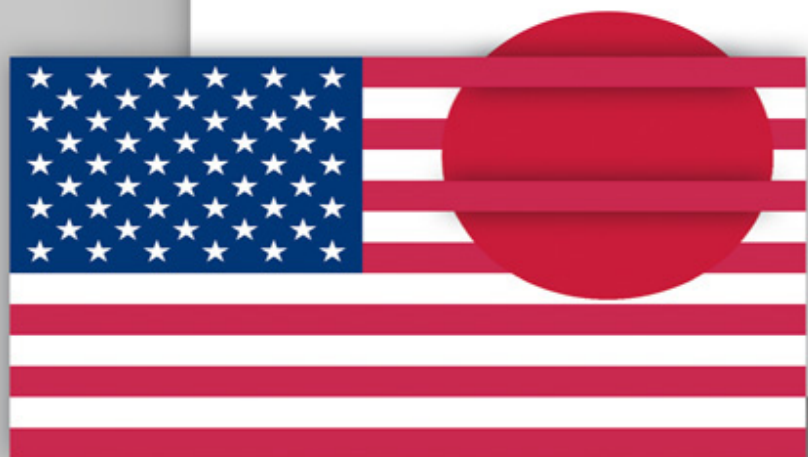


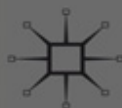
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THE U.S.- JAPAN SECURITY ALLIANCE

Regional Multilateralism

**Edited by
Takashi Inoguchi,
G. John Ikenberry,
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Conclusion: Active SDF, Coming End of Regional Ambiguity, and Comprehensive Political Alliance

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The year 2010 marks the fiftieth anniversary of the Revised U.S.-Japan Mutual Security Treaty of 1960. The Liberal Democratic Party (LDP), which led Japan's recovery from the Second World War and growth into one of the richest nations in the world, did not get to host the anniversary event, as it lost control of the parliament in summer 2009. The victorious Democratic Party of Japan (DPJ) is in no mood to celebrate the occasion either. The DPJ-led coalition government pledged to revise the plan to relocate the U.S. Marine Corps Airfield at Futenma, Okinawa, which was agreed between the LDP government and the United States, at the cost of considerable discord between the two governments. After nearly six months of search for a suitable alternative site, the DPJ government has returned to a plan, which seems to stay within minor modifications of the original relocation plan. The politically weakened Prime Minister Hatoyama announced his resignation in early June 2010. Whether DPJ under a new leadership can push through with the plan now is questionable at best. Much political damage has been done to the overall relations between the Obama administration and the Hatoyama government for sure, yet how much harm this issue might cause to the long-term strategic-level relations between the two countries is yet to be seen. Further, two more important issues remain to be seen. The first is whether the DPJ will achieve an upper-house majority of its own and be able to form a government without coalition with the Social Democratic Party of Japan (SDPJ) members, who seem to have held veto power on most security cooperation issues with the United States. The DPJ not only failed to achieve the upper-house majority on its own in the August 2010 election, but also lost the SDPJ from the coalition when Prime Minister Naoto Kan (Hatoyama's successor) abandoned Hatoyama's pledge to relocate the Futenma base functions to a new location outside Okinawa.

The disarray of Japan's domestic politics has resulted in added reluctance on both the U.S. and Japanese sides to undertake serious discussions on long-term strategic objectives of the alliance. The second issue is whether the DPJ will return to closer U.S.-Japan bilateral cooperation on regional security issues, which is laid out by the LDP governments. Revisions of the LDP policies that the Hatoyama government undertook since late 2009 upset the United States. On the other hand, the declining voter support for the Hatoyama government seemed mostly attributable to domestic factors, including his continued reliance on Ichiro Ozawa (whose secretary was arrested for misreporting the campaign contributions) and Hatoyama's own mishandling of campaign contributions from his mother. Although Kan has reemphasized U.S.-Japan security cooperation, DPJ foreign policy of being more selective about security cooperation with the United States does not seem to be hurting the party's popularity.

The post-Cold War evolution of the U.S.-Japan alliance was first and foremost represented by the gradual enlargement of the SDF missions beyond territorial defense of Japan under the LDP governments. Starting with SDF participation in UN PKO in Cambodia (1993-94), SDF roles overseas after the simultaneous terror attacks on the United States on September 11, 2001, expanded to include support to the multilateral maritime patrol operation in the Indian Ocean (2001-9) and the reconstruction and logistics support in Iraq (2003-8) in a coalition framework.

While the SDF dispatches to the remote postconflict regions attracted media attentions, East Asia—Japan's immediate neighborhood—has experienced several upswings of tensions. On the one hand, the rise of China is steadily altering the regional power balance over a long term. On the other hand, tensions across the Taiwan Strait and over the Korean Peninsula fluctuated since the end of the Cold War. In both cases, domestic politics of each country played important roles in the rise and fall of tensions that cannot be explained solely in terms of international systemic factors. Most importantly, however, rise of tensions in the region has provided a strong impetus for Japan to revise its security role in the region. Through two key legislations (Regional Contingency Law, 1998; Armed Attack Contingency Law, 2004), Japan has more clearly spelled out the expanded scope of SDF activities to be taken bilaterally in support of the U.S. troops.¹

The clearer articulation of the SDF roles near abroad and its cooperation with the U.S. forces has undoubtedly invited various responses from Japan's regional neighbors. The United States sees a contingency over the Korean peninsula or the Taiwan Strait as the test of the bilateral U.S.-Japan alliance. Japan's regional neighbors see that Japan's ban on collective defense has been reinterpreted in order to allow closer security cooperation with the United States. To some, Japan's crossing of the Rubicon—overcoming the taboo against collective defense²—is an encouraging sign. To others, it is a warning sign that the U.S.-Japan alliance is losing its less spoken aspect of containing possible reemergence of Japan's militarism—the argument that the alliance is no longer serving as the “cork in the bottle.”³ Most of Japan's neighbors do not neatly fit into either or the other of the two camps, and instead have gone through internal debates on this question.⁴

Korea under President Roh Moo Hyun sought both closer security ties with the United States and a more independent Korean foreign policy toward North

Korea—both consistent with Korea’s cautious view about Japan’s active regional security roles. Roh’s successor, President Lee Myun Bak, however, seems to seek a closer security cooperation with both the United States and Japan, while taking a more cautious approach toward North Korea.

