## Managing Expectations in the U.S.-Japan Alliance: U.S. and Japanese Perspectives

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## **EXPECTATIONS OF THE ALLIANCE: AU.S. PERSPECTIVE**

s a participant in the Armitage-Nye process, I am associated with a set Lof policy recommendations that have been remarkably consistent over the course of twelve years and three reports (Armitage-Nye reports were produced in 2000, 2007, and 2012 respectively). Some common themes run across all three reports: We are unapologetic about promoting high aspirations for the U.S.-Japan alliance. We attempt to outline an ambitious bilateral agenda in great specificity. We believe that those aspirations and the ambitious agenda can only be met through the intentional and dedicated efforts of senior political leaders on both sides. And we understand that real progress will require some policy entrepreneurship and even risk-taking among these said leaders.

If one were to briefly review the recommendations laid out in the three respective reports, one would find an agenda that is still relevant – and still largely unfulfilled. To date, incremental and intermittent progress was the norm. But things may be changing. The questions for us and our Japanese friends are: will things change for the better, or for the worse? Can we accelerate progress toward meaningful achievements, or will there be pressure to identify a far less ambitious agenda for the alliance. It is quite possible we have arrived at an important inflection point for the U.S.-Japan alliance. While the alliance will undoubtedly be sustained as the key pillar in our security posture in the Asia-Pacific going forward, there are a number of critical issues for decisions that face our respective policy makers that could very well determine just how consequential an instrument the alliance will be for affecting security for as far as the eye can see.

First, there are reasons to be optimistic. It is possible for rapid progress during the tenures of our current President and the current Prime Minister of Japan. We have a window of opportunity to strengthen alliance capabilities that is somewhat unique. For the first time in perhaps a decade in a half, we have a confluence of events and factors that create a favorable atmosphere for what might otherwise be difficult political decisions.

Japan faces genuine threats to her security. And the nature of those threats has been revealed in explicit and compelling ways that common Japanese citizens can easily appreciate. The external security environment features assertive behavior toward Japan from BOTH China AND North Korea at the same time. These activities – particularly those

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of China in the vicinity of the Senkakus – can potentially generate broad public support in Japan for taking steps to strengthen defense.

We are witnessing political stability in Japan (not just in a relative sense, but in absolute terms) with Prime Minister Abe enjoying high approval ratings and the LDP seemingly heading for a strong showing in July's upper house elections. Knowing that a government will likely be in place for at least a few years, and knowing that this government has a coalition capable of actually governance should give us great hope that politically difficult decisions can be made.

The United States has also done much to position ourselves favorably to do the hard work that is necessary on the alliance. The Administration is rhetorically committed to a "pivot" to Asia. Though the pivot is not exclusively about defense and military issues, the President's own strategic guidance has committed the U.S. to the goal of placing sixty percent of our naval forces in the Asia-Pacific. Combined with the drawdowns in Iraq and Afghanistan, we should have a freer hand to focus on Asia and Japan.

But there are also challenges. Both the United States and Japan face serious resource constraints. In the short term, the greater uncertainty lies on the side of Washington. With the sequestration taking effect this year (coming on the heels of previous cuts to the defense budget), it remains unclear how the Department of Defense will ultimately "resource" the military aspects of the pivot. Some of these answers may be revealed in the QDR process, and in the



U.S.-Japan joint guidelines – but those documents may turn out to be aspirational if real money is not available for implementation. Over the longer term, perhaps the greater uncertainty lies on the side of Japan. Irrespective of the success of Abenomics, Japan will need to make major, structural reforms if resources are to be made available to invest in defense in the future.

Second, despite the rhetorical commitment to the pivot, there remain open questions as to how committed the United States really is to the Asia-Pacific. We're allegedly pivoting to Asia – but at the time of this writing we have neither an Assistant Secretary of State for Asia, nor an Assistant Secretary of Defense for Asia. We're pivoting to Asia, yet for the first time since rebalancing actually commenced (during the Administration of George H. W. Bush), we don't have a single Cabinet Secretary, or Deputy Cabinet Secretary who is an identifiable Asia-hand, and thus an obvious "go-to" person on Asia policy. And we're pivoting to Asia, yet our Secretary of State spends the vast majority of his time in the Middle East and Europe, and during his confirmation hearing left many in doubt that he was as committed to the Asia-Pacific as his predecessor.

