

June 24, 1998

Serving the National Interest by Providing Markets

An Overall Strategy of Economic Diplomacy:

Drawing on Private-Sector Expertise

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1. Introduction

Since the end of the Cold War, economic issues have been moving to center stage in international relations. As globalization has rapidly progressed, the United States has made skillful use of multilateral, bilateral, and regional negotiations in its pursuit of an economic diplomacy based on the belief that stable world growth can only be achieved if the rules on which American and British companies depend are established as international standards. In Europe, also, the movement toward closer integration and expansion of the European Union (including the decision to introduce a single currency, the Euro) has been accompanied by diplomatic efforts to promote the interests of Europe as a whole, for example, by concluding many broad-based regional cooperation agreements with nations outside the region.

Japan, by contrast, appears to have no overall strategy of economic diplomacy; instead, it persists in treating symptoms as they arise. Arrangements for economic diplomacy received barely a mention in the recent debate over reorganization of the central government's ministries and agencies, an omission which seems strange indeed. In today's global economy, the fact that Japan lacks a coordinated policy of economic diplomacy should give rise to a sense of crisis, yet there appears to be remarkably little concern at every level from the government to the general public.

Having thus identified the problem, we have reinterpreted the concept of the national interest for a new era, and studied the concrete steps needed to make it a reality. In this process, we placed particular importance on two principles: in

the future, the national interest can best be served by providing markets; and unless it provides markets, Japan will not gain a greater voice in the world. What constitutes the national interest is, of course, a matter to be decided by national debate. We present this statement of opinion in the hope that it will act as a stimulus to such a debate.

2. Problems in Japan's Economic Diplomacy

(a) Failure to Define the National Interest and to Develop an Overall Strategy of Economic Diplomacy

In a world undergoing rapid and far-reaching changes, both social and economic, for too many years Japan has found itself unable to define its goals in terms of the national interest. In consequence, it seems, the long-standing Japanese approach to economic diplomacy remains in force; that is, we continue to depend on external pressure as an agent of domestic change, to follow the United States, and to treat symptoms, not causes. Moreover, until the national interest is defined, we remain unable to map out an overall strategy of economic diplomacy.

As a result, a distinct lack of coordination has developed among the ministries responsible for economic diplomacy, which include the Ministries of Foreign Affairs, International Trade and Industry, and Finance. History has shown that when diplomatic channels become complicated and poorly coordinated, negotiations will end in either failure or an unfavorable outcome. Japan must move, at both domestic and international levels, to unify its approach to economic diplomacy by clearly defining the national interest and developing an overall strategy based thereon.

(b) Failure to Reflect Public Opinion in the Policy-Making Process

Diplomatic negotiation strategies should be developed via unified channels. However, the process of making foreign policy may emphasize continuity and the special nature of diplomatic negotiations to the point where it fails to reflect public opinion, or even to verify, in a transparent way, whether the resulting policy is in the national interest. If this should prove to be the case, the policy-making process must be improved.

The problem is also a political one. It is generally said that, in Japanese politics, devoting effort to foreign policy issues does not win electoral votes. In fact, amid ongoing globalization, Japanese politicians are inclined to take a very cautious stance on issues of economic diplomacy relating to liberalization of domestic markets, on the grounds that liberalization may run counter to the short-term interests of their electorate or particular industries.

The nation's course should be set by reflecting the will of every one of the Japanese people through the Diet. In the sphere of foreign policy, however, a process that allows too few opportunities for public debate and too small a role for the Diet has led to the present lack of transparency in the planning and conduct of diplomatic strategy. As a result, the level of public interest remains low, and politicians do not develop the breadth of outlook needed to exercise leadership. The policy-making process underlying Japan's economic diplomacy must be made transparent, and the role and responsibilities of the Diet therein must be clarified.

(c) Poor Linkage of Economic Diplomacy with Private-Sector Activity

Since economic issues first became central to the foreign policy agenda in the early 1990s, the policy-makers who shape the economic diplomacy of the United States, Europe, and many other parts of the world have paid close attention to trends and opinions in the private sector-the driving force of the market economy. This input is sought because the main areas of concern in economic diplomacy negotiations, such as the market system, corporate law, and standardization, are directly related to corporate activities.

Typical of such input is the Trans-Atlantic Business Dialogue (TABD), a series of discussions among leaders of the private sector in Europe and the United States.

