Reshaping Foreign Policy in an Era of Upheaval

JAPANESE INTERNATIONALISM IN THE 21ST CENTURY

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Author’s Note

Although written individually, the essays in this volume were conceived of in an integrated sense. Despite numerous writings on Japan’s security and diplomatic policies, less attention has been paid to the overarching strategies and national priorities that recent Japanese governments have adopted in response to changes in the regional geopolitical and economic balance. In general, a fuller reassessment of Japan—its economic, political, social, technological, and security strengths and weaknesses—is long overdue, and this set of essays is a first, limited stab at attempting such.

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As always, any errors of fact or misinterpretations are mine alone.
Japan’s National Power in a Shifting Global Balance

Despite two decades of economic difficulty and political evolution, Japan remains one of Asia’s great powers. Its position as one of the oldest democracies in Asia, combined with its level of development and wealth as the world’s fourth-largest economy (by purchasing power parity valuation), gives it a leadership role in Asia’s geopolitical hierarchy. Social stability, a skilled workforce, and an ethnically and linguistically united citizenry add to Japan’s overall strength.

Yet Japan faces significant uncertainties in both its foreign and domestic politics. Adequately responding to these uncertainties will tax both Japan’s policymakers and its population and make clear whether the country’s national power remains sufficient to deal with the challenges it faces. Over the past several decades, a number of external threats and problems have emerged. China has grown to become Japan’s primary geopolitical competitor in East Asia and seeks political, economic, and military supremacy in the region. Japan’s security environment is threatened by North Korea’s nuclear and missile programs and by ongoing uncertainty about the intentions of the Kim Jong Un regime. Japan’s relations with South Korea present another problem, as historical grievances and territorial disputes continue to hamstring relations between Tokyo and Seoul.

On the domestic front, Japan continues attempting to revitalize its economy, a quarter century after the popping of its asset and real estate bubbles. Regaining competitiveness and innovation remains
a challenge for businesses. While socially stable, the country faces a significant demographic decline and must create policies to deal with labor shortages, an aging population, and a decline in the viability of rural areas. A lack of immigration and a drop in the number of Japanese studying or living abroad also contribute to potential insularity. While seemingly politically paralyzed, Japan in fact has gone through a 20-year political realignment in which the long-ruling Liberal Democratic Party (LDP) lost power to the opposition Democratic Party of Japan (DPJ), only to return to power after three years with a larger majority than before. Nonetheless, voter participation levels have steadily declined, and doubts about the LDP’s ability to revive economic growth foster continuing pessimism among Japanese voters.

In some ways, Japan is at a crossroads. It must plan for a future with a reduced population and ongoing economic lassitude. At the same time, it struggles to respond to the shift in the balance of power in the Asia-Pacific toward China. Long-held taboos on security cooperation abroad and military operations overseas are beginning to weaken because of both the change in Asia’s security environment and Prime Minister Shinzo Abe’s activist foreign policy. Nonetheless, political culture and a postwar sensibility continue to hold Japan back from passing the full range of economic and security reforms that are needed to respond to the challenges at home and abroad. While deficient in natural resources, Japan has every other significant element of national power and remains one of Asia’s richest nations. Yet it could do more to tear down the barriers to increasing national power so as to not only retain but also expand its leadership role in Asia. This, in turn, requires the national will for reforming itself.

This chapter begins with a review of the inherent strengths that Japan derives from its national resources. These include its diverse yet challenging geography, significant human resources, and long-developed capital and financial resources. The chapter then assesses how these inputs are expressed in national performance, or more precisely, Japan’s capacity to mobilize resources to exercise national power. This assessment begins with an overview of Japan’s
threat environment and then examines the role of its government structure and corporate institutions. It then considers how cohesion among elites both helps and hinders national performance, along with the question of how much political reform is needed to optimize the system. The final section of this chapter turns to the ultimate output of national resources and performance: military capability. A review of Japan’s defense budget and force structure leads into an examination of the nation’s particular constitutional limitations on the use of force. The changes in Japan’s security environment are then analyzed in a discussion of Tokyo’s “new internationalism” and its security component. The chapter concludes by highlighting the key takeaways of this analysis, stressing the limitations on Japan’s ability to generate and employ its military capability in a challenging regional environment.

Japan’s National Resources

Japan derives several inherent strengths from its national resources. These include its geography, natural resources, human resources, and capital and financial resources.

Geography. Japan is strategically located at the extreme eastern end of the Eurasian landmass and stretches some 3,300 kilometers from Siberia in the north to Taiwan in the south. It thus forms a potential barrier between continental Asia and the northern Pacific Ocean. As an archipelagic nation with no land borders, Japan comprises four main islands and 2,456 claimed smaller islands, with no part of the country more than 150 kilometers from the ocean. Its total area is just under 378,000 square kilometers, making it approximately the size of Norway.  

Japan’s location is strategic as well, given that its neighbors include China, Russia, Taiwan, and the two Koreas. Its relations with each of these nations has political, economic, and security implications for Asia and the globe. Despite its economic importance and strategic position, however, Japan has struggled to develop relations of trust or cooperation with its neighbors. With China, it is increasingly locked
into a competition for leadership in Asia, while ties with South Korea are strained by unresolved historical issues relating to Japan’s 35-year colonization of the Korean Peninsula and war crimes during World War II. Further, Japan has found itself involved in a complex triangle with Russia and China over energy resources, control of vital sea lanes, and regional politics. Looking for geopolitical maneuvering room, Tokyo often has viewed Moscow as a potential partner to help balance China.

Japan is embroiled in territorial disputes with each of its main neighbors, further straining its geopolitical position in Asia. Russia has controlled four of the Kuril Islands (known as the Northern Territories in Japan) north of Hokkaido since 1945 and has announced plans to upgrade the islands’ defenses in the coming years, thus complicating Tokyo’s desire for closer relations. South Korea and Japan are locked in a diplomatic and legal dispute over the status of the Liancourt Rocks (known as Takeshima in Japan and Dokdo in South Korea) in the Sea of Japan, raising tensions between local activist groups in both countries. Most seriously, China actively challenges Japan’s administrative control and claim of sovereignty over the Senkaku Islands (known as Diaoyu in China and Diaoyutai in Taiwan), which are located just northeast of Taiwan and are thus strategic for controlling access from the East China Sea to the western Pacific Ocean. The Senkakus also lie on rich reserves of undersea gas and oil, coveted by both nations.

**Natural Resources.** Japan’s history has been shaped by its lack of natural resources. It has almost none of the resources needed for a modern, industrialized economy. The country must import 96 percent of its primary energy resources, primarily natural gas and oil, along with coal, making it one of the world’s largest importers of fossil fuels. Until the 2011 Tohoku earthquake, nuclear energy accounted for approximately 30 percent of Japan’s energy supply, but almost all the country’s nuclear power plants have been shut down since then, increasing reliance on imported fossil fuels. In recent years, Japanese government agencies have sponsored exploration of the seabed around Japan’s home islands and have discovered
potentially massive amounts of methane hydrates. If these hydrates were exploited, they could provide much of Japan’s natural gas for the next century.  

In April 2015, the Ministry of Economy, Trade and Industry released a draft report on the country’s energy mix looking ahead to 2030. The plan calls for nuclear energy to provide 20–22 percent of the country’s energy needs, while liquefied natural gas (LNG) would shrink to 27 percent from the current level of 43 percent. Oil, meanwhile, would drop from 15 percent to just 3 percent of energy consumed. At the same time, Prime Minister Abe has pledged to cut Japan’s greenhouse gas emissions by 26 percent by the same year, although his plans call for just a 4 percent drop in the use of coal. The bulk of the change in the energy mix over the next 15 years will come from restarting Japan’s nuclear reactors, thus providing an element of energy security by reducing reliance on the global market to supply the country’s needs.

In addition, Japan imports the vast majority of its minerals and precious metals, including rare earths, many of which come from China. The only natural resources it has in abundance are timber, with just under 70 percent of its landmass being forested, and rich fisheries in the Pacific Ocean. The country produces only approximately 40 percent of its annual food supply, importing the rest. Although Japan’s geographic position as an island state would naturally push it toward becoming a trading nation, this lack of natural resources mandates that it be fully integrated into maritime and aerial trading networks to support its national existence.

Human Resources. Japan has always made up for its lack of natural resources with its human resources. Its 127 million people are ethnically homogenous, sharing the same language, writing system, culture, and main religions. Japan achieved nearly 100 percent literacy in the 20th century, as well as universal secondary education, and has one of the world’s most developed tertiary educational systems, which includes major research universities in the country’s main urban areas. According to the Organisation for Economic Co-operation and Development’s 2012 Program for International
Student Assessment, Japanese students ranked second globally in mathematics and first in both reading and science performance.\textsuperscript{14}

In other social rankings, Japan also scores high globally. It has the world's third-longest life expectancy, universal health care, advanced sanitation throughout the country, and one of the world's lowest crime rates.\textsuperscript{15}

Teen pregnancy has traditionally been among the world's lowest, with approximately five births per one thousand women age 15–19, according to the World Bank, and Japan thus has avoided many of the socioeconomic problems associated with young, one-parent families.\textsuperscript{16}

Yet not all social and economic indicators are positive. While Japan's educational achievements have ensured the type of skilled workforce needed for maintaining an advanced industrial and postindustrial economy, critics have long questioned whether Japanese students are taught the critical thinking skills required to sustain innovation and deal with complex crisis situations.\textsuperscript{17} Further, with only 49 percent of women in the workforce, despite high educational levels, Japan lags behind other developed nations in employing the full talents of its citizenry.\textsuperscript{18} This is one reason for Abe's so-called womenomics policy, introduced in 2014, which is designed to increase the number of women in the workforce.\textsuperscript{19} These weaknesses serve to hinder national economic performance over the long run, particularly in an increasingly competitive global economy where innovation and flexibility are especially important.

As is well known, Japan's overall demographic picture is negative. Fertility rates dropped below replacement level in the 1970s, leading to a loss in population beginning in 2007. The number of children in Japan age 15 or under has been declining annually since 1981, and currently those age 65 or older make up a full quarter of the population.\textsuperscript{20} It is estimated that the elderly will constitute 40 percent of Japan's population by 2060 and that the total population could fall under 100 million by 2050, and as low as 86 million by 2060.\textsuperscript{21} Historically, Japan has severely restricted legal immigration, although illegal day laborers from Southeast Asia and the Middle East are common in the construction and services industries.\textsuperscript{22}
However, the country does not incorporate highly skilled international talent into society, thus retarding innovation and skill transfer in Japanese companies.

Japan’s citizens benefit from its liberal sociopolitical system. Japan is perhaps Asia’s most stable democracy, with universal suffrage and free and fair elections at the national, prefectural, and local levels. Political parties are plentiful and free from government interference. Civilian control over the military, the Japan Self-Defense Forces (JSDF), is absolute. The rule of law, which is upheld through a largely transparent legal system, underpins individual freedom as expressed in the postwar constitution. Questions about the latitude given to the national police in detaining suspects and the secrecy of capital punishment cases mar an otherwise open legal system. Freedom of the press is guaranteed in Japan, and the country boasts one of the most freewheeling environments in both print and broadcast media. However, recent concerns about the Abe administration’s pressure on media companies over stories critical of government policies have increased wariness among journalists.

**Capital and Financial Resources.** Relying on its human capital, Japan has become one of the world’s most developed nations. Its gross domestic product (GDP) is estimated at $4.8 trillion (in both purchasing power parity and at official exchange rates), with a per capita GDP of $37,800, making Japan one of the world’s wealthiest societies. Agriculture accounts for just 2.9 percent of the labor force and only 1.2 percent of GDP, while 70 percent of workers are in the service sector, which accounts for 73 percent of GDP. Japan became a world leader in advanced manufacturing during the post–World War II era and maintains a developed industrial base, especially in automotive, machinery, textiles, and electronics production. While no longer the leading producer of steel, computer chips, or consumer electronics, Japan has become central to the global value-added supply chain by producing electronic components for automobiles, smartphones, personal computers, and machinery. It has one of the world’s highest concentrations of internet users, and computers are used widely in educational and business settings.
Research universities and corporations invest heavily in research and development (R&D), and Japan has the world’s third-largest concentration of R&D investment at 10 percent of the global total, trailing only the United States and China, although the annual growth in R&D is comparatively slow at just 3.5 percent.\textsuperscript{28}

Japan’s technological development has been expressed through its largely open economy and advanced corporate community. Japan has a free-market economy, although one that through the postwar period experienced a significant level of government intervention. Domestic consumption accounts for 60 percent of GDP (less than the United States at 68 percent), and export of goods and services accounts for just over 17 percent.\textsuperscript{29} Japan is thus relatively less dependent on the global market than other developed Asian states, such as South Korea, whose export of goods and services accounts for fully 50 percent of GDP.\textsuperscript{30} Nonetheless, exports totaled more than $700 billion in 2014, and numerous Japanese firms are global leaders in their market sectors, such as Toyota or Honda in motor vehicle manufacturing and Panasonic or Sony in consumer electronics.\textsuperscript{31} Conversely, the country has run current account surpluses for many years, yet the cost of energy imports has resulted in a trade deficit that shrunk the country’s surplus to just $22 billion in 2014, the lowest since 1985.\textsuperscript{32} By some estimates, the cost of importing energy increased by $100 billion from 2011 to 2013, driven in large part by Japanese companies using a weak yen to purchase LNG, due to the loss of nuclear power generation after the 2011 earthquake.\textsuperscript{33}

Japan’s corporations have modern governance structures but often remain encased in informal vertical relationships with banks, distributors, lower-level suppliers, and the like that serve to hinder broader competition in the economy. Over more than the past decade, these companies have become less competitive relative to South Korean, Taiwanese, and Chinese manufacturers, and innovation has similarly suffered. Japan likewise lags in foreign direct investment (FDI), with just over $2 billion in 2013, accounting for only 3.5 percent of GDP.\textsuperscript{34} Yet the country still ranks third globally for patents filed, behind only China and the United States, with more than 328,000 in 2013.\textsuperscript{35}
The lack of foreign capital and ideas in Japan’s economy has meant a sluggish response to lower growth and the maturing of the manufacturing sector. Startups and entrepreneurship occupy a smaller space in the economy than in comparably developed nations, particularly the United States. For example, in 2012, direct public R&D funding in Japan stood at less than 0.1 percent of GDP and was primarily directed at large companies, to the disadvantage of startups. In comparison, direct public R&D funding levels in the United States were 0.2 percent of GDP in 2012, while South Korea’s hovered just below 0.2 percent of GDP. This low level of public R&D is mirrored in Japan’s relatively underdeveloped venture capital market, which accounts for just 0.02 percent of GDP, far behind the United States and even South Korea.

Trade and an open economy have given Japan significant capital and financial resources. It has the fourth-highest stock of broad money (currency in circulation plus all deposits) at $8 trillion and the second-largest holding of foreign reserves and gold, with more than $1.25 trillion, along with almost $5 trillion of wealth in publicly traded shares on Japanese stock markets. Postal system savings alone represent almost $3 trillion in liquid assets, while Japanese firms hold $2.1 trillion in cash. Although these resources give Japan an enormous amount of capital that can be used for investment, many of these assets are inefficiently allocated, as companies hoard cash and an aging population refrains from saving. Worse, despite its huge capital resources, Japan has the world’s highest debt-to-GDP ratio at an enormous 227 percent. Interest rates in Japan have been kept low and credit ratings relatively high only because more than 90 percent of that debt is held domestically.

The broader macroeconomic picture in Japan reflects both strengths and weaknesses. Since the collapse of the real estate and asset price bubble in 1990, Japan’s growth has slowed dramatically, and the country has drifted in and out of recession and deflation. Falling from 10 percent annual growth in the 1960s, Japan has averaged under 2 percent annual growth since the 1990s. Its export-oriented model has made the country particularly sensitive to global trade trends, even if less so than other Asian countries. The
economy was severely affected by the 2008 global financial crisis and concomitant recession, with overall exports dropping by nearly half during the 2008–09 time frame. Japan’s inefficient agricultural sector and traditional hostility to FDI, which harm its overall economic competitiveness, are slowly and unevenly being challenged by new free trade agreements, such as the unfinished Trans-Pacific Partnership (TPP), and moderate reforms initiated by Abe. With one of the world’s oldest populations, Japan also has an extremely expensive entitlements and social-spending system, costing approximately $300 billion per year.

On top of these macro problems, the country suffered an almost unprecedented natural disaster on March 11, 2011, when a powerful earthquake struck Japan’s northeastern Tohoku region. The earthquake caused a massive tsunami that destroyed hundreds of miles of coastline and killed an estimated 16,000 people. The tsunami also swamped the Fukushima nuclear power plant, causing a partial meltdown and the release of radiation into both the air and Pacific Ocean. Thousands of residents were evacuated from the afflicted radiation zones, while more than four million homes in the region lost electricity for extended periods of time. The World Bank estimated that the total cost of the disaster would reach $235 billion, placing an enormous strain on Japan’s public finances due to disaster relief and reconstruction efforts over the succeeding decade.

As a mature economy, Japan thus faces structural and sociopolitical limitations that have been long in the making. Demographic decline is perhaps the most serious threat to continued national power, as this trend will reduce national economic performance. A modern yet rigid educational system also hampers the country’s ability to produce the skills needed to compete in an increasingly globalized economy. While Japan is still a rich nation, the lack of investment, venture capital, and startups further reduce its economic power. Exogenous shocks such as the 2008 global recession and the 2011 earthquake and tsunami add to the drags on national resources. Yet Japan at least partly makes up for these deficiencies and weaknesses through its well-developed political, bureaucratic, and corporate systems, as well as through ethnic and social cohesion. The next
section will analyze how these inputs interact to shape national performance so as to further illuminate the country’s ability to generate national power.

**Japan’s Capacity to Mobilize Resources to Exercise National Power**

This section assesses how Japan’s geography, natural resources, human resources, and capital and financial resources are expressed in national performance, or more precisely, Japan’s capacity to mobilize resources to exercise national power. It begins with an overview of Japan’s threat environment and then examines the role of Japan’s government structure and corporate institutions. It then considers how cohesion among elites both helps and hinders national performance, along with the question of how much political reform is needed to optimize the system.

**Japan’s Threat Environment.** Japan faces an international environment of increasing external constraints that demand the application of national power. Chief among these are its geographic isolation in Northeast Asia, rising geopolitical competition with China, nuclear and missile threats from North Korea, poor political relations with South Korea, and dependence on vulnerable sea lanes for critical energy and other natural resources. These constraints are partly offset by Japan’s growing relationships with India, Australia, and Southeast Asian nations, as well as its long-standing alliance with the United States.

In particular, Japan has two immediate security concerns. The first is the threat North Korea poses, which has been ongoing since at least the launch in 1998 of a Taepodong ballistic missile over Japanese territory. Tokyo’s response included deepening security cooperation with the United States and investing heavily in ballistic missile defense (BMD) capabilities, all of which were undertaken in an environment of continuing economic stagnation. Japan struggled to maintain defense spending during these years and chose to invest in asymmetric capabilities to ensure protection of the homeland. With
no end in sight to the North Korean threat, and with Pyongyang possibly achieving the ability to put nuclear weapons on missiles, Japanese policymakers will face increased demands to invest in BMD systems and intelligence, surveillance, and reconnaissance (ISR) activities.\textsuperscript{50} Eventually, an aerial or missile strike capability may also be deemed necessary for national security.

The second immediate security constraint is the dispute with China over the Senkaku Islands, located just northeast of Taiwan at the end of the Ryukyu Islands chain. The islands have been under Tokyo’s administrative control since the reversion of Okinawa to Japan in 1972. Since 2010, Tokyo and Beijing have been locked in an increasingly bitter struggle over asserting administrative control over the surrounding waters and skies, often related to illegal fishing by Chinese boats within the islands’ exclusive economic zone. Tokyo’s decision to nationalize several of the islands in 2012 resulted in a dramatically enhanced Chinese military presence around the Senkakus, particularly through the regular deployment of maritime patrol vessels to harass Japanese fishing ships and confront the Japanese Coast Guard.\textsuperscript{51} Chinese air force jets regularly fly into contested airspace to test Japan’s resolve to defend its claims. This dispute has been the focus of security planning for close to half a decade and imposes continuous operational costs on the JSDF.

Yet the Senkaku dispute is but one manifestation of a much larger and longer-term external constraint on Japan—namely, the rise of China. While Japan, like other Asian nations, has reaped economic benefits from China’s integration into the global trading system, it has also increasingly felt political pressure and concerns over its long-term security. Politically, China’s attempts to be recognized as Asia’s dominant political power have challenged Japan’s position, and Beijing has sometimes sought to marginalize Tokyo’s role in major international organizations such as the United Nations or in regional ones, such as the East Asia Summit or summits of the Association of Southeast Asian Nations. More specifically, China’s announced intent to become a nation that can project maritime power globally raises concerns in Japan about freedom of navigation and the potential for intimidation and harassment in contested waters. More
generally, the growth of China’s naval and air power, along with its space and cyber capabilities, potentially threatens the security of the Japanese homeland and Japan’s access to the global commons. The latter threat could imperil the country’s ability to provide basic resources for its people, including food and energy.

A third constraint that Japan faces is its strained relationship with South Korea, its closest neighbor and one of Asia’s leading liberal states, due to lingering issues related to World War II, including recognition of the comfort women and the portrayal of Japanese colonialism in contemporary textbooks. The relative isolation that Japan suffers, given its tense relations with both China and South Korea, constrains its ability to act more broadly in Asia. In particular, the lack of a close working relationship with Seoul leaves Tokyo fewer options for containing North Korea, as well as for challenging China’s attempts to increase its military and political influence in Asia.

In contrast with the threats outlined above, Japan faces a relatively supportive environment in both South and Southeast Asia. Since the 1970s, beginning with Prime Minister Takeo Fukuda, Tokyo has emphasized outreach to Southeast Asia and the creation of political and economic bonds. Given current tensions between China and some Southeast Asian nations, including Vietnam, the Philippines, and Malaysia, over maritime territorial disputes in the South China Sea, Tokyo has found an opportunity to increase its political influence. Prime Minister Abe recently has reached out to those nations in particular and offered Japanese assistance, such as by providing or selling maritime patrol vessels to build up their capabilities and working on coast guard training, counterterrorism, and the like.

