

# Japan's International Conflict and Decision-making : Perspectives from Thailand

*Prasert Chittiwatanapong\**

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\* Assoc. Professor Faculty of Political Science Thammasat University

# 1. Introduction

Japan in the postwar era has continuously pursued a national policy of rapid economic growth with emphasis on export expansion. This consensus within the ruling elite has led Japan into conflict with the countries into which her economy had aggressively advanced. Recently we witnessed Japan's international conflict with the United States that the term "trade war" became used in place of "trade deficit". In European countries, "Japan problem" has been widely talked about while "economic animal" was referred to among Southeast Asian intellectuals and mass media and we have seen several anti-Japanese movements in Thailand, Indonesia and other countries. Now international conflict constituted a serious issue for Japanese government and people together with several chronic domestic issues such as land, tax system, education and other problems. Japan certainly can not afford entertaining too many international conflicts with Asian countries, as one politician said, "Asia is our election constituency"<sup>1</sup>

Demands, pressures and protests from overseas passed into Japanese decision-making process for solution. Generally speaking, Japan has been quite successful in her overall dealings in the past. However there are ample reasons to believe that foreign pressures will be increased and intensified from different parts of the world and that Japanese decision - making might become overloaded if the leader at the top resorts to "nemawashi politics" waiting for consensus to emerge.

In this paper, we shall discuss about postwar Japanese international conflict and decision-making from the perspectives of an Asian country: Thailand. We shall discuss about the conflicts Japan had been facing and try to relate them to Japanese decision-making problem. It is hoped

that perspectives from Thailand will help contributing to the understanding of the seriousness and problems of Japanese foreign relations and foreign policy-making.

## 2. Japan's International Conflict with Thailand

Japan has almost no conflicting relations with Thailand in the security and military fields. Cultural conflicts do exist but they are of secondary importance to give rise to any organized protests. Over the past two decades, it was the economic issues that dominated the whole scene. To the Thai government, trade imbalance has been the most important issue for negotiation. To the Thai public, particularly the students, economic domination is the central issue. Japanese economic assistance with the tied conditions is another increasingly serious problem that we witnessed protests from Thai construction industry circles. Let us look at these three problems one by one and examine the protests, demands and frustrations of the Thai government and people.

### 2.1 Problem of Trade Imbalance

Trade imbalance is the single most important obstacle in Thai - Japanese relations. Thailand began to suffer trade deficit with Japan since the opening of our economy to Japanese and American economic expansions after the coup d'etat in 1958 by General Sarit Thanarat who strongly followed a policy of economic development with emphasis on infra - structure build - up. Both the problems of the volume of the deficit and the high ratio of trade deficit with Japan to Thailand's overall trade deficit became matters of concern to the Thai Government since late 1960's. In early 1970's the ratio became very high that reached 80.4% in 1972. From late 1970's until recently Thailand has imported twice as much as Japan did in our two - way trades.

### Thai Trade with Japan, 1955-1967

	Thai Export to Japan	Thai Import from Japan	Balance	Total Balance of Trade
1955	1,252	1,378	- 121	232
1956	593	1,257	- 664	59
1957	595	1,746	- 1,151	- 300
1958	486	1,890	- 1,404	- 1,641
1959	888	2,256	- 1,368	1,413
1960	1,530	2,463	- 933	896
1961	1,481	2,953	- 1,472	- 139
1962	1,352	3,357	- 2,005	- 1,807
1963	1,826	4,073	- 2,247	- 2,969
1964	2,673	4,704	- 2,031	- 1,850
1965	2,359	5,135	- 2,779	- 3,150
1966	2,930	6,572	- 3,642	- 4,479
1967	3,000	8,046	- 5,046	- 8,150

Unit: million baht

Thai government raised the issue to the attention of the Japanese government for the first time in 1967 when Prime Minister Eisaku Sato visited Bangkok. In the following year Thai Prime Minister Gen. Thanom Kittikachorn visited Japan, resulted in the Thanom - Sato joint communique which led to the establishment of a formal channel for trade negotiation : Thailand - Japan Joint Committee on trade. The first meeting of this channel was held in Bangkok during October 7 - 11, 1968 and until 1987 there were all together 12 meetings, held in Bangkok and Tokyo alternately, every year, theoretically.

