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Reformist Status Quo Power

JAPAN'S APPROACH TOWARD INTERNATIONAL ORGANIZATIONS

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International organizations are a centerpiece of the liberal international order. Despite their shortcomings, international organizations—such as the UN, IMF, and WTO—have played an integral role in facilitating cooperation and establishing rules and norms that underpin the order. However, like other aspects of the liberal order, international organizations have recently come under attack. Rising states, such as China, have criticized major international organizations like the IMF and World Bank for perceived Western domination.[1] The United Kingdom voted for Brexit in a 2016 popular referendum, an unprecedented challenge for the European Union (EU). U.S. President Donald Trump routinely disparages international organizations and withdrew from UN Educational, Scientific, and Cultural Organization (UNESCO) as well as the Paris Agreement, the principal mechanism to address climate change under the UN Framework Convention on Climate Change (UNFCCC).

What can Japan do under these circumstances? Since its emergence as a major power in the early twentieth century, Japan has had a complicated

relationship with international organizations. The country's exit from the League of Nations in 1933 starkly symbolized the failure of interwar experimentation with a rules-based order. As it rose from the ashes of World War II, Japan found itself marginalized in many postwar institutions. However, it played a constructive role in the postwar liberal order, seeking to rise peacefully by renegotiating and reforming international organizations to better reflect its priorities and ideas.

I argue that Japan can build on this history by acting as a *reformist status quo power,* supporting the liberal international order by proposing and implementing constructive reforms. Japan is ideally situated to play such a role. As a country that rose to international prominence as part of the postwar order without resorting to coercive means, Japan can act as an exemplar, advocating for peaceful power transitions within a rules-based order. Japan can also leverage its long diplomatic experience of renegotiating its status with international organizations to support similar efforts by other countries, mitigating potential sources of dissatisfaction. Most important, Japanese policymakers should take an active leadership role in strengthening the liberal international order by reforming institutions that have become ineffective or wasteful and proposing new institutions to tackle emerging challenges.

International Organizations in the Liberal International Order

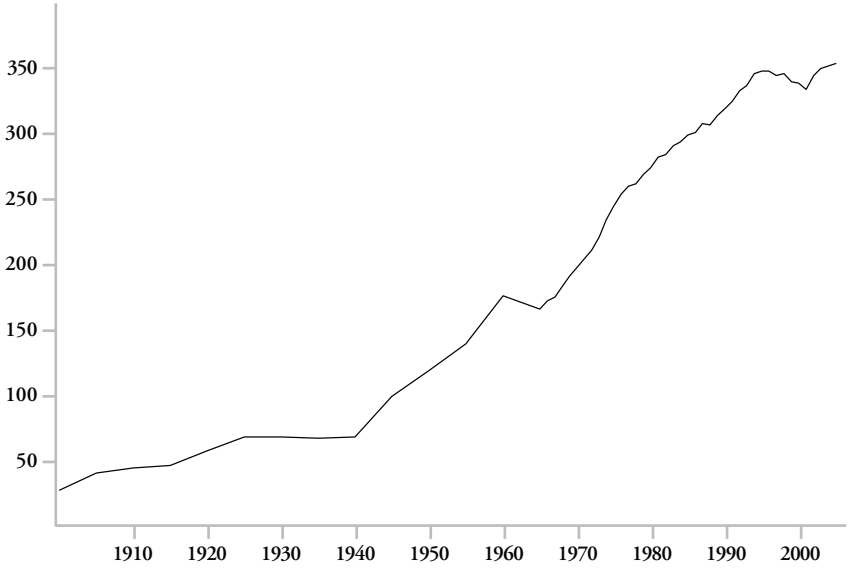
International organizations occupy a central place in the liberal rules-based order established by the United States and its allies after World War II.[2] For sure, international organizations existed before World War II: the League of Nations was established in 1920, though U.S. nonparticipation and failure to constrain the military aggression of Italy, Japan, and Germany doomed it to failure.[3] It was in the era after World War II that international organizations truly came to occupy center stage in the world order. The United States played a crucial role, alongside its allies, in the creation of key institutions such as the UN, North Atlantic Treaty Organization (NATO), IMF, World Bank, and the General Agreement on Tariffs and Trade (GATT).[4] These international organizations became hubs for

international cooperation and supported the liberal order by facilitating geopolitical stability, economic development, and free trade.

Figure 3-1 depicts the remarkable growth of international organizations since 1900. The figure is based on the narrow definition of international organizations adopted by the Correlates of War Project, which only includes formal international organizations with more than three member states.[5] As the figure shows, prior to the twentieth century, there were very few international organizations. Since World War II, there has been an explosion in the number and substantive importance of international organizations. International organizations now exist in essentially all significant areas of international cooperation—including security, economic issues, science and technology, the environment, human rights—and exercise important influence over policy outcomes.