Similarly, Tokyo has developed what some are calling a “quasi-alliance” with Australia that includes the deepening of military exchanges, the sharing of military-related intelligence, and an agreement to codevelop advanced submarine technology. In South Asia, Abe has forged a close personal relationship with the new Indian Prime Minister Narendra Modi, which has enhanced political and military dialogues and spurred discussions of the larger geopolitical equation in Asia. Both Tokyo and New Delhi, concerned about the rise of China, see their relationship as a strategic partnership linking
together Asia’s two great democratic powers, although the specifics of just how the two might act together to shape Asia’s security and political environment remain vague and undecided. Nonetheless, Japan’s relationships with countries outside Northeast Asia have helped reduce its regional isolation and provided a set of potential partners to mitigate the threat environment that it faces.

**Government Structure.** Despite these domestic and regional constraints, which are growing in intensity over time, Japan is a highly developed state, possessing the infrastructural capacity to quickly mobilize its national resources. Its democratic form of government has unquestioned legitimacy, and Japanese society is culturally unified. The government can rely on a citizenry that is overwhelmingly law-abiding and fully participates in the legal economy, rather than diverting national assets into unregulated markets or criminal activities. The state possesses a full apparatus of bureaucratic departments that can translate political preferences into policy and is endowed with the means of raising and disbursing revenue to enable its activities.

Traditionally, Japan’s ministries, run by professional bureaucrats, were the source of most policy planning, drafting, and implementation. Particularly powerful in this regard were the Ministry of Finance, which is often considered the most elite civil service position and which held de facto veto power over budgetary proposals; the Ministry of Economy, Trade and Industry, which earned a mixed record in selecting and promoting, often through protectionist policies, market sectors and individual companies to develop a high-tech export-driven economy; and the Ministry of Foreign Affairs, which had nearly sole charge over foreign relations and a powerful influence over security planning.56

The human capital populating these institutions constitutes Japan’s professional civil service. These lifetime bureaucrats are widely considered among the elite and are regularly drawn from the country’s most prestigious institutions of higher learning. In particular, the Faculty of Law at Tokyo University has been the traditional producer of the country’s top bureaucrats, particularly for the
Ministries of Finance and Foreign Affairs. At one point in the early 1990s, more than 90 percent of the executive-track positions in the Ministry of Finance were held by Tokyo University graduates, while 15 of Japan’s postwar prime ministers graduated from the same institution. Japanese bureaucrats form a cohesive group with lifelong intra-ministry ties and a seniority system in which meritocratic competition takes place within class cohorts.

Ties among bureaucrats are replicated more broadly, if somewhat more loosely, by the elite as a whole. Politicians, corporate executives, and bureaucrats form a tightly integrated community, often having been classmates at Japan’s most prestigious universities and encountering each other regularly throughout their careers. The advantage of such cohesion and familiarity is that it creates effective bonds that can be leveraged for intra- and intergroup policymaking and implementation. This adds to the state’s ideational resources across a broad spectrum ranging from economic to foreign policy and from conceptualization of preferences to policy formation.

A powerful example of this was the influence of the precursor to the Ministry of Economy, Trade and Industry, known as the Ministry of International Trade and Industry, which was credited with helping formulate Japan’s successful export-driven industrial strategy in the 1960s and 1970s. One of the key institutional arrangements that maintained smooth relations between politicians and bureaucrats was the long-standing practice of having the administrative vice ministers meet weekly to screen all policies that were being sent to the cabinet for approval. This, combined with regular input from corporate organizations such as the Japan Business Federation, ensured a tight alignment among government, civil service, and industry.

Corporate Institutions. Japan’s elite bureaucracy was mirrored by the personnel of its leading corporations, whose abilities helped these companies become global leaders in their sectors. Japan’s pre-war zaibatsu (business conglomerate) system, although formally abolished by the US occupation after World War II, nonetheless continued to provide the basic organizational structure and communal links among newly autonomous corporate entities. The ability
to draw on long-established financial, supply, and trade networks has made Japanese corporations remarkably effective and focused, yet it has also led to an insularity of thinking and an aversion to structural change.

Japan’s large industrial manufacturers were the first to make their mark on the global stage. Steelmaking and shipbuilding capabilities made Japan central to the burst of postwar global industrialization, but it was the ability of Japanese producers to flexibly respond to changing consumer demand in advanced Western economies that ignited the Japanese export machine. By the 1980s, manufacturers such as Toyota and Honda or Sony and Panasonic either dominated or were highly competitive in their respective sectors.60

In addition, Japan’s trading companies played a major role in ensuring that overseas economic activity benefited the accrual of state power, if indirectly. Companies such as Mitsubishi and Mitsui carved out major positions in the global resources trade and established operations on nearly every continent. This strategy of minimizing the risk involved in massive importation helped ensure that Japan never suffered from a lack of access to critical resources, ranging from energy to food.

Elite Cohesion and National Performance. In both the public and private sectors, Japan’s cultural cohesion both adds to and detracts from national performance. On the positive side, policy decisions are preceded by gaining consensus among all major stakeholders. This means that any finalized policy has a far greater chance of being implemented, with little ambiguity about goals. Yet the decision-making process also is often extremely slow so as to ensure consensus. Neither the government nor the corporate sector is particularly nimble, and Japan often takes far longer to make decisions than other countries do or misses opportunities while doing so. In addition, the painstaking process of gaining consensus (nemawashi) limits the ability to quickly reform policies that are not working.61 Instead of a quick decision to move in a different direction, both the government and business often are trapped by the inertia of a cultural process that privileges group cohesion. Muddling through is
often seen as the least risky option. Like other sociopolitical systems, Japan’s network of elites is also naturally riven by tribal politics in which each group or subgroup tries to ensure its own success in setting national goals. Further, although elites are highly educated, they are bound by sociocultural norms that discourage innovative and individual approaches to problem-solving.

This leads to the prevalence of groupthink, which often stifles innovation and can lead to policy stagnation. Japan’s long flirtation with stimulus spending during the 1990s, despite its lack of success, is one example of the tendency to hew to familiar policies. Stakeholders in Japan are often extremely risk averse, preferring suboptimal results to high-risk, high-reward bets, whether in the political or economic sphere. This is one reason Japanese firms have steadily fallen behind regional competitors from South Korea, Taiwan, and China over the past two decades and have also seen a precipitous drop in new product innovation.

Another negative result of elite cohesion is interest group pressure that results in suboptimal policy decisions. The vested interests that form a tight bond between bureaucrats and the economic elite have often resulted in misallocation of resources and malinvestment. Public spending on unnecessary no-bid construction projects, for example, resulted in a major waste of financial resources during the 1990s and 2000s. Fiscal decisions are not the only ones thus affected. Japan’s powerful corporations have long resisted calls to liberalize their executive management structure, leading to insularity among the top business entities. This has made a political impact, as corporate interests have prevented the drafting of rules and regulations that could force companies to be more transparent, end the practice of “poison pill” defenses against foreign takeovers, and more generally open up their ranks to women and foreign skilled workers.

The agricultural industry provides perhaps the best example of interest group pressure on state actors and a consequent negative impact on national performance. To ensure votes from overweighted agricultural districts, the LDP acquiesced to high tariffs and wasteful subsidies that have kept Japanese agriculture the most inefficient among developed nations. Resources that could have been spent
on R&D or a reduction in the tax burden were instead lavished on the unproductive agricultural sector—a practice that largely continues.

Corruption, too, has played a part in reducing national performance, as the construction, financial, and agricultural sectors liberally bribed politicians, who then voted for wasteful spending, lax oversight, and the like. Top bureaucrats, meanwhile, received expensive dinners and other entertainment throughout their careers and “golden parachutes” into industry after having looked out for corporate interests. Major bribery and corruption scandals have been a fixture of Japan’s postwar era. These usually snare politicians, but during the 1990s illegal activities by bureaucrats from the Ministry of Finance resulted in attempts to curb their ties to outside interests.66

**Political Reform.** Over the past decade and a half, the nature of elite interconnections and their influence on policy has undergone certain changes. To begin with, under popular former Prime Minister Junichiro Koizumi (2001–06), the role and structure of the Cabinet Office grew dramatically. Koizumi and his successor Abe (during his first administration in 2006–07) expanded the policymaking and centralizing aspect of the Cabinet Office. Both prime ministers drew heavily on elite bureaucrats as staff, thereby temporarily breaking their direct connection with their home ministries.67 Koizumi and Abe sought in particular to increase the strength of the Cabinet Office in national security decision-making, and Abe proposed the establishment of a formal national security council (NSC) and centralized intelligence agency based on US models. What had been up to then a largely ad hoc process of responding to crises or emergencies was slowly regularized, beginning with the seconding of leading experts to the Cabinet Office. This trend continued when Abe returned to the premiership in 2012 and formally established an NSC, headed by a veteran diplomat and directed by experts from the Ministries of Foreign Affairs and Defense.68

A more jarring interruption of the traditional bureaucrat-politician relationship occurred when the DPJ took power in 2009. After more than a half century of rule by the LDP, the DPJ entered office with a reformist agenda and an activist approach to policymaking. Under
Prime Minister Yukio Hatoyama, the party took direct control of policymaking, often failing to even consult with leading bureaucrats and instead simply sending passed legislation for implementation. Even more sensational, a series of public hearings (known as shi-wake) on ways to cut the bloated budget led to bureaucrats being forced to testify before hostile politicians and citizens in what often became a show-trial environment.

With the return of the LDP to power in 2012, the traditional system of interaction among politicians, bureaucrats, and business largely resumed. Yet Abe’s ambitious plans to expand Japan’s global role pose both opportunities and challenges for national performance. Abe has articulated a coherent vision of Japan’s national interests and the actions it should be taking on the regional and global stage to fulfill his goals. In doing so, he has provided new ideational resources for the country’s bureaucrats, business elite, and academics, among others. His economic reform plan, known colloquially as “Abenomics,” is the most comprehensive plan for economic revitalization offered by a recent Japanese leader. Soon after entering office in December 2012, Abe successfully implemented two of his three so-called arrows: fiscal stimulus and monetary easing. Both were designed to end Japan’s flirtation with deflation and jump-start growth. However, the third arrow, meaningful structural reform, has been a far more difficult policy to craft and implement. Similarly, while controversial to many, Abe’s foreign and security policies, which include plans for the exercise of collective self-defense and the creation of new security partnerships in Asia, offer a clear path forward for expanding Japan’s security activities and relationships abroad.

This ideational program also presents challenges to Japan’s stakeholders. Abe’s economic goals require reforms that will reduce the power of corporations and business collectives to operate in traditional ways. Abe has proposed numerous small steps, such as a new corporate governance code, increases in the number of women and foreigners on boards of directors, and greater overall transparency in regulation. Opposition to labor and agricultural reform, not to mention objections from anti–free trade groups, has already
caused Abe to backtrack or slow down on many of his initial reform policies. In 2015, he finally pushed through reforms intended to ease restrictions on the selling of land and reduce the power of the national agricultural cooperative over individual farms and local cooperatives, although neither of these promise to quickly improve the efficiency of Japanese agriculture. Similarly, liberal opposition to his foreign and security policies, along with significant public doubt, raises the possibility that the LDP could suffer at the polls if Abe’s plans to reinterpret the constitution are pushed through. In some ways, Abe is forcing through an ideational revolution designed to orient Japan for the next generation. As such, the opposition of numerous stakeholders increases the friction in Japanese domestic politics.

Yet there is a widely shared sense in Japan that business as usual cannot continue and that the external environment is turning against the country’s interests. This social concern has provided Abe with sufficient electoral and popular support to pursue his policies since returning to office in 2012. This is an established pattern in Japan. When a national need is identified, steady adherence to paradigm-changing policies is almost guaranteed; such was the response to the North Korean Taepodong missile launch over Japan in 1998, from which evolved a more forward-leaning security strategy in the 2000s. With no other leading politician offering an alternative economic reform program, it is likely that many of Abe’s reforms will survive his administration. There will be an ongoing struggle, however, to protect vested interests. For example, unions will likely try to roll back labor reforms that make it easier to fire workers, while corporate boards will resist becoming more open. However, the biggest danger facing Japan is that Abe’s plans ultimately will not go far enough to ensure that the economy breaks out of its post-bubble stagnation and competes successfully in a more globalized environment.

Although Japan has maintained a position near the top of the developing world throughout the 1990s and 2000s, its returns in producing national power have steadily shrunk. Traditional ways of doing business have become increasingly inefficient, yet vested
interests prevent fundamental change. The country has drawn on the inertia of a fixed system of producing and exercising national power, while simultaneously struggling with the challenge of implementing meaningful reforms that enhance national performance without causing instability. Perhaps nowhere is this tension more evident than in the generation of military capability, which is subject to both natural and political friction because of Japan’s unique strategic resources and conversion capability. The next section will discuss how Japan can ensure that its deep national resources are translated into the military capability required to deal with its foreign challenges.

**Harnessing National Power for Sufficient Military Capability**

Although Japan’s military capacity is comparatively small, outstripped by China and both Koreas, the country boasts a modern, well-equipped, and well-trained military. The JSDF is a fully rounded force, comprising sea, land, and air elements along with BMD, communications, and ISR capabilities. Traditionally restricted from overseas deployment, the JSDF has participated in antiterrorism operations since 2001 and is undertaking a decades-long modernization that makes it one of Asia’s most capable military forces.

**Defense Budget.** Japan has traditionally spent only 1 percent of GDP on its military, although there has never been a constitutional ceiling on defense spending. Instead, the nation’s adherence to the country’s postwar pacifist constitution has created cultural opposition to a larger or offensively based force. Nonetheless, given the size of Japan’s economy, the country has been spending nearly $40 billion per year on defense over the past several decades.

Today, after a decadelong leveling off, the country still appropriates approximately $42 billion per year for the JSDF, and Abe has increased the defense budget three years in a row, although the increases are modest. The requested 2.8 percent increase for 2015, amounting to just over a billion dollars, will nonetheless give
Japan its largest-ever defense budget. By comparison, China has been increasing its defense spending by double-digits for the past quarter-century and spends an estimated $100–$300 billion on modernizing its military.

**Military Capability.** In terms of quality, if not quantity, the JSDF is among the best military forces in Asia. A total of 240,000 personnel belong to the Ground, Air, and Maritime Self-Defense Forces. Japan is attempting to move to a higher tier of capabilities with stealth, cyber, space, and potentially special operations forces. Modernization of the overall force is required, especially in the Japan Air Self-Defense Force (JASDF). In addition, Japan is beginning to implement joint commands and unified areas of responsibility, especially in its southwest island chain, reflecting a new national security strategy.

Its coast guard is perhaps the best in Asia and comprises approximately 400 ships. Japan’s navy, the Japan Maritime Self-Defense Force (JMSDF), has 40 guided-missile destroyers, four of which possess the advanced Aegis system and SM-3 missiles that are increasingly effective in BMD. Since the end of the Cold War, Japan’s antisubmarine warfare (ASW) capability has been of secondary importance, but the country still maintains significant ASW assets, including 80 P-3C patrol planes and ASW-capable submarines and surface vessels. Having a credible antisubmarine force once again is becoming increasingly important to Japan’s defense doctrine, given the Chinese navy’s buildup. In addition, Tokyo is in the process of delaying the retirement of its older submarines, thus effectively increasing its modern diesel fleet from 18 to 22 in coming years.

The acquisition of two 27,000-ton Izumo-class helicopter carriers, with the first one being commissioned in March 2015, also provides the capability of aerial power projection far from the home islands. Given the size of the Izumo-class, it is conceivable that they could be retrofitted to carry F-35B vertical takeoff and landing fighters. This would give Japan the potential to compete directly with China in aircraft carrier operations in remote areas.
Equally important is the protection of Japan’s airspace, which is necessary to control the vital shipping routes through the region’s seas and into the oceans. Both Chinese and Russian fighters and bombers repeatedly cross into Japan’s air defense identification zone or into the airspace around contested isles like the Senkakus. Each year, Japan scrambles its air defenses hundreds of times in response to such provocations.\textsuperscript{86} Japan’s fighter fleet comprises almost 300 aging 40-year-old F-4s, 25-year-old F-15s, and newer indigenous F-2s.\textsuperscript{87} In 2012, Tokyo selected the stealthy F-35 as the next-generation fighter to replace these older platforms.\textsuperscript{88} Japan is also currently receiving four aerial tankers, which will allow for inflight refueling and thus potentially long-range strike missions, especially against foreign ballistic missile sites.\textsuperscript{89}

Japan has one of the world’s best BMD capabilities. Spurred by the 1998 Taepodong launch from North Korea, Tokyo invested heavily in BMD, often working in close cooperation with the US military. It continues to upgrade its Aegis BMD-capable destroyers and plans to add two more for a total of six ships. The JASDF also operates six PAC-3 antimissile batteries and is upgrading those systems as well, working with two US X-band radar installations in Japan.\textsuperscript{90}

Given the country’s constitutional restrictions on the use of force, which will be discussed below, the JSDF has, for all intents and purposes, not been tested in battle since 1945. The JSDF’s actual warfighting capability is therefore unknown. The military has no combat experiences that would indicate the degree to which it can adapt and respond to adversity while maintaining battle readiness. Of particular concern is Japan’s ability to project power over extended periods of time, conduct operations on multiple fronts, and undertake joint operations. While the JSDF is gaining experience in basic power projection and jointness, it would be unrealistic to expect that the military could operate with the sophistication or at the tempo that it recognizes as needed in responding to Chinese or North Korean contingencies. Nonetheless, despite long-standing restraints on its use, the JSDF has gained significant noncombat operational experience both at home and abroad, indicating the degree to which national performance is improving in the military sphere.
Constitutional Limitations on the Use of Force. Japan's postwar constitution, written by US occupation forces, is famous for its prohibition against the use of force, spelled out in Article 9. While Tokyo has ignored the prohibition against having military forces, also in Article 9, it has hewn far more closely to the restrictions on overseas military activity. A later interpretation by the government instituted a ban on the exercise of collective self-defense, thereby isolating Japan from larger coalitions and partnerships that could have reintroduced Japanese military forces to cooperative action with other nations. For nearly 50 years after World War II, no Japanese troops were deployed outside Japan until the passage of the International Peace Cooperation Law in 1992, followed by the dispatch of limited numbers of Japanese forces on UN peacekeeping missions to Cambodia, Rwanda, Mozambique, and the Golan Heights. Not until 2003 was the JSDF deployed into an actual combat zone (in Iraq). But since the resumption of overseas military deployments in 1992, no Japanese combat troops have taken part in any military action.

Despite these restrictions, the JSDF has gained close to 15 years of operational experience since 2001, due mainly to participation in the US-led war on terrorism. The Japan Ground Self-Defense Force (JGSDF) sent reconstruction teams to Iraq and designated the Japan-Iraq Reconstruction and Support Group. From 2001 to 2008, the JMSDF conducted allied refueling operations in the Indian Ocean under the designated Operation Enduring Freedom–Maritime Interdiction Operation. While none of the deployed military forces undertook a combat role, they gained invaluable experience from operating at distance from the Japanese homeland and in conjunction with the militaries of other nations.

Another milestone, both operationally and culturally, for the JSDF was the response to the March 2011 earthquake and tsunami. Within 48 hours of the catastrophe, 100,000 JGSDF troops—more than 40 percent of the country's total military force—had been mobilized and deployed to the stricken region. For the next weeks, they engaged in disaster-relief and rescue operations, often working side by side with US troops. Operationally, the rapid and effective deployment of so many military personnel highlighted the JSDF's
professional nature and capabilities. From a cultural perspective, a military that for decades had been shunted to the side was instantly perceived as a powerful force for good and an integral part of society.⁹⁵

**Tokyo’s New Realism.** The changes in Japan’s security environment over the past two decades—in particular, North Korea’s improving missile capabilities and China’s military modernization—have occasioned a generational shift in Japanese force planning and strategy. The threat of being held at risk by a rogue and aggressive totalitarian regime in Pyongyang spurred Tokyo to begin developing BMD systems and seek to deepen the alliance with Washington to incorporate “situations in areas surrounding Japan.”⁹⁶ More worrisome from the long-term perspective is China’s modernization of its military forces. As it became clear that Beijing was developing power-projection capabilities, Tokyo began to worry about both the potential threat to its outlying islands and the broader shift in the regional balance of power that could lead to China dominating crucial sea lanes of communication and access to the global commons.

These trends sparked debate in Japan over the appropriate future security strategy. Prime Minister Koizumi began the process of centralizing foreign policy decision-making inside the cabinet during his time in office in 2001–06, thereby removing this responsibility from the Foreign Ministry.⁹⁷ Under Koizumi, the goal of defending the homeland did not change, but the idea that Japan might need to become more involved in actively shaping the regional environment slowly entered the national discussion.

Koizumi’s ideas were broadened and given fuller articulation during Abe’s first stint as prime minister in 2006–07. Abe came up with an ideological argument that linked Japan’s future security to closer cooperation with Asia’s key democracies, including Australia and India.⁹⁸ During his year in office, Abe broached ideas about revising the country’s ban on collective self-defense and drew up plans for a more integrated security strategy, including the formation of a US-style NSC and centralized intelligence agency. Abe’s sudden resignation in mid-2007 left these proposals in limbo, and they were all but ignored by his two LDP successors through 2009.
The recognition that Japan's security strategy was outdated crossed party lines. After the long-ruling LDP was ousted from power by the DPJ in 2009, early DPJ moves to reconsider certain alliance agreements with the United States led to significant strains on the alliance. However, the third DPJ premier, Yoshihiko Noda, made important changes in Japan's defense strategy, including the codification of a gradual shift away from a focus on defending the northeast to greater emphasis on the growing threat to Japan’s southwestern islands. Noda also indicated the direction that Japan would take to modernize its military by purchasing fifth-generation F-35 fighters from the United States and continuing to expand missile defense capabilities.

Much of this agenda derived from new fears about China’s intentions regarding the Senkaku Islands, which became the focal point of renewed tensions when Noda’s government decided to nationalize several of the privately owned islands.

