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Japan as a Global Power: Contending Views from Japan

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This Policy Report is based on the conference “Japan as a Global Power: Contending Views from Japan,” convened at The George Washington University’s Elliott School of International Affairs on June 18, 2013. The conference was co-sponsored by the Sigur Center for Asian Studies’ Rising Powers Initiative, the Council on Foreign Relations Japan Program, and MIT’s Center for International Studies. The conference and Policy Report are supported by a generous grant from Carnegie Corporation of New York.

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The supremacy of the United States in Asia has been a constant in U.S.-Japan relations since the end of WWII. With China's rise and leadership fatigue in the United States, that may be changing. What will be the consequences for Japan's foreign policy and for the U.S.-Japan alliance?

Much depends on not just the relative shift in power but how these shifts are interpreted by different schools of thought within Japan and the United States. The Worldviews of Aspiring Powers project¹ at the Sigur Center for Asian Studies' Rising Powers Initiative addressed this question of domestic foreign policy debates in five different countries, initially in a volume published by Oxford University Press in September 2012, and then in follow-up conferences in Washington, D.C. On June 18, 2013, it held a follow-up conference on Japan - "Japan as a Global Power: Contending Views from Japan," co-sponsored by the Council on Foreign Relations Japan Program and the M.I.T. Center for International Studies.

This Policy Report outlines competing viewpoints expressed at the event as a means to identify likely trajectories of Japan's foreign policy and behavior in the years ahead.

Interpreting Japanese Debates

The Rising Powers Initiative convened a group of four leading Japanese international relations specialists to explore a variety of Japan's security and domestic policy challenges:

- **Tomoko Abe**, Member of Parliament, Japan
- **Kan Ito**, Foreign Policy Analyst
- **Yukio Okamoto**, Wilhelm Fellow, Center for International Studies, MIT
- **Kyoji Yanagisawa**, Chief Director, International Geopolitics Institute, Japan

These panelists represent a range of diverse viewpoints within Japan's domestic debates. Arrayed against one another, Japan's relationships with the United States and China define spaces for four different national security strategies²:

- **The Autonomists:** Those who distrust foreign entanglements prefer that Japan acquire and sustain an independent military capability and domestic technological base. This group sees no reason to hedge their bets on the rise of China or on the decline of the United States. In their view, Japan should provide for itself in a "self-help" world and situate itself at a distance from both China and the United States.
- **The Bandwagoners:** Those advocating a China-Japan economic condominium prefer a "bandwagoning" strategy (e.g. aligning with the rising power). They also discount the Chinese military threat and emphasize the benefits from a robust economic relationship with the new global economic giant. They discount the costs of alienating Washington and would draw closer to Beijing and imagine it will be a responsible stakeholder in the regional order.
- **The Balancers:** This group is less enamored with the economic benefits from closer relations with China

and is more attentive to military threats from China; they want to "balance" against China's rising power. If those who bandwagon would hedge by integrating with China economically, those who balance China would hedge militarily, by maintaining a robust alliance with the United States. They prefer that Washington remain the dominant player in the global system, and imagine that Japan will be safest when aligned with Washington as the system becomes bi- or multi-polar. Economically, they embrace free trade, using it as both policy guidance and as leverage in international negotiations to buy time for the revitalization of Japan.

- **The Integrators/Dual Hedgers:** This group, like Goldilocks, argues that Japan can – and should – get it "just right." They believe that better economic relations with Beijing need not be purchased at the price of diminished relations with Washington. They would wield an economic sword and a military shield, a dual hedge to protect Japan from NAFTA and EU economic predation by integrating with the Chinese economically and from Chinese coercion by maintaining a healthy alliance with the United States. They fear China's betrayal and U.S. decline in equal measure.

Outcomes of the Washington Conference

While there were no specific labels worn by the four Japanese scholars and officials invited to the Washington conference, their views were largely consistent with the national security strategies detailed above. Kan Ito's positions were identified with Autonomists and Yukio Okamoto and Kyoji Yanagisawa expressed views consistent with Balancers. **Representative Abe articulated a view slightly outside these four basic groups, which the Worldviews project calls a Globalist.** This group tends to favor international political and/or economic integration, inclines toward democratic institutions, and is relatively skeptical about military power as a tool of statecraft. This set of views was on center stage as the conference discussed security and economic issues as well as the role of values within Japan.

Security Issues

China's Rise as a Threat to Japan

The Globalist was most reluctant to label China as the principal threat. The Autonomist espied a nineteenth century world in the years ahead where the major players lack a common sense of legitimacy. And the Balancers cited China unequivocally as the major threat to Japan.

- **Globalist:** China and the United States are the most important partners for Japan, but the China threat is becoming increasingly more significant for Japan today.
- **Autonomist:** The European Concert (1815 to 1848) peacefully co-existed because its member states had a shared sense of legitimacy. Today's Japan and China, however, do not share this sense of legitimacy. China is neither a democracy nor a state with the rule of law and basic human rights. Furthermore, China expanded its military budgets annually about 15 percent per year

from 1989 to 2007. This massive military expansion has created a dangerous imbalance of power in East Asia.

- **Balancer:** Whenever China sees a power vacuum – evidenced with Senkaku Islands, Spratly Islands, the Paracel Islands, and Scarborough Shoal – it intervenes. China's President, Xi Jinping, seeks a great "Chinese restoration," but what does "restoration" mean for the region? He has in mind a 19th century China that used to occupy 32 percent of total world wealth. Currently below 15 percent, if Xi means to double the share of Chinese wealth by taking more from others, that is not a strategy compatible with international well-being.
- **Balancer:** China is rising and still resents having been a big power invaded by western countries throughout its history. China has many abundant weapons – not just military – to bend the will of others.

