

Japan Toward the Indochina Sub-Region

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The purpose of the paper is to discuss Japanese relations with the Indochina Sub-region and the countries in it. The author starts with a brief overview on the sub-region's historical background, and then discusses Japan's historical experiences during the Cold War and post-Cold War periods, as well as the current situation, especially in terms of Japan's ODA policy and her competition with China in various initiatives for sub-regional cooperation. The author finally refers to some implications for the future development of Japan's relations with this sub-region.

Introduction

Indochina, in the broader definition, includes five mainland Southeast Asian nations, namely Myanmar, Thailand, Laos, Cambodia and Vietnam. This sub-region, also known as continental Southeast Asia, is surrounded by the China Continent, India Sub-continent, Bay of Bengal, Andaman Sea, Gulf of Siam and South China Sea.¹ Partly owing to its geographical location, the sub-region had long been a stage for conflicts and wars. It was only after the end of the Cambodian Conflict that the sub-region was able to enter into a new stage of peace and cooperation.

Though Japan is located several thousand kilometers from the Indochina sub-region, she is one of the major countries which have been deeply involved in the changing situation of this sub-region, especially since the Asia-Pacific War period. This involvement continues to this day and will most likely continue into the future.

The purpose of this paper is to discuss Japanese relations with the Indochina Sub-region and the countries in it. Following a brief overview on the sub-region's historical background in Section 1, the Second Section discusses historical experiences of Japan in Cold War and Post-Cold War periods. Section 3 examines the current situation, especially in terms of Japan's ODA policy, and Section 4 covers her competition with China in various initiatives for sub-regional cooperation. The paper finally refers to some implications for the future development of Japan's relations toward the sub-region.

1. Historical Background of the Nations in the Indochina Sub-Region

(1) Cold War Period

One of the most important aspects in the modern history of Indochina or continental Southeast Asia is the fact that all of the nations with the exception of Thailand were under Western colonial domination during the 19th and early 20th century and only gained independence in the mid 20th century.

For many years after the end of World War II, three former French colonies: Vietnam, Laos and Cambodia, suffered from prolonged conflicts and wars. Furthermore,

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these three countries experienced the socialist system of the command economy and isolated themselves from the capitalist world. In the case of northern Vietnam, this lasted for 3 decades. As for southern Vietnam, and her neighboring countries, Laos and Cambodia, this economic system lasted for more than a decade.

In the meantime, Burma (now called Myanmar) too adopted a socialist type of command economy in the early 1960s. She also applied a seclusionist-type neutralism in order to stay away from the Cold War conflict, especially from the war fires occurring in the adjacent areas. Having said that, the country was not immune to conflict, being domestically divided by armed rebellions of ethnic groups, and maintaining only a nominal form of her federal system.

Thailand on the other hand survived the colonial period as an independent kingdom and held a pro-US and anti-communist posture during the Cold War period. She in fact became a member of SEATO (Southeast Asia Treaty Organization) in 1954 when it was established under a strong US initiative. During the Vietnam War period, she not only let the United States use her military bases in the country, but also sent a small contingent of soldiers to South Vietnam. At the same time, Thailand was very sensitive to possible support by China and North Vietnam toward communist rebels who were based mostly in the northeastern part of the country.²

The sub-regional balance of power however made a significant change during the Cambodian Conflict which broke out in late 1978. Thailand closely cooperated with communist China to support the anti-Hanoi Cambodian groups, while confronting Vietnam, Laos, and the Phnom Penh government of Cambodia.³

Thus for a long time Thailand was deeply involved in the conflicts of her neighbors. Nevertheless, she also enjoyed a reputation of being the only country in continental Southeast Asia whose society was rather stable despite occasional military intervention into politics. This reputation together with her policy of opening doors to the capitalist world enabled the country to enhance economic relations with developed countries, especially after the 1985 Plaza accord which led to the increasing appreciation of the Japanese yen.⁴ Thailand was also a founding member of ASEAN (Association of Southeast Asian Nations) which started in 1967.

China, the northern gigantic neighbor of Indochina, supported anti-imperialist and revolutionary forces including Vietnamese in the sub-region during the early years of the Cold War. Therefore, her relations with anti-communist ASEAN members remained rather weak, and came almost to a standstill during the turmoil of the Cultural Revolution. By the late 1970s, however, her relations with Thailand as well as the United States and Japan improved remarkably thanks to her new policy of economic reform and opening doors and their common position against the Soviet Union and her ally, Vietnam.⁵

In brief, Thailand as an ASEAN member enjoyed rapid economic growth, whereas progress in other countries in continental Southeast Asia experienced stagnation due to successive conflicts and a stumbling command economy.

(2) Post-Cold War Era

Nonetheless, the situation dramatically changed in the late 1980s and increased its momentum in the early 1990s. Laos and Vietnam launched a new policy of economic

reform and began opening their doors in 1986. Burma followed them in 1988, shortly after the military coup. Cambodia restored her monarchy in 1993 after a 2-year rule by UNTAC (UN Transitional Authority in Cambodia). Together with a series of changes in policy orientation by the respective countries, the 1991 conclusion of the Paris Peace Agreement on Cambodia and the rapprochement between China and Vietnam in the same year opened a new page in the history of the sub-region and Southeast Asia.

ASEAN began to expand by admitting new members: Vietnam in 1995, Laos and Myanmar in 1997 and finally Cambodia in 1999. The ASEAN enlargement was nothing more than a process where a regional grouping, which had initially consisted of predominantly insular Southeast Asian members, absorbed continental Southeast Asian countries one by one.⁶

The realization of ASEAN 10 however brought about a new problem, which is sometimes known as the ASEAN divide issues.⁷ The ASEAN new members, often categorized as the CLMV countries, were poorly equipped with infrastructures and industrial facilities, and lacked adequate systems, regulations and human resources necessary for managing a market economy and external relations. This led to a serious gap between the new-entrants and the ASEAN forerunners in various aspects. Reducing this gap became a crucial challenge for both the new and old members, because without it a real regional integration could not be successfully accomplished.

Facing this new challenge, international organizations as well as regional and extra-regional governments took the initiative to establish forums, taskforces and mechanisms to promote regional and sub-regional cooperation. Thus during the mid-1990s, various frameworks were born almost simultaneously, such as the GMS (Greater Mekong Sub-region) Development Cooperation, the Forum for Comprehensive Development of Indochina (FCDI), the Mekong River Commission (MRC), the Working Group for Economic Cooperation in Indochina and the ASEAN Mekong Basin Development Cooperation (AMBDC).⁸ The frameworks often overlapped with each other in terms of mandate, purpose and activities and subsequently brought about the “Mekong congestion”.⁹ However, their synchronized appearance also indicated the fact that the international society was increasingly concerned about the future of the sub-region.

The importance and urgency of the above-mentioned challenges were further aggravated by the outbreak of the financial crisis in East Asia in 1997. Enlarged ASEAN, now embracing the economically less developed countries of Indochina, had to face an even more formidable task of accelerating economic integration and enhancing competitiveness in the whole region, while narrowing the gap between the old and new members.

It merits attention however that the financial crisis also gave a new impetus for both Southeast and Northeast Asian nations to launch an ambitious attempt to enlarge regionalism in East Asia. ASEAN members and three Northeast Asian counterparts, Japan, China and South Korea now came to realize that they belonged to a single region with a common fate and a mutual dependency based upon the de facto formation of closely knitted business networks. They quickly institutionalized the ASEAN+3 dialogue mechanism. Furthermore, as an extension of it, the annual East Asia Summit began in 2005, which includes not only ASEAN plus three (APT) countries but India, Australia and New Zealand as well.