By the time Abe returned to power at the end of 2012, the stage was set for a revolution in Japan's security strategy. The conceptual framework was underpinned by what he called Japan’s “proactive contribution to peace,” or “proactive diplomacy.” Abe began by dusting off his plans for an NSC and a revision on the ban on security cooperation abroad. He also modestly increased Japan’s defense budget, reversing a decadelong trend of declining spending on the military. Within one year of taking office, he established the NSC and published Japan’s first national security strategy in December 2013. The goal of the new strategy is to increase cooperation with the United States and seek to shape the security environment instead of simply responding to it. In addition, Tokyo formally shifted its defense focus away from the Kuril Islands and the northeast, where Russia has long been the major focus, and instead toward the southwest and the Ryukyu Islands chain in the East China Sea, as part of a response to China’s dramatic military modernization and increased assertiveness.

For the first time, Japan has attempted to rationalize its national security decision-making. The national security strategy now guides the National Defense Program Guidelines (NDPG), which in turn is translated into actual military procurement through the midterm
defense plan. With the national security strategy prioritizing proactive defense and the necessity to “improve the international security environment,” the 2014 NDPG calls for building a “comprehensive defense architecture,” which not least of all will be aimed at defending Japan’s outlying islands.\textsuperscript{102} This includes maintaining sufficient surface-to-air and surface-to-ship missile capabilities “to prevent invasion of Japan’s remote islands while still at sea, as far as possible,” thereby requiring significant airborne warning and control and other ISR assets, along with targeting and tracking capabilities.\textsuperscript{103} In addition, the NDPG stresses the capability to respond to so-called gray-zone contingencies that are not clear-cut cases of aggression against Japanese interests but that affect the country’s security.\textsuperscript{104} These are scenarios that include actions short of war but where national power is used by aggressor states to intimidate other nations. Recognizing the demands this will put on the military, the NDPG calls for increasing the mission-capable rate of equipment and improving training and exercises.

The government has pursued these goals by investing in defense procurement programs for, among other items, new communications systems, satellites, and airborne ISR platforms, along with maintaining its commitment to upgrading BMD systems, purchasing F-35s, and procuring JMSDF destroyers and Aegis systems.\textsuperscript{105} A particular focus in the national security strategy is on cybersecurity, given the dangers posed by the increasing number of cyberattacks, many undoubtedly coming from China and North Korea.\textsuperscript{106} However, the NDPG’s guidance on cyber issues remains vague as to how Japan would develop its capabilities. Overall, Japan’s defense programs are ambitious and reflect the national resources of Asia’s second-wealthiest nation. However, they still operate on the assumption that Japan’s military forces will remain relatively middle-sized instead of expanding to a level more commensurate with the country’s economic power. The ambitious plans also mean that capabilities are slowly, if steadily, being added and implemented, underscoring the long-term nature of Japan’s military modernization.

Following through on Abe’s controversial proposal to reinterpret the ban on collective self-defense, his cabinet in 2014 approved
a plan for allowing the country to exercise its right to collective self-defense. This was an important decision that will enable the JSDF to work more closely on security issues with allies and partners in Asia. However, to actualize expanded security activities abroad, the Diet must pass a complex set of enabling legislation. Abe submitted the first package of proposed laws in May 2015. Yet tight restrictions remain on when collective self-defense can be invoked, and limitations on other types of combat roles are still in force. Significant public opposition is slowing the passage of the required legislation and may indeed cause Abe to scale back some of his plans. Nonetheless, the ending of decades of blanket restrictions is propelling Japan into a new era in security activities.

This reorientation of Japanese defense doctrine has been accompanied by a new realism. Abe has removed a decades-old ban on Japanese weapons exports, which will allow Japan to jointly produce and sell weapons with foreign partners and participate far more widely in the global defense market, thereby introducing new efficiencies into defense production. Abe has moved quickly to take advantage of this new policy. He agreed to jointly develop submarine technologies with Australia in 2014, signed defense agreements with several Southeast Asian nations, approved the transfer of maritime patrol vessels to Vietnam and the Philippines, and revitalized security discussions with India, especially once Indian Prime Minister Narendra Modi took office.

Much of Japan’s current and contemplated security activity takes place within the context of the US-Japan alliance. First signed in 1960, the Mutual Security Treaty pledges US support to Japan in case of armed attack. As East Asia’s security environment has evolved, however, the alliance has slowly adapted. Revisions to the alliance in 1997 incorporated security concerns over North Korea, and a second revision in 2015 focused on challenges emerging from China’s rise, although without naming China as a threat.

The 2015 “Revised Guidelines” reflected the Abe administration’s new security activism. The document included new cooperation on areas such as space and cybersecurity, reflected the spread of asymmetric methods of warfare, and emphasized the importance of
increased ISR. It also broadened the potential scope of the alliance by explicitly discussing the ways in which Japan might provide aid to a third party under attack, as well as in gray-zone situations. The structure of the alliance mechanism was also upgraded in 2015, with the establishment of an alliance coordination mechanism and a commitment to increased cooperation in researching, developing, producing, and testing defense equipment and technology. Increasing the colocation of commands means more information sharing, similar situational awareness, and more integrated decision-making.

By any accounting, Japan maintains one of the premier militaries in Asia. Only China’s military force combines greater size and capabilities, although Chinese forces are not as well trained. In terms of advanced capabilities, Japan is steadily moving up the value chain, putting it ahead of almost every other Asian military. While it remains defensively oriented, the JSDF is slowly pursuing power-projection capabilities that will allow it to play a larger role in Asia. Japan’s ability to project power is slowly developing, and it is also exploring greater cyber and space activities. Although political restrictions have limited opportunities to gain operational experience, especially in the combat arena, as the JSDF modernizes it will become an increasingly important tool of national power. The greatest limitation on Japan’s military will perhaps be its capacity, given the range of missions that Abe envisions. As a product of the cyclical interaction of national resources and national performance, the JSDF faces continual pressure to ensure the reservoir of funding, skills, and base capabilities in a tense regional environment. Yet it remains constrained by sociopolitical barriers to fuller expansion, implementation, and conceptualization of the role of military power in harnessing and protecting overall national power.

Conclusion

Since first embarking on a modernizing path in the last quarter of the 19th century, Japan has transformed itself into one of the world’s most advanced nations. It became a major colonial power in the
late 19th and early 20th centuries and then rebuilt itself after World War II into the world’s second-largest economy. Ethnic and linguistic unity helped mold a united, well-educated populace, and by focusing in the postwar years on its export economy, the country improved its standard of living to become one of the highest in Asia. As perhaps the United States’ most important Asian ally, Japan assumed a role at the center of US strategy in the region.

Japan’s modern history shows how a relatively small nation with limited natural resources can nonetheless develop and deploy national power for various ends. From the late 1800s through 1945, Japanese policymakers focused largely, although not exclusively, on military expressions of national power. Since 1945, they have concentrated almost exclusively on the economic facet of national power. Now, however, the rise of China and a nuclear North Korea, among other concerns, are forcing yet another debate in Japan over the type of national power to pursue and how to attain it.

This third era of modern Japanese history will likely see a balanced approach to developing both postindustrial economic and military power. Recognizing that imbalanced investment is no longer possible in a middle-class society, Japanese policymakers will seek to revitalize the country’s moribund economy so as to provide the opportunity for greater military power and political influence in Asia and beyond. Japan’s strengths make such a policy feasible, although difficult. Its economy, while still struggling to recover from the popping of the asset bubble of the 1980s, remains the world’s fourth-largest by purchasing power parity. Japan maintains an advanced high-tech sector and modern corporations that can compete globally. Its skilled labor force also means that industrial production is at the upper end of the value-added chain.

Yet Japanese leaders face significant challenges to ensuring a strong economy that can translate national resources into national power. Lack of competitiveness and innovation at home and a powerful regulatory state remain drags on economic activity. Energy production continues to be a major problem more than four years after the Fukushima nuclear disaster resulted in the government taking all Japan’s nuclear plants offline. Prime Minister Abe’s economic
policies offer the most coherent plan for economic revitalization but must be bolder to release entrepreneurial activities.

On the security front, political culture and public pacifism make it difficult for Japanese leaders to reform defense policy. Nonetheless, the steady modernization of the JSDF over the past two decades has made advances in responding to Asia’s changing security environment. Japan has yet to fully divest itself of its postwar shackles, both constitutional and cultural, but it has moved toward far greater integration with the US military and is now expanding its security partnerships abroad.

Japan’s current capability, its future potential, and its hesitant evolution away from postwar restrictions are an increasingly important part of the Asia-Pacific security equation. For the United States, a Japan that is able to increase its national power so as to develop greater military capability will be an even greater asset in coming decades. No other Asian military can boast the diverse capabilities that Japan has or is in the process of procuring. Its ability to provide ISR and logistics to forces engaged in operations, to undertake maritime and aerial patrols over critical waterways or in tense areas, and to help train and even provision smaller Asian militaries would add tremendously to stability in Asia. As the United States’ focus on the South China Sea grows, Washington may well ask Tokyo to fill any potential gaps in Northeast Asia in steady-state operations. As US forces shrink in comparison to China’s and as North Korea’s nuclear capability grows, Japan’s role as a military partner for the United States will become both more necessary and better understood. The question of Japan’s ability to generate military capability and maximize its national performance will thus become one of greater importance.

Given the growth of tension between China and its neighbors, it appears that the security environment in Asia will continue to degrade in the short and medium term. Japan will feel more at risk from the uncertainty arising from an assertive China and will keenly watch for any signs that the United States is reconsidering its security presence in the Pacific. Given these uncertainties, Tokyo must consider whether its modest increases in defense budgeting
are sufficient and contemplate the degree to which it can expand its power-projection capabilities. Doing so requires a melding of political will with economic performance. While concerns over Japan’s security environment have moved the country far from its traditional postwar defense posture, whether the Abe administration will be willing to risk domestic political opposition by planning even more radical reforms remains an open question.

While Abe has become one of Japan’s most controversial prime ministers, many of his policies reflect a long-term evolution in the country’s security strategy. This evolution has been spurred by a combination of changes in the external environment and an inability to revitalize the economy to generate greater national power. Future Japanese governments may alter specific policies, but in the absence of fundamental change in China’s actions or in the North Korean regime, Abe’s broad security reform program will likely remain intact. Public opinion that is wary of Abe’s proposals is equally concerned about the growth of Chinese military power and the threat from North Korea. Ensuring a robust set of security relationships, a more comprehensive alliance with the United States, and updated security legislation to allow for overseas collective self-defense is the best way to guarantee that Japan is able to respond to a changing security environment in the coming decades. While that program will likely increase friction with China, and possibly South Korea, Abe has already taken advantage of Southeast Asia’s growing concern over China and desire for new security partners. A Japan that is increasingly active in supporting Asia’s open, rules-based order will find increasing regional support for its expanded role, although smaller nations will also be careful to avoid entrapment in a broader alliance with Tokyo.

On the economic side, there remains no credible alternative to Abe’s economic reform platform, even though the liberalization he has promoted so far will likely take time to transform the system. A successful conclusion of the TPP will force further restructuring but will also tie Japan into a global trade agreement that will help reshape Pacific economic relations. Voices calling for a return to business as usual are increasingly isolated, given the challenge Japan
faces in maintaining its economic position vis-à-vis competitors such as South Korea and China. With the country’s demographic decline already having commenced, planning for a potentially weaker Japan in another generation takes on even greater importance. The security reforms that Abe is proposing will require a strong economy and a mature industrial base, both of which can only come from greater economic liberalization and increased innovation and entrepreneurship.

Both of these long-term Japanese goals to increase national power enhance US interests and policies in Asia. A vibrant, democratic Japan that can play a larger security role will be a more importantly. The ability to work in concert to maintain stability and uphold norms of conduct will allow Tokyo and Washington to have a greater influence on the shaping of Asia’s security and political relationships. Similarly, with both the United States and Japan in the TPP, economic liberalization throughout the region will be given impetus. Tokyo and Washington will not agree completely on every issue; however, the community of interests that has bound the two countries together for the past 60 years serves as a bedrock for liberal values in Asia and will be strengthened by enhanced cooperation on economic and security issues. Washington should therefore not merely welcome Japan’s attempts to increase its national power but do what it can through economic, political, and security cooperation to encourage Tokyo to hew to the path of greater reform, liberalization, and regional engagement.

What is little in doubt is that Japan has the greatest potential national power in Asia outside of China. While its national resources will remain taxed, Japan nonetheless can maximize those resources to advance goals that few other Asian nations can hope to achieve. Military capability is but one element of national performance, although an increasingly important one. Japan’s desire to play a pivotal role in Asian security, not least due to its dependence on an open, rules-based trading order, calls for an expansion of its military capabilities and an embrace of a more proactive military stance abroad.
The logic of Japan’s slow security reform over the past decade will likely lead it to take on ever-broader missions and add new capabilities. Isolationist voices may well try to hark back to a less complicated time when Japan could supposedly seal itself off from the world, but the reality of China’s hegemonic intentions and North Korea’s nuclear aspirations will prevent any revived isolationism from taking hold. Enhanced partnerships with the United States and Asian nations will further encourage Japan to play a larger role in the Asia-Pacific. Whether Japan lives up to its interests and potential will be a test of its ability to remain a powerful actor in the region and the world.

Notes


16. World Bank, “Adolescent Fertility Rate (Births per 1,000 Women Ages 15–19),” http://data.worldbank.org/indicator/SP.ADO.TFRT.


21. National Institute of Population and Social Science Research,


25. Ibid.

26. Ibid.


31. Ibid.


37. Ibid., 28.

38. CIA, *The World Factbook*.


40. Ibid.

41. CIA, *The World Factbook*.


asia/china/AJ201302280058.


61. For more on consensus-gaining issues, see Karel van Wolferen, The


74. CIA, The World Factbook.
78. Ibid., 257.


98. In 2007, Abe proposed the Quadrilateral Security Dialogue as a forum to develop security ties among Australia, India, Japan, and the United States.


103. Ibid., 22.


111. Ibid.

112. Ibid.
Japan’s New Realism: Abe Gets Tough

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Last September, tens of thousands of opponents of Japanese Prime Minister Shinzo Abe gathered outside the National Diet building in Tokyo, often in torrential rain, holding placards and shouting anti-war slogans. They were there to protest the imminent passage of legislation designed to allow Japan’s military to mobilize overseas for the first time in 70 years—a shift they feared would undermine Japan’s pacifistic constitution and encourage adventurism. On September 17, Japan’s normally sedate parliament dissolved into scuffles as opposition politicians tried and failed to prevent a vote on the bills, which ultimately passed.

They and the protesters may have failed in their objective, but they got something right: Japan’s foreign policy is indeed changing. Since returning to power in September 2012, Abe has pushed through a series of institutional, legal, diplomatic, and military reforms that are reshaping Japan’s national security posture and that promise to enhance Japan’s regional role over the coming decade. Responding to rapid changes in the region, particularly the dramatic increase in China’s power, Japan’s prime minister has distanced his country from its postwar pacifism—which was predicated on a benign view of the international system—and unveiled a new, more realist foreign policy.

Japan’s pacifism, which many Japanese see as key to their country’s postwar identity, dates to 1946. That year, the country, still occupied by the United States, accepted a US-drafted constitution forbidding Japan from maintaining a military with the potential to wage war. When the US occupation ended, in 1952, Tokyo essentially outsourced its defense to its new ally, Washington. In the decades that
followed, Japanese leaders also put their faith in the liberal international institutions, such as the UN, that defined the postwar world.

In recent years, however, Abe has increased the defense budget and loosened the constitutional restrictions on Japan’s military, passing laws that allow it to cooperate with partners in limited security operations. Bidding for a larger leadership role in Asia, he has deepened the country’s engagement with regional groups, such as the Asia-Pacific Economic Cooperation forum and the Association of Southeast Asian Nations, and he has strengthened the US-Japanese alliance. He has also built military ties with other democracies in Asia, including Australia and India.

Taken together, Abe’s actions, and those of some of his predecessors, will enable Japan to play a larger role in defending its interests and contributing to regional stability. Although controversial both at home and abroad, changes in Tokyo’s foreign and security policies are a positive step, moving Japan toward a regional posture more commensurate with its economic strength. They enhance the US-Japanese alliance and serve as a liberal counterweight to China’s increasingly assertive challenge to Asia’s rules-based order.

**Japan Gets Real**

Since the end of the Cold War, Tokyo has expanded the primary goal of its defense policy from defending the Japanese home islands to also protecting its far-flung maritime possessions—small, largely defenseless islands, such as Yonaguni, located just off Taiwan, more than 1,200 miles from Tokyo. To that end, it has sought to uphold freedom of navigation and an open, rules-based order in Asia. It has stepped up its military preparedness and strengthened security cooperation with an expanding set of partners.

These shifts in Japanese policy can be traced to the uncertainty that followed the collapse of the Soviet Union in 1991. Almost overnight, the original rationale for the long-standing US-Japanese alliance disappeared, and the future of East Asia’s security order—not to mention the future of the US presence in the western Pacific—became uncertain. As the United States struggled to craft a post–Cold War
global strategy, the US-Japanese alliance entered a period of drift, tied in part to questions about Washington’s commitment to the region in the new era.

In August 1990, less than a year after the fall of the Berlin Wall, Iraq’s Saddam Hussein invaded Kuwait. Washington assembled a huge military coalition to oust him, but Tokyo refused to send troops, paying $13 billion instead to help defray the costs. The move failed to win Japan much credit, however. Critics in the United States and elsewhere widely derided it, and the episode, which raised new questions about Japan’s ability to translate its economic might into strategic clout, tarnished the country’s image as a leading global power.

Then, in 1998, North Korea launched a ballistic missile over the island of Honshu. This was Tokyo’s “Sputnik moment,” raising Japan’s sense of insecurity and fears that its key ally might not be able to protect it from new threats. And Japan suddenly realized that it was facing what could become an existential threat from a rogue regime known to be pursuing nuclear weapons.

A final, ongoing reason for Japan’s strategic evolution has been the steady rise of China as a political, economic, and military power. Long accustomed to being the major player in Asia, Tokyo has recently been forced to contemplate a future in which Beijing will dominate the region.

Together, these shifts have helped erode Tokyo’s commitment to pacifism and have undermined its leaders’ belief that international institutions alone can be trusted to shape the future. In response, Japanese leaders have embraced a sort of classical realism, predicated on the belief that nations seek power above all else and that the only way to defend Japan is to forge stronger security partnerships and pursue a more activist foreign policy.

This new worldview has led Japan to seek closer security cooperation with the United States. After 9/11, then Prime Minister Junichiro Koizumi surprised many Japanese by agreeing to support the US-led “war on terror.” Unable to send combat troops, since that would have violated Japan’s constitutional ban on “the threat or use of force as means of settling international disputes,” Koizumi
dispatched Japan’s Maritime Self-Defense Force to the Indian Ocean to support allied combat operations in the region. He also sent Japanese reconstruction troops to Iraq in February 2004 and deployed an Air Self-Defense Force team to transport supplies between Kuwait and Iraq. Finally, between 2002 and 2009, Tokyo pledged $1.4 billion in aid to Afghanistan.

When Abe first became prime minister—he succeeded Koizumi in 2006—he pushed through a number of laws to allow for greater security cooperation with Japan’s partners. He also conducted a review of Japan’s ban on sending troops overseas and proposed the creation of a national security council and a centralized intelligence organization to modernize planning.

But just one year into the job, Abe resigned when his ruling Liberal Democratic Party lost control of the upper house of the Diet. And when the Democratic Party of Japan (DPJ) took over the lower house in 2009, Yukio Hatoyama, the new prime minister, shelved Abe’s ambitious security reforms. Hatoyama, who felt that Japan’s future lay with Asia, not the United States, drove a wedge between Washington and Tokyo by fighting a plan to relocate a US Marine Corps base on Okinawa and attempted to reorient Japan toward China and South Korea. Like Abe, however, Hatoyama lasted only about a year in office. His successor, Naoto Kan, scarcely did better: Overwhelmed by the 2011 tsunami and the subsequent Fukushima nuclear crisis, he was forced to resign in September 2011.

The next DPJ prime minister, Yoshihiko Noda, adopted a more conservative foreign policy, reemphasizing close ties with the United States and taking a harsh tone toward China, which he identified (along with North Korea) as Japan’s main strategic threat. Noda agreed to purchase the F-35 stealth fighter jet and eased a 1960s-era de facto ban on exporting weapons. Noda also joined negotiations over the Trans-Pacific Partnership, supporting Washington in its attempt to establish a free-trade bloc of largely liberal nations that excluded Beijing.

Perhaps most significant, Noda nationalized three islands in the Senkaku chain⁷ (known as the Diaoyu chain in China) also claimed by China and Taiwan. Since the return of Okinawa⁸ to
Japanese control in 1972, Japan had administered these privately owned islands, but in September 2012, to prevent their purchase by the right-wing governor of Tokyo, Noda had the Japanese government buy them instead. Although Noda’s move was meant to block an even sharper provocation, it dramatically worsened Japan’s relationship with China. Beijing responded by sending private fishing boats and maritime patrol vessels into the waters around the islands on a regular basis, and Noda began warning that China sought to undermine Japan’s administrative control of the Senkakus as a first step toward challenging its territorial claim. Beijing’s actions raised alarms in Japan about China’s growing military strength, its presence in the East China Sea, and the threat China posed to Japan’s southwestern island chain (which stretches from the southernmost island of Kyushu to just off Taiwan). The defense of these islands and the seas around them thus became the focus of Japan’s new strategic vision, which it would be under Abe as well, when he returned as prime minister in December 2012.

### Abe’s Grand Strategy

Before Abe could set his new policies in motion, however, he had to dismantle the various postwar restrictions that blocked Japan from using force abroad. His first move was to get the Diet to approve the creation of a national security council in November 2013, dusting off plans from his first term. Abe picked his close adviser Shotaro Yachi to run the new body and staffed it with personnel from the Foreign and Defense Ministries. He then directed the council to draw up a new national security strategy and approve the formal five-year guidelines that inform Japan’s defense procurement plans. The National Security Council also coordinates Japan’s security policy and serves as a central body for crisis planning and response.

