

**JAPAN'S MOTIVE BEHIND ITS ACTIVE ROLE THROUGH THE
DISBURSEMENT OF THE OFFICIAL DEVELOPMENT ASSISTANCE
(ODA) AS ATTEMPT TO OVERCOME THE ASIAN FINANCIAL CRISIS
IN SOUTHEAST ASIA (1997 - 1998)**

By: Latifah Tiyara Putri

20130510225

Department of International Program of International Relations

Universitas Muhammadiyah Yogyakarta

latifahtiyara@gmail.com

ABSTRACT

After losing from the Second World War, Japan was under the U.S. occupation, led by General Douglas MacArthur. Since then, Japan was periodically driven by the U.S. policies to demilitarize its military and maximize its capability in economy aspect. In order to recover Japan's economy, the United States offered the financial assistance to Japan. This assistance was known as the Official Development Assistance (ODA). Thus, Japan was actually the recipient country of ODA in prior, then, along with its capability, Japan became the member of ODA donor countries and started to distribute the ODA to the developing countries. As continuation, Japan played a significant role in the phenomenon of the Asian Financial Crisis in 1997-1998. Japan put deep concern and took an active role by offering its ODA to most of the countries in the Southeast Asia region that were hit by the crisis at that time.

This undergraduate thesis aimed at explaining the motive behind Japan's ODA disbursement to the region. Besides that, the methodology of this research used explanative analysis and qualitative method by using secondary data from articles, journals, books, and other literary sources.

As the findings, this undergraduate thesis had proven that the motive of Japan was described by its position in Southeast Asia might help Japan to regain

its international respect as it had before losing in the World War II. This was achieved by Japan's capability to be the Asian Hegemony.

Keywords:

*1997 Asian Financial Crisis, Official Development Assistance (ODA), Hegemony,
Top Donor Country, Recipient Country*

Introduction

As one of the great countries in the past, Japan had ever involved in several wars. The Sino-Japanese War and Russo–Japanese Both wars were won by Japan. After those victories, Japan gained some international respect and caused Japanese increasing their nationalism and other Asian countries started to achieve their national self-confidence (Please, n.d.).

Due to Japan's national confidence, they decided to involve in the Second World War, joining Axis bloc with Germany and Italy, fought against the allied bloc, to gain more international dignity and dominate the world. On December 7, 1941, the major US naval in Pearl Harbour, Hawaii, was attacked by 360 Japanese aircrafts. This took lives of 2.300 troops. This attack unified American public opinion to enter the World War II. On the next day of the attack, the Congress declared war on Japan while Germany and other Axis Powers immediately declared war on the United States (History, n.d.).

On August 1945, the United States invaded Japan by devastating the atomic bomb on Hiroshima and Nagasaki. The surrender of Japan was announced by Japan on August 15, 1945 and formally signed on September 2, 1945, accepted by the United States General Douglas MacArthur aboard in the USS Missouri in Tokyo Bay. Two weeks after the surrender, the U.S. began to occupy Japan. The U.S. occupation in Japan eventually brought Japan an economic-based country which only emphasized on economic potential without necessarily considering any military or defense aspect and relied any of it on the U.S. responsibility

(Jitsuo, 2000). Those policies given by the U.S. were pursued by the establishment of the Article 9.

Japan's involvement in the Pacific War brought Japan to the reversal situation, from its previous status, and Japan became a nation that had urgency to receive development assistance from other developed countries or international community in the world, Japan was capable to be the contributor or the donor country for ODA. The ODA (The Official Development Assistance) is the economic assistance given by the member of its donor countries (usually comes from the developed countries) to the list of its recipient countries (usually comes from the developing countries). This ODA was coined in the establishment of the Development Assistance Group (DAG), where Japan was one of the founding members of that (Akiko, 2000).

Japan used the development assistance as its foreign policy instrument in international community by allocating its ODA as its foreign policy instrument for war reparation compensation, export promotion to interdependence rationale, tool for gaining global position, tool for world peace and stability, until ODA as multilateral aid.

