

Comment

CAI HONG

Japan out to amend pacifist constitution

Fresh calls for constitutional amendment have got louder in Japan, with political parties proffering their own suggestions in the first six months of the year.

While Japan is interested in changing its constitutional interpretation of use of force, the United States has been pushing it to do so to fulfill its own vested interests.

A committee under the Japanese Prime Minister's office drafted a reform plan, calling for amendment to the constitutional interpretation that permits collective self-defense. The ruling Democratic Party of Japan has been reluctant to do so, though the conservative Liberal Democratic Party has been raving about a change in the interpretation of or amendment to the constitution along those lines.

That the government committee has jumped onto the LDP's wagon despite the DPJ being in office for three years means a change could be in the offing.

Article 9 of the Japanese constitution, which was enacted in 1947, says: "Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes ... The right of belligerency of the state will not be recognized."

Literally, this suggests Japan should not have armed forces.

Japanese officials and experts have been complaining that this interpretation of Article 9 has restricted Japan's role in its alliance with the US and in the United Nations-sanctioned international peace operations.

Ironically, although the US imposed the pacifist constitution on Japan, some people in the US now want it to be changed. They claim the revision of Article 9 of the Japanese constitution is necessary for Japan's fuller integration with the US' military strategy.

Former US secretary of state Colin Powell had even urged Japan to consider revising its constitution if it wanted a permanent seat in the UN Security Council.

"Japan's restriction on its right to collective self-defense are a constraint on its alliance cooperation," declared a report of a US think tank Center for Strategic and International Studies in 2000 — also known as the first Armitage Report. "Lifting this prohibition would allow for closer and more efficient security cooperation."

Japan has interpreted Article 9 to mean that it can raise and maintain armed forces for self-defense and, since 1991, has allowed its "Self-Defense Forces" to participate in non-combat operations overseas in a number of UN peacekeeping missions and support the US forces in their operations in Afghanistan in 2001 and Iraq in 2003.

Because of the global reorganization of its military bases and its return-to-Asia-Pacific strategy, the US has been pressuring Japan for a more complete military cooperation and partnership.

A report on Japan-US Relations released by US Congressional Research Service for the US Congress on May 4, 2012, says: "In general, Japan's US-drafted constitution remains an obstacle to closer US-Japan defense cooperation because of a prevailing constitutional interpretation of Article 9 that forbids engaging in 'collective self-defense'; that is, combat cooperation with the US against a third country."

The research service has published several reports on US-Japan relations and alliance. It says the alliance, though sustained over half a century, still faces fundamental challenges, including long-standing constitutional and societal limits on Japan's military.

The US also considers the principle of "collective self-defense" an obstacle to close defense cooperation. The term comes from Article 51 of the UN Charter, which says member nations may exercise the rights of both individual and collective self-defense if an armed attack occurs.

In 1960, Japan's Cabinet Legislation Bureau interpreted the constitution to forbid collective action because it would require considering the defense of other countries, not just the safety of Japan.

The research service works exclusively for the US Congress, providing policy and legal analyses to committees and members of both the House of Representatives and the Senate, regardless of party affiliation. That's why its recommendations for Japan could lay the foundation for the House and Senate to reach a consensus.

In the name of maintaining its right to exercise "self-defense", the Japanese government has been giving wider interpretations of Article 9, and thus distorting it. Japan's constitutional change would affect the size, composition and mission of the Japanese "Self-Defense Forces".

The author is the Tokyo bureau chief of China Daily.
E-mail: caihong@chinadaily.com.cn

CONTACT US

China Daily
15 Huiyin Dongjie
Chaoyang, Beijing 100029

News:
(86-10) 6491-8866
editor@chinadaily.com.cn

Subscription:
(86) 400-699-0203
sub@chinadaily.com.cn

Advertisement:
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China Daily USA
1500 Broadway, Suite 2800
New York, NY 10036
(001) 212-537-8888; editor@china-dailyusa.com

China Daily Hong Kong
Room 1818, Hing Wai Centre
7 Tin Wan praya Road
Aberdeen, Hong Kong
(00852) 2518 5111; editor@chinadailyhk.com

China Daily UK
90 Cannon Street
London EC4N 6HA
(0044) 0207 398 8270; editor@chinadailyuk.com

CHINA FORUM | HE WEIWEN

No fear of a hard landing

Panic responses to fall in China's growth rate are unwarranted because economy is on right track to meet this year's target

China's GDP grew by 7.8 percent in the first half of 2012, falling below the 8 percent psychological barrier, with the second quarter rate being as low as 7.6 percent, the sixth consecutive quarterly slowdown. This has created panic in some European and American media, and caused plenty of worry in China.

On July 16, The Wall Street Journal said China would drag the world economy into "another recession". On the same day, a commentary in Germany's Die Frankfurter Zeitung titled "The fear of China crash" even warned that China is facing a catastrophic economic crash.

Some people in China, too, are worried about the continuous slowdown and a possible hard landing, and have appealed to the government to take necessary actions to sustain the 8-percent growth rate for the whole of 2012. However, these reports do not reflect the current state of the Chinese economy.