Abe was able to make these institutional changes with relatively little fanfare. His broader reforms to Japan’s security policies sparked far more controversy, however—especially his efforts to ease the arms export ban. The prohibition had long cut off Japan’s defense industry, whose 10 largest companies had only about $7.25 billion
in domestic contracts in 2012, from the global market and the international R&d community, thus forcing it to produce products that were often one and a half times as expensive as comparable foreign models, and sometimes more. In 2014, Abe received Diet approval to expand the types of arms Japan could export and allow Japan to cooperate more closely with the United States and other partners on defense technology.

Abe’s next move—pushing through laws to allow Japan’s military to mobilize abroad—sparked even more public outcry. Japan’s constitutional prohibition on collective self-defense had created various awkward problems for the country over the years; among other things, it required the Diet to pass a special law every time Japan wanted to deploy its forces overseas. Now, under Abe’s reform (which was passed by parliament last September), the government has the right to assist allies whose forces or territory are under attack and provide logistical support to countries engaged in military operations that do not directly concern Japan’s security.

Abe has also begun to boost Japan’s military capabilities. After a decade of military stagnation, he has gradually increased the defense budget: by 2.9 percent in 2014 and 2.8 percent in 2015. In December 2015, the Diet passed an increase of 1.5 percent for 2016, which would bring Japan’s total annual defense spending to a record $42.4 billion. These additions pale in comparison to China’s $132 billion defense tab in 2014 and double-digit budget hikes in recent years. Yet they are nonetheless significant. Abe has reaffirmed Noda’s plan to buy 42 F-35 fighters and has announced his intention to purchase 17 Osprey tilt-rotor aircraft and 52 amphibious assault vehicles. He has also pledged to build two new destroyers and to increase Japan’s submarine force to 22 modern diesel boats. Japan’s Ministry of Defense also intends to buy three top-of-the-line surveillance drones and around 20 new maritime patrol planes to replace old models and upgrade Japan’s ballistic missile warning systems and satellites.

Tokyo has already bolstered its defenses in the southwestern island chain, building radar sites on Yonaguni Island, near Taiwan, and constructing bases on three more key islands in the area. By 2020, Abe intends to place up to 550 troops on Amami Oshima,
the largest island between Kyushu and Okinawa; he has also started setting up bases on Ishigaki and Miyako, near the Senkaku chain, to facilitate the quick deployment of military personnel in a crisis. All told, nearly 10,000 Japanese troops will be stationed on islands in the East China Sea, along with a network of anti-ship and antiaircraft missiles there. And in August 2015, Abe launched the country’s second Izumo-class helicopter carrier, which has dramatically strengthened Japan’s ability to project force in its territorial seas.

Good Fences Make Good Neighbors

As significant as Abe’s domestic security reforms have been, it is his foreign initiatives that have revealed the true scope of his ambition. Not content for Japan to keep acting as a sort of international bystander, Abe has made more than 40 trips abroad since 2013 and has used visits to Canberra, Singapore, and Washington, DC, to lay out his foreign policy vision.

Abe has also attempted to reassure critics that Japan will never again engage in offensive war. To drive home this message, he has made nonmilitary diplomacy a large part of his foreign outreach. His government has raised Japan’s profile in various multilateral institutions, such as the East Asia Summit and the Association of Southeast Asian Nations, by raising questions of maritime security, and in October 2015, it signed the Trans-Pacific Partnership treaty.11 Underscoring his growing regional influence, in 2015, Abe also succeeded in getting a reference to stability in the South China Sea added to the final communiqué issued by the East Asia Summit, despite Chinese opposition.

Throughout the Cold War, Japan remained largely isolated in Asia, with the United States as its only ally. In part because Japanese relations with China and South Korea have become strained, Abe has built new relationships with Australia and India and strengthened ties with Southeast Asia. Abe has also resurrected the political and security dialogue he began in 2007 with Australia, India, and the United States, part of an initiative to create a community of liberal interests in Asia. And unlike his predecessors, who
maintained primarily diplomatic relations with those countries, he has made security cooperation a key element of his diplomatic and economic outreach.

Japan's closest relationship in Asia may be with Australia; Japanese officials have described it as a “quasi-alliance.” In 2014, the two countries signed an agreement that enhanced the sharing of information and defense technology. Last November, Tokyo submitted a formal offer to build advanced submarines for the Royal Australian Navy, which would allow the two countries’ navies to work together more closely.

Nearly as high on Abe's list of partners is India. Abe enjoys good relations with Prime Minister Narendra Modi and has declared a “special strategic and global partnership” with New Delhi. He also joined the United States in participating in the Malabar naval exercise hosted by India in 2015, and India and Japan have discussed the possibility that New Delhi might purchase Japanese submarines and search-and-rescue planes, which would help the Indian navy patrol the eastern Indian Ocean, where Chinese ships increasingly roam.

Tokyo is seeking to play a similar role in Southeast Asia, where a number of other countries are increasingly finding themselves targeted by China’s territorial claims. Abe has championed Japan’s role in maintaining maritime security and freedom of navigation, positioning his country as the defender of a liberal, rules-based order in the region. In 2015, Tokyo signed strategic partnership agreements with Indonesia, Malaysia, the Philippines, and Vietnam. Abe has also agreed to give six maritime patrol vessels to Vietnam and sell three to Indonesia, has loaned Manila the money to purchase 10 maritime patrol vessels, and has announced plans to loan used surveillance aircraft to the Philippine navy. Last May, Japan and the Philippines conducted their first joint military exercises, and Vietnam agreed to joint naval exercises last November.

Abe has also reached out to Europe, attempting to position Japan as the continent’s main Asian partner. In 2014, he formalized Japan’s ties to NATO by concluding an “individual partnership and cooperation program” and signaled his interest in joining a NATO missile-building consortium. Abe has also deepened Japan’s bilateral
defense ties with France and the United Kingdom by signing a military equipment and technology transfer agreement with the former and a defense equipment cooperation agreement with the latter.

Above all, Abe has taken several moves to strengthen Japan’s most important strategic relationship: its alliance with the United States. In April 2015, Tokyo and Washington upgraded their ties for the first time since 1997, announcing that they would start cooperating more closely on maritime security and regional stability. The two nations also agreed to work together to deal with ambiguous security situations that fall short of formal conflict and to jointly respond to threats in space and cyberthreats.

Remaking Asia

By slowly eliminating its restraints on security cooperation, by deepening its relationship with the United States, and by emphasizing more muscular, liberal rhetoric, Abe’s Japan has positioned itself as a sort of anti-China in Asia and beyond. Yet many of the other restrictions on Japan’s military remain in place, and these will not be revoked anytime soon. Japan’s society would not allow its military to play a more normal role in dealing with foreign crises; the Japanese also remain highly wary of entangling alliances.

Yet many of Japan’s elites—who are worried about the threats from China and North Korea and who fear that the United States is distracted by crises in the Middle East and Ukraine—have embraced the country’s new realism. Leading thinkers, including the journalist Yoichi Funabashi, the former diplomat Kuni Miyake, the political scientist Koji Murata, and the former defense minister Satoshi Morimoto, are among those writing and speaking about the need for a more muscular Japanese posture. Indeed, there is a growing community of academics, policy analysts, and politicians who believe that Japan must do more to ensure its own security and help support the global system that has protected it since the end of World War II.

As Abe expands Japan’s global role, his policies will include new activities abroad and entail deeper security cooperation with existing partners. The more unstable the global environment becomes, the
more Japan will need to play a global role commensurate with its size and economic strength. That role should take advantage of multilateral organizations, but it will, realistically, privilege Japan’s security.

After decades of stagnation in Japan’s foreign and security policies, the new posture will contribute to the maintenance of Asia’s liberal post–World War II order over the coming decade and beyond. Abe’s policies, which build on some of those of his predecessors, are a series of small yet interlinked steps that will enhance Japan’s security, diplomacy, and economy. In focusing primarily on stemming the growing threat from China, Abe is attempting a tricky balance: to prevent the souring of relations between Beijing and Tokyo but also to keep Asia’s balance of power from tilting too far toward China.

Abe’s plans are controversial, but a healthy democratic tension between a largely pacifistic populace and an elite that worries about emerging threats to Japan’s security will likely help Tokyo avoid the extremes of isolation, on the one hand, and intervention, on the other. In openly advocating liberal values, Abe is making clear that he recognizes Japan’s responsibility to preserve stability. Japan’s new policies are particularly important in ensuring that the US-Japanese alliance, which remains perhaps the key guarantor of regional peace, will remain a credible and robust instrument in the coming decades.

Seven decades after the end of World War II, Japan is once again becoming a military player of some significance in Asia, as well as a political force. Yet unlike during the 1930s, when ultranationalism propelled Japan onto a disastrous path of invasion and war against its neighbors, today Japan is shedding old restraints so as to strengthen and defend the open, liberal system that has enriched Asia and led to decades of general stability. In a world where resurgent authoritarian powers threaten global peace, Japan’s new realism will help shape the next decade in the Pacific and ensure that no one power dominates Asia.
Notes


Trumpeting the Alliance: How Much Will the United States and Japan Lean on Each Other?

This was originally published as an article at War on the Rocks (https://warontherocks.com), a digital outlet on strategy, defense, and foreign affairs.

After an election season that called into question the very survival of the US-Japanese alliance, the first month of the Trump administration instead saw the development of the strongest personal relationship between American and Japanese leaders in more than a decade. Yet underneath the golf course high fives and limousine hugs between Donald Trump and Shinzo Abe lay unanswered questions about America’s Asia policy, the viability of America’s other alliances, and the future of China’s relations with both Japan and the United States.

Although Asia appears far more stable than the Middle East and possibly even Eastern Europe, the shifting geopolitical balance in Asia means that nothing can be taken for granted. In the face of China’s belligerence, North Korea’s continued threat, and regional populism, the alliance between the United States and Japan faces unique pressures. Whether those pressures forge a closer relationship or cause divisions between the two countries remains to be seen. Based on my extensive discussions with US and Japanese policymakers and experts, it is clear that the alliance is strong, but it is likely to be tested over the coming years.

Both countries will again reconsider the alliance’s role in their respective security policies as they attempt to defend particular and common interests and maintain global order. The alliance will
remain primarily a tool for maintaining stability in Asia, but given the interests of both nations, Tokyo and Washington will likely feel pressure to push their cooperation beyond regional issues to those with a more global character.

To move beyond the photo ops, we must assess the significant changes in the Asian security environment, focusing on challenges and opportunities for stability. How might each government look at the opportunities offered by the alliance to achieve foreign policy goals? This question and others cannot be fully understood without first exploring the domestic political environments in Japan and the United States, especially in light of the rise of populism in the latter. Taking all this into account, I outline how this bedrock alliance may evolve over the next decade.

A Regional Security Environment That Continues to Change

During its six decades, the alliance between Tokyo and Washington has been affected as much by the regional security environment it seeks to shape as by domestic politics in both countries. Today, that security environment is rapidly changing both in Asia and around the world, and populist politics threaten to upend traditional diplomatic and security relationships. Perhaps most alarmingly, disorder continues to spread around the globe. The post–World War II rules-based international system is challenged by both the continuing threat of jihadist nonstate actors and by the continued rise of revisionist and revanchist great powers, including China and Russia. Yet the central role of America and Japan in the global political and trading system means that they cannot insulate themselves from disruption outside their borders and beyond their respective regions. Instead, they must pursue active policies to ensure their security and continued prosperity.

While the Obama administration should get due praise for elevating Asia to a first-tier priority, its achievements did not measure up to its expectations. Moreover, the security environment has noticeably deteriorated since 2009, leaving a gap between the rhetoric of the rebalance and the reality of a more unstable Asia. Indeed, the Obama
administration left office with an Asia at greater risk of conflict than at any time in recent memory. This was a bitter pill for a government that put so much effort into the so-called rebalance to the region.

A snapshot of Asian risk during the year before Trump took office illustrates the challenges facing the new administration. To ring in 2016, North Korea conducted its fourth nuclear test and claimed that it had successfully detonated a hydrogen bomb. Just three weeks later, the US Navy conducted a freedom of navigation operation (FONOP) in the South China Sea, sailing a guided missile destroyer within 12 nautical miles of Triton Island in the Paracels, and drawing severe condemnation from China. Throughout the rest of the year, the Chinese continued to build up their reclaimed islands in the Spratleys, including completing airstrips and emplacing or preparing for the deployment of defensive weaponry. The sweeping rejection of China’s maritime claims in the South China Sea by The Hague Permanent Court of Arbitration in July 2016 exacerbated tensions rather than meaningfully reinforcing international law, as Beijing flatly rejected the court’s ruling and pressed ahead with militarizing its possessions in contested waters. In February 2016, Pyongyang launched yet another long-range rocket over the East and South China Seas, apparently placing a satellite into orbit.

The Trump administration inherits an environment in which the past two US administrations have presided over irrevocable changes in Asia’s security environment—namely, the attainment of a nuclear capability by North Korea and the “militarization” of China’s territorial disputes. Corresponding feelings of uncertainty and insecurity have risen among China and North Korea’s neighbors.

That China is a driver of much of the regional security concern is no longer a controversial belief. Over the past two decades, Beijing has dramatically modernized and increased the size of its armed forces. From a largely coastal defense force, the People’s Liberation Army Navy (PLAN) now far outstrips any other Asian naval force and operates globally, even as far afield as the Mediterranean.

Last year, China began construction on its first overseas naval base in Djibouti. Its acquisition of aircraft carriers means the PLAN will increase its ability to project power into the South China Sea
and western Pacific, while its growing submarine forces\(^9\) will give it further presence in the Indian and Pacific Oceans, not to mention the inner seas of East Asia. In addition, the growth\(^10\) of the People’s Liberation Army Air Force, rocket forces, and cyber capabilities all combine to make the Chinese military the most powerful in Asia.

Instead of becoming more cooperative in regional security affairs, China is using its strength to coerce and threaten its neighbors, take away contested territory (such as at the Scarborough Shoal),\(^11\) and build power projection bases on reclaimed reefs in the South China Sea.

Japan, too, has felt the pressure of a resurgent China. In November 2013, China declared an air defense identification zone\(^12\) over much of the East China Sea, undermining freedom of overflight for civilian airliners. During the summer of 2016, multiple Chinese maritime patrol vessels intruded\(^13\) in contiguous waters near the Senkakus, often while escorting dozens of private fishing vessels. Under President Xi Jinping, China is more assertive and more willing to absorb the diplomatic and political costs incurred by its actions.

Yet there is now a new wrinkle in the story of China’s rise to great-power status: The dramatic slowdown\(^14\) in the Chinese economy raises several intriguing questions about Beijing’s foreign and security policy.

First, how long will the state be able to afford major increases in the military budget? Despite growth rates dropping below 7 percent per annum, the Chinese military budget continues to rise faster than gross domestic product growth each year. While Beijing will try to resource this buildup, expenditures for the Chinese armed forces may drop significantly by 2020 or 2025. Already, the 2016 defense budget increase slipped below 10 percent\(^15\) compared to the previous year for the first time in more than a decade, down to 7.5 percent. A prolonged period of smaller increases in defense spending will make it harder for the Chinese to maintain their military strength over the long run and project power globally.

Second, if the economic slowdown in China continues to worsen, possibly even leading to stagnation, there could be increased domestic unrest from displaced workers and a middle class fearful of losing
its wealth. In response, the central government might seek to divert attention away from problems at home through military adventurism abroad, possibly in the East China Sea and very likely in the South China Sea.

Third, the perception of a weaker China could cause the smaller Asian nations to balance against it, and those with territorial disputes may seek to press their advantage against a regime distracted by economic problems. Beijing may well react to such pressure with a military response to head off loss of prestige, influence, and actual territorial claims.

Regardless of which scenario plays out, the next decade will likely witness a new phase in the development of China’s power, as it struggles with slower growth and increased domestic pressure.

Yet China is not the only shaper of the Asian security environment. As shown by its nuclear and missile tests, North Korea remains a danger, one that is objectively becoming more of an acute threat to its neighbors. More than two decades of negotiations between Pyongyang and Washington, including the six-party talks, failed to prevent a nuclear-capable North Korea that poses an existential threat to at least two Asian states, including Japan.

In addition, North Korea is steadily developing its long-range ballistic missile program, and an increasing number of analysts believe it can now target at least parts of the American homeland, not to mention all of Japan. Once Pyongyang has a force of nuclear warheads mated to intercontinental ballistic missiles, the world will be forced to recognize it as a full-fledged nuclear power. Given the North Korean regime’s hermetic nature, traditional deterrence models are unlikely to be applicable. Decades of experience have taught North Korean leaders that there will be little price paid for belligerent actions, and China and Russia will help it evade whatever sanctions are levied against it. In return, Pyongyang has perfected the art of intimidation, blackmail, and uncertainty, all designed to keep the United States and its allies off balance.

For US and Japanese officials, recognition that regime survival remains the sine qua non of North Korean political life will continue to serve as the starting point for analysis, policy formation, and
diplomatic outreach alike. Here, Japan’s long-standing if often informal links with North Korea must be leveraged to both enhance intelligence gathering and possibly influence different actors inside the Kim government.

The Asia-Pacific region faces other threats to its stability, including the reemergence of Russia as a military player in the process of rebuilding its naval and air power in northeast Asia. Piracy has also made a comeback in the region’s vital waterways, including around the Malacca Strait. Further, the arms race ignited by China’s military buildup means that more nations in the region now field advanced weapons, including fighter jets, anti-ship missiles, and submarines. This new proliferation raises the general level of regional tension, makes it harder to resolve territorial disputes peacefully, and makes it more likely that miscalculation will lead to armed clashes.

In short, the security environment in the Asia-Pacific has deteriorated over the past decade, even if significant armed clashes have so far been avoided. Without an improvement in relations, a change in Chinese behavior, or the establishment of a durable security architecture, it remains entirely possible that China’s current trajectory will lead to Chinese hegemony in East Asia over the medium term, although the economic constraints noted earlier may make it harder to maintain a position of dominance over the long term. This would then raise doubts about the future of Asia’s open, rules-based system. Both Japanese and American interests would be hurt by such an outcome, leading to difficult policy choices and renewed pressures on the alliance.

A Domestic Environment Facing Political Challenges

These changes in Asia’s security environment are part of a larger increase in global instability over the past decade. As such, they factor into the overall foreign policies of Japan and the United States but have often been overshadowed by global crises, from the 2008 financial meltdown and subsequent global recession to the rise of the Islamic State. In light of such global challenges, and spurred by the growing risk in the Asia-Pacific, both former President Obama
and Prime Minister Abe attempted to shift their Asian foreign and security policies individually and in concert.

Perhaps the more surprising change has occurred in Tokyo, long considered both the junior partner in the alliance and a generally passive player on the global stage. Talk to security officials and experts in Japan today, however, and they are far less restrained than in the past. After downplaying the Chinese threat for so long, they now openly discuss it and make clear that Japan will play a larger role in security issues than in the past. Just as noticeably, Japanese counterparts do not hesitate to share their frustrations with US policy, particularly the Obama administration’s ambiguous response to Beijing’s South China Sea adventurism. They worry that a distracted America is not up to dealing with the plethora of global crises it faces, from the Islamic State and Syria’s unending civil war, to Russian revanchism in Ukraine and the Middle East. This leaves Japan feeling particularly vulnerable in Asia.

Such concerns did not appear overnight, but they intensified in the past decade and upended Tokyo’s traditionally low-profile security policy. After years of minimal response to China’s military buildup and a slowly shifting balance of power, Japan adopted a more activist foreign policy. Former Prime Minister Yoshihiko Noda of the Democratic Party of Japan led the initial policy moves, including replacing Japan’s aging fighter jets with the stealthy US F-35 and the 2012 decision to purchase several of the Senkaku Islands from their private owner. In addition, under Noda, a shift in overall security strategy was adopted, from focusing on the country’s northeastern frontier to the defense of the southwestern islands, including the Senkakus.

Building on these initiatives, Shinzo Abe has significantly reshaped Japan’s regional security policy since returning to office in late 2012. His approach, described as “Japan’s new realism,” overturned decades of restrictions on Japan’s security activities, including controversially ending the ban on collective self-defense and the prohibition on the export of arms and defense industry cooperation. Both mean that Tokyo will slowly be more able to participate with partners in Asia and globally, partaking more fully in military
exercises, codeveloping defense-related materials, and possibly supporting nations facing armed pressure.

Government officials and sympathetic experts are far more outspoken under Abe than under previous governments. They make clear that Japan will do the utmost to protect its sovereignty, and they recognize that the first line of defense resides far away from the home islands in the South China Sea or even the Indian Ocean.

Japan’s perspective has broadened in part due to Abe’s activist policies. He has dramatically expanded the range of Japan’s security relationships in Asia with both large and small states. With Australia, he has created a quasi-alliance and enhanced trilateral cooperation with Canberra and Washington. Even though Japan lost out on its bid to build Australia’s new submarines, the broader relationship between Tokyo and Canberra remains strong. The infrastructure that already exists among Japan, Australia, and the United States means that this trilateral grouping forms the primary liberal interest group in Asia today. Abe will likely continue to stress common interests to make Japan an increasingly attractive partner for regional security and political initiatives.

At the other end of the Indo-Pacific region, Abe has formed a particularly close relationship with Indian Prime Minister Narendra Modi. The two have increased high-level political and military dialogue, and Japan has permanently joined the high-profile India-US Malabar naval exercises. Tokyo has announced plans to sell New Delhi more defense equipment, including maritime patrol planes, although that deal, too, has been delayed. Nonetheless, the overall goal remains: to help New Delhi monitor Chinese naval activities in the Indian Ocean, particularly around the Andaman and Nicobar Islands, which are strategically located at the entrance to the Strait of Malacca, thereby linking the Indian Ocean with the South China Sea.

Other Asian nations have also benefited from Japan’s new realism. To improve long-damaged relations with South Korea, Abe agreed to a landmark apology for World War II-era comfort women in December 2015, along with monetary support for the surviving victims. This was followed by reinvigorated US-Japanese-South Korean
trilateral discussion about the North Korean threat and multiple phone conversations on the subject between Abe and South Korean President Park Geun-hye, who since has been impeached for her role in a bribery scandal. Malaysia, the Philippines, and Vietnam have all either received or purchased Japanese maritime patrol vessels, while Manila and Hanoi have either conducted or agreed to conduct naval drills with the Japan Maritime Self-Defense Force (JMSDF).

