

The Japanese Foreign Policy of the Middle East Between 1904-1998: Resource, Trade and Aid Diplomacy

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Abstract: This article attempts to explain the Japanese foreign policy in the Middle East between 1904-1998. This policy is characterized by its steadiness and continuity and is based on resource diplomacy. The article deals with the effects of the oil and Gulf crises on the Japanese Middle East policy. Also, it explains external, social and bureaucratic factors that affect Japan's decision-makers on foreign policy issues. Japan's two major foreign policy tools - official development assistance (ODA) and trade – are examined in the context of its Middle East policy. In conclusion, the Japan - Middle East relations have not been changed even if there have been major changes in international system, regional politics and internal affairs of the countries in the last century.

Key words: Japan % Foreign policy % Middle East % Official development assistance (ODA)
% Resource diplomacy

INTRODUCTION

The article examines the Japan-Middle East relations and the Japanese foreign policy in the Middle East. The main argument is that although the energy crisis in the fall of 1973 compelled the Japanese to change their policy toward the Middle East, Japan has maintained its overall Middle East policy with some adjustments. It is possible to conclude that the Japanese foreign policy in the Middle East has not changed until the Gulf Crisis and the Palestine-Israel peace process in 1990s. The peace process has produced the Middle East policy changes not only in Japan but also in the world. As Licklider points out that “continuity is more important in Japanese Middle Eastern policy than change.” [1]. In this regard, the article specifically scrutinizes the November 22 statement that is believed to be an indicator of Japanese Middle Eastern policy adjustment not a major change.

In the following paragraphs, the article, will first give an historical background of Japan-Middle East relations. Then, there will be an attempt to illustrate some theoretical points and Japan's resource diplomacy. In the third part, the analysis will focus on the main points of the Japanese Middle East policy. This part is divided three major phases: 1-1967-73 covers before and during the oil crisis period. 2- 1974-90 after the oil crisis and 3- 1990-96 Gulf Crisis. Fourth, the author will evaluate the factors that influence the Japanese policymaking process in the Middle East. These factors are external and social as well as bureaucratic. The last section is devoted to explain two Japanese foreign policy tools: Japan's official development assistance (ODA) and trade. The article will conclude that Japan policy toward the Middle East has not changed but experienced some adjustments like the November 22 statement.

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HISTORICAL BACKGROUND

Although Japanese gave up their closeness policy in the Meiji Restoration, Japanese and Arab merchants had historically linked these two different and distant places by means of trade. The Silk Road represented these trade ties. Also the Russian-Japanese War in 1904-05 has affected the Muslim world. It is a common belief that the Middle Eastern people were inspired by the Japanese success and started the struggle against British colonialism in the Middle East. The linkage has been enhanced through cotton and textiles trade during the interwar periods. Many scholars hardly noticed that there was a relation between Japan and the Middle East before the oil has become an important commodity for the world trade and industry. The relations with the Middle East region have been commenced by the bilateral trade relations with the region countries. Japan especially has had intense a relation with Egypt with the establishment of strong commercial relations. It can be said that the Japanese economy has gained valuable experience because Japan-Britain trade frictions taught the Japanese how to compete with the British by selling much cheaper goods in the Middle Eastern markets. The depreciation of the Japanese Yen, low labor wages and cheaper transportation costs has provided comparative advantage to the Japanese cotton-goods in the Middle East. During this period, the Middle Eastern countries impose trade restrictions on Japanese cotton and rayon goods. In response to this, Japan initiated a co-operative policy. For example, in 1932, the Japanese Ambassador to Turkey, I.Yoshida, made a proposal to the Turkish government that was in need of foreign investments to establish cotton textile mills in the country [2]. Japan intensified its relations with the Middle East countries after the San Francisco Treaty. Japan's first diplomatic relation to the Middle East region was in 1952 with Israel. Then, diplomatic relations were established with Egypt in December 1952, Saudi Arabia in 1954 and Iraq in 1955. Relations with Iran were opened in 1956, Libya in 1957, Kuwait in 1961 and Algeria in 1962. Emissaries were exchanged with Oman, Bahrain, Qatar and the United Arab Emirates after 1971. Most of the diplomatic relations were based on the oil and trade interests. Surprisingly there was no Japanese embassy in Jordan until July 1974 when Japan has more involved in the Middle East conflicts and the 1973 oil crisis has had dramatic effects on the Japanese economy [3].

THEORETICAL PERSPECTIVE AND RESOURCE DIPLOMACY (*SHIGEN GAIKO*)

The 1952-67 Period: The main explanations about Japan-Middle East relations come from realist and liberal scholars. In order to understand these relations, we should combine realism and liberalism. Realism asserts that international politics is a struggle for power because it is the Hobbesian state of nature (anarchy). As Hobbes stated in *Leviathan*, life in state of nature is solitary, poor, nasty, brutish, nasty and short" [4]. In this context, each state can rely only on itself. However, Realist paradigm cannot explain why states cooperate. We should apply liberal paradigm in order to answer this question. In other words, liberalism explains how cooperation is possible in this anarchic and chaotic international system. States cooperate with each other because they want to reach certain goals. Interdependence theory attempts to evaluate the reasons of economic and ecological cooperation. It emphasizes the structural relations between states. In short, realism explains why Japan pursued its self-interest during the oil crisis. The Liberalism approach explains why Arab states did not fully use oil as a weapon.