Taiwan under President Chen Shui Bian moved a step closer to independence and attempted to solicit diplomatic support and security engagement from the United States and Japan. Chen’s successor, President Ma Ying-Jeou, has taken Taiwan back to a more traditional stance of maintaining the political status quo (of separate administrations) while pragmatically taking advantage of the booming commerce with the mainland China.

While China’s skepticism that the U.S.-Japan alliance may no longer be containing Japan’s military activism has grown, China’s responses are mixed: China on one hand challenges codominance of the U.S. and Japanese sea power in the West Pacific, and, on the other hand, attempts to replace Japan as the prime strategic partner of the United States.

Russia reluctantly accepts U.S.-Japan codominance in the West Pacific, partly because it currently is in no position to challenge this situation, and partly because the enhanced U.S.-Japan alliance checks Russia’s potential rival, China, in East Asia. As Kawato in this volume argued, Russian weight in East Asia is nowhere near a counterweight to China. Rather, Russia is getting further behind China, in terms of both relative strength in East Asia and relative diplomatic proximity to the United States. At the same time, Russia is worrisome of the globalization of the U.S.-Japan alliance, which might find applications in other parts of Russia’s broad border where the country still retains formidable influence, especially in Central Asia. Ferguson in this volume argued Russia remains a potential player in East Asia, aided by the higher energy prices.

The upgrading of U.S.-Japan security cooperation has recently been accompanied by efforts to network Asia-Pacific democracies. Overshadowed by China in material terms and outmaneuvered by China in diplomatic terms, Japan under the LDP sought a way to reestablish its place as the primed U.S. ally in East Asia. Capitalizing on President George W. Bush’s democracy promotion, Japan has launched its own networking with Asia-Pacific democracies. The Japanese effort aims at embedding the U.S. security commitment to a coherent minilateral framework and checking China’s bilateral approach to the United States over Japan’s head. Meanwhile, the Hatoyama administration let the bilateral U.S.-Japan alliance drift over the base relocation issue, annoyed the United States with inconsistent comments in regard to Japan’s expectations about U.S. roles in East Asian integration, and retreated from the Abe-Aso era LDP emphasis on networking of Asia-Pacific democracies in order to appease China.

Cautious Operationalizations of U.S.-Japan Military Cooperation in East Asia

Japan’s active overseas dispatches of its Self-Defense Forces during the first decade of the twenty-first century marked a new era, in which Japanese troops

were deployed outside the framework of the PKO Law and in U.S.-led coalitions. While this move was a significant departure from the UN-centric framework of overseas SDF deployments, application of the new U.S.-Japan bilateral cooperation framework to security issues in Japan's immediate neighborhood (East Asia) was not a foregone conclusion. Expansion of Japanese security roles in regional contingencies has faced multiple obstacles. At the most general level, SDF activism of any sort was viewed with strong suspicions by China and Korea. Japan's revision of its guideline for defense cooperation with the United States during the mid-1990s and resulting passage of the Regional Contingency Law in 1998 was viewed by China as a reaction to the Taiwan Strait crisis of 1996. The Chinese fear of joint U.S.-Japan interventions in the Strait culminated in reactivation of China's anti-Japanese propaganda citing Japan's wartime atrocities.⁵ At a more specific level, invocation of the regional contingency law in a hypothetical conflict across the Taiwan Strait or around the Korean peninsula became a highly controversial subject. While the Japanese government officials have remained tight-lipped about the law's possible applications to any hypothetical conflict, repeated violations of UN Security Council resolutions by North Korea since 2006 and the resulting sanctions inevitably activated the discussions about SDF roles in North Korea contingencies.

Domestically, the Japanese public is split on the SDF dispatches to the Indian Ocean and Iraq. The split on the SDF dispatches vividly contrasts the growing consensus on the primacy of the U.S.-Japan alliance in Japan's security policy at the time regional tensions rose despite the end of the global Cold War. With the end of the Cold War, the antimilitary, neutralist/pacifist stance of the dogmatic old Socialists died. However, the core of the winning ideological camp in Japan at the end of the Cold War was not the promilitary, internationalists/interventionists, but the mercantilists of the old Yoshida School of foreign policy who concentrated on rebuilding Japan's economy under the protection of the alliance with the United States. They too faced the challenges of the post-Cold War changes in the requirements of the alliance. Since the "Gulf War Trauma" of 1991, in which Japan's failure to contribute SDF forces to the UN-led intervention forces during the conflict⁶ severely hurt international reputation of Japan in general but most importantly support for the U.S.-Japan alliance in Washington, Japan's ruling conservatives have played a catch-up with the upgraded expectations and requests from the United States for SDF contributions to meeting both global and regional strategic objectives of the United States.⁷

The last obstacle to Japan's enhanced regional security roles is inherent in the asymmetric nature of the alliance. For domestic constitutional reasons and considerations to its neighbors, Japan has first pursued troop dispatches in remote locations (such as Cambodia and Mozambique) under the UN peacekeeping operations. Building on the precedence and seizing the moment of heightened tensions in the Taiwan Strait and over the Korean peninsula, Japan upgraded bilateral security cooperation with the United States. The reverse order of enhancing Japanese security roles (from national, global, then to regional) meant that Japan's increased regional security roles would have to compete against the world and U.S. expectations of Japan's global security roles.

Achieving these two objectives, while keeping the long-held defense spending ceiling at 1% of the gross national products, has stretched available SDF resources. For example, Japan recalled its advanced Aegis destroyer from the Indian Ocean region in summer 2004 in response to the heightened tension in Northeast Asia after North Korea's announcement to void its freeze on ballistic missile testing.⁸ Japan simply cannot be a global "deputy sheriff" of the United States, to borrow Australian prime minister John Howard's description of Australia's security role in the Asia-Pacific region.⁹ In addition, cooperation with the United States on ballistic missile defense poses a similar dilemma between Japan's regional security considerations and the "alliance due" in the form of contributions to U.S. global strategic objectives. While the Japanese acquisition of PAC-3 interceptors is primarily for defending Japan's key installations and population centers against the incoming ballistic missiles, the United States expects that X-band radars in Japan and sea-based (on Japan's Aegis destroyers) SM-3 interceptors be made available as integral parts of defending the U.S. mainland against ballistic missiles launched in the vicinity of Japan. Japan's consideration to deploy theater high altitude area defense (THAAD) also means that the system is capable of shooting down not only Japan-bound ballistic missiles but also U.S.-bound ones. Deployment of such a U.S.-built system by Japan will come with U.S. expectation for Japan that it is for defense of both countries, at the time expensive missile defense items are already putting pressure on other defense spending requirements.