And third, the precious political space that is needed to make difficult decisions on defense matters is perhaps being squandered through a series of "unforced errors." On this issue, we must look primarily at Japan. While it is not for the United States to render definitive judgments on sensitive historical matters, it is very much in our purview to convey to Japanese friends the consequences associated with diplomatic gaffes and blunders. Taking the necessary steps to strengthen the alliance will be all the more difficult if opposition stiffens in the region. And while objections are expected from Beijing in any scenario, and thus easily managed, concerns raised by Seoul are a different matter. Washington will face tough choices if South Korea strenuously objects to Japan's defense reform and modernization. And at the end of the day, Washington's resolve to fight for strengthening the alliance will be undercut if our own confidence in Japan's direction is shaken. If Japan continues to play into the hands of those promoting the narrative of Japan's re-militarization and the rise of right wing nationalism, even long time friends of Japan in Washington may wonder why Japanese leaders seem so focused on the rear view mirror, and less focused on the road in front.

Given that we may be at an inflection point, and that our trajectory could deviate dramatically in either direction from this point forward, we must take care on how we proceed. The aforementioned positive elements in the atmosphere may prove to be ephemeral if we don't seize opportunities presented. Rather than repeat or repackage recommendations made in past Armitage-Nye reports (all of which remain quite valid), let me suggest there are several specific actions that should be pursued in the relative near term that, taken collectively, would signal our strong intent to strengthen the military aspects of the alliance in meaningful ways. These steps might be described as the necessary (though insufficient) measures to the eventual full implementation of the

Armitage-Nye program. I suggest the following five measures:

The United States and Japan need to develop a consensus view of China's military trajectory, and we must allow that view to inform our planning, acquisition, training, and operations. The development of "common strategic objectives" shared by the two sides has been positive. If you don't know where you're going, then any road will get you there. But the true purpose of developing common objectives is to drive follow-on actions.

With respect to China, our two governments should embark on a program of deeper study and analysis of China's current trajectory. A collaborative "net assessment" of China's emerging power would help us further understand the full implications of China's re-rise for the alliance. Further, in light of those findings our two countries should conduct a review of our acquisition plans to assess if we are adequately meeting the emerging challenges. Ultimately for deterrence to be effective. Chinese military strategists must believe we are fully prepared to succeed in a wide variety of contingencies in which the alliance could square-off against Chinese forces.

Second, Japan and the United States should speak candidly and specifically about Japan's plans to address restrictions on collective defense. It seems increasingly clear that the Japanese government wishes to remove constitutional constraints as an obstacle to more robust alliance activities. But Japan's specific plans remain somewhat shrouded. The United States has



traditionally remained quiet on issues associated with Japan's constitutional constraints on its defense forces. To date, this has been the appropriate approach given Japan's requirement for internal debate on these matters. However, as Japan moves closer to proceeding with consequential changes (whether through an explicit reinterpretation of its constitution, an implied reinterpretation through expanded roles and missions, or through an actual change to Article 9), the U.S. government would be wise to abandon its agnosticism. Ultimately, Japan's decision to evolve will be made manifest in its agreement of expanded roles and missions responsibilities, and in some cases, its weapons acquisition. But that evolution should be the product of strategic direction provided by senior political leaders - not as product of mission creep from the operational level.

Third, the United States and Japan should be dedicated to enhancing the operational effectiveness of our military forces by seeking the capabilities for a comprehensive, multi-battle space common operating picture, as well as a more integrated command and control structure for operational decision making. While common strategic objectives are valuable, and clearly defined roles and missions are necessary, the very fundamental requirements of "seeing" the threat, as well as the ability to communicate to forces in a timely and accurate manner a plan for cohesive response to said threat is an absolute priority. Such a commitment would necessarily inform some acquisition plans in the C4ISR space, but it would also compel the U.S. and Japan to look hard at command structure. Further integration

of command and decision making is needed.