The scene of the 12 meetings between MITI Minister and Thailand's Commerce Minister saw

the demands, requests and protests from the Thai side with abstract, uncommitted and passive responses from the Japanese side. "We shall continue our efforts to cooperate with your side as much as possible" was the usual answer to be expected. Very often, the Japanese delegation tried to explain several principles of free trade to the Thai delegation, that the government could not instruct the Japanese private sector to buy or not to buy any commodity from any country. Accusation of the closed nature of Japanese agricultural markets, was often expressed. Thai demands to set the target or ceiling of trade deficit each year was rejected by the so-called free trade principle. At the second meeting in Tokyo in 1969, both sides agreed to establish a private-level



meeting to discuss about the “targets” of Japanese import from Thailand each year and since then the meeting was held every year alternately in Bangkok and Tokyo. The Japanese delegation was led by Keidanren and the Thai delegative led by Thailand Chamber of Commerce.<sup>2</sup> This forum also proved to be insignificant in trade deficit solution. The targets set each year are taken by the Japanese side as the “intention” to import at that time of the year, not the promise or commitment.

Frustrated by the Japanese passive responses and realized more of the difficulty and the complexity of trade deficit problem, the Thai government, in June 1985, initiated a new channel of negotiation by publishing the so-called White Paper on the Restructuring of Thai - Japanese Economic Relations. This policy document covered every aspect of Thai - Japanese economic relations : trade, investment and economic assistance and told the Japanese government in advance about the demands in each aspect by issuing that document to the public. The most important things are the one-ness principle in negotiation with Japan and the so-called

comprehensive approach in dealing with the trade deficit problem. In December 1985 in Tokyo, the Thai delegation, comprised of representatives from the Minister of Commerce, Board of Investment, Department of Technical Cooperation, Ministry of Finance and all other related agencies, and headed by a Deputy - Minister of Foreign Affairs, started the first “White Paper negotiation”.<sup>3</sup> The success and failure of this channel is too early to evaluate. The impression is that the typical Japanese responses remained unchanged. The fate of this channel is being closely watched.

## 2.2 Problem of Economic Domination

While the trade deficit problem continued and became aggravated and the government failed to solve it, the students jumped in. To them, trade deficit was symbol of exploitation. They viewed Thai - Japanese economic relations in a more negative way which we may, from reading over their leaflets and placards, call it “economic domination”. Whether the domination really existed or not, we have seen a number of anti-Japanese movements in Thailand under the leadership of the students.

During the period of 13 years from 1972 to 1985, there were all together 5 times as seen below:-

1. The Japanese Goods Boycott Movement during November 20 - 30, 1972, led by the National Student Center of Thailand.
2. The Anti - Japanese Movement during the visit of Prime Minister Tanaka in January 1974, led by the National Student Center of Thailand.
3. The protest in front of the Residence of the Japanese Ambassador during Prime Minister Nakasone's visit in May 1983, by a group of Thammasat University students.
4. The Anti - Japanese Movement in December 1984 under the leadership of Thammasat University Student Organization.
5. The protest in January 1985 by the representatives of the National Student Federation of Thailand.

Besides these campaigns there were demonstration, protest and rallies by farmers, labor union and other occupation groups. Criticism against Japanese "economic domination" came from intellectuals, bureaucrats, members of parliament and expressed in various seminars and publications. The literature is too vast to present here.

Among these campaigns, the movement during November 20-30, 1972 was a large - scale demonstration that seriously sparked the anti-Japanese sentiment in Thailand. Japanese department stores were stormed by students. On November 30, 1972 same 2,000 students staged a rally in front of the Government House and demanded the Thanom Government to protect Thai economy from Japanese domination. About a year later when Prime Minister Tanaka visited Bangkok, the anti - Japanese sentiment exploded.

