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# Hugging and Hedging: Japanese Grand Strategy in the 21<sup>st</sup> Century<sup>\*</sup>

Narushige Michishita  
National Graduate Institute for Policy Studies  
Tokyo

Richard J. Samuels  
Massachusetts Institute of Technology  
Cambridge

## Introduction

After decades of accepting US supremacy in Asia as the foundation of its foreign and security policies, finding the right distance between the U.S. and China is the most important strategic choice facing Japan today. “Getting it just right” with these two powers will require both military and economic readjustments. There is a great deal at stake in Tokyo’s recalculation. Japan, China, and the United States are, after all, the three largest economies in the world, together accounting for nearly 40% of global production. Each has a deep-- and deepening-- stake in the other two. The United States and Japan are China’s top two trade partners. The United States and China are Japan’s top two trade partners. And Japan and China are the top two U.S. trade partners outside of NAFTA. In security terms, the United States remains the world’s only hyper power, but China’s rapid (if opaque) military modernization is shifting regional dynamics. For its part, Japan annually spends over \$50 billion on defense, no trivial sum despite its self-imposed cap on spending at 1% of GDP. Japan has an impressive navy and air force and has openly debated possessing strike capabilities. Even the nuclear option reportedly has been discussed among members of the National Diet.<sup>1</sup> In short, each of the three is a bona fide current or potential “great power”-- viz., each has the ability to exert its economic, military, cultural, and diplomatic influence on a global scale in ways that could alter the regional and global balances.

The Japan-U.S. alliance is still the bedrock of Tokyo’s national security strategy, one that for generations has been stable and unassailable under the so-called “Yoshida Doctrine” by which Japan has provided forward bases for U.S. forces that provide it protection. But the Yoshida Doctrine, designed for a bipolar world, has been dissolving

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\* Part of this research was completed while co-author Samuels was a visiting scholar at the Graduate Research Institute for Policy Studies in Tokyo. The authors wish to acknowledge with gratitude the research assistance of Fukushima Mayumi and Yokoyama Saharu.

<sup>1</sup>*Asahi Shimbun*, 19 October 2006 and *Akahata* 5 February 2011.

without a clear replacement strategy for a multipolar one. Japan's next grand strategy has been under debate for some time now, and both China and the United States are central to the discourse. Indeed, however close Tokyo remains to Washington, a rising China and a United States in relative decline are today at least equals in Japan's strategic calculus. Some in Japan openly fret about a Washington-Beijing "G-2" condominium. Others insist that Japan must do more to prepare for the (coming) day when the U.S. capabilities slip below U.S. commitments. There are also those who insist that unless Japan accommodates to Chinese power, it will lose influence in the region and globally. Still others are concerned that rivalry with China is unavoidable. Some wish to maximize Japanese sovereignty, some its prosperity, and others its status in world councils. Because the debate is often so clamorous, the possibility that improved relations with China might be compatible with sustained close relations with the United States is often lost in the noise.

As this volume emphasizes, grand strategies are a function of both the structural constraints of the international system and choices made amid the tumult of domestic politics. From a realist perspective, states act rationally to maximize security or power on the international level only to the extent that they can contain domestic political entropy.<sup>2</sup> Since democratic politics are fueled by contested preferences and values, they are notoriously unruly and domestic political interventions, , are common. Thus, explanations for the strategic behavior of nation states require that analysts fully incorporate political dynamics below the level of the international system as well as in the structure of that system itself. This chapter therefore assesses the shifting discourse on Japanese grand strategy with both domestic political struggles and international relations in mind.

### **Current Setting for the Debate**

In recent years Japan has witnessed epochal transformations. The most striking have been domestic. In August 2009, Japanese voters repudiated more than a half century of single party dominance by the Liberal Democratic Party (LDP). It elected the Democratic Party of Japan (DPJ), which ran on a platform of thoroughgoing change. The DPJ "manifesto" called for political control of Japan's "mandarin" bureaucracy, more transparent budgeting and an end to wasteful government spending, local autonomy, fuller national strategic thinking, enhanced social policies, and an end to Tokyo's subordination to Washington. DPJ leaders were embraced by voters with an overwhelming majority of seats in the House of Representatives. Japan's fabled "one and a half party system" had given way to viable two-party democracy for the first time ever.

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<sup>2</sup> Snyder, Jack L. 1991. *Myths of Empire: Domestic Politics and International Ambition*. Ithaca: Cornell University Press; Rose, Gideon. 1998. "Neoclassical Realism and Theories of Foreign Policy," *World Politics*, Volume 51, Number 1, October, pp.144-172; Schweller, Randall. 2006. *Unanswered Threats: Political Constraints on the Balance of Power*. Princeton: Princeton University Press.

DPJ dominance did not last long, however. Before the House of Councillors election in July 2010, the DPJ-led coalition fell apart over Prime Minister Hatoyama's mishandling of the US base issue and voter concerns over a political finance scandal in which party secretary general Ozawa Ichirō was embroiled. Less than a year after its unprecedented landslide victory in the lower house, the DPJ failed to gain a majority in the upper house, even with the help of its remaining coalition partners. The DPJ now governed with a "twisted Diet," and had to make concessions to opposition parties to pass legislation.

Changes have been just as real-- and only slightly less dramatic-- in the international relations of East Asia, where the tectonic plates of national power have shifted perceptibly in both the military and economic realms. Despite the increasing dependence of the United States on Asian finance and on commodity trade, an Asian regional trade and financial system has been debated without U.S. leadership or, in some important cases, even without U.S. participation. In 2004, the Chinese completed an historic free trade agreement (FTA) with ASEAN that became operational in January 2010 and the Japanese-- "making up for lost time"-- found themselves in the midst of what one scholar has labeled an "FTA frenzy."<sup>3</sup> Japan concluded Free Trade Agreements with Singapore (2002) and with Mexico (2004), and has nearly a dozen "economic partnership agreements" with ASEAN and other regional states.<sup>4</sup> Its "on again-off again" negotiations with the Republic of Korea (ROK) were resumed in June 2008, and a trilateral meeting of senior economic bureaucrats in Seoul in January 2010 stimulated informed speculation that a PRC-Japan-ROK free trade bloc is under construction.<sup>5</sup> Indeed, in May 2010, the "Plus Three" economic powerhouses of East Asia announced the launch of a Joint Study for a trilateral free trade agreement (FTA) and the establishment of a secretariat in Korea in 2011.<sup>6</sup> In one scholar's judgment, these "bilateral and region preferential FTA agreements are the building blocks to genuine, ground-up, and made-for-and-by Asians institutionalism...," a process that she says "will affect not just [Washington's] relationship with [its] most important ally in Asia, but also [the U.S.] role in shaping the geopolitics of

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<sup>3</sup> Saadia Pekkanen, "Japan's FTA Frenzy," Unpublished Paper, Seattle: Jackson School of International Affairs, University of Washington, 2005. Christopher Dent speaks of the "isolation avoiding" behavior of regional economies and the need to "make up for lost time" (pp.10-11) after the 1997-8 financial crisis. For his analysis and a detailed snapshot of the region wide FTA "spaghetti bowl," see: Dent, Christopher M. "Free Trade Agreements in the Asia Pacific a Decade On: Evaluating the Past, Looking to the Future," *International Relations of the Asia-Pacific*. Published on 11 January 2010 at: <http://irap.oxfordjournals.org/cgi/reprint/lc022v1> (Accessed 14 January 2010.)

<sup>4</sup> <http://www.mofa.go.jp/policy/economy/fta/index.html> (Accessed 11 January 2010)

<sup>5</sup> *Nihon Keizai Shimbun*, 14 January 2010. Development Research Center of China, National Institute for Research Advancement of Japan, and Korea Institute for International Economic Policy of Korea, eds. "Joint Report and Policy Recommendations on Sectoral Implications of a China-Japan-Korea FTA," November 2004 (Accessed at: <http://www.nira.or.jp/past/newse/paper/joint4/report.html> on 13 January 2009). Also see: "Fortress Asia: Is a Powerful New Trade Bloc Forming?" *Time Magazine* 7 September 2009 and "Three-Way FTA" *Japan Times*, 13 October 2009.

<sup>6</sup> John Ravenhill and Ralf Emmers. "Asian And Global Financial Crises: Implications For East Asian Regionalism" <http://www.eurasiareview.com/201009208358/asian-and-global-financial-crises-implications-for-east-asian-regionalism.html>

the region.”<sup>7</sup> A former Bush Administration official agrees, suggesting that Washington is blithely unaware of how fast the ground has shifted beneath its own feet in Asia:

“(T)he United States still has its head in the sands about the degree to which Asians-- including some of its closest allies-- are groping for their own solutions to regional problems ... Most pan-Asian institutions will move forward regardless of American views and preferences.”<sup>8</sup>

Although Washington has sought membership in (and would de facto become a leader of) some new regional economic institutions like the Trans Pacific Partnership (TPP), Asia’s new regional economic architecture is still a work in progress. Economic ministers meet annually to discuss trade promotion, industrial standard setting, information technology, skills training, disease control, environmental protection, and small business development. Even though each of these various formulations is underdeveloped as compared with the European Community or NAFTA, it has led some analysts to predict that new economic institutions “will eventually redraw the regional-institutional and political map of Asia---one in which the U.S. may be an outsider.”<sup>9</sup> Even if this is too extreme an expectation, the recent emergence of active economic diplomacy that has not been US-led reflects the relative decline of U.S. influence in the region.

