

Japan's response to the Rise of China: Implications for Regional Institutions.

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Glossary of Terms

| Term | Definition |
|-------------|--|
| ACFTA | ASEAN China Free Trade Agreement |
| ACU | Asian Currency Unit |
| ADB | Asian Development Bank |
| ADBI | Asian Development Bank Institute |
| AFTA | ASEAN Free Trade Area |
| AJCEP | ASEAN-Japan Comprehensive Economic Partnership |
| APEC | Asia Pacific Economic Cooperation |
| APT | ASEAN Plus Three |
| APTFMM | ASEAN Plus Three Finance Minister's Meeting |
| ARF | ASEAN Regional Forum |
| ASEAN | Association of South East Asian Nations |
| ASEAN-ISIS | ASEAN Institute of Strategic and International Studies |
| ASEAN-PMC | ASEAN Post-Ministerial Conference |
| ASEM | Asia-Europe Meeting |
| ASO | Asian Security Outlook |
| BSA | Bilateral Swap Agreement (finance) |
| CAREC | Central Asian Regional Economic Cooperation |
| CBMs | Confidence Building Measures |
| CCP | Chinese Communist Party |
| CEPEA | Comprehensive Economic Partnership in East Asia |
| CLMV | Cambodia, Laos, Myanmar and Vietnam |
| CMI | Chiang Mai Initiatives |
| CMIM | Chiang Mai Initiatives Multilateralization |
| CPS | Country Partnership Strategy |
| CSCE | Conference on Security and Cooperation in Europe |
| DJP | Democratic Party of Japan |
| DMC | Developing Member Country/ies |
| EAFTA | East Asia Free Trade Area |
| EAS | East Asia Summit |
| EPA | Economic Partnership Agreement |
| ERIA | Economic Research Institute for ASEAN and East Asia |
| ERPD | Economic Review and Policy Dialogue |
| FTA | Free Trade Agreement |
| GDP | Gross Domestic Product |
| GMS | Greater Mekong Subregion |
| GOJ | Government of Japan |
| IMF | International Monetary Fund |
| IR | International Relations |
| ISG | Inter-Sessional Group |
| JACEP | Japan ASEAN Comprehensive Economic Partnership |

| | |
|------|---|
| JSDF | Japan Self Defence Force |
| JSF | Japan Special Fund |
| LDP | Liberal Democratic Party |
| MAFF | Ministry of Agriculture, Forestry and Fishery |
| METI | Ministry of Economy, Trade and Industry |
| MITI | Ministry of International Trade and Industry |
| MOD | Ministry of Defense |
| MOF | Ministry of Finance |
| MOFA | Ministry of Foreign Affairs |
| MOU | Memorandum of Understanding |
| NTS | Non-Traditional Security |
| OCR | Ordinary Capital Reserve (ADB's main window) |
| ODA | Official Development Assistance |
| OREI | Office of Regional Economic Integration |
| PD | Preventive Diplomacy |
| PKO | Peace Keeping Operations |
| PLA | People's Liberation Army |
| PPP | Purchasing Power Parity |
| PRC | People's Republic of China |
| RCI | Regional Cooperation and Integration (ADB Strategy) |
| REMU | Regional Economic Monitoring Unit (precursor to OREI) |
| RMB | Renminbi, aka the Yuan |
| ROOs | Rules of Origin |
| SCO | Shanghai Cooperation Organisation |
| SOM | Senior Officials Meetings |
| TA | Technical Assistance |
| TAC | Treaty of Amity and Cooperation |
| TMD | Theatre Missile Defence |
| UNSC | United Nations Security Council |
| USD | US Dollars |

Abstract

This dissertation set out to establish why it was that East Asian regional organizations were proliferating even under the condition of a Sino-Japanese rivalry. In particular, it examined the effects of the rise of China on Japan's regional policy and its outcomes.

To do so, the dissertation adopted an eclectic approach, testing each of the main international relations theories against the story of Sino-Japanese relations within the studied regional institutions of East Asia. It adopted such an approach because no one theory of international relations was able to explain both the cause of and actual outcomes of institution building.

Throughout all the regional institutions examined, one trend emerged. Whether in trade, finance, security or development, East Asian regionalism has become 'networked.' This networked outcome is more flexible than European or American-type regionalism, allowing for any dyad to calibrate their commitments as they please without reference to a regional standard. But as long as agreement on common rules for East Asia remains unforthcoming, this networked regionalism will not lead into more formalistic, deeper cooperation.

This trend toward a 'networked' or bilateral-type of regionalism was traceable back to Japan's response to China's rise. Rather than trying to build a regionally hegemonic core around which institutions for trade, finance, aid and security might be built, Japan has sought to go it alone. In the field of security, this was understandable from a realist perspective, but only after a constructivist strategy had failed earlier. In the field of aid, Japan was better able to coordinate with China in a manner that liberalism suggests, but even here Japan was building up alternative bilateral structures. In the field of finance, Japan has competed with China in a manner realism would predict, but due to world level factors this has in fact spilled over into greater regional cooperation. Likewise in the field of trade, Japan has competed with China, giving rise to a situation in which institution building is actually harmed.

In conclusion, this dissertation was able to contribute to the literature by revealing the mechanisms by which a bilateral relationship impacts on institution building and to theorize about some of the likely institutional outcomes in the various fields.

Declaration

This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution to Joel Rathus and, to the best Adelaide Graduate Centre of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

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SIGNED

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Thanks also to my fellow PG travellers, GS, SLS, HL, CY, MHT, MK, MN, KL, and GK.

Conventions

In this dissertation Japanese name order is used when referring to Japanese, i.e. 'Surname First-name.' Thus the current PM of Japan will be written as Hatoyama Yukio. *Chuu*, *Tsuu* and *Chou* sounds in Japanese are rendered *chū*, *tsū* and *chō* in the English.

Similarly, Chinese name order is used when referring to Chinese, i.e. 'Surname First-name.' Thus the current General Secretary of the Chinese Communist Party of Japan will be written as Hu Jintao.

A partial exception to this rule applies to Japanese or Chinese people who are published in English; in that case the citation will read as per Western name order.

In this dissertation the first person 'I' is used throughout. While not standard in Academic writing *per se*, as discussed in the Theory chapter, I am leery of presenting myself as a scientist with some objectively testable claims. Thus the use of I is a signal to you, the gentle reader, that this is my informed opinion.

Unless otherwise noted, \$ refers to US dollars. An effort is made to always label amounts as US\$ in any case. Yen and RMB are called as such without using notation (¥) to avoid any confusion.