

THE STRENGTHENING OF THE STRATEGIC POLITICAL RELATIONSHIP BETWEEN THE CENTRAL AMERICAN INTEGRATION SYSTEM AND JAPAN.

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Introduction.

The mutual relationship between Japan and the countries of the Central American isthmus (CA) has never been on the top of the strategic priorities list of neither Japan nor the Governments of the Central American region. For decades after the establishment of diplomatic relations in the wake of the end of WWII, the top priority for all these countries in terms of foreign affairs has been their relationship with Washington, and the stability of their own neighbourhood in Northeast Asia and within Central America respectively. Economic backwardness, geopolitical reasons, authoritarian internal policies and civil conflicts in Central America; as well as the constraints of Cold War reasoning, and the different priorities of Japanese diplomacy gave way to a low-key political relationship, complemented by a modest economic exchange and a focus on development assistance from the Japanese side under a "donor-recipient" framework, of which Central America was a passive side.

However, in the 1990`s, facing a new international environment after the end of the Cold War and with the democratization process of the region steadily on track, the relationship with Japan started to take a shift towards higher levels of institutionalization and branching-out, though without exceeding the economic and political limits of any asymmetrical interaction: the huge economic disparity between the CA region and Japan, the geographic distance, the region's lack of political clout in world affairs, the limited level of internal cohesiveness within CA in terms of political affairs, and the high levels of dependency on their relationship with Washington (on both sides), remained as factors limiting the scope of the relationship, even after ballots started to be cast freely, and Globalization imposed the options of open regionalism.

Academic works about the relationship between Central America and Japan do not abound. Even when different authors such as Shigeru Kochi, Ruben Berríos, Hiroshi Matsushita, and Neantro Saavedra Rivano have written extensively on the, mostly economic side, of

Japan-Latin America relations, the specific topic of political relations between Japan and Central America has been left almost unaddressed by the International Relations academic world.

A few years ago, a group of Central American diplomats, originally from Guatemala, Panama and El Salvador developed a diplomatic strategy for the strengthening of the relations between Japan and the seven Member States of the CAIS: Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, plus the Dominican Republic (DR)¹. The core idea of this strategy is that Central America is now in the position to start offering coordinated international and political backing to Japan at International Organizations and on direct and indirect specific issues of interest for Japan's goals on the world stage. In return, Central America would expect to receive from Japan higher levels of economic assistance and development engagement in the region through direct investments, cooperation, tourism promotion, trade, and technology transfer.

This investigation aims at analyzing specific proposals and steps taken in this direction by the Governments conforming the Central American Integration System (CAIS), especially since the late 1990`s, in their dealings with Japan, with the aim of analyzing the assumption stated above and to determine to what extent a "strategic alliance" between Central America and Japan is feasible and what it will take for it to develop accordingly.

My preliminary hypothesis on this issue states that, on the one hand, it must be acknowledged that the current level and nature of the relationship between Japan and Central America is far below its true potential. Nevertheless, any "strategic relation" to be established between the Parties will be limited as a result of geopolitical, economic and logistic factors. If well implemented though, this strategy could bring about positive results in specific areas and issues for both Japan and the CAIS countries.

Both Institutionalism and Constructivism are used here as the theoretical approaches in this essay, since they can be used successfully in a combined fashion in order to explain the cooperation proposals between Japan and the CAIS Governments within the framework of International Organizations and regimes; as well as to understand the construction of their own

¹ According to the content of the "*Acuerdo de Asociación entre el Sistema de la Integración Centroamericana y la República Dominicana*" signed on December 2nd 2003, the Dominican Republic acceded CAIS as "Associate State", with the right to participate in the meetings of the system at all levels of representation when the Government of the Dominican Republic considers it is in its national interest to do so.

institutions in the last few years, with the objective of furthering their bilateral² agenda. Nevertheless, it should be pointed out that basic notions of realist theory (regarding the issue of the Taiwan Strait and the United States` influence in the CA-Japan relationship) have also been taken as explanatory factors in this investigation.

This article will firstly tackle the theoretical analysis from different authors about the relationship between Japan and the Latin American region as a whole in the last decades. In the second part, the Japan – Central American Political Dialogue and Cooperation Forum will be analyzed, as the framework established in 1995 and under which the basis for an improved relationship in the short term future has been laid out, focusing later on the current efforts being made toward the realization of an upgrading of the relationship by both Parties, and the way in which Central America is trying to present itself as a partner with a very specific strategic potential for Japan. The third chapter part will cover the analysis of the content of the “Tokyo Declaration”, issued at the second Summit of Heads of Government and State of Japan and Central America, held in Japan in August 2005; and its “Plan of Action”, along with the content of the “Japan-Central America Initiative” (known in some circles as ICAJAP³ in Spanish). Finally, I will present the conclusions of the investigation on the way I believe a new stage of relations with Japan should be handled, and how this “partnership” with Japan can fulfil its natural potential

I. Japan and Central America: Likeminded enough for a Partnership?

Japan and Central America have been actively engaged in an institutionalized relationship for more than a decade already, mostly under a “recipient-donor” basis; but is that all the potential there is for this bilateral relationship? And if not, what should be done to upgrade this into the kind of relationship both sides can benefit even more from? To be able to understand whether or not Japan and Central America have what it takes to create an effective long-term partnership firstly we need to have a look at this bilateral relationship from a global and a regional perspective, taking into special consideration the Japanese foreign policy goals.