The rapid development of these regional and mega-regional attempts has provided a new important meaning to the Indochina sub-region. Looking back at the history of the sub-region, the majority of nations in it had been practically excluded from the East Asian regional networking of inter-dependency, mainly due to the prolonged conflicts and wars, their isolationist and often antagonistic policy toward their neighbors, and their strict application of the command economy. What is worse, the countries within the sub-region and even the people inside a nation themselves had been physically and psychologically separated from each other.

Although the Indochina sub-region is surrounded by continental China, insular Southeast Asia and sub-continental India and thus geographically occupies a highly strategic position in the heart of East Asia, it has long been the missing link to the regional networks of East Asia. The missing link should now be reconnected to become meaningful cross-roads.¹⁰

It is true that during the 1997-98 Financial Crisis, the existing regional and sub-regional frameworks that fostered Indochina's development and cooperation were largely inactive. But some of them became revitalized at the turn of the millennium. And furthermore, many other projects were newly born, aiming to help the sub-region's socio-economic and human resource development. These include the Initiative for ASEAN Integration (IAI), the AEM-METI Economic and Industrial Cooperation Committee (AMEICC), and the Aeyawadi-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS). The GMS Development Cooperation initiated by ADB (Asian Development Bank) also proposed an ambitious plan to create economic corridors in the sub-region.¹¹

It should be noted, however, that the rapid development of East Asia regionalism and Indochina sub-regional cooperation has also provoked rivalry and competition among concerned governments and organizations, most typically between Japan and China, as will be discussed later.

2. Japan with the Indochina Sub-Region

(1) Early Years of Cold War

During the 1940s, Japan waged a self-destructing war with the ambition to create the "Greater East Asia Co-Prosperty Sphere", but was defeated and then occupied by the Allied countries. It was only in 1951 with the San Francisco Peace Treaty (validated in the following year) that Japan regained her legal status as an independent nation, paving her return to the international society.

The peace treaty however was the outcome of a US Asia-Pacific strategic plan which was articulated under regional circumstances that included events such as the communist victory in China (1949) and the outbreak of the Korea War (1950). As a matter of fact, though the People's Republic of China and the Ho Chi Minh government of Vietnam were not invited to the San Francisco peace conference, the Kingdoms of Laos and Cambodia and the Bao Dai government of Vietnam, all of which were recognized by Western countries as independent nations within the French Union, as well as Thailand, were invited and became signatories of the peace treaty. Japan was thus able to restore official relations with those countries in the Indochina sub-region. She also reestablished diplomatic relations, through a bilateral peace treaty, with Burma

which had refused to join the San Francisco peace conference.

While normalizing relations with the sub-regional countries, Japan also paid war reparations to Burma and South Vietnam (successor of the Bao Dai government) and aid equivalent to it (what is called quasi-reparations) to Laos and Cambodia, which spontaneously relinquished the right of war reparations. As for Thailand, which had not been “occupied” by the Japanese military and therefore did not have the right to claim war reparations, Japan instead provided her with compensation to liquidate inconvertible special yen which the Tokyo government had owed to Bangkok during the Asia-Pacific War.

In this way, Japan paved the way for the future development of diplomatic and economic relations with anti-communist countries in the Indochina sub-region. But she officially ignored the very existence of Ho Chi Minh’s socialist government in the northern half of Vietnam. This policy adopted by the Japanese government reflected her intention to follow the US regional policy. Washington expected that Japan would realize an economic recovery followed by development through the establishment of close relations with non-communist countries in the Asia-Pacific and with very limited business relations with communist North Vietnam and China.

This basic stance of the Tokyo government did not largely change during the 1960s, when Japan was becoming an economically strong power. For instance, Japan showed a strong initiative to create ADB (Asian Development Bank) and Ministerial Conference for the Economic Development of Southeast Asia. Both of them were officially established in 1966. Socialist countries in Asia-Pacific were practically excluded from those institutions. Furthermore, for the case of ADB, Japan as well as the United States became the biggest financier, thus demonstrating her will to help the economic development of non-communist nations in the region by collaboration with other developed countries in the Asia-Pacific. The same logic was well demonstrated in 1973 when Japan successfully invited Australia and New Zealand to join the Ministerial Conference.

Furthermore, as the Vietnam War escalated in the late 1960s and early 1970s, the Tokyo government supported Washington’s policy by allowing Americans to use the military bases in the country to serve for their war efforts. Japan also positively responded to US requests for burden sharing, by increasing economic assistance to South Vietnam and non-communist Asian countries surrounding it.¹²

(2) Later Years of the Cold War

Generally speaking, Japan’s regional policy since her return to the international society in 1952 had been largely shaped within the framework of US strategy. Japan had been more or less satisfied with this basic arrangement so as to pursue her own national interests, while receiving US support and encouragement.

Nevertheless, a tremendous shock hit Japan in 1971, when the Nixon administration suddenly announced the rapprochement with Beijing. The Nixon shock was a crucial turning point and the Tokyo government launched diplomatic efforts to normalize relations with socialist countries in Asia: China and Mongolia in 1972 and North Vietnam in 1973.

These efforts have been often called “independent diplomacy”. However, as far as

her contacts with North Vietnam were concerned, Japan's rather prudent approach towards the country did not deviate far from Tokyo's earlier policy of working within the framework of US policy. Japan signed an agreement to normalize diplomatic relations with the Hanoi government in September 1973, only eight months after the conclusion of the Paris peace agreement between the United States and North Vietnam. The Tokyo government signed agreements with its Hanoi counterpart in order to mutually open embassies and provide economic aid (which was tacitly understood as equivalent to Japan's reparations of the Asia-Pacific War) in October 1975, just half a year after the fall of Saigon.¹³

Even so, it is also noteworthy that Japan's relationship vis-à-vis Hanoi went further than Washington's diplomatic efforts. The United States refused to provide Hanoi with aid, which, according to the latter, was promised at the peace talks in Paris. The United States did reject Hanoi's claim though, based on the reasoning that Hanoi had violated the 1973 Paris peace agreement by using her armed forces to liberate the South. Furthermore, the United States continued to embargo Vietnam, extending its target area from the northern half to the rest of the country.

It is true that the possibility for improved relations arose between Washington and Hanoi during the Carter administration. The bilateral talks for the normalization of relations started in 1977, which enabled reunified Vietnam to become the 149th member of United Nations in the same year. But the United States finally suspended its talks with Hanoi by the end of 1978. As Sino-Vietnam relations deteriorated, Washington decided to choose Beijing and established diplomatic relations with China in January 1979.¹⁴

In the meantime, Japanese leaders often tried acting as an intermediary to revive stagnated contacts between Washington D.C. and Hanoi. As Guy Faure and Lauernt Schwab have put it,¹⁵ "bridge diplomacy" was the Tokyo government's ability to use her diplomatic ties with both countries, to play an intermediary role between them.

Another indicative expression of Tokyo's willingness to engage in bridge diplomacy is found in the 1977 Manila speech delivered by Prime Minister Takeo Fukuda. In the speech which has been later called the Fukuda Doctrine, he emphasized three pillars of Japan's diplomacy toward Southeast Asia: one, she would never become a military super power, second, she would develop multi-faceted and heart-to-heart relations with ASEAN partners, and third, she would contribute to peace and prosperity in the entire region of Southeast Asia by supporting ASEAN's efforts for solidarity and resilience and at the same time cultivating good relations of mutual understanding with three socialist countries in Indochina.

The third pillar was the expression of Japan's readiness to act as a bridge between 5 ASEAN and 3 Indochinese countries. And this was especially aimed at dispelling the widely existing notion among ASEAN leaders that Japan had a hidden agenda in her provision of aid to socialist countries in Indochina. Prime Minister Fukuda wanted to express good will and foster Japan's image as an honest broker.¹⁶

However, the outbreak of the Cambodian Conflict in 1978 hampered Japan's aspiration. She was forced to align herself with ASEAN and China and stand against pro-Soviet Vietnam and her sponsored Cambodian government in Phnom Penh. As a matter of fact, the Tokyo government froze her promised aid to Hanoi after the latter

sent soldiers to Cambodia in late 1978 and formally suspended aid after the Soviet invasion of Afghanistan in late 1979. Thus, Japan's relations with three socialist regimes in Indochina were stagnated during the "New Cold War" period, even though she tried to keep open her dialogue channels with those countries as much as possible. One such effort was reflected in the resumption of small-scale humanitarian aid to Hanoi in 1982. In the meantime, the Tokyo government continued aid (grants and technical assistance) for Laos, even though its amount was rather small.