Japan's high economic development led Japan becoming the top donor of ODA in 1990s. This capability of Japan could contribute much in assisting Southeast Asia countries to solve the economic crisis when the Asian financial crisis exploded in 1997. Japan seemed to have deep concern in this Asian Financial Crisis phenomenon, especially when the crisis hit the Southeast Asia region. The region began to experience such implications from crisis, for example,

the unstable condition not only in economy, but also in social and political aspects like riots, anarchy, demonstration, and so forth (Graciela L. Kaminsky, *The Unholy Trinity of Financial Contagion*, 2003). This momentum gave particular chance for Japan to bold its position in the region by giving special attention and active role to assist the region out from the crisis by using its ODA (Er, 2000). Japan's decision to have deep concern in the Southeast Asia region was also pursued by Japan's ideal to have a "heart-to-heart relationships" with countries in the region as stated in Fukuda Doctrine that was formed after the "Malarie" riots hit Bangkok and Jakarta.

Japan's special attention over this crisis was reflected by the number of ODA given especially to Indonesia in the crisis period reached its peak of amount before previous years. Japan's ODA given to Indonesia from 80.3 billion yen increased up to 230.48 billion yen in 1998. Besides, Japan courageously proposed the Asian Monetary Fund (AMF) in 1997 in attempt to fix the unstable East Asian and Southeast Asian economy. Nonetheless, the United States strongly and boldly opposed the proposal, feeling threatened of being undermined by AMF toward the role of the International Monetary Fund (IMF) and Japan would dominate the new organization. In addition to AMF proposal, Japan also released its new policy called "New Miyazawa Plan" (Valentine, 2008).

Prime Minister Miyazawa Kiichi stated that US\$30 billion package ODA was given to Southeast Asia. Through his statement at the G7 meeting he said, "I would like to propose how Japan plans to revive Asian countries, Japan will take

the leadership role” (Er, 2000). In reality, the ODA package was given to Southeast Asia reached until US\$ 80 billion through “New Miyazawa Plan”.

In Indonesia case, Japan played role as a “bridging role” between the IMF and Suharto regime, to reform Indonesia market. The Prime Minister Hashimoto flew to Jakarta to persuade Suharto to accept reformation in return Japan would help Indonesia if it accepted the IMF package. Moreover, Japan would offer medical aid and 600 metric tons of rice to Indonesia (Er, 2000).

This paper would explain the motive behind Japan’s active role in assisting the Southeast Asia region out from the 1997 Asian Financial Crisis through its ODA disbursement, reflecting Japan as an economic giant state.

Theory of Hegemonic Stability

The term of “Hegemonic Stability Theory” was initiated by Charles P. Kindleberger in his book of 1973 *The World in Depression*. As an Economic Historian, he explained that the proceeds of the great depression in the beginning of 20th century was along with the weakness of the Great Britain to stabilize the international system and the unwillingness of the United States to do so.

Finally, Kindleberger concludes that “for the world economy to be stabilized there has to be a stabilizer, one stabilizer (Kindleberger, 1973). Here, there are two elements consisted in this statement concluded by Kindleberger. The first ones are the stabilized ones, and the second one is the stabilizer. The stabilized ones are the countries in the world economy which are in unstable condition or having such crisis (in this case Southeast Asia countries) and which are in needs of the aids given by the stabilizer country. Meanwhile, Japan plays its

role as the stabilizer country which tries to stabilize the unstable situation of the countries in the economy world.

Following Kindleberger, Hegemonic Stability Theory was also brought by several politician scientists in the second half of the twentieth century, known as Stephen Krasner, Robert Gilpin and Robert Keohane (Schubert, 2003). The central idea of “Hegemon Stability Theory” is that the stability of the International System requires a single dominant state to articulate and enforce the rules of interaction among the most important members of the system (Ikenberry, 2001).

In this “Hegemonic Stability Theory”, there are two elements consisting in this theory and it is necessary to be understood first. These two elements are the most significant in understanding how this “Hegemonic Stability Theory” works. These elements relate to each other and one element cannot stand without another one.

1. Hegemony

According to Keohane and Nye, hegemony is one particular situation where there is “one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so” (Keohane, 1984). Eventually, the role of hegemony in the global process is to reinforce the economic growth to hold the system together and stabilize it (Gilpin, *Global and Political Economy: Understanding the International Economic Order*, 2001).