Although the institutional trajectory on the military security side is even less clear, there are comparable dynamics in play. Transformation of the U.S. military posture has been underway-- albeit in fits and starts-- for nearly a decade. In October 2004, the United States and South Korea reached an agreement to reduce the number of U.S. troops by 12,500, to approximately 25,000, by 2008. In Japan, the transfer of the 3<sup>rd</sup> Marine Expeditionary Force headquarters from Okinawa, and other efforts to consolidate U.S. forces based in Japan were negotiated with the LDP government in 2005-6. These suggestions were stymied in 2010, when the Hatoyama government and the Obama administration failed to agree on how to implement this agreement.<sup>10</sup>

Still, most in Tokyo and Washington continue to expect redeployment of U.S. forces in the region. Fewer U.S. troops, especially near key hotspots, are seen by some as a sign of declining U.S. commitment to the region’s security and stimulate apprehension by some of abandonment. Some commentators raised fears that America was “marching out of Asia” while others celebrated the prospect.<sup>11</sup> These dynamics became part of

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<sup>7</sup> Pekkanen, 2005, op.cit., p.5,17.

<sup>8</sup> Feigenbaum, Evan A. “Clinton’s Missed Opportunity in Asia,” Council on Foreign Relations 13 January 2010 <http://blogs.cfr.org/asia/2010/01/13/clinton%e2%80%99s-missed-opportunity-in-asia/> (Accessed 14 January 2010. Emphasis in original), p.1

<sup>9</sup> Pekkanen, 2005, op.cit., p.19.

<sup>10</sup> Eric Heginbotham, Ely Ratner, and Richard J. Samuels. “Tokyo’s Transformation: How Japan is Changing and What it Means for the United States,” *Foreign Affairs*, September/October 2011, pp.138-148.

<sup>11</sup> Susan V. Lawrence and David Lague, “Marching Out Of Asia,” *Far Eastern Economic Review*, 26 August 2004. For a Japanese military analyst’s view of the problems that may accompany transformation, see:

Japan's national security strategy in 2010. In a report to the Prime Minister that would later form the basis of the 2010 National Defense Program Guidelines, a distinguished panel of experts addressed directly the relative decline of the United States and suggested several implications for Japanese policy, including: the "deterioration of public goods provision," a "trend toward multipolarity," and an expectation that the United States would demand higher levels of security contributions by its allies. And, in what seems to be a euphemism for a weakening in US deterrent power, the experts spoke of "changing U.S. deterrence."<sup>12</sup> Let us turn, therefore, to this evolving security discourse.

### Modeling the Discourse

Moments of national consensus on grand strategy, as in the mid- and late-20<sup>th</sup> century, have punctuated a long and vigorous debate on how Japan should provide for its national security.<sup>13</sup> As in other countries examined in this volume, Japan's discourse has been buffeted by debates among "regionalists," "nationalists," "nativists," "autonomists," "liberals," and "internationalists," *inter alia*. Each has contributed important ideas that have been incorporated into Japanese security thinking at one time or another. For example, the ideas of mercantile realists who first argued that Japan would be safest as a small maritime trading nation in the early 20<sup>th</sup> century inspired the Yoshida Doctrine.

But even if these various ideas have connected across time, changes in world order have filtered how each is applied to policy. As a case in point, late 19<sup>th</sup> century Asianism, often expressed as opposition to the state, morphed into militarized opposition to the West by the 1920s. By the 1960s, Asianism was common ground for autonomists on both the left and the right, and today, as expressed by some in the ruling DPJ, Asianism is both a realist and a liberal strategy: it is designed to compensate for declining US power at the same time that it seeks to capture full economic benefit from China's dramatic economic growth.

In the political realm, Japan's left and right long have shared a belief that the U.S.-Japan alliance diminishes Japanese sovereignty. Thus, the national security debate has not always strictly reflected ideological, or even party, lines. For example, the LDP supported the U.S. alliance unconditionally, but was divided on how to deal with Asia, while DPJ has been more unified on regional integration than on the alliance. It ought to be no surprise, then, that the contemporary discourse about Japanese grand strategy is

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Ugaki, Ohnori. "Bei Taiheiyōgun Toransufōmeeshiyon no Zenbō" (The Full Picture of the Transformation of US Pacific Forces in the Pacific). *Gunji Kenkyū* December 2004, pp.38-49. For an unruffled perspective from a military analyst, see Sakaguchi Daisaku, "Zainichi Beigun Saihen to Nichibei Sogo Izon Kankei e no Eikyō" (The Realignment of U.S. Bases in Japan and its Influence on U.S.-Japanese Mutual Dependence).

<sup>12</sup> See Council on Security and Defense Capabilities in the New Era, "Japan's Vision for Future Security and Defense Capabilities in the New Era: Toward a Peace-Creating Nation," August 2010, pp. 51-52 . <<http://www.kantei.go.jp/jp/singi/shin-ampobouei2010/houkokusyo.pdf>>. Emphasis added.

<sup>13</sup> This argument is elaborated in Samuels, Richard J. *Securing Japan: Tokyo's Grand Strategy and the Future of East Asia*. Ithaca: Cornell University Press, 2007.

filled with strange-- and shifting-- coalitions. Heirs to pre-war nativism share antipathetic views of the U.S. alliance with heirs of the old left. Today's small Japanists and big Japanists agree that the alliance matters, but disagree fundamentally on how much Japan should pay for its maintenance-- and whether part of that cost should include Japan's becoming "normal." The deck is reshuffled yet again on the issue of issue of accommodation with China.

These divisions led co-author Samuels to represent the security policy preferences of contemporary Japanese scholars, commentators, politicians, and bureaucrats along two axes.<sup>14</sup> The first is a measure of the value placed on the alliance with the United States. At one extreme is the view that the United States is Japan's most important source of security, and must be embraced tightly. On this account, U.S. bases in Japan are necessary in order to keep Washington committed to Japan's defense. At the other extreme is the view that in a unipolar world, the United States is unbalanced and therefore unconstrained; Japan must keep its distance to avoid becoming entangled in American military adventures. This entanglement is made all the more likely by the presence of U.S. bases. This first axis, then, is a surrogate measure of the relative value one places on the dangers of abandonment and entanglement. Those with a high tolerance for the former are willing to keep a greater distance from the United States than are those with a higher tolerance for the latter.

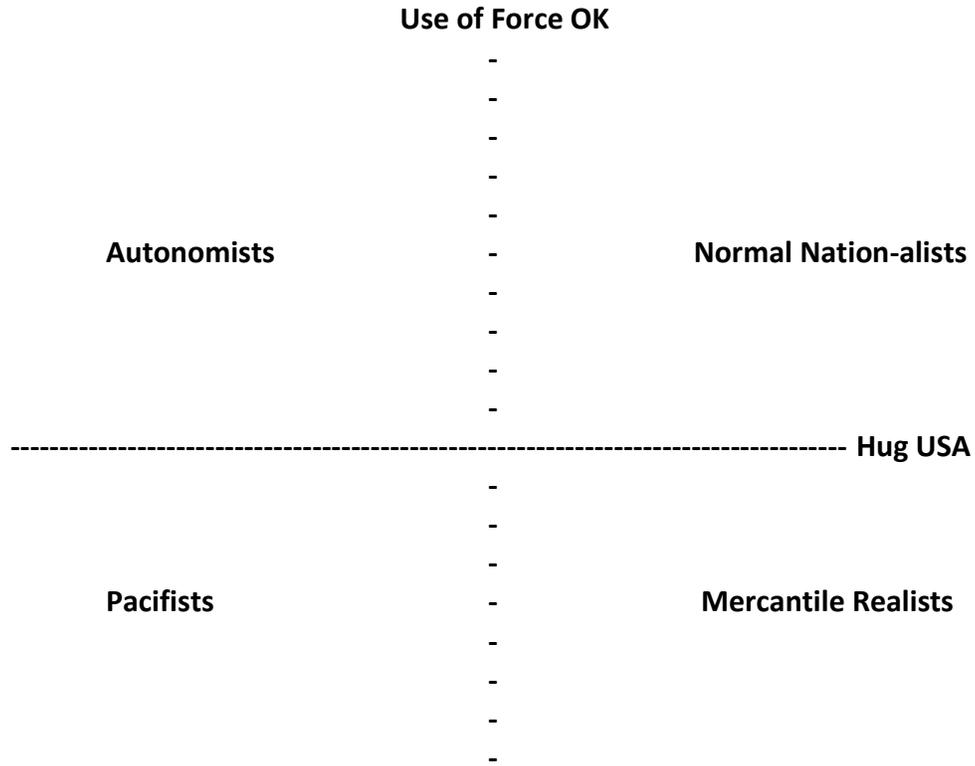
Those with a high tolerance for entanglement are not all status quo-oriented, however. They are divided by the second axis-- the willingness to use force in international affairs. As the opening chapter to this volume anticipates, this division reflects differences over the means of foreign policy. Support for revision of Article 9 of the constitution, for Japan to assume a more proactive, even global, defense posture and for the dispatch of SDF abroad are all measures of where one stands on this second dimension. Some who support the U.S. alliance, then, are more willing to deploy the SDF to "share alliance burdens" than are others who prefer that Japan continue to limit itself to rear area support. The former, some of whom wish Japan to become a great power again, are associated with the idea that Japan should become "normal." In the view of these "Normal Nation-alists"-- essentially the "regular nationalists" identified in the opening chapter by Henry Nau-- the statute of limitations for Japan's mid-20<sup>th</sup> century aggression expired long ago; it is time for Japan to step onto the international stage as an equal of the United States. The latter, "Mercantile Realists," are not multilateralists or economic liberals. They believe that Japan must remain a small power with self-imposed limits to its right to belligerency and that Japan's contributions to world affairs should remain non-military. Among those who prefer Japan to keep a greater distance from the United States, are "Autonomists" who, like the nativists in China and Russia, would build an independent, full spectrum Japanese military that could use force, and "Pacifists" who eschew the military institution altogether. All four groups seek security for Japan, but each closely associates security with different values: "Autonomists" seek security with

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<sup>14</sup> Samuels, 2007, op.cit.

sovereignty and dignity; “Pacifists” seek security with peace and isolation; “Normal nation-alsists” want security with equality and a more robust role in the international community; and “Mercantile Realists” have sought security with prosperity.

