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Next Generation Views of the U.S.-Japan Alliance

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Based in Honolulu, the Pacific Forum CSIS (www.pacforum.org) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, DC. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate arenas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

The Young Leaders Program

The Young Leaders Program invites young professionals and graduate students to join Pacific Forum policy dialogues and conferences. The program fosters education in the practical aspects of policy-making, generates an exchange of views between young and seasoned professionals, promotes interaction among younger professionals, and enriches dialogues with generational perspectives for all attendees. Fellows must have a strong background in the area covered by the conference they are attending and an endorsement from respected experts in their field. Supplemental programs in conference host cities and mentoring sessions with senior officials and specialists add to the Young Leader experience. The Young Leaders Program is currently supported by Chevron, the Freeman Foundation, the Luce Foundation, and the Yuchengco Group, with a growing number of universities, institutes, and organizations also helping to sponsor individual participants. For more details, see the Pacific Forum CSIS website, www.pacforum.org, or contact Brad Glosserman, director of the Young Leaders Program, at bradgpf@hawaii.rr.com.

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The views expressed here represent personal impressions and reflections of Young Leader program participants; they do not necessarily represent the views of the relevant governments, or the co-sponsoring or parent organizations and institutes.

Introduction
By Brad Glosserman

Despite a historic strengthening of the U.S.-Japan security alliance throughout the last decade, new strains are emerging in this relationship. A series of developments has triggered concerns in Tokyo about the U.S. commitment to Japan's defense. The U.S. readiness to move forward with relations with North Korea, despite a lack of progress in Japan-North Korea relations, has stirred fears of abandonment. Washington's readiness to work with Beijing to achieve shared objectives revives memories of "Japan passing." For U.S. strategists, these doubts make no sense. The U.S. commitment to Japan remains robust, firmly rooted in common values, interests, and a long and enduring history.

This disconnect prompted the Pacific Forum CSIS and the Advanced Systems and Concepts Office of the Defense Threat Reduction Agency to gather a group of U.S. and Japanese strategists to compare and explore strategic perspectives, to see how each country views developments in Northeast Asia, their alliance, and expectations about how it can and should work. In particular, the two sides looked hard at divergences in their thinking and ways to bridge those differences.

Central to this discussion is the two countries' views of nuclear weapons and their understanding of how deterrence works. Critical to the U.S. commitment to Japan's defense has been its nuclear umbrella. The knowledge that the U.S. would respond to any attack against Japan with overwhelming force – including nuclear weapons – has deterred potential aggressors and provided Japanese with a sense of security throughout the Cold War. Today that commitment seems to be in question, but Japan's nuclear logic eludes U.S. thinkers: if the mighty Soviet arsenal couldn't decouple Washington and Tokyo, why should Pyongyang's? Even if "North Korea" is code for "China" in the Japanese strategic vocabulary, a concern about the reliability of the U.S. deterrent is hard to credit.

A new generation of strategists in Japan is thinking about nuclear weapons in ways that their predecessors did not. That does not mean that Japan is contemplating the nuclear option: it does mean, however, that they want a better understanding of how deterrence works within the alliance. In short, this generation seeks reassurance (as did their predecessors), but they demand more than the mere repetition of U.S. pledges to defend Japan.

To better grasp this dynamic, Pacific Forum Young Leaders – up and coming security professionals from the two countries – were asked to consider the *other* country's top three security concerns. By forcing Americans to put themselves in Japanese shoes (and vice versa), we hoped Young Leaders would appreciate their partner's interests and concerns and identify gaps in the two countries' perceptions of the strategic environment. With that understanding, the two countries should be better prepared to revitalize an alliance that is critical to security in Asia.

Young Leaders Program Report

By Justin Bishop

Pacific Forum CSIS and the Advanced Systems and Concepts Office of the Defense Threat Reduction Agency, brought a collection of young adults from the United States and Japan to observer on the U.S.-Japan Strategic Dialogue. These Young Leaders (YLs) helped to provide generational insight into security challenges both countries are facing. Through candid and wide-ranging discussions, they discussed the United States-Japan alliance, and how both countries can enhance their security relationship.

YL Breakfast Session I: Technical Overview of Nuclear Weapons

The first YL session began in advance of the conference. A U.S. nuclear specialist gave Young Leaders an explanation of U.S. strategic weapons capabilities. The Department of Energy runs three laboratories that are responsible for U.S. nuclear weapons: Los Alamos, Lawrence Livermore, and Sandia National Laboratories. Lawrence Livermore and Los Alamos are responsible for the "physics package" portion of the U.S. nuclear weapons force. Sandia National Laboratories are responsible for the non-nuclear components and the integration of the weapon systems.