2. Hegemon

Hegemon is the actor in the international economic who is the dominant state in the system. It is considered as the alliance leader. A hegemon must have

ability to help its stability and leadership, not only in the pursuit of its economy but also military dominance, as well as material resources dominance, competitive advantages, technological advance, and political control. Thus, hegemon has created a liberal economy to promote its political and military interests (Kohout, 2003).

Besides, to be a hegemon, a state is obligated to possess three attributes, as follows (Ferrari, n.d.). The first one is the capability to enforce the rules of the system, the second is the will to do so, and lastly is a commitment of the system as the mutual benefit. Meanwhile, all these three attributes will eventually emphasize on three capabilities that function the qualifications of a hegemon. Those capabilities are, as follows:

2.1 Large and growing economy

This explains that Japan is no doubt a country which has large economy growth and capability that is seen by Japan's achievement in economy after suffering much post World War II.

2.2 The dominance in a leading technological or economic system

This capability describes Japan that is known as the leading country with the best of technological development, started by its development of train as transportation model.

2.3 Political power backed up by projective military power

The political power backed up by projective military power which is shown by the existence of Japan's SDF (Self-Defense Forces) and its involvement in the Gulf war in April – October 1991 by sending six maritime.

Restate that the central idea of “Hegemon Stability Theory” is that international system requires a single dominate state to articulate the rules of interaction among the members of the system. This theory tended to show Japan as the dominant state above Southeast Asia (ASEAN). Japan has also fulfilled qualifications as the dominant state (hegemon) by possessing capability to run the rules of system, having such great economy condition, ability to have backed up military in ASEAN region (Taira, 1991).

Thus, the existence of Japan as an actor of hegemon in Southeast Asia had pursued Japan to create stability of its own system, in this case was Southeast Asia region. This case would indicatively reflect the Japan’s interest in terms of the importance of Southeast Asia region for Japan. The importance of Southeast Asia could be described by its potential natural resources, as well as its geopolitical aspect of Southeast Asia.

In such way, Japan saw golden chance from Southeast Asia countries as a stable region that was only steered by particular numbers of the developing countries before it was hit by the Asian financial crisis. In order to reach Japan’s strategic global position as an actor of hegemon, Japan got to stabilize the chaos situation in many aspects, especially the catastrophic economic condition, experienced by these countries as the aftermath of the crisis at that time. So that, it would be getting much easier for Japan to be an actor of hegemon if the economic condition of the countries in its own system could be stabilized well.

Eventually, this theory could be implemented to explain and elaborate the elements that were able to determine whether a particular state could be defined as

hegemony or not, using analysis on a number of policies or actions that had been performed by that state toward its international member in the international community

Analysis

From explanation above, this theory could be used to analyze Japan's active role that had been performed in the Southeast Asia region when the financial crisis began to hit the region. This theory also could be able to explain Japan's position among those countries in Southeast Asia due to the importance of the region for Japan, by analyzing several capabilities possessed by Japan that were described by those executed actions at prior.

From the perspective of how important Southeast Asia region for Japan in terms economic interest (market) and geopolitical aspect (located at the center of Asia-Pacific zone), these aspects had encouraged all the actions taken by Japan so far, Japan realized how significance its economic growth since the recovery years up to the days that they have achieved as the top donor of official assistance. According to the writer's belief, a country wanted to be a "hegemon" was not merely called as a strong country, but a country needed to have ability to ensure the international community that it had capability to gain so by promoting several actions that had already done by it. Thus, the international community would recognize its hegemony.

In order to achieve its "recognition" as a hegemon in the countries of its system that considered important for this hegemon, Japan needed the tangible

aspect in the form of those capabilities (economy, technology, and security), as well as the intangible aspect of hegemony in the form of international recognition.

1. Japan's Capability in Economy

International system requires a dominant state to articulate and enforce the rules of interaction among the members in the system (Ikenberry, 2001). Based on the theory as Japan acts as the dominant state in the Southeast Asia regions by giving ODA and also establish such rules and agendas in return as the means of interaction between Japan and member countries of Southeast Asia countries and/or as the fellow members of Southeast Asia nation (Er, 2000). According to Prof. H. Steven Green from Tokyo University, the hegemon provides “public goods” and the other states are better off accepting the system than challenging it. The process of Japan getting back its international respect was emulated by its capability in economy that needed a very long way to be achieved.

