into three dominant approaches to regionalism: realism, neoliberal institutionalism, and constructivism (Hurrell 1995).

Realists may argue that threats should be managed through institutions of engagement (Schweller 1999). In this case, inclusion rather than exclusion is explained. A more straightforward explanation for exclusion under the realist framework might be balancing, which is sometimes called exclusive institutional balancing by recent theorists (He 2019). When there is a common threat, a coalition is required to mitigate the threat. A regional threat may lead to a regional coalition. The Gulf Cooperation Council, established by the Gulf states to cope with a potential threat from Iran, is one such example (Walt 1988). A recent quantitative study also finds that even regional economic institutions are formed excluding geopolitical rivals (Davis and Pratt 2020). Hence, when a certain state is not included in regionalism, it implies that this excluded party is regarded as a threat. Can Japan-led regionalism excluding the US be explained along this line? Theoretically speaking, it is

possible, but such a theoretical possibility does not have a sound basis because the US is Japan's only ally. Hence, Japan's strong desire to exclude the US from regionalism is a puzzle for realists.

Neoliberal institutionalists argue that egoistic states that pursue national interests establish institutions to create win-win situations for members. Their argument is in line with game theory to avoid the prisoners' dilemma. States face the question of whether the management of complex economic and social interdependence should be institutionalized or left to *ad hoc* political bargaining (Hurrell 1995, 63). Compliance is the essence of institutions. Institutions become unsustainable when members do not comply with the rules. Naturally, there is an incentive to exclude states that are unlikely to follow the rules. Neoliberal institutionalism does not seem to explain Japan's exclusionary attitude. If institutions proposed by post-war Japan intended to create win-win situation overcoming compliance problems, the involvement of the US would have been reasonable. With the US, institutions are likely to be better sustained because it has more resources to enhance the compliance of the members.

The constructivist approach to regionalism often draws on Anderson's work on nationalism (Acharya 1999, 74). Anderson (1991, 7) argues that "the nation is imagined as *limited* because even the largest of them, encompassing perhaps a billion living human beings, has finite, if elastic, boundaries, beyond which lie other nations." When regionalism is pursued by states that share an identity, then, it is likely that states that do not share this identity are not included. Constructivists may argue that the Asian identity held by Japan explains its strong preference for Asia-only groupings, excluding the US. However, there is a critical problem with this argument, as we confirm in the empirical sections below. That is, Japan always showed a strong desire to include Australia and New Zealand in regionalism, despite recognizing them as Western states. Even in the 1960s when Australia adopted the White Australian policy, Japan always tried to involve Australia in regionalism, but not the US.

3. Alternative Logic of Regionalism

The process of developing regionalism usually starts with a proposal made by a state that is keen to lead it, and various institutional features are largely determined by the leading state and its fellow members. Regionalism often becomes exclusionary by design by the member states, particularly the leading state.

Hegemonic stability theory gives us a good starting point for discussing institutions from the perspective of the leading state. Kindleberger (1973, 305) holds that "for the world economy to be stabilized, there has to be a stabilizer, one stabilizer." Only the hegemonic state, with power primacy and a long-term view of interest, has the will and means to establish international order and institutions such as the International Monetary Fund (IMF) and General Agreement on Tariffs and Trade. The establishment of global institutions entails costs. The hegemon must maintain an open market for other states' surplus goods, maintain steady capital outflow for productive investment in other states, and provide liquidity, to serve as a "lender of last resort" (Kindleberger 1973, 292). Nevertheless, the hegemon decides to take on the role of establishing and leading institutions because it can enjoy status and prestige (Kindleberger 1981, 248).

However, because hegemonic stability theory primarily explains the establishment of global institutions by a hegemon, its simple application to the regional level provides us with only a partial picture. A "regional" power's attempt to establish regionalism is likely to be affected

by “external” parties. The problem of free-riding becomes critical because parties that free-ride on regionalism could be “outsiders”, which brings additional costs for sustaining regionalism. At the same time, a leader in a regional group increases its influence over smaller fellow members through increased interdependence at the expense of excluded rival “outsiders” (Viner 1950, 98-99), which constitutes additional benefits of regionalism for the leading state. The bottom line is that establishing regionalism brings the regional leader both costs and benefits associated with the existence of external parties.

We argue that the status of holding the leading position in regionalism is tremendous. While members compare economic gains and costs of regional membership (Pekkanen et al. 2007), the leading state should also take status into account. As discussed, a hegemon establishes global institutions partly for the sake of status. Likewise, states may establish regional institutions for the sake of status (Lin and Katada 2020). Several recent international relations studies that emphasize the significance of status argue that having a seat at a “great power club” is critical in gaining status (Buzan 2004; Paul et al 2014). We argue that having the chairperson’s seat, even at a small club significantly contributes to the enhancement of status. The status of institutional leading position per se is important, but it is also an important source of influence on other group members (Kratochwil and Ruggie 1986, 756). While it is debatable whether the status of the leading position can be shared (He and Feng 2018), our argument is that this status is more likely to be monopolized. This is in line with Jervis (1993, 58), who argues that competition for primacy is required for international status, just like in the Olympics where only one state can win the most medals. Note that, for the time being, we assume that the status factor is critical in comparison with economic factors (especially economic costs) because measuring and comparing the size of status is difficult (Paul et al. 2014, 8), but we will come back to this issue in Section 6.

The exclusionary regionalism hypothesis is deduced from the assumption that a leading position in regionalism is beneficial, partly because of the factor of status. The inference is straightforward. If the leading position in a regional group is beneficial, which states are *not* welcomed by the state that is attempting to create it? Of course, more powerful states that would deprive it of the leading position are not welcome.

Alternative Interpretation of Regionalism: A state pursues regionalism, excluding states that are more powerful and would deprive it of the leading position.

4. Methodology

4.1. Empirical Strategies

Our empirical strategies are two-fold. First, we show that leading position matters in the formation of regionalism by analyzing the membership politics of regionalism that has stable patterns regarding the inclusion and exclusion of certain states. For this purpose, we need to utilize all the perspectives outlined below. Second, we show that status matters when embarking upon regionalism by providing some “circumstantial” evidence for the significance of status in conducting exclusionary regionalism policies. The micro perspective is necessary to serve this goal. The three perspectives employed in this study are as follows.

Macro perspective (revealed preference on membership). When analyzing a limited number of cases, we often encounter the criticism that membership is determined by many factors

and “non-inclusion” is just a coincidence, not the result of exclusion. However, by taking a macro perspective and analyzing a large number of cases, we may be able to reveal the preferred membership configuration. Suppose, hypothetically, that Japan considered a hundred proposals for regionalism excluding the US and another hundred proposals on regionalism including the US, and that it supports 90% of the first group but only 10% of the second group; then, we can infer with a high degree of certainty that Japan prefers membership without the US.