The Relative Decline of the United States

The Autonomist laid out the clearest prediction that American influence in Asia will decline, in part because of U.S. fiscal burdens. According to this view, the value of the dollar – a linchpin of American power – will inevitably decline.

- **Autonomist:** America's grand strategy in the 2020s will directly affect Japan. Theoretically, Americans can choose four grand strategies: (1) world primacy (or world dominance); (2) selective commitment (or selective containment) especially in Europe, the Middle East, and East Asia; (3) offshore balancing; and (4) a regional hegemon in the Western Hemisphere. The United States was a regional hegemon with the Monroe Doctrine and became a global power after WWII.

The United States will probably have to choose the offshore balancing strategy after 2020. President Obama already seems to be moving toward this strategy. Two macroeconomic factors will force its hand: (1) rising number of new retirees will burden American fiscal policy; (2) historically, the United States needs foreign countries to purchase half of its Treasury bonds. In the 2020s, however, the U.S. dollar will not be able to maintain its privileged status as the key international reserve currency, and foreigners will stop financing America's budget deficits. The United States will be forced to take the role of offshore balancer while China will have luxury of establishing its regional hegemony in East Asia.

Senkaku Islands Dispute: Test Case for U.S.-Japan Alliance

The future of the U.S.-Japan Alliance and the relative benefits each nation sees in the partnership drew out the sharpest controversy. Balancers bemoaned the vacuum and ambiguity of U.S. alliance policy, while the Globalist and Autonomist found no alternatives particularly attractive. The various views on the alliance came to a head over the issue of the Senkakus, an island chain whose ownership is disputed by China, Japan, and Taiwan. Could Japan count on U.S. support as Tokyo contests its claim to the islands?

Would the United States go to war "over a bunch of rocks" in the East China Sea?

- **Balancer:** There are serious misunderstandings on what good the Alliance with Japan does for the United States. Japan provides the United States with more than 130 bases and facilities, bearing more than \$5 billion of the costs to station U.S. troops there. Washington is able to keep its forces in this politically stable and overwhelmingly pro-American environment cheaper than anywhere else in the world. Bases in Japan offer the United States a wider theater of operations than say Korea, where U.S. troops are essentially there to defend Korea. U.S. forces in Japan include navy and air force whose defense perimeter extends out to the Indian Ocean.

China is trying to launch into the second tier of their naval strategy by dominating the western half of the Pacific with an expansionary and aggressive policy. While Japan incorporated the Senkakus into its territory in 1895, China claimed ownership only after the UN survey team said there are abundant oil reserves near the islands. Japan wants Washington to take a position on the dispute and confirm that Senkakus are covered by the U.S.-Japan Security treaty. If the United States says "no," China will be emboldened and come for Okinawa next. The United States may not go to war with China "over those rocks," but it is going to have to take sides and must stand with Japan. Tokyo will not ask Washington to start a fight with China, but should conflict escalate into a full-scale war, then the United States is obligated to come help Japan. If America is not ready to do that, the Japan-U.S. security treaty means nothing and it is all over. As far as the security treaty is concerned, excluding "war with China" is a non-starter for Japan. If this exception is made, Japan will need to seek an independent path, perhaps through rearmament. The United States will then have to withdraw from Japan, leaving the Western Pacific to the Chinese, which was Beijing's original design.

- **Autonomist:** U.S. support would be helpful on the Senkakus dispute, but the United States would never fight a war against China over the islands. Being involved in this conflict would not be in America's national interest. China is a nuclear power that can quickly obliterate 100 cities in the U.S. mainland. Why would any president of the United States fight a war against China just for the sake of small, barren, uninhabited rocks? The international system is a self-help system. Japanese bureaucrats and politicians should not be so dependent on American suzerainty and protection.
- **Globalist:** The U.S.-Japan security treaty is special to Japan, which has accepted the long-standing U.S. military presence on the island. Japan does not have enough power to defend itself from the threats present today, such as China's rising power and North Korea's nuclear arsenal. However, Japan needs to seek a more equal partnership with the United States. For example, Tokyo should change the Status of Forces Agreement and acquire its own intelligence gathering capabilities. Moreover, there might be a small conflict between

China and Japan over the Senkakus, but it would not escalate to full-scale war.

- **Balancer:** When the U.S.-Japan Defense Cooperation Guidelines were revised in 2007, there was a clear target: North Korean nuclear development and how to cooperatively allocate tasks during a potential crisis on the Korean Peninsula. After 9/11, the United States urged Japan to cooperate on the Global War on Terror; Prime Minister Koizumi put boots on the ground by dispatching Japan's Self-Defense Forces (SDF) to Iraq. The Japan-U.S. Alliance was said to be better than ever and many believed that Japan should continue this approach.

Then the Obama Administration retreated from this strategy. The Alliance has lost a clear target. With the U.S. pivot to the Pacific, America is looking again to Asia. The first step in revising today's U.S.-Japan Defense Cooperation Guidelines is figuring out how to achieve common understanding about the roles, missions, and capabilities of each side's forces.

The Okinawa Question

Alliance security issues are closely linked to the deployment of U.S. forces in Japan and the ongoing controversy about the concentration of these forces in Okinawa. In recent years, few Alliance issues have been more controversial than the planned redeployment of U.S. Marines from Okinawa to Guam and the proposed closure of the Futenma Marine Air Base – located in a crowded urban area of Okinawa – and its disputed replacement by a new air base in Henoko at another, less crowded part of the island.