Commitment to the U.S. missile defense also incurs political costs in the region. Despite the repeated U.S. explanation that the missile defense is not aimed at China or Russia, but "rogue states" such as North Korea, neither China nor Russia has fully accepted this explanation. Japan's deployment of missile defense, though still limited in scope and scale, is viewed by China as confirmation of its intent to militarily check China. The Obama administration's announcement to scale down or modify missile defense in Europe has been welcomed by Russia, but no revision to Asia's missile defense has been discussed. Meanwhile, the Obama administration has launched a bilateral nuclear weapons reduction initiative with Russia. The drastic shift of U.S. strategic stance from the Bush to the Obama administration is welcomed by Japan's current Democratic Party leadership, but the U.S. recourse has confused Japan's security bureaucracy.

End of Regional Ambiguity?

The greatest challenge to the evolution of the U.S.-Japan alliance is to balance among the risen U.S. expectations of the Japanese SDF in East Asia's regional security, concerns of Japan's neighbors about the U.S.-Japan alliance, and changes in the availability of the ambiguities about the alliance's and Japan's regional security roles. The first two considerations have often been discussed, and it is the last consideration—availability of ambiguities—especially in the changing regional and domestic contexts that needs an extended discussion.

The ambiguities about the roles of Japan and the U.S.-Japan alliance in regional security were employed for providing the United States with added flexibility, bypassing Japan's domestic political opposition against closer U.S.-Japan cooperation, and avoiding unnecessarily threatening Japan's regional neighbors. These ambiguities were possible under both the overwhelming superiority of the U.S. forces in the region and the continued willingness of the Liberal Democratic Party (LDP) governments to make use of undemocratic yet convenient practices to keep the public out of security policy discussions. Both conditions are no longer available. Furthermore, domestic politics of other countries, such as Taiwan and Korea, increasingly challenge U.S. and Japanese efforts to maintain status quo in conflict zones via the use of ambiguities.

Ambiguities in Japan's Cold War Security Policy

The question of Japan's military role in a Korean peninsula contingency was first answered at the breakout of the Korean War in 1950. The war marked a major turning point for Japan's security roles, from an entirely disarmed pacifist nation to a partially rearmed nation. In addition to creating the Internal Security Force to take over the role of domestic counterinsurgency from the U.S. occupation force, Japan at the request of the United States quickly assembled former naval officers to assist U.S. naval operations in coastal waters off the Korean peninsula. Japan also provided logistical support for the transportation of U.S. military goods and medical support for the wounded U.S. soldiers, setting partially unspoken precedence to the list of permissible SDF activities under the revised guideline for defense cooperation in 1997.¹⁰ However, at the time, Japan did not make a closer military cooperation with the United States a permanent or public feature of its security policy.

Intensification of the Cold War following the Korean War did not lead to Japan's increased regional security roles. The revised U.S.-Japan alliance of 1960 explicitly spelled out U.S. obligation to defend Japan against external aggressions, and Japan focused its effort on economic recovery while relying on the United States for defense. Japan employed two ambiguities to allow flexibility to the U.S. forces. First, on the geographical scope of U.S. military operations out of its bases in Japan, the U.S. forces were allowed to operate to maintain security in the "Far East"—a geographical concept with no clearly stated boundary. The U.S. forces freely used their bases in Japan to run a war in Vietnam during the Vietnam War, despite opposition from the Japanese leftist parties. Second, on transit of U.S. nuclear weapons through Japan's territorial space, the Japanese government used two-layered ambiguity that "transit" of nuclear weapons would be exempted from the "introduction" of nuclear weapons, and that there was no "introduction" because the United States did not request a "prior consultation," which would have been required by the 1960 treaty. This ambiguity served both U.S. policy of not disclosing the whereabouts of its nuclear weapons and the LDP policy under the three "nonnuclear principles." Based on allegation of a secret agreement between the two governments to tacitly endorse "transit" rights of the

United States in declassified and later reclassified U.S. government documents,¹¹ the DPJ government of Prime Minister Hatoyama called a committee of experts to investigate the matter to bring to the lights the past unspoken security cooperation under the LDP government.

The Era of Burden Sharing and the “Taiwan” Ambiguity

Three key events during the 1970s moved Japan toward a more active regional security role. First, U.S. rapprochement with the People’s Republic of China (PRC) in 1972 opened a new era of regional security in Northeast Asia, in which Japan’s primed position as a key U.S. ally was under closer scrutiny. Facing a worsening government deficit, President Nixon insisted on defense burden-sharing with Japan. Second, the U.S. withdrawal from Vietnam in 1975 and the fear of declining U.S. commitment to regional security moved Japan to upgrade its security role. In 1978, the first U.S.-Japan guidelines for defense cooperation were published, in which Japan discussed the start of studies for bilateral military cooperation in regional contingencies.¹² Third, the two oil shocks during the decade highlighted the vulnerability of Japan’s energy supply, especially to maritime threats against its tanker fleet. Japan’s defense procurement during the renewed Cold War tension of the 1980s extended the range of potential SDF operations. However, faced with opposition from the neighboring countries and anticipated diplomatic costs of military approach to security, Japan largely refrained from operationalizing long-range capabilities of the SDF, except for sealane defense in the Western Pacific. Instead, Japan’s regional security policy adopted a “comprehensive security” approach, in which Japan’s role was defined largely in economic and diplomatic terms. China’s rapprochement with the United States, its abandonment of support for communist insurgencies in Southeast Asia, and continued U.S. presence throughout East Asia accorded Japan needed security without undertaking military operations away from its territorial space. On the other hand, Taiwan’s status became a new ambiguity in 1978, when both the United States and Japan shifted their diplomatic recognitions of China from the Nationalist government in Taipei to the PRC government in Beijing. The question of sovereignty over Taiwan was left unanswered, as the “One China” principle to them only meant that the Taipei government’s claim over the Chinese mainland was no longer recognized.¹³ Both have maintained pseudo-diplomatic functions in Taipei and maintained military liaisons, and the U.S. Congress passed the Taiwan Relations Act, which unilaterally committed the country to defense of Taiwan in case of an unprovoked PRC attack on Taiwan.¹⁴ Japan’s role in an event of U.S. intervention belongs to the domain of highest ambiguity.

