

EAST ASIA INSIGHTS

TOWARD COMMUNITY BUILDING

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Challenges for the US-Japan Alliance in a Changing Asia

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TOKYO WILL WELCOME US President Barack Obama at a key moment in US-Japan relations. The challenging nature of the current security situation in East Asia underscores the importance of maintaining and strengthening US-Japan alliance cooperation. The risk of North Korean military provocation remains ever-present, and China is becoming increasingly assertive in its maritime activities in the East and South China Seas. Tensions in Japan's relations with China and South Korea continue to flare up over history and territorial issues. And the commitment of the United States to Japan and its other allies in Asia has also come under scrutiny as the balance of global power continues to shift. Perceptions of US decline may be exaggerated given that the United States is a highly dynamic society and possesses formidable military and economic power. However, the long campaigns in Afghanistan and Iraq and the economic strain of the global financial crisis have seen the will of the United States to unilaterally wield its military power diminish, and there is no denying that its relative share of global GDP is declining as emerging market

economies such as China and India post impressive gains.

Against this backdrop, it is crucial that President Obama's trip is utilized by policymakers in both the United States and Japan to maximum effect to reinforce the solidity of the US-Japan alliance and the resolve of the United States to pursue its "re-balance to Asia." On the whole, US-Japan alliance cooperation across a broad range of issues has been positive, including collaboration on energy and environmental issues, disaster relief operations such as *Operation Tomodachi* after the 3/11 triple disaster in northeastern Japan, and the recent announcement that the United States will deploy two additional Aegis ballistic missile defense ships to Japan by 2017. But these cooperative efforts have at times been overshadowed by sensationalistic journalism. In particular, contention over policy toward China, the Korean Peninsula, the Trans-Pacific Partnership (TPP), and Russia have hogged the spotlight. Increased efforts are needed to address these issues, and a strong showing during President Obama's visit will lay the groundwork and demonstrate that the US-Japan alliance is up to the task.

China Policy

China's top foreign policy priority is establishing a new model of great power relations with the United States. If operationalized in the right way, a new brand of great power relations can be a win-win for all concerned and help promote regional stability and prosperity. However, China appears to prefer an approach whereby both countries respect each other's "core interests." From a Japanese perspective, there is a concern that the United States may be too accommodating of this preferred approach by China without first clearly defining how mutual respect for core interests would be applied in practice. This is risky because it gives China excessive leeway to interpret what its "core interests" are. While "core interests" typically refers to Taiwan, Tibet, and Xinjiang, other areas have been included at times, such as territories in the South China Sea and the Senkaku Islands. This is obviously worrisome from a Japanese standpoint. Great power relations between the United States and China should not be pursued in a manner that would compromise the interests of US allies. Therefore, a reaffirmation by the United States of its security treaty commitments would go a long way in reassuring Japan, especially if it included a clear statement regarding the Senkaku Islands.

At the same time, Japan's current approach to China may be seen as a bit too confrontational. Indeed, in addition to the Senkaku Islands issue, history issues and Japanese Prime Minister Shinzo Abe's recent visit to the Yasukuni Shrine have become major sources of tension in Japan's relations with China and irritants to US interests. However, more recent statements by Prime Minister Abe and his government that the Murayama and Kono statements will be maintained have been helpful in opening the door for future cooperation. Looking forward, strong affirmation of the alliance must be accompanied by an equally robust statement that the United States and Japan will jointly pursue serious and proactive diplomatic efforts to improve the regional security environment. To this end, it would behoove the United States, Japan, and China to agree on establishing a forum for confidence building. This is critical for the sake of engaging

China in a positive and inclusive manner as a responsible regional stakeholder, mitigating misunderstandings, preventing unilateral changes to the status quo, and consolidating future regional stability and prosperity.