- **Globalist:** A healthy U.S.-Japan relationship depends on the resolution of the Okinawa question. U.S. troop in Okinawa should downsize and relocate elsewhere on the Japanese mainland. The facilities in Okinawa should be then used for the SDF. The Okinawa people cannot put up with this situation anymore. After girls in Okinawa were raped by U.S. soldiers without proper legal resolution, today's U.S.-Japan Status of Forces Agreement is clearly unequal and must be changed.
- **Balancer:** If Japan and the United States agree to relocate U.S. Marines out of Okinawa, mainland Japan is the most reasonable choice as this location would less likely tarnish the deterrent. Perceptions matter. Surrounding countries may get the wrong idea if U.S. Marines are suddenly "kicked out" of Okinawa and far from Japan. If relocation sows seeds of doubt about whether the U.S.-Japan security arrangement is credible, surrounding countries may take advantage of the situation, seeing it as a power vacuum.
- **Balancer:** After 9/11, when the war on terror moved many U.S. troops stationed in Okinawa to Iraq and Afghanistan, the Japanese government rationalized the Futenma Air Base as a deterrent. Once the United States, through its pivot to Asia, recognized the threat from China, U.S. forces returned to Japan. While the U.S. spins the relocation in terms of deterrence, would U.S. Marines ever be sent to the Senkakus should war

break out between Japan and China? Given Chinese air supremacy, the U.S. military may hesitate. So what kind of deterrence does the Marine base in Okinawa provide for Japan?

Japan's Future Military Posture

The debate about the U.S.-Japan Alliance triggered questions about Japan's defense forces and what needs to be done to make Japan a more equal partner.

- **Autonomist:** Japan should be a defensive realist and implement policies of both internal and external balancing: increasing its own military power, strengthening the U.S.-Japan alliance where helpful, and boosting military cooperation with India, Vietnam, the Philippines, and Australia. For the past five centuries, the normal structure of international politics has been multipolar. Unipolar and bipolar structures are abnormal. Under multipolarity, no country can depend on other great powers for a long period. The United States may not choose to abandon Japan in the near future, but no alliance is eternal. Japanese and American national interests are not always the same.

In terms of force posture, Japan should strengthen its navy and air force while reducing its unnecessarily large army personnel by 30 percent. Japan should harden its air force bases and acquire an ability to neutralize China's growing anti-access/area-denial capability. However, Japan should not acquire power projection capabilities like an aircraft carrier or strategic bombers. That kind of capability will unnecessarily alarm the Chinese and the Koreans.

- **Balancer:** Who else can possibly be Japan's ally? China or Russia? The United States is the only choice. Furthermore, collective security is not a real possibility in Asia until nations share similar value systems and military strength. There is no other choice but to stick to and strengthen the Alliance. However, the Alliance's security guarantee is often too comforting since it encourages Japanese leaders to neglect their own national security institutions and assets.
- **Balancer:** Japan needs a new guideline revision process for the Alliance. First, the partnership needs political guidance on how to address war or a crisis with China. The concern is that the United States may leave Japan on its own. Second, Japan should focus more on maritime and air defense capability. Without air supremacy, amphibious operations will be impossible. Japan already has robust enough anti-submarine capability to counter the threat posed by China's aircraft carriers for at least the next three decades.

Revising the Japanese Constitution

Japan's defense posture and domestic politics are closely related. What do future defense plans mean in terms of the discussed revision of the postwar Japanese Constitution?

- **Balancer:** The Constitution – a major part of Japan's self-identification – should not be revised. As Japan

moved forward on ballistic missile defense, joint-military drills near North Korea, and troops in Iraq, the primary challenge was how to interpret Article 9 of the Constitution to allow Tokyo to perform these necessary defense operations. However, the document does not need to be radically changed to achieve these objectives. Therefore, if Japanese Prime Minister Abe feels that he must revise the Constitution, he must first ask “what else does he want to accomplish security-wise beyond what Japan has been able to do over the past several decades?”

- **Globalist:** The Constitution should not be changed at this point due to the poor relationship between surrounding countries and Japan. Unresolved difficulties with China, Russia, and the Koreans – much of it dating back to WWII – would put Japan’s neighbors at great unease should the Constitution radically change. Instead, Tokyo should commit the SDF to become more involved in international peace keeping.
- **Balancer:** The Japanese Constitution, the only in the world left untouched, should be updated as much has changed since its original drafting: environmental issues, women’s rights, security needs, and others. While Japan should eventually revise Article 9 to exercise the right of collective defense, the short term focus should be on how the lack of political courage and democratic imagination were primarily responsible for shackling Japan. Recent political leadership held an unrealistic and unnecessarily limiting interpretation of the Constitution.
- **Autonomist:** Japan should change more than just Article 9; the current document itself is illegitimate. The Constitution was hastily drafted and imposed on Japan by the American military authority during a time when Japan had no free media and no freedom of political activity. That arbitrary process clearly violated international laws and the principle of the rule of law. Since the current Constitution is illegitimate, there are three options for the Japanese: (1) return to the Meiji Constitution; (2) adopt the British system where there is no written constitution; and (3) create a more succinct constitution based on Japanese values and universally accepted principles of classical liberalism. This third approach is preferable.

The U.S. Nuclear Umbrella

The elephant in the room of any discussion of Japanese defense policy is the question of a Japanese nuclear weapons program.

- **Balancer:** While some argue that Japan should declare a “virtual” nuclear deterrent based on possessing sufficient nuclear enrichment technology, this is the wrong approach. In response to nuclear threats posed by Iran or North Korea, the Japanese national priority should be non-proliferation.
- **Autonomist:** A Japanese minimum nuclear deterrent would be useful under current circumstances, but the United States nevertheless wants to keep Japan non-nuclear. Meanwhile, North Korea, China, and Russia

build as many nuclear weapons as they want. This is another example where the American national interest and the Japanese national interest are naturally divergent.

Economic Issues

Abenomics

There was some moderate optimism among Japanese participants about the prospects for Abenomics, the effort to relaunch the Japanese miracle through massive monetary stimulus, participation in the Transpacific Partnership (TPP), and reform of domestic economic institutions. The doubts persisted mostly with regard to domestic reforms.