Perhaps as significantly, Abe has articulated his strategy in terms of upholding Asia’s rules-based order. In prominent speeches in Canberra, Singapore, Washington, and most symbolically at Pearl Harbor, Abe shared his vision of Japan’s role as a bulwark of the liberal international order. He also weighed in on Asia’s territorial disputes, at least rhetorically, by calling for a peaceful resolution and the rejection of coercion as a tool of statecraft. At the same time, Abe could go further by joining Southeast Asian nations and the US Navy in South China Sea maritime patrols or confidence-building exercises. As Washington’s alliance with the Philippines frays under the new president, Rodrigo Duterte, expanded Japanese security cooperation becomes more important.

At a minimum, Japanese government sources insist that the JMSDF and Japan Coast Guard ships will increase their presence in the South China Sea, although Tokyo remains unlikely to formally join any FONOPs or joint patrols conducted by the US Navy. Nonetheless, greater presence would put Japan directly in the middle of Asia’s most heated disputes, something that the country traditionally sought to avoid. Abe’s increased activity in the South China Sea already shoehorned Japan into the broader discussion, “regionalizing” the question of freedom of navigation and maritime disputes and further linking once-separate issues into a larger strategic dialogue.

Unlike Japan, the United States has been deeply engaged in Asia for decades from a military angle, as well as economically and politically. Its alliance commitments have required a constant assessment of the region’s overall security balance and provided opportunities to enhance America’s security position. Nevertheless, the rise of China and the continuing North Korean threat have tested Washington’s largely status quo policy over the past decade.
In response, the American counterpart to Japan’s new realism was President Obama’s so-called rebalance or pivot to Asia. This policy focus was first hinted at in 2010, when Secretary of State Hillary Clinton announced at the Association of Southeast Asian Nations (ASEAN) Regional Forum that Washington considered the peaceful, multilateral solution of the South China Sea territorial disputes to be in America’s national interest. Obama formally declared the rebalance during a visit to Australia in November 2011. For the rest of his presidency, US officials from Obama on down repeated numerous times the essential argument that America is a Pacific nation and that it is committed to enhancing its role in Asia. Despite welcoming Obama’s rhetoric, there was an equal amount of skepticism from domestic and foreign sources alike, deriving not from the ostensible goals of the rebalance, but from the gap that ultimately emerged between Obama’s rhetoric and reality.

By the time Obama left office, the rebalance was at best incomplete. The most noticeable parts of the rebalance were those connected with the US military, although the Obama administration repeatedly took pains to express that the rebalance was more than just a security policy directed against China. Yet most observers paid attention to the military elements nonetheless. These included plans for the eventual rotational presence of US Marines and US Air Force aircraft in Darwin, Australia, for the first time. In addition, the Obama administration announced that the US Navy’s new Littoral Combat Ship would be rotationally homeported in Singapore, increased the overall number of US Navy ships in Asia to 60 percent of the total fleet, forward deployed advanced fighter jets to bases in Guam and Okinawa, and negotiated renewed access to bases in the Philippines for the first time since US forces left Subic Bay and Clark Air Base in the early 1990s. By the end of Obama’s second term, these plans had just begun to come to fruition, although the agreement with the Philippines seems almost certain to fall apart, thanks to Duterte’s shift toward China.

Yet even with the rest of the policies moving ahead, Washington’s rebalance was less successful in improving the worsening security situation. While the Obama administration repeated its expectation
that the East and South China Sea maritime disputes be peacefully settled, China continued to coerce the other claimants. Its flat rejection\(^{41}\) of The Hague arbitration ruling in July 2016 set it at odds with the international community, yet Beijing not only used its economic and political influence to bring Manila toward its position, but also employed Cambodia to obstruct\(^ {42}\) any ASEAN joint statements recognizing The Hague decision, while offering financial blandishments to Malaysia to woo it over to China’s side.

China’s advances in the South China Sea may garner the most headlines, but for Japan, the contest over the Senkakus in the East China Sea remains its primary security worry. Incursions\(^ {43}\) by Chinese fishing boats, maritime patrol vessels, and even the PLAN continue to send signals that Beijing is serious about challenging Tokyo’s administrative control of the islands. Concern in Japan became serious enough that Obama was forced to publicly state\(^ {44}\) that the Senkakus fell under Article 5 of the mutual defense treaty between Washington and Tokyo; similarly, newly inaugurated President Trump offered similar assurances during his first summit with Abe, in February 2017. Yet Chinese probing of the islands did not cease with either presidential statement. Similarly, Chinese harassment of Southeast Asian nations continues apace in the Spratly and Paracel Islands, and when the Obama administration repeatedly demanded\(^ {45}\) that China stop its land-reclamation activities, Beijing dismissed them out of hand.

Within the US government, fault lines grew between the military and the Obama White House. Echoing the complaint of previous military leaders, Pacific Command’s Admiral Harry B. Harris testified\(^ {46}\) to Congress in February 2016 that the Navy could meet only 62 percent of his need for attack submarines. Harris also warned that Beijing was seeking hegemony in East Asia and that US policy had failed to alter China’s trajectory. Meanwhile, up in the north, the Obama administration’s policy of “strategic patience” vis-à-vis North Korea did not change Pyongyang’s behavior; more advanced nuclear and missile tests continued unabated, taking place as well during the first months of the Trump administration, when North Korea fired off ballistic missiles.
In response to the worsening security environment in its last years, the Obama administration belatedly approved the ambiguous freedom of navigation and innocent passage sailings of two US Navy destroyers near Chinese-claimed territory and the overflight of P-8 patrol planes. The public announcement of the operations was meant to send a signal to both China and America’s allies and partners in the region, who worried about continued US commitment to upholding order. Yet reports\textsuperscript{47} swirled\textsuperscript{48} that Pacific Command was frustrated with the White House’s reluctance to carry out regular FONOPs in the South China Sea and that when such operations did occur, they were confusingly claimed as “innocent passage.”

Despite the Obama administration’s public rhetoric, moves to secure basing and access, and ongoing military activities, travelers through the region regularly heard doubts expressed by Asian interlocutors about whether China and North Korea can be deterred from their current courses of provocation and confrontation. In part, Asian capitals wanted an unambiguous US statement of interests and far more public displays of US commitment to upholding the open, rules-based system. Fueled by these doubts, the US-Japan alliance has the potential to play a bigger role in shaping Asia’s security environment.

Although America’s security commitment to Japan has been supported by Democratic and Republican presidential administrations alike for the past 60 years, there was a palpable fear during the 2016 campaign that if Donald Trump won the election, he might radically revise US-Asia policy. Specifically, Trump promised\textsuperscript{49} to walk away from negotiations over host-nation support if Japan did not dramatically increase its payments. In addition, Trump called into question\textsuperscript{50} the US nuclear guarantee of extended deterrence, stating in public that he would be willing to let both Japan and South Korea develop their own nuclear weapons. As it turned out, the new administration quickly backed off such dramatic changes, with both Trump\textsuperscript{51} and new Secretary of Defense James Mattis\textsuperscript{52} publicly reaffirming America’s commitment to the alliance.

However, Trump did follow through on some of his campaign promises, most notably by withdrawing from the Trans-Pacific
Partnership (TPP) free trade agreement. Given the amount of political capital that Abe expended in getting TPP passed, it is no surprise that officials in Tokyo are deeply disappointed by the decision. However, Abe appears focused on the overall state of the US-Japan relationship and thus did not push the issue during his February summit with Trump.

If Trump appeared to represent a strain of American populism that could undermine Washington's commitment to remaining engaged in Asia, other Asian partners of the United States have their own populist leanings that represent a challenge to the American alliance system in Asia. The willingness of Filipino President Duterte to cancel some alliance activities, the lack of cooperation between Washington and the Thai junta, Australia's nervousness over antagonizing China, and the potential for a progressive South Korean government after 2017 all spell pressure on America's Asia strategy. It is not entirely far-fetched to envision a period in the near future wherein Tokyo is not only Washington's most important Asian ally but also perhaps its only real functional one. Should that occur, the pressure on Tokyo would be enormous, both from American policymakers desperate to have as much support as possible and from domestic left-wing opponents, who would seek to limit Japan's cooperation with the United States. This would represent a moment of key evolution in the alliance, either toward intense cooperation or a less functional, looser arrangement. If one had to bet, the sense of isolation Japan would feel in an Asia tilting toward China would likely result in an intensification of ties with Washington, especially given Trump's early receptiveness to Abe.

An Alliance in Evolution, Although Not Through Disruption

While Abe's policies seem radical to many, they are part of a much longer development of Japan's security interests and a concomitant maturing of the alliance. The US-Japanese alliance evolved slowly during and after the Cold War, from a focus solely on the defense of the Japanese homelands to a broader concern with regional stability. This natural evolution came through careful, sustained diplomatic
and security engagement on both sides. Changes in the alliance were
guided by successive generations of experts and avoided dramatic
disruptions that could have upset the delicate equilibrium between
the two partners.

During the 1980s, Prime Minister Yasuhiro Nakasone agreed
to defend Japan’s sea lanes out to 1,000 miles and its JMSDF devel-
oped elite antisubmarine warfare capabilities, primarily through
fielding 100 P-3 maritime surveillance aircraft. Using US forces
based in Japan, the alliance served as the first line of defense against
Soviet expansionism in northeast Asia and the northern Pacific.

In the post–Cold War period, the alliance broadened its focus to
encompass emerging challenges—namely, China and North Korea.
Japan was not involved in the early nuclear negotiations between
Washington and Pyongyang, such as those that led to the 1994
Agreed Framework, but once North Korea launched a Taepodong
medium-range ballistic missile across Honshu in August 1998, the
alliance focused on building its ballistic missile defense capability.

In the succeeding years, Japan became the closest US ally for
antiballistic missile development and deployment, including build-
ing Aegis-equipped destroyers. Further, the two began to integrate
their air defense operations and improve on sharing information
related to the North Korean missile threat. The alliance’s overall
expansion to include peninsular issues was encapsulated by the con-
cept of “situations in areas surrounding Japan” in the 1997 Revised
Guidelines. Despite the lack of close Japanese-South Korean coop-
eration, the new guidelines codified the central role the US-Japan
alliance would play in the case of an outbreak of hostilities on the
Korean Peninsula.

While North Korea remained a constant focus of the alliance,
China’s rise presented a different set of challenges. Both Japan and
the United States became major trading partners with China, compli-
cating their response to Beijing’s military modernization and growing
assertiveness. As the Senkaku Islands dispute heated up after 2012,
the American affirmation that the mutual defense treaty covered the
islands raised new questions about how the two alliance partners
would respond to a revisionist China. After extensive consultations,
Washington and Tokyo released the 2015 Revised Guidelines, the first update of the alliance in nearly two decades.

The Revised Guidelines reflected changes in the regional security environment and the alliance’s evolution in scope. The treaty’s core remains Japan’s defense, but the recognition of new threats is driving broader areas of cooperation. The danger of cyberattacks and the threat of space-based threats to communications systems are now priorities, as is the enhancement of intelligence, surveillance, and reconnaissance capabilities. Traditional areas of cooperation, such as ballistic missile defense, air defense, and maritime security all remain top priorities.

Yet this updated alliance also pronounces itself committed to helping maintain stability throughout the Asia-Pacific region. Although far less specific on broader regional cooperation than in relation to Japan’s defense, Tokyo has pledged to work more closely with US forces on partner capacity building, in potential collective self-defense situations, and in humanitarian assistance cases.

The Revised Guidelines provide a set of goals for how the alliance will operate in the future, including new coordinating mechanisms. But what are the specific issues on which the two partners could cooperate? Here, Prime Minister Abe’s policy of “proactive diplomacy” may provide a way forward, although it will require Tokyo to commit to a visible and constant leadership role. At the same time, Washington will need the political will to maintain its influence in Asia through increased action, not just rhetoric.

The gravest risk to Asia is the threat of growing disorder. The best way to manage that risk is proactive cooperation that ultimately builds a new security architecture. Perhaps most dangerous in the short run are the various maritime disputes in the region’s seas. Already, naval and paramilitary standoffs over contested islands pit many of the region’s states against China or each other.

While there is no way to get China to submerge the islands it has built in the Spratlys or release its hold on Scarborough Shoal, creating a maritime community that upholds order through persistent presence and joint support is possible. This can be spearheaded by Japan and the United States, while bringing in nations that have
territorial claims, such as Vietnam and the Philippines, and those that have a vested interest in freedom of navigation, such as Australia, India, and South Korea. Joint patrols, multinational naval exercises, increased sharing of information, and the training of smaller navies can all build a community of maritime cooperation.

This community should also cooperate in the East China and Yellow Seas, because the region's waters are one connected strategic space. Both the JMSDF and the Japan Coast Guard can play a leading role with the US Navy's Seventh Fleet in training, organizing exercises, and ultimately participating in joint patrols and operations. Such confidence-building measures among participants will help reduce uncertainty and the feeling of insecurity that many smaller maritime nations have.

Regarding North Korea, the Trump administration should scrap the Obama-era policy of “strategic patience,” which while prudent, also allowed Pyongyang eight years to develop its nuclear and missile capabilities. Going forward, the US-Japan alliance should be increasingly integrated into contingency planning for a Korean crisis with enhanced trilateral discussion, coordination, and activities among Japan, South Korea, and the United States. While the two alliances should not and could not be formally merged, the threat North Korea poses to both Japan and South Korea means that they need to be far more engaged in actual planning for how to deal with an armed conflict on the peninsula or the collapse of the Kim regime in North Korea. Given the crucial role US bases in Japan would play in the logistics operations of any military engagement, Tokyo and Seoul should be thinking about overall strategic stability in northeast Asia. This may be more difficult if a progressive government takes power in Seoul, but long-standing ties between the South Korean and US militaries should offer some degree of continuity, even with a left-leaning government.

Finally, the alliance should play a larger role in supporting and strengthening democratic, liberal states in Asia. President Trump has not spoken that specifically about a democracy agenda, but he has a partner in Prime Minister Abe willing to discuss liberal values in the region. Those states struggling with the democratic process,
such as Thailand, or newly committed to a liberalizing path, such as Myanmar, should be a focus of attention from the alliance, encouraging the return to democracy or further liberalization. If China enters a sustained economic slowdown, there is an opportunity to forge closer economic and political ties with Southeast Asian nations that rely on export-led growth to modernize their economies. If the Trump administration remains opposed to the TPP, then it should at least energetically pursue bilateral trade treaties, starting with Japan. Including more developing Asian nations over time in bilateral and smaller multilateral treaties would promote better governance and strengthen political ties among states with open economies.

Similarly, the alliance should increasingly link Asia’s democracies by sponsoring legislative, military, media, and student exchanges. It is also time to revisit the idea of a summit of democracies in Asia as a way to promote the strengthening of civil society, rule of law, human rights, equality, and education. As Asia’s most developed democracy, Japan can play a special role with the United States in championing liberal values.

While Japan’s historical experience is different from most Asian nations, its leadership in developing civil society and solidifying democracy at home can uniquely allow it to discuss its experiences and work with other nations that are exploring the path of liberalization. Not only could the Japanese government do this, but also Japanese nongovernmental organizations could work with American counterparts to develop grassroots ties across the region. Although not formally an alliance activity, support from both Tokyo and Washington for such endeavors would clearly help fulfill the goal of “mutual cooperation” in the alliance.

None of this will come to fruition if populist voices triumph in America or if Japanese hesitancy to get more geopolitically involved reigns. The almost uniquely favorable global position of both countries results from a set of conditions made possible by their cooperative engagement on regional and global issues. To turn away from global responsibilities that benefit their own bottom line would be to reduce the influence of both America and Japan globally and would result in a less dynamic economic and political environment than
both countries have generally relied on. The increase in uncertainty alone from a rejection of their commitments would have an unknown but almost certainly malign effect on both China and North Korea, likely leading to further aggression on their parts. Indeed, buying down risk through a robust alliance that continues to evolve to meet new challenges itself helps stabilize regional political and economic relations.

The time is ripe for the alliance between the United States and Japan to help create a new community of liberal nations in Asia and forge a cooperative security architecture. Based on shared democratic values and concrete security interests, and working with a host of partners throughout the region (and even in Europe), the alliance has the potential to halt the continued deterioration of Asia’s security environment. While increasing joint activity in the South China Sea or in relation to North Korea may appear to raise risk in the short term, only by changing today’s trends can the Asia-Pacific hope to remain peaceful in the coming decade.

Notes


5. The Hague, Permanent Court of Arbitration, “The South China


50. Ibid.


57. Ian E. Rinehart, Steven A. Hildreth, and Susan V. Lawrence, “Ballistic


59. Ibid.

IV

Japan’s Eightfold Fence

This article originally appeared in American Affairs.¹

Eight clouds arise. The eightfold fence of Idzumo makes an eightfold fence for the spouses to retire [within]. Oh! that eightfold fence.

—Kojiki, Records of Ancient Matters (AD 712)

(内憂外患) Troubles within, dangers without.

—Mid-19th-century phrase describing weakening of Tokugawa bakufu and Western imperial encroachment

For Westerners sympathetically acculturated to accepting radical multiculturalism, Japan offers an almost shocking vision of an alternate reality. As engaged as the Japanese are with the world through trade, diplomacy, study, and the like, they also live in a society that celebrates both its uniqueness and its segregation from the rest of the world. Perhaps some of that is natural to an island nation, but this feeling of detachment exists in a society whose wealth has come primarily from economic exchange outside its borders, and the surface of whose national life is largely indistinguishable from the modern West.

When, in the mid-19th century, the centuries of Tokugawa-imposed maritime restrictions were crumbling before the advance of the European imperial powers and the young United States, Japanese thinkers captured the sense of vulnerability to a world suddenly no longer safely kept outside the country’s borders. The phrase naiyū gaikan (内憂外患) circulated among those who wondered how long it
would be before the barbarians would force their way onto Japan's shores, and who saw that such a shock might even risk the survival of the Tokugawa shogunate, which was already struggling to maintain control of a society that had dramatically changed since the early 17th century. Translating roughly as “troubles within, dangers without,” the saying recognized the intimate relation between domestic and foreign policy.

As a cardinal virtue of national strategy, it was accepted that a country that could not control what happened at its borders also could not control what happened within them. Even if Japan had to accommodate and drop the more restrictive maritime exclusion edicts that had defended the country for centuries, maintaining a distance from the world remained both a strategy and a national goal. In ways perhaps not fully appreciated, that tension between openness and insularity continued to influence Japanese history and government policy throughout the modern period, up to the present.

In some respects, Japan appears to have enshrined a form of “exclusionary nationalism.” As used by scholars with respect to the European state-building experience, exclusionary nationalism was the means of forming modern, unified nation-states by the suppression of domestic minorities, particularly religious minorities. Recently, exclusionary nationalism has come to be used to explain not only ethnic conflict but also the racist nature of some modern European rightist parties such as France's National Front. But Japanese nationalism is not perfectly analogous to European nationalism. In this essay, the term “exclusionary nationalism” is used descriptively, not pejoratively, and does not imply that the current Japanese government or legal system is based on “repressive,” “racist,” or “illiberal” features (despite long-standing discrimination against Japanese of Korean descent).

Yet Japan is exclusionarily nationalistic essentially by nature. When the first Europeans landed on Japan's shores in the 16th century, the island nation appeared a land set apart from the rest of the world. Shrouded in clouds, its peaks glowing verdantly green, endless mysteries seemed just beyond the shoreline. Upon landing,
the Portuguese missionaries and Dutch traders found a civilization almost entirely different from any they had encountered before. By the standards of the day, it was advanced, although without the technological prowess of Europe. Divided into warring feudal domains, 16th-century Japan was locked in the midst of a century-long civil war to determine which samurai clan would rule the rest. Armies of tens of thousands of armored warriors met in narrow plains, under the shadows of massive castles, wielding some of the deadliest weapons known to man, including the musket.

When the cinders from the last battle cooled in 1600, the Tokugawa family emerged supreme. Yet far from attempting to destroy all opposition, the Tokugawa instead instituted a quasi-centralized feudal regime, allowing 250 other semiautonomous domains to carve up the country. Then, roughly 40 years after taking power, they promulgated a series of edicts designed to tightly control foreign relations, making them a prerogative of the shogunate, their military bureaucracy, which served as a de facto government of the nation. These maritime exclusion edicts, restricting trade with Chinese and Dutch merchants primarily to the city of Nagasaki on the far southwestern home island of Kyushu, later gave rise to the legend of the era of isolation, the so-called sakoku or closed country. Only when Commodore Matthew Perry arrived with his “Black Ships” in 1853 was Japan forced to open itself to the world, at least in the popular Western imagination.

Nearly 400 years after the exclusion edicts were written, Japan retains the mystique of being a land apart, a country of the world but perhaps not fully in it. Some of this impression is sheer exoticization, a form of the “Orientalism” made famous (and abused) by the late Edward Said. Some of it has been used skillfully by the Japanese themselves, to deflect foreign pressure or criticism. And some of it is real, the fruit of a historical experience unique in its own ways. Although Japan has never been completely isolated from the world around it, one of Japan’s first recorded poems, in the imperial anthology Kojiki from the early eighth century, celebrated an “eight-fold fence” separating Japan from other lands and peoples, a realm where the gods dwelled.
Since Japan’s modern period began with the 1868 Meiji Restoration, the country has been inextricably, and at times tragically, linked with the rest of the world. In many ways, Japan remains the test case of non-Western modernization, even as it approaches the 150th anniversary of the political event that drove it to radically break with its past. Yet in the century and a half since mid-level samurai overthrew the feudal hierarchy, the country has painstakingly navigated between embracing the outer world and retaining core elements of its culture and society. As much as Japan is celebrated for becoming the first non-Western, non-Christian country to develop a modern political and economic system, it is often criticized for keeping itself closed off from other nations and cultures.