Tanaka's residence was surrounded by the students and Japanese goods were burnt. Ten years later, in 1984, another large - scale anti - Japanese movement occurred in Thammasat University. There were demonstrations in the streets passing through the Japanese department stores. Students distributed leaflets denouncing Japan as "economic animal" and Thailand as the "slave". Even though only about 300 students participated in the demonstration, but they came from 4 other different universities: Chulalongkorn, Mahidol, Ramkhamheng and King Mongkut Institute of Technology. They turned the Annual Traditional Football Game between Thammasat - Chulalongkorn into an anti - Japanese event.<sup>4</sup> According to the campaign leaders, the White Paper on the Restructuring of Thai - Japanese Economic Relations was a result of their campaign.

Admitting the fact that anti - Japanese movement happened in Indonesia and in several other Asian countries where Japanese aggressive economic advance was felt, we should not underestimate the existence of this international conflict. Criticism appeared in so many pieces of writings against Japanese economic domination. Recently, Thai student movement began losing its mass mobilization power and Japanese cultural exchange programs became increasingly effective in winning admirers of Japan and Japanese culture. In a political system where political organizations are not yet well institutionalized like Thailand, however, the issue of Japanese economic domination may easily get connected with domestic political frustrations. When the government fails, the students may claim the legitimacy to take actions.

### **2.3 Problem of Economic Assistances**

Out of good intention or business motive, Japanese foreign aid to Thailand has been under criticism as to the motives and the benefits of such cooperations. The criticism became emotional and intensified when Japan began to offer

grant aid in the cultural field during the last 3 years. Generally speaking, compare to trade deficit issue, Japanese official development assistances have less symbolic target for criticism. Government agencies that received aid projects are reluctant to make known the problems they encountered. As a result, criticism against Japanese ODA had not been concrete and did not lead to any organized demonstrations.

Japan International Cooperation Agency (JICA) is responsible for the implementation of the grant aid, technical cooperation and feasibility study. Technological cooperation had not been much criticized but was doubted of its usefulness

and impact. Grant aid is tie aid the bidding for both the consultant and construction firms are open only to Japanese nationals, not allowing Thai firms as main contractors. As a rule, the heads of the government agencies that were given the grant projects had no saying in the determination of the consultant and the construction firms. When comes to the detailed design of the building and equipments, the head of that government agency was entitled to give the final approval, but in reality, it was the consultant that determined the details of the equipments and materials. This tied condition gives rise to several criticisms. First, the construction cost was unnecessarily expensive and the Japanese construction firms resorted to



the “dango” practice or “junban” to take turns without actual competitive bidding. Second, the equipments in the building are unnecessarily shipped from Japan even though one can easily get the local - made ones in Thailand. Third, when comes to cultural projects, there were criticism that the building’s architectural styles do not reflect Thai architectural uniqueness as the names of the buildings suggest.

JICA is in charge of another category of foreign aid: the feasibility study. Upon being requested, JICA will consider dispatching a feasibility team to make a report about the prospect of such project, which usually leads further to the yen loan through OECF if it becomes feasible. That feasibility study firm often automatically becomes the consultant for that yen loan project. This firm is so important in giving opinions during the construction bidding. The feasibility study report, it was criticized, never goes to the hands of the Thai construction firms, and if so, the report contains only a small portion of information. To conclude, this kind of criticism against Japan seriously questions the sincerity of Japanese business group and the conspiracy between the business, bureaucrats and politicians.

Grant aid has also been a problem since there is difference in the perception of grant aid of the donor countries and the recipient countries. Japanese bureaucrats, particularly the Gaimusho officials in charge of JICA activities, view it as a present or gift. A high ranking bureaucrat in the Gaimusho expressed his disappointment that, “Thai people should appreciate our efforts. You don’t comment on the gift people offer you, do you?”<sup>5</sup> In Thai view, many people look at it as a compensation for our trade deficit and most intellectuals think that Japanese grant aid is not for a humanitarian purpose, but for the economic one.