China’s Soft Rise and U.S. Engagement in East Asia

Japan’s fear of U.S. disengagement from Asia post-Cold War led it to seek both anchoring of U.S. commitment and disciplining of China via their inclusions in trans-Pacific regional multilateral frameworks, such as the ASEAN Regional

Forum (ARF) and the Asia Pacific Economic Cooperation (APEC). This effort has produced only limited successes. Despite the creation of the ARF and its inclusion of both the United States and China as members, there is little evidence that these two powerful countries have modified their behavior because of the ARF process. China continues to increase its military budget and build a modernized navy. The United States has not refrained from bilaterally discussing security with China and North Korea, whenever it sees some advantages, and has frustrated Japan with perceived lack of consultations. The APEC process has neither disciplined China's mercantilist trade practices, nor promoted America's signing of free trade agreements (FTAs) with East Asia. Now, it is China that promotes a different type of regional groupings, which exclude the United States. China's strategy aims at replacing Japan from its current roles—America's prime strategic partner in East Asia and Asia's regional leader, and the prevailing shifts in the balance of regional military powers and in the economic linkages favor China's move.

Regional Multilateralism

The end of the Cold War posed two major challenges to Japan. First and foremost, anchoring U.S. commitment to regional security in Asia was of critical importance to Japan. Despite the collapse of the Soviet Union, regional hotspots such as the Korean peninsula and the Taiwan Strait remained security concerns for the entire East Asian region. Second, constructive engagement of China into a new regional security framework became desirable, as disappearance of the Soviet Union erased the most important rationale for the pseudo-alliance among the United States, Japan, and China of the renewed Cold War period of the 1980s. In order to simultaneously pursue both objectives, Japan in cooperation with Australia promoted regional security multilateralism through the launching of ARF.¹⁵ However, ARF has proven to be ineffective in diffusing tensions over the regional hotspots.

Efforts to anchor U.S. commitment in Asia through multilateral groupings have been hampered by the ever-decreasing proportional share of U.S. trade in the trade portfolios of most countries in the region, except China. China is, in contrast, becoming both Asia's and America's prime trade partner. As Asian economies increase their intraregional trade (mainly driven by China's growth), the United States has been replaced by China as the prime trade partner of most Asian countries (see table 15.1). While U.S. trade with China has increased, the United States has run consistent bilateral trade deficit with China (see table 15.2). China has been actively promoting regional groupings without the United States, such as the ASEAN Plus-Three (China, Japan, Korea), in order to consolidate its strengthening of regional political leadership. The United States has remained ambivalent about East Asian regionalism, yet its effort to revamp trans-Pacific regionalism (such as APEC) has been half-hearted. The U.S. approach to economic liberalization has frequently conflicted with not only China's mercantilist trade policy, but also Japan's protection of the agricultural sector. A call for

Table 15.1 Trade Partners of Major Asian Countries

	1990		1995		2000		2005		2008	
	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
Japan										
World	286947.4*	234798.6	442937.4	336094.2	479247.6	379662.9	594940.9	515866.4	781412.2	762533.9
United States	90943.54	53029.26	122024.1	75900.48	143976.9	72509.12	135946.7	65403.97	138705	78937.22
Australia	6906.578	12391.03	8099.172	14558.43	8571.291	14800.45	12418.29	24513.2	17296.01	47531.82
China	6115.281	11997.22	21991.32	36017.1	30380.33	55100.15	80074.35	108477.6	124900.5	143230
Hong Kong, China	13064.78	2181.821	27725.07	2738.345	27181.72	1666.66	35960.29	1571.071	40294.05	1557.905
Korea	17428.52	11717.78	31225.96	17281.35	30698.59	20446.41	46629.9	24414.81	59492.56	29475.96
Russia	...	...	1153.515	4738.301	569.7092	4579.416	4488.231	6184.259	16534.1	13417.76
Chinese Taipei	15998.19	8337.673	30265.39	13156.52	38556.95	16599.06	46052.6	15110.52	46507.2	17555.72
China										
World	...	...	148779.5	132083.5	249202.6	225093.7	761953.4	659952.8	1430693	1132562
Australia	...	...	1626.175	2584.488	3428.877	5024.007	11061.5	16193.63	22247.26	37435.13
United States	...	...	24728.63	16118.44	52156.43	22374.57	163180.5	48741.36	252843.5	81585.56
Hong Kong, China	...	...	35983.42	8590.675	44518.28	9429.012	124473.3	12224.78	190729	12915.85
Japan	...	...	28466.67	29004.49	41654.31	41509.68	83986.28	100407.7	116132.5	150600
Korea	...	...	6687.796	10293.19	11292.36	23207.41	35107.78	76820.4	73931.99	112137.9
Chinese Taipei	...	...	3091.257	376.6004	6223.112	4217.429	20093.09	43643.32	31390.47	66883.03

Continued

Table 15.1 Continued

	1990		1995		2000		2005		2008	
	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
Korea										
World	65015.7	69839.52	125056.5	135112.9	172267.5	160479.2	284418.2	261235.6	422003.5	435271.4
United States	19446.19	16945.86	24343.73	30418.72	37806.05	29285.96	41499.4	30787.58	46500.68	38555.95
Japan	12637.88	18573.82	17048.83	32604.09	20466	31826.96	24027.42	48403.13	28252.42	60956.29
China	1365.388	1485.28	9143.564	7400.927	18454.51	12798.63	61914.97	38648.14	91388.9	76926.97
Hong Kong, China	3779.947	613.8639	10681.98	837.3421	10708.07	1260.687	15531.02	2043.014	19771.22	2222.672
Australia										
World	38781.28	38632.77	53000.55	57422.8	63766.22	71263.05	105751.5	118921.9	186853	191583.9
United States	3157.034	9142.603	2635.124	12256.84	6343.601	14254.88	7068.854	16553.58	10184.27	23014.49
Japan	9814.552	7151.756	10731.91	8722.93	12600.18	9412.794	21588	13058.61	42731.58	17155.35
Korea	2070.766	876.0879	4037.321	1606.201	5230.424	2936.73	8345.821	3957.927	15485.8	5449.669
China	720.5796	1030.373	1798.173	2825.026	3474.449	5568.675	12229.99	16295.25	27225.18	29896.35
Singapore	1788.68	870.4784	2758.781	1784.023	3386.429	2234.335	3051.573	6619.46	5154.095	13721.03

Sources: UN Commodity Trade Statistics, APEC, Chinese Taipei Bureau of Foreign Trade.