Micro perspective (deliberate effort to exclude rivals). States that pursue the leading position in an exclusionary manner often try to hide their efforts to exclude rivals. However, if we go to a very micro level, we may be able to find clues that reveal such efforts. Internal diplomatic archives sometimes mention deliberate efforts to exclude rivals, as well as specific motivations such as status seeking. Archives of the states that are the target of exclusion also often document their insights into the exclusionary aspect of regionalism pursued by other states. In their memoirs, retired officials often confess that they made deliberate efforts to exclude rival states while they were in service. Likewise, memoirs by retired officials from the excluded states also sometimes state that they knew that they were intentionally excluded. Newspapers also sometimes report such insights, with the remarks attributed to “diplomatic sources.” Further, impartial scholarly studies, especially those conducted by area experts also sometimes document deliberate efforts to manipulate membership for the sake of status.

Middle perspective (interactions of regionalism policies of multiple states through a series of regionalism projects). If we look at one state’s policy on a single regionalism project, there would be limitations on demonstrating an exclusionary aspect, unless the effort to exclude is documented in archives or memoirs. This can be remedied in two ways. First, if we analyze the interactions of policies conducted by concerned states in one project, we may be able to reveal some exclusionary aspect of regionalism. The excluded parties’ membership application, which may or may not be accepted by the incumbent leader, is one example of such interactions. Second, if we analyze the regionalism policy of one state in several regionalism projects together, we may be able to reveal the exclusionary attitude of the state concerned. For example, the state that originally pursued exclusionary regionalism may abandon it upon its membership expansion and may try to establish a new institution again excluding the rival states. We can combine the two approaches above. In this case, the interactions of regionalism policies of multiple states through a series of regionalism projects are analyzed.

4.2. Cases

Two things are important to fully exploit the advantages of each perspective outlined above. First, we should analyze a large number of cases. By doing so, we may be able to find some cases where deliberate efforts to exclude rivals are documented. A large number of cases also allow us to reveal patterns of regionalism policies that reflect the membership preferences of concerned states. Second, we should analyze not only successful projects but also unsuccessful projects. It is important to note that regionalism sometimes fails, which means that a regional institution is not built or sustained despite effort (Hettne 2005). Unsuccessful cases often reveal fierce interactions of regionalism policies among concerned parties.

This study analyzes regionalism that involved Japan. There are two possible scenarios. The first scenario is regionalism that included Japan. Many of them were proposed by Japan, but

there are cases in which other states proposed a regional institution including Japan, which Japan needed to decide whether or not to support. The second scenario is regionalism that excluded Japan, pursued by other states, to which Japan had some reaction.

Regionalism is classified into overarching regionalism and issue-specific regionalism. Regional organizations that are designed to address various issue areas are a typical example of overarching regionalism. Other examples include regional summits and regional meetings of foreign ministers where various issues can be discussed. In contrast, issue-specific regionalism often covers specific economic issues such as trade and finance.

In the real world, the evolution of regionalism is a complex process. There are mainly two possibilities.² The first is that issue-specific (trade or financial) regionalism is established within the framework of overarching regionalism. This scenario is usually less politicized because the members of an overarching institution often become the members of “subsidiary” institutions. Trade and financial cooperation under the auspices of the Association of Southeast Asian Nations (ASEAN), including the ASEAN Free Trade Area (AFTA) and ASEAN Swap Arrangement, is an illustrative example – states join ASEAN, rather than those subsidiary institutions. Only when the establishment of subsidiary institutions entails significant political negotiations, such as the APEC Finance Process, will we include them in our cases. The second possibility is that trade/financial regionalism projects come first, and they eventually lead to overarching regionalism (the “upgrade” scenario). Because the upgrade process usually involves significant political negotiations (such as the APEC Summit), such scenarios are analyzed in this study.

In total, this study identified 34 cases of regionalism that involved Japan after World War II³ (Table 1). Among them, 29 cases are projects before 2000, which will be analyzed in Section 5. The five cases after 2000 are briefly touched upon separately in Section 6 for two reasons. First, archives and memoirs are unavailable for these post-2000 cases. Second, regionalism after 2000 is often led not by Japan but by China, which overtook Japan as the regional leader around 2000.

² Issue-specific regionalism might be directly brought about by another issue-specific regionalism. This is rare, however, because issue-specific regionalism usually brings over-arching regionalism first, which then may lead to another instance of issue-specific regionalism.

³ Regionalism during and before World War II is not covered because it is likely to be associated with the conduct of the war.

Table 1: Cases of Regionalism

Overarching Regionalism (12 cases)	Financial Regionalism (12 cases)	Trade Regionalism (10 cases)
Association for Southeast Asia (ASA): 1961	Asian Development Fund (ADF): 1957	Intra-Regional Trade Promotion Talks (IRTPT): 1957
MAPHINDO: 1963	Asian Development Bank (ADB): 1966	Organization for Asian Economic Cooperation (OAEC): 1960
West Pacific Summit: 1963	Asia Pacific Bankers' Club (APBC): 1980	Japan-Southeast Asia PTA: 1967
Ministerial Conference for Economic Development of Southeast Asia (MCEDSEA): 1966	Executives' Meetings of East Asia and Pacific Central Banks (EMEAP): 1991	Pacific Free Trade Area (PAFTA): 1965 / Pacific Trade and Development Conference (PAFTAD): 1968
Asia Pacific Council (ASPAC): 1966	Four Markets Group: 1992	Asian Lomé: 1977
Association for Southeast Asian Nations (ASEAN): 1967	APEC Finance Process: 1994	Asia-Pacific Economic Cooperation (APEC): 1989
Replacement for ASPAC: 1972	Japan-ASEAN Finance Process: 1994	East Asia Economic Caucus (EAEC): 1990
Asian Summit: 1975	Six Markets Group: 1997	East Asia Free Trade Area (EAFTA): 2004
ASEAN Summit: 1976	Asian Monetary Fund (AMF): 1997	Trans-Pacific Partnership (TPP): 2008
Pacific Basin Plan: 1978	Manila Framework Group (MFG): 1997	Regional Comprehensive Economic Partnership (RCEP): 2011
APEC Summit: 1993	ASEAN+3 Finance Process: 1999	
East Asian Summit (EAS): 2005	Asia Infrastructure Investment Bank (AIIB): 2016	

4.3. Information Sources

This study relies on written information sources. Interviews were not conducted so as to ensure “equal” treatment among cases as we can no longer conduct interviews with the policymakers involved the early post-war regionalism. We use following materials:

- national archives of four countries (Australia, Japan, the UK, the US);
- memoirs by ministers, secretaries, ambassadors and officials (those written by Japanese, Americans and Australians);
- newspapers in Japanese (*Nikkei Shimbun*, *Yomiuri Shimbun*, *Asahi Shimbun Sankei Shimbun*, and *Mainichi Shimbun*, etc) and English (*Financial Times*, *New York Times*, *Washington Post*, *Australian Financial Review*, and *Korean Economic Review*, etc.); and
- academic papers and books, especially those by area experts.

The four national archives were selected for two main reasons. First, they are the national archives where diplomatic records are relatively accessible. Second, the four states have totally different vantage points from which regionalism in Asia is viewed. Japan is the party that tries to exclude more powerful states to hold the leading position. The US is the party to be excluded from the Japanese perspective; hence, it is sensitive to exclusionary regionalism pursued by Japan. Similarly, the UK also closely monitored the development of exclusionary regionalism in Asia, especially during the period when it maintained some colonial influence. Australia is the one that understands the nuanced membership politics of inclusion and exclusion; it “switched” its status from “European” to “Asian” in the 1960s.⁴

⁴ In 1963, Australia and New Zealand became regional members of United Nations Economic Commission for Asia and the Far East (ECAFE).