Prior to the liberal international order, the international system was largely governed by the logic of military might. In order to gain recog-

FIGURE 3-1. International Organizations, 1900–2005



Source: Pevehouse, Jon C., Timothy Nordstrom, and Kevin Warnke. "The Cow-2 International Organizations Dataset Version 2.0." Conflict Management and Peace Science, vol. 21, no. 2 (2004): 101–19.

nition as a great power, Japan, much like other rising states, sought to mimic Western powers by building up its military strength and acquiring colonies. The advent of the liberal order transformed this logic in important ways.[6] International organizations play several important roles in the order.[7] Security institutions, such as NATO and the U.S.-Japan alliance, bind major liberal democracies into mechanisms of mutual constraint, increasing predictability and reducing the need for costly security competition.[8] More broadly, international institutions make it easier for countries to cooperate with each other by reducing transaction costs, clarifying rules and norms, and providing information.[9] Officials of international organizations are also actors in their own right, who create new norms, generate new opportunities for cooperation, and orchestrate cooperation among non-state actors.[10] International organizations can also facilitate peaceful power transitions by opening avenues for countries to increase their international influence and status without resorting to military coercion.[11] Joint membership in international organizations is associated with relatively peaceful international relations, constituting the so-called Kantian Triangle along with joint democracy and economic interdependence.[12]

Nevertheless, there are several important caveats about the role of international organizations in the liberal international order. First, despite the proliferation of international organizations, there are limits to their capacity to promote peace and shape international outcomes. Powerful countries frequently "go it alone" by leveraging their economic or military might, sidestepping the procedures and norms promulgated by international organizations like the UN.[13] The United States invaded Iraq in 2003 despite failing to secure authorization from the UN Security Council.[14] Russia annexed the Crimean peninsula in 2014 in violation of the territorial integrity norm despite widespread international condemnation.[15] China has asserted control over the South China Sea based on its concept of the Nine Dash Line, which has no basis in international law, despite its claims being ruled invalid by the Permanent Court of Arbitration in The Hague.[16]

Second, international organizations are bureaucracies, often prone to inefficiency and waste. Officials at major international organizations may prescribe misguided policies because of pathologies common in large organizations, such as thoughtless adherence to standard operating proce-

dures.[17] The IMF has been widely criticized for adopting a "one size fits all" approach to financial crisis response that ignores local institutions and conditions, a factor that became a major source of contention during the Asian Financial Crisis of 1997–98.[18] International organizations are often criticized for "mission creep," expanding their purview into policy areas where they have limited competence, creating inefficiencies and wasteful duplication.[19]

Third, many critics see officials of international organizations as unaccountable international elites. International organizations like the IMF and the EU can intervene in the domestic affairs of member states, forcing economic reforms despite opposition from democratically elected national governments. This leads to charges of "democratic deficit" in international organizations, creating a tension between the democratic principles of the liberal order and its emphasis on international organizations.[20]

Fourth, international organizations often resist change. This can lead to contestation between rising powers, which seek greater recognition of their newfound international power, and status quo states, which prefer to maintain their position of privilege. Such contestation has been a recurrent feature of international organizations under the U.S.-led postwar order. Despite numerous attempts, the UN Security Council has only been reformed once during its entire existence since 1945, and no permanent members have been added despite the rise of countries such as Japan and India. The IMF gives a greater share of voting power to countries that joined the institution early on at the expense of countries that joined later, including Japan.[21] Addressing such rigidities has been an important theme of Japanese foreign policy toward international organizations under the liberal international order.

Japan's Role in International Organizations

Japan has had a complicated relationship with international organizations from the outset. In the aftermath of World War I, many Japanese officials—such as Fumimaro Konoe and Miyoji Ito—viewed the proposed League of Nations with suspicion, suspecting the organization was a West-

ern scheme to keep rising powers like Japan in their place.[22] The Japanese delegation at the Paris Peace Conference was widely criticized as a "silent partner," for speaking up very little on issues that did not directly affect Japanese regional interests.[23] Japan's proposal to include a racial equality clause in the Covenant of the League of Nations received majority support among delegates, but failed due to American and British opposition, deepening Japanese suspicions of Western intentions.[24]

Nonetheless, once the league was established in 1920, Japan became an important, constructive member. Japan was a permanent member of the league's council, alongside other great powers, like the United Kingdom and France. Japan also successfully negotiated for an undersecretary position for a Japanese national: Inazo Nitobe, whose portrait used to be featured on the 5000 yen bill, played an important role in the development of the International Committee on Intellectual Cooperation, which later became UNESCO. Another Japanese national, Mineichiro Adachi, became the president of the Permanent Court of International Justice in 1931. However, Japan also played a decisive role in the collapse of interwar experimentation with international organizations when it exited from the league in 1933 over its prerogatives in Manchuria. The image of the Japanese delegation storming out of the league came to symbolize the collapse of interwar idealism and the descent of the international order into aggression, cruelty, and barbarism.[25]