* U.S. Million Dollars

Table 15.2 U.S. Trade Balance with Japan, EU, and China, 1997–2009

<i>Year</i>	<i>Japan</i>	<i>EU</i>	<i>China</i>
1997	-56,114.7*	-16,964.6	-49,695.5
1998	-64,014.1	-28,582.8	-56,927.4
1999	-73,397.8	-45,228.1	-68,677.1
2000	-81,555.0	-58,719.7	-83,833.0
2001	-69,021.6	-64,637.2	-83,096.1
2002	-69,979.4	-85,692.2	-103,064.9
2003	-66,032.4	-97,871.6	-124,068.2
2004	-76,236.5	-112,089.3	-162,254.3
2005	-83,323.1	-125,271.5	-202,278.1
2006	-89,721.8	-120,172.1	-234,101.3
2007	-84,303.8	-110,243.4	-258,506.0
2008	-74,120.4	-95,807.4	-268,039.8
2009	-44,669.5	-61,201.5	-226,877.2

Source: U.S. Census Bureau, <http://www.census.gov/foreign-trade/balance/c5880.html> (on Japan); <http://www.census.gov/foreign-trade/balance/c0003.html> (on European Union); <http://www.census.gov/foreign-trade/balance/c5700.html> (on China).

* U.S. Millions Dollars

a U.S.-Japan free trade agreement has been voiced by the Japan Federation of Economic Organizations (which represents Japan's manufacturing industries), but strategic significance of such an agreement has not sufficiently convinced the U.S. administrations to take a political risk of pursuing such an agreement against protectionist Congress. While Japan and the United States continue to disagree on the scope and contents of trans-Pacific multilateralism, China is consolidating its version of East Asian multilateralism to sideline the United States. Victor Cha in this volume shared his optimism reasoned by the existence of layered and overlapping groupings in the region, which warrant a degree of inclusion for every country. While Japanese conservatives do not share this view, it is not certain either whether Japanese liberals' pursuit of regional groupings without the United States is driven by the same logic.¹⁶

China's Naval Modernization

The drastic economic empowerment of China has been accompanied by simultaneous pursuit of its military modernization. During the Cold War, China's primary security interests were in securing land borders against its rivals, such as the Soviet Union and India. The rapid economic growth of China through industrialization since the late 1980s has resulted in increasing energy use. Although China's prime energy source remains to be domestically produced coal, dependence on imported petroleum from Middle East and Africa has increased. This dependence has elevated China's interests in maritime security in the Western Pacific (through Southeast Asia) and into the Indian Ocean.

China also sees naval power as critical in preventing Taiwan from flirting with the idea of declaring independence. China's attempt to intimidate Taiwan through a series of missile tests and discourage Taiwan voters from voting for the proindependence Democratic Progressive Party (DPP) in 1996 was met by U.S. President Bill Clinton's decision to dispatch two carrier battle groups into the Taiwan Strait for show of support for Taiwan. Since then, China has been working on upgrading its naval forces to challenge U.S. naval supremacy first in China's coastal waters and later in more distant waters. China's second maritime defense line lies east of the Philippines archipelago and the Mariana chain of islands (including Guam and Saipan), indicating the country's desire to turn West Pacific into its exclusive lake by 2020.¹⁷ In particular, China has been deploying an increasing number of diesel-powered submarines in its coastal waters (including the Taiwan Strait), making U.S. carrier operations near the Chinese coast more vulnerable.

Japan Passing

Decline of Japan's relative standing in Asia has been well noticed by the Japanese leaders with alarmism. When U.S. President Bill Clinton visited China in 1998 without making a stop in Tokyo first, the worried Japanese coined the term "Japan passing," which was supposedly worse than "Japan bashing" of the late 1980s and early 1990s. Clinton's calling China "a strategic partner" invited a further cry in Tokyo, which has paid great efforts since the mid-1990s to upgrade Japan's contributions to regional security via revision of the U.S.-Japan Guideline for Defense Cooperation.

China's gross domestic products (adjusted by purchase power parity) passed that of Japan for the first time in 2003, and its GDP at the official exchange rate is expected to pass Japan's when official statistics become finalized for the year 2010. China's military budget has continued to grow with a 10% plus annual growth rate, further outpacing its fast economic growth. Meanwhile, Japan's military budget has remained constant since the end of the Cold War. Despite the George W. Bush administration's reemphasis on Japan as the most important U.S. ally in Asia and the U.S.-Japan alliance as the "lynchpin of U.S. security policy in Asia," China's growing importance has been repeatedly demonstrated by U.S. reliance on China's chairmanship in the Six-Party Talks on North Korean nuclear weapons programs, for example.

China's ascent as an economic and military power, thus, has steadily altered the regional power balance. China's relative power position vis-à-vis Japan has reversed in the former's favor. China's diplomatic posture in the region has further complicated the Japanese strategy. China has minimized conflicts with the United States and developed bilateral strategic-level discussions, while playing a leadership role in regional groupings that excluded the United States. China's self-assigned role as the representative of Asia to the United States directly challenges Japan's special channel to the United States via its alliance.

Evolution into a Comprehensive Political Alliance?

Japan's "reluctant realism"¹⁸ in promoting security cooperation with the United States since the mid-1990s did not fully fill Japan's shortage of confidence in America's commitment to the bilateral alliance. Relative decline of Japan's economic significance to the United States and Japan's inability to rapidly expand the scope of its military activities for constitutional and budgetary constraints have both posed tangible limits to enhancing the U.S.-Japan security cooperation. Perceiving its own shortage of tangible utilities to the United States, Japan started a new search for binding bonds to sustain the bilateral alliance into the domain of intangible values. Japan identified itself closely with the economically developed democracies in general, and those in the Asia-Pacific region like the United States, Australia, and New Zealand in particular. While the earlier Japanese effort of creating the ARF was to embed the U.S. commitment to regional security into a multilateral framework, the new effort of lining up prosperous Asia-Pacific democracies was less ambitiously yet more pragmatically to embed the U.S. commitment to a regional unilateral framework. This effort started under Prime Minister Koizumi, but was elevated to a more systematic program under Prime Ministers Abe and Aso and extended to India as well. The change of political leadership from the LDP to the DPJ in summer 2009 ended the program on surface. Instead, the DPJ government seems to be interested in strictly placing Japan's security cooperation with the United States within the United Nations (UN) decision-making framework. At the same time, Japan's security cooperation with India is still being explored on a bilateral basis. Prime Ministers Hatoyama and Singh on December 29, 2009, agreed to launch an annual Two-Plus-Two (foreign and defense vice ministers) meeting between Japan and India.