5. Alternative Narratives of Regionalism in Asia: Exclusionary Perspectives

This section provides narrative information necessary to examine the hypothesis. These are alternative narratives because of the emphasis placed on exclusionary aspects, in contrast to the traditional narratives that mainly discuss which countries are included in regionalism. Critics may argue that such an approach entails the risk of cherry-picking. However, given that the very purpose of this study is to point out the existence of overlooked forces affecting membership politics, we believe this potential problem is not fatal. By gathering and connecting anecdotes regarding the exclusionary side of regionalism, another side of regionalism can be revealed.

5.1. Overarching Regionalism

In July 1961, the Association of Southeast Asia (ASA) was established by Malaya, Philippines, and Thailand. It was an exclusionary organization, at least from the Japanese perspective. The Philippines in particular precluded Japan from joining because it feared that Japan would assume the leadership role (Kesavan, 1972, 155). In fact, in late 1961, Ōkita Saburō, a high-ranking official who later became foreign minister, asked Philippine Foreign Minister, Felixberto Serrano, whether Japan's participation in ASA was possible, but his answer was negative (Ōkita 1966, 16).

MAPHILINDO was an institution consisting of Malaysia, Indonesia, and the Philippines to mitigate neighboring states' strong confrontational attitude to the impending launch of the Federation of Malaysia, which had been announced in November 1961. A meeting among the foreign ministers of the three states was held in June 1963, and the Manila Accord was adopted, stipulating that the first summit would be held by the end of July (Haas 1974, 1261-63). The MAPHILINDO Summit was held in the Philippines as planned.

Soon after the MAPHILINDO Summit, Prime Minister Ikeda Hayato proposed the West Pacific Summit among Japan, Indonesia, Philippines, Australia, and New Zealand in Tokyo to discuss a peaceful solution of the Indonesia-Malaysia dispute. Japan also envisioned the establishment of the West Pacific Organization, a Pacific version of the OECD, as a long-term project.⁵ US Ambassador to Japan, Edwin O. Reischauer, initially supported Ikeda's idea. However, the US State Department directed Reischauer to oppose the West Pacific Summit.⁶ Both the American and British governments shared the view that the Japanese proposal was too exclusive.⁷ Philippine President Macapagal insisted upon the significance of MAPHILINDO and refused the Ikeda proposal (*Asahi Shimbun*, September 26, 1963).

Japan hosted the first Ministerial Conference on Economic Development in Southeast Asia (MCEDSEA) in April 1966, and invited seven members.⁸ US policy circles regarded MCEDSEA as the manifestation of Japan's ambitions to play an exclusive political and economic role in Asia by reproducing the pre-war Great East Asian Co-Prosperity Sphere (*Washington Post*, April 6, 1966). However, the US government did not block the proposal, partly because it underestimated the political significance of MCEDSEA.⁹ Indonesia was not supportive, and initially refused to send a delegate. While Japan hoped to establish a

⁵ Tokyo to Department of State, September 21, 1963, Central Files, Japan, 1963-66, US Archive.

⁶ Department of State to Tokyo, September 22, 1963, RG59, Central Foreign Policy File, POL 7, Japan, NA, US Archive.

⁷ London to Department of State, September 25, 1963, Central Files, Japan 1963-66, US Archive.

⁸ South Vietnam, the Philippines, Laos, Thailand, Malaysia, Singapore and Indonesia (observer).

⁹ Dean Rusk, then Secretary of State, regarded MCEDSEA as a Japan-led agricultural project (Rusk 1987).

secretariat in Tokyo, other states, especially Indonesia, disagreed and insisted that the venue be elsewhere (*Asahi Shimbun*, October 13, 1965). At the eighth meeting in 1973, the Indonesia asserted that ASEAN is the most appropriate regional framework, and MCEDSEA should complement it (*Asahi Shimbun*, October 14, 1973). Because of dissatisfaction on the Southeast Asian-side, especially Indonesia, no MCEDSEA meeting was held after 1975.

ASEAN was launched in August 1967. Indonesia was particularly enthusiastic about its creation because establishing a new organization would be much better for Indonesia than simply joining the existing ASA (Morrison and Suhrke 1978, 225-26). Japan was interested in membership in ASEAN, though it did not officially apply for it. Immediately after its establishment, Kai Fumihiko, the Japanese Ambassador to Malaysia, stated at a press conference that Japan expected membership in ASEAN (*Asahi Shimbun*, August 21, 1967; Sudo 1988, 510). In response, Indonesian Foreign Minister, Adam Malik, asserted that Japan's accession to ASEAN was impossible because of its geographical location (*Asahi Shimbun*, August 31, 1967). During a state visit to Southeast Asia in September 1967, Prime Minister Satō Eisaku refused to discuss Japanese assistance to ASEAN because he regarded ASEAN as competing with MCEDSEA (Sudo 1988, 511). Officials in Tokyo turned to MCEDSEA after ASEAN's rejection of Japanese membership (ibid).

In June 1966, the Asian and Pacific Council (ASPAC) was established by nine members¹⁰ as a security institution under a South Korean initiative. At the third meeting, the members agreed to weaken the security tone of the institution. After this, Japan started to regard ASPAC as valuable because of its membership configuration. At the fourth ASPAC meeting in Tokyo in 1969, Prime Minister Satō delivered the opening remarks, emphasizing that ASPAC's value lie in the fact that it includes only East Asia, Southeast Asia, and the South Pacific, and proposed to refer to the region covered by ASPAC as "Pacific Asia." Others also regarded exclusion of the US and Japanese centrality as the distinctive feature of ASPAC. For example, the Australian Minister for External Affairs stated in his report about the second ASPAC meeting that ASPAC is an Asian organization that includes Australia but not the US, and he concluded that Australia's association with Japan in ASPAC is important.¹¹

Following US President Nixon's visit to Beijing in 1972, ASPAC lost its momentum. When the abolishment of ASPAC became likely, Japan floated the idea of establishing a new ASPAC-like institution. A document produced at the Australian Embassy in Tokyo in 1972 reported that Akiyama, the head of the Asian Regional Policy Division of the Japanese Ministry of Foreign Affairs (MOFA), remarked that if ASPAC were to fade away, a new regional organization would replace it, and the members of such an institution would be ASEAN states, New Zealand, Australia, Japan, and Korea.¹²

In November 1975, the first G6 Summit was held in France. Japanese Prime Minister Miki Takeo believed that Japan should participate in the Summit as an Asian representative and collected "the voice of Asia" by sending an envoy to ASEAN states both before and after the Summit (*Nikkei Shimbun*, November 28, 1975). After the Summit, he thought hosting an Asian Summit would be beneficial. However, such a plan proved difficult to enact because the first ASEAN Summit was planned by Indonesia.

¹⁰ South Korea, Japan, Taiwan, Philippines, Thailand, Malaysia, South Vietnam, Australia and NZ, plus Laos (observer).