**~~ INSERT ORIGINAL MODEL ABOUT HERE ~~**



This model defines clear policy spaces for important groups in the Japanese security discourse. But because these groups are themselves divided by party and other policy preferences, it also raises questions about whether any one of them on its own could consolidate power long enough to impose its preferred grand strategy for Japan. It has long been clear that public support for constitutional revision is limited and therefore that the preferences of “Normal Nation-alists” would butt up against a public more focused on economic and social issues and weary of Japan’s “culture wars.”<sup>15</sup> Indeed, LDP policymakers themselves also realized that relations with an emergent China, Japan’s largest trade partner, could not be allowed to deteriorate further, and began to repair Sino-Japanese relations immediately after Prime Minister Koizumi retired. Support for the “Mercantilist” position was also limited, however. It seemed that these prosperity seekers had exhausted the patience of the Japanese public with their inability to find a growth path independent of Washington. Since these groups together formed the core of the governing LDP, it was clear by 2007 that change was in the offing. Meanwhile, the “Pacifists” seemed an anachronism to many, and the “autonomists” were far too hawkish for most Japanese voters.

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<sup>15</sup> Boyd, J. Patrick and Richard J. Samuels. “Prosperity’s Children: Generational Change and Japan’s Future leadership,” *Asia Policy*, Volume 2, July 2008.

It was clear, then, that Japan would begin to find a more effective balance between its neighbors and its security partner. Samuels described this groping for a more robust approach to security as a “Goldilocks Consensus” -- an effort to “get it just right.” This recalculation, now well under way, comprises multiple hedges: a hedge against U.S. decline and Chinese aggression, a hedge against entanglement in U.S. adventures and abandonment by a still needed partner, and a hedge against predation and protectionism in economic affairs. Each of Japan’s post-Koizumi prime ministers-- starting with the surprisingly accommodating Abe Shinzō-- acted like Goldilocks by deferring to China on particularly irritating displays of Japanese nationalism, such as refraining from prime ministerial visits to the Yasukuni Shrine. When power was transferred to the DPJ in 2009, Japan’s Goldilocks behavior accelerated, receiving considerably more attention in the press and generating predictable, and therefore avoidable, frictions with Washington. In 2011, when Noda Yoshihiko succeeded Kan to become the third DPJ prime minister in two years, he made headlines-- and attracted considerable apprehension from Beijing-- by reaffirming his view that the 14 designated Class A war criminals enshrined there were not, in his view, war criminals.<sup>16</sup> Still, he followed his predecessors’ path and steered clear of shrine visits.

Even if North Korean and Chinese actions blunted some of the DPJ’s enthusiasms, Japan is still feeling its way toward a new security posture in an era in which China is at least as important economically and militarily as the United States. The migration of Japan’s grand strategy from one centered on becoming normal in military terms in alliance with the United States to one centered on becoming normal in more comprehensive terms-- by getting relations with the two greatest powers on earth “just right”-- is a tricky business. It requires great skill from diplomats and policy makers who must convince domestic audiences and the international community that collective goods will continue to be provided. It likewise demands more fine grained examination by analysts. Toward that end, we adjust the original model to account more fully for the nascent view-- and for some, merely a hope-- that a positive sum relationship between improved relations with China and sustained alliance with the USA is possible.

### **(Re)modeling the Discourse**

Specifically, it seems to us that it would be particularly useful to array relations with the United States against relations with China.<sup>17</sup> In doing so, we use familiar issues-- military and economic, each in turn-- to locate familiar groups in slightly different orientations to one another. By re-dimensioning the debate, we are able to examine more closely how Japanese hedging and hugging can be mutually reinforcing as the discourse evolves. We also note that the use of force may not be as decisive as posited in the original model. We begin with Japan’s relationship with the United States.

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<sup>16</sup> Asia Japan Watch, *Asahi Shimbun*, 30 August 2011.

<sup>17</sup> Here we follow the lead of Shiraishi Takashi. See Shiraishi, Takashi. 2006. “*Tōajia Kyōdōtai no Kōchiku wa Kannō Ka?*” (Is it Possible to Create an East Asian Community?) *Chūō Kōron* January pp.118-127.

*Adjusting the Distance from the United States*

The original post-war deal engineered by Prime Minister Yoshida, Japan's iconic mercantile realist, involved a trade-off of economic and military benefits between Washington and Tokyo. The United States would provide two kinds of goods to Japan: It would protect Japan with extended nuclear deterrence (the so-called "nuclear umbrella") and it would provide access both to the U.S. market and to U.S. technology for Japanese firms. In exchange, a pragmatic Japan would be a loyal ally in the larger Cold War competition. It would prosper without remilitarizing and would provide an "unsinkable aircraft carrier" for forward deployed U.S. forces to deter and contain communist expansion.

So long as this mercantilist wing of the LDP was in power, it would collude with pacifists to keep the normal nationalists (most of whom were also in the LDP) from revising-- or even reinterpreting-- the constitution. The mercantilists were more concerned about electoral backlash from Japan's anti-war public than about responding to pressure from the United States to "share the burden" in providing global security. They therefore (self-) imposed constraints on Japanese military power. These constraints took many forms, including the adoption of three non-nuclear principles-- no manufacture, deployment, or introduction of nuclear weapons. Defense spending would be limited to one percent of GDP, the export of arms would be banned, and the military use of space foresworn. In addition, in the process of consolidating its power during the 1960s-70s, this pragmatic mainstream of the LDP refused to acquire what it considered "offensive weapons" such as long range bombers, aircraft carriers, intercontinental ballistic missiles, and aerial refueling capabilities that would extend Japan's military reach. They would construct a "reliable and warm-hearted" military and keep their political rivals out of power.<sup>18</sup>

But the LDP's revisionists, whose progeny we now label "normal nation-alists," had not been completely shut out of power. In the 1950s, Hatoyama Ichirō and Kishi Nobusuke represented (and implemented) a harder line on national security. Nakasone Yasuhiro likewise did so in the 1980s. Hatoyama reserved for Japan the right to preempt the imminent use of force in 1956, while Kishi established the next year that nuclear weapons were not unconstitutional. Nakasone demonstrated that the 1% limit on defense spending could be breached, that dual use technology could be exported, and that Japan could engage in the military use of space (by participating in Ronald Reagan's "Star Wars" program). But it was not until the 2000s that the "normal nation-alists" would consolidate power. Under the leadership of Koizumi Junichirō and his successor, Abe Shinzō, this next generation of revisionists would press for revision of the constitution, enhance Japan's military capabilities by acquiring weapons that earlier had been deemed unconstitutional, dispatch troops for the first time to a foreign country in which there were active combat operations, elevate the Defense Agency to ministry status, engage in

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<sup>18</sup> "White Paper," Japan Defense Agency, Tokyo, 2002.

de facto collective self defense, and relax the arms export ban. In short, despite vigorous opposition from the pacifists and mercantilists, they moved to eliminate (albeit incrementally) many of Japan's self-imposed restraints on the military.<sup>19</sup>

These shifts were facilitated by enhanced threats from China and North Korea. Each group perceived these threats differently, of course. But the normal nation-alists were in power and the serially miscalculating Kim Jong Il was, it seemed, heaven sent by those who wished to enhance Japan's defense capabilities. With Kim admitting to the abduction of Japanese teenagers, testing missiles inside Japanese air space, openly developing and then testing nuclear weapons, and by defying his neighbors-- including China-- there was no need to over-inflate a "China threat." North Korea would suffice as justification for Japanese acquisition of sea based missile defense platforms, new destroyers and assault ships, and for participation in the joint ballistic missile defense program with the United States.

This cooperation notwithstanding, there have been persistent irritants the U.S.-Japan military relationship. As noted above, the central problem has centered on the issue of Japanese sovereignty. For many Japanese, sovereignty is diminished by the continued presence of U.S. troops on the archipelago more than sixty-five years after Japan's unconditional surrender. The U.S. military has exclusive right to over 300 square kilometers of land, three quarters of it in Okinawa, Japan's southernmost prefecture.<sup>20</sup> Every Japanese political party, from the Communists to the LDP, has called for a reduction in the "base burden" if not for an outright elimination of the facilities altogether. Even former defense officials rail against U.S. extraterritorial privilege: former JDA Director General Ohno Yoshinori declared "the Occupation-era base structure" to be the single most difficult problem for the future of the U.S.-Japan alliance, adding that a new Status of Forces Agreement (SOFA) should be negotiated.<sup>21</sup> Journalist Ina Hisayoshi reflects the widely held (and less restrained) judgment that the conduct of the U.S. military in Japan "resembles that of an occupying force."<sup>22</sup>

In 1960, Prime Minister Kishi arranged for a revision of the treaty to reduce the extraterritorial privileges of U.S. forces. Article Six of the revised treaty provides "the use of facilities and areas in Japan" by the U.S. armed forces "for the purpose of contributing to the security of Japan and the maintenance of international peace and security in the

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<sup>19</sup> For a brief history of this "salami slicing," see Samuels, 2007, *op.cit.*

<sup>20</sup> For the most comprehensive treatment of contemporary base issues see Smith, Sheila. "Shifting Terrain: The Domestic Politics of the U.S. Military in Asia," East-West Center Special Report No. 8 (East-West Center, 2006).