Japan's Skeptical Constructivism

Given that proportional importance of Japan as an economic and military power is declining relative to China, Japan is concerned about the future of the U.S.-Japan alliance based on these tangible common interests. Japan's search for intangible commons as additional basis of the bilateral alliance hence reflected the conservative view that the growing China will soon be a menace to Japan's security. While the second George W. Bush administration justified the U.S. invasion of Iraq in the name of democracy promotion against the mounting criticism that there were no weapons of mass destruction in Iraq, U.S. application of the same ideational principles to its Asia policy was based on close matching between the material interests and the ideational principles.¹⁹ Koizumi quickly and positively responded to Bush's call with his own effort to network with democratic countries in the Asia-Pacific region, including Australia, Canada, India, and New Zealand, with a series of summit meetings in 2005.

In August 2007, Prime Minister Shinzo Abe in a meeting with the Indian Prime Minister Singh proposed the "Quadrilateral Initiative" to form a coalition of democracies calling for closer political dialogues among Japan, United States,

Australia, and India—a grouping China likely saw as an anti-China containment network despite Japan's explanation otherwise. A quiet omission of South Korea (and Taiwan) indicated that more pragmatic geopolitical considerations, not values, were the main drivers of such an approach. The purpose of the grouping is not to militarily contain China, but to counter China's soft diplomacy and bilateral approach to the United States to sideline Japan.

Democratization

The end of the Cold War not only fundamentally altered the bipolar international system among the states through dismantling of the Soviet bloc, but also affected internal governance of each state (both socialist and capitalist) through discrediting the socialist ideology. The demise of socialism not only caused socialist states and revolutionary movements to collapse, but also robbed the right-wing authoritarian governments of a justification for their rule. The end result was the "third wave of democratization."²⁰

Unlike in Eastern and Central Europe, most socialist regimes in East Asia have survived the end of the Cold War, however, either through capitalist-oriented economic reform, iron-fisted suppression of the opposition, or both. On the other hand, some capitalist-authoritarian regimes in East Asia have democratized and consolidated democratic governance, like the case of Taiwan and South Korea. Some Southeast Asian countries also have gone through democratic transitions, like in the cases of the Philippines, Thailand, and more recently Indonesia, but their transitions have proved to be more challenging.

Even China has not been free of domestic democratic movements. In summer 1989, students and workers occupied the Tiananmen Square in protest, and the Chinese government mobilized the army to crack down the demonstration. The resulting deaths invited massive Western condemnations of the Chinese government and economic sanctions. Since then, democratization and human rights protection in China have become rallying causes of the Western countries, and global media coverage of China's ethnic minority issues (such as the Tibetans and the Uighurs) have put the Chinese government to the international scrutiny by universalistic democratic standards.

Japan's dual identities as a member of the Western democracies on one hand and the champion of Asian developmentalism on the other forced Japan to take an ambiguous stance on the issue of China's democratization, as indicated by its reluctant imposition of an economic sanction after the 1989 incident and its early lifting of the sanction.²¹ Furthermore, volatile anti-Japanese demonstrations in China have put the Japanese government in an awkward situation of having to rely on the authoritarian Chinese government to control demonstrations in order to carry out the booming economic interactions. This is very troublesome for Japan's "value-oriented" diplomacy since the very Chinese government has also been responsible for fanning anti-Japan demonstrations from time to time to advance its diplomatic positions.²²

In Southeast Asia as well, a more popular role Japan is expected of is to shield the Asian countries from Western criticism against their nondemocratic features.

Japan continued to provide economic aid to Myanmar despite the Western criticism of the ruling military junta. Japan finally gave into Western criticism and suspended aid to Myanmar after the bloody suppression of demonstrating monks by the military junta in 2007. As a result, China has become the main source of developmental aid to Myanmar and in return enjoys various natural resource imports from the latter. Meanwhile, the Thai coup leader in the same year was seeking diplomatic endorsement through a visit to Tokyo, while facing Western criticism. As Japan's economy is more integrated with East Asia and especially China, too much emphasis on democratic values is likely to conflict more with Japan's growing economic opportunities in the region.²³

Conclusion

The major breakthroughs in the alliance cooperation Prime Minister Koizumi and President Bush made turned most observers optimistic about the alliance's future. Only nine months prior to the lower-house election in Japan in summer 2009—in which the ruling LDP lost power, 67.1% of the Americans trusted Japan “very much” (18.2%) or “some” (48.9%).²⁴ The ongoing discord between the two countries has been blamed on the change of the government in Japan and on the specific issue of relocating the Futenma airfield. These factors are no doubt part of the problem, but deeper causes are also found at the international systemic level.

The rise of China has been in the background of Japan's post-Cold War security initiatives, from the creation of the ARF and the APEC, the participation in the U.S. missile defense, sending the SDF overseas in U.S.-led coalition frameworks, and to the launching of Two-Plus-Two security dialogues with the United States, Australia, and India. The increasing integration of the East Asian economies, including China and Japan, and China's nuanced approaches to regional security have prevented the U.S.-Japan alliance from developing into a solid anti-China containment alliance. Instead, both the United States and Japan are going through thorough overviews of their respective relations with the rising China, and their revisions have affected the bilateral U.S.-Japan alliance. Japan—the weaker of the two allies—has been more concerned about the future of the alliance, for fear of both entrapment and abandonment. Only within a decade or so of the conservative LDP politicians making up their minds that abandonment fear was more serious than entrapment fear, the party was thrown out of power. The United States has taken advantage of Japan's abandonment fear to gloom Japan into a reliable alliance partner, but neglected assuring Japan of its continued involvement in the Asian security matters solidly on Japan's side.