Overseas Economic Cooperation Fund (OECF) is responsible for the implementation of yen loan. The construction bidding of OECF yen loan project is not criticized because it is general untie: open to general bidding competition. The engineering consulting service is LDC untie, that is Thailand and lower developing countries can compete with Japanese consulting firms in the bidding. In the large-scale projects Japanese consultant easily won in the bidding due to advantages in technology, capital, lower interest rate and other reasons. The consequence is, in the construction bidding which is general untie, Japanese construction firms enjoy advantages in information about the project. Problem occurred in the OECF yen loan project of Bangkok airport expansion in 1984-1985, when it was discovered that Japanese consultant intentionally made it unfavorable for Thai construction firms to compete, by specifying a particular type of elevator which is obtainable from Hitachi Company. When the Thai firms tried to obtain it, but somehow could not order that particular type of elevator, they were forced to become ineligible for the bidding competition. Thai Minister of Transportation in charge of the airport expansion project furiously protested the unfair practice at the level of engineering service and proposed that Thailand stop receiving Japanese foreign aid.

To these problems described above, Thai government has not been able to successfully negotiate with Japanese government. In the White Paper on the Restructuring of Thai-Japanese Economic Relations, issued in June 1985, Thai government demanded a revision of the engineering service condition in the OECF yen loan in order that Thai contractors could have more participation.<sup>6</sup> At the negotiation in Tokyo in December 1985, the Japanese government simply answered that they acknowledge the wish of Thai government. It seems that Thai government

discussed more and more about the negative effect of the problems but was not resolute in demanding the revision, particularly the grant aid's tied conditions. The strong demands came, however, from the Thai construction industry circles.

Criticism about Japanese tied aid was severely expressed by Thai private sector: the construction industry groups. In the July 1987 issue of the Thai Contractors Association, the **Khaochang**, we saw a head line that reads "Four Associations Joined Hands to Resist Foreign Nationals."<sup>7</sup> The article told us that on June 16, 1987, at the Royal Engineering Institute of Thailand, representatives from the Thai Contractors Association, the Consulting Engineer Association of Thailand, the Siam Architect Association, and the Royal Engineering Institute of Thailand, came to consult each other as how to resist foreign nationals' taking away of so many construction-related jobs. Their grievances were partly related to the ODA tied conditions and partly to the rapid "shinshut-su" of Japanese construction firms. They generally suffered from the coming on mass of Japanese construction firms after the era of "construction boom" in Japan was ended after the oil shock. When the construction markets in the Middle East decreased, these Japanese construction firms had no way to go but Southeast Asia.<sup>8</sup>

The first resistance campaign came from the Consulting Engineer Association of Thailand. They argued that the engineering consulting know-how is very basic to the development of Thai construction industry. So long as OECF yen loan's large-scale project blue-print is controlled by Japanese consulting firms, practically it is impossible to develop this technology in Thailand. Foreign aid, they contended, should not bloc the efforts in technology development and technology transfer. During May 21-24, 1987, at Pattaya,

near Bangkok, they sponsored a seminar on "To Develop Thai Consultants," the result of which was later presented to the Cabinet. On July 27, 1987 the Economic Cabinet passed a resolution in their favor that any Thai government agencies that receive loan projects must "give priority to the Thai consulting firms" (the so-called "lead firm principle") with the exception of the projects that require high technology beyond the capacity of Thai consulting engineers. The Cabinet Resolution also instructed the Finance Ministry, the Ministry of Foreign Affairs and the Department of Technological Cooperation (Thailand's JICA version) to negotiate with foreign countries to allow more participation from Thai consultants in both loan and grant projects.<sup>9</sup> It is expected that there will be objection from Japanese consulting engineer and construction associations whose pressures will be placed upon the bureaucrats through the politicians in the Liberal Democratic Party.

The heavy task of resistance campaign was fallen on the shoulders of the Contractors Association. They campaigned enthusiastically through media and directly to government channels. The real Thai contractors, in particular, faced a difficult problem of severe competition from the so-called Japanese-Thai joint ventures which, a majority of them, are actually Japanese nationals' construction firms that "borrow" the names of Thai politicians and bureaucrats, or retired bureaucrats. In late 1987, the Thai Contractors Association appealed to the Ministry of Foreign Affairs and was successful in placing this issue as an agenda for negotiation with the Japanese government under the frame work of the White Paper. A few months later they appealed to the Thai Chamber of Commerce in order to carry the issue into the consideration of the Government-Private Sector Consultative Meeting. Finally, on December 2, 1987, the Economic Committee of

the House of Representatives opened a special session for the hearing on this matter. It is obvious that Thai government, parliament and the industry world are now paying more attention to the grievances of Thai construction industry due to Japanese ODA and Japanese aggressive economic advance.