China has set this year's growth target at 7.5 percent. So, even if the economy continues to grow at 7.6 percent in the second half, the entire year's average will be 7.7 percent. China's 12th Five-Year Plan (2011-15) envisages an annual growth rate of 7 percent. Hence, if 2012 has a growth rate of 7.7 percent, the economy needs to grow only by 6.4 percent a year from 2013 to 2015.

An 8-percent growth rate was the "red line" for China during the 1997-99 Asian financial crisis and the 2009 global financial crisis. But that's no longer the case because China is shifting its focus from rapid economic growth to a more sustainable development model.

By examining the three driving forces of the Chinese economy for the second half of this year, one can

better understand the economic slowdown.

First is the decline in fixed investment, which grew only by 20.4 percent year-on-year, that is, 5.2 percentage points lower than in the first half of 2011. The main contributing factors to this slower growth were declining real estate investment and decreased railroad construction. The former is the result of strict controls aimed at deflating bubbles and the latter a necessary adjustment after exceptionally high growth in previous years.

However, fixed investment in other industrial sectors grew by 23.8 percent. Total fixed investment was 15.07 trillion yuan (\$2.36 trillion), or two thirds of the GDP, still the world's highest. These two changes, combined with impressive industrial fixed investment, are actually healthy signs for the Chinese economy.

The second economic driver is domestic consumption. Recent figures show the total retail volume was up 14.4 percent year-on-year. With a much lower consumer price index, the real growth rate hit 11.2 percent, 3.4 percentage points higher than the GDP growth. Another indicator of domestic consumption, auto sales, was up 9.1 percent, too. This means consumption is growing fast, a good sign as Beijing tries to rebalance the economy away from export-driven growth toward higher domestic consumption.

The third is foreign trade, which fell sharply in the first half because of the European Union debt crisis and vulnerable world economic recovery. As a whole, imports and exports grew just 8 percent year-on-year compared to 25.8 percent in the first half of 2011. The net export downturn was a major factor dragging down the Chinese economy.

But a modest rebound is expected once the central government's recent policy actions are

gradually implemented in the second half of the year. The GDP slowdown is likely to bottom out during the third quarter, returning to 8 percent and slightly higher than 8 percent during the fourth quarter, thus taking the entire year's growth to about 8 percent. Needless to say, no recession is on the horizon, let alone a potential "crash".

China's imports grew by only 6.7 percent, slower than the 9.2 percent increase of exports in the first half. But imports from the United States grew by 7.9 percent. An empirical study of previous Chinese economic downturns and US exports to China shows American exports to China did not necessarily slow down even in "poor" years. During the global financial crisis, US exports to the world fell by 18 percent, while its exports to China fell by 0.3 percent only.

It would be wise to be cautiously optimistic about US exports to China in the second half, because data indicate they were already picking up in the second quarter.

The above statistics and the US economy's make-up belie another of the US' criticisms against China. There has been a continuous, raucous bashing of China in the US this election year amid the high jobless rate and weak economic recovery. China's trade policy has been blamed for "taking away American jobs" and thus being the main cause of US economic malaise.

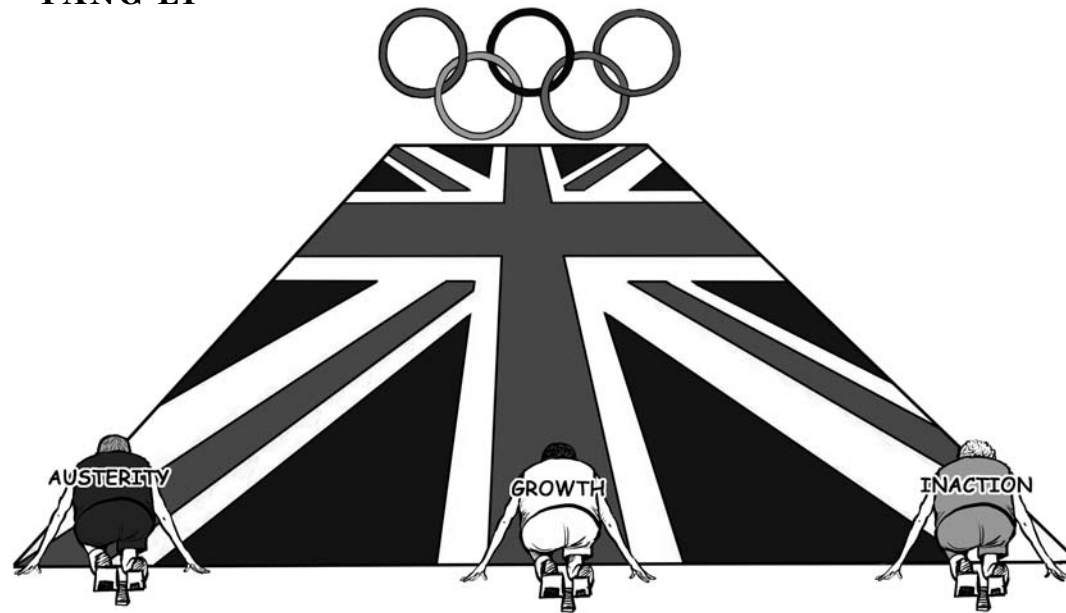
But US labor data show how unfounded that accusation is. The US non-farm sector added a total of 1.78 million jobs from June 2011 to June 2012, a 1.35-percent increase. There was an increase of 1.64 percent in its goods producing sector and 1.91 percent in manufacturing. This shows the sectors producing internationally tradable products have an above average job growth rate. Jobs in the auto and spare parts sector shot up by 8.8 percent, although many have complained against fast imports of auto parts from China.