¹¹ Australian Minister for External Affairs (Paul Hasluck) (1967), Report by the Minister for External Affairs, Canberra, Department of Foreign Affairs and Trade, National Archives of Australia, Document A-1838 541/1/1 Part 1.

¹² Australian Embassy, Tokyo (1972), Japan: Asian Regional Organizations, Canberra, Department of Foreign Affairs and Trade, National Archives of Australia, Document-A1838 2036/30/2 Part1.

Miki then changed his strategy and tried to participate in the ASEAN Summit (*Nikkei Shimbun*, January 25, 1976). Japan's desire became particularly strong once it gave up on sustaining MCEDSEA in 1976; it hoped instead to be invited to participate in the ASEAN Summit (Gordon 1977, 580). A trilateral foreign ministers' meeting of the Philippines, Singapore, and Thailand, on January 16 reached a decision to invite Miki (*Asahi Shimbun*, January 22, 1976). The Indonesian Foreign Minister, Adam Malik, however, refused the Japanese request (*Reuter*, January 26, 1976). At the ASEAN Ministers' Meeting on February 10, 1976, possible Japanese participation was discussed. Indonesia rejected the idea, while others were in favor of it (*Asahi Shimbun*, February 10, 1976). Indonesia emphasized maintaining "distance" between Japan and ASEAN by refusing to invite Miki (Funabashi 1995, 344).

Just before assuming the Prime Minister office, in November 1978, Ōhira Masayoshi expressed his interest in hosting Pan-Pacific foreign ministers' meetings before the planned 1979 G7 Summit (*Sankei Shimbun*, 22 October 1978). However, he was unable to mention his plan in his first administrative policy speech in January 1979, due to the opposition of MOFA, according to Nagatomi who was a former Ministry of Finance (MOF) official and a close aide to Ōhira (Nagatomi 1994). MOFA held the view that Ōhira's idea of inclusive regional cooperation could be harmful to Japan-ASEAN relations. Ōhira organized the Pacific Cooperation Study Group and requested scholars to flesh out his idea. Eventually, a non-governmental scholarly organization, the Pacific Economic Cooperation Council (PECC), was established in 1980, but no formal institution such as a regional foreign ministers' meeting was organized, due to MOFA's lack of support.

Australian Prime Minister Paul Keating proposed the APEC Summit. He consulted with US President George H. W. Bush about the idea in early 1992, and Bush showed interest in Keating's proposal. In April 1992, Keating sent out a letter, in which the idea of the APEC Summit was explained to APEC leaders. While he received positive replies from the others, Japan was reticent about the proposal (Funabashi 1995, 83). Keating urged Japanese Prime Minister Miyazawa Kiichi to support the APEC Summit when he visited Japan in May 1993, but Miyazawa did not agree with him. A senior US official also recalled that Japan was reluctant to accept the APEC Summit because it was US-led project (*ibid*, 287). The first APEC Summit was hosted by the US in November of the same year in Seattle.

Table 2 summarizes the membership politics of overarching regionalism. First, there are five cases excluding the US, and Japan proposed or supported all of them. Second, there are two cases including the US. One was proposed by Australia, which Japan was reluctant to support, while the other was floated by the Japanese prime minister but MOFA did not support it. Third, there are four cases excluding Japan led by Indonesia or Philippines; Japan attempted to join (three cases) or made a counterproposal (one case).

Table 2: Membership Politics of Overarching Regionalism

Southeast Asia	ASA (Japan tried to join w/o success; Philippines rejected) MAPHILINDO Summit (Japan made a counter proposal) ASEAN (Japan tried to join w/o success; Indonesia rejected) ASEAN Summit (Japan tried to join w/o success; Indonesia rejected)
East Asia	West Pacific Summit (Japan proposed) MCEDSEA (Japan proposed) ASPAC (Korea established; Japan supported after de-securitization) Akiyama proposal (Japan unofficially proposed) Asian Summit (Japan proposed)
Asia Pacific	Pacific Basin Plan (Ōhira proposed; MOFA was reluctant) APEC Summit (Australia proposed; Japan was reluctant)

5.2. Financial Regionalism

Prime Minister Kishi Nobusuke shared his idea of establishing the Asian Development Fund (ADF) with US President Dwight D. Eisenhower in June 1957 in Washington. A committee chaired by Kenneth Young examined Kishi's proposal and concluded in September that the US should not support the ADF. This is interesting because the idea of establishing a framework for Asian economic development originally came from the US government (Kaufman 1982, 161). The US rejected Kishi's proposal because it relied heavily on American financing while retaining essentially Japanese arrangements, and it did not give the US much of a direct management voice (Huang 1975, 18). The ADF included the US as a non-regional member, and Japan, as a regional member, was expected to lead the institution. Kishi himself admits that Japan sought to establish the ADF for the sake of status and prestige and to show that Japan is the center of Asia (Kishi 1983).

At ECAFE in 1963, the idea of establishing a regional development bank was floated by Thailand, and Japan supported the idea. A group of international experts led by Watanabe Takeshi (an ex-MOF official) carefully designed the bank so that it would not be dominated by the US, but instead enhance Japan's international status (Watanabe 1973). While the MOF planned to include the US as a non-regional member with a Vice President position to secure its contribution, MOFA did not like the idea of offering a Vice President position to the US.¹³ A consultative committee among nine Asian states in June 1965 agreed to include the US as a non-regional member (Huang 1975, 72). Many non-Asian states, including the US, were unhappy about the arrangement in which non-regional members had a limited voice despite their large financial contribution (Huang 1975, 85), but the US pledged a contribution to the ADB, expecting that its support of the ADB could mitigate anti-US sentiment in Asia caused by the Vietnam War (White 1970, 44).¹⁴

The Asia Pacific Banking Conference (APBC) is an Asian version of the International Monetary Conference (Fujioka 1981). Although the members of APBC are private bankers, it is not a purely private body. Fujioka Masao, a former Director General of MOF, was the founding father and had influence over the direction of the institution. The first APBC gathering was held in Tokyo in April 1981. Its membership was limited to bankers from ten

¹³ Diplomatic Record Office of Japan, Document B'0148, "ADB nikansuru Shomondaiten to Wakahou no Taiou" [*Some Problems about ADB and Policy Directions to them*].

¹⁴ Before the Vietnam War was escalated, the US was also unenthusiastic about membership in the ADB. Even in March 1965, the US government did not intend to join the ADB (Rostow 1986, 8; Black 1969, 97).

Asia Pacific economies.¹⁵ Japanese policymakers shared the view that the non-inclusion of American banks was a distinctive feature of the APBC (Fujioka 1981, 246). In fact, the APBC rejected all membership requests from non-regional banks, including Hawaiian banks (ibid, 246).