Japan, however, has been slow to seek this kind of input. We have gained the tacit reputation, in Europe and the United States, of "a private sector that doesn't assert itself to the government, and a government that doesn't listen to the private sector." These attitudes must change. American observers have also pointed out, as an ironic example of the lack of coordination in Japan's economic diplomacy, that because Tokyo has not taken a clear position toward Beijing on the question of intellectual property rights, Japanese companies, acting through their U.S. subsidiaries, have asked the Office of the U.S. Trade Representative to resolve cases which affect them in China. There have also been comments

made at the European Commission to the effect that, where issues of economic diplomacy are concerned, the Japanese government and Japanese corporations give the impression of running on two different tracks that will never meet.

Economic diplomacy negotiations cannot hope to succeed under such conditions. The expertise of the private sector must be reflected in the policy-making process, and closer coordination must be sought between economic diplomacy and the activities of the business community.

In recent years, there has been a marked tendency among European and American leaders to include prominent business executives in their entourage on visits abroad. This is evidence of the established role that the business community has come to play in the economic diplomacy of these countries or regions. It is worth considering the merits of having members of Japan's private sector accompany the Prime Minister, Minister of Foreign Affairs, or other Cabinet ministers on overseas visits, in order to further mutual understanding and cooperation in the economic sphere.

3. A Vision for Japan's Economic Diplomacy

(a) Serving the National Interest by Providing Markets

The increasing globalization of the world economy means that Japan, which accounts for over ten percent of global production, cannot achieve growth that is sustainable in the long run unless it harmonizes its economy with the international system. Clearly, the national interest should be pursued on the basis of international cooperation.

In terms of economic diplomacy, our concept of the national interest is this: Japan should become indispensable to the world community and gain international trust by providing markets.

"Provision" of markets is broader in meaning than the more familiar term, "opening," since it is not limited to liberalization of trade or capital, but encompasses all aspects of international harmonization of the social system.

In the past, while Japan has entered the markets of other nations and regions, it can hardly be said to have actively provided markets of its own, as shown by the low ratios of incoming imports and investment. One consequence is that the Japanese public cannot enjoy the full benefits of the global economy; another is that, in all areas of economic diplomacy, Japan has only limited international

influence. For example, the arguments that Japan presents when faced by the United States' strong demands for deregulation are not objectively convincing because, in reality, Japan is not providing markets. The strength of America's case, and of its influence, is not due solely to its military power. We need to recognize that it is due to the fact that the United States is the only nation that has consistently provided markets for the world.

Japan must now develop an overall strategy of economic diplomacy which gives priority to providing markets, for this is the road to sustainable prosperity.

Providing markets will, firstly, have benefits at home: it will help secure jobs, whatever the nationality of the companies concerned, and by making high-quality goods and services available at low prices it will enable not only the Japanese but all citizens who live in Japan to maintain a sound, stable livelihood. These principles of national development will constitute basic conditions of Japan's pursuit of economic diplomacy. In terms of international relations, providing markets will enable us not only to contribute to the development of our Asian neighbors, but also to have a greater voice in the world, thereby enabling us, in turn, to serve the interests of global prosperity.

The United States, the world leader in providing markets, has already formed the TABD framework, and its European partners have begun to provide the world's second largest market through the increasing integration of their region.

(b) Emphasizing the Regional Interests of East Asia

East Asia's regional interests are particularly important to Japan's national interest because the highly interdependent economies of the region have a great impact on the Japanese economy and employment situation. In particular, since last year, the continuing economic crisis in East Asia has shown the urgent necessity of political and economic stabilization. As the only major industrial nation in the region, Japan must undertake to expand imports and incoming investment by providing markets, while at the same time taking steps to make the yen a more readily usable currency.

(c) Exercising Initiative in the Formulation of Market Rules

The international harmonization of market rules is a key issue in the provision of markets. In Japan-perhaps inevitably, given our history of catching up with more advanced nations-there is a deep-seated attitude that the rules are made by

others and one need only concern oneself with how to operate successfully within them. In the future, however, Japan must exercise initiative in the forums where international rules are made, while clearly indicating its commitment to providing markets. In this same context, Japan should also make efforts to have its own rules and standards adopted internationally.