Job losses, on the other hand, occurred in information services (down 1.54 percent), and government (down 0.76 percent). At 0.35 percent, finance and insurance barely had any growth. It is worth mentioning that information service, government, finance and insurance sectors are not internationally tradable.

So the Chinese economy should be viewed as being on the cusp of a much-needed transition, not an impending crash. China's current GDP growth rate is on track to meet the target set for this year. Fixed investment in certain sectors has slowed to cool inflated sectors of the economy while still improving in others. Foreign trade will rebound once the global economy picks up and hopefully expand, given China's increased emphasis on greater domestic consumption.

The author is co-director of the China-US/EU Study Center at the China Association of International Trade.

PANG LI



MUKUL SANWAL

The hidden agenda of aviation emissions

The concerted opposition to the European Union's push toward forcing foreign airlines landing in Europe to become a part of its emissions trading scheme has led to an unexpected development, whose implications extend to setting the global climate agenda.

The United States, which had so far rejected the scheme, now wants to resolve the trade dispute, by suggesting a global cap and trade regime. It is included among the options being considered by the International Civil Aviation Organization Council, which last month also dropped consideration of an emissions trading system.

The US, and EU, policy shift comes immediately after the Rio+20 Conference where the principle of common but differentiated responsibilities was re-affirmed, whereas the fundamental principle underpinning ICAO is that all aircraft operators are treated equally regardless of their country of origin.

The ICAO Council quietly adopted a resolution in 2010 agreeing to fuel efficiency improvements, working toward a global cap on emissions at 2020 levels and a long-term goal for the sector and differentiation based on capacity. These provisions reflect the negotiating position of developed countries laid out at Copenhagen in 2009.

The issue must also be seen in the context of trends in global emissions. Aviation emissions account for only 1 percent of global emissions, whereas emissions from automobiles constitute over 15 percent of global emissions, account for half the increase in developed countries' emissions since 1990 and are the fastest growing emissions worldwide. For global carbon management the focus should be on road transport.

So, what should be the developing countries' response?

Developing countries should stress the provisions

in the ICAO resolution that recognize their special circumstances, and that the different circumstances, respective capabilities and contribution of states to the concentration of aviation greenhouse gas (GHG) emissions in the atmosphere will determine how each state may contribute to achieving the global goals. Defining the global goals should be at the center of the negotiations, along the lines of the Rio+20 agreement.

They should take the lead in putting forth an alternative vision which continues to be based on the principle of common but differentiated responsibilities and respective capabilities, but seeks to bring equity mainstream with a focus on concentration limits through elements that are different to historical responsibility, differentiation and compensation that have been stressed since 1992.

Rio+20 heralds a new framework where the international concern is no longer seeking global environmental protection through a "risk management" approach but rather taking a sustainable development perspective focusing on ensuring human well-being within global ecological limits. Therefore, the global goal of limiting increase in global temperature applies only to developed countries. For developing countries, that goal has to be considered along with the global consensus in the climate treaty, reiterated at Rio+20, that poverty eradication remains their overriding priority.

This shift from considering the status of natural resources to reviewing patterns of natural resource use will require the negotiations to focus on the cumulative pressures countries place on the environment in terms of "stocks" of carbon, and not future "flows", because concentrations of carbon rather than annual increments cause increases in temperature, and are at the heart of both the climate

and ICAO negotiations. Therefore, there is no case for a global cap on emissions from any sector or activity independent of national limits.

The goal of "equitable access to sustainable development" agreed at Copenhagen, or access to adequate global ecosystem resources, should be in the form of sharing the global carbon budget to enable comparable levels of development. Never should the goal be to grandfather emissions in a sector benefiting existing polluters under a collective "cap", defined as a global goal, as the US and EU suggest.

In determining concentration limits, historical responsibility, in the context of Rio+20, would be replaced with a framework seeking agreement on the period of the global carbon budget that has to be equitably shared. That period could be from 1970 till at least 2050, because climate change first came onto the global agenda in the Stockholm Programme of Action in 1972, and over two thirds of global emissions have occurred subsequently.

It is also legitimate to discuss the treatment of the continuing increase in emissions after 1990 in developed countries, when they should have stabilized according to the UN Framework Convention on Climate Change. Aviation emissions, including military emissions, should be included within national inventories through an appropriate methodology.

The ICAO resolution, as well as the objective of the UN convention, focuses on national contributions to concentrations of GHGs in the atmosphere to determine what countries will do, and not on common measures to limit future aviation emissions, as suggested by the US and EU.

The author has represented India as a principal negotiator at the UNCED, Agenda 21, Rio Declaration and the Climate Change Treaty.