Japan's decision to turn its back on the interwar international order had lasting consequences. Joining the Axis alliance with Germany and Italy meant Japan was absent at the bargaining table when the core institutions of the liberal international order were formulated and negotiated. In contrast to the creation of the league, Japan's initial absence relegated the country to second-tier status in most postwar international institutions. Because many international institutions are path dependent, this meant Japan struggled to secure influence in the international order commensurate with its perceived status.[26] Former Japanese UN Ambassador Kiyoaki Kikuchi notes that Japan's status in the UN is low because it was a "latecomer," whose entry into the organization was delayed by World War II and Soviet opposition; even after membership, many countries saw Japan as a mere sidekick of the United States.[27]

Japan was subject to harsh treatment after it joined the GATT in 1955,

when many existing member states prevented it from enjoying trade concessions by invoking the opt-out clause, Article XXXV.[28] Despite rising to become the world's second largest economy and ranking among the leading powers in terms of military capability,[29] Japan has been unable to secure a permanent seat on the UN Security Council. The UN Charter still includes anachronistic "enemy clauses," which technically allow military action without Security Council authorization against countries that fought on the losing side of World War II, including Japan.[30] While the clauses are generally considered obsolete, Russia has cited them in territorial disputes with Japan, and a country like China could plausibly invoke them to justify military action against Japan.

Despite these clear, persistent disadvantages, Japanese foreign policymakers have generally placed a high priority on international organizations. Upon joining the UN in 1956, the Japanese government proclaimed that its foreign policy would be based on three principles, and the first of these was to be "UN-centered."[31] Now Prime Minister Shinzo Abe noted that Japan's entry into the UN was a symbolic moment: Mamoru Shigemitsu, who oversaw Japan's UN entry as foreign minister, had been tried and imprisoned as a Class-A war criminal only a few years earlier.[32] Yasushi Akashi, former undersecretary general for humanitarian affairs and emergency relief coordinator, notes that in 1956, on the occasion of Japan joining the UN, "I was witness to the speech Foreign Minister Shigemitsu made at the UN General Assembly. It was a notable speech, well thought out, earnest, forthright. Perhaps in hindsight, Shigemitsu was perhaps a little bit too idealistic, judging from present-day reality of international affairs. But by and large, we can still adhere to the basic lines of Shigemitsu, and he really represented the convictions of many Japanese at that time as well as today."[33]

Although it quickly became apparent that UN-centrism was not a viable strategy for guaranteeing Japanese security, Japan has continued to emphasize its membership and contributions to international organizations in its foreign policymaking. Membership in major international organizations, such as the UN and Organisation for Economic Cooperation and Development (OECD), represented important milestones for war-ravaged Japan, and institutions like the IMF and World Bank are remembered fondly for their role in Japanese reconstruction.[34]

Elite support for international organizations remains robust. Former Japanese ambassador to the UN Mizuo Kuroda notes that "In the United States, if the UN does something they do not like, people defend their country by saying the UN should get out or we should stop paying our dues. For the Japanese, the UN ranks higher than Japan, so if something negative happens in the UN, the government is blamed for screwing up."[35] Similarly, former UN ambassador Kiyoaki Kikuchi notes that Japanese people tend to have "very strong respect for international organizations and see them as very powerful, important actors in international politics and economics," to a degree that if the UN secretary general makes a request, there is a feeling that it is almost impossible to say no.[36]

This elite support for international organizations is somewhat mirrored among the Japanese public, though many Japanese have limited knowledge of international organizations and do not hold strong opinions. For example, in a 1970 poll by the Cabinet Office, only 13 percent of respondents had any knowledge of Japan's activities in the UN, but 51 percent supported a UN-centered foreign policy while only 8 percent opposed (41 percent answered that they did not know).[37] In a more recent, 2016 global survey by Pew Research Center, Japanese favorability toward the UN was relatively low among countries surveyed, with 45 percent holding a favorable view, compared to 64 percent in the United States, 65 percent in Germany, 54 percent in China, and 40 percent in India.[38] In the survey administered by Adam Liff and Kenneth McElwain for this book (details of which can be found in the book appendix), respondents were asked to report favorability ratings for several major international organizations—the UN, G7, World Bank, IMF, WTO, NATO, Asian Development Bank (ADB), Asia-Pacific Economic Cooperation (APEC), Asian Infrastructure Investment Bank (AIIB)—along with China's Belt and Road Initiative (BRI). On average, the respondents reported positive feelings toward all of these organizations, except the China-led AIIB and BRI. However, most responses clustered very close to neutral for all organizations.[39] Japanese public sentiment toward international organizations might be best characterized as apathetic approval.