Other countries in and out of Asia are carefully watching the evolution of the U.S.-Japan alliance, but unlike China they are not driving the process. There are two major exceptions to this—Taiwan and Korea. These Cold War frontiers in East Asia democratized during the last years of the Soviet Union's existence, and consolidated their political systems into competitive party democracies. Their previous security policies, which were locked into the Cold War mold and run by the

authoritarian governments, turned into more dynamic ones, of which both internal and external drivers can make drastic changes. In Taiwan, Chen Shui Bian's proindependence policy dared Japan and the United States to take off their "ambiguity" clothes much to their discomfort. In Korea, the "Sunshine policy" toward the North from Kim Dae-Jung to Roh Moo Hyun (and perhaps more importantly its failure) urged Japan to step up its commitment to the peninsula's security.

Japan's seemingly irreversible loss of its relative standing vis-à-vis China—a structural change in East Asia—is a cause of Japan's insecurity and upgraded security cooperation with the United States. Japan's inability to compete against China for America's attention on economic and military terms has urged some conservative Japanese leaders to search for common values as foundations of the bilateral alliance.²⁵ Democracy as the driving value of the bilateral alliance and broader groupings has not been emphasized under the Hatoyama government as much as it was under the Abe and Aso governments. However, the related bureaucratic initiatives that were started under the previous prime ministers have survived the change of the government. In particular, start of regular bilateral security dialogues with India is noteworthy in this regard. On the economic side, America's attention is on China, for good or bad, on the trade balance, the foreign exchange rate, and the cumulative Treasury bond holding. Sharing of identity as the mature developed capitalist economy between the United States and Japan and development of their coordinated strategy vis-à-vis China are partially visible on issues such as China's disregards of intellectual property rights and undervaluation of the renminbi. Whether such joint efforts to discipline Chinese economic behavior through global standards will succeed, and how much inputs China will have in the global economic rule making are to be seen.²⁶

Notes

1. Yoichiro Sato, "Nihon no kaigai hahei kettei no bunseki" [Analysis of Japan's Overseas Troop Dispatch Decisions], in Kimie Hara, ed., *"Zaigai" Nihonjin Kenkyusha ga mita Nihon Gaiko* [Japanese Diplomacy as Seen by the Overseas Japanese Scholars] (Tokyo: Fujiwara Shoten, 2009), pp. 85–115, 290–292 (notes).
2. John Miller, "Japan Crosses the Rubicon?" *Asia-Pacific Security Studies*, 1, no. 1 (January 2002), Asia-Pacific Center for Security Studies, <http://www.apcss.org/Publications/APSSS/JapanCrossesTheRubicon.pdf> (Accessed January 2, 2010).
3. Michael H. Armacost, *Friends or Rivals? An Insider Account of U.S.-Japan Relations* (New York: Columbia University Press, 1996), p. 78. The analogy quoted here was used by Lieutenant General Hank Stackpole, a former Marines Corps commander in Okinawa, who inadvertently described some Americans' views of the alliance with this analogy.
4. Takashi Inoguchi, "Japan Desperately Needs Grand Strategy," *International Herald Tribune/Asahi Shimbun*, January 1, 2009; Takashi Inoguchi, "Japan: What Power? What Strategies?" *Politique étrangère*, 74 (2008): 35–49.
5. Takashi Inoguchi, "Cong Riben de jiaodu toushi Zhongguo de Minzuzhuyi" [Looking into Chinese Nationalism from the Japanese Ayle], *Shijie jinji yu zhenzhi* [World Economy and Politics], pp. 49–50. Opinions vary on the extent of the Chinese government role in the rise and fall of anti-Japanese demonstrations. Those

- who deny active government roles, however, look for evidence of direct agitations by the government, thereby narrowing the definition of the government role. He, for example, argues that the Chinese government has accommodated the anti-Japanese popular nationalism, but cannot orchestrate it. Yinan He, "History, Chinese Nationalism and the Emerging Sino-Japanese Conflict," *Journal of Contemporary China*, 16, no. 50 (February 2007): 1–24; Similarly, Reilly emphasizes the increasing role of independent activists in China's anti-Japanese nationalism. James Reilly, "China's History Activists and the War of Resistance against Japan," *Asian Survey*, 44, no. 2 (March–April 2004): 276–294; Qiu takes an even more bottom-up view and argues that the public perception of Japan originated in the state's official and mythologized history, but cannot be controlled by the state any longer. Jin Qiu, "The Politics of History and Historical Memory in China-Japan Relations," *Journal of Chinese Political Science*, 11, no. 1 (March 2006): 25–53; A broader definition that includes letting loose or deliberately not stopping the demonstrators would cast China as passively taking advantage of the demonstrations at least. See Allen S. Whiting, *China Eyes Japan* (Berkeley, CA: University of California Press, 1989); Gerrit Gong, ed., *Memory and History in East and Southeast Asia* (Washington, DC: CSIS, 2001).
6. Japan did, however, contribute a minesweeping force to the Persian Gulf region after the conflict ceased. Its successful demining efforts at a great risk to the naval personnel enabled the Gulf's sea traffic to quickly return to normalcy.
 7. U.S. deputy undersecretary of defense Richard Lawless has repeatedly expressed his frustration with Japan's lack of combat-ready interoperability with the U.S. forces. At one occasion, he said in regard to this issue: "Words on paper can be useful because they state a commitment, but realization and commitment required national leadership, a national consensus, and the allocation of sufficient financial resources." Richard Lawless (remarks, AEI Conference, Tokyo, Japan, October, 25–26, 2005), transcript available at www.aei.org/event1157. Quoted in Dan Blumenthal and Christopher Griffin, "Japan: A Liberal, Nationalistic Defense Transformation," AEI Outlook Series, November 2005. <http://www.aei.org/outlook/23464> (Accessed May 4, 2010)
 8. Sato, "Nihon no kaigai hahei kettei no bunseki," pp. 94–95.
 9. David Fickling, "Australia Seen as 'America's Deputy Sheriff,'" *The Guardian*, September 10, 2004. <http://www.guardian.co.uk/world/2004/sep/10/indonesia.australia> (Accessed December 21, 2009).
 10. "Feature: Retired Admiral Recalls Japan's Role in Korean War," Kyodo, June 19, 2000. Reproduced at http://findarticles.com/p/articles/mi_m0WDQ/is_2000_June_26/ai_63024328/ (Accessed December 21, 2009).
 11. Yoichiro Sato, "Local Autonomy, Political Accountability, and National Security Diplomacy: When Anti-Nuclear Arms Movements Meet U.S.-Japan Defense Cooperation," in Rouben Azizian, ed., *Nuclear Developments in South Asia: And the Future of Global Arms Control* (Wellington: Center for Strategic Studies, Victoria University of Wellington, 2001), pp. 215–224, especially pp. 217–219, notes 6–7, 10–13.
 12. *Guidelines for Japan-U.S. Defense Cooperation*. Report by the Subcommittee for Defense Cooperation, Submitted to and Approved by the Japan-U.S. Security Consultative Committee, November 27, 1978. <http://machidaheiwa.fc2web.com/tokushyuu/2law-anpo/old-guidelines.html> (Accessed January 2, 2010). Its Section III stated: "The scope and modalities of facilitative assistance to be extended by Japan to the U.S. Forces in the case of situations in the Far East outside of Japan which will have an important influence on the security of Japan will be governed by the Japan-