- **Globalist:** Abenomics might be successful if Prime Minister Abe invests in renewable energy. Energy is the fundamental issue of all nations. If Japan fails to get steady growth from its energy sector, it very difficult for the economy overall to succeed.
- **Balancer:** Beijing still looks to the Japanese model for the Chinese economy (e.g. how to deal with environmental issues, population concerns). Seeing a preview of its own future, China watches how Japan will revive its economy when its population and economic growth are both in decline.
- **Balancer:** The economy is all about perception: do people feel optimistic about the future? Abenomics is off to a good start, but Abe should seek to cut the corporate tax rate, further deregulate the economy, and tackle looming concerns in Japan’s social security system. Unless Japan addresses these issues, its economy will remain anemic.

Energy Security

A major impediment to Japanese growth is an available supply of energy. The earthquake and tsunami of March 11, 2011 led to the shutdown of nuclear plants supplying some 30 percent of total electrical power. Because of this tragedy, Japan faces tougher choices in the energy area than other advanced countries.

- **Globalist:** Currently, less than 10 percent of Japan’s energy portfolio is comprised by renewables. After the 3/11 disasters, efforts were made to promote renewable energy, including solar, wind, bio-mass, and geothermal. If Japan continues to develop these resources, renewables could provide more than 50 percent of its energy needs by 2030.
- **Balancer:** Nuclear reactors are an inevitable part of Japan’s energy portfolio. The 3/11 disaster heavily impacted the Japanese people, but energy security must drive Japanese policy. First, Japan needs to widen the suppliers of energy to not only U.S. shale gas, but also Russian resources. Second, Tokyo has to invest in Japan’s own resources such as methane hydrate surrounding Japan. Japan should seek to become an energy export country.
- **Balancer:** Japan needs energy and atomic power. If

leaders would only tell the public, “let’s reactivate nuclear reactors,” the public mood will change.

Trans-Pacific Partnership (TPP)

TPP is a proposed trade alignment of Japan, the United States, and some ten other Asian countries. It excludes China and therefore is seen by some as a U.S.-Japan counter to the Regional Comprehensive Economic Partnership (RCEP), an all Asian trade alignment that excludes the United States.

- **Globalist:** Japan should remain outside TPP at this point due to Tokyo’s large export-import relationship with China and South Korea. In the immediate future, Japan should focus on a China-Korea-Japan trade agreement. While today’s political realities may prevent this deal from being negotiated, these three countries should collaborate together before Japan moves ahead on TPP.
- **Balancer:** TPP is a kind of Pax-Americana, though it is distinct from Cold War-era Pax-Americana efforts due to today’s weakening dollar and reduced military presence in Asia. While Japan’s participation in TPP is likely inevitable, the deal will unlikely turn out to be the “rose-colored future” its advocates suggest.
- **Balancer:** In recent years, Japan has become more introverted and less assertive in global affairs. Japan used to be the banner holders of free trade, but it took several years of procrastination before deciding to join TPP. Japan needs to do a better job of leading on international efforts.
- **Autonomist:** TPP remains highly controversial within the Liberal Democrat Party (LDP) and would be defeated if there was a secret vote among LDP politicians. Abe has obfuscated his exact position on the deal.

Value Issues

Japanese Values

U.S.-Japan discussions seldom address directly the similarities and differences of values between the two countries. The debate at this conference dove straight into those issues.

- **Balancer:** Japan needs to back up its idealism with actual deeds. Domestically, Japan has achieved most basic values like democracy, freedom, and equality, but there is still work to be done in the field of human rights and in promoting diversity. Japan needs to become more hospitable to immigrants and give more opportunities to women. Japan’s demographics are worsening; the UN predicts Japanese population to be 94 million by the year 2050. Activating the female workforce and promoting diversity through immigration would reduce some of that pessimism.
- **Balancer:** Democracy is the fundamental basis of peace.

Today, however, being democratic is not the only criteria for choosing a best friend. There are divisions between Japan and the United States on some historical-humanitarian issues, such as “comfort women.”

- **Autonomist:** Every nation needs three elements: economic strength, military strength, and values. Values are both historical and metaphysical; therefore values cannot be easily defined and codified. But every nation needs a clear value system upon which people can rely on. The post-war Yoshida Doctrine, unfortunately, has been simplistic and degradingly materialist; it has made Japan a shallow-minded utilitarian nation.

Is Japan a Global Power?

The net result of the current foreign policy debate in Japan is to determine how broadly Japan defines its security and economic interests. Is it a rising global power like China? Or does it prefer to remain a semi-sovereign power dependent on U.S. security while widening somewhat its role in regional conflicts – Taiwan, North Korea, etc. – that involve collective interests with the United States?

- **Globalist:** China’s rise has negatively affected Japan’s economic strength, but Japan still has a role to play in global affairs, particularly in Asia and Africa. Japan can contribute to countries through the development of electrical, medical, and water supplies in these regions.
- **Autonomist:** Japan is absolutely not a global power and Japan will unlikely remain even a regional power. If you look at Japanese demography, you can clearly see that Japan’s destiny is to be a declining power. The only choice is whether to accept inevitable decline with dignity and integrity, or to suffer decline with feckless opportunism and defeatism.
- **Balancer:** Japan must aim to regain the global posture it held in 1980s. The economic downturn has made Japan increasingly more obscure in international society. Japan used to be the number one donor in the world, but Tokyo’s official development assistance (ODA) has dropped to scandalously low levels.

American Perspectives

The conference engaged representatives of the various American schools of thought to react to the Japanese debate:

- **Doug Bandow**, Senior Fellow, CATO Institute
- **Daniel Kliman**, Transatlantic Fellow, German Marshall Fund of the United States
- **Michael Swaine**, Senior Associate, Carnegie Endowment for International Peace
- **Daniel Twining**, Senior Fellow, German Marshall Fund of the United States

Again, without specific labels, these schools included a limited foreign policy perspective advocated by American Nationalists (Bandow), a great power view represented by Realists (Kliman), a Liberal Globalist view (Swaine) centered on global trade and arms control initiatives, and a Conservative Globalist view (Twining) focused on the

spread of freedom and a vigorous exercise of American power.