In 1991, Bank of Japan (BOJ) established the Executives' Meeting of East Asia-Pacific Central Banks (EMEAP) as a confidential deputy-level meeting, with eight other members.¹⁶ The BOJ was successful in creating an "exclusive" club because it is little known to the public and has maintained a low profile (Werner 2003; Hook et al. 2002). In July 1996, the first Governors' meeting was held in Tokyo. After this upgrade, the US Federal Reserve Board (FRB) may have suddenly become aware of EMEAP's existence, and decided to request membership, according to a former BOJ official (Oritani 1997). The FRB tried to use Treasury Bill repossession arrangements among EMEAP members to negotiate its EMEAP membership without success (Yokoi-Arai 2002, 218).

In 1992, the Four Markets Group first met under the initiative of the MOF. The then-Vice Finance Minister, Chino Tadao, believed that Asia should have its own voice in the international financial community, rather than merely following the US (*Australian Financial Review*, February 26, 1997). The four members were Japan, Hong Kong, Singapore, and Australia. The purpose of the group was to strengthen relationships among regional financial authorities and to exchange market information, particularly in regard to the foreign exchange market.

In March 1997, the Four Markets Group was upgraded to the Six Markets Group, with the addition of US and Chinese membership. It is said that this upgrade was organized by the US (Ostly 1997). The US "heard" of the existence of the Four Markets Group and joined the group (Katō et al. 2002). The US did not consider the group useful, unlike APEC, but decided to join because it did not want to be excluded from regional financial cooperation (*Korean Economic Review*, March 13, 1997). The MOF lost interest in the expanded group and revived the Four Markets Group in September 1999, successfully excluding the US and China (*Nikkei Shimbun*, August 22, 1999).

The US proposed the establishment of the APEC Finance Process at the first APEC Summit in 1993 in Seattle. The first APEC Finance Ministers' Meeting was held in Honolulu in March 1994, with an understanding among concerned parties that it was to be a one-time event. While APEC's Asian members, including Japan, were reluctant to annualize it, US officials unofficially expressed the view that regularly hosting the APEC Finance Ministers' Meetings was desirable (*Financial Times*, March 21, 1994).

Soon after the establishment of APEC Finance Ministers' Meetings, the MOF founded the Japan-ASEAN Finance Process. The first Japan-ASEAN Finance Ministers' Meeting was held in October 1994 (Funabashi 1995, 214). It is important to note that the Japan-ASEAN Finance Ministers' Meetings were an initiative of Japan, unlike other Japan-ASEAN processes led by ASEAN (Funabashi 1995, 214). The MOF was more interested in strengthening ties with counterparts in ASEAN states without involvement of non-regional powers than in supporting an APEC Finance Process led by the US (Funabashi 1995, 214).

¹⁵ Japan, South Korea, Hong Kong, the Philippines, Singapore, Malaysia, Thailand, Indonesia, Australia, and New Zealand (*Nihon Kinyū Tsūshin*, January 26, 1981).

¹⁶ South Korea, Indonesia, Malaysia, Singapore, Philippines, Thailand, Australia, and New Zealand.

MOF officials had the idea of establishing the Asian Monetary Fund (AMF) since 1995 (Kuroda 2004, 98). During the Asian financial crisis, Tokyo hosted the Thai rescue meeting in August 1997, and many Asian states decided to contribute, but the US refused to do so. The MOF planned to establish the AMF with only contributors to the Thai rescue package, excluding the US (Sakakibara 2000). In September, Japan sent out invitations to discuss the AMF to all prospective members; the US was not included in the recipient list. However, eventually, the US joined the meeting and blocked the establishment of the AMF (Rapkin 2001). It should be noted that the US opposed the creation of the AMF, not the creation of a regional monetary fund *per se*. Bergsten (1998) clearly argues for the usefulness of an Asia-Pacific Monetary Fund that would include the US. Sakakibara (2000) admits that the US rejected AMF because its creation would have increased the status of Japan but harmed the hegemonic status of the US.

Faced with the Japanese proposal on the AMF, US Treasury Secretary Timothy Geithner, prepared an internal report in which he argued that some arrangement is necessary to avoid the creation of an Asian-only group (Blustein 2001, 168). At the meeting in Hong Kong in September 1997 where the US persuaded Asian nations not to pursue the AMF, the US made a counterproposal to establish the Manilla Framework Group (MFG).¹⁷ This reflected the US intention to thwart the idea of an Asian-only group led by Japan. MOFA officials felt that the intent of the MFG proposal was to block the creation of the AMF (Kuroda 2004, 104).

At the second ASEAN+3 Summit in December 1998, China proposed to establish the ASEAN+3 Financial Process, and Japan supported it (*Asahi Shimbun*, December 17, 1998). At the third ASEAN+3 Summit in November 1999, China proposed to regularize the ASEAN+3 Finance Ministers' Meetings and Japan supported this proposal. Sakakibara et al. (2001, 16) argues that the value of ASEAN+3 is the exclusion of the US, unlike APEC. Under Japanese leadership, financial cooperation called the "Chiang Mai Initiative" (CMI), a web of swap agreements among regional financial authorities, was agreed upon at the second ASEAN+3 Finance Ministers' Meeting, held in May 2000. The US disagreed with the "independent" CMI led by Japan and insisted that CMI disbursements should be linked with IMF conditionality.

Table 3 summarizes the membership politics of financial regionalism. First, there are eight cases excluding the US; Japan proposed or supported all of them. Note, however that two of the cases proposed/supported by Japan (ADF and ADB) have interesting institutional features, namely that they included the US as an external financial contributor but excluded it from regional membership (for further discussion, see Section 6.2). Second, there are three cases including the US. One of them was proposed by the US, which Japan was reluctant to support. The other two cases originally started as an Asia-only group, but later included the US, which lead to Japan's abandonment of the initiatives (Six Markets Group and MFG).

¹⁷ Japan, China, Hong Kong, South Korea, Indonesia, Malaysia, Singapore, Brunei, Philippines, Thailand, Australia, New Zealand, the US and Canada.

Table 3: Membership Politics of Financial Regionalism

Southeast Asia	NA
East Asia	ADF (Japan proposed) ADB (ECAFE proposed; Japan supported) APBC (Japan proposed) EMEAP (Japan proposed; the US tried to join w/o success) Four Markets Group (Japan proposed; the US counter-proposed Six Markets Group) Japan-ASEAN Finance process (Japan proposed) AMF (Japan proposed; the US counter-proposed MFG) ASEAN+3 FMM (China proposed; Japan supported)
Asia-Pacific	APEC Finance process (the US proposed; Japan was reluctant) Six Markets Group (the US refurbished; Japan was reluctant) MFG (the US proposed; Japan was reluctant)

5.3. Trade Regionalism

At the 1957 ECAFE session, Japan proposed the creation of the Intra-Regional Trade Promotion Talk of Economic Committee for Asia and the Far East of the United Nations (IRTPT), where experts from ECAFE's regional members¹⁸ could exchange views on trade cooperation. The purpose was to exclude non-regional members of ECAFE (Huang 1975, 27). Japan made this proposal mainly based on political considerations, because its idea stemmed from the United Nations Bureau of MOFA, whereas the Ministry of International Trade and Industry (MITI) was concerned more about the possible economic costs of IRTPT (Wightman 1963, 254). At the 1958 ECAFE session, the US expressed its "considerable doubts" as to the utility of IRTPT because of its exclusionary character (ECAFE 1958, 114). Japan pushed through the proposal, taking advantage of the Lahore Agreement adopted in 1952, which is a "gentlemen's agreement" that non-regional members should abstain from remarks on cooperation among regional members (Wightman 1963, 254).