- U.S. Security Treaty, its related arrangements, other relevant agreements between Japan and the United States, and the relevant laws and regulations of Japan. The Governments of Japan and the United States will conduct studies in advance on the scope and modalities of facilitative assistance to be extended to the U.S. Forces by Japan within the above-mentioned legal framework. Such studies will include the scope and modalities of joint use of the Self-Defense Forces bases by the U.S. Forces and of other facilitative assistance to be extended." Such studies to operationalize U.S.-Japan cooperation were not conducted until the revision of guidelines started in the mid-1990s under the Hashimoto government.
13. The director of Japan's Interchange Association (de facto embassy) in Taipei Masaki Saito resigned after his comment that Taiwan's international status was "unresolved" angered the Ma administration. It was the case of a legally correct remark that was politically incorrect to say in the context of Taiwan's divisive domestic politics. Mariko Kato, "Will Warmer Ties Burn Taiwan? Critics Fret Loss of Sovereignty as Taipei Draws Closer to China," *Japan Times* (Online), December 30, 2009. <http://search.japantimes.co.jp/cgi-bin/nn20091230f1.html> (Accessed May 4, 2010)
 14. *Taiwan Relations Act*, Public Law 96-98. Enacted April 10, 1979.
 15. Takeshi Yuzawa, *Japan's Security Policy and the ASEAN Regional Forum* (London: Routledge, 2007).
 16. Foreign Minister Katsuya Okada of the Hatoyama administration commented that the United States need not be part of the East Asian integration process. "Editorial: East Asian Community," *IHT/Asahi*, November 12, 2009, <http://www.asahi.com/english/Herald-asahi/TKY200911120138.html> (Accessed May 13, 2010)
 17. A map illustrating the two maritime defense lines of China was published in a report by U.S. Naval Office of Intelligence, "China's Navy, 2007." It is reproduced at <http://blog.livedoor.jp/kiwahori/archives/50896418.html> (Accessed May 4, 2010).
 18. Michael Green, *Japan's Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power* (New York: Palgrave Macmillan, 2003).
 19. Michael J. Green and Daniel Twining, "Democracy and American Grand Strategy in Asia: The Realist Principles Behind an Enduring Idealism," *Contemporary Southeast Asia*, 30, no. 1 (April 2008): 1-28.
 20. Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Tulsa, OK: University of Oklahoma Press, 1993); Georg Srensen, *Democracy and Democratization: Processes and Prospects in a Changing World*, 3rd ed. (Boulder, CO: Westview Press, 2007).
 21. Akitoshi Miyashita, "Consensus or Compliance? *Gaiatsu*, Interests, and Japan's Foreign Aid," in Akitoshi Miyashita and Yoichiro Sato, eds., *Japanese Foreign Policy in Asia and the Pacific: Domestic Interests, American Pressure, and Regional Integration* (New York: Palgrave, 2001), pp. 37-61.
 22. Whiting, *China Eyes Japan*; In contrast, Hughes pays attention to the domestic politics of China and argues that while a Chinese leader may employ the anti-Japanese popular nationalism in his campaign for political leadership, a strong Chinese leader can suppress the anti-Japanese popular nationalism. Christopher R. Hughes, "Japan in the Politics of Chinese Leadership Legitimacy: Recent Developments in Historical Perspective," *Japan Forum*, 20, no. 2 (July 2008): 245-266.
 23. Michael Cox, John Ikenberry, and Takashi Inoguchi, eds., *American Democracy Promotion: Impulses Strategies and Impacts* (Oxford: Oxford University Press, 2000); Inoguchi, "Three Frameworks in Search of a Policy: US Democracy Promotion in Asia-Pacific," in Cox, Ikenberry, and Inoguchi, eds., *American Democracy Promotion*, pp. 267-286; Inoguchi, "Higashiajia no minshushugi towareru Obama gaiko: Nichibei

- kyodo de nebarizuyoi taiwa o” (Obama diplomacy about Democracy in East Asia Questioned: Tenacious Dialogue by Japan and the United States with Nondemocracies Needed), *Mainichi Shimbun*, December 10, 2009; Peter Gourevitch, Takashi Inoguchi, and Courtney Purrington, *United States-Japan Relations and International Institutions after the Cold War* (La Jolla California: Graduate School of International Relations and Pacific Studies University of California, San Diego, 1995).
24. Yomiuri Shimbun-Gallup, December 2008, Japan-U.S. Joint Opinion Poll (P08-33), <http://www.mansfieldfdn.org/polls/2008/poll-08-33.htm> (Accessed January 2, 2010); Takashi Inoguchi and Matthew Carlson, eds., *Governance and Democracy in Asia* (Melbourne: Trans-Pacific Press, 2006); Takashi Inoguchi, “Demographic Change and Asian Dynamics: Social and Political Implications,” *Asian Economic Policy Review*, 4, no. 1 (2009): 142–157. Japan Center for Economic Research.
 25. Takashi Inoguchi, “Higashiajia no minshushugi towareru Obama gaiko: Nichibei kyodo de nebarizuyoi taiwa o” [Obama diplomacy about Democracy in East Asia Questioned: Tenacious Dialogue by Japan and the United States with Nondemocracies Needed], *Mainichi Shimbun*, December 10, 2009.
 26. The spirit of this volume is in line with our previous collective volumes on the alliance: John Ikenberry and Takashi Inoguchi, eds., *Reinventing the Alliance: U.S.-Japan Security Partnership in an Era of Change* (New York: Palgrave Macmillan, 2004), pp. 1–18; Ikenberry and Inoguchi, eds., *The Uses of Institutions: The U.S., Japan, and Governance in East Asia* (New York and London: Palgrave Macmillan, 2007).