Equal vs. Unequal Alliance

Most American perspectives felt that it was not possible to have a fully equal alliance in the security sense. The nationalist view was most skeptical that the alliance was still necessary.

- **Conservative Globalist:** In the past, America considered the Alliance as a way to contain Japan or to keep Japan off-shore as a strong point for U.S. interests, but that logic has fallen away. The United States wants Japan to do as much as it possibly can to be a regional and global security provider. Japan only can make this evolution within the framework of the Alliance as it would be too destabilizing for others in the region for Japan to seek these military assets and global missions outside the established U.S.-Japan partnership.

Japan certainly worries about abandonment: how robust is the U.S. security umbrella and the nuclear umbrella? They worry any time the president of the United States spends two days at a ranch in California with the Chinese leader. Japan needs a major ally and the only viable ally is the United States. Perhaps Japan and India may form an alliance in the future, but given Japan's geographic, geopolitical, and other conundrums, Tokyo needs external support and the most destabilizing thing the United States could do would be to withdraw that support.

- **Liberal Globalist:** Unless Japan decides to acquire its own nuclear arsenal – highly unlikely over next 15-20 years – the Alliance is going to continue. The question then becomes “what is the best kind of an alliance?” It is not feasible to have an “equal alliance” between the United States and Japan, certainly not in the security sense. While both countries benefit from the U.S. military presence, Japan does not play the same role for American security that the United States plays for Japan. More consultations on security matters could create a “more equal” alliance, but Japan will continue to look to the United States to provide the context within which it operates as a security actor in the Western Pacific.
- **Realist:** The Alliance continues to advance the goals it was established to promote. It provides for a stable balance of power in Asia and a platform for the United States to project military power and political influence in Asia.
- **Nationalist:** Alliances have to be seen as means to advance American security, not ends in themselves. Today, the United States often views alliances kind of as Facebook friends; “the more we have the better.” It is not obvious that the Alliance, as it exists today, is necessarily in America's interest, irrespective of whether or not it's in Japan's interest. The Alliance is today a dependent relationship: the United States has to defend Japan; Japan does not have to protect the United States. From the standpoint of the American people, it looks unfair given U.S. financial constraints.

Japan and Other Allies

Most American participants saw the relationships between Japan and other friendly countries in the region (e.g. South Korea, Philippines, India) as being in flux. While Japan is looking to take advantage of countries wary of China, Japan sometimes makes its search for new partners difficult.

- **Nationalist:** Prime Minister Abe would like to have Japan take on more of a role in the region. Japanese leaders most interested in having a more active role in global affairs, however, are also most active in undercutting that role. Telling the South Koreans, for example, that they benefitted from being colonial subjects of the Imperial Japan is not a way to win friends in Seoul. There are nevertheless success stories for Japanese diplomacy. In the Philippines, Japan's involvement is welcomed despite the memory of WWII history. The Indian prime minister visited Tokyo, which is extraordinarily important because India and Japan have a shared national interest (e.g. China).
- **Realist:** A lot of the countries in Asia are seeking out new partners other than the United States and China. Although trade and investment with China are going up, these countries are taking deliberate steps to diversify their international partners.

The U.S. Pivot to Asia

The realist school of thought felt that the pivot of U.S. policy to Asia created a sound framework for rebalancing in the region. The other schools of thought were decidedly more skeptical.

- **Nationalist:** Despite strong and promising rhetoric on the U.S. rebalancing, the reality is quite different. Defense spending is going down. U.S. diplomacy remains focused on the Middle East and Europe. At this point, the pivot is heavy on rhetoric and not permeated with substance to back it up in the long-term. Asia should be uncertain about what it is going to be ten years from now.
- **Liberal Globalist:** The United States can't get the Alliance right unless it settles on a larger grand strategy. Right now, the pivot itself is less a strategy and more just a general statement of what the United States wants to do by way of interactions with various countries.
- **Realist:** The basic framework on the pivot is established, but implementation remains to be seen. Although perhaps not well articulated in official documents, the pivot's end goal is clear: create a web of political relationships and economic ties that shape Chinese choices in a direction towards embracing international rules of the road as opposed to creating temptation and weakness that might lead them to go in a more problematic course.
- **Conservative Globalist:** On the rebalance, Asian allies are of mixed views. They saw a lot of really thrusting rhetoric coming out of the Obama Administration in 2011-2012 and then it really wound down after Secretary Clinton and her team left office. There are a lot

of question marks around the sequester's defense impact, and 2,500 troops in Australia will not compensate for a flat lined U.S. defense posture in Asia. To some extent the United States is actually withdrawing, sending mixed signals at best to U.S. allies – as well as China – who would prefer a clear statement of U.S. consistency and purpose.

Senkaku Islands Dispute

The discussion among Americans revealed a clear difference between those who see the issue as a reflection of broader Chinese aggressiveness and those who worry that Japan and other countries in the region may be baiting China into a conflict that would not serve the interest of either side or that of the United States.