Nonetheless, Japan did not have much leeway in acting freely vis-à-vis Indochina. This was well illustrated by the fact that ASEAN members, especially Thailand and Singapore, as well as the United States Congress, openly raised voices against Japan, when some Japanese enterprises began to intensify business activities with Vietnam, shortly after Hanoi's declaration of the Doi Moi policy in late 1986. At this point, the Japanese recognized that they had to wait for a more opportune time in order to break through the stalemate and improve relations with Indochina's socialist countries.¹⁷

(3) Cambodian Peace

In the late 1980s, several signs indicated a new development toward reconciliation in the Indochina sub-region. An informal meeting for Cambodian peace, hosted by Indonesia that included the Cambodian contesting forces and Vietnam, was first held in Jakarta in July 1988. Soon after, Thai Premier Chatchai Choonhavan announced a new policy to transform Indochina from a battle field to a market place. As a matter of fact, Thailand, as a "frontline state", which had initially taken a hawkish attitude toward Vietnam and her sponsored Phnom Penh government, was now beginning to show a reconciliatory posture toward them and even acted as a mediator among the contesting parties of the Cambodian Conflict.

When the international conference on Cambodia, which was a more comprehensive mechanism for peace, started in Paris in July 1989, Japan was invited as a member. In October 1990, the Japanese government contributed to the peace process by hosting the Tokyo meeting for the four Cambodian parties. Japan became one of the signatories of the Paris Peace Agreement on Cambodia in October 1991. This was the first occasion since the 1951 San Francisco Peace Treaty for post-war Japan to participate in an international peace conference and sign a multilateral peace agreement.¹⁸

When the UN transitional administration started in Cambodia, the Tokyo government sent its self-defense forces there in September 1992 to contribute to the UN-led peace keeping operation (PKO). This was the first occasion for post-war Japan to dispatch her land forces abroad, even though a year earlier she had sent her naval forces (mine sweepers) to the Persian Gulf.

Prior to this, Prime Minister Toshiki Kaifu made a speech in Singapore in May 1991, in which he announced Tokyo's willingness to host an international conference for the economic recovery of Cambodia. In actuality, the Ministerial Meeting on Reconstruction of Cambodia was held in Tokyo in June 1992.¹⁹

Japan also took up a very positive attitude toward Vietnam. In November 1992, she resumed official development aid (yen loan) to the Hanoi government. Furthermore, the Japanese and French governments cooperated with one another to lead the successful holding of the first Vietnam Consultative Group (CG) Meeting in Paris in November

1993. Incidentally, the US government had expressed its new policy to allow international organizations' resumption of financing to Vietnam in July 1993. Following this move, Washington finally lifted an embargo against Vietnam in February 1994 and normalized diplomatic relations in August 1995.²⁰

In January 1993, Premier Kiichi Miyazawa made a speech in Bangkok, where he proposed the establishment of the Forum for Comprehensive Development of Indochina (FCDI). Its preparatory meeting at a senior official level took place in Tokyo at the end of the same year, and the ministerial meeting in Tokyo in February 1995. The purpose of the Forum was to attract international attention in support of the economic recovery of Cambodia, Laos and Vietnam. The United States only sent observers, avoiding full involvement in this Japanese effort, which demonstrated her rather reserved attitude toward three Indochinese countries.²¹

The Japanese Ministry of Foreign Affairs itself also gradually lost eagerness in sustaining the FCDI and instead paid more attention in involving itself with other frameworks to help the CLMV countries' socio-economic development and Greater Mekong sub-regional cooperation. This suggested the fact that the 1977 Fukuda Doctrine's key principle was losing its applicability vis-à-vis the rapidly changing situation in Southeast Asia. The third pillar of the Doctrine had been based on the premise that Southeast Asia was divided into two different, if not antagonistic, camps and therefore Japan could and should play a bridging role between them. Nevertheless, the actual development in the region was moving at a much faster pace than what the Japanese leaders had anticipated. The enlargement process of ASEAN had already started by the time the FCDI ministerial meeting was held.²²

(4) ASEAN Enlargement

The ASEAN enlargement was the main locomotive behind the structural change of the regional balance of power in Southeast Asia after Cambodia regained peace.

The first Japanese effort to catch up with this new development was to help the CLMV countries join ASEAN itself. And in the next stage, as the CLMV countries one after another became ASEAN members, Japan tried helping them to narrow their gap with the ASEAN forerunners (ASEAN divide issues) and consequently contributing to the process of ASEAN integration.

It was Ministry of International Trade and Industry (MITI) rather than the Ministry of Foreign Affairs that quickly started this kind of effort. When Economic Minister Ryutaro Hashimoto (who would become Prime Minister two years later) met his Southeast Asian counterparts at the third AEM-MITI in Chiang Mai in April 1994, they agreed to establish the Working Group on Economic Cooperation in Indochina.

The Working Group first met in Bangkok in March 1995. The main purpose of this Working Group was to provide CLMV officials and specialists with opportunities of training and workshops in order to obtain necessary knowledge and skills to become ASEAN members and also to conduct joint research and studies for drafting development plans in various industrial sectors.

This scheme fell into the category of triangular assistance from the Japanese point of view: *i.e.* Japan would encourage and help the south-to-south cooperation between and among developing countries. For instance, Japan would provide financial and

technical assistance to a Thai organizer of seminars that invited and trained government officials and specialists from CLMV countries.

By 1997, however, the mandate of the Working Group had almost become outdated, as Laos and Myanmar became regular ASEAN members following the suit of Vietnam. Shortly after that, the financial crisis broke out in Thailand and swiftly spread over the whole region of East Asia. In order to cope with this changing situation, the sixth AEM-MITI in Kuala Lumpur in October 1997 decided to replace the Working Group within a new framework: ASEAN-MITI (later ASEAN-METI) Economic and Industrial Cooperation Committee (AMEICC). The Committee first met in Bangkok in November 1998. Its main function was to help the CLMV countries tackle the ASEAN divide issues and also to enhance the competitiveness of ASEAN economies as a whole by promoting regional integration and upgrading main industries not only in new ASEAN members but the old members seriously hit by the financial crisis as well.²³

Meanwhile, the Japanese Ministry of Foreign Affairs also expressed its eagerness to contribute to infrastructure building in GMS, especially EWEC and SEC, and support regional and sub-regional cooperative frameworks such as IAI and ACMECS.

EWEC (East-West Economic Corridor) and SEC (Southern Economic Corridor) were the projects proposed by the ADB and agreed upon by the 8th GMS ministerial conference in Manila in October 1998. The projects aimed to build and improve cross-border transport infrastructures and communication and energy links from central Vietnam through Laos and northeastern Thailand to eastern Myanmar and from southern Vietnam through Cambodia to Thailand respectively. With the formation of such corridors, the flow of goods, people, information and energy across borders would be facilitated between and among sub-regional countries, which had long been physically and psychologically separated from each other. This creation of mutual connectivity would eventually stimulate socio-economic development and reduce poverty in the sub-region.²⁴

The IAI (Initiative for ASEAN Integration) was first proposed by Singaporean Premier Goh Chok Tong and agreed upon by the Fourth ASEAN Informal Summit in Singapore in November 2000, to narrow the development gap within ASEAN (as well as between ASEAN and the other parts of the world) to foster better ASEAN integration.²⁵ The ACMECS (Ayeyawadi-Chao Phraya-Mekong Economic Cooperation Strategy) was the framework created under Thai Premier Thaksin Shinawatar's initiative. Its original members were Thailand and her neighboring countries, Myanmar, Laos and Cambodia, but Vietnam later became the 5th member, thus the framework encompassed all countries in continental Southeast Asia.²⁶ IAI and ACMECS were typical frameworks of south-to-south cooperation in which the founding members of ASEAN could help the new comers.