In 1961, ECAFE recommended the establishment of the Organization for Asian Economic Co-operation (OAEC) among regional members of ECAFE (Singh 1966, 159). The US questioned ECAFE's wisdom in excluding non-regional members (Singh 1966, 160). At a US-Japan senior officials meeting in 1962, the American representative insisted that the OAEC could be viewed as exclusionary, but MOFA officials countered that an OAEC launched by Asian nations could accept new members in the future.¹⁹ Japanese policymakers' views on OAEC were "hopelessly divided" (Singh 1966, 160; Korhonen 1994, 122). A report by the British Embassy in Tokyo argued that the OAEC may be intriguing for Japan from a political perspective because Japan is treated as a senior partner of developing Asia, but the cost of supporting Asian development was too burdensome to the Japanese economy.²⁰ MOFA was supportive of the OAEC, but the Ministry of Agriculture, Forestry and Fisheries (MAFF) strongly opposed it because of negative impacts on the Japanese agricultural sector (*Nikkei Shimbun*, February 7, 1962). The Ikeda Administration eventually decided not to support the establishment of the OAEC.

¹⁸ Non-regional members of ECAFE in 1957 were: the US, the UK, France, the Netherlands, the USSR, Australia and New Zealand (Singh, 1966, 44).

¹⁹ Diplomatic Record Office of Japan, Special Information No 344 at Economic Bureau of MOFA, 1962.

²⁰ British Embassy in Tokyo, Confidential: from Tokyo to Foreign Office (February 7, 1962), London, British Foreign Office, British Public Record Office, Microfilm FO371/158504 (page178).

In 1966, Foreign Minister Miki Takeo advocated the Asia-Pacific Sphere policy and instructed MOFA officials to examine possible policy options (*Yomiuri Shimbun*, December 22, 1966). MOFA suggested that it would be ideal to create a Japan-Southeast Asia Preferential Trade Agreement (PTA) among Japan, Southeast Asia, Taiwan, and South Korea (*Nikkei Shimbun*, March 27, 1967). When Miki sounded the idea at the MCEDSEA meeting in April 1967, Southeast Asian counterparts strongly supported the creation of the PTA (*Mainichi Shimbun*, April 30, 1967). However, the idea faded away in Japan, partly because other ministries disagreed. A *Nikkei* editorial pointed out that the provision of preferential treatment to Southeast Asian products was difficult, due to the possible damage to small and medium-sized enterprises in Japan (*Nikkei Shimbun*, March 27, 1967).

After the failure of the PTA, Miki realized the limited capacity of Japan to solve development problems in Asia. Then, the idea of cooperation among developed Pacific states such as the Pacific Free Trade Agreement (PAFTA) gained momentum. The first Pacific Trade and Development Conference was held in 1968 to examine the feasibility of the PAFTA among Japan, the US, Canada, Australia, and New Zealand, which was originally put forward by Professor Kojima Kiyoshi. The participants from the five prospective members reached a consensus that the formation of PAFTA was premature (Cooper 1968). MOFA officials also held a negative view on PAFTA because they thought the inclusion of the US in trade cooperation would lead to an increase in US influence in the region (Katō 1967, 11).

In November 1975, Prime Minister Miki launched the idea of establishing an Asian version of the Lomé Convention,²¹ under which Japan provides preferential tariffs to primary products from Southeast Asia (Nakamura 1981, 131). According to Nakamura Keiichirō, who was a secretary to Miki, MOFA was very supportive of the Asian Lomé proposal, though other ministries were reluctant (ibid, 134). The ASEAN Economic Ministers' Meeting in June 1977 requested the creation of the Asian Lomé Convention and decided to send joint delegations to Japan to discuss the issue before the Japan-ASEAN Summit planned in August 1977 (*Nikkei Shimbun*, June 30, 1977). However, the Japanese government decided not to pursue an Asian Lomé Convention because it would damage Japan's domestic industries and agriculture sector (*Nikkei Shimbun*, July 8, 1977). Japan informed the ASEAN joint delegates on 17 July that Japan disagreed with the formation of an Asian Lomé Convention (*Asahi Shimbun*, July 17, 1977).

In 1988, MITI had the idea of organizing a ministerial meeting among Asia-Pacific economies, including the US, to secure the US economic presence in Asia and ensure that the US would continue importing Asian products (Funabashi 1995, 142). MITI suggested that Australia, however, should take the lead (Funabashi 1995, 61). In January 1989, Australian Prime Minister Bob Hawke proposed to establish APEC (Hawke 1989, 6) and listed ten prospective members, excluding the US.²² James Baker III, then the US Secretary of State, also recalls the Hawke proposal did not include the US (Baker 1995, 609). MITI disagreed with the exclusion of the US and sent officials to Southeast Asia to lobby for US membership (Hatakeyama 1996, 146). In March 1989, Vice Trade Minister Muraoka visited Southeast Asia to persuade counterparts that US membership was essential (Terada 1999, 45). However, during Muraoka's visit, MOFA quietly instructed its diplomats in Asian capitals to lobby against the MITI idea, partly because it questioned MITI's emphasis on the importance of US membership (Funabashi 1995, 61). APEC with the US was eventually

²¹ The Lomé Convention was a trade agreement signed in 1975 by European countries and their former colonies.

²² Australia, Japan, New Zealand, South Korea and the then-ASEAN 6 (Ravenhill 1998, 154).

launched in November 1989.

Mahathir bin Mohamad firstly publicized his idea for an East Asian Economic Caucus (EAEC) in December 1990. The prospective members were Japan, the ASEAN states, China, Taiwan, Hong Kong, and Vietnam (Hook, 1996, 194). Japan's reactions to EAEC were complex. Michael Armacost, then the US Ambassador to Japan, observed that Japan economically preferred strong ties with the US, not a regional bloc, but the offer of leadership in an Asian regional arrangement exerted an undeniable attraction for many Japanese (Armacost 1996, 154). MOFA officials were often inclined to support the EAEC (Funabashi 1995, 208). Southeast Asian Division of MOFA considered EAEC useful because its rival, APEC, could undermine Japan's special relationships with ASEAN (Hook et al. 2001, 190). In contrast, Nakao Eiichi, the MITI Minister expressed strong concerns about EAEC on the grounds that it excluded the US (*Nikkei Shimbun*, May 5, 1991). The Miyazawa Administration eventually decided that Japan would support EAEC only if it were created as a sub-group within APEC (*Nikkei Shimbun*, November 25, 1991). US Secretary of State James Baker III opposed EAEC once he became aware of it and did his best to nullify the proposal (Baker 1995, 610).

Table 4 summarizes the membership politics of trade regionalism. Trade policies often involve many ministries that have different attitudes toward membership politics. Among them, the preference of MOFA is the clearest. First, there are five cases of trade regionalism excluding the US. MOFA proposed or supported all of them, while other ministries were against them. Second, there are two cases of trade regionalism including the US and MOFA was unsupportive of both. In the case of APEC, MITI took steps to include the US.