Fourth, the United States and Japan should conduct a comprehensive review of our joint training program. Upon completion of this review, we should commit to a robust training schedule involving more realistic and meaningful scenarios. We should commit to announcing new joint training activities as soon as possible. Exercises involving amphibious operations near and landings on small islands in the surrounding areas of Japan would immediately accomplish two important goals. First, it would send a clear political message to Japan's potential adversaries that Japan is preparing for the contingencies that appear to be growing in risk. And second, it would help exercise real capabilities for a variety of peacetime activities such as humanitarian/disaster relief, and noncombatant evacuations that can further assist Japan in improving its already stellar reputation as a good regional and global citizen.

And fifth, the United States and Japan should move quickly to identify specific programs for joint collaboration on future sophisticated weaponry. Japan rightfully moved to revise its "three principles on arms exports." Yet with each passing day in the absence of specific program plans this major policy decision appears to be merely symbolic. Given the obvious potential for synergies in technology development and in cost reduction, perhaps many in Washington assumed programs would emerge organically without active promotion from governments. But these programs have not come to fruition and we are now



living with opportunity costs. The two governments should intervene and actively seek to identify real programs for joint development, production and acquisition. Important constituencies in both the U.S. and Japan will see such programs as an effort to develop modern weaponry in an era of resource constraints, and alliance managers will see genuine opportunities to enhance interoperability and thus operational effectiveness.

These five measures are achievable, and are relatively low-cost. Ultimately, the United States and Japan also need their own version of "strategic reassurance." The United States needs to reassure Japan of our sustained commitment to the alliance, and the ability to secure necessary resources despite the large cuts experienced by the Department of Defense. Washington also needs to demonstrate to Tokyo that it will not fall into the recent pattern established by at least the last two presidencies of lurching toward a Sino-centric management of regional affairs during the second term of an Administration. Japan must reassure the United States that its program of economic reform deals with BOTH the short term need for stimulus as well as the long term structural challenges. Japan must also demonstrate more clearly it can manage relations with Seoul, and to some extent Beijing. This means beginning to develop a better track record of handling delicate political/diplomatic issues. Again, the United States government should not make demands as to how Japan (or any country for that matter) chooses to honor her war dead, nor should Washington try to assert that we have a version of historical events that is the most accurate

and objective. But we both need as much "room for maneuver" as possible, and our plans together should not become the victim of avoidable, self-inflicted wounds.

## EXPECTATIONS OF THE ALLIANCE: A JAPANESE PERSPECTIVE

ince the 1980s, the Asia-Pacific region as a whole has risen to become the world's most dynamic area. This remarkable development is represented by the economic rise of Japan. Republic of Korea, Taiwan, ASEAN countries, and China. Yet these success stories, which underscore the region's economic prosperity, do not guarantee similar successes for regional stability/security in the 21st century. To be sure, the U.S.-Japan alliance and other regional alliances forged by the United States provide the stability that served as the prerequisite for the region's economic miracle. Furthermore, these alliances will continue to play a critical role in the future prosperity of the Asia-Pacific region.

Japan, a key alliance partner of the United States, is now trying to revitalize its economy through "Abenomics." And, at the same time, Japan is seeking to develop a more robust defense posture and assume a more active role in international security. As Japanese Defense Minister Itsunori Onodera clearly indicated at the June 2013 Shangri-La Dialogue, a "strong Japan" has nothing to do with "historical revisionism." As Onodera's speech emphasized, the Government of Japan (GoJ) maintains a traditional view toward issues related to history, and moreover, Tokyo's "strong Japan" policy is aimed at



integrating Japanese national interest with regional interests. Whereas the United States, a key alliance partner of Japan, is "rebalancing" to Asia. The United States to be sure has never left Asia and is an essential player for "get[ting] Asia right." Washington's "rebalancing" reassures regional countries that the United States intends to strengthen its commitment to Asia, even during a period of budget austerity.

