



JAPAN'S SEARCH FOR PLAN C

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Japanese policymakers are struggling with an increasingly uncertain geopolitical environment. Central in their calculations is a powerful and assertive China and a capricious and ever-more unilateral ally and partner in Washington. Meanwhile, other challenges, such as North Korea and Russia, demand new strategies and approaches that invariably build on Tokyo's relations with the US and China. Given Japan's historical reliance on the US in its foreign policy, Tokyo is searching for options: Today, Japan is searching for Plan C.

Japan's preferred strategy for navigating this world is working closely with the US, and the government of Prime Minister Abe Shinzo has doubled down on that approach. With rare exception, Tokyo reaches out first to the US or consults closely with Washington as it assesses and responds to foreign, security and economic policy challenges.

There is an unmistakable frustration in Tokyo, however, as those intentions collide with the reality of Trump administration policy. Security officials here were alarmed at President Trump's Singapore summit with North Korean leader Kim Jong Un, his seemingly spontaneous decision to suspend military exercises with the ROK, and the apparent blind pursuit of rapprochement with Pyongyang despite the lack of evidence that the regime is committed to denuclearization. There is an undercurrent of concern as well when the president shows a readiness to cut deals with his "friend" Xi Jinping if China helps on other issues (such as North Korea): they do not know how far the president will go in his transactional

approach to foreign policy. Meanwhile, a government held up as the gold standard for alliance cost sharing is bracing for demands for yet more money during the next round of host nation support talks.

Some months ago, a Japanese trade negotiator confessed that he was relieved that he didn't have to deal with the US as he worked on the Trans-Pacific Partnership Agreement (TPP). Economic officials in Tokyo roll their eyes as they describe conversations with US counterparts who have no authority and whose commitments risk being undercut by the White House. There is anger and dismay at not being exempted from tariffs imposed by Washington on national security grounds, at accusations of currency manipulation, and at being dragooned into bilateral trade talks that will result in managed trade.

As the US has drifted from its traditional leading role, Japan has moved to Plan B. In it, Tokyo acknowledges and accepts uncertainty in relations with Washington and compensates by strengthening ties to like-minded governments and filling the leadership gap created by US withdrawal. The Japanese government has done yeoman work to build and sustain a rules-based global and regional order; few governments have done more than Tokyo to that end. This approach is also evident in the pursuit of its own version of an Indo-Pacific strategy, expanding relations with Australia, outreach to India, and burgeoning strategic ties to the UK, France and Europe. Japan has led efforts to strengthen the global economic order by resuscitating the TPP (now the Comprehensive and Progressive Agreement for Trans-Pacific Partnership) and the Japan-EU Economic and Strategic Partnership agreements.

While those efforts have yielded substantive accomplishments, there remains unease in Tokyo about the country's ability to address its most pressing challenges. As always, Japanese officials and business professionals worry about vulnerability. They have watched China expand its military presence in the South China Sea and note that the sea lanes that are the life blood of their nation's economy could be threatened. They observe daily encroachments on territory in the East China Sea. Japanese are alarmed by Beijing's growing political influence in Southeast Asia and Africa, a product of the seeming largesse of the Belt and Road Initiative. They are troubled by China's predatory economic behavior when many Japanese corporate supply chains traverse that country and there is the potential for hardware and software to be corrupted. They are angered by cyberattacks and the resulting disruption and intellectual property theft.

Those dangers are magnified by uncertainty about the support that Japan will get from its ally and partner, the United States. Thus far, there is little doubt about the US commitment to Japan's defense – Article 5 of the mutual defense treaty – but that anxiety is constant. There is fear that US efforts to protect high-technology industries and consumers will inflict collateral damage on Japanese companies because of their supply chains. There is bewilderment at the Trump administration's decision to turn its back on the international economic order that the US built and supported for decades and the zero-sum mentality and disregard for allies that appears to drive current US decision-making.

Japanese frustrations are driving it to Plan C: the acquisition of tools that will allow it to more aggressively assert its interests in the world. Japanese policy makers worry that they are too passive and are invariably responding to the external environment rather than shaping it. Japan is growing tired of playing defense.

Efforts to change this dismal state of affairs are multidimensional. One element is a renewed emphasis on spirited and creative diplomacy, as Prime Minister Abe explained in a recent statement: "Japan used to have a reticent mindset, where we had other countries make the rules and we strove to follow them as an honor student. The contest is now over rule-making, so Japan should take the initiative and leadership in making rules of the world." That is why he has been determined to save TPP, to pursue the Japan-EU partnership agreements in economic and strategic affairs, and to promote the Partnership for Quality Infrastructure.

A second element is the desire to find "sticks" with which Japan can respond to adversaries and threats. In security affairs, this effort is evidenced by debate over enemy base strike capability that will allow Japan to better defend itself in a conflict – or deter an adversary from starting one. A similar debate is taking place about cyber capabilities and the possibility of active cyber defense: in discussions over the new National Defense Program Guidelines, there seems to be acknowledgment that offensive and defensive capabilities are two sides of the same coin in cyber security.

Beneath it all is the growing belief that Japan needs a new administrative structure to develop, articulate, and implement these positions. Existing institutions are tightly welded to traditional thinking and accompanying priorities. While Abe has done

exceptional work to develop Japan's national security bureaucracy – as conventionally conceived – commensurate attention has not been devoted to national security decision-making from an economic perspective. This shortcoming is damaging at a time of intensifying geoeconomic competition. To remedy that problem, Japan is studying the possibility of establishing a National Economic Council (NEC) – an expanded version of the current Council on Economic and Fiscal Policy – and an NEC Secretariat tasked with exclusively supporting the NEC, much like the National Security Council Secretariat.

While changes are being considered – and likely – they must be put in context. Japan is not contemplating "going it alone" or shedding the alliance. Japan can and will pursue all three plans in tandem: Plan A remains close cooperation and partnership with the US; Plan B is closer relations with other partners; and Plan C will be a more proactive Japan. In all cases, Tokyo seeks to act in support of the existing international order; Japan is not a revisionist power, nor is it positioning itself for nonalignment. Neither is it interested in power projection, except in a limited capacity as a form of deterrence. Japanese policy makers know that the goodwill that their country has accumulated is the product of good international citizenship and responsible international stewardship. If Japan attempts to throw its weight around to merely assert its national interests without regard for regional or global concerns, it would do more harm than benefit. Those beliefs constitute the core of Japanese policy and will continue to do so, no matter what "Plan" the country ultimately takes.

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