² Throughout this investigation the term “bilateral” will be used to refer to any exchange or interaction between Japan and the CAIS Member States as a whole.

³ Attention must be paid to the fact that the name “ICAJAP” and even the reference to the “Japan – Central America Initiative” should not be mistaken for the official name of this initiative. This name was proposed by the Ambassadors of El Salvador, Guatemala and Panama to the Interamerican Development Bank in 2002 as the name of the political proposal being the object of a research sponsored by the Bank. Even when the term “Japan-Central America Initiative” will be used throughout this investigation, the reader should be aware that this term is still not officially accepted by all the Central American Governments involved.

The traditional aspects of Japanese foreign policy towards Latin America

Looked at from a general perspective Japan's goals at the intentional level don't have much to do with Latin America, not to say with the small seven States of the Central American Isthmus and the Dominican Republic. As Yutaka Kawashima puts it, Japan's main international concerns revolve around the military alliance and economic relations with the US, the situation in the Korean peninsula, the growth of China, the Taiwan Strait issue, securing its influence in the Association of East Asian Nations (ASEAN), resolving territorial disputes with the Russian Federation and keeping fruitful relations with Europe.⁴ We could add to this repertoire of International objectives a broader political recognition at the United Nations, but even this does not directly involve Latin America or any of its sub regions.

Some authors like Hiroshi Matsushita concede the importance of Latin America for Japan until recently as having been that of an outlet for Japanese overpopulation during the reconstruction years after WWII, during the 50`s and 60`s (especially to Brazil and Peru); and that of source of natural resources⁵. There is also the more global objective of promotion of Democracy and Rule of Law as a political reason for Japanese presence and cooperation in the region, as mentioned by Stallings B. (1993), and Orr R. (1990),⁶ especially supporting the US efforts to make sure the region remains stable after decades of civil war and dictatorship during the 1980`s and 1990`s, as was the case in Central America.

In the case of this particular region, which is neither a host to any important Japanese migrant community or an important source of natural resources, it is my personal opinion that the institutionalization of Government level talks since 1995 was an effort aimed at providing international support for the Central American Governments and their regional integration process after a decade of internal strife, trying to satisfy American requests; while at the same time securing a better coordination of Japanese Official Development Assistance (ODA) and enhancing the Japanese presence in this once volatile region after the end of the Cold War.

⁴ Yutaka Kawashima *Japanese Foreign Policy at the Crossroads*, Brookings, first edition, 2003.

⁵ Hiroshi Matsushita (1998) *La Diplomacia Japonesa hacia America Latina en la epoca de la posguerra fria: Comparaciones con las etapas anteriores* in Torcuato S. di Tella and Akio Hosona (eds.) "Japon/America Latina: la Construccion de un vinculo". Nuevo Hacer Editors, Buenos Aires.

⁶ The academic works I am referring to here are Orr, R., (1990) *The Emergence of Japan's Foreign Aid Power*, Columbia University Press, New York; and Stallings, B. and G. Székely (1993) *Japan, the United States and Latin America. Toward a Trilateral Relationship in the Western Hemisphere?*. MacMillan Press and St. Anthony's College Oxford, U.K.

Looking at the surface it might seem that Japanese interests in Latin America are more of an economic nature, but if we scratch a bit we will find a more important political agenda for Japan, specifically in the especial case of Central America. Recently, we have witnessed a series of developments that suggest that it is in the Japanese interest to enhance its relations with the region. Among the most important of these developments we can mention **1)** The change of the Japanese stance towards Free Trade Agreements; **2)** the growth of China and its growing presence in Latin America; **3)** The importance of the Asia Pacific Economic Cooperation (APEC) and the Forum of East Asia – Latin America Cooperation (FEALAC) for Japan; **4)** Latin America as “safety” region for a more engaging Japanese presence.

As for the last of these four factors, it should be noted that the overall political and cultural situation of Latin America and its amicable relations with Japan create a very positive environment for Tokyo to become more engaged in the region. Looked at from a comparative perspective, Latin America and especially Central America are “safe” options for Japan since this is not a region fraught with bitter memories of past Japanese aggression and unresolved issues stemming from WWII as in the case of Asia and Russia. Neither is it a region worried about competing economically against Japan at a “high-leagues” level as in the case of the US and the European Union; or a region fraught with problems of endemic corruption, pandemics, or political and social upheaval and sectarian strife as is the case in much of Africa or the Middle East.

Here though, the big factor that seems to matter for Japan when drawing up his policies towards the region is the United States, with Washington considering Latin America as his natural sphere of influence. Despite its importance, it seems this factor has been repeatedly overlooked by some Central American diplomats, leading to sometimes unrealistic expectations on the potential of their relations with the Japanese.⁷ The United States is the principal partner of Japan at the International level; it is one of Japan’s most important trade partners; and it shares with Washington a defence alliance that is the cornerstone of Tokyo’s foreign policy. Central America in turn has as well the United States as its main trading partner. With millions of nationals supporting their economies through remittances, many of them living there illegally; and a Free Trade Agreement between the region and Washington recently entered into force; Central American Governments just can’t do without American support and participation in many vital areas.