While the modern Japanese state was not unified in the 1870s by the repression of foreign nationalities or ethnicities, the sense of “Japanese-ness” that accompanied modernization was nevertheless driven by a sense of exclusion of others from an already homogeneous society. Unlike in modern Europe—where ethnic groups compete not only for geographic but also for political space—in Japan, a powerful sense of group identity serves to unify politics and society, particularly after World War II. Resistance against the state has come largely from workers’ unions and leftist parties during the first half of the 20th century, along with a brief spasm of student-led rebellion in the 1960s, but there has been little after that. Instead, most Japanese appear to welcome both a stable political system and the physical security brought about by Japan’s exclusionary nationalism, even as they choose how and when to integrate with the surrounding world.

These plaudits and criticisms have taken on particular relevance since current Prime Minister Shinzo Abe took office, back in late 2012. A conservative often labeled as a nationalist, Abe has moved boldly to increase Japan’s role abroad, increase its influence throughout Asia, and loosen restrictions on security cooperation that have been in place for decades. While some see Abe’s moves as designed to erase Japan’s 70 years of diplomatic and military impotence after 1945, others see him as a danger to continued peace and stability in Asia.
In reality, Abe’s attempts to normalize Japan’s foreign and security policies are limited by how much internal change he and other Japanese are willing to accept. Attempts by Japan to take a leadership role in Asia, largely in response to the rapid rise of China in the past quarter century, are constrained by an equally powerful desire not to get too involved in the outer world. In other words, Japan’s role in the world remains tethered to its conceptions of “Japanese-ness” and a desire to maintain its national identity in a world of flux. It remains an open question, then, how far the Japanese people are willing to go in exercising diplomatic leadership, and accepting the burdens thereof, commensurate with their country’s still impressive economic power.

Japan’s recent history forces us to consider how open borders need to be and to judge the trade-offs societies are willing to accept between growth and opportunity. Can a country be “globalized” and “modern” yet not “open”? Japan offers an example of a society that is willing to be less engaged with the world by maintaining certain socioeconomic barriers, thereby trading some growth for physical security and economic and social stability at home. How, then, can Japan play a larger role in the world, as Prime Minister Abe wants?

**Moderation in a Mirror**

The triumphal post–Cold War West has lost (if it ever had) the understanding that societal openness and globalization are only a means and not an end. Victory over two existential foes in one century may have engendered a hubris that no enemy could really threaten our survival, while at the same time, the insertion and spread of a cultural and moral relativism surreptitiously took over the commanding heights of society, from universities to the mainstream media and popular culture.

Japan’s different approach to both ideas goes back to its profoundly different view of modernity. In the West, ever since the American and French revolutions, modernity has been identified with the beginning of a new world, the radical reformation of reality, and the discarding of tradition. Since then, Western modernity
increasingly became identified with the concept of openness to the world, moving from the realm of ideas and political philosophy to the field of economic competition, and more slowly to the social opening of the country to large-scale immigration. In reality, of course, all these strands intertwined and reinforced each other. As the belief in openness sank deep roots, it defined both national identity and government policy, particularly in America, evolving into the idea that greater diversity, achieved through ever-increasing openness, results in greater national and social strength.

Driven in part by the horrors of World War II, the concept of openness formed the core of the post-1945 European reintegration, initially among the western European nations and then, after 1989, the continent as a whole. Encouraged by Washington’s Cold War global strategy, the idea eventually transcended national boundaries and evolved from a concern solely with the internal workings of a society to the idea of an integrated and united globe. Whether known as cosmopolitanism, one-worldism, or the more anodyne globalism, the idea soon became entrenched that the future lay in the effacing of national characteristics and the triumph of a managerial elite whose loyalties lay both with dispassionate science and transnational values.

In Japan, by contrast, modernity and the concept of openness have always been restrained by a tradition of social stability and hierarchy that goes back to the seven centuries of a feudal system headed by shoguns and emperors. Generations of a social caste system left its impression after the abolishment of the last formal vestiges of feudalism in the mid-1870s, even as the Japanese took full advantage of the freedom to choose their livelihoods, marriage partners, and places of residence. In complex ways, the social residue of those centuries persists in contemporary Japan, symbolized at its apex by the emperor. Such is one explanation both for the perplexing endurance of the imperial system and for the concomitant attention paid to news that the current emperor plans to abdicate the throne in favor of his son.

The Japanese imperial clan traces its lineage back to the seventh century, making it the world’s oldest dynasty, if not monarchy. Pruned dramatically after the Second World War by the American
occupying forces headed by General Douglas MacArthur, the institution remains at the spiritual core of Japan. Yet despite continued controversy over 1940s-era war guilt and the occasional divinity question, the decades of peaceful postwar history has dulled any serious opposition to its continued existence. There is no republican movement in Japan, nor calls to reduce the expenditures of the imperial family. With only three emperors in the last century, the clan quietly continues along, avoiding scandal and entering the spotlight only in the most controlled of environments. As patrons and scholars in their own right, Japan’s royals have been model constitutional monarchs, with the extended family dutifully performing their functions, much like the vast majority of their subjects.

In an August 2016 television address, Emperor Akihito, now in the 29th year of his reign, made clear his desire to abdicate in favor of his son, Crown Prince Naruhito, because of his age (82) and his poor health. (He has undergone heart surgery and recovered from prostate cancer.) Later reports indicated that he had decided to step down on New Year’s Day 2019, and in May 2017 the cabinet approved legislation permitting the abdication, sending it to the National Diet for passage. The emperor’s announcement was carefully telegraphed beforehand, yet while shocking to many, raised no questions or doubts about the future of the imperial system. As anachronistic as the system is, it is also an indelible part of contemporary Japan: The imperial family, rescued from centuries of virtual imprisonment and elevated by the Meiji Restoration of 1868, became the symbol of a modernizing nation that had overthrown 700 years of feudal rule. It is this straddling of past and present, of manufactured tradition and political impotence, of unique roles and dutiful service, which explains the perseverance of the imperial family and its near-universal acceptance by the Japanese people.

The ambiguous role of the imperial family perhaps explains, or even mirrors, the continued tension in Japan between tradition and modernity. Unlike British monarchs, who touch ancient tradition primarily when crowned, Japanese emperors are surfeited with ceremonies on a near-daily basis that purport to reach back to the beginnings of the Japanese nation. Far more than other noble families,
the imperial family continues in a private yet well-acknowledged capacity to intercede between their people and the gods, although like their foreign counterparts, they too cut ribbons and attend exhibitions. Such juxtapositions, extending to religious and philosophical syncretism of widely divergent systems, has long fascinated and perplexed Western observers of Japan.

If aspects of premodern Japan linger in its culture, or are hidden in small villages and city side streets alike, then perhaps there is some connection with the continued existence of the imperial system. As a reminder of a premodern era—one that the Japanese often mythologize as “purer” or simpler—the imperial family plays a cultural and moral role, in a way as the conscience of a nation forever reinventing itself, at least on the surface. The self-identity of the imperial family itself is hard to pin down. Is it the ancient and sacral representative of the Japanese people or an executive arm of the central government? The answer seems to be “yes” on both counts.

Yet the restoration of the emperor as a symbol of the state was not used as an excuse to try to seal Japan off from the world of the 19th century. When low- and middle-ranking samurai spearheaded the overthrow of the 265-year-old Tokugawa shogunate in 1868, they unleashed a fierce, generational battle over the path forward for Japan. The debate centered on the idea of modernity and was encapsulated in geographic terms, with proponents of reform urging “out of Asia, into Europe” (datsu-A nyu-O). This was the era of Japanese “enlightenment,” with the rapid translation of Western novels and works on politics, economics, and philosophy. Corresponding to the last half of the Victorian era, Japanese modernizers eagerly saw themselves as the vanguard of a new Asia, feeling more at home in London than in Beijing. Unsurprisingly, they were opposed, and sometimes cut down in the streets, by those fighting against westernization and the loss of traditional identities.

Through those fraught decades, the Japanese government crafted images and messages that transferred supposedly ancient cultural practices and ways of living into a modern medium. The face that Japan presented both to itself and to the world deliberately merged the traditional and the avant-garde. Thus, kimono-clad maidens
were pictured riding on steamships, while the Japan Tourist Bureau assured foreign visitors that they could encounter the unchanging charm of feudal Japan from the comfort of first-class railway carriages.

Japanese participation in various world’s fairs during the late-19th and early-20th centuries sent the same message, an Asian twist on Henry Adams’ *The Dynamo and the Virgin*, as traditional Japanese craftsmen sat side by side with the newest mechanical equipment produced by the fledgling imperial power. Meanwhile, domestically, older forms of social hierarchy, religious practice, and cultural expression remained alongside the new, all under the somewhat stern gaze of imperial portraits hung in every schoolroom, office, and house. More so than the turning of Gallic peasants into Frenchmen during the 19th century, the national project of creating modern Japanese struggled with the cultural default of syncretization: of attempting to make traditional and modern coexist.

If there was a moment when the imperial system was most at risk, it was in the wake of the catastrophe of World War II, known in Japan as the Pacific War. The tension between modernity and tradition that had resulted in the unprecedented emergence of Japan as a world power, and which was intensified by continued European colonialism in Asia and the ravages of the Great Depression, destroyed oligarchic control of the government, allowing ultranationalist militarists to plunge the Pacific into conflict.

The death of at least four million Japanese in the war (against still-untold tens of millions in Asia more broadly) and the destruction of most of the country’s cities and industrial capacity culminated in the atomic horror of Hiroshima and Nagasaki. After a war in which Japanese often died with the emperor’s name on their lips, it would have been tempting to tear up root and branch the inspiration for such devastation.

Yet when General MacArthur landed in Japan just days after the surrender ceremony in Tokyo Bay, it was the words of Emperor Hirohito, played to the nation on a recorded disc, that ensured that the Japanese laid down their arms and accepted the occupiers. Quickly discerning in the emperor a tool to ensure compliance with American
wishes, MacArthur neither forced him to abdicate nor abolished the imperial system wholesale. The resulting stain on Hirohito personally and on the position of the emperor shadowed the succeeding decades of his reign, providing fodder for other Asians and left-wing Japanese to label him a war criminal and call for the dissolution of the imperial system.

No longer is the imperial family or the emperor a serious object of attack for Japan’s past actions, however. Whatever moment for radical transformation of Japan’s self-identity may have existed in the summer of 1945, it was lost during the US occupation. The quiet, steady reigns of Hirohito and his son Akihito instead served as an accompanying symbolic note to Japan’s reconstruction and emergence as an economic superpower. Postwar pacifism, the fruit of an alliance between both the left and right, was firmly embedded in the country, but Japan’s essentially conservative social and cultural structures also remained intact, except for large-scale landowning, a victim of the occupation. Against all odds, the imperial family became identified as a fundamental element of stability anchoring a country once again rapidly modernizing.

**Judging Modern Japan**

As the persistence of the imperial system and the invented tradition surrounding it shows, the Japanese have always viewed modernity warily. They have forged their own path, one that has brought as much criticism as praise. After more than two decades of being dismissed, perhaps it is time to reconsider the long-tainted “Japan model.”

At least in Western eyes, Japan has spent the past quarter century under a cloud. After the Japanese asset price bubble popped in the late 1980s, the once and future Pacific superpower no longer interested investors, pundits, or the media. So-called Japanese models such as lifetime employment, so recently lauded, were quickly reinterpreted as rigidity, risk aversion, and a general inability to deal with a new era of innovation that valued the individual over the group. In particular, it became an article of faith in the West to decry Japan’s
insularity, whether economic or sociocultural. Japanese society, ethnically monolithic and anti-immigration, was derided as fatally parochial in the modern, borderless world.

Japan has found a separate existence—a separate peace, if you will—from the globalization paradigm that has dominated the West since World War II. The country’s experience over the past quarter century, since the popping of the asset and real estate bubble in 1989, raises a challenge to the fundamental question of Western modernity: How open does a modern nation need to be to be “successful”? The Japanese experience should prompt us to ask, in turn, whether the West has too confidently asserted the benefits of openness and globalization or underestimated the virtues of social cohesion and stability. As one commentator recently claimed, “Closed societies are meaner, poorer, and more repressive.”

Is that really the case? Can such a claim plausibly be made about Japan? If so, what qualifies as “closed” and what as “open”?

It is an almost heretical thought, but maybe Japan has made better national choices since the 1990s than we have given it credit for. It has succeeded in providing a stable and secure life for its people, despite significant economic challenges and statistical stagnation. It has done so in part by maintaining cohesion at home and certain barriers against the world. By comparison, America and Europe appear increasingly confounded by their failures to ensure sociocultural integration, keep their economies growing equally for all, and provide security in the heart of their great cities. When historians look back on global history from the 1990s into the first decades of the 21st century, how will they judge which nations were successful and which failed to provide a good life for their people?

The metric employed by Americans in particular—how much personal freedom and economic growth one can calculate and accumulate—is not necessarily the measure favored by the Japanese. It is fair to say that in Japan, it is not the lack of individual restraint that counts but the overall level of stability in society. Similarly, the West’s adherence to neoclassical economics has been adapted in Japan to something that may be less efficient but also less disruptive to society.
The Japanese seem to have internalized the value of maintaining barriers against internal and external disruption. The assumption that openness is a prerequisite for modernity and economic success has led Western observers to dismiss, or has prevented them from understanding, the logic of an approach designed to maintain social cohesion and insulate a country from foreign economic and security disturbances. The anthropologist Edward T. Hall was one of the few Western scholars to consider the benefits of a different approach in his 1976 book *Beyond Culture*, when he compared “low-context,” diverse cultures such as the United States, with “high-context,” more uniform cultures such as Japan. Low-context cultures, which merge many disparate traditions, encourage creativity but become increasingly unwieldy the larger they grow. High-context cultures, by comparison, often impose rigidity in thinking and certainly in social interaction, but they offer far greater cohesion, due largely to their monolithic ethnicity.

Forty years later, the trade-offs that Hall discussed are at the center of political conflicts throughout the West. Even America, whose national identity was built on immigration, finds itself at odds over the benefits of open borders and amnesty, forming odd alliances across socioeconomic lines. For many in the United States, openness has become an end in itself, with no reference to larger social questions. The fear of unassimilated immigrants is greatest in Europe, which is now forced to contemplate the effects of decades of largely unrestrained, largely Muslim immigration that is rapidly changing the continent’s demographics while burdening its security and social services.

Reassessing Japan’s recent history in the light of Western failures does not mean whitewashing its current weaknesses and challenges. A third of a century of anemic economic growth, averaging 2 percent from 1981 to 2015, is a signal that the mature Japanese economy will likely never again see double-digit growth. Unbalanced investment has left Japan’s rural regions in parlous economic shape, and temporary workers now account for nearly 40 percent of the workforce. The country’s regulatory environment is stifling, corruption nests inside corporate and political cultures, the service sector is startlingly
inefficient, and the nuclear industry is a mess. The government was widely criticized for its inept handling of the March 2011 nuclear crisis after the devastating Tohoku earthquake.

Socially, Japanese youth are widely reported to be dissatisfied with their future prospects, and the scope for individualism in the workplace remains tightly constricted. Foreigners are tolerated but not particularly welcomed, and Japanese of Korean descent still face discrimination. Immigration is all but absent. Moreover, Japan has faced its own homegrown terrorists, such as the millennial Aum Shinrikyo cult back in the 1990s. Above all, the country faces a debilitating demographic collapse, one that no modern democracy has ever encountered and that poses the single greatest threat to Japan’s future.

Yet compared with the problems that both the West and many of its neighbors face, Japan’s relative strength and stability should at least cause us to rethink our assumptions about social and economic policy. The Wall Street Journal’s Jacob Schlesinger argues that, for two decades after the popping of the bubble, Japan’s leadership consciously chose a deflationary course for the economy, seeking stability and the minimization of social risk that would accompany radical economic restructuring. Only the return of Shinzo Abe to the premiership in 2012 reversed this long trend, as he actively sought to inflate the economy, privileging economic expansion over stability. The difference might be thought of as “value” policy versus “growth” policy, similar to stocks or mutual funds. The careful, moderate reforms of what is called “Abenomics” indicate that even the current government is seeking a mix of value and growth, again prioritizing social stability.

Despite decades of officially slow or stagnant macro growth, the real economic picture of Japan is better than many Westerners think. Writing in the Financial Times, Matthew Klein showed that, in the decade from 2005 to 2014, real gross domestic product (GDP) per person grew more in Japan than in the United States, Great Britain, and the eurozone. In the almost quarter century from 1990 to 2013, nearly the entire post-bubble era, real household consumption in Japan also grew more than in the eurozone, and behind only Great
Britain, the United States, and Sweden, and without the massive rise in household debt experienced in the United States.

Japan is neither sprinting ahead nor rocked by economic instability. The uncertainty that clouds so many of the world’s economies exacts psychic and material costs, but Japan, where GDP growth has been sluggish for decades, seems less threatened by the roller coaster that is prevalent in the West, in part because its system remains more resistant to radical restructuring and the diktats of unrestrained market forces. In fact, things simply are not all that bad.

Japan remains a high-income country by Organisation for Economic Co-operation and Development (OECD) standards. Its GDP per capita at purchasing power parity rates increased from $35,779 in 2011 to $40,763 in 2015, while the cost of living in Tokyo and other major cities declined, due in part to moderate deflationary trends. Japan’s Gini coefficient, which measures income inequality, stood at 0.32 in 2008 (the latest year available), according to the World Bank. Although higher than many European nations, it likely remains lower than America’s 2013 measure of 0.41.

Economic data tell only part of the national story. Other measures show a picture of social strength. To give just a few examples, Americans are five times as likely to be murdered as their Japanese counterparts, according to the United Nations. Japan, with approximately 40 percent of the population of the United States, recorded just 442 cases of intentional homicide in 2011, a rate of 0.3 per 100,000 inhabitants. Meanwhile, in America, 14,661 persons were murdered intentionally, a rate of 4.7 per 100,000. While gun control advocates point out that Japan has far more stringent gun laws than the United States, crimes of all kinds, especially violent crimes, occur far less frequently in Japan than in America. Japan is a more peaceful society because of factors other than regulation of guns. There are few debates over what it means to be “Japanese,” and different segments of society rarely seem to be at one another’s throats.

Japan remains a male-dominated society, yet Japanese women are among the most highly educated in the world, and they have traditionally controlled household budgets and family decisions. Moreover, as the Financial Times’ Klein notes, more than half the growth
in Japanese workers since 2003 has come from women entering the labor force, even as the overall population has shrunk. Prime Min-
ister Abe’s “womenomics” policy seeks to increase this number even more and break the glass ceiling in executive suites. Although no one would claim that Japan is yet close to real gender equality, the trend is encouraging.

In education, Japanese students once again scored near the top of the global math, reading, and science rankings by the OECD in 2015, ranking second after Singapore, surrendering the top spot that they had held for years. Americans, by contrast, scored significantly lower, 36th in math and 24th in reading, despite spending close to 30 percent more per student than Japan. Meanwhile, Japan’s unemployment rate is below 3.5 percent, which partly represents demographic decline, but also the strong work ethic and expectation that able-bodied citizens will be in the labor force. Sixty-eight percent of Japanese age 15–74 were employed, according to the Federal Reserve Bank of St. Louis, while 63 percent of Americans age 16 or older held a job, according to the US Department of Labor, a number that has been dropping steadily since 2007.

Japan’s public health picture is also brighter than America’s and Europe’s. While there are numerous factors that could be measured, a few stand out. Japan ranks as the least obese developed country according to the OECD, while America ranks first. Moreover, whereas Denmark, France, Austria, Belgium, Norway, and America have the six highest cancer rates in the world, according to the World Cancer Research Fund, Japan ranks 48th for cancer. The country had a negligible number of AIDS cases, only 7,658 by 2014, compared to the United States, which has recorded 1,216,917 cases since the 1980s. While amphetamines have been a problem in some of Japan’s major cities, the country has nothing like the opioid epidemic sweeping the United States. Even areas where Japan was among the worst in the developed world, as in suicides, it is making progress. The number of suicides in Japan has fallen annually since 2009 and is down by a third from its peak in 2003, even though the country ranks second among industrialized nations in suicides.
Again, such statistics of social strength tell only part of a far more complex story. Yet they can be adduced to support an argument that Japan has more successfully dealt with its myriad problems over the past quarter century than most observers have recognized. Whether Japan can continue to maintain its stability, social cohesion, and basic economic strength without opening up its borders, overturning some traditional social structures, and introducing an element of disruptiveness into its culture will be the great question of Japanese history over the next two generations. Yet even to ask such questions is to again presume a Western frame of reference.

**Japan: In the World, but Not of It?**

A country as wealthy and socially stable as Japan might be expected to embrace an energetic, if not assertive, global role. On the other hand, its exclusionary nationalism may serve to dampen a wholehearted embrace of foreign adventurism. The tension between these two attitudes defines Japan’s approach to the world. Above all, it is the benign regional environment in which Japan has existed, even thrived, since 1945 that has allowed it the leisure to debate such choices and not feel forced into one position or the other. Yet the Japanese understand well the foreign challenges they face, and their potential impact on Japan’s security and hence way of life.

Not that the Japanese are not constantly questioning the level of their involvement in the world. “Do you think we should take in more Syrian refugees?” the head of one of Japan’s leading cultural exchange organizations asked me in November 2015 in Tokyo. “It looks like we’re not doing our part.” I demurred, noting that Europe has yet to deal with problems the refugee flood may cause. Twenty-four hours later, the Paris massacre burst onto Japan’s television screens, a reminder of the type of danger that Japan does not face.

Unlike the West, consumed by the threat of terrorism for half a generation, Japan is a modernized and liberal society not directly at risk from the Islamic State, al Qaeda, and homegrown Islamist radicals. Like any nation, it offers a plethora of soft targets, but the reality is that Japan is in comparatively little danger. Its people live
in a reality entirely different from that of the West, spared from a seemingly endless fight against an implacable enemy who now lives among them. This is due in part to the fact that Japan privileges order over openness and stability over opportunity. It is also undoubtedly because, until now, its regional environment has been largely benign and because of the security guarantees provided to it since 1952 by the United States.

That benign environment has been growing more threatening since the mid-1990s, however, thanks to China’s rapid military modernization program and assertive behavior and North Korea’s continuing nuclear and ballistic missile program. That these threats emerged right at the time that Japan’s economic malaise began added another level of worry for the public and policymakers. Despite a deepening of the alliance with the United States, including two revisions to the guidelines of the alliance that increased levels of cooperation between Tokyo and Washington, doubts continue to persist in Japan over the ultimate credibility of American guarantees for their security, given the scope of the challenges and the focus of US policymakers on the Middle East and other parts of the globe.