The Tokyo government also expressed its willingness to help three Indochinese countries' plan: the "Development Triangle". The idea was originally agreed upon at the tripartite summit of Vietnam, Cambodia and Laos, which was held in Vientiane in October 1999. This was the first occasion since the Cambodian Peace where only the three heads of state met together. The Development Triangle plan was aimed at, through mutual cooperation between the three nations, eradicating poverty and stimulating socio-economic development in the least developed areas of these countries,

which were bordering provinces. This attempt also fell into the category of south-to-south cooperation, but without the involvement of more developed members. It was certain that Vietnam was ahead of the two in economic development and was therefore in a position to provide limited scale of aid to her counterparts. But, at any rate, they badly needed financial and technical assistance by any third parties.²⁷

When Premier Junichiro Koizumi visited Vientiane to attend the ASEAN+3 summit in November 2004, the three prime ministers of Indochina met him and asked Tokyo's support for the Development Triangle plan.²⁸ Since then, the Japanese assistance to the plan has been rendered mainly through the GGS (Grant Assistance for Grass-Roots Human Security Projects) and, more recently, JAIF (Japan ASEAN Integration Fund) schemes for basic human need (BHN) facilities such as local clinics, schools, clean water supply systems and small roads.²⁹

Thus, many of Japan's recent assistance toward the Indochina sub-region have been clearly oriented to gain a wider scope in promoting cross-border connectivity and regional integration. At the same time, the triangular assistance scheme is often applied to support multilateral cooperation and enhance mutual complementarity among the sub-regional economies.

3. Japan's ODA in the Indochina Sub-Region

In the history of Japan's official development assistance (ODA), the bilateral scheme has been predominant: Japan provides a certain country with aid through bilateral negotiation and agreement and with the anticipation that the aid will help socio-economic development in the recipient country. Again in this regard, the Indochina sub-region has become a testing-ground for Japan's new and pioneering experiment beyond the conventional bilateral scheme, which she had not seriously tried elsewhere.

Japan's ODA is usually divided into two categories: bilateral and multilateral. Multilateral aid is the scheme within which Japan provides a budget to international or multi-governmental organizations. Bilateral aid on the other hand is the scheme where Japan provides aid to a single recipient country on the basis of the two parties' negotiation and agreement. And the most frequently used classification of bilateral assistance is based on the three types of payment: grants, yen loans, and technical assistance.³⁰

However, here, we apply another way of categorization. This is based upon the three different aims of assistance: for (1) hard infrastructure buildings mainly to promote economic growth itself, (2) the improvement of social facilities and living standards largely aimed to reduce poverty and narrow the socio-economic gap, and (3) legal and institutional reforms, human resource development and capacity building.³¹

(1) Hard Infrastructure Projects

Among the hard infrastructure projects in which Japan has assisted in the Indochina sub-region, the projects aimed to enhance mutual connectivity along with the GMS East-West Economic Corridor (EWEC) are the rehabilitation and upgrading of the Da Nang sea port, the building of the Hai Van tunnel between Da Nang and Hue of central Vietnam, the improvement and widening of the western portion of Route no. 9 in Laos, and the construction of the second Mekong international bridge between Laos

and Thailand.

The improvement and widening of Cambodian Route no. 1 between Phnom Penh and Neak Loeun, which is now undergoing construction, is the project along with the GMS Southern Economic Corridor (SEC), or sometimes called by the Japanese as the Second East-West Corridor. In addition, the Tokyo Government has expressed interest in a project to construct the Neak Loeun bridge on Route no. 1 over the Mekong mainstream. The building of the Thi Vay port near Hochiminh City is to serve as another sea outlet than the existing Saigon port for the Southern Corridor.³²

In brief, the Tokyo government has provided aid on a bilateral basis to almost all of the above projects, the majority of which are in the form of yen loans but some in the form of grants. Despite her bilateral arrangement in ODA payments, Japan is very much concerned about their wider significance in sub-regional development and cross-border connectivity.

Among them, quite exceptional in terms of the payment scheme is the case of the second Mekong international bridge which connects Savannakhet in Laos and Mukdahan in Thailand over the Mekong mainstream. The Japan Bank for International Cooperation (JBIC) provided yen loans to both Thailand and Laos, applying the same favorable conditions in repayment, with which Japan usually would not bestow upon a relatively developed country such as Thailand. At any rate, this is the first occasion ever in the history of JBIC where it gave loans to more than one country for a single project.³³

There were still many other ODA projects in places other than the East-West and the Southern Corridors, which consequently improved cross-border development in the sub-region, even though they were not in Japan's original idea. For example, the upgrading of National Route no. 5 in northern Vietnam between the country's capital, Hanoi and the major port city, Hai Phong, the rehabilitation and improvement of the Hai Phong sea port, and the construction of the Bai Chay bridge in Ha Long on Route. no. 18 have all turned out to greatly improve connectivity between northern Vietnam and southwestern China.³⁴

The future construction projects of Vietnam's north-south super highway and rapid transit railway, in which Premier Shinzo Abe promised to his counterpart Nguyen Tan Dung in a bilateral meeting in Tokyo in October 2006,³⁵ also has virtually a big potential to enhance connectivity between continental Southeast Asia and China. One can even dream of travel by super express train from Singapore through Bangkok, Hochiminh City and Hanoi northward to Beijing.

In summary, those transport infrastructure projects as well as thermo power and other projects for which Japan has assisted to ASEAN new members do not only contribute to the economic growth and competitiveness of each recipient country, but also serves the purpose of helping her catch up with the more developed economies in the region. Many of the transport projects have also actual and potential significance in physically connecting the recipient country with the rest of the sub-region and areas beyond it.

The second category of Japanese bilateral assistance, which is to improve social facilities and living standards, usually financed in the form of grants, is also workable for the promotion of sub-regional links and connectivity, as demonstrated in the case of

the CLV Development Triangle plan. For instance, a provincial clinic in Vietnam, built with Japanese ODA, will be able to serve not only the local inhabitants, but also the people in southern Laos and northeastern Cambodia who travel across the border.

(2) Institutional Reforms and Capacity Building

The third category of Japanese aid, in the field of legal and institutional reforms, human resource development and capacity building, which is usually financed through grants and technical assistance, can also contribute to the CLMV's efforts to reduce the development gap and encourage ASEAN integration through promoting confidence-building and mutual understanding among sub-regional countries and between new and old ASEAN members.

Taking the case of legal and institutional reforms, Japan is helping the Indochina countries undergoing transitional economies to promote the marketization process, legal and tax reforms, among many others. In this respect, one illustrating example is the Japan-Vietnam Joint Initiative to improve the latter's investment environment. This started with an agreement between Premiers Junichiro Koizumu and Phan Van Khai in April 2003.³⁶

The Initiative which is joined by Japanese business people as well as government officials has now entered the third phase, following the successful achievements in the first and second phases. This is quite unique in the sense that the Japanese side points out inadequacies in Vietnam's legal and institutional frameworks and operating mechanisms while working together with Vietnamese counterparts to ultimately list up practical prescriptions for each sector. This entails the creation of new rules, the alteration of existing regulations and the changes in the ways of conduct, which the Vietnamese authorities, backed by Japanese financial and technical assistance, should realize. The implementation process is to be regularly monitored by the joint committee.

This kind of attempt has a shade of Japanese intervention in domestic politics and internal affairs of the recipient country. In this regard, it is again a rather bold pilot experiment for Japan, whose traditional ODA policy has been based upon the principle of non-interference.