⁷ Since this investigation tackles an issue that is currently on the political agendas of Central America and Japan, the privacy of official sources has to be respected and it is impossible to be any clearer as to which factions of the political spectrum in Central American countries are being too pessimistic or too idealistic about the potential of the ICAJAP proposal.

On this specific topic we can mention the academic work of Stallings and Székely (1993) which describes the relation between Japan, the US and Latin America in terms of a “triangle” made up of the interactions between the US-Japan, the US-Latin America and the interaction Japan-Latin America. The idea of this “triangle” is supported by the fact that the US has traditionally considered Central America (in fact, the whole Latin American subcontinent) as some sort of *chasse gardée*, and many analysts believe Japan takes this fact very seriously into account when drawing its foreign policy towards the region.

Therefore I argue that a comprehensive partnership between Central America and Japan (one that includes political, economic, social and developmental issues) will only be feasible if it does not damage the more important relation with Washington or goes against American objectives in the international arena. Some other authors even give credit to the American pressure on Japan for the initial flows of Japanese cooperation towards the region back in the 1970`s. Keiichi Tsunekawa says of this “*In the mid 1970`s the US started asking Japan and the European countries to assume more responsibilities in the maintenance of the international liberal order...At the beginning Japan responded to this demand economically, liberalizing its domestic market and increasing its Official Development Assistance...Nonetheless Japan faced difficulties in Asia, where several authoritarian regimes still existed. In contrast, there were fewer problems in Latin America thanks to the democratization wave of the late 1980`s. Thus Japan could contribute to the democratic consolidation in Central America...Latin America became a sort training center where Japan learned to implement democratic promotion policies*”.⁸

However, this is not saying Japan is totally dependent on Washington's opinion to design its foreign policies towards the region. Tsunekawa has identified two reasons why Japan needs to get away with incrementing its presence in the region without straining its special relationship with Washington: The excessive dependence on the American market as a factor debilitating the position of the Japanese Government vis-à-vis political pressure from Washington; and a strong Japanese presence in the region and in FEALAC as a counter-balance in the negotiating process of the FTAA (currently stalled, as mentioned earlier), so badly wanted by Washington and one that Tokyo fears would contain discriminatory measures that could hurt the Japanese share of American imports.⁹

⁸ Tsunekawa, K., (2005) *Japan`s role in Latin America-Asia Interactions* Lecture in “Experiences and Prospects of Globalization in Latin America and the Caribbean” the JCAS Symposium Series 23. International Area Studies Conference X .

⁹ Tsunekawa, K., (2005) *Japan`s role in Latin America-Asia Interactions* Lecture in “Experiences and Prospects of Globalization in Latin America and the Caribbean” the JCAS Symposium Series 23. International Area Studies Conference X .

A final factor we have to pay attention to in order to objectively identify the potential of a Japan – Central America partnership is the internal level of coordination and the integration process of Central America itself, renewed in 1991 with the “Tegucigalpa Protocol” through which the *Central American Integration System* was established, establishing as well a complex institutionalization scheme, including periodical Summits of Heads of Government and States, a regional Court of Justice (to which only El Salvador, Honduras and Nicaragua are Members) and a regional Parliament.

Throughout the last couple of decades, the region has been able to maintain a high level of internal consultations to present itself as a united region before important States with whom special political and cooperation mechanisms have been established (Japan, South Korea, Taiwan, the European Union, Mexico). At the same time, the road toward FTA`s as a bloc have proved to be successful (though bumpy) with Chile, Mexico, the Dominican Republic and even in the case of the hotly disputed Free Trade Agreement with the United States (DR-CAFTA). Nevertheless, both the US and the EU have repeatedly expressed the need to accelerate the economic pace of the integration process so as Central America becomes a reliable trade partner able to maximize its own development.

At the same time, if Central America really wants to present itself as a viable partner to Japan in the international arena on political, economic and developmental issues it has also to take the definition of common strategic foreign policy goals and follow-up procedures to the next level, as well as speed up the pace of its economic integration while preventing negative social situations from spilling into the rest of the region. At the same time more attention should be given to fostering the participation of the private sector and the organized civil society in the process. .Extremely important to be able to offer a comprehensive and attractive partnership to Japan is that Central American Governments be willing to get past the “recipient-donor” paradigm that has determined relations with Japan for quite a long time. ¹⁰

After carrying out a thorough screening of the membership and common participation in world regimes and topics by both Japan and the Central American States, it can be said that:

1) Japan and Central America do participate as members of important universal

¹⁰ According to official facts by the Japanese Ministry of Foreign Affairs, just in 2005 the amount of Japanese ODA in terms of grant aid to some of the Central American countries stood at 3,919 million yen for Nicaragua; 1,889 million yen for Honduras; 2,388 million yen for Guatemala; and 1,130 million yen for El Salvador. Belize, Costa Rica, Panama and the Dominican Republic are not mentioned in the sources consulted. <http://www.mofa.go.jp/policy/oda/note/index.html>

institutions and topic-specific regimes of world relevance, and which are important to Japan: Non Proliferation Treaty (Nuclear Weapons, especially with the increasing threat posed by the development of Weapons of Mass Destruction by North Korea), the International Maritime Organization (Japanese interests in the Sea of Japan, the East China Sea and the Kuril Trench), the Kyoto Protocol (reduction of green house emissions), and the World Heritage Convention.