Members of the Siam Architect Association have watched the JICA cultural grant aid projects with dissatisfaction. They were unhappy to see the Cultural Center of Thailand Building, completed in early 1987, designed by Japanese architect and Thai traditional architectural beauty was not expressed inside and outside the buildings. Some architects called the main building the "elephant's house" rather than the cultural center. The dissatisfaction grew when the Ayuthaya History Study Center Project was to repeat the same thing again. Upon being invited to "comment" on the drawn blue-print, the Association was outraged and rejected to have any participation of this nature. In their views they should have the participation from the very beginning as to both the site of the project and the style of the building.<sup>10</sup>

Considering the fact that this is a sensitive project involving the location at former Japanese village in Ayuthaya and the research about the 417-year-Ayuthaya history, it is natural that Thai architects and Thai traditional architectural style, including the harmonious geographical-architectural relation between the building and the Ayuthaya city plan, should be Thai. The resistance against Japanese grant aid conditions became exceedingly sensational because the Japanese Prime Minister was scheduled to visit Ayuthaya and signed the Exchange of Notes. Prime Minister Nakasone was forced to cancel the trip to Ayuthaya on September 26, 1987. The Japanese Ambassador signed the Exchange of Notes quietly in a low profile in a hotel room in Bangkok. The

Siam Architect Association's protest received much press coverage and it became an anti-climax to the Centennial of Thai-Japanese Relation in the modern era. The Association did win a concession from the Japanese side by signing a memorandum at the Ministry of Foreign Affairs to have Thai-Japanese joint participation in the design work. We can expect that it will be difficult to change the grant aid tied conditions. Japanese construction industry will be against any revisions and their pressures are too strong for bureaucrats to initiate any proposals to accommodate Thai protest.

Japanese international conflict, as viewed from Thailand, is rooted in the economic competition among different business groups to capture overseas markets. From the 3 conflicts presented above, namely, trade imbalance, economic domination and foreign aid, together with the investment aspect, we can see the inter-related nature of the structure of economic expansionism. Domestic severe competition led to the competition in capturing foreign markets. Frustrations can be expected from the Thai side since Thailand is basically an agricultural country, lacks conducive factors to become a member of the NIC's, the urban-rural gap is very wide, and the political organizations like political party and parliament are not well institutionalized. The capacity to absorb foreign investment merits is relatively low. The new wave of Japanese investment in Thailand thus deserves very close watch since it may intensify the problems of trade imbalance and economic domination. It is worth examining, however, how we relate them to Japanese decision-making which is under-going several changes.

In the following topic, we shall discuss about changing Japanese decision-making pattern and its implication to conflict solution as viewed from Thailand: a developing country without



strong bargaining power. Compared to the United States, pressure from Thai government is very weak.

### 3. Japan's Decision - making

International conflict and decision-making are closely connected. This is particularly true in the case of Japan. Japanese decision-making has undergone some changes since the 1970's after the oil shock. We have seen the increasing influence of the Liberal Democratic Party and its parliamentary members. We also witnessed the increasing complexity of the decision-making.

Works by academicians told us several complex models, but to make it simple, let us assume here that there are three main models of decision-making in postwar Japan. The first model is the bureaucratic-led politics during 1945-1970's. The second model is what some

political scientists called "zoku politics" which emerged during late 1970's till the present. The third model might be labelled "Nakasone politics" seen during the Nakasone cabinet of 1982-1987.<sup>11</sup> In the first model, the bureaucrats were the main actor while LDP politicians were the nominal masters. Bureaucrats decided almost all important policies and passed their decisions to the Diet and the cabinet for approval, with little role played by the policy organ in the ruling party. LDP politicians were concerned about their constituency during the time when progressive wind swept over local politics and academic world. At the same time the organized business became more influential than in the prewar days but they were very much under the bureaucrats' guidance. As for the Prime Minister, he was more or less the chief co-ordinator or the consensus-maker.