Polls show that Japanese have become increasingly concerned over the threats of North Korea and China in recent years. A Pew poll in September 2016 found that 86 percent of Japanese held unfavorable views of China, with 71 percent believing Chinese were violent—a 21 percent increase from 2006. Interestingly, fully 74 percent of Chinese interviewed in the same poll believed Japanese were violent, despite 70 years of a pacifist society and constitution and essentially no Japanese military presence abroad, underscoring the trust deficit in Northeast Asia.\textsuperscript{16} Worries over Chinese encroachment in the East China Sea, not to mention North Korea’s nuclear program, are now a regular part of the national discourse, and an increasingly assertive posture toward the North Korean threat in particular has been adopted by successive Japanese governments. Over the past decade in particular, Tokyo has invested in antimissile defenses, placed orders for advanced fighter aircraft, and slowly added capabilities to project power in Asia, including through refueling tankers for fighters and building two large new helicopter carriers.
Yet even with a greater awareness of foreign threats, Japan’s position in the world remains a contested issue in domestic politics, as does the larger question of Japanese nationalism and patriotism. A 2015 international Gallup poll, for example, showed that only 11 percent of Japanese would be willing to fight for their country. Granting that most Japanese share an instinctive desire to retain some boundaries against the rest of the world, the debate, then, is over the degree to which Japan should engage so as not to put at risk its natural separateness. It is here that current Prime Minister Shinzo Abe’s bold foreign policies are so controversial.

Abe returned to office in late 2012, determined to continue where he ignominiously left off in 2007. He quickly dusted off plans to increase the military budget, form a National Security Secretariat, end the restrictions on arms exports and defense industry cooperation, and pursue enhanced relations with a number of strategic countries such as India and Australia. Most notably, he submitted to the National Diet a bill to allow for the exercise of collective self-defense, so as to deepen security cooperation with the United States and other potential partners. At nearly the same time, Abe was negotiating with the Obama administration on a set of revised guidelines for the US-Japan alliance, designed to enhance security cooperation and embrace new areas such as cyber and space.

From the beginning, both the security bill and the revised guidelines drew heavy criticism from the opposition party and domestic groups. Consistent majorities opposed Abe’s plans to allow Japan to more easily dispatch forces abroad. For example, in July 2015, just as the lower house of the Diet was poised to pass the bill, 57 percent of those polled by the Asahi Shimbun were opposed to Abe’s security bills allowing Japan to participate in collective self-defense activities. These numbers held steady throughout the period of the legislation’s debate and passage, ultimately ending in September 2015, when the upper house assented to the bills. As the votes were set to begin, tens of thousands of protesters filled the streets near the Diet building, with grey-haired veterans of Japan’s pacifist movements joined by students in their 20s, who had no experience of Japan’s wartime past.
always, a large proportion of left-wing teachers’ groups joined the protests.

Similar controversy plagued the revised alliance commitments. In April 2015, as Japan and the United States unveiled new guidelines for the alliance, a poll by Kyodo found that 48 percent were opposed to the new measures, even though fully 70 percent of those polled backed US-Japan cooperation in defending far-flung islands claimed by Tokyo in the East China Sea. In the same month, another Kyodo poll found that twice as many Americans, 47 percent compared to 23 percent of Japanese, believed Japan should play a larger security role in Asia.

In response, scholars such as Keio University’s Yoshihide Soeya have argued that Japan must pursue a “middle power” strategy that acknowledges its gross power limitations. Specifically, Soeya believes, Tokyo must embrace a “middle power internationalism” that seeks to maximize Japan’s diplomacy and participation in multilateral fora and embed itself in a community of similar middle powers balancing off the demands of the United States and China. Suggestions such as these seek to counter a perceived trend toward “regressive nationalism,” in Soeya’s words. The belief that the cork needs to remain in the bottle of Japanese militarism more than 70 years after the end of the World War II highlights just how strongly Japan’s past continues to shape current views.

By contrast, Japanese policymakers cannot shirk their responsibility to prepare to meet the threats they perceive to national security. Public opinion polls and scholarly arguments such as those above point out the gulf between Japan’s elected leaders and its population. As Soeya acknowledges, leaders from both major Japanese political parties, the Liberal Democrats and the Democratic Party (DPJ), have embraced an expansionist role for Japan’s diplomacy and security policies over the past decade. It was DPJ Premier Yoshihiko Noda, for example, who publicly embraced revising the restrictions on collective self-defense, keeping alive a policy preference from the first Abe administration in 2006–07. Moreover, Noda decided to purchase the F-35 Joint Strike Fighter and reorient Japan’s security strategy to focus explicitly on defending the Senkaku and other southwestern
islands. Although his policies have gone further and are more controversial, Abe is no outlier among Japanese policymakers. Rather, he is pushing to a logical conclusion the modernization in Japan's security and foreign policies that began in earnest in 1998, with the first North Korean Taepodong ballistic missile launch over Japanese territory.

Perhaps the ultimate end point of Abe's attempts to broaden Japan's role in the world is the most symbolic: the revision of the country's postwar constitution. Written over a matter of weeks by the American occupying force in 1946, the constitution was promulgated the following year, including its famous Article 9, forever renouncing “war as a sovereign right of the nation and the threat or use of force as means of settling international disputes.” Despite the corollary abjuration of maintaining “land, sea, and air forces, as well as other war potential,” the Japanese Self-Defense Forces have nonetheless developed into one of the world's most capable militaries, underscoring the incompatibility between the nation's fundamental political document and the reality required for self-defense.

Article 9 is perhaps the single most controversial political issue in postwar Japan, decried by conservatives who question the double standard that seeks to limit Japan's sovereign right to maintain both a military and act in its self-interest and celebrated by liberals who see it as the apotheosis of modern Japan's penance for the aggression and atrocities of the Pacific War era. While the article has done little to prevent Japan from maintaining a modern, effective military, it has left the issue of the legitimacy of Japan's military and security policies in limbo. The fact that the American alliance guarantee helped avoid addressing the inconsistency head on only led to a hardening of opinion on both sides of the domestic debate, with neither having to consider the real-world effect of either maintaining or abandoning Article 9.

Now Abe has forced the issue, at least partway, by proposing that the constitution be amended by 2020 to explicitly acknowledge the status of the Self-Defense Forces. Shying away from dropping the renunciation of war as a means of state policy, Abe wants to normalize the idea of the military as a fundamental sovereign right. That such
a move would be largely symbolic does not detract from its importance in making Japan a “normal” country in conservative eyes. Even so, Abe well understands how controversial, not to mention politically fraught, any change would be, and he has urged the country to “hold fast to the idea of pacifism.” Polls taken in the days after his May 2017 announcement showed that a slim plurality of voters wanted to keep Article 9 unchanged, while even more expressed pride in the country’s pacifist tradition. But other polls taken soon after showed a bare majority approving of Abe’s plans to reference the Self-Defense Forces in the constitution.23

Even if Abe succeeds in revising the constitution, both Japanese political culture and public opinion will continue to limit Tokyo’s global engagement and security policies. Adventurism of the kind that marks Chinese expansion in the South China Sea, Russia’s annexation of Crimea, or America’s various battles around the globe are almost inconceivable for the foreseeable future. Moreover, absent a true crisis of confidence in the US-Japan alliance, it is highly unlikely to impossible that Tokyo would pursue an indigenous nuclear weapons capability in the near term. The country is even unlikely to develop offensive strike capabilities such as ballistic missiles, despite the fact that its air and naval forces are becoming increasingly able to project limited amounts of power outside the home islands. Nor is there any real prospect of remaining restrictions on the deployment of Japanese forces abroad being lifted, especially for combat roles.

Japan instead is far more likely to take a middle path, improving its high-end defensive capabilities and modernizing its forces, while maintaining political limits on what those forces can do. It is poised to export modest amounts of defense materials abroad and engage in limited codevelopment and coproduction of armaments and assembly of major systems, such as the F-35 fighter. As for Japan’s security relationships, its alliance with the United States will remain at the center of its security planning for the foreseeable future, with both Japanese policymakers and the public assuming that US forces will be the ultimate guarantor of the country’s security in the case of a major conflict with China or North Korea.
Beyond that, future leaders who share Abe’s vision likely will try to enhance relationships with key nations, including Australia and India, perhaps by joining in larger military drills and training. Meanwhile, they will also ensure that smaller nations in Southeast Asia view Japan as a supplier of armaments. Doing so will indeed make Japan one of the more active regional actors in an Asia dominated by smaller and less-developed nations. But Tokyo is unlikely to desire or sign any more mutual defense treaties or to commit its forces in combat abroad. Even providing more public goods, such as conducting freedom of navigation operations in the South China Sea, will be difficult for a risk-averse government and a society that strongly distinguishes itself from the rest of the world.

A still-strong sense of being a country apart, a desire to maintain domestic social and political stability, and a wariness of draining national wealth on overseas interventions will continue to demarcate the limits of Japan’s engagement with the world. As it has from time immemorial, the eightfold fence continues to ring, and to protect, the islands of Japan.

Notes

1. This article originally appeared in American Affairs. See Michael Auslin, “Japan’s Eightfold Fence,” American Affairs 1, no. 3 (Fall 2017): 109–31, https://americanaffairsjournal.org/2017/08/japans-eightfold-fence/. Changes have been made from the original.


15. Tomoko Otake, “Suicides Down, but Japan Still Second Highest Among Major Industrialized Nations, Report Says,” Japan Times,


Asia’s Other Great Game

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“We confer upon you, therefore, the title ‘Queen of Wa Friendly to Wei’ . . . We expect you, O Queen, to rule your people in peace and to endeavor to be devoted and obedient.”

—Letter of Emperor Cao Rui to Japanese Empress Himiko in 238 CE, Wei Zhi (History of the Kingdom of Wei, ca. 297 CE)

“From the emperor of the country where the sun rises to the emperor of the country where the sun sets.”

—Letter from Empress Suiko to Emperor Yang of the Sui Dynasty in 607 CE, Nihon Shoki (Chronicles of Japan, 720 CE)

The specter of the world’s two strongest nations competing for power and influence has created a convenient narrative for pundits and observers to claim that Asia’s future, perhaps even the world’s, will be shaped, in ways both large and small, by the United States and China. From economics to political influence and security issues, American and Chinese policies are seen as inherently conflictual, creating an uneasy relationship between Washington and Beijing that affects other nations inside Asia and out.

Yet this scenario often ignores another intra-Asian competition, one that perhaps may have as much influence as that between America and China. For millennia, China and Japan have been locked
in a relationship even more mutually dependent, competitive, and influential than the much more recent one between Washington and Beijing. Each has sought to dominate, or at least be the most influential in, Asia, and the relations of each with their neighbors has at various points been directly shaped by their rivalry.

There is little question today that the Sino-American competition has the greatest direct impact on Asia, particularly in the security sphere. America’s long-standing alliances, including with Japan, and provision of public security goods, such as freedom of navigation, remain the primary alternative security strategies to Beijing’s policies. In any imagined major-power clash in Asia, the two antagonists are naturally assumed to be China and the United States. Yet it would be a mistake to dismiss the Sino-Japanese rivalry as a simple sideshow. The two Asian nations will undoubtedly compete long after US foreign policy has evolved, regardless of whether Washington withdraws from Asia, grudgingly accepts Chinese hegemony, or increases its security and political presence. Moreover, Asian nations themselves understand that the Sino-Japanese relationship is Asia’s other great game and is in many ways an eternal competition.

Centuries before the writing of Japan’s first historical records, let alone the formation of its first centralized state, envoys from its leading clan appeared at the court of the Han Dynasty and its successors. Representatives of the land of “Wa” were recorded as first arriving in Eastern Han in 57 CE, although some accounts place the first encounters between Chinese and Japanese communities as far back as the late second century BCE. Not surprisingly, these earliest references to Sino-Japanese relations are in the context of China’s intervention on the Korean Peninsula, with which ancient Japan had long-standing exchanges. Nor would an observer at the time be shocked by the Wei court’s expectation of deference to China. Perhaps slightly more surprising is the seventh-century attempt by an upstart island nation just beginning to unify to assert not merely equality but superiority over Asia’s most powerful country.

The broad contours of Sino-Japanese relations became clear early on: a competition for influence, an assertion by both of their respective superiority, and an entanglement with Asia’s geopolitical balance.
Despite the passage of two millennia, the base of this relationship has changed little. Today, however, a new wrinkle has been added into the equation. Whereas throughout the previous centuries only one of the two nations was powerful, influential, or internationally engaged in any given era, today both China and Japan are strong, united, global players, well aware of the other's strengths and their own weaknesses.

Most American and even Asian observers presume that it is the Sino-American relationship that will determine Asia's future, if not the globe's, for the foreseeable future. Yet the competition between China and Japan has been of far longer duration and is of a significance that should not be underestimated. As the United States enters a period of introspection and readjustment in its foreign and security policies after Iraq and Afghanistan, as it continues to struggle to maintain its widespread global commitments, and as the full scope of Donald Trump's desired readjustment of US foreign policy continues to take shape, the eternal competition between Tokyo and Beijing is poised to enter an even more intense period. It is this dynamic that is as likely in its own way to shape Asia in the coming decades as that between Washington and Beijing.

To make a claim that Asia's future will be decided between China and Japan may sound fanciful, especially after two decades of extraordinary economic growth that has vaulted China into becoming the world's largest economy (at least according to purchasing power parity calculations) and a concomitant quarter century of apparent Japanese economic stagnation. Yet the same claim would have sounded just as unrealistic back in 1980, except in reverse, when Japan had racked up years of double- and high-single-digit economic returns while China had barely emerged from the generational disaster of the Great Leap Forward and Cultural Revolution. Just a few decades ago, it was Japan that was predicted to be the global financial power par excellence, countered only by the United States.

For most of history, however, it would have seemed delusional to compare Japan with China. Island powers rarely can compete with cohesive continental states. Once China's unified empires emerged, starting with the Qin in 221 BCE, Japan was dwarfed by
its continental neighbor. Even during its periods of disunity, many of China’s fragmented and competing states were nearly as large, or larger than, all of Japan. Thus, during the half century of the Three Kingdoms, when Japan’s Queen of Wa paid tribute to Cao Wei, each of the three domains—Wei, Shu, and Wu—controlled more territory than Japan’s nascent imperial house. China’s natural sense of superiority was reflected in the very word used for Japan, Wa (倭), which is usually accepted to mean “dwarf people” or possibly “submissive people,” thus fitting Chinese ideology regarding other ethnicities in ancient times. Similarly, Japan’s geographical isolation from the continent meant that the dangerous crossing over the Sea of Japan to Korea was attempted only rarely, and usually only by the most intrepid Buddhist monks and traders. The early Chinese chronicles repeatedly introduced Japan as being a land “in the middle of the ocean,” emphasizing its isolation and difference from the continent. Long periods of Japanese political isolation, such as during the Heian (794–1185) or Edo (1603–1868) periods also meant that Japan was largely outside the mainstream, such as it was, of Asian historical development for centuries at a time.

The dawn of the modern world turned upside down the traditional disparity between Japan and China. Indeed, what the Chinese continue to call their “century of humiliation,” from the Opium War of 1839 to the victory of the Chinese Communist Party in 1949, was largely contemporaneous with Japan’s emergence as the world’s first major non-Western power. As the centuries-old Qing dynasty and China’s millennia-old imperial system fell apart, Japan forged itself into a modern nation-state that would inflict military defeats on two of the greatest empires of the day—China itself in 1895 and czarist Russia a decade later. Japan’s catastrophic decision to invade Manchuria in the 1930s and fight both the United States and other European powers resulted in devastation throughout Asia. Yet even as China descended into decades of warlordism following the 1911 Revolution, and then the civil war between Chiang Kai-shek’s Nationalists and Mao Zedong’s Communists, Japan emerged from the devastation of 1945 to become the world’s second-largest economy.
Since 1990, however, the tide has reversed, and China has come
to occupy an even more dominant global position than Tokyo could
have imagined at the height of its postwar prominence. If interna-
tional power can crudely be conceived of as a three-legged stool,
comprising political influence, economic dynamism, and military
strength, then Japan only fully developed its economic potential after
World War II, and even then it lost its position after a few decades.
Beijing, meanwhile, has come to dominate international politi-
cal fora while building the world’s second most powerful military
and becoming the largest trading partner of more than 100 nations
around the globe.

Yet in comparative terms, both China and Japan today are
wealthy, powerful nations. Despite nearly a generation of economic
doldrums, Japan remains the world’s third-largest economy. It also
spends roughly $50 billion per year on its military, boasting one of
the world’s most advanced and well-trained defense forces. On the
continent, with its audacious Belt and Road Initiative, free-trade pro-
posals, and growing military reach, China is widely considered the
world’s second most powerful nation, after the United States. This
rough parity is new in Japan-China relations and has been perhaps
the single greatest, if often unacknowledged, factor in their contem-
porary relationship. It is also the spur for the intense competition the
two are waging in Asia.

Competition between countries does not inherently lead to aggres-
sion, or even particularly contentious relations. Indeed, looking at
Sino-Japanese relations from the vantage point of 2017 may distort
just how vexed their ties traditionally have been. For long periods
of its history, Japan looked to China as a beacon in a sea of murk—as
the most advanced civilization in Asia and as a model for political,
economic, and sociocultural forms. While at times that admiration
was perverted into an attempt to assert equality, if not superiority, as
during the Tang era (7th–10th century) or a millennium later during
the rule of the Tokugawa shoguns (17th–19th century), it would be
a mistake to assume there was no positive element to the interac-
tion between the two. Similarly, Chinese reformers understood that
Japan had achieved success in modernizing its feudal system in the
late 19th century to a degree that made it, for a while, a model. It was not an accident that the father of the 1911 Chinese Revolution, Sun Yat-sen, spent time in Japan during his exile from China in the first years of the 20th century. Even after Japan’s brutal invasion and occupation of China during the Pacific War, the 1960s and 1970s saw Japanese politicians such as Prime Minister Tanaka Kakuei reach out to China, restore relations, and even contemplate a new era of Sino-Japanese relations that would shape Cold War Asia.

Such fragile hopes, not to mention mutual respect, now seem all but inconceivable. For more than a decade, Japan and China have been locked into a seemingly intractable downward spiral in relations, marked by suspicion and increasingly tense maneuvering on security, political, and economic fronts. Except for the actual Japanese invasions of China in 1894–95 and 1937–45, the history of Japanese-Chinese competition was often as much rhetorical or an intellectual exercise as it was real. The current competition is more direct, even while taking place in an environment of Sino-Japanese economic integration and globalization.

The current atmosphere of Japanese-Chinese dislike and mistrust is marked. A series of public-opinion polls carried out by Genron NPO, a Japanese nonprofit think tank, in 2015–16 revealed the parlous state of relations. Fully 78 percent of Chinese and 71 percent of Japanese polled in 2016 believed relations between their two countries were either bad or relatively bad. Both publics also saw significant increases from 2015 to 2016 in expectations that future Japan-China relations would worsen, from 13.6 percent to 20.5 percent in China and from 6.6 percent to 10.1 percent in Japan. When asked if Sino-Japanese relations posed a potential source of conflict in Asia, 46.3 percent of Japanese responded affirmatively, while 71.6 percent of Chinese agreed. Such findings track with other polls, such as a 2016 survey by the Pew Research Center, which found that 86 percent of Japanese and 81 percent of Chinese held unfavorable views of each other.

The reasons for this public distrust reflect, in large part, the outstanding policy disputes between Beijing and Tokyo. For example, the Genron NPO poll found that more than 60 percent of Chinese
cited both Japan’s lack of apology and remorse over World War II and its September 2012 nationalization of the Senkaku Islands, claimed by Beijing as the Diaoyu Islands, for their unfavorable impression of Japan.

Indeed, the history question continues to dog Sino-Japanese relations. China’s leaders have astutely used it as a moral cudgel with which to bash Tokyo. Pew’s polling thus found an overwhelming 77 percent of Chinese claiming that Japan had not yet sufficiently apologized for the war, yet more than 50 percent of Japanese believing their country had apologized enough. Controversial visits to Yasukuni Shrine, where 18 Class A war criminals are enshrined, by current Prime Minister Shinzo Abe in December 2013 continued a spate of provocations in Chinese eyes that seemed to downplay Japan’s remorse for the war at the very time Abe was pursuing a modest military buildup and challenging China’s claims in the East China Sea. A visit to China in the spring of 2017 revealed no abatement of anti-Japanese portrayals on Chinese television; on any given night, at least a third if not more of prime-time dramas on stations from all of China’s major provinces were about Japan’s invasion of China, given verisimilitude thanks to actors speaking fluent Japanese.

If the Chinese are focused on the past, the Japanese are most concerned about the present and future. In the same polls, nearly 65 percent of Japanese claimed that the ongoing Senkaku Islands dispute accounted for their negative view of China, while more than 50 percent cited the “seemingly hegemonic actions of the Chinese” for leaving an unfavorable impression. Overall, 80 percent of Japanese polled by Pew responded that they were either very or somewhat concerned that territorial disputes with China could lead to military conflict, versus 59 percent of Chinese.

These negative impressions and fears for war come despite nearly unprecedented levels of economic interaction. Even with China’s recent economic slowdown, according to the CIA World Factbook, Japan was China’s third-largest trade partner, accounting for 6 percent of its exports and nearly 9 percent of its imports; China was Japan’s largest trade partner, taking 17.5 percent of its exports and providing a full quarter of its imports. Although exact numbers are
difficult to ascertain, it has been claimed that Japanese firms directly or indirectly employ as many as 10 million Chinese, most of them on the mainland. The neoliberal assumption that greater economic ties raise the threshold for security conflicts is being tested in the Sino-Japanese case, with both proponents and critics of the concept able to claim that so far, their interpretation is correct. Since the downturn in relations during Junichiro Koizumi’s administration, Japanese academics, such as Masaya Inoue, have described the relationship as seirei keinetsu: politically cool, economically hot. That relationship is reflected in another way by the surging number of Chinese tourists to Japan, who totaled nearly 6.4 million in 2016, whereas the China National Tourism Administration claims that nearly 2.5 million Japanese visited China, ranking second after South Korean tourists.