2) Even when basic positions seem to be compatible or complementary on the issues and at the institutions just mentioned above, there is another group of regimes, topics and organizations important for Japan but in which the seven Central American countries do not even share equal positions among themselves, such as their participation in FEALAC, APEC, and the International Whaling Commission.

In the case of these particular situation, it is up to Japan to recognize the relatively important political potential of an alliance with Central America and to offer the kind of economic, investment, trade, technological and political incentives to make Central American Governments realize the advantages of shifting some of their national positions vis-à-vis these specific issues and institutions to increase the value of Central America as a partner for Japan at the international level. On the other hand, it is up to Central America to establish common foreign policy lines for its seven member States and to try to harness their political and diplomatic capabilities to strengthen their regional presence, clearly defining common foreign policy guidelines and taking their integration process to the next level.

II. **Historical evolution of the bilateral relationship**

The Japan – Central America Dialogue and Cooperation Mechanism: Past and present.

It was in 1995 that the formal mechanism for a political dialogue between Japan and Central America was launched. The reasons for this new development in the bilateral relationship are various and have been already mentioned in the precedent section of this paper. Aspects such as the old and new perspectives of Japan's foreign policy towards Latin America, the US presence in the region as a factor affecting the scope and the fashion of Japanese engagement, the political stabilization of the region, and the broad Japanese foreign policy goals need always to be borne in mind to better understand the background that made this mechanism possible, and also the direction it has taken ever since.

The Mechanism was established through a special Declaration issued at the Japan – Central America meeting of Ministers of Foreign Affairs held at the UN Headquarter in September 1995. It is from the experience of this *rapprochement* between Japan and CA that the initiative for

a more engaging and committing relationship has been furthered (especially by the Central American side), and which resulted in the Second Summit of Heads of State and Government held in August 2005 in Tokyo, and the issuing of the *Tokyo Declaration* and its *Plan of Action*.

After analyzing the evolution of the Mechanism based on the content of the official communiqués issued at the different high-level meetings of the Mechanism held so far, I believe that the most important features that should be highlighted as important characteristics of the evolution of the Mechanism are the following:

- 1) The existence of a cluster “political issues” where the Japanese interests seem to concentrate the most and a “cooperation issues” cluster representing most of the Central American interests.
- 2) Looking at the evolution of the Institutionality of the Mechanism, we can see a steady and continuous expansion, with new sectors being included, and new Fora and Meetings being institutionalized, which shows political will to keep the Mechanism alive;
- 3) Issues of capital importance for Japan in the international arena, such as support for the North-Korean issue, the direct expression of specific common views and support for the UNSC reform and the Japanese bid to become a Permanent Member, among others; have been weak (though in some cases steady); while many international politics issues that could have been included throughout the process are not mentioned at all;
- 4) Diverse political and cooperation issues have been brought up and included in the official agendas of the meetings in an on-and-off manner, which could be a consequence of the Central American countries not having high enough a level of foreign policy coordination.

Based on the four characteristics just mentioned above, I can argue that:

Firstly, there exists a complementary separation of interests between Japan and the Central American region, where those issues of extreme importance for CA are grouped in the *development issues* cluster, while the Japanese interests are grouped in the *political issues* cluster. In short, Japan has been (even when modestly) advancing political issues important for Tokyo, while CA has been advancing development and financial support issues. These two sides are compatible: political support in international issues for Japan from the seven CA countries-DR, and financial and developmental support for Central America from Japan. This is the core of the Central American proposal for a broader CA-Japan strategic partnership that will be analyzed in the next section. Suffice it to say here that this idea should not exclude the possibility of this nascent alliance fostering political issues in favor of Central America or even the possibility of Central America offering other-than-political cooperation to Japan

Secondly, we have the contradictory fact that, despite the optimistic view stated above, the Mechanism has kept statements on political issues at a low level. Issues of importance for Japan like the UN reform and the UNSC enlargement have always been addressed and included in the final official Communiqués using very unbinding and vague wording: The only direct reference for Central American support for the Japanese bid to become a Permanent Member of the UNSC was expressed at the latest meeting held in June 2006, after the Summit of Heads of State and Government agreed on the issue the year before. Direct support on this particular issue so important for Japan was belatedly given, when Tokyo had already had important European countries and the US to express their support for its bid.

Other topics like the developments in North Korea have also been vaguely incorporated in the official Communiqués only 2 times, even when none of the CA countries have important relations with the Pyongyang regime, with Nicaragua being the only having diplomatic ties with the DPRK.¹¹ Besides, other important political issues of common interest like cooperation to fight terrorism, coordination of effort at the different UN organs and specialized institutions, promotion of Human Rights and Democracy, the rise of China and the Taiwan Strait issue, among others, have either never been discussed or have been included in the Communiqués using a wording that does not reflect firm commitments.

Some of the statements before provide ground to argue that the reasons why both CA and Japan have shied away from a broader and firmer political agenda through this mechanism, watering down the content of the final Communiqués, may respond to the precaution of both sides not to disturb their central relationship with Washington; to the special relationship between CA and Taipei, to the preference of CA governments to protect their own bilateral network on sensitive issues rather than fostering a common regional approach, or to the Japanese view of Central America as not being an evolved political partner and to its relative low level of engagement in the whole Latin American region.