In the field of human resource development and capacity building, the Japanese governmental and semi-governmental agencies have a variety of aid programs that invite and train officials and specialists from CLMV countries, either separately on the respective country basis or jointly on the sub-region-wide basis. They also send Japanese experts to recipient countries to give advice and organize seminars, etc. The Japan International Cooperation Agency (JICA) has built a human resource development center in major cities in the sub-region.³⁷ These programs are intended to narrow the gap in knowledge, skills and experiences between the new ASEAN members and the rest of the region.

Furthermore, for the case where multi-national trainees from the sub-regional countries are invited to Japan and put together in the same place, they are given a good opportunity for mutual contacts and exchanges. The triangular support mechanism can also be a good vehicle to encourage the process of mutual understandings not only among the trainees but between the trainers of host countries such as Thailand and

trainees from CLMV countries.

In the same vein, programs such as the Japanese Grant Aid for Human Resource Development Scholarship (JDS) which have invited young talents from Asian countries of transitional economies to study at a graduate-level in Japanese universities have been quite successful.³⁸ These young students encounter those from various countries in and out of the Indochina sub-region as well as Japanese colleagues on the same campus.

In brief, through various programs in the third ODA category, Japan does not only help with the catch-up efforts of CLMV countries, but provides them with good opportunities for direct human contacts and networking.

Japan also donates a part of her ODA budget to inter-governmental agencies such as ADB (*i.e.* through a multilateral scheme) so that the latter can carry out multinational programs and projects covering a wider scope and involving multiple recipient countries.³⁹ As mentioned earlier, triangular assistance programs also have similar merits.⁴⁰

4. Japan and Indochina Facing the New Development of East Asia Regionalism

As mentioned in the above, with the 1997–98 financial crisis as a crucial turning point, a new wave of regionalism or mega-regionalism had spread in East Asia, which includes both Southeast and Northeast Asian countries. One embarrassing problem in this expansion is however the increasing rivalry and competition among concerned parties. The most notable is the case between Japan and China who are competing for the leadership role in making a new regional arrangement and especially in trying to gain influence in Southeast Asian nations.

(1) Pan-Asianist and Pan-Pacific Trends against the Historical Backdrop

Looking back at the history of Japan's concerns toward the region, there was a strong psychological attachment among many Japanese leaders and intellectuals to Pan-Asianism from the Meiji period. This concept was generally based on the dichotomous view of the world, divided between the invading Western powers and the oppressed Asian nations. A sort of Pan-Asianism culminated, during the period of the Asia-Pacific War, in the Greater East Asia Summit which was held in Tokyo in November 1943.⁴¹

By contrast, the idea of Pan-Pacific cooperation was relatively new for the Japanese. The first outstanding instance was the creation of the Institute of Pacific Relations in 1925, where Japanese intellectuals shared a spirit of friendship and harmony with their counterparts from USA, Canada, Australia and New Zealand as well as a few independent nations in Asia, namely China and the Philippines.⁴²

In the Cold War period and especially since the 1970s, the Japanese were more interested in the Pacific-rim and, in its extended form, Asia-Pacific cooperation. And in actuality, such forums including the Pacific Economic Cooperation Council (PECC, 1980–) and the Asia-Pacific Economic Cooperation (APEC, 1989–) were born through an intimate collaboration between Japanese and Australian academic, business and political elites.⁴³ These architectures seem to have contained, especially in the initial period, an idea to create a regional cooperation mechanism by developed Pacific-rim powers (namely Japan and Australia as well as USA and Canada) as the core members while

involving developing countries as followers or junior partners.

On the other hand, post-war Japanese leaders were rather reluctant vis-à-vis the concept of East Asia regionalism, which would explicitly or tacitly exclude developed powers other than Japan. One of the reasons behind their reluctance was the stigma of the “Greater East Asia Co-Prosperty Sphere.” Many Japanese almost instinctively rejected or avoided revoking this memory, especially where Japan would take a lead in promoting a regional block. Another more important reason was that the Japanese were worried about the exclusive nature of such an attempt, especially when the United States disliked this pattern of regional formation.

It is true that Japan had more vested interests in Southeast Asia than the United States, and she had cultivated very close ties as a dialogue partner with ASEAN since the early 1970s. But this was purely a relationship of dialogue and negotiation between Japan on the one hand and Southeast Asian nations as a group on the other, but not the mechanism within which the both parties would create an exclusively institutionalized group, much less a regional community of any sort.⁴⁴

When Japan proposed to ASEAN partners the holding of a special summit to commemorate the 30th anniversary of ASEAN in 1997, it seemed that she only intended to enhance the already existing close ties between them. ASEAN’s counter proposal was however to invite not only Japanese but Chinese and South Korean heads of state to attend the ASEAN summit as special guests. It is hardly conceivable that the proposers had a very articulated vision from the start to eventually establish an East Asia community. But as the ASEAN+3 framework became quickly institutionalized, more and more voices and discourses for such a community started to be widely heard.⁴⁵

One of the main reasons for this new movement was that the United States did not strongly oppose to this kind of idea as she had done before, even though her voice of apprehension was and is heard from time to time. Nevertheless, Japan tried to avoid the formation of a narrow East Asian regionalism, by strongly supporting the invitation of Australia and New Zealand as well as India, when ASEAN+3 leaders were discussing about the start of the East Asia Summit. The first summit was actually held in Kuala Lumpur at the end of 2005, with the participation of ASEAN plus six countries, as Japan had hoped for. The inclusion of “white” countries would dilute the stereotypical image of the East Asia community as a closed club for yellow people.⁴⁶

At the same time, it is widely believed that the Japanese strong voice was also motivated by their hidden agenda to use Australia and India as a counterweight against the growing presence of China in the regional setting.⁴⁷ As a matter of fact, China’s influence was growing in the Asia-Pacific in general and Southeast Asia in particular.

(2) Japan’s Diplomatic Contest with China

It is really remarkable when one compares China’s current status in the region with that of just a decade ago. During the early 1990s, China was still regarded with suspicion by Southeast Asians, even though she had succeeded in the establishment or restoration of official relations with all of Southeast Asian countries by 1991. The major sources of their apprehension were that China’s rising economy in itself might turn her into a formidable competitor, not to also mention security concerns that include her growing military, especially naval power, and the Spratly issues coupled with her 1992

adoption of the territorial water law.

However, since the outbreak of the 1997 financial crisis, China's relations with Southeast Asia was ameliorated and then became increasingly closer. China started to openly support the idea of regionalism, by becoming a member of the ASEAN+3 dialogue and concluding a free trade agreement (FTA) with ASEAN. She also bilaterally promoted economic and diplomatic relations with CLMV and Thailand.⁴⁸

In order to cope with China's diplomatic offensives and her rapidly increasing ties with Southeast Asia, Japan also started negotiations for an economic partnership agreement (EPA) with ASEAN as a group and with its members on a bilateral basis. She also hosted a special summit of ASEAN plus Japan in Tokyo in December 2003.⁴⁹

In this special summit, the Tokyo Declaration and the Plan of Action were agreed upon by the participants, and another document was presented by the Tokyo government, the title of which was the "New Concept of Mekong Region Development".⁵⁰ In these documents, Japan placed the significance of the Mekong sub-regional development on the promotion of ASEAN's integration through a well-balanced development of its members.

In line with this principle, Prime Minister Koizumi declared in the summit that Japan would provide 1.5 billion US dollars over a three-year period for the Mekong sub-region. More precisely, she expressed its preparedness to help the construction of East-West and Southern Corridors which would connect horizontally continental Southeast Asian countries. The Tokyo government also promised to support the activities of IAI and ACMECS, aiming to narrow the development gap through south-to-south cooperation between the old and new ASEAN members. Japan on the other hand did not show her willingness to support the building of the North-South Corridor which would strengthen the vertical linkage between China and continental Southeast Asia.