Although Japan at any point was called as “helpless” nation, Japan finally succeeded proving its commitment to provide financial aid in a huge number assistance in order for Japan to help overcoming the Asian crisis at that time (Khoiriati, 1999). Through Miyazawa Initiative, Japan had contributed approximately US\$80 billion to the countries and it remained success to reduce the impact of the crisis.

To be sure, leadership requires some kind of hegemonic process (Nabers, 2010). The opinion of Japan's potential to become the candidate of a hegemonic state was strengthened by the importance of Japan's leadership in the Southeast Asia region which the cost of being a global leadership was responsibility to

efficiently respond to certain unusual conditions in terms of emergency financial situation of the region, such as imbalances of payment, shortages of development capital, misalignment of exchange rates, and so' on.

The first Japan's predominance in Southeast Asia region was fundamentally, in terms of economy. Japan's relation with Southeast Asia was derived from the implication of the Yoshida Doctrine before the 1970s (Purbantina, 2013). The implication of this doctrine was about Japan's obligation to fulfill war reparations to number of Asian countries as consequence.

Japan's ODA was also used in addressing out the political instability in Myanmar, using ODA as incentives for Myanmar's military junta to prevent themselves from taking actions toward Aung San Suu Kyi, where Japan persuaded Myanmar's military junta to adopt less approach. In the sequel, Japan also created platform for Southeast Asia countries in the case of South China Sea dispute by conducting the Asian Regional Forum.

Another argument that would support Japan's hegemonic described that Japan's hegemony would be painlessly, which means that hegemony would not harm Japan but it devoted much contribution the international system. Firstly, Japan only contributed three-tenth of one percent of its GNP for economic cooperation. This action enabled Japan to increase its foreign aid without suffering much costs and harms to itself. Secondly, Japan also only spent two or three percent of its GNP into its FDI in which the national savings and domestic capital formation used up to 25 percent of GNP. Thirdly, Japan's hegemony would not harm itself owing to the very low of defense expenditure which was

approximately one percent of GNP because it was maintained mostly by the U.S. that enabled Japan to minimize its own defense spending.

Figure 1
Net National Saving Comparison- % of GNP
(US and Japan)

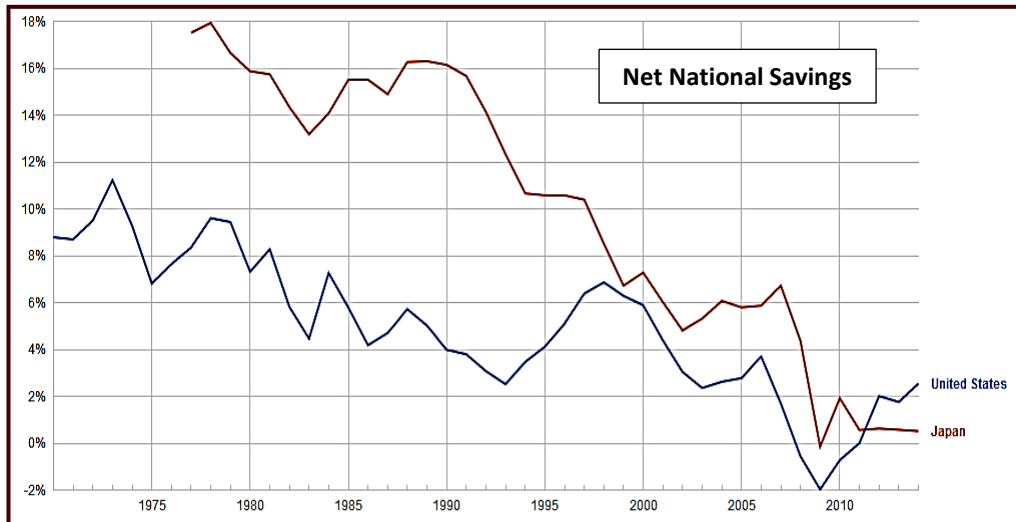
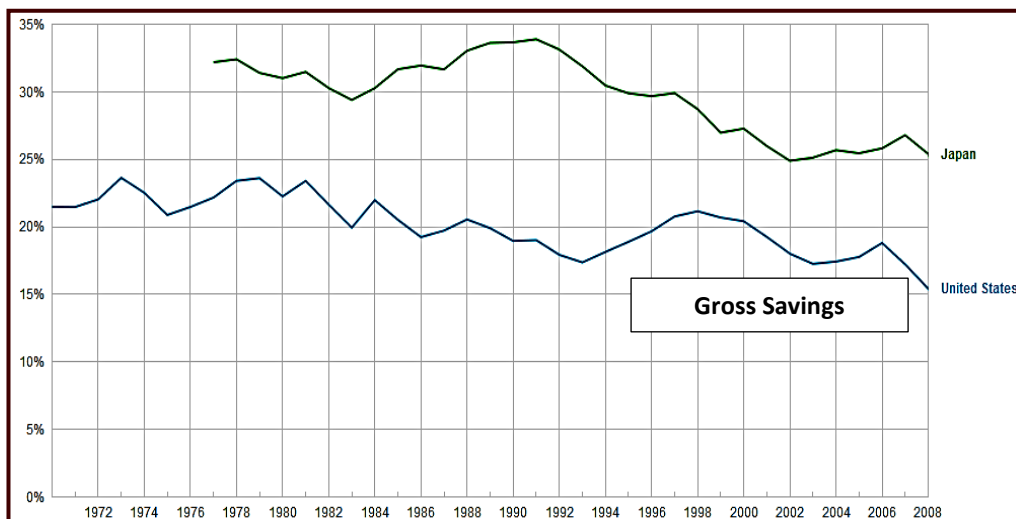