Limits to Japanese Leadership

Japan has generally been an active contributor to international organizations within the liberal international order. Japan has not only supported universalistic institutions at the core of the order, such as the UN and WTO, but also played an active role in proposing and promoting new institutions, such as the ADB, APEC, and Chiang Mai Initiative Multilateralization (CMIM). However, Japanese leadership has also been limited in important respects.

First, Japanese contributions to international organizations have been limited by domestic political constraints. After much international criticism in the 1970s and 1980s, Japan increased its Official Development Assistance (ODA) contributions and became a large financial supporter of major international organizations. However, after the burst of asset price bubbles in 1991, the Japanese government has faced a tough budgetary environment, limiting further expansion of financial contributions. Japanese participation in peacekeeping operations has increased since the 1990s, but constitutional restrictions and public casualty aversion remain important constraints. An official of the Ministry of Foreign Affairs notes that there are realistic limits to what Japan can do on its own, given these constraints and Japan's economic weight in the world economy, which has declined from a peak of around 14-15 percent to 7-8 percent today: Japan cannot supplant the United States and must act in concert with other, like-minded countries.[40]

Second, Japan has been frequently criticized for a lack of initiative as an institution builder. Partly, this is because Japanese officials tend to approach international relations in a manner similar to Japanese domestic political norms, emphasizing consensus building behind the scenes rather than aggressively seeking the limelight. This has been variously dubbed "leadership from behind" or "stealth leadership."[41] For example, when Japanese policymakers floated the idea for an Asian Monetary Fund in 1997, they asked Thai officials to publicly propose the idea.[42] Similarly, Japanese officials asked Australia to be the public face of their idea for Asia-Pacific Economic Cooperation (APEC).[43] This is a stark contrast to Chinese and U.S. approaches to institution building, which emphasize their own countries' leadership. This reticent foreign policy approach can lead to distorted

perceptions of Japan's international role. For example, Japan provides as much infrastructure investment to Asia as China does, but much more international attention has focused on China-led initiatives like the AIIB and BRI.[44] However, even accounting for its quiet diplomacy, Japan has still arguably been more of an institution taker than an institution builder.

Third, Japan is not immune to nationalist pressures that could threaten its engagement with the liberal international order. In particular, the Japanese government has adopted an aggressive approach toward UNESCO over wartime history issues. In 2015, over Japanese opposition, UNESCO included Chinese documents covering the Nanking Massacre in its Memory of the World list. In response, Cabinet Secretary Yoshihide Suga threatened to withhold Japanese funding from the agency.[45] Since Japan was the second largest contributor to the UNESCO budget, Japanese policymakers saw an opportunity to exercise leverage over the institution's portrayal of Japanese wartime atrocities. The Abe cabinet was said to have contemplated withdrawing from UNESCO entirely if the institution accepted documents related to comfort women.[46] The halting of UNESCO funding brought significant international criticism, but Japan secured an important concession through its threat: UNESCO altered its rules so that new applications for the Memory of the World list would be suspended in cases where "two or more parties involved in the 'memory' dispute the facts or recognition of history."[47] This effectively gave Japan a veto over the inclusion of historical materials documenting Japanese wartime atrocities.

A Japanese Ministry of Foreign Affairs official notes that Japan's approach toward UNESCO reflects long-term changes in foreign policy thinking and is unlikely to be the last instance where Japan uses similar tactics: "There may be a psychological change in Japanese foreign policy. Before, even when we had something to say, there was a tendency to keep quiet, but now we say what we want to say. This can be attributed to our track record and pride of having made many contributions since the end of World War II. There is also a sense of urgency: can we really survive in international society by adopting a Japanese sense of quiet virtue rather than speaking up?"[48] This proactive approach may provide greater opportunities for leadership and give Japan more say over outcomes in international organizations. However, there is also a risk that the loudest, nationalist

voices in Japan will be magnified and make it difficult for Japan to support institutions that support the liberal international order.

Japan as a Reformist Status Quo Power

What is the best way for Japan to engage with international organizations moving forward? Many observers see the rules-based liberal order as being in an existential crisis. China has expressed dissatisfaction with the status quo in existing international institutions and created its own institutions such as the AIIB and New Development Bank (NDB). The EU is under severe distress with the mishandling of the Euro crisis and Brexit. President Trump has questioned and criticized bedrock institutions of the liberal order, such as NATO and the WTO, and he has withdrawn the United States from the Paris Agreement and UNESCO.