<sup>21</sup> Interview, 26 January 2006.

<sup>22</sup> Ina, Hisayoshi. 2005. "Implementing the SACO and Revising the SOFA," in Hashimoto, Akikaku, Mike Mochizuki, and Kurayoshi Takara, eds. *The Okinawa Question and the U.S.-Japan Alliance*. Washington, DC: The Sigur Center for Asian Studies, p.42.

Far East.”<sup>23</sup> The accompanying Status of Forces Agreement (SOFA) stipulates responsibilities for the maintenance of facilities and legal jurisdictions in the event of accidents or crimes by U.S. military personnel (both have occurred with uncomfortable frequency). Local government officials have even less jurisdiction vis-à-vis base issues than does the central government. Associations of governors and mayors from the fourteen prefectures that host U.S. bases have pressed the case for greater local jurisdiction, particularly regarding search and seizure powers and environmental standards.

Although both the security treaty and the SOFA have been altered through side agreements that give the Japanese government somewhat greater latitude, neither has ever been formally revised. Nor has the 1996 bilateral agreement to resize U.S. forces in Okinawa ever been implemented.<sup>24</sup> At no time in the history of the postwar alliance has the base issue not been characterized by extreme displeasure-- either of local residents who put up with base pollution and crime, or of alliance managers who spend endless hours finding ways to co-opt opposition and maintain the status quo.<sup>25</sup> In the 2009 election campaign, the DPJ declared its opposition to the 2006 agreement negotiated by Tokyo and Washington on the relocation of Futenma, a marine helicopter base in the middle of densely populated Ginowan City. In the party’s widely circulated 2009 “Manifesto,” the first item under the heading “Diplomacy” called for a more equal relationship with the United States and for a reexamination of the U.S. base structure in Japan.<sup>26</sup> Given this campaign promise, and given that the DPJ victory depended upon a coalition with a small, but insistent Socialist Party centered in Okinawa, the government led by Hatoyama Yukio made a bee line for the base relocation issue immediately upon taking office. It began questioning decisions on the realignment of U.S. forces as well. U.S. opposition notwithstanding, the DPJ elevated the sovereignty issue and seemed determined to put more space between Japan and the United States than had heretofore seemed possible.

Hatoyama pressed hard on this issue, but failed to produce positive results. Instead, his ill-prepared and disorganized attempt to find a new destination for the Futenma marine air base generated tension between Washington and Tokyo, and reignited Okinawans’ once becalmed opposition to the 2006 decision to relocate the base

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<sup>23</sup> The full text of the treaty is at: <http://www.mofa.go.jp/region/n-america/us/q&a/ref/1.html> A former Director General of the Defense Facilities Administration argues vigorously that Article Six is the source of continued extraterritorial privilege for U.S. forces. See Shimaguchi, 2005, p.16.

<sup>24</sup> For more on this agreement of the Special Action Committee on Okinawa (SACO), see Hashimoto, Akikaku, Mike Mochizuki, and Kurayoshi Takara, eds. 2005. *The Okinawa Question and the U.S.-Japan Alliance*. Washington, DC: The Sigur Center for Asian Studies and Smith, Sheila A. 2006. “Shifting Terrain: The Domestic Politics of the U.S. Military Presence in Asia,” Honolulu: East-West Center Special Reports, Number 8, March.

<sup>25</sup> For a particularly insightful analysis of recent developments by former U.S. alliance managers, see Finnegan, Michael. *Managing unmet Expectations in the US-Japan Alliance*. Seattle: National Bureau of Asian Research. NBR Special Report #17. November 2009..

<sup>26</sup> “*Minshutō no Seiken Seisaku: Manifesto*” Tokyo: 27 July 2009, p.22.

to Henoko, a less populated area in Nago City further to the northeast. In May 2010, amidst mounting frustrations on both sides, the two governments decided to settle the issue by re-agreeing to the original 2006 deal.<sup>27</sup> Taking responsibility for his bungled attempt, Hatoyama resigned and Kan Naoto became prime minister.

This would have been merely a return to the status quo ante, had the relationship not become so frayed by the controversy, and had relocation of US marines to Guam not been delayed by opposition in Guam and by Congress.<sup>28</sup> In the event, Washington announced that base construction could not be completed by 2014 as scheduled, and the completion date might be put off by 3-5 years.<sup>29</sup> Agreement by the two governments that relocation to Guam was dependent on tangible progress made by Japan toward completion of the replacement facility further complicated the process and the relationship.<sup>30</sup> When Noda succeeded Kan, the base issue was even further from resolution.<sup>31</sup>

The economic relationship-- never entirely satisfactory to some on either side-- has also faced many challenges. After a decade of double-digit Japanese growth and the consolidation of Japanese prosperity, the period from the late 1960s to the mid-1990s was particularly fractious. Japanese trade surpluses mushroomed in what was perceived in Washington as at U.S. expense. Tokyo and Washington found themselves in an incessant series of negotiations on market access across the board: textiles, rice, apples, semiconductor chips, retailing, direct investment, copyright laws, fighter jets, dual use technology transfer, automobiles, lawyers, satellites-- the list seemed endless and the national interests seemed irreconcilable. These bilateral "frictions" defined the perspectives of an entire generation of business elites and alliance managers who came to believe that different forms of capitalism bred of different values could undermine even the most carefully crafted international relationships and rules of the economic road.<sup>32</sup> Many veterans of these trade wars-- former business executives, junior government officials, and backbench politicians-- are now senior DPJ leaders or their advisors.

That road was paved with new institutions, including the evolution of the General Agreement on Tariffs and Trade (GATT) into the World Trade Organization (WTO). But, while the nations of Western Europe moved forward with their European Union, and while the United States, Canada, and Mexico lurched forward with their North American Free Trade Agreement (NAFTA), no comparable regional economic bloc emerged in Asia.

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<sup>27</sup> "Joint Statement of the U.S.-Japan Security Consultative Committee," Secretary of State Clinton, Secretary of Defense Gates, Minister for Foreign Affairs Okada, and Minister of Defense Kitazawa, 28 May 2010. <<http://www.mofa.go.jp/region/n-america/us/security/scc/joint1005.html>>.

<sup>28</sup> <http://www.yomiuri.co.jp/dy/national/T100723005957.htm>

<sup>29</sup> *Kyodo Tsūshin*, 31 May 2010.

<sup>30</sup> "Joint Statement of the U.S.-Japan Security Consultative Committee. 28 May 2010.

<sup>31</sup> Heginbotham, Ratner, and Samuels, 2011, op.cit.

<sup>32</sup> Fallows, James. "Containing Japan," *The Atlantic*. May 1989. See also Johnson, Chalmers. *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975*. Stanford: Stanford University Press, 1982.

This has now begun to change, as have the prospects for enhanced transparency in the military realm. Let us turn, then, to examine shifts in the distance between Japan and China on the economic and military dimensions in our effort to remodel the discourse on Japanese national security.

### *Closing the Distance with China*

It is an understatement to point out that Japan's relations with China are complex and very much in flux. Much of the complexity comes from the perceived mismatch between Sino-Japanese economic and political-military relations-- what was often referred to as "hot economics and cold politics" during the 2000s.<sup>33</sup> Although China became Japan's largest trading partner in 2006 and although an enormous volume of Japanese technology has flowed into Chinese-based factories, competition for regional leadership, territorial disputes, and military competition have complicated efforts to reconcile the two nations.

The most fundamental element in this complexity-- the Sino-Japanese analogue to the US-Japan base issue-- derives from history and how to interpret it. In this regard, no burr under the bilateral saddle has been more unsettling than prime ministerial visits to the Yasukuni Shrine in central Tokyo. Even though Article 20 of the Japanese constitution expressly separated church and state, Yasukuni has remained Japan's *de facto* official war memorial. Virtually every postwar prime minister, regardless of political orientation, visited Yasukuni while in office-- including Yoshida Shigeru (10 times).<sup>34</sup> In October 1978, however, the priests at Yasukuni secretly enshrined 14 Class A war criminals, including General Tōjō Hideki. By honoring-- rather than just mourning-- fallen soldiers, and by identifying more than one thousand "martyrs of *Shōwa*" who in their view were "cruelly and unjustly tried as war criminals by a sham-like tribunal of the allied forces," Yasukuni became a lightning rod for disputes over historical memory after Prime Minister Koizumi began a series of annual visits to the Yasukuni Shrine during his long tenure from 2001-2006. Yasukuni now had come to be about far more than soldiers' souls; it had become a political litmus test of one's view of the colonial experiences of China and Korea and, by implication, of the bilateral past and future as well. Okada Katsuya, who became Japan's foreign minister in 2009, declared in 2005 that these visits "sabotaged" Japan's relations with its neighbors. Each of Koizumi's successors-- LDP and DPJ alike-- understood the problems Yasukuni visits were causing in Sino-Japanese relations and agreed. Almost immediately upon assuming office, each visited Beijing and promised to discontinue the visits.<sup>35</sup> This is why Prime Minister Noda's pre-selection statement was so jarring.