Thridly, we have that, despite the low levels of performance of the mechanism on the political side, where most of the Japanese interests concentrate; we evidence a tendency towards the expansion of the mechanism and the inclusion of new sectors or initiatives on the economic, cultural and development assistance sides.

¹¹ DPRK stands for “The Democratic People’s Republic of Korea” official name of North Korea.

Institutional achievements have been presented or established through the mechanism and have been mentioned in the text of the official Communiqués of 1996, 2001, 2002, 2003, 2004, 2005 and 2006. The cooperation, cultural and the economic sides of the mechanism are thriving and they even contain elements for more political approach at higher official levels, which surely made way for the 2005 Summit and the signing of the *Tokyo Declaration* and its *Plan of Action*.

Fourthly and finally, we have the already-mentioned issue of the irregular coordination among the seven Central American States-DR. Should Central America be united under a higher level of foreign policy coordination, the bargaining and offering power of the region vis-à-vis Japan (and other international partners) would certainly increase, raising also the possibilities to be taken seriously as a long-term partner in regional and world affairs. Different priorities in their foreign policies, and political will for direct political engagement with Japan and the direction this engagement should take, and poor levels of coordination between their capitals and their Diplomatic missions in Tokyo has to some extent curtailed the potential of the region to become a solid block when it comes to the handling of world issues.

Moreover, Central American countries have their positions in diverse foreign policy issues already compromised to a high extent in order to maintain optimal relations with The US, the EU, Canada, Mexico, Taiwan and South Korea, for the sake of illegal immigration, debt relief, market access, the possibility of signing Free Trade Agreements (in some cases, already inked and in force) and development assistance issues, on which CA is highly dependent on the positions of these countries. Any of these countries withdrawing their support to the region as a result of perceived shifting behaviour hurting their interests could result in economic and social hardship for Central America. Nonetheless it should not be forgotten that Japan is also of extreme importance for Central America on many of these pivotal areas (debt relief; development assistance, and trade diversification, among others).

III. **The Japan – Central America Initiative and the August 2005 Summit.**

The Central America – Japan Initiative: The core of the new relationship

Up until now this essay has been focused on the new economic and political trends in Asia and Latin America, as a positive backdrop for the upgrading of the relationship between Japan and Central America towards a more engaging, diversified and deepened partnership; and on the achievements and challenges of the Dialogue and Cooperation Mechanism and its recent evolution, as a manifestation of this new environment. Now it is time for us to turn to two documents that can be considered as setting the tone towards the new stage in the bilateral

relationship, which background has been laid out in the previous two chapters.

The first of these documents is the one usually referred to in Central American diplomatic circles as *ICAJAP* (Central American – Japan Initiative), whose internal version as a *working document only* was put together by the Inter-American Development Bank in March 2002 as part of a consultancy study.¹² This document was firstly developed by a group of Central American Ambassadors to Tokyo (with El Salvador and Guatemala taking the lead), and was presented to the Japanese MOFA as a regional proposal in 2000.

This could certainly be seen as a turning point in the relationship, reflected already in the content of the 4th Meeting of the Dialogue and Cooperation Mechanism (1999), being this one the first occasion where the idea of an “strategic alliance with Japan” was directly included in the final Communiqué agreed upon by both Parties. As for the bottom-line reason for wanting to establish a strengthened alliance with Japan as a way to improve the possibilities of development in the region, HE Mr. Ricardo Paredes, Ambassador of El Salvador to Japan as of this writing, conceives it in the following terms: *“After so many years of internal strife (during the 1980`s) Central America was left de-capitalized and divided, therefore being extremely difficult for the region to attain satisfactory levels of Sustainable Development. Thus the need to build strategic alliances with countries that are willing to invest in the region, in return for strategic political cooperation”*.¹³

The initiative known as ICAJAP is based on the assumption that *“Central America, as a region, can help Japan attain its aspirations on the international arena”*.¹⁴ The main idea of this proposal can be shorthanded as follows: Central America is one of the few integration process in the American continent that includes a relatively strong political dimension, which opens a window for the establishment of common foreign policy guidelines for the 8 countries of CAIS in the future. This, and the furthering of the economic integration process into a perfect Customs Union and an eventual Common Market, will make it possible for Central America to politically present itself as an 8-vote bloc with a unified voice and a single market, which would be an

¹² According to Dr. Fausto Medina-Lopez, Deputy Representative of the Interamerican Development Bank in Japan, this document has not been published and remained as a working document for internal use of the Bank and CAIS. Interview made on December 18th, 2006, Tokyo, Japan.

¹³ Interview with HE Mr. Ricardo Paredes, Ambassador of El Salvador to Japan. Embassy of El Salvador, Tokyo, August 17th, 2006.

¹⁴ BID (2002) *Iniciativa Central America – Japon (ICAJAP) y su primer paso, El Encuentro Informativo en Tokyo* Interamerican Development Bank, Washington, March.

attractive partner for various countries, including Japan.