Under these circumstances, Japan faces several choices. First, Japan could follow the Trump administration's transactional approach by seeking "better deals" from international institutions, even if this means undermining the broader order. Japan's approach to UNESCO is one illustration of this approach: rather than supporting a neutral, technocratic process consistent with the institution's rules and norms, Japan prioritized appeasing domestic nationalist impulses. Although there is a difference in degree, Japan's approach in this instance is largely akin to the Trump administration's approach toward international organizations. Japan's climate change policy under the UNFCCC is also largely consistent with this path: although the Japanese government is not openly skeptical of climate change like the Trump administration, it has done little and relies heavily on accounting gimmicks in its international commitments, such as manipulating the base year to exaggerate emissions reductions.[49]

Second, Japan can adopt a holding position in defense of the status quo, based on the assumption that the Trump administration represents a temporary anomaly and the United States will eventually reassume its traditional leadership role. If this assumption is correct, Japan could strategically invest diplomatic and financial resources to support the status quo in areas where the United States chooses to step back. However, there are several problems with this approach. There are limits to Japan's ability to

replace the United States in the liberal international order, even on a temporary basis. The Japanese economy is only about a quarter of the size of the U.S. economy. Japan's capabilities are even more limited when it comes to security institutions, where the country faces both material and legal restrictions. In addition, there are no guarantees that U.S. policymaking will return to the status quo ante. Although Trump is a unique president, he was propelled into office by American voters who sympathized with his message of "America First" and promises to reevaluate fundamental pillars of the liberal international order. Both the Republican and Democratic parties in America have isolationist and protectionist wings: there are no guarantees that the next U.S. president will return to the traditional mold.

The third path holds the greatest promise: to act as a reformist status quo power. The liberal order is not under crisis only because of recalcitrant politicians in select countries. As Jeff Colgan and Robert Keohane argue, the international order has come to be seen as "rigged" in favor of global elites at the expense of regular citizens.[50] There are nontrivial problems that require diplomatic effort and innovative solutions. What is needed is a process of reform that strengthens the liberal order by making concrete reforms to remedy shortcomings and gaps that have emerged over the past seventy years. Japan can play a central role in such reform efforts by leveraging its status as a country that has both supported and benefited from the order while seeking reforms to remedy its shortcomings.

There are three primary ways Japan can contribute to the liberal international order as a reformist status quo power. First, Japan can serve as an important exemplar of how the international order allows countries to increase their prosperity, influence, and international stature without resorting to traditional means of exerting influence—namely, power-based coercion and conquest. Second, Japan's track record of seeking reforms in the international architecture holds important lessons for other rising countries. Japan can leverage its position as a country that is both a status quo power and a reformist within the existing order. Third, Japan can play an active role in seeking pragmatic reforms to liberal international order institutions in order to assure its long-term viability.

JAPAN AS AN EXEMPLAR

A crucial question for the future of the liberal international order is how it will accommodate and adjust to newly rising states such as China, India, Indonesia, and Brazil. Long-range economic forecasts see these countries growing rapidly and enlarging their position in the world economy in the coming decades.[51] Although economic forecasts are necessarily uncertain, there is no question that an important shift is underway in the world economy away from the West and toward developing countries, particularly those in Asia. Can the liberal international order integrate these countries peacefully and effectively, as responsible stakeholders? Will the order come under strain as these countries become dissatisfied and seek to challenge the privileged position of the United States and its allies?

Japan has an important role to play in resolving these questions. Japanese policymakers can do more to leverage Japan's historical experience as a rising country that succeeded by choosing to work within the institutions, rules, and norms of the postwar order. Japan did not participate in the creation of the order, and it struggled to achieve membership, influence, and status. U.S. policymakers played a dominant role in the creation of the order, and the country is often seen as drawing various privileges by virtue of a rigged system.[52] Japan symbolizes how the order can flexibly accommodate new, rising states and elevate their influence and status.

Consider Japan's postwar policy toward East Asia. As the result of rapid economic growth after 1945, Japan emerged as one of the leading economic powers of the postwar world. Although the United States and Japan maintained close diplomatic relations during the Cold War, basic tensions in the two countries' policies toward Asia paralleled more serious differences in the prewar era. Japan saw itself as the leader of East Asia, envisioning a "flying geese" model of economic development that placed Japan at the head of a rapidly developing and increasingly integrating region.[53] The United States continued to view East Asia from a global perspective, emphasizing the role of universalistic international organizations such as the WTO and IMF and espousing economic liberalization and free market capitalism.