The Japanese foreign policy has been based on the Japan-United States mutual security treaty. According to the Yoshida doctrine, every foreign policy formulation should start with the question of how to maintain a good relationship with the United States. The United States has provided not only the military security of Japan, but also has ensured peace in the Asian-Pacific region. Moreover, Japan has depended upon the United States as a supplier of essential imports including food, feed, raw materials and high technology. And in turn, the United States has been Japan's the most important and profitable export market. Since the October 1973 war and subsequent oil crisis, Japan has had new dependence-Arab Gulf oil that consists of 80 percent oil imports of Japan. In other words, a stable supply oil and stabilization of oil prices have become the main object of Japan's Middle East policy. Carverly [5] described this situation "dual dependence." (1)

Until 1970s, coal was the main energy resource of Japan. Yorke [6] noted that imported oil supplied 37 percent of Japan's energy resources in 1960, 71 percent in 1970 and 76 percent by 1978 (51). The figure had dropped to 66 percent by 1980. In spite of the national goal for 2000 was 50 percent, it was still 70 percent in Japan energy consumption because alternative energy resources were still expensive and environmentally dangerous (Appendix-Table 1). Moreover, oil demand in Japan has increased 5 percent each year. In 1983, more than 70 percent of Japan's imported oil came from the Gulf [7]. By the 1970s, Japanese business and political leaders advocated "resource diplomacy" as a result of the "Nixon shocks" to U.S.-Japanese relations and the increasing power and leverage of oil producers states in the international system. The resource diplomacy's central assumptions were that energy vulnerability was one of Japan's most important problems and that therefore Japan should have pursued an active foreign policy to construct multiple economic links to the oil producers [8]. Indeed, Japan foreign policy has been based on low politics. In other words, Japan's main objective has been economic security. The "Nixon shock" was similar to the "Johnson Letter incident" between Turkey and the United States. Japan's foreign policy first priority has been close and cooperative relationship with the United States. The relations between Japan and the People Republic of China have followed the total isolation of China and the division of politics and economics. When the President Nixon has decided to establish relations with the People Republic of China and wanted to visit Beijing, the United States failed to tell Japan. It was a shocking event and a nightmare scenario for the Japanese foreign policy. In order to reach the Japanese foreign policy objectives, it has been basically managed by the Ministry of International Trade and Industry (MITI) and the Ministry of Foreign Affairs (MOFA) together.

The 1967-73 Period and the Oil Crisis: Many analysts have argued that Japan has had no the Middle East policy until the first oil crisis, but this seems unrealistic. The most plausible interpretation is that it had a policy that is based on the two United Nations resolutions [9]. As a non-permanent member of the Security Council, Japan has helped draft Resolution 242 (At that time the Japanese representative, Ambassador Senjin Tsuruoka, was the president of the Council). The Resolution 242 unanimously was accepted on 22 November 1967. It called for "the withdrawal of Israeli armed forces from territories occupied in the recent conflict" and for "respect and acknowledgment of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries..." [3].

There was also a less well-known 1970 General Assembly resolution (2628). It asserted that: "Respect for the rights of the Palestinians is an indispensable element in the establishment of a just and lasting peace in the Middle East". Yoshitsu [9] stated that Japan together with France, Greece and Spain voted with the United Nations majority. (Ibid, 1). In December 1971, Japan voted in favor of the United Nations Resolution 2792 D of December 6, 1971 and 2963 of December 13, 1972 that reaffirmed that "the people of Palestine is entitled to equal rights and self-determination" [5]. Indeed, Palestine-Israel conflict has become a main concern for Japan. Japanese policy makers believe that there will be no peace without solving the Palestine problem. Yorke [6] asserts that Japan "was well in advance of other industrial states" in supporting self-determination for the Palestinians (68).

The Arab-Israel conflict first impacted the Japanese foreign affairs in May 1972. Three members of the Japanese Red Army attacked the Tel Aviv Airport, causing death to 26 persons and injury to 70 persons. The government of Japan sent a mission to Israel with \$ 700,000 to apologize for this incident. Then it sent a second mission to the Arab countries to apologize for apologizing to Israel [3,10].

Until the 1973 oil crisis, Japan oil markets have relied on the major oil companies and their affiliates. Its main concern has been dependence on the major international oil companies and reduction the price of imported oil. The Ministry of International Trade and Industry (MITI) encouraged domestic refining companies to compete with the majors. But it did not support investment and extraction activities in the Middle East. There is only one Japanese oil company- the Arab Oil Company-which extract and refine oil in the Saudi-Kuwait neutral zone. So, Japan's dependence on the major oil companies remained until the advent of the oil crises.

The “energy crisis” began on October 16, 1973 when six Gulf nations raised the posted price of Saudi crude oil by almost two dollars per barrel and when Arab oil ministers agreed to use the “oil weapon” in the Arab-Israel conflict. They cut their oil exports and implemented an embargo on unfriendly nations. The crisis period for Japan ended on December 25, 1973 when Arab oil ministers announced the lifting of the embargo. During this period, Japanese Middle East policy was forged.