In the second model, the LDP and its parliamentary members became influential in the policy-making. These politicians became experts in policy analysis that they could discuss policy matters with better data, analytical ability and policy alternatives. These influential policy masters were called "zoku" or tribesmen and they specialized in certain policy area, thus agricultural zoku, construction zoku, tax system zoku, defense zoku, diplomacy zoku, etc. The Policy Research Council within the party began assuming the actual role of policy making and increasingly became the center of policy-making in the country.<sup>12</sup> The bureaucrats started losing influence over the organized business too and their guidance were less effective. It is clear that nowadays the industrial world enjoys more autonomy in her relations with bureaucrats, and the politicians.<sup>13</sup> The third model is quite an unusual one that Mr. Nakasone demonstrated through his strong personality. He firmly pushed his own policy and the policy recommendations from advisory groups he appointed by directly appealed to the public through the extensive use of mass

media. This top-down nature of policy-making was a temporary one, disappeared when Mr. Nakosone stepped down from power in 1987. The pattern of decision-making in Japan today is, we may conclude, the zoku politics. But it will be an exaggeration if we go too far to call it politician-led politics.<sup>14</sup> Japan has a long way to go before she can develop American-type of political party and congressmen.

Looking at the changing pattern of policy-making in Japan as we just discussed, there are several tendencies that concern us Thai government and Thai people and other countries that have conflict with Japan.

**1. Producers' politics at the expense of the weakly organized consumers.** From our observation, Japanese politics responds more to the producers of agricultural, industrial and service goods (i.c. construction service). These strongly organized groups contribute political donations and votes to the politicians. They demanded in return protection of their interests, often at the expense of general consumers. They have succeeded in telling the nation that their interests are national interest. It is worried that this tendency might be accentuated with the rise of zoku politics. To be expected, together with their increasing confidence in the election, Japan's international conflict may be intensified and the solution may take very long.

**2. Weaker to U.S. pressures and U.S.-Japan conspiracy.** Generally speaking, the zoku parliamentarians will probably be protectionists who do their best in resisting against foreign pressures. In certain occasion, they will yield to those pressures that come very strong and postpone the answers to those that are weaker, according to the nature of interest group politics. Japan can not avoid meeting U.S. Trade Representative, but MITI stopped having the annual meeting with Thai Minister of Commerce for 5 years during



1979-1984 and again for 3 years from 1984 to 1987. When Thai Minister of Transportation criticized Japanese yen loan for the unfair consulting service to Thai contractors and expressed the opinion that Thailand should stop receiving Japanese foreign aid for a while, OECF official in Bangkok responded that now the Minister of Transportation should not request from us OECF yen loan. When criticized of the tied conditions of JICA grant aid, Japanese Foreign Ministry official started raising the idea of cutting grant aid to Thailand with a number of reasons in stead of getting ready to discuss about "how to give than what to give." Japan-U.S. conspiracy was seen in the case of maize import from Thailand. A few years ago, Japan decided to completely stop importing Thai maize with the reason, suggested by the American, that it was intoxicated with alfra-toxin. Japan also stopped importing palm oil from Malaysia with the reason, suggested by the American, that

it may cause cancer. Australian meat was also discriminated by American and Japanese conspiracy. It is expected that **nōring zoku** and **kensetsu zoku** politicians will pay no attention to developing countries in negotiation about agricultural market opening and untied foreign aid.<sup>15</sup>

Another distinctive change in Japanese decision-making is its increasing complexity. Japanese politics nowadays is not as simple as the postwar days when economic reconstruction, economic growth and Japan-U.S. relations are the consensuses with little foreign repercussions. To yield to one demand from a certain country will benefit certain groups and damage the others and similar demands will surely come from other countries, complicating further the sharing of domestic and international interest. For example, in reducing trade deficit with Thailand, Keidanren proposed the agricultural market opening measure, only to anger the agricultural groups. Keidanren also proposed the increase in ODA and the increase in the ratio of grant to total ODA to developing countries including Thailand, only to be rejected by the Ministry of Finance.<sup>16</sup> To co-ordinate the policy in order to accommodate conflicting interests at home and accommodate overseas demands, presents the Ministry of Foreign Affairs and the Prime Minister with overwhelming responsibility. In this context, official policy statement by the Japanese government should be carefully read between the lines.<sup>17</sup>

The Ministry of Foreign Affairs is in the battle front to feel the pressures against Japan in Washington D.C., Bangkok, Jarkarta and other capitals. The Japanese embassy officials must satisfactorily explain to the government and the people of the country they are stationed. It is natural that Gaimusho must protect and expand national interest, but at the same time, harmonious relations with international community is also

important. Otherwise the national interest will be jeopardized as seen in the anti-Japanese movements in Thailand and Indonesia in 1974. The task is very heavy indeed.