By the 1980s and 1990s, many scholars foresaw Japan's emergence as a potential competitor to the United States in both the economic and geopo-

litical realms.[54] Analogously, in the wake of the Cold War, realist scholars such as Kenneth Waltz famously predicted that Japan would increase its military capabilities and perhaps acquire nuclear weapons as it reemerged as a Great Power and reasserted its authority over the region.[55] However, rather than pursuing zero sum conflict by building up its military forces, acquiring nuclear weapons, or seeking to displace the United States economically, Japan sought to achieve its objectives by working within the basic framework of the postwar international order. This included policies toward universalistic institutions, particularly attempts to increase Japan's voice and alter the developmental approach of the Bretton Woods institutions to be more accommodating toward East Asian approaches, as well as the creation of regional frameworks that enhanced Japan's stature in the region, exemplified by the ADB.

One example of Japan drawing on its historical experience under the liberal international order is the concept of human security. Sadako Ogata, former UN high commissioner for refugees, notes that Japan played a central role in enshrining the concept of human security as a core mission of the UN. Human security broadens traditional notions of security, which focus on the nation state and external military threats, to a holistic notion that places individuals at the core and includes dimensions such as economic security, food security, and environmental security. Ogata observes that this concept was rooted in Japan's unique postwar experience and geopolitical circumstances, which limited the options for military solutions and necessitated a focus on nonmilitary aspects of security.[56]

SUPPORTING RENEGOTIATION

Japan is also well positioned to provide advice and guidance to rising countries seeking to renegotiate their status within the international order. Japan has struggled for seven decades, since the end of World War II, to enhance its position in international organizations, both through renegotiation efforts and the creation of organizations like the ADB and failed Asian Monetary Fund. Much as Japan has sought to share insights with the international community from its postwar developmental model, struggles with deflationary stagnation, and lessons from the Fukushima nuclear disaster, Japanese policymakers can serve as advisors and mentors

to other states that seek to establish their place in the contemporary order.

This exercise has two distinct benefits. First, it will reinforce support for the existing order by potentially mitigating sources of frustration and discord. Japan can contribute knowhow based on its own experience, such as: What renegotiation strategies have been successful, and under what circumstances? When was creating new international organizations more effective than seeking to work within existing organizations? What are the institutional settings that have proven particularly difficult and hence require new strategies and approaches?

Second, this approach will potentially help Japan secure greater international support for reforms in areas where it has struggled in the past, such as the UN Security Council and the international financial architecture. UN Security Council reform is an important priority for Japan, which has real consequences for Japanese foreign policymaking. Former Japanese ambassador to the UN Yoshio Hatano notes that the UN Security Council has become the critical organ of the UN as it increasingly deals with multifaceted issues that were traditionally the purview of other UN organs. This makes Japanese membership in the UNSC essential.[57] Hatano also attributes Japanese mishandling of its contribution to the Persian Gulf War in 1991 to Japan's lack of a permanent seat on the UN Security Council, which meant Japanese officials could not participate in closed-door discussions concerning the war.[58] An official of the Ministry of Foreign Affairs notes that when Japan rotates off from the Security Council as a nonpermanent member, the country is literally removed from the Security Council email list, shutting down an important source of information. In addition, Japan must invest diplomatic resources every time there is an election for nonpermanent members, which often requires the country to barter away other priorities, such as representation in other international organizations.[59]

By coordinating renegotiation policies and strategies, like-minded countries may be better able to link their efforts across institutional settings, exerting greater leverage for reform. For example, while Japan is dissatisfied with its lack of permanent membership in the UN Security Council, it is largely satisfied today with its status in the Bretton Woods institutions. This is reversed for China, which has a permanent seat on the UN Security Council but suffers from underrepresentation in the Bretton

Woods institutions. Rather than seeking institutional changes separately, linking efforts across institutional settings could foster larger coalitions for reform: in most international organizations, major changes require supermajorities of supporting states. A Japanese leadership role in such an initiative would be less provocative and alarming than if it emerged as a foreign policy initiative of states already seen as threatening and revisionist, such as China or Russia.

LEADING REFORMS

The ascent of Donald Trump raises important questions about U.S. leadership of the liberal international order. To date, Japan has responded proactively, rallying international support for certain elements of the liberal order, such as its resuscitation of the Trans-Pacific Partnership (TPP), commitment to high-quality development assistance, and international cooperation on universal healthcare. However, like most European countries, Japan's role thus far has been largely limited to a defensive stance. For the most part, Japanese officials have sought to protect the status quo in the hopes that normalcy will eventually return to the United States.