The YLs discussed the U.S. strategic triad: ICBMs, SLBMs, and strategic bombers equipped with nuclear-tipped cruise missiles or a nuclear bomb system. The end of the Cold War created a moratorium on new weapons system development and testing. This forces the U.S. to constantly re-wire legacy weapons systems. The moratorium forces U.S. nuclear scientists to develop new ways to keep old stockpiles up to date. The presenter mentioned two innovative concepts: the Life Extension Program (LEP), which will replace components on existing weapons, and the Reliable Replacement Warhead (RRW), a concept which includes improved safety and security features and wider reliability margins. The goal of the RRW is to develop a warhead that costs less to produce and has safety and reliable characteristics, allowing the U.S. to draw down its overall stockpile.

The end of the Cold War has created significant development problems in the U.S. nuclear weapons complex. The moratorium on testing and development makes it difficult to attract the best scientists and engineers to the field.

Discussions focused on how nuclear weapons can be applied to this new security environment. A Japanese YL asked how nuclear weapons remain viable when terrorism and nonstate actors are the primary threats, not state-to-state conflict.

U.S. and Japanese YLs questioned the lifespan of modern nuclear strategy. YLs argued for a change in the way nuclear weapons are viewed by both Japan and U.S. With the threat of nuclear war diminished by the end of the Cold War, YLs argued for the reduction of nuclear stockpiles, and fewer resources for research and development. YLs view nuclear weapons in a new context, one that uses the alliance to help counter-proliferation efforts and strengthen U.S. deterrence.

A Japanese YL asked whether the new U.S. triad lowers the threshold for nuclear weapon use. The presenter acknowledged the confusion that surrounds the Bush administration's explanation of the New Triad. YLs agreed that the declassified information about the New Triad is insufficient, and is causing misperceptions. The senior presenter described the New Triad, as reflecting an emphasis on infrastructure and a rapid-build capability allowing stockpile levels to be lowered; it does not lower the nuclear threshold.

The existence of nuclear weapons was not questioned by the YLs. They did contest the longevity of nuclear weapons and their role in the new security environment. YLs agreed that traditional tools helped deal with traditional security problems, but modern strategic nuclear thought is mired in Cold War thinking.

YL Breakfast Session II: Session with Senior JSDF Participant

The second YL session was led by a senior Japanese participant who discussed an array of Japanese national security issues. The discussion began with an overview of Japan's nuclear policy since the 1960s, and the three no's: no-possession, no-production, and no-introduction.

A U.S. YL asked if it would be difficult for the Japanese government to change policy if it decided to develop a nuclear capability? The senior Japanese participant said the Japanese constitution does not ban Japan's possession of nuclear weapons, but, the constitution does underscore that Japan is to pursue a defense policy emphasizing "minimum force."

The Japanese participant provided two reasons why Japan does not have nuclear weapons: because they do not benefit Japan in any way, and because the Japanese people felt the brunt of nuclear weapons. From his perspective, nations develop a strategic nuclear capability for four reasons: defensive – to launch a pre-emptive strike on a hostile target; deterrence – prevent and intimidate nations or non-state actors from using strategic weapons; compellence –using possession or force to compel, or for international prestige. YL's agreed that Japan does not need nuclear weapons.

YLs also discussed the need for Japan to strengthen its alliance with the U.S. The senior Japanese participant argued that Japan has never been very effective at deterrence, and gave several reasons why: the limitations imposed on the JSDF, the constitution, Japan's geostrategic position, and the vulnerability of Japanese infrastructure. The senior participant stated that collective deterrence is very much in Japan's national interest.

YL Session III: YL Discussion Session

At the end of the conference, YLs came together for a discussion on what Japan and the United States want from one another, what each country expects, and how to figure that out.

The U.S. YLs identified Japan's three major strategic priorities: North Korea, the resurgence of China, and securing energy resources. A U.S. YL asked if the threat posed by China is its rise or its fall? While Japanese YLs are worried about China's rise, some U.S. YL's worry about an internal crisis in China, and its effects on East Asia.

Another U.S. YL suggested that the threat posed by North Korea is comprehensive, and isn't just nuclear weapons or the proliferation of weapons of mass destruction.