Figure 2
Gross Saving Comparison - % of GNP
(US and Japan)



Data from [World Bank](http://www.worldbank.org) Last updated: Oct 7, 2016

From the first chart on figure 1, Japan's net national savings (NNS) is generally higher than the U.S. The Net National Savings measure the change in wealth (assets in the form of fixed machines, homes, state investments either ones in private sector or the ones of the state) (Dorgan, 2016). Meanwhile, the Gross National Savings are derived by deducting final consumption expenditure from Gross National Income, consist of personal saving, business saving, and government saving, but exclude foreign saving. Japan's NNS and gross saving is about 18 percent and 30%, while the U.S is about 9 percent and 22 percent. This means, Japan's wealth in the form of assets are higher that the U.S. This is enough to prove Japan's capability in the form of economy.

Furthermore, it would be another additional if we compare to the U.S. hegemony since in its hegemony, it had to sacrifice its economic growth (as hegemonic responsibilities) to provide public goods for Japan. However, it did not make the U.S. hegemony as a good hegemony since in the 1970s, the U.S. was trying to reap domestic advantages from the rest of the world that then made the U.S. became a 'predatory hegemon' (Gilpin, 1987).

When we are talking about Japan's economic growth, it is not something out of the question since Japan's economic milestone from being a poor country post World War II to country of economic giant due to its great contribution in the world economy. The distribution of Japan's ODA was also counted as its ability in terms of economic growth.

2. Japan's Technological Leading

In the case of technological dominance, Japan is no doubt in dominating technological aspect compared to other Southeast Asia countries. Japan's starting point of being modernized was when Japan tried to cease being an isolationist country and to become more open to the western country. Japan was excellent in learning from its own history record and started to build their transportation model in the form of train. Japan started to build industry like the railway (Sutjiati, 2012).

Besides that, the economic growth of Japan also owed so much to its technological improvements. For example, Japan's industry in steel that improved more and more in the form of its quality in automobiles industry, which made it more competitive in international markets. Japan's progress in technology did not only happen to its automobile industry but also in shipbuilding industry, and so on (Takada, 1999). The more competitive Japan's technological innovation in international market, the more it could encourage the economic growth.

Japan's awareness towards its capability in terms of technological improvement directly implemented to the Southeast Asia countries. Japan's technological improvement contributed much also to the region's technological development. For example, the inventor of Panasonic Gobel electronic company Drs. H. Thayeb Moh. Gobel received scholarship to continue his study in Japan. He met Mr. Konosuke Matsushita, the founding father of Matsushita Electric Industrial Co. Ltd. in 1957 (Panasonic, 2016). Since then, they agreed to sign the Technical Cooperation Agreement between both countries in 1960. The result of this technical cooperation agreement was the first television invented in Indonesia.