On October 19, several Arab ambassadors called on Japanese “support for the Arab position in the Middle East war”. Foreign Minister Ohira replied that Japan would have continued to uphold Resolution 242 [9]. Japanese bureaucrats believed that there was less probability of cut in oil supply. However, the Arabs demanded that the Arabian Oil Company reduce production by 10 percent. At the same time, major oil companies cut their shipments significantly to Japan. In response to this, Vice-Foreign Minister Hogen met with the Saudi ambassador and gave him a *note verbale* which confirmed Japan’s support of Resolution 242 and added a phrase: “We sufficiently understand the various Arab nations’ hope for restoration of their own territory” [5,7]. However, it was not successful in terminating the oil cut. On November 4, the Arab petroleum ministries announced a 25 percent oil cut, escalating 5 percent per month. Moreover, they would classify countries as “unfriendly” if they would not take a more specifically positive attitude toward the Arab cause. The Arab states made further demands on Japan. The demands included breaking diplomatic relations with Israel, severing all economic ties with Israel, providing military aid to the Arab states and pressuring the United States to change policy on the Arab-Israel situation [5]. The Secretary of State Henry Kissinger was scheduled to visit Tokyo in mid-November. The Japanese side wanted to consult the Americans before any policy changes. At the same time, the American side requested that Japan should not act before consultation. When Kissinger came Tokyo on November 14, Japan tried to obtain assurances that the United States would guarantee Japan’s oil supply if Japan continued to be on the embargo list. Kissinger’s response dissatisfied the Japanese. In response to the internal debate and panic, the Foreign Ministry announced Japan’s new position on November 22. It stipulated that Israel forces must withdraw from all areas that was occupied after the October 1967, any settlement of the conflict must respect the legitimate right of Palestinian self-determination and the Japanese government would reexamine the policy toward Israel [9,5,7,11].

Besides this Japanese Deputy Prime Minister, Takeo Miki, traveled to six Arab countries in order to lift the cutbacks and embargo. While Miki was still in the Middle East, the Organization of the Petroleum Exporting Countries (OPEC) reclassified Japan as “friendly” on December 25. During his trip Miki promised \$ 127 million to help rebuild the Suez Canal and \$ 100 million in additional aids to Egypt.

Some scholars believe that the November 22 statement indicated a shift Japanese Middle East policy. They said that Japan took their first major foreign policy decision in the postwar period that was independent from the American foreign policy leadership. At the beginning, Japan viewed their interests in the region in terms of their relations with the United States; however, they changed this attitude and viewed their own interests for the first time in relations to the Middle East. If we look closely, we can see that there are no apparent differences as regards to their past positions. It is possible to explain the position changes not as a shift and but as an adjustment. It can be said that Japan wanted to clarify its position in the Arab-Israel conflict. Although Japan has always supported the Resolution 242 that calls for Israel to withdraw from the occupied territories, its positions on the Arab-Israel conflict has been affected by its relations with the United States. In the November 22 statement, Japan mentioned that it would reconsider relations with Israel if that country did not withdraw from the occupied Arab territories. Japan clarified that *all* territories should be included. Second, the Palestinian self-determination is a precondition of any peace settlement in the Middle East. The last part of the statement may be seen as a main adjustment in the Japanese foreign policy [5]. In fact, the November 22 statement was made under pressure, perhaps in panic. It was Japanese response to follow its own self-interest in the region. Moreover, we should mention influence of the bureaucratic decision-making process. Japan always stays neutral in its foreign policy. It tries to balance its every policy actions. If we accept that Japan’s support of Resolution 242 is a pro-Arab position, Japan’s foreign policy during the oil crisis was just its perpetuation. Maybe we can say that Japan wanted to emphasize its pro-Arab position

a little more. Furthermore, it did not meet any of the four Arab demands. Japan did not break diplomatic relations with Israel. It also did not terminate economic relations with Israel, even though Israel did not have a specific importance to Japan in terms of the resource diplomacy. It did not supply weapons to the Arabs. It does not seem to have tried to pressure the US to change its Middle East policy. In short, the November 22 statement did not result in significantly greater Japanese political support or economic assistance in the 1974-1978 period in the Middle East region. Japan did not even carry out the specific commitments in the November 22 statement. The Japanese gesture toward the Arab countries had little or no benefit Japan. The November 22 declaration did not put Japan “friendly” nation category for the Arab countries and did not lessen the impacts of the oil crisis [7].

Japan Middle East Policy After The First Oil Crisis: After the oil crisis, Japan shifted towards more pro-Arab stance. In fact, Japan Middle East policy was based on the Resolutions 242 and 338, until the Gulf Crisis. All policy implications paid specific attention not to exceed the three principles in these resolutions. It is an obvious fact that Japan has remained the most pro-Arab industrial country during this period. If we analyze Japan’s voting behavior about Israel-Palestinian conflict in the U.N., we can recognize that Japan has not changed its policy that is based on the Resolutions 242 and 338. First, the United States opposed acknowledging Palestinian rights, while all of its allies, including Japan, abstained. Second, the United States and its Western allies voted against the recognition of the Palestine Liberation Organization (PLO); only France, Italy and Japan abstained. Third, Japan voted in favor of a resolution condemning Zionism as racism while all western countries opposed it. Maybe this is the only indicator of Japan’s more pro-Arab stance [12]. Japan has never followed different policy other than the Resolutions 242 and 338. For example, it abstained on the 1974 General Assembly Palestinian resolutions because they did not reaffirm Resolution 242 and did not explicitly affirm Israel’s right to exist [5,9]. One of the main elements in the Japanese Middle East policy is to support the Palestinian cause. Japanese policy makers believe that there can be no peace in the Middle East without resolving the Israel-Palestinian conflict. In this regard, the Japanese government invited the Palestine Liberation Organization (PLO) to begin talks on establishing an office in Tokyo. After extensive negotiations, the office opened in 1976 without formal diplomatic recognition. One of the main reasons for this contact was that the Japanese did not want to face another the “Nixon shock”. In 1971 when Richard Nixon announced his trip to China just after the Japanese had decided to maintain their policy of non-recognition. It really shocked the Japanese government. In 1975, the senior Japanese officials worried that the United States might extend recognition to the Palestine Liberation Organization (PLO). Therefore, they were afraid of being politically vulnerable again. In order to avoid this kind of experience again, they decided to establish contacts with the Palestine Liberation Organization (PLO) [9,13]. Another important cornerstone of the Japanese policy towards the Palestinian cause is the invitation extended to the Palestine Liberation Organization (PLO) Chairman Yasser Arafat to visit Tokyo in 1979. Thus, Japan in 1981 became the first major industrial country to have talks with the Palestine Liberation Organization (PLO) at the prime ministerial level [6,9].