4. The Necessary Policy Measures

(a) Development of an Overall Strategy of Economic Diplomacy, and the Role of the Diet

While diplomatic negotiations should be conducted by members of the diplomatic service and other government officials, it is not the prerogative of the administrative branch of government to formulate basic foreign policy. It is the popularly elected legislature, the Diet, which must define the national interest and lay down the basic tenets of foreign policy, based on its ideal vision of the nation. The government should annually submit its agenda for economic diplomacy, in the form of an overall strategy, to the Diet and respond to members' questions.

A framework such as the TABD is premised on the willingness of the participating national and regional governments to remove all existing economic barriers between the United States and Europe, to the maximum extent possible, and ultimately on the goal of creating a Atlantic Rim Free Market. Japan should draw up economic diplomacy guidelines which include similar goals. These guidelines must be more specific than the foreign policy speech given by the Minister of Foreign Affairs at the beginning of ordinary sessions of the Diet. They must set forth Japan's position and proper role in the global economy, the basic goals of economic diplomacy, and strategic issues for each region in light of these basic goals. Such specific guidelines will have significance as a message to the countries concerned, while at the same time also focusing the attention of the Japanese public and politicians on international affairs. It is also desirable, of course, that the results of diplomatic negotiations be evaluated by the Diet in relation to this overall strategy. With the backing of parliamentary debate, Japanese diplomats should be able to confer and negotiate confidently, on equal terms, with their European and American counterparts. They would not need to

face negotiations with the sense that they alone are responsible for the nation's future.

As part of the process of drawing up an overall strategy of economic diplomacy and unifying the channels for developing diplomatic strategy on this basis, there is also an urgent need to strengthen the role of the Cabinet as policy coordinator. Unfortunately, at present, the Cabinet Councillors' Office on External Affairs does not appear to be taking any initiatives in developing a strategy of economic diplomacy. The newly enacted [Basic Law on Reform of the Central Ministries and Agencies] provides for the Cabinet Secretariat to play a synthesizing role in planning and drafting of proposals, and for the Prime Minister's right (to be stipulated in the Cabinet Law) to put an initiative directly before the Cabinet without prior adjustment by the meeting of Administrative Vice-Ministers. The scheduled implementation of these provisions should be brought forward, and they should be put into effect without delay.

Further, the changing nature of modern diplomacy means that every ministry is required at times to carry on international negotiations, since such fields as currency, information, or energy call for a high level of specialization, and since the distinction between domestic and foreign policy is gradually disappearing. Thus, it is anticipated that the Ministry of Foreign Affairs will act as general coordinator of all the ministries in the area of external economic policy, and will take on greater responsibility for developing the overall strategy of economic diplomacy together with the Cabinet. A system is needed whereby the individual ministries carry out their part in the national strategy with full dedication and without obstructiveness. This will entail exchanges of personnel to facilitate teamwork, with specialists from other ministries being temporarily assigned to the Ministry of Foreign Affairs to take part in overall strategy development.

(b) Decisive Action on Structural Reform as an Issue of Economic Diplomacy

Neither imports, nor incoming investment, nor the number of foreign residents in Japan are at a satisfactory level for a major industrial nation. The structural reforms now under way aim to move decisively toward making Japan a more attractive location for business activity, drawing individuals and companies from all over the world while also giving full scope to the vitality of Japanese companies and individuals. Thus, we should recognize that pursuing structural

reforms in order to revitalize the Japanese economy by providing markets is also a central priority of economic diplomacy.

Furthermore, markets will be provided at an accelerating rate as domestic demand expands. This expansion should be led by private-sector demand through structural reform. To this end, the need for improvements is particularly urgent in such areas as high income tax and corporate tax rates, high prices, the numerous regulations imposed by both government and the private sector, and the lack of fairness in access to information. Faced with the need for radical tax reforms and deregulation, the time for debate over policy directions is past; we must now take action in a race against time. Fair access to information must also be ensured; from a society in which information is concentrated in official hands and distributed unevenly via the "iron triangle" of the government, the bureaucracy, and industry, we must realize a society in which it can be shared by anyone.

Some may protest that Japan has been continuously opening its markets over the years. Indeed, the fact that there are now almost no remaining institutional offshore barriers, such as high tariffs, is recognized even by the United States and Europe. If, however, there are any instances of private-sector self-regulation or discriminatory practices, which are a cause of the distrust that remains deeply rooted among foreign corporate management, such practices must be thoroughly eliminated. Regrettably, the term "transparent transactions," which is commonly used in Japan, has yet to be recognized as completely synonymous with the global marketplace's "fair transactions." The creation of fair rules and a fair system is the duty not only of government but also of the business community. At the same time, we must prepare ourselves to face mega-competition.