As the only region in the world granting continuous political recognition to Taipei over Beijing (up until Costa Rica changed allegiance in late 2007), and sharing different common views on diverse issues with Japan, Central America will be in the possibility to offer continuous, steady and coordinated lobbying and voting support for Japan at international organizations and on diverse issues of common interest. In return Japan would be expected to engage heavily in the social and economic development of the 8 countries, helping ensure their political stability, as well as in cementing the regional integration process through the five following pillars: **1) Increasing Japanese Direct Foreign Investments** (Participation of public and private sectors). **2) Increasing the flow of Japanese tourists** (Participation of public and private sectors, with direct effects on civil society). **3) Increasing the amount of Japanese imports from Central America** (Participation of public and private sectors with direct effect on consumers). **4) Increasing the amounts and areas of technology transfer** (Participation of public and private sectors). **5) Increasing cultural and academic exchanges** (Participation of public sector, private academic institutions, and civil society)¹⁵

In short, what various political and diplomatic circles in Central America are looking for is to create a *political decision* that can speed up the process of national development and regional integration of Central America, to make it become a more coordinated, reliable partner for Japan on issues on which Central America already presents a “natural potential” to help Japan maintain and/or increase its political clout and economic might in Asia and the world.

I consider that the process to make this new partnership a reality, as hinted at in the ICAJAP 2002 document would be the following: First, a political decision is reached at the highest level between CA and Japan, leading to the deepening of engagement in the public, private, and civil society sectors. Second, the *5 pillars* stated above start being implementing, while at the same time Central American support for Japan on important issues agreed upon by the Parties starts to bear fruits. Third, the “Donor-Recipient” paradigm would be finally overcome in favour of a new paradigm centered on regionalism and on the notion of “development and political partners”. Fourth, a “symbiosis” develops between the Parties, in which investing extensive political and economic capital in ensuring Central American prosperity and integration into a group of 8 countries with a unified voice is in Japan’s interest; for the stronger Central America

¹⁵ BID (2002) *Iniciativa Central America – Japon (ICAJAP) y su primer paso, El Encuentro Informativo en Tokyo* Interamerican Development Bank, Washington, March, pp. 5.

gets, the stronger the support for Japan's international goals will be.

Finally, Central America would also use this strategic alliance with Japan as a first highly coordinated and systematic effort to function consistently as one political bloc, which could be used to improve the profile of its relations with other States and regions of extreme importance for the region (US, EU, Taiwan, South Korea, Mexico, etc.).

As for the concrete actions to be taken to start implementing the ideas included in this initiative, the 2002 ICAJAP Document presented the idea of the *Central America – Japan Informative encounter* as the starting point of this new stage of the relationship, drawing from the need to both increase the quality and quantity of public and private contacts with Japan, and the need to update the awareness of Central America in Japanese media and public opinion. This Encounter was held in Tokyo in November 2002. Worth noting is also the fact that the idea of establishing a *Management and follow-up mechanism* to accelerate and coordinate proposals for political, economic and development cooperation, was also originally presented as part of the 2002 ICAJAP proposal, as a way to prepare the Mechanism to function effectively to coordinate joint efforts to be undertaken in the future as part of the Strategic relationship (The guidelines of this Follow-up Mechanism were approved at the 6th Meeting of the Mechanism in 2002).

From this we can draw the conclusion that concrete steps have been already taken in the last 7 years by Central American and Japanese Governments to upgrade the functions and the institutions of the Dialogue and Cooperation Mechanism to work as the central part of a multi-dimensional and multi-level coordination plan including private sector contacts, academic and civil society exchanges, and CA-Japan Summits, in order to start implementing the new Japan-CA initiative. The August 2005 CA-Japan Summit can also be taken as a milestone in this new stage, with the *Tokyo Declaration* and its *Plan of Action* issued at this Summit as the other set of documents spearheading this nascent partnership.

The August 2005 Summit: Creating political decisions to boost the partnership

Whether or not the long expected August 2005 Central America – Japan Summit represents the political decision that some Central American circles were waiting for to launch the new stage of the Japan-CA relationship is still debatable, though it should be considered as a breakthrough in the bilateral relationship, being the first publicly recognized Summit of Heads of State and Government issuing official documents (There was a previous “gathering” between the presidents of Central America and the Japanese Prime Minister in Costa Rica in 1996).

The Summit was held on August 18th, 2005 within the context of the 2005 World Expo in Aichi. In the case of Central America, the holding of the Summit was in line with the *Follow-up Mechanism* adopted between the Parties at the 2002 Dialogue and Cooperation Mechanism meeting, as the document making official the possibility for political representatives of higher level than the ones already involved in the Dialogue and Cooperation Mechanism to meet up.

More than the *Tokyo Declaration* itself, I personally argue that the two real breakthroughs resulting from this Summit are: Firstly, the fact that the fundamental idea and the five pillars of the ICAJAP initiative are present in the content of the Declaration, taking the political and cooperation Agenda to the highest political level of coordination and decision-making for the first time ever, touching on important issues on international cooperation, and Development Cooperation; and opening a window for future Summits. Secondly, along with the *Tokyo Declaration* the Parties agreed on a *Plan of Action*, laying out specific agreements in the following five areas, which unveil ICAJAP as the concept underlying the whole document:

1) "Dialogue and Cooperation": mainly looking to strengthen and upgrade the political contacts between the Parties, preparing the political space for more broadened and faster coordination and decision-making, needed to ensure the effectiveness of the Japan-CA initiative.

2) "Peace Consolidation and Democracy": including aspects such as public security improvement and democracy stabilization, needed to both have an stable environment for stronger Japanese investments, tourism flows and trade; and to ensure the level of national and regional commitment to Japan as partners, to ease their way towards higher levels of Central American integration, and to enhance the joint presence of the region on the international arena, as partners with Japan on common issues.