There were three important events in the Middle East that affected the Japanese foreign policy. First, Egypt and Israel signed the Camp David Accord in 1979. In response to this treaty, the Foreign Minister Soma Sadao presented a position paper stating: (1) Any Middle East peace must be comprehensive, with the Egyptian-Israeli treaty a “first step” in this process. (2) It must be based on the Resolutions 242 and 338 and involve the recognition of the legitimate rights of the Palestinians, including self-determination in their own state; and (3) the Palestine Liberation Organization (PLO) must participate in peace talks. He also condemned Israel because of the occupation of the 1967 territories and its settlement policy. Japan did not see the Camp David Accord as a final solution. They criticized it because it did not include the Palestinian side. Until the Gulf Crisis, Japan’s position in the Israel-Palestinian conflict is that they seek the Palestine Liberation Organization (PLO) acceptance of the Resolution 242 in return for self-determination. At the same time, they seek Israel’s recognition of the Palestine Liberation Organization (PLO) in order to guarantee Israel’s security [7].

Second, Japan acted together with the United States and its Western alliances in response to the Soviet military invasion of Afghanistan. It condemned the Union of Soviet Socialist Republic (USSR) and backed sanctions against the Soviet Union. Another Japanese policy was the launch of an aid program for the Afghan refugees in Pakistan through the United Nations.

Another aspect of Japanese foreign policy was a deliberate shift in trade and investment policy. They took a lesson from the first oil crisis that they had an enormous stake in the Middle East, while the Middle East had no equivalent stake in Japan. The result was to greatly increase Japanese investment and the official development assistance (ODA) in the region. Japanese investments first targeted Iran until the Iran-Iraq War and then began to switch to Saudi Arabia. In the 1970s, Iran and four companies of Mitsui group of Japan agreed to build a petrochemical complex (IJPC) at Bandar Sahnqur on the Persian Gulf. It was Japan's largest overseas investment anywhere in the world at that time [14]. After the Iran Revolution, the Iran hostage crisis caused an international crisis. It also affected the Japan-Iran relations. During the crisis, the United States requested its alliances to act together and implement sanctions against Iran. Japan faced a dilemma in this situation. On the one hand, it had a need to continue its good relations with the United States. On the other hand, it had vital interests in Iran. The Iranian Oil Minister declared that Iran would suspend oil shipments to any country that supported United States-sponsored economic sanctions. He also warned that if Japan pulled out of the IJPC project, Iran would transfer it to an East European country. Iran was very important for Japan. Iranian oil accounted for 11 percent of Japan's total oil imports. Also the abandonment of the project would cause a large loss and inconvenience. Furthermore, Japan considers the project as both a symbol of friendship and as a means of keeping Iran in the Western fold. After Soviet troops invaded Afghanistan, Iran was considered not leaning toward the Union of Soviet Socialist Republic (USSR). The *Nippon Keidanren* (Japan Business Federation-the most influential business organization in Japan) was also reluctant to take extreme action. However, Japan followed the United States policy towards Iran. The Japanese Prime Minister Okita accepted all American sanctions against Iran. First, the Japanese government decided to reduce the size of the embassy staff in Tehran. Second, it imposed visa control on Iranians seeking entry into Japan. Third, it refrained from signing new export contracts with Iran [9].

The Gulf Crisis: The Gulf War is another cornerstone in the Japanese Middle East policy. It showed that Japan should play a more proactive political role in international affairs. Japan recognized that neither broad support of US objectives nor "checkbook diplomacy" was sufficient for Japanese post-Cold War policy. Japan can no longer be an economic giant and a political pygmy in international affairs [15].

After the Gulf War Japan moved in another direction in its Middle East policy. First, when the Japanese Prime Minister visited the United States, he declared that Israel-Japan relations would not be tied to the Arab-Japan relations and Arab-Israel conflict anymore. It would develop independently. Second, Japan dominant *Keiretsu* (business group) decided not to abide by Arab boycott against Israel. And Toyota announced that it would start trade with Israel. There are three reasons. First, Japan's dependence on Arab oil has diminished over two decades. Therefore, it can follow a much more independent and autonomous policy in the Middle East. Second, Japanese politicians, businessmen and the public are afraid of American Jews' retaliation. Because of their influence in the United States politics, they also put pressure to take a more anti-Japanese stance. Third, after Yasser Arafat declared that the Palestine Liberation Organization (PLO) had given up terrorism and recognized Israel, the Palestinian-Israel conflict lost its intensity. Thus, Japan has more freedom in the Middle East.