- **Nationalist:** First, the Alliance aims to deter China. However, should it fail to deter, the United States is now committed to war. The more open ended the commitment, the more likely the United States finds itself defending things it never planned on defending. Second, it is difficult to control one's allies. If they think the United States is in their corner, they are going to behave the way they want, sometimes more recklessly. They're going to act on their national interest. For example, on the Senkaku Islands dispute, if Japan thinks it has a nuclear big brother behind it, Tokyo may behave differently than if it had to provide for its own defense.
- **Liberal Globalist:** The U.S. government has learned from past territorial disputes of its allies to not become too deeply involved beyond making some general statements on neutrality and opposing unilateral actions. The United States doesn't want either side to further escalate the dispute, including Japan. Within the U.S. government, there is real concern that the Abe government is quite willing, able, and maybe even desirous of taking a tougher position up to and perhaps including putting people on the ground on the islands.
- **Realist:** In the recent history of disputes around the edges of China's domain (e.g. China-India border, China and Philippines in the South China Sea, and China and Japan with the Senkakus), the takeaway is about the state of Chinese domestic politics, civil-military relations, and potentially longer term intentions. The current U.S. policy on the Senkakus makes sense: helping to build up allied capabilities that may deter further probing.
- **Conservative Globalist:** Geopolitical aggressors' appetites grow with the eating. The United States needs to draw a firm line around Chinese aggression in the Senkakus.

Trans-Pacific Partnership (TPP)

A broad consensus still unites diverse schools of thought in the United States that open economic markets are still the best hope to make China a responsible stakeholder in the world economy.

- **Nationalist:** TPP is worth pursuing, but leaders should

be aware that this is not going to be an easy negotiation or ratification due to difficulties such as Japan's agriculture lobby, the political implications of keeping China out, and U.S. domestic politics.

- **Conservative Globalist:** One principle of U.S. policy in Asia since the end of the Cold War was to resist regionally exclusive architectures like an Asian monetary fund or an Asian trading system centered on ASEAN+3 rather than a wider grouping that was trans-Pacific. The United States was anxious when China was exercising "smile diplomacy" before 2010 and locking its neighbors into tighter economic orbits. However, since then many of these neighbors have become closer to the United States and each other because of China's bullying.
- **Realist:** TPP is worth pursuing because it helps achieve broader U.S. free trade, including more multilateral trade liberalization. How Japan responds to free trade deals such as TPP will provide insights on the future direction of the Japanese economy. As wages go up, China may be a less attractive location for Japanese manufacturers to produce goods, so the Japanese manufacturing base may disperse to India, Indonesia, and other parts of the world.
- **Liberal Globalist:** The United States wants to see more open trading across Asia and a situation where all countries are more focused on trade over security issues. The question becomes how confident are countries that China and other emerging powers will remain as committed to open trading systems and avoid preventing the United States accessing trade and investment in this really vital region.

China as a Threat

The discussion concluded with a sharp dispute between the Conservative and Liberal Globalist views in the United States, the first seeing China as an aggressive, revisionist power and the other as an accommodationist power.

- **Conservative Globalist:** China is an aggressively revisionist power who may use force to alter the international order. China is a dissatisfied and rising power with increasing territorial claims, including sections of Tibet from India. There's an obvious source of strategic instability in Asia, and it is not Japan, India, Indonesia, or Vietnam; it is China. This state of affairs does not mean security dilemmas and conflict are inevitable, but the debate about China's intentions is over.
- **Liberal Globalist:** To see China as an aggressive power is fundamentally wrong. Over the last two or three decades, China been fairly accommodating in its territorial disputes with neighbors. In other cases where they haven't been, it depends on the nature and origins of the dispute and the policies of the other side. Chinese leaders are merely looking at a situation in the Western Pacific where its ability to influence events is increasing and it needs to reduce its level of insecurity. The U.S. commitment in the region since WWII has been to be the dominant hegemonic power. China is

not as satisfied with that situation as it used to be. The important question is whether it will be possible to sustain the past U.S.-led order in the face of a China unwilling to accept having the United States assert its primacy up to China's territorial waters.

- **Nationalist:** China is constrained. If you look at its geographic positions, China is surrounded by countries it has been at war with, including Korea, Russia, Japan, and Vietnam. It is certainly not unconstrained in its behavior, however assertive it may be.

Keynote: Role of Values in Japan

In his keynote address, Fred Hiatt, Editorial Page Editor of *The Washington Post*, identified a strong relationship between Japan's national narrative and the struggles it faces as a nation. He saw Japan's national narrative consistently adapting over history to meet the scale of its present obstacles. The uncertain security environment in Japan's backyard and its rapidly aging and shrinking population, Hiatt predicts, may now shape Japan's narrative to one of "pulling together" and shared sacrifice.

Hiatt introduced an important question currently being debated within the island nation: "why did Japan have to be number one? Couldn't a nation live just as happily as number five or six or ten, like other former imperial powers?" Certainly, Hiatt suggested, one could imagine a national narrative consistent with this vision of genteel decline; Japan as exemplar of peace. He concluded, however, that this pleasant prospect collided with China's increasing assertiveness, which for many Japanese raised questions about the feasibility of peaceful decline. "It may be in fact that the only options are to rebuild in some way or to be swallowed," said Hiatt.

Conclusion

The conference displayed a range of viewpoints in Japan on national security and domestic policy that overlapped on some issues and varied on others. In terms of similarities, panelists identified China as a significant challenge for Japan, the importance of maintaining some variant of the U.S.-Japan Alliance, and the difficulty achieving sweeping foreign policy goals in the face of economic strain. Though each speaker emphasized certain elements of Abenomics to reform, there was moderate optimism on whether the strategy could succeed. Values such as human rights, freedom, and equality were seen as important parts of Japanese democracy and society.

Nevertheless, there were a number of significant points of disagreement. The Globalist was most reluctant to label China as a principal threat to Japan while Balancers and the Autonomist readily outlined strategies to counter China's growing assertiveness. Whereas Balancers and the Globalist hesitated to revise Japan's Constitution straightaway, the Autonomist rejected the current Constitution as illegitimate. Balancers cautioned against disrupting the credibility of the Alliance's deterrent by moving U.S. forces out of Okinawa while the Globalist advocated relocating troops elsewhere on mainland Japan. The Balancers expressed frustration with what they saw as an unclear and unsupportive U.S. position

on Japan's territorial disputes with China. The Autonomist, on the other hand, identified several areas where Japanese and U.S. interests were inherently divergent (e.g. benefits of a Japanese nuclear deterrent, on conflict with China over the Senkakus) and suggested that Japan should do more for its own security needs.