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<sup>33</sup> Injoo Sohn, 2007. "East Asia's Counterweight Strategy: Asian Financial Cooperation and Evolving International Monetary Order," United Nations Conference on Trade and Development Conference G-24 Paper Series, No. 44, March, p.6.

<sup>34</sup> See Bungei Shunjū, ed., 2005. *Nihon no Ronten: 2006* (Issues for Japan: 2006). Tokyo: Bungei Shunjū. Shunjū, ed., 2005, for the list of post-war visits by Japanese prime ministers.

<sup>35</sup> David Kang and Ji-Young Lee, "Japan's New Government: Hope and Optimism" *Comparative Connections*, October 2009.

History-- and, especially, government-approved textbooks that chronicle it-- have deeply affected Sino-Japanese relations. Indeed, most of Japan's neighbors have been frustrated by the frequency with which Japanese aggression during the Pacific War has been understated-- or even denied. As a result-- and despite repeated official apologies-- Japan and its neighbors have never found the "deep reconciliation" achieved by France and Germany.<sup>36</sup> Instead, they have battled endlessly, and without closure, on the basic facts of the last century. Joint study teams of Korean and Japanese historians issued a report that merely sustained different interpretations of the past. Meanwhile, Chinese and Japanese historians who began meeting in 2006 at the initiative of Prime Minister Abe and President Hu Jintao, missed their targeted deadline in 2008 for a final report on the 30<sup>th</sup> anniversary of normalized relations. But by late 2009, after the shift to a DPJ government, the Chinese press began reporting that fundamentals of a common narrative may be in the offing.<sup>37</sup> Reports in January 2010 that Prime Minister Hatoyama was prepared to visit Nanjing, where he would atone for Japan's aggression and, it was hoped, take a giant step toward laying the bilateral history issue to rest, were unrealized.<sup>38</sup>

As noted above, China and Japan, which had competed for regional economic leadership in the 1990s-2000s, also now seemed ready to engage substantively on the issue of economic institution building. Much had changed in the economic relationship. China has been Japan's most important trading partner since 2007. The trade volume between the two countries increased from 9 trillion yen, or one tenth of Japan's total trade, in 2000 to 22 trillion yen in 2009, or more than one fifth of Japan's total trade. In contrast, Japan's trade with the United States has declined from 23 trillion yen—one quarter of Japan's total trade volume to 14 trillion yen, just over one-eighth of Japan's total trade volume in the same period.<sup>39</sup> Japan's foreign direct investment in China started to increase significantly in 2001, and in 2009 Japan overtook Singapore to become the third largest investor there.<sup>40</sup> Moreover, because so many Japanese firms manufacture products in China for export to the still significant U.S. market, China's importance as Japan's economic partner will continue to grow in the foreseeable future.

These shifts and the resulting bilateral discussions over new regional institutions-- what Henry Nau referred to in his opening chapter as a regional scope, institutional means, and collective goods oriented policy-- predated the ascendance to power of the DPJ. But the DPJ's long commitment to an East Asian Economic Community-- however vaguely

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<sup>36</sup> He, Yanan. *The Search for Reconciliation: Sino-Japanese and German-Polish Relations since World War II*. New York: Cambridge University Press, 2009 and Lind, Jennifer. *Sorry States: Apologies in International Politics*. Ithaca: Cornell University Press, 2008.

<sup>37</sup> *People's Daily Online* 24 December 2009.

<sup>38</sup> *Yomiuri Shimbun*, 7 January 2010.

<sup>39</sup> "Bōeki Aitekoku Jōi 10 Kakokuno Suii (Yūshutsunyū Sōgaku: Nen Beesu)" <<http://www.customs.go.jp/toukei/suii/html/data/y3.pdf>>.

<sup>40</sup> *Gaimushō Ajia Taiyōshūkyoku Chūgoku-Mongoruka, Saikin no Chūgoku Jōsei to Nitchū Kankei Heisei 21 Nen 7 Gatsu*, pp. 6-7 <<http://www.mofa.go.jp/mofaj/area/china/pdfs/kankei.pdf#02>> and JETRO Sekai Bōeki Tōshi Hōkoku 2010 Nenpan, pp. 6-7 <<http://www.jetro.go.jp/world/gtir/2010/pdf/2010-cn.pdf>>.

defined-- accelerated the process. The DPJ government began closing the distance between China and Japan on the economic front. The logic was compelling to many in both countries, for the two economies had been complimentary for some time. Japan provides China with technology and capital, while China provides Japan with cheap production and an export platform. Both have an abiding interest in a vibrant regional economy. More than ten million Chinese work in Japanese firms, a number that continues to grow as Japan redirects its direct foreign investment toward China and away from the United States. One government researcher calls for a Sino-Japanese free trade agreement and insists that "if the comparative advantages of both countries can be realized through trade, China's advancement will not be a threat to Japan but rather a win-win game for both sides."<sup>41</sup> Likewise, an "ASEAN Plus Three" regional order integrating the economies of Japan, China, and Korea with those of Southeast Asia is a central feature of Chinese diplomacy and an "ASEAN Plus Six" alternative that includes Australia, New Zealand, and India is championed by Japan.<sup>42</sup> As Mike Mochizuki has suggested, there are many in Japan who see China as "a potential partner in establishing an attractive global economic balance of power."<sup>43</sup>

The military picture is less clear. Chinese leaders remain wary of prospects for the Japanese military-- and vice versa. Even those Chinese who believe that stable Sino-U.S. relations are possible in the long term are divided over the role of the U.S.-Japan alliance. At best, they credit it with serving as a "cork in the Japanese bottle," and at worst they view it as a "cover for Japanese military modernization."<sup>44</sup> They are wary of Japan's sympathy toward Taiwan which, after the Korean peninsula, is the most volatile flash point in East Asia. And they are even more concerned about Japan's plan to reorient its defense.<sup>45</sup> Chinese suspicions have been exacerbated by competition for resources in adjacent sea beds, further raising the stakes and the tensions for both nations, despite the fact that both countries are energy importers, and that each therefore benefits considerably from global resource development, from stability in the sea lanes, and from the efficient use of resources.

So, while there are ample incentives for cooperation, more than a few boulders remain strewn along the road to Sino-Japanese rapprochement. Perhaps the largest are territorial: sovereignty of the Senkaku Islands, located near both Taiwan and Okinawa, and an agreed international border in the East China Sea. The former dispute remains the

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<sup>41</sup> Kwan, Chi Hung. 2004. Why Japan Should Pursue and FTA with China: The Need to Prevent a Hollowing-out of Domestic Industry. RIETI online column: [http://www.rieti.go.jp/en/columns/a01\\_0122.html](http://www.rieti.go.jp/en/columns/a01_0122.html), p.1.

<sup>42</sup> Soeya, Yoshihide. 2005. *Nihon no "Midoru Pawaa" Gaikō: Sengo Nihon no Sentaku to Kōsō* (Japan's "Middle Power" Diplomacy: Postwar Japan's Choices and Conceptions). Tokyo: Chikuma Shinsho, pp.219-222.

<sup>43</sup> Mochizuki, Mike M. 2004. "Japan: Between Alliance and Autonomy," in A. Tellis and M. Wills, eds., *Confronting Terrorism in the Pursuit of Power: Strategic Asia, 2004-2005*. Seattle: National Bureau of Asian Research, pp.122-3.

<sup>44</sup> Private correspondence, Peking University professor January 2010.

<sup>45</sup> *China Daily* 20 December 2010.

more dangerous because it is more militarized, while recent Sino-Japanese summits have addressed the latter in potentially productive ways.<sup>46</sup> In Japan, public debate of a “China threat” intensified in the early 2000s, when the discourse became “less restrained and compromising” and accounts of Chinese intentions became increasingly “visceral.”<sup>47</sup> By then, the Self Defense Forces had already begun to incorporate Chinese military power as a factor in its defense plans.<sup>48</sup> And in 2005, the Foreign Ministry and the JDA characterized the modernization of Chinese military capabilities as threat for the first time.<sup>49</sup>

As we shall examine below, it would get worse in 2010, after a Chinese trawler rammed a Japan Coast Guard cutter in waters claimed by Japan near the Senkaku/Diaoyu islands. First, however, the relationship enjoyed a thaw. After Koizumi retired in 2006, Japan was eager to close the distance with China. In August, Chinese Minister of Defense, Cao Gangchuan, visited Japan to meet Defense Minister Kōmura Masahiko. Within eight months, a Chinese destroyer made a port call in Tokyo for the first time and a joint statement was issued calling for promotion of a “Mutually Beneficial Relationship Based on Common Strategic Interests.” Mutual visits by high-level defense officials and port calls by naval warships would now take place on a regular basis. In June 2008, an MSDF destroyer visited Guangdong Province to deliver blankets and emergency food and sanitary supplies for the victims of the Sichuan earthquake.<sup>50</sup> At the same time, a bilateral agreement was reached on joint development and participation of Japanese enterprises in the development of the Shirakaba (Chinese name: Chunxiao) oil and gas field in the East China Sea, which China had already started developing.<sup>51</sup> This was followed by new rounds of bilateral security dialogues in 2009.

