

## Third World in Japan-US relations

the North could disrupt efforts to alleviate the Third World plight.

As the pervasiveness of the trade dispute with the US is the biggest concern in Japan's foreign policy, some elements within the Ministry of Foreign Affairs have been quoted as suggesting that, by helping such internationally unpopular US policies as its pro-Israel and anti-Nicaragua ones, Japan would be able to smooth its relationship with the US dramatically. Such a view must have been expressed out of exasperation that no miracle cure was available for the trade issue. As for support for Israel, Japan's dependence on Middle East oil makes such a suggestion a farce, while the government does not want to be unpopular with Central and Latin American countries by supporting a high-handed US policy in the region, which constitutes a significant voting power at the UN.

### Japan's dependence on good will

This reveals one particular difference between Japan and the US: the US can afford to be unpopular in international relations, while Japan cannot. Thus Japan is caught in a dilemma whenever the US pressures Japan to support its unpopular policies. For example, in January 1984 President Reagan raised the issue of a Third World dominated and "politicized" UNESCO to Mr. Nakasone. Since then the US and Britain have been urging Japan to give notice of withdrawal from the UN agency. As the manifested "three pillars" of Japanese foreign policy are the US, the UN and Asia, being asked to choose between the US and the UN would be a source of distress for the Japanese government. This choice is made all the more difficult by Japan's increasing interest in becoming a permanent Member of the UN Security Council. For this goal Japan needs strong support from UN members, a majority of which are developing countries.

Japan has been seen by the Third World as the weakest champion of the North because of its heavy dependence on the Third World as market, source of raw materials and of foreign policy support. But the same vulnerability can equally be present in Japan's relationship with the US. The increasing tension between the US and the Third World places Japan in a "no win" situation. If Japan chooses one side it has to incur wrath or at least resentment from the discarded "camp." If it tries to please both of them, it would frustrate both.

### Trade as trade

The US is not the only party with which Japan has economic disputes. Trade imbalances in Japan's favor are plaguing developing countries as much as developed countries. The developing countries, however, suffer from US activities in this respect. Third World products are often in direct competition with US products for the Japanese market. So far Japanese trade liberalization has been largely beneficial to the US. For example, the tariff for US plywood has been reduced to 15 percent, while the Indonesian product must face a 20 percent tariff. In addition, Thailand considers it unfair that the tariff for its boneless chicken is higher than the rate for the American deboned kind.

There are some reasons for this differential treatment which is alienating many developing countries. The Japanese trade liberalization process is fragmented at levels of both policy formulation and implementation. That some Japanese bureaucracy practises a meticulous item-by-item and case-by-case approach to policy implementation is general. Thus developing countries' grievances about Japanese protectionism lose collective weight, and negotiations bog down into narrow technical haggling.

In order to break this barrier of technicality, exporting countries must resort to political pressure. The Japanese government, however, has well-known contacts with business interest groups. Such symbiotic relationships allow the government to "guide" the economy effectively. They make the government susceptible to pressure from interest groups. Therefore, when it comes to such controversial policies as trade liberalization, which would produce unequivocal losers, the political will to carry out the policy becomes fragmented. In some cases ministries, or branches, identify themselves with the business interests under their jurisdictions, and resist any policy harmful to their business constituents. Since trade liberalization has the potential to split the government badly, the advantage must be great in order for government to go ahead.

### Keeping the US happy

In this respect the US has an unparalleled advantage which is derived from the fact that the US is Japan's single largest export market. No other country can use the threat of protectionism more effectively than the US. Ironically the more the US trade deficit grows, the stronger the US bargaining position becomes. Naturally the US employs political leverage to press Japan to purchase goods from the US which may not be internationally competitive. A recent case includes coal, natural gas and oil, actions which created concern among Asian producers of such resources (and Canada as well as Australia, for that matter).

In addition, compared with the US, developing countries suffer from an information gap in dealing with Japan. It has been reported that, for example, ASEAN countries are in disarray in presenting their cases during trade negotiations with Japan, while the US is well prepared with many studies in order to nail down Japan in a trade dispute. A recent dispute over US lumber products resulted in the establishment of a joint committee with high level officials from the two countries to discuss a liberalization measure that would be acceptable for both the parties. No developing countries enjoy this kind of special communication channel.

If Japan yields to US pressure, and opens up certain markets for US products, a spinoff strikes developing country products competing in the same markets. In 1983, when the Japanese government revealed its "intention" to introduce liberalization for agricultural products from some developing countries, opposition was raised even within the government, which argued that it was unfair to sacrifice the Japanese agricultural sector once again, right after having done it for the US. In the face of this domestic opposition, the plan was "deboned" to the point of having little significance.