Meanwhile, there were 83 Japanese firms that had an active role in Japan-Vietnam bilateral trade relations in 1986 which contributed much in chemicals, textiles, machinery, transport equipment, computers, TVs, and wind turbines (Cima, 1989). Those were contributing much in Vietnam's technological development, as well.

Japan's automobile technology was the most enthused by markets. In 1990s, Japan became the largest producer of Car Company. For example the Mitsubishi and Honda began to expand their companies to the world in 1980s. Afterwards, Toyota and Nissan followed up those car companies. It could be said that Japan was the first Asian country that produced car. Japan's first car was named *Takuri* in 1907. Unfortunately, this car production went broke and only produced 10 united at prior. After that, other car companies such as Daihatsu, Isuzu, Mitsubishi, Datsun and Toyota started to come up in 1907, 1910, 1917, 1914, and 1937.

At the beginning of Japan's car production, many countries did not put their attention to Japanese car technology since it was made for Japan's circumstances and made it slow. In 1963, Japan produced such cars which had higher and better technology, such as Datsun Sports, Roadsters, and Toyota Corona since Japan's automotive technology remained developing (Panasonic, 2016).

Table 1
Japan's Automobile and Fashion Technology Companies in Southeast Asia

Company	Country	Year	Branches
Matsushita – Gobel (PT. National Gobel)	Indonesia	1974	<ol style="list-style-type: none"> 1. PT. Panasonic Electronic Device Indonesia 2. Dengan PT Matsushita Electric Works Gobel Manufacturing Indonesia 3. PT. Panasonic Electric Works

			Gobel Sales Indonesia 4. PT. Panasonic Electronic Device Batam 5. PT. Panasonic Semiconductor Indonesia 6. PT. Panasonic Lighting Indonesia
Toyota Motor Company	Thailand	1. 1962 2. 1978 3. 1989	1. Toyota Motor Thai Co., Ltd. Automobile technology 2. Toyota Auto Body Thailand Co., Ltd Stamped parts company 3. Siam Toyota Co., Ltd. Engine production
	Indonesia	1977	Kijang became Toyota's trademark model
	Malaysia	1992	T&K Autoparts is a supply base within Toyota's intra-ASEAN complementary supply system
Uniqlo	Malaysia Philippines Thailand Singapore Indonesia	1949 – current	The establishment of “Japanese Technology” that was pointed by Heattech and Airism innovation (Astuti, 2015).

Source: http://www.toyota-global.com/company/history_of_toyota/75years/text/leaping_forward_as_a_global_corporation/chapter1/section4/item3.html

Japan's good fate in economy led the success for its industrialization, as well. This meant, when Japan had so much influential position in the region, especially in terms of economy, the Southeast Asia countries were aspired to have the bilateral cooperation with Japan (Vogel, 2006). At this point, Japan would contribute much in the region's economic growth by the process of transfer of technology to the region. Data above showed that Japanese companies, especially

in automobile technology had attracted countries' attention whether to establish joint-venture or merely the transfer of technology and knowledge. When many of countries, especially in the region had been attracted with Japanese product and technology, it made things much easier for Japan to gain recognition, as well.

In order explain more about Japan's technological leading, this time would be in case of agricultural aspect. After suffering in the post-World War II, Japan deteriorated such lack of natural resources in which Japan only had 25 percent of agricultural land that was left behind. Later on, Japan's decision to innovate itself to rebuild its agricultural land was motivated by the poverty of its agricultural resources. Japan innovated new programs called "Long-term Agricultural Program" and the Japan Agricultural Co-operative (JA Cooperative) (Kazuhiro, 2013).

Furthermore, this program was performed by prioritizing the infrastructure development in the agricultural areas, such as farm roads and irrigation (Kazuhiro, 2013). It was producing the ownership of the farm roads of about 10 until 30 hectares per family. Meanwhile, the JA Cooperative replaced government's role to work in the field which the government was only in charge in the decision or policy making process (Organizational Structure of the JA Group, n.d.). This JA Cooperative was established by Japanese government since the early of the 1900s, consisted of a group of farmers. Both programs had played significant role in sharing such innovative technology in the Southeast Asia region, for example in West Borneo, Indonesia (Indonesia, n.d.).