3) Cooperation in economic matters, tourism, development and natural disasters management; that can be seen as a complement of the section just mentioned above, including specific proposals on regional cooperation (over traditional bilateral cooperation), support to the integration process and trade.

4) Education, Cultural exchanges, Sports, and Youth: this section being specially related to the fifth pillar of the ICAJAP proposal "Increasing cultural and Academic exchanges".

5) Consolidation and Cooperation at the international level; finally presenting Japan with the support of the Central American Governments for Tokyo's bid to the UN-Security Council full membership, and opening the window for cooperation on UN reform, Human Security, Environmental issues and Natural Resources, and World Trade Organization; completing the Japan-CA equation with the political cooperation element.

Thus, we can easily see that the Diplomats and politicians involved in the drafting of both the Declaration and the Plan of Action were able to translate the main ideas originally stated in the ICAJAP document, from a Central America born proposal to a bilateral compromise, reflecting in turn the existence of sufficient basic levels of political will among the elites of CAIS member States and Japan to engage in this new direction.

It is regrettable though, that after years of diplomatic lobbying and various efforts to bring the bilateral relationship to this turning point, the presence of all the Central American presidents was not complete. Then Japanese Prime Minister Junichiro Koizumi met up with only three presidents (Costa Rica, Honduras, and Guatemala), with other four countries being represented by their Vice-presidents (Panama, Nicaragua, El Salvador and the Dominican Republic) and with one CAIS country totally absent from the Summit (Belize). It is highly improbable that a full presidential quorum at the Summit would have modified or improved the content of the documents issued, since they are traditionally pre-negotiated and agreed upon by lower level representatives; but not having the 8 CAIS Heads of Government or State at a Summit of this importance may be taken by Japanese political circles (in both the Executive and the National Diet) and analysts as a reflection of the uneven level of interest and commitment within the region to a strategy with Japan.

Analysis of the current situation: Potential and limitations

Even when the description and analysis detailed above would point at a new phase of buoyant relations between CA and Japan, there are a series of “unofficial” factors that I consider are important to bear in mind to effectively assess the impact of the ICAJAP initiative and the August 2005 Summit.

At the present time of the relationship is it extremely necessary for Central American public and private elites to be aware of the importance of the potential of the Japan alliance and especially, it is important for Japanese public and private presence to take strong hold inside the region, in order to avoid the possibility of Central American political elites disregarding the importance of living up to the spirit of the Tokyo Declaration in the future, whatever political Party gets to sit on the presidential chair in any of the 8 CAIS countries, revisiting their Taiwan policies, which could end up in the switching of their allegiance to Beijing, breaking one of the few Central American firmly established joint positions on an issue of extreme strategic importance for Japan (this started already with Costa Rica in late 2007). Simultaneously, along with increasing the Government, private and public awareness in Central America of the importance of a relationship with Japan within the frame of ICAJAP, the pro-ICAJAP circles need to push to step up the pace of

CAIS integration, especially on the political side.

If ICAJAP was firstly based on the assumption that Central America can offer Japan joint coordinated political support by the whole region, as an integration process in the American Continent including the political factor with, hopefully, common Foreign Policy guidelines in the future; then the so-called *Communitarian Organs* must be beefed up. These organs I am referring to are: **1)** The CAIS Secretariat; **2)** The Central American Parliament (PARLACEN); and **3)** the Central American Court of Justice (CCJ). Even when regional treaties concerning the reform of PARLACEN and the CCJ were inked in December 2004,¹⁶ it is necessary for the CA political elites to realize the importance of giving up certain levels of national autonomy for the sake of a more stable and multidimensional regional integration, making it possible to provide the CA populations and the foreign partners (including Japan) with higher levels of political cohesion and a regional system of check-and-balances to become a “regional actor” and a unified partner.

Equally important is the fact that, drawing from the content of both documents, we can easily conclude that the references to direct political cooperation on the international arena have been watered down to a very unbinding level with almost no substantial difference from the wording used in the Official Communiqués of the Dialogue and Cooperation Mechanism.

The Taiwan factor: Trying to exploit the uniqueness of Central American support

Besides all the stated above about what directly concerns the bilateral relationship between Central America and Japan, every analyst must also be aware of a very important element that can help determine the strategic importance of Central America for Japan, and which is neither officially recognized for its sensitivity, nor will it be found in Tokyo, but in Taipei.

Any other country or grouping of countries in the developing world could offer Japan a proposal for a “strategic partnership” involving political support on the international arena, economic matters, and development engagement; but what I argue here is that what Central America intends to capitalize on is the assumption that its joint diplomatic support for Taipei over Beijing helps in the maintenance of a status quo in East Asia favorable to Japan. Just as important as the *Japan-US-Central America triangle*; what could be called a *Japan-Taiwan-Central America triangle* helps us define the strategic potential of this relationship.

¹⁶ Ministry of Foreign Affairs (2006) *Avances Integracion Centroamericana*. Foreign Policy General Bureau, Central American Relations and Integration Bureau, El Salvador, June.