The Arab-Israel peace process has presented new opportunities to Japan to implement its new post-Cold War policy. As Murata [16] stated that "Japan has clean hands in the Middle East issues" (8). First, Japan's official development assistance (ODA) policy can help peace building after both sides reach the agreement. Japan's assistance to Israelis and Palestinians is vital to bring about peace in the Holy Land. For example, Japan may give economic and technical assistance to joint projects which Palestinians and Israelis work together for development of transit systems or water resources in

the region. A united Israeli/Palestinian Fund may be established for this purpose(Kuroda, 1994, 34). Second, bilateral trade with Japan is likely to increase both Israel and Arab nations. As a result, Middle Eastern's dependence on Japan may increase in the future.

EXTERNAL, SOCIETAL AND BUREAUCRATIC FACTORS

External and Societal Influences on Japanese Policy: As we mentioned, the United States influenced Japanese foreign policy. Most of the time, Japan follows the United States when it takes important policy decisions. It always considers the United States factor. During the first oil crisis, the United State government consistently requested the Japanese to resist Arab pressures. Japanese considered this advice because they thought that American Jews have put pressure to American government about U.S.-Japan trade relations [17]. Indeed, the Ministry of International Trade and Industry (MITI) and the Ministry of Foreign Affairs (MOFA) the Ministry of International Trade and Industry (MITI) and the Ministry of Foreign Affairs (MOFA) as well as Keidanren, avoided strong American Jews anti-Japan lobby activities. Before the 22 November statement was announced, the Japanese government had waited Kissinger to visit Tokyo. He tried to persuade the Japanese government not to adopt a pro-Arab position. The Japanese wanted to know the U.S. plan for a Middle East settlement and whether the U.S. would ensure the oil supply of the Japanese. When Kissinger said that he was not optimistic about oil supplies, the November 22 statement was issued. The other external factor, the Arab countries oil weapon, has directed toward the Japanese Middle East policy much more than the United States. Because Japan's immediate interest has been the ensuring the oil supply, it inevitably adopted a much more pro-Arab stance which was reflected in the November 22 statement. However, it has not changed its main policy in Arab-Israel conflict that is based on the Resolution 242.

The normal Japanese decision making process has been dominated by bureaucrats. However, critical decision-making process is characterized by intense participation of politicians and actors outside of government (parties, pressure groups, mass media and aroused citizens). The public opinion and the mass panic during the first oil crisis played an important role in the decision-making process. Nau argues that the November 22 statement can be seen primarily as a response to Japanese public opinion rather than external pressure:

“Japanese officials knew that Japanese oil supplies depended more on the oil companies than on the oil-producing countries. The oil companies could offset embargoed oil to Japan with oil from non-embargoed sources. Yet the Japanese public, in the panic generated by press and other reports, demanded some action. The November [22] statement appeared decisive, even though Japanese oil supplies were cut back no more or less because of the statement” [7].

There is a general assumption that Japanese public opinion and mass media are more pro-Arab than the Japanese government policy. This is a result of Japanese dependence on the Arab oil, but one observer argues that this is not true:

“Japan supports the Arab nations because they are weak and the Japanese are likely to favor the weak. It is true that oil produced by Arab nations is vital to Japan. Even if there were no oil being produced in the Middle East, however, Japan would still support the Arabs and not favor the Israelis, whose behavior is based on military power” [18].

Similarly, Shillony [19] argues that there has been an eruption of Jews conspiracy books in Japan until 1985 (22). Even though Japan has no anti-Semitic past, many American Jews see it as anti-Semitism. This anti-Semitic sentiment stems from “traditional” notions of Jewish power in Western societies especially in the United States; misinformation from the mass media and dislike of the idea of a “chosen people” [7]. We can answer why the Jews conspiracy theory has

become popular in Japan. The post-structural analysis and the social-psychological theories can give some clues about this subject. The post-structural analysts and the social psychologists theorists emphasize on the Self/Other dichotomy. In order to produce the Self-identity, we should create the Other. Otherness is a process taking place in all society. Therefore, Japanese society creates the Jewish images in order to produce “Japaness.”

Also interest groups, especially the Japanese business community, have been an important pressure group. During the first oil crisis, they participated in the decision-making process. For example, the Keidanren energy committee worked for the business-government cooperation. Besides, the giant trading companies such as Mitsui and Mitsubishi, were important sources of information for the government during the crisis. After the crisis, business groups strongly advocated more Japanese economic involvement in the Middle East, in order to guarantee oil shipments. Projects such as Mitsui petrochemical installation in Iran that was necessitated close cooperation with the Japanese government. Besides, giant Keiretsu companies have obeyed the Arab boycott of the Israel until 1991.

Bureaucratic Influence: The Japanese *Diet* and parties play no significant role in policy-making process. Until 1993, the Liberal Democratic Party (LDP) has remained a majority in the *Diet*, so there have been no incentives for inter-party discussions. Just once the Japanese parliament (the *Diet*) had an important position on the Middle East policy. The Parliamentarians’ League for Japan/the Palestine Friendship, which was founded by former foreign minister Toshio Kimura, formally invited Yasser Arafat to visit Japan in 1980-1981. We can say that this decision reflected the government policy because the League had been dominated by the Liberal Democratic Party (LDP) members. In fact, the Foreign Ministry needed non-governmental invitation in order to eliminate criticisms from the United States government.