Two years earlier than the aforementioned summit, a ministerial meeting of the East-West Corridor was held in Mukdahan in November 2001. Japan was the only extra-regional invitee to meet Thai, Laotian and Vietnamese counterparts. Taimei Yamaguchi, parliamentary secretary for foreign affairs, attended the meeting as the deputy of Foreign Minister Junko Kawaguchi.⁵¹ He stressed the following points in his speech. The significance of Japan's assistance for the Mekong sub-regional development was, first, its wide-ranging attempt to produce cross-border effects and, second, its contribution to ASEAN integration through narrowing the gap between the new and old members. In line with this basic understanding, he more concretely explained Tokyo's attachment to support the East-West Corridor and Southern Corridor projects as well as ASEAN's efforts for south-to-south cooperation. But he remained quiet as to any projects related to China such as the North-South Corridor.

More recently, the Japanese government hosted the first Japan-Mekong Foreign Ministers' Meeting in Tokyo. The idea of the meeting was first expressed by Tokyo in January 2007, when it published a policy paper "Japan-Mekong Region Partnership Program".⁵² The meeting was actually held in January 2008, with the participation of Foreign Minister Masahiko Komura and his counterparts from five continental Southeast Asian countries, excluding the Chinese. The timing of the meeting was two months earlier than that of the third GMS summit in Vientiane where Chinese Prime Minister Wen Jiabao would meet his counterparts of the CLMV and Thailand.

In the Tokyo ministerial meeting, Japan repeated her preparedness to support sub-regional cooperation projects, such as the East-West and Southern Corridors and the CLV Development Triangle, while all the participants reaffirmed the further deepening of bilateral and collective partnership between Japan and the sub-regional countries. They also agreed that 2009 would be the “Japan-Mekong exchange year”.⁵³

The second Japan-Mekong ministerial meeting was held in Siem Reap of Cambodia in October 2009. The new Foreign Minister Katsuya Okada attended it. Shortly after, but still within the same month, the first Japan-Mekong economic ministers’ meeting was held in the same place as the ASEAN+3 and East Asia Summits, Hua Hinh of Thailand. Japanese Minister of Economy, Trade and Industry Masayuki Naoshima met his counterparts from five continental Southeast Asian countries. Furthermore, as a highlight of the exchange year, the first Japan-Mekong summit will be held as scheduled in Tokyo in November 2009.⁵⁴

Thus, partly spurred by the rapidly growing presence of China in the East Asia region, Japan has become more and more ardent in the Mekong sub-regional development, insofar as to promote horizontal connectivity inside continental Southeast Asia. On the other hand, she remains less active concerning other aspects of the Greater Mekong sub-regional cooperation, *i.e.* the enhancement of the vertical linkage between the southwestern part of China and the continental part of Southeast Asia. Even so, it is also true that, out of the projects for which Japan has provided ODA to Southeast Asian countries on a bilateral basis, some have the effect of facilitating and enhancing the connections between China and Southeast Asia as mentioned earlier.

CONCLUSION

(1) From Bilateralism to Multilateralism

Since the end of the Asia-Pacific War, the Indochina peninsula has been often the testing ground for Japanese diplomacy.

Vietnam was the only case in East Asia where Japan recognized the both governments of a nation divided by the Cold War confrontation. For the case of China, Japan severed diplomatic relations with Taipei in 1972 when it officially recognized the Beijing government. For the case of Korea, to this day, Japan hasn’t still established official relations with Pyongyang.⁵⁵

South Vietnam was probably the first case for post-World WarII Japan where she had to close down her embassy, facing the abrupt collapse of a government which she had long recognized as a legitimate ruler of the nation.

Indochina was also the first area from which a huge number of refugees arrived in Japan. The Tokyo government was obliged to accept some of them as permanent residents. This new policy eventually led to Japan’s belated acceptance of the international law on refugees and thus brought about significant changes in her policies on immigration and toward foreign residents.

The Paris Peace Conference for Cambodia was the first occasion for post-war Japan to participate in international peace talks as one of the third-party members. Cambodia was also the first country in which post-war Japan sent her army forces abroad.

Indochina was also the sub-region to whose post-war reconstruction Japan showed her willingness to take a lead to mobilize the international society’s attention and

support.

Vietnam is the first country with which Japan has a joint initiative including an experimental attempt to go beyond the traditional principle of non-interference in her ODA policy.

It was the bridge construction project along the GMS East-West Corridor for which JBIC financed yen loans for the first time in its history to more than one recipient country. What is more, the Bank exceptionally offered the same conditions for repayment to the countries with different levels of economic development. More generally, the Mekong sub-region is the test case for Japan to apply a wide-ranging ODA policy whose benefits are expected to reach the areas beyond national boundaries.

Thus, Japan had a lot of new experiences through accumulated experiments in the Indochina sub-region in accordance with the changing situation there. One of the important lessons learnt from the past experiences for Japan might be the necessity to go beyond traditional bilateralism in her ODA policy. It may be true that many of her future projects which expect wider-ranging effects can be sufficed by the conventional scheme of ODA on a bilateral basis, but at the same time, there will be an increasing number of cases in the coming years where such a scheme will no longer be effectively functional. In such cases, Japan may have to introduce a more extensive multilateral method of ODA spending in place of the present and dominating bilateral mechanism. For example, Japan will directly deal with multiple recipients for a single project. She will also increase the ODA budget for inter-governmental organizations and south-to-south cooperation frameworks.

(2) Contribution to Regional Public Goods

As have been discussed above, Japan's relations with the Indochina sub-region have shifted from a stage where she basically followed the US regional strategy, to a stage where she could have a certain amount of independence and even stay ahead of US policies. Japan has sometimes tried to play a bridging role between the USA and Indochinese countries. Furthermore, by the mid-1990s, in order to cope with the new development in the sub-region, where the third principle of the 1977 Fukuda Doctrine was proved to be no longer workable, Japan flexibly applied a new policy to support the process of ASEAN enlargement and integration.

However, since the 1997–98 regional financial crisis, Japan appears to take a more reactive rather than a proactive attitude toward the rapidly changing situation in East Asia and Indochina. She is still repeating her efforts in gap reduction and regional integration in Southeast Asia as she was doing during the mid-1990s. This suggests that she has not been successful in finding a new “philosophy” that would firmly place both Japan and Southeast Asia in a single region. She still tends to act as an extra-regional power that assists countries in a region that she does not belong to.

For one thing, this may be the reflection of the fact that Japan's policy on East Asian regionalism is still trapped in her self-binding sensitiveness about the rivalry with China. She has yet to search for a vision that is more suitable for the newly emerging situation, through such serious and painstaking endeavors to deal with the Indochina or Greater Mekong sub-region, having been convinced that not only Japan and Southeast Asia, but China, Korea, and possibly even India are also members of a common

community.

In other words, even though the 1997–98 financial crisis of East Asia gave an important momentum for Japanese leaders to realize that the country belonged to a “region” with closely connected business networks, this kind of notion has not brought enough conviction for them to fully get involved in a new project of an East Asia-wide “regionalism”.⁵⁶ There has been still a strong tendency for Japan to regard herself as an extra-regional aid-donor and investor to developing countries in Southeast Asia, while she deals with the East Asia region as a kind of a battle ground where she is competing with China for the initiative over the still amorphous regionalism.

In August 2003 when Japan published a revised ODA Charter, she affirmed the three main objectives: first, to serve directly or indirectly her own national interests, second, to help the recipient nations’ economic growth and better living conditions, and the third but not the least, to contribute to the International Society.⁵⁷ If one reflects carefully on the significance of the third objective, he would come to the conclusion that Japan is in a good position to contribute to the common interests of the region which is not only a part of the global society but a space where herself and her neighbors belong to. More concretely speaking, it is necessary for Japan to have a clear concept of regional public goods which should not only be owned and enjoyed by the host countries, but must be commonly utilized by any member in the region and even out of it. In the age of regionalism, it is even more necessary to recognize the commonness and inclusiveness of regional public goods.⁵⁸

(3) Filling the Missing Link

As pointed out in the preceding paragraphs, one of the most important goals for the various frameworks related to the Mekong sub-regional cooperation is to create connectivity and well-balanced development.