Yet the growing Sino-Japanese economic relationship has not been left unaffected by geopolitical tensions. Chinese protests against Japan over the Senkaku dispute led to steep declines in Japanese foreign direct investment in China during 2013 and 2014, with year-on-year investment dropping by 20 and 50 percent, respectively. These declines were accompanied by a corresponding increase in Japanese investment in Southeast Asia, including in Indonesia, Thailand, Malaysia, and Singapore.

Negative attitudes toward China on the part of Japanese business have been mirrored in the political and intellectual sphere. Japanese analysts have been concerned about the long-term implications of China’s growth for years, but such concerns turned into open worry, particularly once China’s economy overtook Japan’s, in 2011. Since the crisis in political relations caused by repeated incidents in the Senkaku Islands starting in 2010, policymakers in Tokyo interpreted Beijing’s actions as flexing newfound national muscle, and they grew frustrated with the United States for its seemingly cavalier attitude toward Chinese assertiveness in the East China Sea. At one international conference in 2016, which I attended, a senior Japanese diplomat harshly criticized Washington and other Asian capitals for countering China’s expansion in Asian waters with nothing but rhetoric and warned that it might soon be too late to blunt Beijing’s
attempts to gain military dominance. “You don’t get it,” he repeated in unusually blunt language, decrying what he (and perhaps his superiors) saw as undue complacency about China’s encroachment throughout Asia. It is not difficult to get the sense that China is seen by some leading thinkers and officials as a near-existential threat to Japan’s freedom of action.

As for Chinese officials, they are all but dismissive of Japan and its future prospects. One leading academic told me that China already has more wealthy citizens than the entire population of Japan, so that there could be no competition between the two; Japan simply cannot keep up, he asserted, so its influence (and ability to oppose China) was doomed to evaporate. Similarly, a visit to one of China’s most influential think tanks revealed an almost monolithically negative view of Japan. Numerous analysts expressed their skepticism about Japan’s intentions in the South China Sea, perhaps revealing a concern for increased Japanese activity in the region. “Japan wants to get out from under the [postwar] U.S. system and end the alliance,” one analyst asserted. Another criticized Tokyo for “playing a disruptive role” in Asia, and for creating a loose alliance against China. Underlying many of these feelings among Chinese elite is a refusal to accept Japan’s legitimacy as a major Asian state, tinged with more than a little fear that Japan is the only Asian nation, along with perhaps India, that can prevent China from reaching certain goals, such as maritime dominance in Asia’s inner seas.

The sense of distrust between China and Japan reveals not only long-standing tensions but also a window into the insecurities felt by both countries as they contemplate their respective positions in Asia. These insecurities and tensions combine to create the competition that each is waging against the other, even as they maintain extensive economic relations.

Increasingly, Chinese and Japanese foreign policies in Asia appear to be aimed at countering the influence—or blocking the goals—of each other. This competitive approach is taking place in the context of the deep economic interactions noted above, as well as the surface cordiality of regular diplomatic exchanges. In fact, one of the more direct clashes is taking place over regional trade and investment.
With its head start on economic modernization and postwar political alliance with the United States, Japan helped shape Asia’s nascent economic institutions and agreements. The Manila-based Asian Development Bank (ADB), founded in 1966, has always been led by a Japanese president, working closely with the American-dominated World Bank. The two institutions set most of the standards for lending to sovereign states, including expectations for political reform and broad national development. In addition to the ADB, Japan also expended hundreds of billions of dollars of official development assistance (ODA), starting in 1954. By 2003, it had disbursed $221 billion worth of aid globally, and in 2014, it still budgeted approximately $7 billion of ODA globally; $3.7 billion of this amount was spent in East and South Asia, mostly in Southeast Asia, and particularly in Myanmar. The political scientists Barbara Stallings and Eun Mee Kim have observed that overall, more than 60 percent of Japan’s overseas aid goes to East, South, and Central Asia. Japanese assistance has traditionally been targeted for infrastructure development, water supply and sanitation, public health, and human-resources development.

In contrast, China’s institutional initiatives and aid assistance traditionally lagged far behind Japan’s, even though it too began providing overseas aid in the 1950s. Scholars have noted that it has been difficult to evaluate China’s development assistance in part because of the overlap with commercial transactions with foreign countries. Moreover, more than half of China’s aid goes to Sub-Saharan Africa, with only 30 percent going to East, South, and Central Asia.

In recent years, Beijing has begun to increase its activity in both spheres, as part of a comprehensive regional foreign policy. Perhaps most notable has been China’s recent attempts to diversify Asia’s regional financial architecture by establishing the Asia Infrastructure Investment Bank (AIIB). Proposed in 2013, the AIIB formally opened in January 2016 and soon attracted participation from nearly every state, except Japan and the United States. The AIIB explicitly sought to “democratize” the regional lending process, as Beijing had long complained about the rigidity of the ADB’s rules and governance, which gave China under 7 percent of the total voting share,
compared to more than 15 percent for both Japan and the United States. Ensuring China’s dominant position, Beijing holds 32 percent of AIIB’s shares, with 27.5 percent of the voting power; the next-largest shareholder is India, with just 9 percent of shares and just over 8 percent of the voting power. Compared to the ADB’s asset base of approximately $160 billion and $30 billion in loans, however, the AIIB has a long way to go in reaching a size commensurate with its ambitions. It was initially capitalized at $100 billion, but only $9 billion of that so far has been paid in—$20 billion is the goal. Given its initially small base, the AIIB disbursed only $1.7 billion in loans its first year, with $2 billion slated for 2017.

For many in Asia the apparent aid and finance rivalry between China and Japan is welcome. Officials from countries that desperately need infrastructure, such as Indonesia, hope that there will be a virtuous cycle in the ADB-AIIB competition, with Japan’s high social and environmental standards helping improve the quality of China’s loans and China’s lower-cost structure making projects more affordable. With an estimated need for $26 trillion in infrastructure development by 2030, according to the ADB, the more sources of financing and aid the better, even if Tokyo and Beijing view both financial institutions as tools for larger goals.

Chinese President Xi Jinping has pegged the AIIB to his ambitious, some would say grandiose, Belt and Road Initiative (BRI), essentially turning the new bank into an infrastructure-lending facility along with the older China Development Bank and the newer Silk Road Fund. In comparison to Japan, China has focused the majority of its overseas aid on infrastructure, and the BRI serves as the latest and largest incarnation of that priority. It is the BRI, also known as the “new Silk Road,” that represents one of the key challenges to Japan’s economic presence in Asia. At the inaugural Belt and Road Forum, held in Beijing in May 2017, Xi pledged $1 trillion of infrastructure investment spanning Eurasia and beyond, essentially attempting to link land- and sea-based trading routes in a new global economic architecture. Copying a page from the ADB, Xi also promised that the BRI would seek to reduce poverty around Asia and the world. Despite widespread suspicion that the amounts ultimately invested
in the BRI would be significantly less than promised, Xi’s scheme represents as much a political program as an economic one.

Functioning as a quasi-trade agreement, the BRI also highlights the free-trade competition between Tokyo and Beijing. Despite what many consider a timid and sluggish trade policy, Japanese economist Kiyoshi Kojima had actually proposed a “Free Trade Area of the Asia-Pacific” as far back as 1966, although the idea was not taken seriously until the mid-2000s, by the Asia-Pacific Economic Cooperation forum. In 2003, Japan and the 10-member Association of Southeast Asian Nations (ASEAN) began negotiating a free-trade agreement, which came into effect in 2008.

Japan’s major free-trade push came with the Trans-Pacific Partnership (TPP), which it formally joined in 2013. Linking Japan with the United States and 10 other Pacific nations, the TPP would have accounted for nearly 40 percent of global output and fully a quarter of global trade. However, with the United States withdrawing from the TPP in January 2017, the pact’s future has been thrown into doubt. Prime Minister Abe has been loath to renegotiate the pact, given the political capital he spent on getting it passed in spite of agricultural-lobby opposition. For Japan, the TPP still remains the germ of a larger community of interests based on enhanced trade and investment and adoption of common regulatory schemes.

China has sought over the past decade to catch up with Japan on the trade front, signing its own free-trade agreement with ASEAN in 2010, and updating it in 2015, with the goal of reaching two-way trade totaling $1 trillion and investment of $150 billion by 2020. More significantly, China has adopted a 2011 ASEAN initiative, the Regional Comprehensive Economic Partnership (RCEP), which would link the 10 ASEAN nations with their six dialogue partners: China, Japan, South Korea, India, Australia, and New Zealand. Accounting for nearly 40 percent of global output and linking close to 3.5 billion people, the RCEP increasingly has come to be seen as China’s alternative to TPP. While Japan and Australia in particular have sought to slow final agreement over RCEP, Beijing has been given a huge boost by the Trump administration’s withdrawal from TPP and the widespread impression that China is now the global
economic leader. Tokyo is finding little success in combating such opinion yet continues to try to offer alternatives to China-dominated economic initiatives. One such approach is to remain engaged in RCEP negotiations, and another is to have the ADB cofund certain projects with the AIIB. This type of cooperative competition between Japan and China may become the norm in regional economic relations, even as each seeks to maximize its influence in both institutions and with Asian states.

On security matters, there is a far more direct struggle for influence and power in Asia between Beijing and Tokyo. This may sound odd when applied to Japan, which is well-known for its pacifist society and the various restrictions on its military, but the past decade has seen both China and Japan seek to break out of traditional security patterns. Beijing is focused on the United States, which it sees as a major threat to its freedom of action in the Asia-Pacific region. But observers should not dismiss the degree to which Chinese policymakers and analysts worry about Japan, in some cases considering it an even bigger threat than America.

Neither Japan nor China has any real allies in Asia, a fact often overlooked when discussing their regional foreign policies. They dominate, or have the potential to dominate, their smaller neighbors, making it difficult to create bonds of trust. Moreover, memories of each as an imperial power are well remembered in Asia, adding another layer of often-unspoken wariness.

For Japan, this distrust has been abetted by its fraught attempts to deal with the legacy of the Second World War and the sense on the part of most Asian nations that it has not sufficiently apologized for its wartime aggression and atrocities. Yet Japan’s long-standing pacifist constitution and limited military presence in Asia after 1945 helped tamp down suspicions of its intentions. Since the 1970s, Tokyo has prioritized building ties with Southeast Asia, although until recently those were primarily focused on trade.

Since returning to power in 2012, Prime Minister Abe has moved to increase Japan’s defense spending and expand its security partnerships around the region. After a decade of decline, each of Abe’s defense budgets since 2013 has modestly increased spending, now
totaling roughly $50 billion per year. Next, in reforming postwar legal restrictions, such as the ban on arms exports or the ban on collective self-defense, Abe has attempted to offer Japan’s support as a way to blunt some of China’s growing military presence in Asia. Sales of maritime patrol vessels and airplanes to countries including Malaysia, Vietnam, and the Philippines are designed to help build up the capabilities of these nations in their territorial disputes with China over the Spratly and Paracel Islands. Similarly, Tokyo hoped to sell Australia its next generation of submarines and provide India with amphibious search and rescue aircraft, although both of these plans ultimately fell through or were put on hold.

Despite such setbacks, Japan has increased its security cooperation with a variety of nations in Asia, including in the South China Sea area. It has formally joined the Indo-US Malabar naval exercises and sent its largest helicopter carrier to the July 2017 exercise after three months of port visits in Southeast Asia. The Japanese coast guard remains actively engaged throughout the region and plans to set up a joint maritime safety organization with Southeast Asian coast guards to help them not only deal with piracy and natural disasters but also improve their ability to monitor and defend disputed territory in the South China Sea. Most recently, Foreign Minister Taro Kono announced a $500 million maritime security initiative for Southeast Asia, designed to help build capacity among nations in the world’s most congested waterways.

If Tokyo has attempted to build bridges to Asian nations in a cooperative gamble, Beijing has constructed artificial islands in an attempt to be recognized as the dominant Asian security power. China faces a more complicated security equation in Asia than Japan, given its assertive claims in the East and South China Seas and its territorial disputes with many of its neighbors, including larger nations such as India. The dramatic growth of China’s military over the past two decades has resulted not merely in a more capable navy and air force but in policies designed to defend and even extend its claims. The high-profile land reclamation and construction of bases in the Spratly Island chain exemplify Beijing’s decision to assert its various claims and back them up with a military presence that dwarfs those
of other contestant nations in the South China Sea. Similarly, the increase in Chinese maritime exercises in areas far from its claimed territory, such as the James Shoal, near Malaysia, or in the Indian Ocean, has worried nations that see Beijing’s increasing capabilities as a potential threat.

China has, of course, attempted to assuage these concerns through maritime diplomacy, such as engaging in an ongoing set of negotiations with ASEAN nations over a code of conduct in the South China Sea, or conducting joint exercises with Malaysia. Yet repeated acts of intimidation, or direct warnings to Asian nations, have blunted any goodwill, forcing smaller states to consider how far to acquiesce in China’s expansionist activities. Adding to the region’s unease was Beijing’s flat rejection of The Hague’s Permanent Court of Arbitration’s ruling against Beijing’s South China Sea claims. Unlike Japan, moreover, China has not sought to win friends by providing defensive equipment; the bulk of China’s military sales in Asia goes to North Korea, Bangladesh, and Burma, forging a loose grouping, along with Pakistan (the largest recipient of Chinese arms transfers), that is isolated from those nations cooperating with both Japan and the United States.

China’s approach, a combination of realpolitik and limited machtpolitik, is more likely to secure its goals, at least in the short run, if not longer. Smaller nations are under no illusions that they can successfully resist China’s encroachments; what they hope is either for a natural moderation of Beijing’s behavior or an overreach that will allow communal pressure to influence Chinese decision-making. In this calculation, Japan appears primarily as a spoiler. While Tokyo is able to protect its own territories in the East China Sea, it knows that its power in the region is limited. This mandates not only a continuing, if enhanced, alliance relationship with the United States but also an approach that helps complicate Beijing’s decision-making, such as by providing defensive equipment to Southeast Asian nations. Tokyo understands that it can potentially help disrupt, but not deter, Chinese expansion in Asia. Put differently, Asia is faced with competing security strategies from its two most powerful nations: Japan seeks to be loved; China seeks to be feared.
A deeper manifestation of Sino-Japanese rivalry is the model for national development that each implicitly offers for Asia. It is not that Beijing expects governments around the Pacific to adopt communism or that Tokyo looks to help install parliamentary democracy. Rather, it is a more fundamental question of how each state is viewed by its neighbors and how much influence each state may have in the region thanks to perceptions of its national strength, governmental effectiveness, social dynamism, and opportunities provided by its system.

It should be acknowledged that this is an extremely subjective approach, and the evidence for determining which of the two countries is more influential will more likely be anecdotal, inferential, and indirect than explicitly discoverable. Nor is this question of serving as a model the same as the ubiquitous concept of soft power. Soft power is usually defined as an element of national power and, more specifically, the attractiveness of a particular system in creating the conditions through which that state can achieve policy goals. While both Beijing and Tokyo are undoubtedly interested in advancing their state interests, that is a question distinct from how each is viewed and the benefits from the policies they pursue.

Long gone are the days when a Mahathir Mohamad could declare Japan a role model for Malaysia and when even China considered Japan’s modernization model a paradigm. Tokyo’s hopes to leverage its economic ties with Southeast Asia, the so-called flying geese model, into broader political influence was derailed by China’s rise in the 1990s. With Beijing being the largest trading partner for all Asian states, it occupies a central position. Yet Sino-Asian relations have remained largely transactional, due both to lingering concerns over Beijing’s assertiveness and fears of being economically overwhelmed. From a short-term perspective, China may appear more influential thanks to its economic power, but that too has translated only fitfully into political gains. Nor has there been an increase in Asian nations attempting to mimic China’s political model.

Instead, both Tokyo and Beijing continue to jockey for position and influence. Each treats with largely the same set of Asian actors, thus offering what Asians consider an almost market-based
competition, in which smaller states are able to drive better deals than they would if dealing with either power alone. Moreover, both China and Japan base their policies in part on their perceptions of US policy in Asia. Japan’s alliance with the United States serves in essence to merge Tokyo and Washington into one bloc versus Beijing, while also creating an underlying uncertainty as to American intentions. Japanese concern over the credibility of American promises to remain engaged in the Asia-Pacific drives Tokyo’s military modernization plans, in part to be a more effective partner and in part to avoid overdependence. At the same time, uncertainty over America’s long-term policy enhances Japan’s desire to deepen relations and cooperation with India, Vietnam, and other nations that share its worries about China’s growing military strength. Similarly, Beijing’s response to the Obama administration’s involvement in the South China Sea territorial disputes was a program of land reclamation and base building in the Spratly Islands. The same could be said for China’s financial and free-trade initiatives, which are designed at least in part to blunt TPP, which was championed though not started by Washington, or the continued influence of the World Bank in regional lending.

From a mere material perspective, Japan should come off worse in any direct competition between the two nations. Its economic glory days are far behind it, and it never successfully translated its still comparatively powerful economy into political influence. Perceptions of its sclerotic political system add to the sense that Japan will likely never again regain the dynamism it showed in the postwar decades.

Yet as a stable democracy, with a largely content, highly educated, healthy population, Japan is still regarded as the benchmark for many Asian nations. Having long ago tackled its pollution problem, and with a low crime rate, Japan offers an attractive model for developing societies. Its benign international policies and minimal overseas military operations, combined with its generous foreign aid, make Japan the most admired country in Asia, according to a 2015 Pew Research Center poll—71 percent of respondents voiced a favorable view. China garnered only a 57 percent approval rating,
with fully one-third of respondents having a negative view.

But current perception and likability benefit Japan only so much. When Genron NPO, the Japanese polling company, asked in 2016 if Japan would increase its influence in Asia by 2026, only 11.6 percent of Chinese and 23 percent of South Koreans answered in the affirmative; perhaps surprisingly, only 28.5 percent of Japanese themselves thought so. When Genron asked the same question about China in 2015, fully 82.5 percent of Chinese, 80 percent of South Koreans, and 60 percent of Japanese expected China’s influence in Asia to increase by 2025. Two decades of Chinese economic growth and Japanese economic stagnation undoubtedly are the causes of such findings, but China’s recent political overtures under Xi Jinping likely play some role.

Despite scoring lower than Japan in regional opinion polls, China has ridden a wave of anticipation that its ultimate strength will make it the most dominant nation in Asia, if not the world. This has made it easier to attract cooperation or wary neutrality from Asian nations. The AIIB is just one example of Asian nations flocking to a Chinese proposal; the BRI is another. But Beijing has also used its influence in negative ways (e.g., by pressuring Southeast Asian nations such as Cambodia or Laos to oppose stronger criticisms of China’s territorial claims in joint ASEAN communiqués).

At times, China’s very dominance has worked against it, and Japan has taken advantage of the region’s unease at China’s power. When ASEAN nations proposed what would become the East Asia Summit in the early 2000s, with the participation of China, Japan, and South Korea, Tokyo successfully lobbied with Singapore for Australia, India, and New Zealand to be included as full members. This inclusion of an additional three democratic nations was designed to blunt China’s influence over what was expected to become the largest pan-Asian multilateral initiative, and it was decried by Chinese media for doing so.

Neither Japan nor China has succeeded in establishing a dominant position as the undisputed great power of Asia. Southeast Asian nations above all want to avoid being drawn into a Sino-Japanese—or, much the same thing, Sino-US/Japan—political and security
dispute. The scholars Bhubhindar Singh, Sarah Teo, and Benjamin Ho have argued that, in recent years, ASEAN nations have focused more on the US-China relationship, since it is the United States that has Southeast Asian allies and has inserted itself into the South China Seas dispute. Yet all also consider Sino-Japanese ties to be of crucial importance for Asian stability in the short and long term. While this particular concern is largely centered on security issues and less on the larger questions of national models, when attention has turned to national development, the focus on China and Japan becomes even clearer. None dismiss the continuing importance of the United States to Asia’s short- and medium-term future, but awareness of the long history of Sino-Japanese relations and competition is a primary element of the larger regional perception of power, leadership, and threat that will shape Asia in the coming decades.

It is a truism, although not unhelpful, to observe that neither Japan nor China can leave Asia. They are stuck with each other and with their neighbors, and each has an intense relationship with the United States. Japan and China’s economic ties are likely to deepen in future years, even as both look for alternative opportunities and seek to structure Asian trade and economic relations in ways most beneficial to their own interests. There will undoubtedly be periods of greater political cooperation between Beijing and Tokyo, along with the minimal quotidian diplomatic niceties. There will continue to be grassroots exchange—at the very least, unorganized exchange through millions of tourists.

Their histories and civilizational achievements, however, all but assure that they will remain the two most powerful Asian nations, and that implies an ongoing competition. Whether Japan remains allied to the United States, or whether China successfully forges a pan-Asian Belt and Road community, the two will continue to try to shape the Asian political, economic, and security environment. With a United States that continues to be challenged by its global commitments and interests, thereby leading to periods of relative lassitude in Asia, China and Japan will stay bound in a complex, often tense, and competitive relationship that is Asia’s eternal great game.
Notes

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Michael Auslin is the inaugural Williams-Griffis Fellow in Contemporary Asia at the Hoover Institution. He specializes in global risk analysis, US security and foreign policy strategy, and security and political relations in Asia. Previously, he was a resident scholar and the director of Japan Studies at AEI, where he worked on the articles for this compilation. Dr. Auslin was also an associate professor of history at Yale University. He is a regular contributor to the Wall Street Journal, Forbes, and National Review, and his books include The End of the Asian Century: War, Stagnation, and the Risks to the World’s Most Dynamic Region (Yale University Press, 2017) and Pacific Cosmopolitans: A Cultural History of U.S.-Japan Relations (Harvard University Press, 2011). He has advised both the US government and private business on Asian and global security issues. His awards include being named a Young Global Leader by the World Economic Forum, a Fulbright Scholar, and a Marshall Memorial Fellow by the German Marshall Fund. Dr. Auslin received a Ph.D. from the University of Illinois at Urbana–Champaign and a B.Sc. from Georgetown University.
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