Even though the Japanese Foreign Ministry seems to be the main policy makers in international relations, the other ministries have been also influenced by the policy making process. The Ministry of International Trade and Industry (MITI) has had formidable clouts in the Japanese Middle East policy. Especially, since the Oil Law of 1962, the Ministry of International Trade and Industry (MITI) has been the agency in determining the Japanese oil policy [20].

The Ministry of Foreign Affairs (MOFA) is one of the weakest government bureaucracies in terms of the domestic political power. Because of its central policy to stay close to the United States, it has also a low public support in Japan. Moreover, the Middle East Division (*Chuto Kyoku*) in the Ministry of Foreign Affairs (MOFA) has had little influence than the North Americans division. During the first oil crisis, the Ministry of International Trade and Industry (MITI), on the one hand, advocated a pro-Arab stance. On the other hand, the Ministry of Foreign Affairs (MOFA) supported a pro-American view. Just as Licklider [7] stated the Foreign Ministry was responsible for maintaining good relations with the United States, while the Ministry of International Trade and Industry (MITI) was responsible for accommodating the Arabs (174). Similarly, individuals had different political perspectives. For example, the Deputy Foreign Minister Hogen advocated the upholding of the Yoshida doctrine, while the Ministry of International Trade and Industry (MITI) minister Yasuhiro Nakasone pushed for the cooperation with the Arabs. Because of bureaucratic competition and incomplete information due to the lack of staff and embassy in the Middle East together with external pressures resulted in the November 22 statement that was believed as an indicator of the Japanese policy adjustment but not a major change. But it is possible claim that the November 22 statement was an exceptional change rather than major shift of the Japanese Middle East policy.

JAPANESE OFFICIAL DEVELOPMENT ASSISTANCE (ODA) AND TRADE

Japan ODA and Middle East: Japan is the largest donor of the official development assistance (ODA) in the world. It has been also the main economic foreign policy tool of Japan. Between 1980 and 1995, except during the Gulf War era, Japan’s the official development assistance (ODA) towards the Middle East has been 10 percent of the total the official development assistance (ODA) of Japan. (Appendix-Table 2) There are three justifications why foreign aid is used in the

Middle East: resource diplomacy, strategic aid together with reaction to foreign pressure and humanitarian interventions [21]. Japan's the official development assistance (ODA) has become a major element of resource diplomacy. The Ministry of Foreign Affairs (MOFA) has been interested in providing more technical aid to Iran and supporting the Iranian agriculture. After the Iran Revolution, its the official development assistance (ODA) focused on Saudi Arabia, that is, Japan's major partner in the Middle East. The strategic aid is the second major arm in Japan's aid program. But it should be assessed together with foreign pressure especially, the United States. Countries in the Middle East and the Near East such as Turkey, Egypt, Syria and Lebanon that have few oil reserves, received strategic aid. Japan's strategic aid has been primarily driven by the foreign pressure. On the other hand, resource diplomacy has been driven by the pressure from nations possessing natural resources [22]. The humanitarian interventions have resulted in aids to the Sudan and Yemen. At the same time, Japan's aid to Palestinians has been considered as humanitarian intervention as well as resource diplomacy. Because it can not offer bilateral aids, Japan has supported the Palestinian refugees through the United Nations, especially the Japanese contributions to the United Nations Relief and Work Agency for Palestinian Refugees in the Near East (UNRWA) amounted to \$ 17 billion, while \$ 2 billion was routed through the United Nations Development Program (UNDP) [21,22].

Japan has a special purpose to aid the Middle East. As we know, Japan depends on Gulf Oil. However, the Gulf States realized that reliance on a single energy resource (petroleum products) caused security and economic problems. Moreover, the oil reserves in the Middle East will finish within 50-100 years. Therefore, the Gulf States are searching for new economic sectors and they need the Japanese technology. Therefore, Japan uses the official development assistance (ODA) to provide technical assistance to the Gulf States and enhancing dependence on the Gulf States on Japan. The recent examples are the recent development of finance, building, tourism sectors in the Gulf States, especially in Dubai and the United Arab Emirates. The Ministry of Foreign Affairs (MOFA) prefers to use *sogo izan (interdependence)* to justify aid to the Middle East. This economic aid can provide cultural exchange and political dialogue. Also, it is a well know fact that Japanese ODA and foreign trade are strongly related.

Japanese Trade with the Middle East: The Japanese trade with the Middle East started after World War I. Japan exported huge amounts of textiles and cotton goods to the Middle East. In this period, she had a huge amount of trade surplus (Appendix-Table 3).

However, these trends changed after the 1960s because Japan shifted from coal to oil as a energy sources. After 1962, Japan's oil consumption increased at an incredible rate- 167 times - from its 1950 level. At that time, the USA encouraged Japan to switch its primary energy resources from coal to oil [16]. The percentage of Japan's oil consumption in total energy consumption was 23 percent in 1954. It steadily rose to 60 percent in 1963 and to 80 percent in 1973. Between 1985-95, it has decreased to 55-60 percent. In same period, Japan's dependence on Middle East oil decreased from 80 percent to 55-60 percent [23]. There are three reasons for this decline. First, Japan has implemented a successful conservation policy. It used much more energy-efficient machines and technology. Second, Japan attempted to diversify it sources of crude oil since the two oil shocks. Third, the Japanese industry began to shift from energy-intensive to the high-tech industry. At the same time, the Middle Eastern imports from Japan declined, relative to imports from other industrial countries, such as the United States, between 1980-88. For example, the Middle East share in Japan's total exports was 10 percent between 1975-85. However, it was between 8 and 4 percent between 1985-1995 (Ibid, 19). In short, the Middle East played a much smaller role as a source of Japanese imports and as a destination for Japanese exports. This trend is a result of the stable falling oil prices in the 1980s.