Gaimusho is weak in the sense that it has no supporting vested interest groups (*kitoku keneki*) similar to the Ministry of Agriculture, Ministry of Construction, MITI, etc. The Minister of Foreign Affairs will, if he becomes too cooperative with foreign pressures, find himself isolated in the cabinet and party meetings and unpopular during the election campaign. Despite these weaknesses, Gaimusho can be a useful instrument in solving international conflict, if Gaimusho officials are not too nationalistic.

First of all, Gaimusho officials can convince the other ministries, LDP officials and other cabinet members of the need to turn Japan into a nation with good image overseas. To do so, Gaimusho can work through 3 main channels. There are *gaiko-bukai* and *gaiko-chosakai* and other *tokubetsu iinkai* on foreign relations in the Liberal Democratic Party.<sup>18</sup> Second, the Chief Cabinet Secretary is very important in coordinating conflicting view points of different ministers at the cabinet meeting. Finally, the Prime Minister is the most important channel to work through in making the final decision. Gaimusho can convince the Prime Minister of the necessity to make Japan a respectable and honourable nation in the eyes of foreign leaders and foreign people at the time of his Summit meeting and overseas trips. The Ministry of Foreign Affairs himself is an important instrument in solving international conflicts. He can play useful roles if he comes from the very faction of the Prime Minister or if he is influential in party affairs. A man of little knowledge on foreign affairs but enjoys good term with the Prime Minister is better than a man vice versa. It may be true that Gaimusho's prestige

declined during the last two years of Nakasone government, but it is also true that Gaimusho was empowered to be in charge of COCOM export permission. After long fighting with MITI, Nakasone decided that the power to control COCOM export be given to Gaimusho.<sup>19</sup>

Without any doubts, the role of the Prime Minister in the decision-making process to solve international conflict is more and more expected given the increasing complexity and pluralistic nature of Japanese politics. He can not be a domestic-oriented leader paying little attention to surrounding international conflicts. He can not wait until the consensus emerges or likely to emerge then start thinking of the final decision. The village assembly chairman type is certainly out of date. He must have an international personality both in mentality and in appearance. He does not have to speak English fluently, but he does have to show his efforts in reducing tensions expected to increase in the coming decade. Prime Minister Takeshita's international conflict solution performance will be judged by his predecessor and the two men, one in charge of the party affairs and another one in the cabinet as deputy Prime Minister, and by us all.

#### 4. Conclusion

We have come a long way discussing about Japanese decision-making and Japan's international conflict. Compared to the prewar days, Japan now enjoys a far more open and democratic form of decision-making. All interest groups do participate in the decision-making process. The problem is, however, interest articulation and

interest aggregation in Japan are in favor of the producers at the expense of the 120 million consumers. By balancing **seisansha no seiji** with **shohisha no seiji**, Japan's international conflict may be fundamentally reduced and conflict solution will become easier to solve. The languages used in Japan's conflict solution with Thailand, the United States, EC, and other countries are the languages of the Japanese producers. The Maekawa Report, announced on April 7, 1986, for the first time officially changed the language and spoke about the consumption aspect of international conflict solution.<sup>20</sup>

To achieve the **shohisha no seiji** and the targets of the Maekawa Report, foreign government and people are advised to open more discussion forums with those groups outside the ruling elite.<sup>21</sup> Progressive politicians could be approached. Some opposition parties seem to understand better the problems of developing countries than the government party. Newspapers, televisions and other mass media are more than ready to present foreigners' view to the Japanese public. This campaign has to be a continuing one, preferably a year-round appeal. Intellectual and opinion leaders in Japan will be the most important group to have dialogue with. Their analysis and viewpoints have become more acceptable to the government than in the ideology-dominated era of 1960's. By joining forces with these segments of Japanese society, we may one day see Japan living more peacefully with foreign countries.