The connectivity in the sub-regional context can be multifold: the restoration of linkage between and among nations which had been long separated physically and psychologically; the transformation of land-locked areas into land-linked areas; the connection of the hinterlands with the sea outlets; the facilitation of cross-border flow of goods, people, cars, and information; the enhancement of mutual complementarity and synergism in socio-economic development, etc.

Well-balanced development can yield numerous benefits as well. It can literally narrow the development gap among nations, among provinces, and between urban and rural sectors. It can contribute to the fair distribution and utilization of limited resources in the sub-region, among which one of the most important is the water resource of the Mekong river and its tributaries. It can provide for the sustainability of development vis-à-vis ecological environments, and the well-deliberated efforts to maximize the positive aspects of development and minimize and prevent its negative aspects, among others.

It is of course too ambitious to discuss all of these issues in such a short essay, therefore at present the author has limited the scope of analysis largely to the connectivity among nations and the shared values in the sub-regional development cooperation.

What the author wishes to add in the final part of this essay is the Japanese business

concerns toward the Mekong sub-region. As the GMS East-West and North-South transport corridors have taken shape and as the AFTA (ASEAN Free Trade Area) and the CAFTA (China-ASEAN FTA) process continues, many Japanese business people have come to regard the dynamism of East Asian economies in a wider context: they expect the formation of a tripartite linkage among three economies of Japan, Southern China and continental Southeast Asia.⁵⁹

Of course the business scene is just as competitive as diplomacy. However, while business is chiefly motivated by profit-making in accordance with market mechanisms, politicians and diplomats tend to be more concerned about power balance and struggle. For this reason, the business connection has more room to expand its networks, regardless of the diplomatic competition and rivalry.

Nevertheless, on the other side of the coin is that business concerns tend to be concentrated in economic centers in Canton, Bangkok and to a lesser extent in Hochiminh City and Hanoi-Hai Phong, where industrial clusters have been or are being established. Their attention is almost always placed on the flow of products between and among these economic centers. In another words, many localities in-between are generally left out of their concerns. It is rather natural though for business to work in accordance with market mechanisms.

For a well-balanced development, nevertheless, it is indispensable to think about the socio-economic progress of areas in-between, including the Central Highlands of Vietnam, Laos, Cambodia, Northeastern Thailand and Myanmar. And it is initially the responsibility of politicians and government officials to undertake this task. The Japanese government is strongly expected to make even further efforts by collaborating with host governments as well as other donors and stake holders, to support the smooth and steady development of these localities in fields such as institutional reform, human resource development, capacity building and information proliferation, as well as hard infrastructure building.

Notes:

1. In this paper, Indochina in the broader sense is used identically with the term continental Southeast Asia which consists of five nations. Indochina in the narrower sense is also used to indicate the three countries of former French Indochina, namely Cambodia, Laos and Vietnam. CLMV means new ASEAN members, *i.e.* Cambodia, Laos, Myanmar and Vietnam. GMS (Greater Mekong Sub-region) is the terminology first applied by ADB and is now widely used by many stake holders, which consists of five continental Southeast Asian countries and the southwestern part of China (Yunnan Province and, since 2005, Guangxi Zhuang Autonomous Region). The Mekong sub-region is also used to loosely indicate the whole or part of GMS.
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32. The Japanese Ministry of Foreign Affairs lists up ODA projects that assist the Mekong sub-regional development in "Mekong Chiiki Kaihatsu" (Mekong Regional Development) [http://www.mofa.go.jp/mofaj/gaiko/oda/data/chiiki/m_kaihatsu/01viet.html]; [02camb.html](http://www.mofa.go.jp/mofaj/gaiko/oda/data/chiiki/m_kaihatsu/02camb.html); [03thai.html](http://www.mofa.go.jp/mofaj/gaiko/oda/data/chiiki/m_kaihatsu/03thai.html); and [04lao.html](http://www.mofa.go.jp/mofaj/gaiko/oda/data/chiiki/m_kaihatsu/04lao.html); field.html].
33. Japan Bank for International Cooperation: [<http://www/jbic.go.jp/autocontents/Japanese/news/2001/000127/Thai.htm>]; <http://www.jbic.go.jp/japanese/base/topics/040603/index.php>].

34. For instance, the Route 5 project, carried out in three phases from 1994 to 1996, began well before the concept of the GMS Economic Corridors was publicly announced in 1998. But the Japanese Ministry of Foreign Affairs now includes this project in the list of the ODA projects cited in note 32. As for the Bai Chay bridge construction project (completed in December 2006), JBIC only mentions its anticipated effects on the transportation and economic development in northern Vietnam [<http://www/jbic.go.jp/autocontents/Japanese/news/2001/000028/nr13d.html>], although its constructor, Shimizu Kensetsu Co., emphasizes its importance with regard to the transport connection between Vietnam and China [<http://www.shimizu.co.jp/tokusyuu/kyouryou/baichai.html>].
35. “Japan-Vietnam Joint Statement toward a Strategic Partnership for Peace and Prosperity in Asia”, October 19, 2006 [<http://www.mofa.go.jp/region/asia-paci/Vietnam/joit06.10.html>].
36. Joint Committee of the Vietnam-Japan Joint Initiative to Improve Business Environment with a view to strengthen Vietnam’s Competitiveness, *Vietnam-Japan Joint Initiative to Improve Business Environment with a View to Strengthen Vietnam’s Competitiveness: Report*, December 4, 2003, Hanoi.
37. The Japan Center for human resource cooperation has been established in Vietnam (both Hanoi and Hochiminh City), Cambodia, and Laos as well as some former Soviet republics (Ukraine, Uzbekistan, Kazakhstan and Kyrgyz) and Mongolia. The construction of a center in Myanmar is now suspended. See the home page of “Welcome to Japan Center” [http://japancenter.jica.go.jp/index_e.html].
38. JDS is now offered to students not only from Cambodia, Laos and Vietnam, but China, the Philippines, Mongolia, Bangladesh, Kyrgyz, and Uzbekistan as well [<http://sv2.jice.org/jds/scholarships/index.html>].
39. 24 projects are listed by the Japanese Ministry of Foreign Affairs to support the Mekong sub-regional development through the Japan Special Fund (JSP) donated to ADB. Among them only one case targets a single recipient country, and two cases target two countries. The rest are all multilateral projects involving three or more countries (often including China as well) mainly for joint research, capacity building, workshops and training courses in the fields of environment, health care, poverty reduction, tourism, transport and energy among others [http://www.mofa.go.jp/mofaj/gaiko/oda/data/chiiki/m_kaihatsu/main03-01.html].
40. The Japanese Ministry of Foreign Affairs lists up 31 cases of Japanese grants to Thailand to carry out the third countries’ training programs from 1992 to 2005 which invited trainees from neighboring countries. See the list cited in note 32.
41. Tetsuo Furuya, “Ajia-shugi to sono Shuhen” (Asianism and the Related Issues), in His ed., *Kindai Nihon no Ajia Ninshiki* (Japanese Perception of Asia in the Modern Era), Ryokuin Syobo, Tokyo, 2001.
42. Michio Yamaoka, *Kokusai Kankei ni kansuru Chi no Seido-ka* (Institutionalization of an Intellectual Organization in International Relations), Ronso-sha, Tokyo, 2005, pp. 1–8.
43. Akio Watanabe, *Ajia-Taiheiyo no Kokusai Kankei to Nihon* (International Relations in the Asia Pacific and Japan), Tokyo Daigaku Shuppan-kai, Tokyo, 1992, chs. 5–6; Takashi Terada, “Thirty Years of the Australia-Japan Partnership in Asian Regionalism”, *Australian Journal of International Affairs*, vol. 60, no. 4 (2006).
44. Suetō Sudo, *International Relations of Japan and Southeast Asia*, Routledge, London and New York, 2002, ch. 3.
45. Susumu Yamakage, “Nihon-ASEAN Kankei no Shinka to Henyo” (Deepening and Changes in Japan-ASEAN Relations), in His ed., *Higashi Ajia Chiiki-shugi to Nihon Gaiko*, (East Asian Regionalism and Japanese Diplomacy), Nihon Kokusai Mondai Kenkyūjo, Tokyo, 2003.
46. Japan had consistently insisted to include Australia and New Zealand into the East Asian regional cooperation, most notably ASEM (Asia-Europe Meeting), since the mid-1990s. Yoichi Funabashi, *Ajia Taiheiyo Fūjon* (Asia-Pacific Fusion), Chuo Koron-sha, Tokyo, 1995, p. 352, argued that one of the reasons behind the Japanese insistence was their uneasiness about the exclusive Asian grouping which had the odor of a “racist block”.
47. Foreign Press Center Japan, “Hatsu no Higashi Ajia Shūno Kaigi” (The First East Asia Summit), December 15, 2005 [http://fpcj.jp/old/j/mres/japanbrief/jb_594.html]; Mohan Malik, “The East Asia Summit: More Discord than Accord”, *Yale Global*, December 20, 2005.
48. Brad Glosserman, “China and the New Geometry of East Asia”, *China: An International Journal* 1, 1 (2003); David Shambaugh, “China Engages Asia”, *International Security*, vol. 29, no. 3. (2004/05); Ho Khai