Finally, the conference offered insights on the central inquiry of this report: the future of Japan's status in the world. Economic constraints and increasingly problematic demographics dare Japan to ask whether it can or even wants to maintain an outwardly looking global role. The Autonomist sensed that while Japan was "absolutely not a global" power, that status was "just fine" as long as Japan could successfully take care of its most basic security and economic needs. Balancers hoped to reverse Japan's trend toward becoming increasingly more obscure in global affairs. Despite the constraints placed on Japan by trying economic times, Globalists saw a role for Japan's expertise in several regions of the world. Japan's policy discourse is rich and in flux. This project demonstrates that it remains important to better understand the domestic foreign policy debates of aspiring and rising powers.

*Authors' Note: Quotations in the text are drawn from the transcript of the conference "Japan as a Global Power: Contending Views from Japan," co-sponsored by MIT, CFR, and the Sigur Center, June 18, 2013. Minor editing was done for grammatical purposes.

1. For more on the Worldviews of Aspiring Powers project, including Policy Briefs, video, and analysis from past conferences, visit: <http://www.risingpowersinitiative.org/projects/worldviews/>

2. For further analysis of the Japanese domestic debates, see Narushige Michishita and Richard J. Samuels, "Hugging and Hedging: Japanese Grand Strategy in the Twenty-First Century" in Henry Nau and Deepa Ollapally, eds., *Worldviews of Aspiring Powers* (Oxford: Oxford University Press, 2012).

CONFERENCE AGENDA

8:30 AM - 9:00 AM	Registration and Continental Breakfast
9:00 AM - 9:15 AM	Welcome and Introductory Remarks <u>Speaker:</u> Henry R. Nau (GW)
9:15 AM - 11:00 AM	Session I: Japanese Views on National Security and Defense <u>Chair:</u> Richard J. Samuels (MIT) <ul style="list-style-type: none">• Tomoko Abe - Member of Parliament• Kan Ito - Foreign Policy Analyst• Yukio Okamoto - Senior Fellow, Center for International Studies, MIT• Kyoji Yanagisawa - Chief Director, International Geopolitics Institute, Japan
11:00 AM - 11:15 AM	Coffee/Tea Break
11:15 AM - 1:00 PM	Session II: Japanese Views on Economics, International Institutions, and Transnational Issues <u>Chair:</u> Sheila Smith (CFR) <ul style="list-style-type: none">• Tomoko Abe - Member of Parliament• Kan Ito - Foreign Policy Analyst• Yukio Okamoto - Senior Fellow, Center for International Studies, MIT• Kyoji Yanagisawa - Chief Director, International Geopolitics Institute, Japan
1:00 PM - 1:30 PM	Luncheon
1:30 PM - 2:15 PM	Keynote Address <ul style="list-style-type: none">• Fred Hiatt - Editorial Page Editor, <i>Washington Post</i>
2:15 PM - 3:30 PM	Session III: American Views on U.S.-Japan Relations <u>Chair:</u> Deepa Ollapally (GW) <ul style="list-style-type: none">• Doug Bandow - Senior Fellow, Cato Institute• Daniel Kliman - Transatlantic Fellow, Asia, German Marshall Fund of the United States• Michael Swaine - Senior Associate, Carnegie Endowment for International Peace• Daniel Twining - Senior Fellow for Asia, German Marshall Fund of the United States
3:30 PM - 3:45 PM	Coffee/Tea Break
3:45 PM - 5:00 PM	Session IV: Japanese Reactions to American Views on U.S.-Japan Relations <u>Chair:</u> Henry R. Nau (GW) <ul style="list-style-type: none">• Tomoko Abe - Member of Parliament• Kan Ito - Foreign Policy Analyst• Yukio Okamoto - Senior Fellow, Center for International Studies, MIT• Kyoji Yanagisawa - Chief Director, International Geopolitics Institute, Japan
5:00 PM - 5:15 PM	Closing Remarks <u>Speaker:</u> Deepa Ollapally (GW)

WORLDVIEWS OF ASPIRING POWERS



EXPLORING FOREIGN POLICY DEBATES ABROAD: IMPLICATIONS FOR THE UNITED STATES AND GLOBAL LEADERSHIP

The rise and importance of aspiring powers in Asia and Eurasia is clearer than ever. Yet, a deep understanding of the foreign policy choices these states face is still being formed. How well do we know the motivations for China's recent activism toward sea lane and territorial disputes? What are we to make of India's continued reluctance to take on meaningful burden-sharing despite the historic nuclear deal? What message do we draw from Russia's intermittent swings between cooperation and intransigence? How will America's traditional ally, Japan, react to competing pressures in the region and beyond?

The *Worldviews of Aspiring Powers: Exploring Foreign Policy Debates Abroad* project, carried out in 2009-2011, established an unprecedented foundation from which to address these questions. We developed an historically grounded and analytically nuanced approach for dissecting and tracking domestic foreign policy debates in five rising countries: China, India, Iran, Japan, and Russia. This first phase work produced an edited volume published in October 2012 by Oxford University Press, entitled *Worldviews of Aspiring Powers: Domestic Foreign Policy Debates in China, India, Iran, Japan, and Russia*, edited by Henry R. Nau and Deepa M. Ollapally.

The second phase of this project, *Worldviews of Aspiring Powers: Implications for the United States and Global Leadership*, expands on the first phase to break new ground in two directions. First, we expose the domestic foreign policy debates in these key countries to audiences in Washington, DC. In addition to today's conference on worldviews in Japan, we held a major conference on Indian worldviews in January 2012 with the Center for a New American Security, a conference on Chinese worldviews with the Woodrow Wilson International Center for Scholars' Kissinger

Institute on China and the United States in November 2012, and a conference on Russian worldviews with GW's Institute for European, Russian, and Eurasian Studies in March 2013.