U.S. YLs argued the U.S.-Japan security alliance was originally about extended deterrence. Now this alliance must adapt to a new dynamic security environment. In candid criticism of U.S. foreign policy behavior: a Japanese YL characterized the United States as irresponsible and unpredictable. Most YLs agreed.

The Japanese YLs explained how they saw U.S. strategic priorities in East Asia. A Japanese participant noted that Japan always looked to the United States for support in foreign policy. Another Japanese YL argued that the United States is focused on the defense of Japan, improving the international security environment, and cooperation with international society. In the end, the Japanese YLs collectively decided on the U.S.'s three priorities: the rise and shaping of China, DPRK and WMD-related issues, alliance management, and the use of extended deterrence.

This conversation underscored the differences and highlighted the agreement between Japan and U.S. YL perspectives. A U.S. YL referred to the alliance as a tool that both countries use to shape their joint or separate visions of Asia. A U.S. senior participant described the differences in the way both Japan and the United States see East Asia. The U.S. sees East Asia as a theatre, Japan sees East Asia as its habitat.

The discussion turned to the benefits each side gains from the alliance. A U.S. YL explained that both governments were trying to use Cold War "tool bags" to solve modern security issues. Japanese and U.S. YLs agreed this is a problem. However, a Japanese YL noted the Cold War was very much alive in some parts of East Asia. However, both Japanese and U.S. YLs agreed the alliance is a "tool" that works.

Conclusions

By the end of conference it was apparent that Japanese and U.S. Young Leaders agreed on many issues:

- Cold War thinking still dominates strategic planning in the United States and Japan;
- Both the United States and Japan are concerned by the rise (or fall) of China;
- Nuclear proliferation is a greater threat than a nuclear exchange;
- Japan does not need an independent nuclear capability;
- The U.S.-Japan Alliance is critical to ensuring both countries' security;
- Japan needs constitutional and cultural change to effectively send its forces abroad in support of its national interests;

- The viability of nuclear weapons, and the importance placed upon them as a strategic force needs to be downgraded;
- The U.S. needs more consistency in its foreign policy, with a greater emphasis on East Asia.

The U.S.-Japan Alliance:
Interests, Expectations, and Nuclear Deterrence

By Justin Bishop, Arthur Lord, and Dwayne Stanton

The U.S.-Japan alliance has served as the bedrock of American strategy toward East Asia since 1951. U.S. forces based in Japan provide the United States with power projection capabilities throughout the Asia Pacific. Japan relies on the partnership with the U.S. as a guarantor of its security. As voices for a "normal" Japan rise in frequency and seriousness, the Yoshida Doctrine may not enjoy support from the grand coalition it once maintained. Despite this, Japan continues to provide generous host nation support to U.S. forces because Japan recognizes that the bilateral alliance is essential to advancing its own strategy toward East Asia.

Nearly two decades after the fall of the Berlin Wall, echoes of the Cold War linger across East Asia. North and South Korea remain divided at the 38th parallel, dangerously close to war. The military buildup and rising tensions across the Taiwan Strait also threaten to destabilize the region. Nontraditional security threats such as pandemic viruses, environmental degradation, and humanitarian / natural disasters also present enormous challenges to the region.

Given the changing dynamics of the region, how should we perceive the U.S.-Japan bilateral security alliance? Is it still relevant? If so, in what ways, and why? In the following essay, the authors share an American perspective on these issues. In particular, we address how the U.S. and Japan justify the bilateral alliance, noting both threats as well as opportunities confronting alliance managers in Washington and Tokyo. We discuss interests, asking what, exactly, links us, 20 years after the existential threat posed by the Soviet Union fades from memory to history textbooks. We assess mutual expectations, outlining what is needed and what is reasonable. Lastly, we consider the role of nuclear deterrence in the alliance, questioning how and if nuclear considerations affect the alliance, and why.

Justifying the U.S.-Japan Alliance in the Post-9/11 World

The U.S.-Japan security alliance, although a product of the Cold War, remains essential in the post-Cold War era. The alliance is the foundation of U.S. and Japanese interests in the region and it compels both countries to stay involved and cooperate on security issues. The alliance negates the necessity for Japan to rearm with its own independent, offensive, military capability. The U.S.-Japan alliance is not only a security relationship, but serves as a tool to deal with issues beyond the scope of traditional security threats.