The shift in power in Japan after the August 2009 election contributed further to this apparent Sino-Japanese rapprochement. Although the election was not fought on foreign and security policy issues, the DPJ manifesto was clear: Its candidates promised that a DPJ government would establish a more equal relationship with the United States and that to do so, it would show “will” toward Washington in the first instance by revisiting deals struck on Okinawa bases and U.S. military realignment. The party also

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<sup>46</sup> Manicom, James. “Hu-Fukuda Summit: The East China Sea Dispute,” *China Brief*, Vol.8, Issue 12, 6 June 2008. M. Taylor Fravel. “Explaining Stability in the Senkaku (Diaoyu) Islands Dispute,” Chapter 7 in Gerald Curtis, Ryōsei Kokubun, and Wang Jisi, eds., *Getting the Triangle Straight: Managing China, Japan, U.S. Relations*. Washington, DC: The Brookings Institution Press, 2010.

<sup>47</sup> Kawakatsu Ueki, Chikako. “The Rise of the ‘China Threat’ Arguments,” unpublished PhD dissertation, Department of Political Science, Massachusetts Institute of Technology, Cambridge, MA. 2006. Chap. 6, pp.10-11, 14

<sup>48</sup> Bōeichō Bōeikenkyūsho Senshibu, ed., Sakuma Makoto Ōraru Hisutori, Vol. 2, (Sakuma Makoto: Oral History, Volume 2). Tokyo: Bōeichō Bōeikenkyūsho, 2007, pp. 135-136.

<sup>49</sup> See the Joint Statement of the U.S.-Japan Security Consultative Committee, February 2005. <http://www.mofa.go.jp/region/n-america/us/security/scc/joint0502.html>.

<sup>50</sup> Ministry of Defense, *Defense of Japan 2009* (Annual White Paper) pp. 308-309.

<sup>51</sup> Ministry of Foreign Affairs, *Diplomatic Bluebook 2009* (Tokyo: Ministry of Foreign Affairs, 2009) <[http://www.mofa.go.jp/POLICY/other/bluebook/2009/html/h2/h2\\_01.html](http://www.mofa.go.jp/POLICY/other/bluebook/2009/html/h2/h2_01.html)>.

promised to adjust policy toward Asia-- and began tilting Japan toward the continent. Foreign Minister Okada and his Chinese counterpart, Yang Jiechi, agreed in late 2009 to cooperate in the construction of an East Asian Community and to cooperate on food safety, energy resources, and other issues. This was all rather imprecise, but the rebalancing seemed most energized in December 2009 when then DPJ power broker Ozawa Ichirō took a 600 person entourage to China-- including more than 120 DPJ Diet members. And, as if to drive home the point that change was truly underway, a “final, final” decision on relocation of the Futenma Marine air strip was postponed during the Tokyo visit of PRC heir apparent Xi Jinping who, at DPJ insistence, got to meet the Emperor on short notice. Then, in January 2010, the Hatoyama administration cancelled the logistic support operations the SDF had been conducting since 2001 in the Indian Ocean to help U.S. and other forces fighting in Afghanistan. Michael Green refers to this as “the greatest period of political turmoil and confusion in the U.S.-Japan alliance since the mutual security treaty was signed in 1960.”<sup>52</sup>

But Tokyo’s rebalancing between Beijing and Washington soon ran into difficulties. The disconnect between the economic and military components has revealed contradictions in Japan’s grand strategy and, especially, in the tactical shifts required for its implementation.

#### *Coping with the Emerging Contradictions*

Given the post-Cold War transformation of the international environment and the relative power shift taking place between the United States and China, maintaining the distance from the United States while closing it with China made grand strategic sense for Japan. But Tokyo’s military, economic, and diplomatic policies vis-à-vis Washington and Beijing have not been well coordinated.

Fortunately—at least from the perspective of alliance supporters-- most U.S. and Japanese policymakers continued to appreciate the importance of the bilateral alliance at a time when China is becoming stronger militarily and more assertive diplomatically. Washington’s 2010 *Quadrennial Defense Review Report* discussed in some detail the “anti-access and area denial capabilities” that China has been developing. The report contended that a “joint air-sea battle concept” must be developed to address “how air and naval forces will integrate capabilities across all operational domains—air, sea, land, space, and cyberspace—to counter growing challenges to U.S. freedom of action.”<sup>53</sup> It also acknowledged that undertaking such a mission requires strong support from regional allies, most notably Japan. In the same vein, while pointing to a “changing global power

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<sup>52</sup> Michael J. Green, “The Democratic Party of Japan and the Future of the U.S.-Japan Alliance,” *Journal of Japanese Studies*, Vol.31, No. 1, 2011, pp.91.

<sup>53</sup> U.S. Department of Defense, *Quadrennial Defense Review Report*, February 2010, pp. 31-34.

balance,” Japan’s 2010 National Defense Program Guidelines emphasized America’s singular importance in contributing to global peace and stability.<sup>54</sup>

Alliance drift was sharply halted in 2010 due largely to China’s military actions in the region. On two separate occasions in April, Chinese military helicopters flew dangerously close to Japanese destroyers engaged in surveillance activities in the East China Sea, engendering formal Japanese government protests. A month later Beijing was widely reported to have declared the South China Sea to be an area of “core national interest,” though many analysts believe it not to have been a formal statement of national policy.<sup>55</sup> The September collision of a Chinese fishing boat with a Japan Coast Guard patrol boat in Japanese territory near the Senkaku/Diaoyu Islands attracted the most attention. After Chinese crew members were detained by the Japanese authorities and the captain was arrested, the Chinese government reiterated its position that these islands belonged to China, and made a set of demands, including for apologies and reparations, that attracted international attention. Harassing the Japanese ambassador in Beijing, cutting off exports of rare earth metals, arresting Japanese businessmen, and cancelling ministerial meetings all struck the Japanese public as heavy-handed and unbecoming of a “responsible” stakeholder. In one intense week of diplomacy, Beijing seemed to many in Japan and elsewhere to undercut a long and determined effort to build confidence in Japan and around the region. This incident touched off anti-Japanese fervor in China-- and a reciprocal nationalism in Japan-- that portend more rough seas ahead. In late 2010, Japanese public opinion had turned against China in higher numbers than at any time since the survey was started in 1978.<sup>56</sup>

These developments-- and others involving North Korea-- drove Japanese leaders to reconsider the wisdom of alienating Washington’s affections. The post-Hatoyama DPJ shifted direction sharply and increased its commitment to the alliance. By January 2011, for example, Prime Minister Kan delivered a policy speech identifying the US-Japan alliance as the “lynchpin of Japan’s diplomacy”-- a position indistinguishable from LDP policies he once opposed-- and his Foreign Minister, Maehara Seiji signed a deal with US Ambassador John Roos to maintain the current level of Host Nation Support for another five years.<sup>57</sup>

The devastating chain of earthquakes, tsunami, and nuclear radiation disasters in March 2011 significantly enhanced the legitimacy of both the SDF and the U.S. alliance. In the largest deployment of Japanese military personnel since the Pacific War, 100,000

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<sup>54</sup> “Heisei 23 Nendo Ikō ni Kakaru Bōei Keikaku no Taikou ni Tsuite” (Japan’s 2010 National Defense Program Guidelines), p.2.

<sup>55</sup> *Japan Times* 9 May 2010.

<sup>56</sup> In December 2010, an annual opinion poll on foreign affairs conducted by the Cabinet Office of Japan showed the number of Japanese who said they did not have friendly feelings toward China jumped 19.3 points to 77.8 percent, a record high. See: <<http://www8.cao.go.jp/survey/h22/h22-gaiko/2-1.html>>

<sup>57</sup> *Yomiuri Shimbun*, 21 January 2011 and *Asahi Shimbun* 24 January 2011.

soldiers were quickly mobilized to deal with the search, rescue, and eventual reconstruction campaign. The Japanese public welcomed the soldiers, as well as the U.S. forces deployed to support them. Within hours of learning of the earthquake, President Barack Obama expressed his “sadness,” promised extensive financial and humanitarian assistance, and declared the alliance “rock solid.” At Japan’s request, Washington immediately redirected the USS Ronald Reagan and its carrier task force from the waters around South Korea toward the affected Japanese coast. Supported by American personnel and equipment from as far afield as Singapore, those forces engaged with the SDF in their first ever full-scale joint rescue and relief operations. The deployment of helicopters from the Futenma marine air base in Okinawa was also well received. From the Japanese people’s view, the alliance had never worked so smoothly. For them, the alliance had always been a vague concept; now, for the first time, it seemed a concrete and useful cooperative framework.

At the same time, the Chinese government and people also acted quickly and generously. Prime Minister Wen Jiabao reminded the nation that Japan had come to their aid after the 2008 Sichuan earthquake. He expressed sympathy for the Japanese people, promised \$4.5 million in aid, and dispatched personnel to assist in the relief and recovery efforts. The Chinese government also provided relief supplies, including fuel. For their part, Chinese netizens shucked the jingoistic excesses of past years and regular citizens responded generously with fundraising efforts of their own.