Trilateral Cooperation with South Korea

While Japan-ROK cooperation has been hindered by tensions over history and territorial issues, there is cause for optimism following the US-Japan-ROK trilateral meeting among President Obama, President Park Geun-hye, and Prime Minister Abe on the sidelines of the Nuclear Security Summit. Recognizing the efforts of the United States in facilitating this meeting, the Japanese and South Korean governments can use this opportunity as a springboard to mend relations and revitalize cooperation. It is crucial that Japan-ROK cooperation and communication are strengthened in order to ensure effective US-Japan-ROK trilateral cooperation.

The Abe government is moving toward reinterpreting the Article 9 peace clause of Japan's constitution in order to enable Japan, in certain situations, to exercise collective self-defense. This may not be a palatable development for South Korea, given its domestic political dynamics. But US support will go a long way in persuading Seoul to live with the reinterpretation. Additionally, Japanese collective self-defense, especially if formulated in a manner that adheres to the spirit of Japan's exclusively defense-oriented security policy, should benefit South Korean security as it will allow for increased robust trilateral contingency planning vis-à-vis North Korea. In particular, given that US troops based in Japan will almost certainly be involved in any contingency plan for a major crisis in North Korea, giving greater clarity—through constitutional reinterpretation—to the roles that the Japan Self-Defense Forces can play in assisting US and ROK troops will result in more efficient planning and operations.

New Momentum for TPP Negotiations

The TPP aims to forge a high-quality 21st century agreement that furthers regional economic integration through a sophisticated set of liberal economic

rules that go beyond trade, investment, and services. The TPP is important to the United States as a mechanism to boost growth in the wake of the global financial crisis and to solidify its rebalance to Asia. It is also important for Japan's economic growth strategy as it looks to overcome the lost decades, maintain momentum on the third arrow of Abenomics—structural reform—and overcome vested interests in heavily protected sectors of the economy, such as agriculture.

However, at present, the TPP risks losing momentum as negotiations drag on. In order to rise above dead-end discussions and overcome the noodle bowl effect produced by multiple overlapping trade agreements with contradictory rules, the United States and Japan—as the two biggest economies participating in the negotiations—need to be at the forefront of efforts to realize its early conclusion. The refusal of the US Congress to grant the president trade promotion authority (TPA), which is necessary to fast-track ratification, is regrettable. Under the current circumstances, negotiators on both sides must look at the bigger picture and find ways to compromise in order to forge a breakthrough and achieve a commitment to new tariff reductions. This could help convince the US Congress to reconsider approving TPA, demonstrate to other participants that the United States and Japan are serious about getting a deal done, and generate fresh momentum.

Russia Policy

Russia's annexation of Crimea, in violation of international law, has created a strategic dilemma for Japan. On the one hand, since Vladimir Putin regained Russia's presidency, he and Prime Minister Abe have developed a close rapport, and under their leadership there was new hope that Japan and Russia could reach a resolution on the territorial dispute over the Northern Territories. This is an issue that

has long blocked the normalization of Japan-Russia relations, and the opportunity to peacefully resolve it should be seized. On the other hand, Japan needs to support G7 efforts to resolve the Ukraine crisis, including imposing sanctions on Russia. Failure to cooperate with G7 efforts would undermine Japan's status as a responsible member of the international community. Yet by supporting harsher sanctions, Japan may risk undermining the recent improvement in Russo-Japanese relations and the fragile moves to reopen talks on the Northern Territories. Given this situation, there is a perception that Japan is unwilling to give its full support to the other G7 states. But Japan must stay true to its principles and back G7 efforts to assist Ukraine. A clear message from Japan to this effect is needed and will pave the way for unfettered G7 cooperation.



While overly sensationalistic media coverage has focused on tensions in bilateral relations, the US-Japan alliance continues to be a solid force for promoting regional stability. The US-Japan alliance is more important now than ever given the shifting balance in regional power and changes to the regional security environment. In order to address the key challenges facing the alliance, the United States and Japan must increase cooperation with a focus on proactive diplomacy. President Obama's visit provides a unique opportunity to push forward on a range of fronts. With a thoughtful approach, the United States and Japan will surely prove to the world once again that the US-Japan alliance is an indispensable cornerstone of regional security.

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East Asia Insights is an occasional newsletter focusing on East Asia community building from a Japanese perspective.

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