As we mentioned earlier, Japan is still dependent upon Middle East oil. This dependence resulted in the Japanese policy that has been based on ensuring the supply of oil and the supply of oil at a constant price. Most scholars who specialize Japan and the Middle East look at these relations in a bilateral perspective. However, Kaoru Sugihara [24] looked at the trade relations between Japan and the Middle East in a much broader context which is based on structural and

systemic analysis (2). He builds a model that is inspired from trade relations among Britain, China and India that is called the “opium triangle” during the nineteenth century. According to this model, Britain and India had a huge amount of trade with each other. However, Britain did not trade with China because there was not enough demand for British goods. In order to create a demand, Britain forced Indian farmers to grow opium. India sold the opium to China and Britain imported silk and tea from China. Therefore, a triangular pattern was created and the trade among the three countries reached a high level. Similarly, there was an oil triangle after 1973, until now. During this period, a trade imbalance emerged between Japan and the Middle East, due to the sudden rise of oil price. However, Japan managed to continue to buy Middle Eastern oil even if prices were high. The main reason is that Japan is increasing its exports to the United States and EC. At the same time, the USA is selling arms to the Middle East countries. The oil money, which the Middle East obtained from Japan, was invested in the Euro-dollar markets (Ibid, 1-2).

This structural model is based on interdependence theory. Interdependence in world politics refers to situations characterized by reciprocal effects among countries or among actors in different countries. Where there are reciprocal costly effects of transactions, there is interdependence. In this model, all actors in the system are dependent on each other. However, this dependency is not symmetrical. It is asymmetric. Keohane and Nye [25] believed that there are two dimensions in interdependence: sensitivity and vulnerability (13). Sensitivity involves a degree of responsiveness within a policy framework -how quickly do changes in one country bring costly changes in another and how great are the costly effects. Vulnerability can be defined as actor’s ability to suffer costs imposed by external events, even after policies have been altered (Ibid, 13). Let’s say, two countries import the same amount of oil. Both of them are equally sensitive to price rises, but if one could shift to domestic sources of moderate cost and the other had no such alternative, the second state would be more vulnerable (Ibid, 13). In the oil triangle model, all actors are dependent on each other, but some of them are more dependent than others. For example, Japan’s vulnerability to oil is higher than that of the USA. Also this model asserts that there is a limit to the use of oil as a weapon because the Arab countries are also dependent on other actors in this system. If they use oil over system capacity, the whole system can collapse. Besides, they assert that interdependence restricts autonomy (Ibid, 9). Indeed, countries do not have to follow autonomy foreign policy because there is a structural interdependence.

CONCLUSION

The Japanese Middle East policy can be understood better if we look closely at the Japanese foreign policy in general. In the post-Cold War era, Japan had confronted a number of challenges about its policy. The Gulf War is a good example. Most scholars believe that new world order is multipolar. The world is more pluralistic and the major actors no longer have absolute control in international arena. For example, the United States did not manage the Gulf Crisis without financial support from Japan and Arab nations. Although the United States is an undisputed military and political superpower, Japan and Germany may be considered economic superpowers. Japan has supported a declining United States hegemony, through a gradual expansion of the Nichibei partnership. Besides, the Gulf War showed that Japan was unready and unwilling to play an active role in the area of “high politics”. There are some assumptions about future Japanese role in the world order. The first assumption is that Japan becomes next hegemon. However, Japan does not have political, economic and military power for the world leadership. The second assumption is that Japan will continue to support American hegemony. Third, as Professor Asai asserts the Japanese government develops its own policies to contribute to world order. It can use its non-military resources, especially economic sources [16].

The Japanese Middle East policy in Middle East between 1904-1998 has been forged by its position in the world order. It has also still depended on the Japan-United States relations. As it is mentioned earlier, Japan may have played a much more active role in world politics generally, in the Middle East specifically, because of its supporter role of American hegemony. In order to bring about a more active the Japanese foreign policy, it should have adopted the

Neo-pacifist model. First, it should have interpreted the Article 9 of the Japanese Constitution more broadly, so it could have sent its Self Defense Force under the UN auspices, as peacekeeping forces. Although Japan has contributed the peacekeeping forces in early 1990s in some countries, including Cambodia and Mozambique, it is necessary to send the troops in the other conflict-ridden countries. Second, Japan should have increased its effort to become a full member of the Security Council. Third, it should have emphasized the use of economic means for conflict resolutions. In this regard, it should have been pioneer the use of the official development assistance (ODA) and the foreign direct investment (FDI) for peaceful purposes. Third, Japan had to need to upgrade it's the Ministry of Foreign Affairs (MOFA) to a level equal to that of the Ministry of International Trade and Industry (MITI) (Ibid, 25). The last and most important point is that Japan should present its universal values in the international arena. Japan can contribute to nonviolent, anti-nuclear, arms control and peaceful conflict resolution movements and it should become the leader of peace. For example, it can help the UN to become a conflict resolution-oriented body instead of a "power politics" body. I strongly believe that Japan has a capacity to promote peace by using its values and it can follow more active policy without using military means. But if it is necessary to contribute to the UN collective security system, it should prepare for this.