Thus, we have observed considerable movement on two axes in the formulation of Japan’s post-Yoshida consensus on grand strategy. After beginning to openly confront the United States on issues of particular resonance with the Japanese public, e.g., sovereignty, and bases, Tokyo returned to its more traditional posture vis-à-vis its alliance partner when, in 2010, China seemed more the dragon and less the panda. Arrayed against one another, Japan’s relationships with the world’s two most powerful nations define spaces for several kinds of national security strategies, and provide a finer grained set of distinctions than the original model:

~~ INSERT REVISED MODEL ABOUT HERE ~~



for the use of force, contra the original model. Liberal values are not particularly important to either of these groups, but independence is. Both would build fences and dig moats to preserve their version of Japan as a “small but shining nation.”<sup>59</sup> In order to preserve a pure and orderly Japan, advocates of this view on the right such as Tokyo governor Ishihara Shintarō, former Air Self Defense Force Chief of Staff Tamogami Toshio, Kobayashi Yoshinori, a popular nationalist cartoonist, and journalists Sakurai Yoshiko and Nishibe Susumu, argue for equidistance from Washington and Beijing-- emphasizing distance.

For example, General Tamogami has insisted:

“[A]lthough Japan and the United States are allied politically, their economic interests are often in conflict. This means that Japan keeps losing its economic interest as it always obeys U.S. will. It is therefore necessary for us to be assertive with the United States to protect our own interests. But still, there is a limit to our assertiveness, so long as we are dependent on the United States for our defense. Therefore, we have to become a truly independent nation by strengthening our military and intelligence capabilities.”<sup>60</sup>

Ms. Sakurai, though less radical than Tamogami, also reflects this position:

“When the number of U.S. forces is reduced through the force realignment process there will be a huge military vacuum ... Considering Japan’s national interests, Japan would have to fill the vacuum. In this sense, the call by Prime Minister [Abe] for an amendment of the Constitution and a possible change to the current policy on collective self-defense, was of extreme importance. If [this succeeds] Japan would be able to fill the vacuum and securing itself autonomously.”<sup>61</sup>

Inada Tomomi, an LDP Diet member, has publicly advocated that Japan should possess nuclear weapons and should introduce conscription:

“Japan should explore possessing nuclear weapons as a national strategy, not just as a matter for discussion ... [and should consider] creating a system in which all young people will belong for a time to the Self-Defense Forces as an educational experience.”<sup>62</sup>

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<sup>59</sup> Takemura, Masayoshi, *Chiisakutemo Kirari to Hikaru Kuni*, Tokyo: Kobun-sha, 1994.

<sup>60</sup> General Tamogami’s personal blog-- 21 June 2010. <<http://ameblo.jp/toshio-tamogami/entry-10569269913.html>>

<sup>61</sup> Ms. Sakurai’s personal blog-- 18 January 2007. <[http://yoshiko-sakurai.jp/index.php/2007/01/18/post\\_498/](http://yoshiko-sakurai.jp/index.php/2007/01/18/post_498/)>

<sup>62</sup> *Akahata*, 5 February 2011.

Joining in this group from the left are politicians such as Social Democratic Party chief Fukushima Mizuho, though her party has taken less of a hard line toward Chinese provocations of Japan. The preference of this group for a political and military isolation of Japan could reduce the ability of Japanese firms to compete in global markets. The domestic consequences would likely include social alienation and economic lethargy.

Those advocating a China-Japan economic condominium, such as Terashima Jitsurō, Ozawa Ichirō, and Waseda University professor emeritus Mori Kazuko, prefer a strategy of what we call bandwagoning. They discount the Chinese military threat and emphasize the benefits from a robust bilateral economic relationship with the new global economic giant. In August 2009, Terashima argued:

“The statistics showing economic relations with other countries matter in formulating foreign and security policies. Trade with China, which accounted for only 3% of Japan’s total amount of trade in 1990, rapidly increased to represent as much as 20.4% this year, whereas the percentage of Japan-U.S. trade declined from 28% to 13.7% . . . these numbers are symbol of a change in Japan’s position in the international arena.”<sup>63</sup>

For his part, the once powerful former DPJ leader, Ozawa Ichirō, who led the highly visible mission of DPJ Diet members to Beijing mentioned above, famously suggested that the U.S. military presence in Japan should be limited to the 7<sup>th</sup> Fleet in Yokosuka.<sup>64</sup>

By hedging economically and bandwagoning with Chinese market power, i.e., by rebalancing Japan’s strategic portfolio, proponents of this position would try to prevent predation and stave off technological decline. They would contribute to the construction of a China-centered East Asian economic bloc, acting as China’s regional ally and discount the costs of alienating Washington. The main risk they face is betrayal by China. Still, they imagine Beijing will generally be a responsible stakeholder in regional stability and, as their top short term objective is prosperity, they feel it imperative not to “miss the China bus.” Their longer term objective would be to create a China-Japan condominium, the global impact which would be the acceleration of the post-Washington economic consensus and the global multipolarity they see as already under construction.

Like the self-hedgers described above, these economic hedgers are heterogeneous. Acting on the expectation that China is the future and the United States is the past, a small number of them highly discounts the risk that Tokyo would swap subordination to Washington to subordination to Beijing. In that (admittedly extreme) case, liberal democratic values would also be subordinated and Russia would be a more appropriate model than India. But while most continue to be wary of Chinese hegemony, all believe that Sino-Japanese relations should take priority over those between Japan and the

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<sup>63</sup> <<http://business.nikkeibp.co.jp/article/topics/20090820/203028/>>

<sup>64</sup> *Mainichi Shimbun*, 25 February 2009.

United States. For example, DPJ Vice President Yamaoka Kenji has reportedly argued that “a better relationship with China could be a deterrent vis-à-vis the United States on security matters.” He also has insisted that “The most realistic way to go is to make the Sino-Japan relationship solid first, and thereafter solve the problems between Japan and the U.S.”<sup>65</sup>

“Balancers” are attentive to direct military threats from China and less enamored with the economic benefits to be derived from closer relations with China. If those who bandwagon would hedge by integrating with China economically, those who balance China would hedge militarily, by maintaining a robust alliance with the United States. Leading politicians like the LDP’s former defense minister, Ishiba Shigeru, and the party’s former foreign minister, Maehara Seiji, Tokyo University professors Kitaoka Shinichi and Kubo Fumiaki, former diplomat Okazaki Hisahiko, former president of the National Defense Academy Nishihara Masashi, president of Takushoku University Watanabe Toshio, and the vice chairman of the Research Institute for Peace and Security (RIPS) Watanabe Akio all believe that Chinese power is apt to be assertive and should be met with containment and deterrence through an expanded network of alert states-- including Australia and India. Ishiba said as long ago as 2005 that “Chinese defense capabilities are by far stronger than what is necessary for its own defense. No country intends to attack China today. I, therefore, have to bring the objective of its rapid military expansion into question.”<sup>66</sup> The future foreign minister, Maehara Seiji, then DPJ President, concurred in 2006, stating that there was “no change in my perception that China’s military power constitutes a real threat [to Japan].”<sup>67</sup> Earlier, Maehara had stressed to a Washington audience that

“China’s rapid economic growth and strength has allowed it to maintain a growth rate of more than 10% in military spending for nearly 20 years. Some say that amount is perhaps 2 or even 3 times the Chinese government’s official figures. Nonetheless, it continues to strengthen and modernize its military power. This is a very real concern . . . We see movements by China to ignore the sovereignty and maritime rights of other nations, and to establish vested interests by creating a fait accompli through the development of natural gas and oil in the East China Sea. A Chinese nuclear-powered submarine has even made an incursion into Japan’s territorial waters. It is important that we not just wait and see, but take a firm response to these kinds of actions.”<sup>68</sup>

Former Prime Minister Tony Blair’s Great Britain may be the most relevant foreign model for this group of military hedgers who argue for enhancing Japan’s capabilities and

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<sup>65</sup> <<http://panther.iza.ne.jp/blog/entry/1593580/>> and

<<http://www2.asahi.com/senkyo2010/special/TKY201007090380.html>>

<sup>66</sup> 10 November 2005. <<http://www.ja-nsrg.or.jp/forum2005-6/f2005-6.htm>>

<sup>67</sup> *Kyodo Tsūshin*, 10 January 2006.

<sup>68</sup> 8 December 2005. <[http://csis.org/files/media/isis/events/051208\\_maehara\\_engremarks.pdf](http://csis.org/files/media/isis/events/051208_maehara_engremarks.pdf)>

reinterpreting the constitution to allow Japan to defend its U.S. ally. They prefer the global status quo in which Washington remains the dominant player in the system, and imagine that Japan will be safest when aligned with Washington as the system becomes bi- or multi-polar. Economically, they tend to embrace liberal free trade, using it as both policy guide and leverage in international negotiations. Their short term objective is to buy time for the revitalization of Japan.