Going forward, the most important policy agenda for the future of regional security is to harmonize Tokyo's "strong Japan" policy and Washington's "rebalance" to Asia. Indeed, we are at an important inflection point in the U.S.-Japan alliance, and harmonizing these two policy pillars is the key question to be tackled by the two countries' decision makers. More specifically, the following four issues should be front and center of the decision making process of alliance managers:

The on-going situation in the East China Sea. China's creeping expansion within Asia's maritime domain has been a serious cause for concern for Japan. This concern is clearly reflected in Japan's 2010 National Defense Program Guidelines (NDPG).1 The current state-ofaffairs in the East China Sea over the Senkaku Island was a predictable situation. To be sure, the 2010 NDPG minted the concept of "dynamic deterrence" to deter China's creeping expansion, such as fait accompli or probing, through intensified presencepatrol and frequent ISR activities (intelligence, surveillance, and reconnaissance).

Since the current Senkaku crisis broke out in the summer of 2012, GoJ has refrained from utilizing its military forces, and instead tasked the Japan Coast Guard as the primary unit for dealing with China's challenges to the status quo via its maritime paramilitary forces. The United States supported Japan's response by clarifying that Article V of the Japan-U.S. Security Treaty applies to the Senkaku situation. In particular, Secretary of State Clinton's statement in January 2013 that, "we [United States] acknowledge they are under the administration of Japan and we oppose any unilateral actions that would seek to undermine Japanese administration"2 and the National Defense Authorization Act for FY 2013. which mentions that "the unilateral action of a third party will not affect the United States' acknowledgment of the administration of Japan over the Senkaku Islands"3 are strong signals that the United States is seriously concerned by China's efforts to change the status quo through creeping expansion, and



<sup>&</sup>lt;sup>1</sup> Government of Japan, "National Defense Program Guidelines for FY2011 and beyond," (December 17, 2010)

<sup>&</sup>lt;http://www.mod.go.jp/e/d\_act/d\_policy/pdf/guidelin esFY2011.pdf> (accessed on February 26, 2013).

<sup>&</sup>lt;sup>2</sup> Hilary Rodham Clinton, "Remarks with Japanese Foreign Minister Fumio Kishida after Their Meeting," (January 18, 2013) <

http://www.state.gov/secretary/rm/2013/01/203050.ht m> (accessed on Febrary 26, 2013).

<sup>&</sup>lt;sup>3</sup> One Hundred Twelfth Congress of the United States of America at the Second Session, An Act to authorize appropriations for fiscal year 2013 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes, <http://www.gpo.gov/fdsys/pkg/BILLS-112hr4310enr/pdf/BILLS-112hr4310enr.pdf> (accessed on February 26, 2013).

demonstrate Washington's commitment to fulfill its treaty obligation.

One significant implication of the state-of-affairs over the Senkaku Island is that the United States ought to realize that the endgame for the current crisis may shape the future trend line of regional security. There are multiple disputes in the South China Sea and the East China Sea, such as the Scarborough Shoal, Spratly/Paracel islands, EEZ demarcation disputes, in addition to the Senkaku issue.

When compared to other regional maritime disputes, the Senkaku issue should be the simplest case for the United States. First, the United States occupied the island from 1945 to 1972 as part of its broader occupation of Japan. While the U.S. military technically maintains the right to use one of the islets as a bombing range, the United States has not exercised this right since around 1979.4 Given the history of U.S. commitment to these islands, Washington's position may be perceived as less neutral than in other disputes in the South China Sea and the East China Sea. Second, the country that administratively controls these islands is a treaty ally of the United States. Compared to disputes between Vietnam and Indonesia, this should make determining a U.S. position easier. At the same time, however, this fact narrows U.S. policy alternatives because the abandonment of a treaty ally will call into question U.S. credibility among other



If China's creeping expansion over the East China Sea goes unchecked, how could one expect the United States to hedge against Chinese expansion in the South China Sea or East China Sea (which are far more complex cases)? Furthermore, if the Japan-U.S. alliance cannot succeed in blocking China's creeping expansion, Beijing may take advantage of this endgame as evidence demonstrating that American commitment to this region is not credible. In other words, while the success of blocking China's creeping expansion over



<sup>&</sup>lt;sup>4</sup> Nicholas D. Kristof, "Would You Fight for These Islands?" (October 20,

<sup>1996)&</sup>lt;http://www.nytimes.com/1996/10/20/weekinr eview/would-you-fight-for-these-

islands.html?pagewanted=2>(accessed on July 3, 2013).

