

TPP to Prosper Japan

Manabu Matsuda

It is rather abnormal that arguments against the Trans-Pacific Partnership free trade initiative, describing the TPP as ruining Japan and branding TPP supporters as traitors, have swept the country. If correct information and an analytical recognition of the situation are given, a U.S. conspiracy theory regarding the TPP initiative may soon turn out to be a fantasy. We should refrain from saying the TPP would “open” Japanese market because Japan is already one of the most open countries in the world. The TPP itself is not predetermined to expand U.S. exports to Japan. In Japan, those being damaged by the TPP would be limited to agricultural cooperatives (not agriculture itself). Nevertheless, even the healthcare system, which has nothing to do with the TPP, has been used for exaggerating fears of U.S. offensives in TPP negotiations.

Reflect national interests in world order-making processes

Japan, a population-declining society, is destined to expand its prosperity base overseas. Japan should create domestic jobs by gaining profit from the rest of the world through international supply chains and foreign direct investment. This is an indispensable growth pattern for Japan. As the TPP negotiations are designed to develop rules for protecting and promoting international interests, Japan should be in a position to be “offensive” in most of TPP-covered areas.

The guiding principle for the TPP initiative is the rule of law, or the rule of trade. It may work to check China from ignoring rules or the United States from being arrogant. The TPP initiative does not involve any unilateral imposition but represents the development of multilateral rules including reciprocal requirements. It is based on the Asia Pacific Economic Cooperation forum, shaping the future order of the APEC region that includes China and absorbs three quarters of Japan's exports. Japan's participation in the TPP negotiations represents its vow to help create a world order and means that the nation will take part in shaping future international standards in the most advantageous manner.

The economic rules to be made under the leadership of Japan and the United States may attract a large number of countries that have not participated in the TPP negotiations. In the course of the negotiations, participating countries may find area-by-area solutions that may become global models. Japan may then have a chance to have Japanese-type solutions reflected in the TPP agreement. If the TPP runs

counter to Japan's national interests, Japan can withdraw from the negotiations. If Japan does not participate in the negotiations to begin with, a new order where Japan is not taken into account may be imposed on Japan.

Japanese way of living is questioned

Given the recent political turmoil in Japan, we may naturally doubt the government's international bargaining capability. But the more serious problem is Japanese people's deep-rooted assumption of Japan as a weak country. It is regrettable that even some conservatives who should emphasize national pride have raised opposition to the TPP. Japan is now given a rare opportunity to take part in making a new international economic order. I question why Japanese at this moment must be bound by the trauma of postwar U.S. occupation, complacent with do-nothing politics and plagued with defeatism.

Economic logics are cold. Those who ride the tide can become winners. Japan has lost many national interests because of its failure to participate in shaping world standards. Are Japanese willing to go in the direction of comfortable death while avoiding risks or to challenge for future success? The Japanese way of living is now questioned. I soon publish a book titled "TPP to Prosper Japan."

Manabu Matsuda is Corporate Officer & Fellow, Taiju Research Institute.