We label the final group “integrators.” These are the “Goldilocks” strategists who discount the contradictions we have identified and who believe that Japan can-- and should-- have it both ways. They believe Tokyo can “get it just right” and that better economic relations with Beijing need not be purchased at the price of diminished relations with Washington. Their dual hedge would protect Japan from economic predation by integrating with the Chinese economically and would protect Japan from Chinese coercion by maintaining a healthy alliance with the United States. They would, in short, wield an economic sword and a military shield.<sup>69</sup> Representative thinkers and strategists in this group are policy intellectuals like Soeya Yoshihide and Shiraishi Takashi, as well as former diplomats like Tanaka Hitoshi and Yabunaka Mitoji, each of whom has identified benefits from rebalancing Japan’s foreign and security policy. Soeya, for example, has argued that

“it will be necessary for Japan to engage more actively in efforts to construct a regional community in Asia. Japan should do so without changing the basic framework of its Japan-U.S. relationship-centered foreign policy, and by advocating “human security” as the objective of its global diplomacy. Japan is certainly in a position to propose an alternative to the current process in which China has taken leadership role. However, Japan will never be able to be a superpower that could compete with China. Its diplomacy, therefore, should be more focused on cooperation with other middle powers like South Korea, Southeast Asian countries, Australia, and New Zealand, in order to get their support for its initiatives.”<sup>70</sup>

For his part, Tanaka has laid out a “four story security structure” for Asia. The first floor would comprise

. . . a mosaic of multiple bilateral security arrangements such as Japan-U.S., U.S.-ROK, and U.S.-Australia alliances. The second floor would be made up of a framework for confidence building among Japan, U.S., and China. The third floor would consist of multilateral regional security frameworks, the best example of which is the six-party talks. The fourth floor would be composed of non-traditional

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<sup>69</sup> The earliest identification of this group was Heginbotham and Samuels, 2002. The model was further articulated in Samuels, 2007.

<sup>70</sup> Soeya, 2005, *op.cit.*, p.217.

type of security cooperation in disaster relief, anti-piracy activities, or anti-terrorism operations.<sup>71</sup>

These strategists, including former foreign minister Okada Katsuya, former deputy chief cabinet secretary Furukawa Motohisa, and other senior DPJ leaders, are confident that China's rise can be peaceful and fear China's betrayal and US decline in equal measure. In contrast to the military hedgers, these dual hedgers, well aware that the U.S. and China are getting closer to each other politically and economically, hope to establish a Concert of Asia that sustains equidistance among the three great powers. They view Japan as a middle power, modeled on Germany, which will be able to maintain the US alliance while pursuing protection against Chinese mercantilism through economic integration. They would deploy liberal economic policy as leverage, while using Washington to protect them as they fix the failed fiscal and security policies of their predecessors. Their short term objective is to seize the opportunity to help design, build, and board a "G-3 bus" in order to avoid either dominance by a Washington-Beijing G-2 condominium or subordination to a new Chinese regional hegemon. Should they achieve (and sustain) such a position, they are likely to have engineered a power shift to East Asia and will have secured new possibilities for growth and innovation in the region.

While each of these four idea spaces has occupants, their advocates in the Japanese foreign policy establishment are not evenly distributed. In a 2011 survey of the views of some fifty Japanese international affairs scholars and diplomats about the future of Japanese diplomacy, nearly half the respondents were, by our measures, "balancers." Seven could be characterized as "integrators." While there were even fewer "autonomists" and "bandwagoners," about one quarter of these experts claimed that Japan should further promote its relationships multi-directionally rather than focusing on either the United States or China.<sup>72</sup>

This is an abstract caricature of real-- and quite robust-- strategic positions, all of which are in play within the Japanese grand strategic discourse. Indeed, it is a debate that is very much in play within the ruling DPJ itself. Within its first year of power we saw economic hedgers cede power to military hedgers within the party, while dual hedgers continued to strategize on the margins. We conclude by speculating on how Tokyo's rebalancing its relationships with Washington and Beijing will combine to illuminate a path for Japan's Goldilocks.

## Conclusion

In this paper we have examined the Japanese foreign and security policy discourse and identified four distinct schools of thought, each with a different structural preference for the US-Japan-China strategic triangle. We call those who would hedge

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<sup>71</sup> 17 March 2010. <<http://info.yomiuri.co.jp/yri/y-forum/yf20100317.htm>>

<sup>72</sup> Japanese Institute for International Affairs, ed., *Kokusai Mondai* (International Affairs), Tokyo, April 2011.

against Chinese regional economic dominance “bandwagoners.” They prefer Sino-Japanese ties that are closer than either US-Japan or Sino-US ties. Those who would hedge against Chinese military power we labeled “balancers.” They prefer a strategic environment in which US-Japan ties remain more intimate than either Sino-US or Sino-Japanese ties. The strategic preference of the “self-hedgers”—a group that comprises “autonomists” on the left and right—is for both Sino-Japanese and US-Japanese ties to be closer than Sino-US ties, with each more distant than they are at present. Finally, we identify a group of “dual hedgers” who wish for a fuller integration of US-Japanese-Chinese relations. These strategists prefer the sort of “equilateral” strategic triangle first openly described by Ozawa Ichirō in 2006.<sup>73</sup>

These models also vary by what Henry Nau called “scope conditions” in his introduction to this volume. As he argued, foreign and security policies conform to leaders’ preferences for how involved their nation should be in world affairs. Some prefer isolation, others global engagement—or even global leadership. We observe that the scope conditions of Japanese foreign policy have been in constant flux—usually in ways that have been consistent with the power and preferences of the schools of thought we have identified. During the Cold War, when the mercantile realists were in power, Japan’s security perimeter stopped at the homeland’s shores. After the Cold War, Japan’s leaders slowly expanded the scope to the larger Asian region. After 9/11, Japan was governed by military hedgers like Koizumi Junichirō, who famously declared a global role for Japan. Soon, however, the scope of Japan’s security ambitions was trimmed back to the region. This retrenchment occurred for several reasons, not least because successive Japanese leaders—even those in the LDP—wished to correct for Koizumi’s excesses vis-à-vis China. Japan faced a rising China, a more belligerent North Korea, and the possibility that US decline would require greater investment in collective goods than Japan was prepared to provide.

In the short term, the military hedgers, who had been temporarily eclipsed by the rise of the economic hedgers, seem to have been the primary beneficiary of these developments. But in the long term, they will be constrained by fiscal and demographic pressures and risk Japan’s isolation in the event of a Sino-U.S. condominium in the region. The economic hedgers who were briefly ascendant were surprised by China’s bellicosity. Their return to power will depend on the emergence of a responsible and moderate China willing to accept liberal political and economic values. The self-hedgers who had won the hearts and minds of some voters on the base and sovereignty issues, define Japan’s scope most narrowly. But they lost credibility when the United States expressed its willingness to defend Japan in the event of Chinese aggression in the Senkaku/Diaoyu Islands.<sup>74</sup> In the event of a failure by the United States to fulfill its promise, their position on Japanese national security policy likely will prevail. The group most flexible about the appropriate

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<sup>73</sup> *Sankei Shimbun* 5 July 2006, According to Ozawa, “Relations between Japan, China and the US should be structured as “an equilateral triangle,” with Japan being the linchpin of these relations.”

<sup>74</sup> *Asahi Shimbun*, 1 November 2010.

scope for Japanese foreign and security policy is the dual hedgers. By balancing enthusiasm with caution vis-à-vis both Beijing and Washington, they leave some room for global involvements, but focus primarily on regional dynamics. The greatest risk faced by these strategists is the premature loss of U.S. support.

We have argued that ideas matter, and we have mapped them across the full range of Japan's security discourse. Still, in the course of this analysis we have been struck by how much more often Japanese security and foreign policy has been shaped by structural than by ideational or domestic political factors. We have seen how ideas about Japanese grand strategy vary and how domestic politics has affected policy choices, but we note how ideas and local politics have often acted as filters and tools, rather than as drivers, of policy. For example, while ideas about sovereignty and about enhancing equality in the alliance relationship led the Hatoyama administration to renege on an existing agreement on the relocation of the Futenma marine air base, miscalculations by North Korea (its sinking of an ROK naval vessel and artillery fire onto Yeonpyeong Island in 2010) and by China (escalation of tensions in the Senkaku/Diaoyu dispute) drove Japanese policy back to the status quo ante—one that privileged the alliance with the United States. Likewise, while human rights and democracy, values cherished by the DPJ, have been pursued as tools in Japan's China diplomacy, the DPJ abandoned an equally idealist preference of "no first use" of nuclear weapons after determining that the United States was firmly opposed to the idea.<sup>75</sup> And even the stated preference on giving preferences to dealing with democracies when relaxing the arms export ban has been strained by the desire by the Japanese government to find ways to cooperate with Vietnam in this area.<sup>76</sup> Structure does not always trump values and ideas, of course, but we have observed that more often than not Japanese foreign and security policy decisions are taken in the cold, harsh light of such prosaic issues as the shifting balance of power-- especially when the more realist dual hedgers or military balancers, rather than the more idealist autonomists or economic balancers, are in power.

We note in closing that schools of thought are not only always in collision at home. They also collide across national borders in ways that enable us to draw policy implications from our analysis. In the case at hand, for example, we can imagine very different paths the bilateral alliance between the United States and Japan in the event that different groups' govern each country at the same time. Specifically, we would expect particularly insalutary consequences for the alliance in the event that bandwagoners govern in Tokyo at the same time that nationalists govern in Washington. In that case, it is easy to see how the US position in Asia could be marginalized, the rise of China accelerated, and how construction of a new regional security architecture would become the order of the day. On the other hand, should Japan's balancers come to

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<sup>75</sup> In a policy speech at the Japan National Press Club on 1 February 2010, then Foreign Minister Okada Katsuya stated: "I advocated 'no first use' in the past, but now I am no longer saying this."  
<<http://www.jnpc.or.jp/files/opdf/444.pdf>>

<sup>76</sup> Interview, Japanese national security specialist. 25 January 2011.

power at the same time as US internationalists, the result-- *ceteris paribus*-- would surely be a strengthened alliance and a more robust US presence in East Asia.