<sup>&</sup>lt;sup>5</sup> Center for Strategic and International Studies, "Statesmen's Forum: Shinzo Abe, Prime Minister of Japan," (February 22, 2013)<

http://csis.org/files/attachments/132202\_PM\_Abe\_TS .pdf> (accessed on February 26, 2013).

the Senkaku Islands may not necessitate success in the South China Sea, but failure in challenging China's expansion in the Senkaku Islands could lead to failures in other regional disputes. Assuming that the Senkaku issue is the simplest case for the United States, the current crisis could have a "domino" effect when it comes to other regional disputes (Not just in the context of bilateral tension between Japan and China, but also in the broader context of regional security.). Japan expects that the United States will continue to provide robust support for Japan.

North Korea's nuclear and missile developments. North Korea restarted a series of missile launch and nuclear test beginning in April 2012. The real progress of North Korean nuclear and missile developments remain in a black box, but the recent series of events suggest that Pyongyang has been making progress toward the development of nuclear tipped long-range missiles. From a defense planning perspective, Japan and the United States need to upgrade their efforts to deter and defend against such challenges.

One standard question that extends from North Korea's nucleartipped long-range missile is whether the credibility of U.S. extended deterrence may be diminished if North Korea succeeds in deploying nuclear missiles that could reach the continental United States. From a strategic perspective, the answer to this question is a resolute "no." First, the United States has repeatedly reaffirmed its commitment of extended deterrence through various occasions and the 2010 Nuclear Posture Review. Second, if the United States is "deterred" by just a handful of nuclear missiles from North

Korea, how could Asian allies expect a viable extended deterrence commitment from the United States against China's burgeoning nuclear arsenal? This scenario could present the precondition for a shift from the United States to China as the leader of Asian security. Third, it will raise doubt about alliance commitments not just in Asia but in Europe as well. If the United States is deterred by a small number of North Korean nuclear missiles, then the credibility of NATO would suffer as well. This is too big cost for the U.S. foreign policy. Fourth, if a handful of nuclear weapon is enough to deter the U.S., proliferation of nuclear weapon will no longer be able to stop, because North Korea "proves" the effectiveness of nuclear weapon to deter the United States in such case. Again, the cost will be too much for the United States. So, concern about credibility of U.S. extended deterrence because of development of North Korea's nuclear missile is not legitimate one.

There are two caveats in the aforementioned line of inquiry. First, if the United States drastically soften its attitude toward North Korea after their success of developing of nuclear tipped long-range missile, regional audiences interpret this change of policy as a clear indication of U.S. 'weakness,' because it looks like that the United States is intimidated by North Korea's nuclear weapon. Then, concern on credibility of U.S. extended deterrence will no longer be illegitimate. In this sense, regardless of the situation of North Korea's nuclear and missile development program, the United States should continue the current robust attitude against North Korea and continue to make efforts to strengthen the Japan-



U.S. alliance, U.S-ROK alliance, and Japan-U.S.-ROK trilateral cooperation. Second, even though North Korea's nuclear missile deployment will not damage credibility of U.S. extended deterrence, North Korea may perceive that now it has robust deterrent against the U.S. and other regional countries. In this case, North Korea would likely to intensify their provocation against ROK, and possibly against Japan as well. To respond such intensified provocation, the U.S. and regional allies need to demonstrate their robust deterrence posture in more visible and operational ways.

The defense budget trend line. The debate about defense budget cut and sequestration are ongoing. Japan does not need to worry too much about defense budget cut in general. First, with the "rebalance to Asia" strategy, programs for Asia-Pacific security are expected to be prioritized. Second, without factoring in future spending, the United States has procured a large number of assets during a period of high-defense spending that began after the 9/11 terrorist attacks, such as the F-22, Super Hornet, C-17, and DDG-51 Aegis destrovers. These capabilities provides a credible deterrent in the Asia-Pacific region at least for the coming decade, perhaps two, even with the coming potential defense budget cut. Therefore, Japan can be "cautiously optimistic."