So long as Japanese decision-making remains as it is now, how can Asia be Japan's constituency?

## Footnotes

1. Mr. Kazuo Aichi, lecture on "Takeshita Politics," at a seminar organized by Japan Solidarity Committee for Asian Alumni, Tokyo, November 20, 1987.
2. Sueo Sudo, "The Politics of Thai-Japanese Trade Relations : A Study of Negotiation Behaviour," mimeograph, pp. 3-6.
3. See the English translation, *White Paper on the Restructuring of Economic Relations between Thailand and Japan*, June 1983.
4. For more details, see Prasert Chittiwatanapong, "Anti-Japanese Movement in Thailand," a paper presented at a Conference on Thai-Japanese Relations: Development and Future Prospect, Thammasat University, Bangkok, January 15-16, 1987.
5. Interview with Gaimusho officials, November 27, 1987, at Gaimusho, Tokyo.
6. *White Paper on...*, English translation, p.18, No. 47.
7. *Khaochang*, published by Thai Contractors Association, July 1987, p.15.
8. As many as 56 Japanese contractors expanded their activities into Thailand, according to the membership list of the Japan Chamber of Commerce and Industry in Bangkok, 1987.
9. See *Government House Newsletter*, Bangkok, No. 535/2530, July 27, 1987, p.3. See also the OECF document on the *Guidelines for the Employment of Consultants by OECF Borrowers*, November 1987. Section 2.04, "... consultants employed on Fund-financed projects shall be demonstrably impartial."
10. See the campaign activities program on the occasion of the Centennial of Thai-Japanese Relations by the Siam Architect Association in "ASA's Report," *Asa*, published by Siam Architect Association, April 1987, p.84. One criticism skillfully referred to Japanese *sashimi*. It says, "feeding the poor with raw fish instead of showing them the know-how of fishery."
11. For more details, see Haruhiro Fukui, "Studies in Policy-making : A Review of the Literature," in T. J. Pempel, editor, *Policy-making in Contemporary Japan*, Cornell University Press, 1977, pp. 22-59.
12. See Haruhiro Fukui, "The Policy Research Council of Japan's Liberal Democratic Party: Policy Making Role and Practice," *Asian Thought and Society*, March 1987, pp. 3-30.
13. See the excellent works on zoku politics in, Seizaburo Sato and Tetsuhisa Matsuzaki, *Jiminto Seiken* (The LDP in Power), Chuokoron-sha, 1986; Takeshi Inoguchi and Tomoaki Iwai, *Zokugin no Kenkyu* (A Study of Zoku Dietmen), Nikon Keizai Shinbun-sha, Tokyo, 1987

14. Seizaburo Sato, *ibid.*, p.100.
15. For those who are interested in knowing the names of the agricultural and construction zoku groups, please see Seizaburo Sato, *ibid.*, p.269, 272.
16. See Keidanren's official position on foreign aid in "A Blueprint for Upgrading Foreign Aid," *KKC Brief*, Keizai Koho Center, Tokyo, August 1987, No. 43.
17. See T. J. Pempel, "The Unbundling of "Japan, Inc." : The Changing Dynamics of Japanese Policy Formulation" *Journal of Japanese Studies*, Summer 1987, p.305.
18. See diplomacy zoku group in Seizaburo Sato, *op.cit.*, p.267.
19. See an article describing Gaimusho's decline in its relative importance in Keiichiro Kuboniwa, "Ministry of Foreign Affairs stumbling into obscurity" *The Japan Economic Journal*, March 7, 1987, p.6.
20. See the discussion about the necessity for Japan to change and not to treat agriculture as a special case any longer by an influential economist who was a member of the Maekawa Shingikai, Okita Saburo, *Change, Japan, Change: For Better Relations between Japan and Thailand*, special lecture at Thammasat University, Bangkok, November 27, 1987.
21. An American scholar discussed about this point under the alliance concept that foreign influence is far greater effective if and when the appropriate alliances within Japan can be forged. See T. J. Pempel, *op.cit.*, p. 305.