Table 4: Membership Politics of Trade Regionalism

Southeast Asia	NA
East Asia	IRTPT (MOFA proposed; other ministries cautious) OAEC (ECAFÉ proposed; MOFA supported; MAFF rejected) Japan-SEA PTA (MOFA proposed; MAFF rejected) Asian Lomé (Miki proposed; MOFA supported; others rejected) EAEC (Malaysia proposed; MOFA supported; MITI opposed)
Asia-Pacific	PAFTA (Kojima proposed; MOFA did not support) APEC (Australia proposed; MITI insisted upon US membership; MOFA was curious)

6. Discussions

Using the data presented in Section 5, this section first examines the hypothesis outlined in Section 3. We then look into the problems associated with the differences across issue areas to refine the proposed theory.

6.1 Exclusionary Aspect of Regionalism

Macro perspective. The 29 cases reveal the membership preference of Japan in a fairly clear manner. Table 5 summarizes the findings in terms of the state that proposed the projects. In the case of overarching and financial regionalism, Japanese proposals on regionalism seldom included the US. When Indonesia or the Philippines pursued overarching regionalism excluding Japan, Japan always tried to join or made a counterproposal on regionalism that included itself. When other states proposed overarching or financial regionalism including Japan, Japan (or at least MOFA) supported the proposal with the understanding that the US would not be included or its influence would be diminished. When other states proposed overarching or financial regionalism including both Japan and the US, Japan was usually unresponsive. In the case of trade regionalism, Japan's preference is unclear. While it seems MOFA generally preferred membership without the US, other ministries were skeptical and unresponsive of trade regionalism irrespective of membership configurations (Section 6.2).

Table 5: Revealed Membership Preference of Japan (29 cases)

	Proposed by Japan (14 cases)	Proposed by others (15 cases)
Overarching Regionalism (11 cases)	In total: 5 cases 0 case: Southeast Asia 4 cases: East Asia (WPS, MCEDESA, Akiyama, Asian Summit) 1 case: Asia Pacific (Pacific Basin Plan) - Ōhira proposed; MOFA was reluctant	In total: 6 cases 4 cases: Southeast Asia (ASA, MAPHILINDO, ASEAN, ASEAN Summit) - 3 cases: Japan tried to join (except MAPHILINDO) - 1 case: Japan made a counter-proposal (MAPHILINDO) 1 case: East Asia (ASPAC) - Japan supported 1 cases: Asia Pacific (APEC Summit) - Japan was reluctant
Financial Regionalism (11 cases)	In total: 6 cases 0 case: Southeast Asia 6 cases: East Asia (ADF, APBC, EMEAP, Four Markets, Japan-ASEAN Finance, AMF) 0 case: Asia Pacific	In total: 5 cases 0 case: Southeast Asia 2 cases: East Asia (ADB, ASEAN+3 Finance) - Japan supported all 3 cases: Asia Pacific (APEC Finance, Six Markets, MFG) - Japan was reluctant to all
Trade Regionalism (7 cases)	In total: 3 cases 0 case: Southeast Asia 2 cases: East Asia (IRTPT, Japan-SEA PTA) 1 case: Asia Pacific (PAFTA) - Kojima proposed; MOFA was reluctant	In total: 4 cases 0 case: Southeast Asia 3 cases: East Asia (OAEC, Asian Lomé, EAEC) - MOFA supported all 1 case: Asia-Pacific (APEC) - MITI insisted upon US inclusion; MOFA was curious to MITI's position

Micro perspective. In the case of overarching regionalism, excluded parties' insights into the exclusivity aspects of regionalism are often documented in diplomatic archives. The US archives touch upon Japan's exclusionary attitude toward the West Pacific Summit (footnote 9). Australian archives also discuss Japanese preference for regional cooperation excluding the US such as ASPAC and the Akiyama proposal (footnote 13 and 14). In the case of financial regionalism, memoirs and policy essays written in Japanese by finance officials often mention their intention and effort to exclude the US from regional cooperation. These include: Watanabe (1973) on the ADB; Fujioka (1981) on the APBC; Kato (1967) on the Four Markets Group; Oritani (1997) on EMEAP; Sakakibara (2000) and Kuroda (2004) on

the AMF; and Sakakibara (2001) on ASEAN+3 Finance Ministers' Meetings. In the case of trade regionalism, efforts to exclude the US conducted by one ministry (typically MOFA), while not necessarily hidden, became less evident because Japan's overall position was often unclear because of disagreement among ministries (Section 6.2).

Middle perspective. Japan's policies had significant interactions with policies conducted by the US and Indonesia. Regionalism pursued by Japan was challenged by both "larger" regionalism led by the US and "smaller" regionalism led by Indonesia.

The interactions between the regionalism policies of Japan and the US were significant for overarching and financial regionalism, but not for trade regionalism. This is partly because Japan's pursuit of Asia-only trade regionalism was not strong (Section 6.2). In particular, in the field of finance where there were many projects, the interactions between the US and Japan through a series of regionalism projects clearly illustrate Japan's strong preference for excluding the US.

- The MOF established the Four Markets Group without the US, but the US requested membership and it was converted to Six Markets Group. Then, the MOF abandoned the group and tried to establish the AMF without the US.
- Once the Japanese proposal on AMF without the US was blocked by the US and the plan was converted into the establishment of MFG led by the US, MOF kept their distance from the new proposal and instead supported an ASEAN+3 process without the US.
- The APEC Finance Process led by the US and the Japan-ASEAN Finance Process led by Japan were launched in the same year.

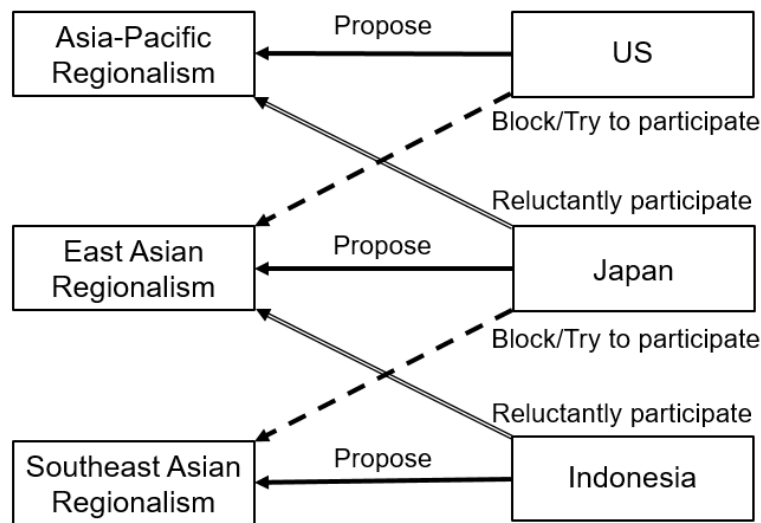
The interactions between Japan and Indonesia (as well as the Philippines) were strong only for overarching regionalism, but not for issue-specific economic regionalism (Section 6.2). The interactions between the two countries, through a series of overarching regionalism projects, clearly illustrate that Indonesia preferred the exclusion of Japan, as summarized below.