The next stages of Japan technological leading in the region was that the OECF (Overseas Economic Cooperation Fund) project, Japan's ODA had provided 5 billion yen in total for Southeast Asia development fund. In 1977, Japan's ODA for Southeast Asia had been available in US\$ 1,7 million and increased in 1980 up to US\$ 3,3 million. At the same time, Japan was also willing to donate US\$ 1 billion for funding projects in several countries in the region, such as industrial project of urea plant in Indonesia and Malaysia, rock salt soda project in Thailand, phosphorus plant in the Philippines, and diesel in Singapore (Raymon, 2008).

3. The Political Power Backed Up by Projective Military Power

Eventually, the political power backed by projective military power was later described by the establishment of Japan's SDF given by the U.S. in the 1950s. Japan's SDF began to participate in the world peace affairs, pursued by the International Peace Cooperation Law (IPCL) in the 1990s as Peace Keeping Operation (PKO) missions to several countries in the world (Rose, 2000). Japan's SDF was considered as one of the strongest maritime forces in the world after Russia and the U.S.

During the Vietnam War, Japan cooperation, Nippon Yushi Cooperation was suspected, had sold a large amount of weaponry materials (napalm) to US forces in Vietnam (Large, 1998). Furthermore, the establishment of Japanese defense had been counter-related with the ASEAN countries, but Japan constantly refused to use formal military cooperation agreements with those countries in the region. Military technology and arms of Japan had attracted some of ASEAN

countries, primarily Indonesia and Thailand to maintain their own defense capabilities and regional stability (Yasutomo, 1987). Once again, Japan refused to sell any of military hardware.

Thus, to promote Japan's political power that was backed up by military power, Japan decided not to directly involve in the use of military force to the region. It could be represented by Japan's participation in sea patrol along with the Philippines in the 'War Games' as the preparation of war in the South China Sea dispute (Hardoko, 2015). Beside Japan's participation in the dispute, it also could be in the form of military training for Southeast Asian people.

Despite Japan opposed to sell its military hardware, Japan still contributed in the regional security by receiving 128 foreign military trainees in Japan's Military School from 1975 until 1985 in which 80 of them were from Singapore and Thailand (Khamchoo, 1991). What we could conclude from Japan's action to oppose using formal military agreement and selling military hardware to region, but they facilitate the foreign trainees from the ASEAN to attend the Japan's Military School was that, Japan did not want to make the countries independent in terms of military by using their own defense hardware. As alternative, Japan kept on creating the countries to rely on Japan's military capability by using its military school admission for the ASEAN trainees. The huge enthusiasm of region's participants had proved Japan's recognition in terms of military even though they did not use military forces.

Japan's military power was also represented when it sent its troops to Cambodia (Er, 2000). This attempt described Japan's bridging role in the Paris

Peace Accord in Tokyo Conference in order to unite Cambodian factions and accept the United Nations Transitional Authority in Cambodia (UNTAC) and UN-supervised elections to restore the normality in Cambodia. Furthermore, Japan for the first time sent its troops to Cambodia on behalf of the United Nations peace keeping operations and played much more positive role.

Furthermore, the reason why Japan steadily avoided military use in the region was due to Japan's awareness regarding to the region's stability and security (Khamchoo, 1991). By guaranteeing the stability of those countries, Japan could be able to maintain its economic aid as its foreign policy. In other words, Japan's economic aid has the same effect as military aid since such assistance. One could summarize that all (politics-economics-military) had linkage.

Conclusion

Japan's ambition about dominating the world might have been faded away by its lost in the World War II. Fortunately, Japan could be considered successfully regaining its past hegemony and international respect by using its ODA disbursement as Japan's foreign policy tools through Japan's capabilities, especially in case of economic giant state. Because being a hegemon, did not merely need power in terms of tangible aspects like economy, military, and technology, but also the recognition from the international community was also important. Japan maximized those tangible capabilities in the ASEAN region to obtain the intangible one, which was the region's recognition.

Thus, by giving the official assistance especially in terms of economy, as well as technology and military power, described Japan's tangible power, which was Japan's means to achieve its intangible power. Japan with its capability in tangible power had the ability to establish the intangible one that was the recognition from the international community where the Southeast Asia countries, finally recognized the hegemony of Japan and they become the members of Japan's hegemony. Eventually, Japan's tangible and intangible power could help Japan to regain its ideal in terms of hegemony.

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