In addition to structural reforms, there are various issues yet to be resolved under the heading of "internal internationalization." These include educational reforms to raise the level of English ability (which is the lowest in Asia) and the international negotiation skills of the Japanese, and realizing a society which is a congenial place for foreigners to live. These issues have been under discussion since the 1980s, yet little or no progress has been made toward solving them. In future, the trend toward globalization will have an ever-increasing impact on the Japanese public in every walk of life. As each member of Japanese society enjoys the benefits brought by providing markets, they are also being asked to

develop a personal awareness of internationalization. Japan will not change until Japanese voters acquire an international perspective.

In addition to the domestic reforms discussed above, in the following sections we consider a number of measures from the viewpoint of promoting international cooperation: (c) a Japanese version of the TABD; (d) contributing to the East Asian economy; (e) active participation in the formulation of market rules; and (f) flexible and transparent allocation of ODA and other official funds.

(c) A Japanese Version of the TABD: Giving the Private Sector a Voice in Economic Diplomacy Policy

As the contents of economic diplomacy become increasingly complex, due to ongoing globalization and advances in information technology, in many areas it is becoming impossible to hold working-level consultations without including the business enterprises who are the actual market players. Examples include multilateral recognition agreements and the standardization of tax and accounting systems, standards, certifications, and environmental regulations. There is thus a growing need at this time to allow the corporate sector a voice in the foreign policy decision process.

With the TABD as a reference point, measures should be instituted to bring about private-sector-led business dialogues between Japan and the U.S., between Japan and Europe, and within the East Asian region. The key points will be the following three steps to be taken by the governments concerned: (1) clearly define the task, namely, to solve trade and investment imbalances and establish common market rules; (2) approach private-sector companies in their own nations or regions and propose to create a consultative forum within the given frameworks; (3) at the same time, declare that they will respect the conclusions reached by this forum in intergovernmental negotiations.

The governments' commitment to respect the proposals of the private sector is particularly important. Business executives in the United States and Europe, as in Japan, regard negotiations with no government commitment as meaningless. Further, since such dialogues have the added advantage of concentrating efforts which would otherwise be duplicated among Japan's economic organizations, it is worth considering the possibility of using these organizations' existing frameworks. The Japanese business community should join in private international exchanges of this kind after first establishing the purpose of the talks, that is, whether they are to build mutual trust or to negotiate institutional

arrangements. While it will require a great deal of energy to realize these dialogues, we have entered an era when business and government together must make such efforts.

(d) Contributing to Stable Growth of the East Asian Economy

The economic turmoil seen since last year in Asia raises the possibility that structural reforms which might have taken decades to achieve will move ahead all at once. The people of Asia have the knowledge and abilities to see them through such rapid reforms, and they have lost none of their enthusiasm for economic advancement. The Japanese government and Japanese companies should therefore rise to the challenge, basing their judgments and actions on a firm confidence in the long-term growth of the region.

In addition to underscoring the prime importance of the stability of the region's currency systems, East Asia's economic crisis has demonstrated the risks of excessive dependence on the U.S. dollar in the region's currency management. While there is no question that, in order to ensure the sound and stable development of the East Asian economy, Japan must, above all, provide markets, there is another issue which we should tackle at the same time, namely, providing an environment for internationalization of the yen in the near future, while keeping in view the long-term prospect of creating a common currency system in Asia. Among the steps needed to make the yen more readily usable as an international currency, the short-term government bond market should be improved and tax reforms should be expedited, including the introduction of nonresident withholding tax on public and corporate bond interest and the abolition of the securities transaction tax.

Yen-denominated trade accounts for 36 percent of Japan's exports and 22 percent of its imports; even in trade with the Asian nations, where many Japanese-affiliated companies are located, the figures are 48 percent for exports and 27 percent for imports ("Survey of Trends in Settlement Currencies for Exports and Imports," March 1998). Although these figures are higher than in the past, they are still far below the 80 to 90 percent rate of home-currency settlements seen in Europe and the United States. It is expected that Japanese companies will make efforts to expand yen-denominated trade, including their dealings with their own local subsidiaries. If international transactions are being carried out in dollars from mere force of habit, this way of thinking needs to be changed.