- Soon after the MAPHILINDO Summit was held in Manila, Japan tried to host the West Pacific Summit, but the Philippines rejected Japan's plan.
- Japan tried to participate in ASEAN without success due to the opposition from Indonesia, and tried to utilize MCEDSEA, rather than ASEAN, to promote economic development in Southeast Asia. Indonesia did not support MCEDSEA.
- Once the continuation of MCEDSEA became unlikely partly because of Indonesia's reluctance, Japan tried to establish the Asian Summit without success partly because of the ASEAN Summit planned by Indonesia. Then, Japan tried to join ASEAN Summit without success because of Indonesia's opposition.

Based on the analyses by the three strategies above, regionalism policies of concerned states can be summarized as follows (Figure 1). First, Japan preferred regionalism excluding the US, especially for overarching and financial regionalism. Japanese proposals on regionalism seldom included the US. When others proposed regionalism projects including Japan, Japan supported them, provided that they excluded the US. When others proposed regionalism

projects excluding Japan, Japan tried to join or made a counterproposal on regionalism including itself. Second, the US only sometimes proposed regionalism including itself, because there is no need for the US to exclude more powerful states to become a leader in a small regional group. However, when other states (e.g., Japan) proposed regionalism excluding the US, the US tried to join or made a counterproposal on regionalism including itself. Third, Indonesia often proposed regionalism excluding Japan. When Japan tried to join, Indonesia always refused such requests. When Japan counter-proposed regionalism including Japan, Indonesia did not support it or only reluctantly participated in it.

Figure 1: Interactions of Policies on Regionalism



Note: Regions are roughly classified, in terms of inclusion/exclusion of the US and Japan. Southeast Asia includes neither Japan nor the US. East Asia includes Japan, but not the US. Asia Pacific includes the US, Japan and Southeast Asian states.

6.2. Difference across Issue Areas

Finally, we should consider differences across issue areas. The attitude toward regionalism differs across Japanese ministries, depending on their regulatory jurisdictions. This type of difference was most visible in Japan's involvement in trade regionalism. In many cases, the overall Japanese position on regionalism became unclear because different ministries had different views. In almost all cases of trade regionalism, diplomats, scholars, and reporters often point out that there are mixed views on trade regionalism within Japan. In general, MOFA tended to support regionalism without the US, while other ministries were often cautious toward Asia-only trade cooperation.

The cost of the leading position seems to explain different attitudes to trade regionalism among Japanese ministries to a certain degree. We should not minimize the role of the notorious ministerial rivalries in Japan in regard to these disagreements. Each ministry's preferred membership showed stable patterns and it can be argued that the distinctive standpoint of each ministry is the source of disagreement. MOFA usually preferred trade regionalism without the US. Many diplomats and scholars agree that MOFA was attracted to

Asia-only trade regionalism because of the status boost of leading a group (Wightman 1963 for IRTPT; Singh 1966 and Korhonen 1994 for OAEC; Armacost 1996 for EAEC). At the same time, the cost of holding the leading position in trade regionalism may also be very high for Japan. MAFF and MITI responsible for agriculture and industry, respectively, often resulted in their opposition to Asia-only trade regionalism. Further, MITI sometimes preferred trade regionalism including the US, with the expectation that a leading role for the US will result in its continued importation of Asian products. In short, the conflicting ministry positions show that trade regionalism excluding the US is politically attractive, but economically costly for Japan.

In short, the leading position in overarching regionalism such as regional summits entails significant status and little economic costs. However, the leading position in economic regionalism entail both significant status and significant economic costs. Hence, countries like Indonesia that had limited economic capacity pursued overarching regionalism in an exclusionary manner but not economic regionalism. Even countries with relatively large economic capacity like Japan tended to have ambiguous attitude toward holding the leading position in economic/trade regionalism because some ministries consider the economic costs as being a more important consideration than status. Therefore, there is one important reservation with regard to the hypothesis: A state pursues regionalism that excludes more powerful states that would deprive it of the leading position, *unless the economic cost of holding the leading position is prohibitive.*

7. Conclusion

The concept of exclusionary regionalism provides us with new insights into regionalism, especially its exclusionary aspects. As our cases and analysis show, a state often pursues regionalism that excludes more powerful states that would deprive it of the leading position, for the sake of gaining the leading role, unless the economic cost of holding the leading position is prohibitive. The creation of a regional group is an effective way for a state to assume a leadership role because the membership of regionalism can be manipulated relatively easily.

This study examined the plausibility of the hypothesis by analyzing more than 30 cases of regionalism projects launched in Asia after World War II. With a relatively large number of cases, the membership preferences of concerned states were revealed in a fairly clear manner. We also found some support for deliberate efforts to exclude rivals from regionalism in archives and memoirs. These alternative narratives clearly show that Japan pursued regionalism excluding the US and that Indonesia pursued regionalism excluding Japan.

While we confirm that regionalism is often exclusionary because states value the status of the leading position, there is no doubt that the leading position sometimes entails large economic costs. For example, although Indonesia was keen to develop overarching regionalism such as ASEAN that excluded Japan, it did not have a strong interest in leading exclusionary regionalism in the economic field because the costs of leading financial and trade cooperation were prohibitive for Indonesia. Japan was interested in leading overarching and financial regionalism in an exclusionary manner, but its attitude toward trade regionalism was unclear, with MOFA preferring Asia-only trade cooperation for the sake of status and other ministries showing more skepticism and opposition due to the large cost of leading a trade group in Asia, including the burden of importing Southeast Asian

agricultural and light industrial products.

Does the proposed hypothesis also explain regionalism other than groupings led by Japan? First, it seems that China is currently pursuing a large number of projects on regionalism that exclude the US (Table 1), as predicted by the hypothesis. Note that China was not a supporter of Asia-only groupings, such as AMF, before 2000 when Japan was dominant. However, once it overtook Japan, China started to pursue exclusionary regionalism. China objected to the US participation in the East Asia Summit. China also excluded the US when establishing the Asian Infrastructure Investment Bank (He and Feng 2019). While its earlier attempt to establish an East Asia Free Trade Agreement (EAFTA) was not realized as originally proposed, China successfully led and concluded the negotiations for the Regional Comprehensive Economic Partnership (RCEP) without the US in 2020. Second, with the proposed hypothesis, European regionalism can be interpreted as a project employed mainly by France to exclude the US, and to a lesser extent, the UK. In her book entitled *The General Says No: Britain's Exclusion from Europe*, Nora Beloff argues that France pursued regionalism in an exclusionary manner to avoid American- or British-led cooperation for the sake of status (Beloff 1963, 15 and 41). It is true that European regionalism should be understood as integration as part of a wider community building, namely, the North Atlantic Community (Deutsch 1957). Nonetheless, cooperation in Europe and the North Atlantic sometimes involved competition, and France often chose the former (Asmus 2005).

It is worth recalling that this study does not argue that regionalism is always exclusionary. Instead, it argues that regionalism often involves both the logic of inclusion and exclusion and that the latter is worthy of close examination. Who is excluded, in addition to who is included, is an important perspective in understanding regionalism.

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