In the last analysis, the Japanese Middle East and foreign policy has not changed during 1904-1998. In fact, if the Palestine-Israel peace process will end with a success, it is likely that the Japanese role will increase in the Middle East. Japan already has necessary means for this objective. After the peace is established, the Japanese aid and trade policy will help the region progress and development. The official development assistance (ODA) and the foreign direct investment (FDI) are two important means Japan has an influence on the Japanese Middle East policy. In future, because of the global warming, water may become one of the conflict sources in the region. Therefore, countries in region and G-7 countries should have supported Turkey's water project that had a plan to use Turkish water resources for peaceful means in the Middle East region. Japan as a major donor county should provide financial and technical assistance for the project.

APPENDIX

Table 1: Japan Energy Production and Consumption-1993

Energy Types	Production		Consumption	
	<i>Amount</i>	<i>Percent</i>	<i>Amount</i>	<i>Percent</i>
1-Crude Oil	0.034	% 0.9	11.596	% 58.6
2-Natural gas	0.083	% 2.3	2.121	% 10.7
3-Coal	0.183	% 5.0	2.697	% 13.6
4-Hydroelectric power	0.940	% 25.6	0.940	% 4.8
5-Nuclear power	2.395	% 65.3	2.395	% 12.1
6-Geothermal, solar, wind	0.034	% 0.9	0.034	% 0.2

Source: Statistical Abstract of World, ed. A.Marlito and E.Reddy, 1996.

Table 2: Japan's bilateral official development assistance (ODA) (net disbursement, 1990-94) (million US dollars)

Years	1990		1991		1992		1993	
	<i>Technical Aid (TA)</i>	<i>Grant aid (GA)</i>						
1- Algeria	-171.7	0.3	-200.5	2.0	-42.7	-2.7	-269.4	-1.2
2-Bahrain	-33.9	1.3	16.5	0.5	108.9	0.6	-12.8	0.9
3-Egypt	43.7	64.4	598.4	41.0	58.3	68.6	96.1	124.6

Table 2: Continued

4-Iran	-420.4	7.4	132.1	10.2	-100.4	9.2	268.5	11.3
5-Iraq	-70.2	4.0	-25.3	0.1	-28.1	0.2	-1.3	0.2
6-Israel	3.1	0.5	10.1	0.7	0.5	0.7	1.5	0.9
7-Jordan	167.9	8.5	417.0	6.7	132.4	4.7	51.7	7.9
8-Kuwait	-35.0	0.6	158.2	0.3	272.1	0.2	38.5	0.4
9-Lebanon	0.1	0.1	0.1	0.1	0.2	0.3	0.0	0.2
10-Libya	-7.7	0.0	0.0	0.0	-1.2	0.0	0.4	0.1
11-Morocco	117.2	21.9	16.1	0.4	0.1	26.8	24.6	18.5
12-Oman	-5.1	3.4	51.5	4.0	36.6	4.0	-60.7	4.7
13-Qatar	-0.9	0.7	2.1	0.6	-25.7	0.6	-19.7	0.4
14-Saudi Arabia	67.9	7.1	727.1	6.4	186.1	4.9	914.0	8.2
15-Sudan	38.9	38.9	51.0	51.0	27.4	27.4	15.2	15.2
16-Syria	-8.5	4.6	115.6	4.2	-9.5	4.8	388.9	8.6
17-Tunisia	14.8	5.9	-263.1	5.7	-70.8	7.4	10.2	11.8
18-Turkey	624.9	15.6	711.3	16.0	1,534.9	18.1	2,084.7	20.2
19-United Arab Emirates	-37.3	1.2	-49.9	4.8	-482.7	1.9	-72.3	1.8
20-Yemen	20.3	18.2	97.3	22.0	38.3	29.3	57.1	24.2

Source: Geographical Distribution of Financial Flows to aid recipients (1990-1994), OECD, 1996.

Table 3: Japan Foreign Trade (1989-1995)

Exports (1989-1995, million of U.S. dollars)

Countries								
Years	9	Total	Iran	Israel	Kuwait	Saudi Arabia	United Arab Emirates	Turkey
1989		8.115	919	317	668	2.750	1.289	376
1990		9.422	1.620	509	418	3.350	1.553	996
1991		11.841	2.476	753	437	3.902	2.518	829
1992		14.779	2.653	1.008	766	4.843	2.730	845
1993		12.913	1.460	988	974	4.107	2.548	1.302
1994		10.711	914	873	680	3.246	2.250	619
1995		9.669	663	995	623	2.704	2.105	905

Imports (1989-1995, million of dollars)

Countries								
Years	9	Total	Iran	Israel	Kuwait	Saudi Arabia	United Arab Emirates	Turkey
1989		22.792	1.785	754	2.329	7.009	6.023	237
1990		31.282	3.466	882	1.713	10	10.495	9.083
1991		29.252	3.466	882	1.713	10.495	9.083	267
1992		29.233	2.607	695	1.196	10.251	9.733	200
1993		27.288	2.432	779	1.691	8.925	8.999	173
1994		27.810	2.732	979	2.089	8.376	9.143	200
1995		31.649	2.820	1.302	2.766	9.718	10.172	233

Source: Direction of Trade Statistics, IMF Yearbook-1996, IMF.

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