Secondly, we apply the format to a new study of critical cross-country issues: energy and maritime security and nuclear energy and nonproliferation. This work features a forthcoming book volume edited by Mike Mochizuki and Deepa Ollapally, tentatively titled *The Asian Energy Security Complex: Maritime Security, Nuclear Energy and Nonproliferation, and U.S. Policy Implications*. Chapters include country studies on China, India, Japan, Korea, and Russia, as well as framework chapters on energy security and trends for U.S. foreign and security policy. The book is one of the first to bring together issues of energy security, maritime security, and nuclear power and nonproliferation.

Worldviews of Aspiring Powers is part of the Elliott School's signature Rising Powers Initiative, a multi-year, multi-project research venture launched in 2009 and housed at the Sigur Center for Asian Studies. The Elliott School of International Affairs is the largest professional school of international affairs in the United States and also one of the highest ranked. The *Worldviews of Aspiring Powers* project spotlights the School's mission to promote research at the nexus of the academic, government, media, and think tank communities. The Rising Powers Initiative explores a range of security, economic, and political issues in Asia – the region that is arguably most critical to the United States in the 21st century.

The *Worldviews of Aspiring Powers* project is generously supported by a grant from Carnegie Corporation of New York.

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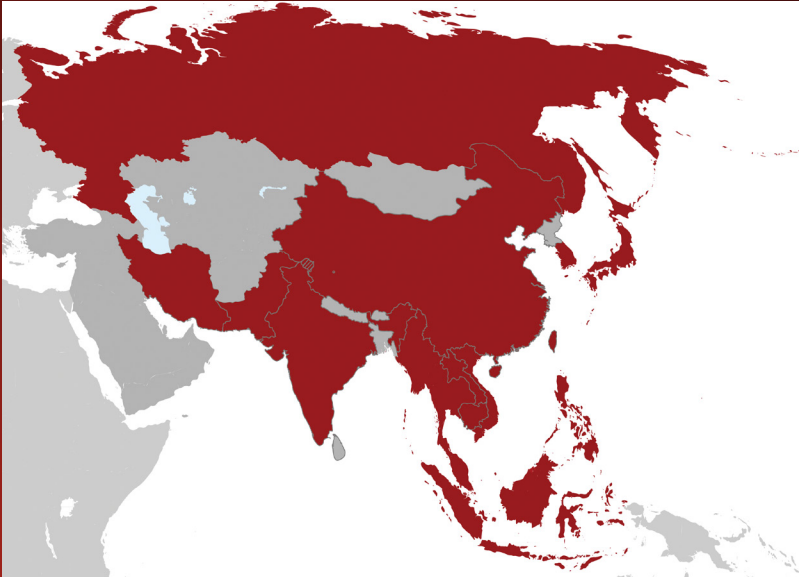
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RISING POWERS INITIATIVE



The Rising Powers Initiative is a cross-national multi-project research effort that examines the role of domestic identities and foreign policy debates of aspiring powers in Asia and Eurasia. The Initiative is hosted by the Sigur Center for Asian Studies at the George Washington University's Elliott School of International Affairs. The RPI brings together an internationally recognized team of more than 40 scholars from both the United States and across the globe to analyze and compare the foreign policy thinking in today's rising powers.

A variety of publications are produced under the aegis of the RPI, including fortnightly *Policy Alerts* that spotlight the diversity of domestic opinion within key Asian countries on current foreign policy challenges. The RPI has also developed a unique database which features important books and articles on Asian security, identity and foreign policy published between 1990 and 2013. Each selection has an abstract, making it a valuable research tool for anyone interested in keeping up with past and current publications on Asian affairs in a quick and accessible fashion.

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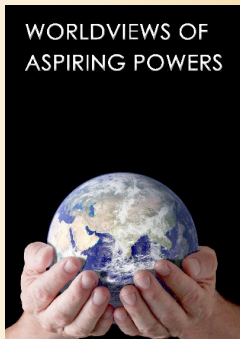


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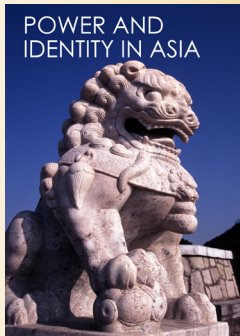
Deepa Ollapally, GWU

WORLDVIEWS OF ASPIRING POWERS



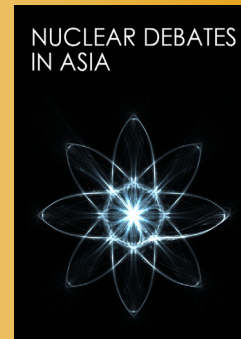
Worldviews of Aspiring Powers identifies and tracks the internal foreign policy debates of aspiring powers in Asia. The “schools of thought” framework developed in this project is applied to energy, maritime security, and nuclear power issues in China, Japan, India, Russia, and South Korea.

POWER AND IDENTITY IN ASIA



Power and Identity in Asia: Implications for Regional Cooperation aims to deepen understanding of how identity issues and power transitions affect the international policies of China, India, Japan, Korea and the Association of Southeast Asian Nations (ASEAN).

NUCLEAR DEBATES IN ASIA



Nuclear Debates in Asia: Balancing Risks and Rewards tracks domestic debates on nuclear power, national security, and nonproliferation—topics closely linked at the domestic political and societal level—in eight countries: China, India, Japan, Pakistan, South Korea, Taiwan, Thailand, and Vietnam.

ASIA'S ECONOMIC CHALLENGES



Asia's Economic Challenges examines the regional and global economic impact and challenges of aspiring Asian powers. The project studies the interplay of economics, energy, security, and geopolitics within China, India, Japan, and South Korea.

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