Together with internationalization of the yen, we call for the creation of a liaison mechanism among the monetary authorities of the Asian nations in order to help stabilize the East Asian financial system. Complementing the role of the IMF, this mechanism would provide regionally-based surveillance of structural adjustment facilities and the progress of improvements, while also drawing on the huge foreign reserves held by Asia, especially Japan, when required to carry out emergency measures, for example, to secure the foreign currency liquidity of nations in the region when threatened by currency crises.

(e) Active Participation in Formulating International Market Rules

(i) More Participation of Japanese Nationals in International Agencies

Lately, international agencies are said to be taking on a will of their own, rather than simply serving as a forum for assembling and coordinating the views of nations and regions. In the decision-making process at these bodies (where, to a considerable extent, international market rules are discussed and decided), critics say that supposedly neutral international civil servants are, in fact, engaged in a leadership struggle in which their countries of origin figure in the background.

The dues Japan pays to the WTO rank third highest among the organization's members, at 8.6 percent (1995); yet only three of the WTO's specialist staff, or a mere 1.5 percent, are Japanese (as of December 1995). Japan also pays the second largest share (currently about 18 percent) of United Nations dues, and under new criteria which calculate each member's share from its national income, this will rise to 21 percent in 2000, yet there is surprisingly little public interest in these figures. In contrast, the 475 Japanese employees at the United Nations represent a mere 2.6 percent of the total.

Japan is the only country in the world that has such a tiny number of its nationals on the staff of these bodies compared to its funding burden. This can be seen as a major cause of Japan's lack of influence in international organizations. Active participation in international agencies is an urgent issue in terms of the national interest.

The number of Japanese employees of international agencies has in fact been rising in recent years, especially in the younger age group, since more young Japanese have studied overseas and become fluent in English; also, in an increasingly mobile Japanese labor market, positions are being advertised more

widely via such channels as the Internet. The private sector can do much to encourage this trend. When Japanese companies consider job applicants who have worked for international organizations, it is hoped that they will do more than find places for them; it is hoped that they will be prepared to change their own corporate culture by actively welcoming such employees.

A more serious problem is that there are very few Japanese in executive-level positions (such as top officials or bureau directors) at international agencies. We should ensure that, if they wish to utilize their abilities in this way, talented Japanese in a wide range of government, private-sector, and academic jobs are able to take up responsible posts in international agencies while on loan from their affiliated institution at home; to this end, their employers should guarantee terms (including promotions, salary, and housing) commensurate with their duties at the international agency, both during their tenure and after their return to Japan.

The corporate sector should take active steps in this direction by, for example, sending personnel with international experience and outstanding managerial ability to serve at international agencies while also giving them the option of advancing their careers on returning to Japan. In the case of government employees, at present, ministries sometimes make their own arrangements to second staff to specialized international agencies while guaranteeing their status by placing them on temporary leave. The employees receive remuneration, including various allowances, from both parties, but there are said to be no strictly standardized rules presently covering such arrangements. Any system of excessive payment that may have become established as a nontransparent customary practice should, of course, be corrected immediately. If, however, such provisions exist because personnel willing to take assignments could not be found and a Japanese presence in international organizations could not be maintained without them, a national debate on ways to improve this situation should be encouraged.

Due attention should also be paid to the performance of those assigned to such posts, as an appointee who merely fills a place for two or three years could invite disillusionment on the part of Japanese employees proper, who are paid according to a different scale, and ultimately discredit the image of the Japanese.

(ii) Playing a Substantive Role in Standardization Bodies and Consortiums

In an era of ongoing globalization, to control standardization is to control the market. What Japan must do at this time, in view of the purely economic benefits to be gained, is to pursue efforts for international standardization with the private sector taking the lead. It is vital that the government work with the private sector to determine priorities among fields requiring standardization and to ensure consistency with its own technological and industrial policies for these fields, in addition to facilitating the private sector's activities by providing its full support (coordination and creation of a suitable environment). Essential preconditions for this cooperation are, of course, that the private sector conduct industry activities independently of the government and with complete transparency.

If we are to play an active role in international standards organizations, with the private sector taking the lead, the key to success will be developing high-quality human resources and sharing organizational costs. It is hoped that, on this basis, Japan will exercise leadership encompassing the Asian region, and will play an active role in the formation of consortiums involving, for example, venture companies. To date, Japan has hosted secretariats of international standardization organizations only 42 times (4.2 percent of the total), while Germany, the U.S., the U.K., and France together account for 997 times, or 60 percent.