A more proactive agenda is necessary, and Japan can step up to play an active leadership role. There is an important precedent for this: Japan played a crucial role as a reformist status quo power in the 1980s, when the U.S. administration under Ronald Reagan grew increasingly skeptical of the UN. U.S. criticisms of the UN at the time echo skepticism expressed by the Trump administration today: U.S. policymakers felt that many UN agencies were dominated by antagonistic developing countries, and financial resources contributed by the United States were often used without accountability. In 1984, the United States withdrew from UNESCO, citing the organization's ideological bias and corruption. In 1986, Congress passed the Kassebaum-Solomon Amendment, which would reduce U.S. contributions to the UN budget unless the United States was given greater say over the budgetary process.

In this context, Japan acted as a mediator and took an active leadership role in UN financial and administrative reforms. In 1984, Japanese opposition was an important factor in slowing salary and pension increases for UN staff. In 1985, Japanese Foreign Minister Shintaro Abe, the father of

future Prime Minister Shinzo Abe, proposed the Group of High-Level Intergovernmental Experts to discuss UN reform.[60] Japan not only proposed the reform framework, but took an active role in rallying support among General Assembly members and UN staff, many of whom were skeptical about reform. The reforms rationalized the operations of the UN by reducing high-level positions and restraining administrative bloat. Former Japanese ambassador to the UN Yukio Takasu, who was directly involved in these efforts as a Japanese official, notes that after the reforms, "It became a consensus that there would be no annual increases in the regular UN budget. This decision was a remarkable breakthrough."[61]

Japan also played a major role in reforming UNESCO and restoring U.S. membership. Koichiro Matsuura, who served as director-general of UNESCO in 1999–09, undertook significant administrative reforms of the organization, such as reducing the number of staff positions and reining in the budget. Matsuura also personally lobbied the U.S. government, nongovernmental organizations, and media to create support for U.S. reentry. Matsuura notes that his lobbying efforts included getting First Lady Laura Bush on his side by designating her as the UNESCO Honorary Ambassador for the Decade of Literacy, after which President George W. Bush became a reliable supporter of the organization.[62] Matsuura's efforts directly contributed to President Bush's announcement that the organization "has been reformed" and that the United States would resume its membership.[63]

Japan is in an ideal position to play a similar role today, channeling American skepticism toward international organizations in a productive direction by implementing constructive reforms. Yukio Takasu notes that reforming international organizations often requires a major crisis: the 1986 UN administrative and financial reform reflected fears that without serious change, the UN could become unviable.[64] American threats to disengage from the liberal international order—exemplified by the rise of Trump—present such a crisis. Japan can support U.S. reengagement by facilitating practical reforms to the liberal order. Takasu notes that "the United States is interested in UN reforms, and tends to say very proactive things in general terms. However, the United States does not usually propose specifics, because there are too many players in the U.S. government . . . It is therefore Japan's role to make proposals that are technically sound and likely to gain acceptance."[65]

There are other areas where the Trump presidency may present opportunities for reform. Although Trump's rhetoric may be over the top, Japanese government officials agree with many of his criticisms of international organizations. For example, the Trump administration has attacked the WTO appellate body for overreach and has refused the appointment of new judges, leading to widespread condemnation.[66] However, a Japanese Ministry of Foreign Affairs official notes that many U.S. allies, including Japan, fundamentally agree with the Trump administration's critique of the appellate body: the organ often oversteps its mandate by issuing sweeping judgments that become international precedent. Hence, Trump's strongarm tactics may present an opportunity for countries like Japan to step in and initiate pragmatic reforms to modernize the WTO.[67]

Another Foreign Ministry official notes that the Trump administration presents an important opening for Japan to influence American policy. In the past, Japanese policy proposals would often be dismissed or set aside by U.S. policy officials in various agencies. However, under the Trump administration, career bureaucrats and political appointees have often been sidelined, enabling Japanese officials to make policy proposals straight to the top levels of the White House. The official notes that this has given Japan almost unprecedented input into the formulation of U.S. foreign policymaking, symbolized by the Free and Open Indo-Pacific Strategy, which, the official claims, was a Japanese initiative that the Trump administration adopted wholeheartedly.[68] This policy influence stems in large measure from the close personal relationship between Trump and Abe, who converse frequently on the phone, sometimes for over an hour at a time. Trump also relies on Abe to mediate his relations with other global leaders, particularly in the G7.

Japan thus finds itself in a unique position of influence at a time of global turbulence. Japan holds significant sway with the United States and is also well positioned to leverage American skepticism toward international organizations in a constructive direction. Japan's history as a reformist status quo power gives it credibility to propose and muster support for pragmatic reforms of the international organizational architecture. If Japan can use this opportunity to implement meaningful reforms, it may also provide an impetus for U.S. reengagement with the liberal interna-

tional order, much as Japanese reforms of UNESCO brought the George W. Bush administration back into the fold.