- Leong and Samuel C. Y. Ku eds., *China and Southeast Asia: Global Changes and Regional Challenges*, Institute of Southeast Asian Studies, Singapore, 2005; Kazuko Mori, “Higashi Ajia Kyodotai to Chugoku no Chiiki Gaiko” (East Asia Community and China’s Regional Diplomacy) in Takehiko Yamamoto ed., *Chiikishugi no Kokusai Hikaku* (International Comparison of Regionalisms), Waseda Gaigaku Shuppankai, 2005.
49. Robert Sutter, “China and Japan: Trouble Ahead?”, *The Washington Quarterly*, Autumn 2002; Cao Yunhua, “U.S.-ASEAN, Japan-ASEAN Relations and Their Impacts on China,” in Saw Swee-Hock *et al.* eds, *ASEAN-China Relations: Realities and Prospects*, Institute of Southeast Asian Studies, Singapore, 2005; Koichi Sato, “Higashi Ajia Community’ Koso to Nihon” (Idea of the East Asia Community and Japan), *Ajia Kenkyu* (Asian Studies), vol. 52, no. 3 (2006). Incidentally, Benjamin Self, “China and Japan: A Façade of Friendship”, *The Washington Quarterly*, Winter 2002–03, p. 85 uses a metaphor of “the two big fish in a small pond” to describe the Sino-Japanese rivalry for regional leadership. In the meantime, Lowell Ditimer, “East Asia in the ‘New Era’ in World Politics”, *World Politics*, no. 5 (2002), p. 63, points out that China and Japan are trapped in a kind of dilemma: “if one of the two grasps the nettle the other feels obliged to participate for fear of being left out”. Generally speaking, the Sino-Japanese dissonance is seen at three levels. At the bilateral level, there is the historical controversy of Japanese aggression and its issues related to the Yasukuni Shrine and revisionist text-books, and the territorial dispute in the East China Sea, among others. In the regional context, there is a competition for the leadership role. And in the framework of United Nations, Japan’s bid for a permanent Security Council seat and China’s opposition to it. The various issues at these three levels are often influenced by each other and caught in a vicious circle.
 50. “Tokyo Declaration for the Dynamic and Enduring Japan-ASEAN Partnership in the New Millennium”, December 12, 2003; “The Japan-ASEAN Plan of Action”; and “New Concept of Mekong Region Development” [http://www.mofa.go.jp/mofaj/kaidan/s_koi/asean_03/index.html].
 51. Full title of the meeting was “Quadripartite Ministerial Meeting on the Utilization of the Second Thai-Lao Mekong Bridge (Mukdahan-Savannakhet) and the Development of Areas along the Eastern Part of the East-West Economic Corridor” [Thai Ministry of Foreign Affairs: <http://www.mfra.go.th/web/showNews.php?newsid=3575&Qsearch>]. Yamaguchi’s speech in the meeting on November 22, 2001 is in Japan Ministry of Foreign Affairs: [http://www.mofa.go.jp/mofaj/press/enzetsu/13/eya_1122html].
 52. Japan Ministry of Foreign Affairs, *Japan’s Official Development Assistance White Paper 2007*, Part II, Ch. 1, Section 3–1.
 53. “Chair’s Statement Mekong-Japan Foreign Ministers’ Meeting” [<http://www.mofa.go.jp/region/asia-paci/Mekong/meet0801.html>].
 54. As for the holding of the second Japan-Mekong Ministerial Meeting, Japan Ministry of Foreign Affairs, [http://www.mofa.go.jp/mofaj/area/j_mekong/0910_kg.html]; *Kyodo News* Oct. 3, 2009 [<http://www.47news.jp/CN/200910/CN2009100301000300.html>]; and Oct.5, 2009 [<http://www.47news.jp/CN/200910/CN2009100201000531.html>]. Concerning the first Japan-Mekong Economic Minister’s Meeting, *Kyodo News* Oct.24, 2009 [<http://www.47news.jp/CN/200910/CN2009102401000413.html>]. See also Note 56 concerning Premier Hatoyama’s statemente at the ASEAN+3 Summit in Hua Hin.
 55. Japan recognized East Germany in 1973 and maintained diplomatic relations with two German governments until 1990.
 56. With the start of the fresh government led by the Democratic Party, there will be new developments in Japanese initiatives concerning East Asian regionalism. For example, the new Prime Minister Yukio Hatoyama declared in his address at the UN Assembly on Sept. 24, 2009:

Given the historical circumstances arising from its mistaken actions in the past, Japan has hesitated to play a proactive role in this region. It is my hope that the new Japan can overcome this history and become a “bridge” among the countries of Asia. I look forward to an East Asian community taking shape as an extension of the accumulated cooperation built up step by step among partners who have the capacity to work together, starting with fields in which we can cooperate-Free Trade Agreements, finance, currency, energy, environment, disaster relief and more. Of course, Rome was not built in a day, so let us seek to move forward steadily on this, even if at a moderate pace.

[<http://www.mofa.go.jp/policy/un/assembly2009/pm0924-2.html>].

He repeated the same idea on the occasion of ASEAN+3 Summit held in Hua Hin, Thailand on Oct. 24, 2009. He stated that, while placing the US-Japan alliance at the core of her foreign diplomacy, Japan would promote East Asian regional cooperation with the long-term vision of the formation of East Asia Community and based on the principle of open regionalism. And she would contribute to the region's prosperity and stability, by further strengthening the relationship of friendship and cooperation with ASEAN countries, which are trying to establish an ASEAN community by 2015.

[http://www.mofa.go.jp/mofaj/kaidan/s_hatoyama/asean_09/j_asean_gai.html].

57. Government of Japan, "Japan's Official Development Assistance Charter" [<http://www.mofa.go.jp/policy/oda/reform/revision0308.pdf>].
58. Masaya Shiraishi, "Japan Needs Bolder Aid Plans for the Mekong", *International Herald Tribune* (The Asahi Simbun Opinion), July 20, 2005.
59. The author's personal interviews with Japanese business people stationed in Hanoi, Hochiminh City and Bangkok.