It must be admitted, however, that not everyone in corporate management is fully aware of the importance of standardization, and some have little sense of urgency in this matter. This attitude is typified by the selection of personnel who are not always of the highest quality to take part in related industry activities or meetings, both in Japan and overseas. If Japanese companies are approaching these talks, in which their own fortunes and those of the nation are at stake, with the attitude that their representatives need do no more than attend, this attitude must be corrected immediately.

(f) Flexible and Transparent Allocation of ODA and Other Official Funds

Without question, Japan's official development assistance (ODA), which represents a total of over one trillion yen allocated annually from the general account, is at the heart of its economic diplomacy. If this is viewed as an insurance premium that goes with membership in the international community, it cannot be said absolutely to be too high a sum. But whereas in the United States, for example, the administration of ODA is closely governed by the Foreign

Assistance Act, the Diet's approval is not required for ODA decisions, and their state of implementation, including application of the "ODA Charter," is unclear. While the Ministries of Foreign Affairs and Finance together account for about 90 percent of total ODA, the breakdown of the ODA budget among all the ministries, together with the proportion devoted to technical cooperation (including that administered by seventeen other ministries and agencies), remain almost unchanged from year to year. Accordingly, we believe a fresh approach is needed if the allocation process is to be freed from discretionary administration. In reviewing the situation, the government should be willing to start with a clean slate, and should also keep in view the possibility of enacting a law concerning ODA.

But it is obvious that, no matter how often the form of economic cooperation is discussed in the Diet, efficient strategies cannot be developed as long as members narrow-mindedly put the interests of industry and their electorates first. Typical of such thinking is the view, reportedly put forward during the debate on food aid to Indonesia, that stockpiled domestic rice should be used in preference to rice available on the international market.

Further, since the ODA legislation would defeat its own purpose if aid could not be readily mobilized, it should combine increased transparency with flexibility. A resourceful approach is called for; for example, special reserve funds which have not been earmarked for a particular purpose could be secured in order to increase the portion of ODA funds that can be handled in a mobile way. Further, in some instances, where recipient countries are assured of a fixed sum every year they have incorporated it as revenue in their budget, thus giving rise to a structure of vested interests. As part of a relationship with aid recipient nations which should maintain a healthy tension, sufficient flexibility is needed to allow for the possibility that, in a category where aid was granted one fiscal year, the next year there may be no grant at all.

The flow of official funds other than ODA, known as Other Official Funds (OOF), constitutes a vast amount of financial cooperation whose main source is the fiscal investment and loan system. Since the importance of its role has been reaffirmed by the East Asian economic crisis, there should be an even greater focus on OOF than in the past. Moreover, OOF and private-sector funds each have their own role, separate from that of ODA, in the overall strategy of economic diplomacy, and organic cooperation among all three is desirable. From this viewpoint, greater efforts to ensure transparency are needed,

including public disclosure of the state of OOF and the process by which it is financed. For example, improvements should be made in information disclosure by the Export-Import Bank of Japan, which currently announces regional balances and cumulative totals for each country, but not the outstanding balances on a country basis.

Needless to say, if any nontransparent relationships or dealings exist between Japanese companies and the governments of developing nations, such conduct must be strictly avoided and rectified, not least because the OECD has adopted a resolution banning bribery of foreign government employees in international commercial transactions.

5. Conclusion

We believe that we have entered an era when Japan must develop strategies of economic diplomacy centered on providing markets, together with consolidating the necessary institutional basis. Only in this way can Japan gain a greater voice in the world.

Providing markets in line with the trend to globalization does not mean a simplistic Westernization of Japan. It is one thing for the same rules to be accepted around the world, but how each nation organizes and acts on the basis of those rules is another matter. Even if the stage is set in the same way, the performances on that stage can be original. There will no doubt be opportunities for Japan to display its own initiative while giving play to its own merits and strengths.

At present, however, Japan has departed altogether too far from the global rules. The various systems and rules now being recognized by the international community, centered on the United States and Europe, can be described as a global formula. While taking that formula to heart, regardless of our likes and dislikes, and while also developing self-preservation skills, we must participate in the creation of new international systems and rules.