What are the priorities for reform? The liberal order is not simply under threat because of rising states and U.S. policy instability. The order has created the seeds of its own destruction. Since the 1980s, the economic emphasis of the order has shifted from what John Ruggie described as "embedded liberalism"[69] to what Susan Strange called "casino capitalism."[70] Rather than lifting all boats, unfettered globalization has exacerbated inequities and undermined social safety nets, leading to lamentations that the "international order is rigged."[71] Global capital flows and deregulatory policies have exacerbated financial instability and crises, particularly among democratic states that constitute the core of the order.[72] Policies of international institutions, such as the IMF, have been biased by the political interests of influential states, contributing to global economic imbalances.[73] The order has failed spectacularly to make meaningful progress on international climate change, one of the most pressing concerns for humanity.[74] The liberal international order needs more than just defense and protection. It is in urgent need of reform.

Conclusion

Japan can play a greater role as a *reformist status quo power,* strengthening the liberal international order through reforms of the international organizational architecture. Defending the status quo is not enough: the order is under stress in part because it has failed to serve the interests of diverse stakeholders in the international community. Japan has an impressive track record of supporting practical reforms in international organizations, renegotiating its status to acquire greater voice and creating new institutions. With the liberal order in crisis, Japanese officials must build on this track record to facilitate major reforms to strengthen the foundations of the order.

I will close by identifying and discussing several issue areas where Japanese leadership could make a difference in addressing new challenges that threaten to undermine the liberal order. First, the international system

needs better mechanisms to deal with financial instability in large, advanced industrialized countries, which are beyond the scope and capacity of IMF intervention. After World War II, there was a long period of relative financial stability thanks to the suppression of global capital flows and interventionist policies among major states.[75] Financial crises became more common after the 1970s, but they mostly affected developing countries that could turn to the IMF. However, starting with Japan's 1990s "lost decades" crisis, financial instability has spread to large, developed countries, culminating in the 2008 U.S. subprime crisis and the Euro crisis. The international system lacks effective mechanisms to manage and respond to large-scale financial crises in major economies, instead relying on ad hoc measures that have often proven ineffective.

The early success of the liberal international order was underpinned by the Bretton Woods system, which stabilized the financial systems of the largest, most advanced economies of the world.[76] In a liberalized international economic order, democratic countries are particularly vulnerable to financial crises: financial instability is not only harmful economically, but it can also destabilize democratic rule and undermine the basic underpinnings of the liberal order.[77] New institutions and frameworks are needed to strengthen the international financial architecture against future instability. Plausible steps include greater international coordination to regulate cross-border capital flows, peer review systems to strengthen domestic financial regulation, and institutions to monitor and preempt asset price bubbles.[78] Many of these measures can be developed within or in coordination with existing institutions, such as the IMF and Bank for International Settlements.

Second, international cooperation on mitigating climate change remains woefully inadequate.[79] Unmitigated climate change is an existential threat to humanity, and requires significant multilateral efforts to reduce greenhouse gas emissions and adapt to rising temperatures. Japan took a proactive role in early climate change cooperation, helping to build international support for the 1997 Kyoto Protocol. However, since then, Japan has become a laggard, exiting from the second commitment period of the Kyoto Protocol and falling to the bottom of international climate change rankings.[80] The Abe government has invited international criticism for unambitious greenhouse gas emissions targets and for promoting coal-fired

power plants.[81] This is an area where Japan should act as a leader, not a straggler.

An important policy priority should be to establish an international framework for the application of green border adjustment taxes.[82] Existing climate change agreements under the UNFCCC rely on country-level emissions reduction targets, but these have achieved limited success. One important reason for this is the fact that energy-intensive production tends to be internationally footloose: aggressive regulatory measures in one country tend to encourage international relocation, resulting in "carbon leakage."[83] Green border adjustment taxes could potentially mitigate this problem by accounting for cross-national variation in the stringency of mitigation policies.[84] In addition, such taxes provide a productive way to channel protectionist impulses in countries such as the United States, where President Trump rode to victory promising to renegotiate "unfair" trade agreements. A carefully designed, multilateral framework for green border adjustment taxes could strengthen the liberal order by rebuilding public support for free trade while reducing incentives to free-ride on mitigation efforts in other countries.

Finally, there are important opportunities for new institutions and agreements to address emerging issues that do not neatly fall under the scope of existing arrangements. Cybersecurity has emerged as a major challenge in recent years, but international cooperation remains limited, and there is ample room for cooperation on rules-setting and coordinated countermeasures. International responses are also lagging behind the rapid advancement of artificial intelligence and robotics, which will require cooperation on a variety of issues such as standards, best practices, and the permissibility of military applications. Potential economic disruption from accelerating automation also presents a major economic challenge across all major economies, which will benefit from greater international cooperation.

NOTES

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