However, this is a perspective that comes only from capability term. Politically, there can be some other negative implications. Even though the United States still maintains the world's largest defense budget, a decreasing trend line may be seen as a sign of the weakness of the United States by some regional countries. Especially if defense budget cut and sequestration take effect, combined with huge trouble in American domestic politics, this could be interpreted as a clear indication of unpredictability in U.S. foreign policy. Then, regional countries may begin to underestimate the sustainability of U.S. commitment to the region. To avoid such negative fallout, ongoing budget-cut politics inside beltway should be fixed as soon as possible.

On the other hand, the new administration in Japan, Prime Minister Abe decided to increase defense budget. The FY 2012 amount of Japan's defense budget is about 4.8 trillion yen.6 But as not necessarily broadly known, Japan's defense budget including supplemental budget exceeded 5 trillion ven in FY 2011.7 While this include operational cost for the Earthquake disaster operation, this means about 5 trillion ven regular defense budget can be a reference point, especially if "Abenomics" succeeds. So, potential concrete target for regular defense budget can be 5 trillion ven or plus. This means about 5-10 % increase of defense budget. Since the size of Japanese defense is about 10% of US defense expenditure, this 10 % increase of Japanese regular defense budget means 1 % of US defense budget. This sounds like



<sup>&</sup>lt;sup>6</sup> Zaimusho (Ministry of Finance), "Heisei 24 Nendo Boei Kankei Yosan no Pointo" (Overview of FY2012 Defense Budget), (December 2011) <http://www.mof.go.jp/budget/budger\_workflow/bud get/fy2012/seifuan24/yosan015.pdf> (accessed on February 26, 2013).

<sup>&</sup>lt;sup>7</sup> Zaimusho (Ministry of Finance), "Heisei 23 Nendo Ippan Kaikei Kessan Gaiyo" (Overview of the Outlay of the General Account in FY 2011), < http://www.mof.go.jp/budget/budger\_workflow/acco

unt/fy2011/ke240731sankou-1.pdf> (accessed on February 26, 2013).

marginal, but in the budget austerity period, this 1% increase of alliance defense budget, which mainly allocated just for the Asia-Pacific security, can play significant role.

U.S.-Japan Defense Guidelines. Japan and the U.S. agreed to start a talk to revise the U.S.-Japan Defense Guidelines. The current defense guidelines were revised in 1997. Since 16 years has passed since then, the security environment in East Asia and the level of defense cooperation between two countries has greatly transformed.

At first, the main concern in regional security is not intact from the mid-1990s. The major regional security concerns in the middle of 1990s are Korean Peninsula conflict. So main theme of the 1997 defense guidelines is assumed to assist U.S. military forces in these potential contingencies. On the other hand, in the current context, more prioritized concerns are North Korean collapse in Korean Peninsula and Japan-China showdown in the East China Sea.

Secondly, the level of operational cooperation in the present has been much more improved. Compare the degree of operational cooperation between the U.S. and Japan in the mid-1990s to the current level of cooperation, the current one is much more integrated and inter-operable, after experiences in Indian Ocean and Iraq, the Tomodachi Operation at the 2011 Great East Japan Earthquake, and missile defense cooperation. So, further deepen operational cooperation can be expected through reviewing Defense Guidelines.

In addition, new challenges and areas of cooperation has been emerged which did not exist in the mid-1990s. In addition to missile defense cooperation, which did not existed in 1997, cyber, space, and cooperation in global arena are the new areas for operational cooperation which can be covered by the Defense Guidelines. Again, the current Defense Guidelines are the product in 1997. As shown, there have been many changes in security environment and defense cooperation. Whether it requires the "revision" of the Defense Guidelines or not is not clear, but to update the form of operational defense cooperation for the contemporary security environment and alliance for the future, "review" of the Defense Guidelines cannot be skipped.

Going forward, the most important policy agenda for the future of regional security is to harmonize Tokyo's "strong Japan" policy and Washington's "rebalance to Asia." The U.S.-Japan alliance may be at an important inflection, and harmonizing the two allies' policy pillars is the key to ensuring a stable and prosperous future in the Asia-Pacific region.