The recognition of the political and economic importance of the People's Republic of China over Taiwan by the United States and Japan in the early 1970's in an era where balance against the Soviet Union was the main goal (China's strategic importance for these two countries did not change after the end of the Cold War); and because of the *three No`s* policy that Beijing demands from the States with which it maintains any sort of political relations, Taiwan became increasingly diplomatically reliant on the 22 developing countries who did not shift its recognition back to Beijing, with CAIS countries standing out as the only regional organization with most of its membership (7 States out of 8) staunchly supporting Taiwan.

Nevertheless, after the period of democratization, starting in 1987, it became necessary for ideological and political reasons for the US (and Japan through its alliance with Washington as I just said before) to supply Taiwan with enough economic and military assurances to maintain a status quo, with Taiwan existing as a different political entity from Mainland China, without declaring formal Independence, since such a move would almost certainly trigger military retaliation by Beijing, possibly dragging the US and Japan into a regional conflict.

In a situation involving a militarily and economically growing China, whom many analysts and politicians believe will certainly become a regional competitor for Japan and a global competitor for the US; the maintenance of the current status quo across the Taiwan Strait may be crucial for Japan. To avoid any kind of regional and global destabilizing confrontation between China, the United States and Japan, using a behind-the-scene low-key support to maintain Taiwan independent from China without declaring its own independence is of extreme importance for the sake of East Asia's regional stability. This is where the CAIS States get on the scene.

Trying to analyze the new stage of the bilateral relationship between Central America and Japan, as inspired by the ICAJAP initiative and pushed at the August 2005 Summit, and taking the Taiwan issue into especial consideration, I would like to argue the following:

Firstly, I consider that the basic idea of presenting Central America as a 7-voice partner to a country deemed as needing this support, in exchange for engaging its political and economic resources into the region's development and integration process has been present all along in CA`s relations with Taiwan. It is clear for me that the experience of this relationship has inspired some important elements of the ICAJAP initiative.

Secondly, Central America withdrawing its support for Taiwan, shifting it to Beijing (although very unlikely at the moment) would weaken the international position of Taiwan and

strengthen the arguments of Beijing for reunification, putting more weight on the US and Japan to provide assistance to ensure Taiwan's survival, negatively straining their relations with China and raising the likelihood of conflict with Beijing.

Thirdly, Should Taiwan eventually become part of mainland China (though pacific means, let us imagine), the Chinese Communist Party (CCP) would be able to use the enormous financial, economic and military resources of the island to keep boosting its own legitimacy in power and the economic development of PRC, threatening Japan's position as the regional economic hegemon, prompting Japan and the US to redefine the scope of their bilateral alliance which might include open Japanese rearmament, which in turn will increase the likelihood of bilateral confrontation (adding to the already deteriorated bilateral relations between Tokyo and Beijing, at loggerheads over diplomatic, oil drilling, and WWII historical issues, especially during the tenure of ex Japanese PM Junichiro Komizumi in 2001-2006).

Fourthly, it will be therefore in the interest of Japan to engage in the democratic stabilization, economic development and political strengthening of CA as a coordinated region, to ensure not only its continuous support on issues than can be officially recognized and publicized; but also to make sure that enough amounts of official Governmental support from CAIS is being provided to Taiwan to ensure the continuity of the current status quo, until a non-military solution is found to the Taiwan-Strait issue.

IV. **Conclusions: Concrete challenges and opportunities for a well-defined Japan – Central American alliance.**

Living up to the Aug 2005 promises: the Implementation of the Tokyo Declaration Plan of Action

In the third part, a detail of what I consider to be the steps needed to bring about a successful implementation of the ICAJAP proposal was presented, in which the *first* step was reaching a political decision to boost the bilateral relationship, and we could say this was accomplished at the 2005 Tokyo Summit. The *second* step would be then, the current implementation of the five *pillars* of the 2002 ICAJAP document, which, as highlighted before, are included in the content of the *Plan of Action*, as part of the 2005 Summit Declaration. It would be therefore the pace and success in the implementation of the Plan through unilateral, regional and bilateral (CAIS-Japan) efforts what would set the tone for future engagements and the possibility of a rich agenda, should a third CAIS-Japan Summit be held in the short future.

From the facts stated in the entire content of the present investigation, and based on official documents consulted, my conclusions on this point are the following:

- 1) The pace of the implementation of the Plan of Action has been slow, with the agreements related to Japanese economic cooperation being developed at a faster pace than political agreements that would require some level of direct CAIS internal coordination.
- 2) Unless all the actions agreed upon in the Plan of Action are implemented, or at least advanced to a satisfactory stage, the likelihood of a new CAIS-Japan Summit will remain low, and the realization of the ICAJAP proposal, as it was originally conceived, will become stagnant.
- 3) CA Governments and the CAIS regional institutions need to step up their internal coordination to work on those political issues where their taking the lead would be greatly appreciated by Japan, and where support has already been engaged at the 2005 Tokyo Summit: Coordinated and efficient lobbying efforts to maintain the UN discussions on reform alive and Japan's bid on the UN agenda, Whaling Commission, Kyoto Protocol, regional instability caused by North Korea's Nuclear Program, APEC (though having in mind the possibility of the opposition from Beijing), and FEALAC should also be taken seriously by CAIS.
- 4) The current uneven level of implementation of the Plan of Action unveils the low level of coordination within CAIS, the recurrent preference of bilateral rather than regional cooperation projects, and the recurrence of the donor-recipient relationship.

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