The alliance, particularly in the post-9/11 world, has evolved into a strategic relationship that has global impact. Japanese Self Defense Forces have deployed in support of the "Global War on Terror," with Japan supplying troops for reconstruction efforts in Iraq, and a JMSDF mission to refuel U.S. ships, and provide rear logistical support in the Indian Ocean. Furthermore, the alliance has facilitated cooperation on a joint anti-ballistic missile

defense program. It is likely that implementation of this program will affect the security environment in Asia and beyond.

Originally designed as a method of deterrence against unwanted actions in the region, the U.S.-Japan alliance has evolved beyond this original purpose and has addressed rising challenges in East Asia. In the post-Cold War arrangement, the U.S. and Japan are cooperating to resolve emerging threats. The most lingering of these and the one that presents the most immediate danger to Japan is that posed by North Korea. Armed with an unknown number of nuclear weapons and potential delivery capabilities, North Korea poses an existential threat to Japan. The U.S.-Japan security alliance is one of a number of relationships and tools utilized in deterring North Korea from the use of force against Japan, the United States, or South Korea. Japan provides an important staging area for U.S. military forces in case of any crisis on the peninsula or in Asia.

Other threats lurk as well. The emergence of China as a regional rival of Japan and a possible global competitor to the United States is a new and pertinent long-term threat to the security alliance. The rapid modernization of PRC military forces and the rapid expansion of PRC influence on a global scale cause contention among alliance members. If the U.S. intervenes in a Taiwan conflict, the U.S.-Japan security alliance could get pulled in since Japan has critical logistical assets that will be called upon. Will Japan provide help to the United States? Will Japan stay neutral in the event of conflict? Either way, the consequences for the alliance are tremendous. At the same time, the U.S. and Japan have played a critical role in engaging China, and helping to transform the autocratic regime of the PRC into a responsible international stakeholder. Both have extensive economic contacts with China and both have worked with, not against, the PRC, in a wide variety of international security mechanisms, most notably the Six-Party Talks, to some success. How the alliance intends to engage and to work with China is critical.

The U.S.-Japan security alliance also has an important role to play in anti-terrorism efforts. While Japan has already played supporting roles in the Middle East and South Asia, the alliance has the potential to do even more. U.S. Navy and Japanese Coast Guard vessels help to keep the Straits of Malacca free from piracy and train Southeast Asian navies to better secure their own borders. While domestic terrorism remains Japan's greatest terrorist threat, Japanese internal security services trade information with its U.S. ally on terrorist threats throughout Asia. Despite the difficulties that Japan faces in sending SDF troops abroad to support U.S. operations, many argue that this has set the initial pretext for Japanese troops to be used in nation-building and peacekeeping around the globe.

Japan may also see military modernization programs throughout Asia (China excluded) as a threat to its own national security. However, misperceived this may be, the U.S.-Japan security alliance provides a security umbrella for Japan no matter what the threat or how it's characterized. The extension of the U.S. nuclear umbrella to Japan not only acts as a deterrent to nuclear threats against Japan, but also as a deterrent to militaristic elements in Japan advocating Japan develop its own nuclear capability.

These threats and challenges all provide continued justification for the alliance. The dynamic security environment will require the United States and Japan to remain flexible and open to dialogue about evolving interests in the region.

Aligning Interests

The term "international relations" evokes an image of personal relations in an international context. Although reasoning through analogy can be helpful, it's important to remember that analogies can also misconstrue reality. Although personal relationships matter, a state's actions are (or should be) determined by its interests, not by its relations. The first step in aligning interests is to clearly understand the interests on each side.

U.S. Interests in East Asia

The basic themes underlying U.S. national interests are stability, prosperity, and economic access. In East Asia these manifest in a few ways.

The first is an interest in China to develop into a "responsible stakeholder," or in DOD parlance, "shaping the choices of countries at strategic crossroads." Although assigning a positive definition to "responsible stakeholder" is more challenging than noting behavior not befitting a "responsible" stakeholder, the U.S. is committed to engaging with China as it grows in economic and political influence so that it will ascribe to the norms and values developed by the (mostly Western) international community since the end of World War II.

Another interest is addressing the threats posed by a nuclear-capable DPRK, including the threat of horizontal proliferation, the ability of the regime to threaten U.S. interests, the ability of North Korea to deter U.S. actions in the region, and the overall damage to the nonproliferation regime. Although it remains unclear whether the United States can, in fact, "live" with a nominally nuclear North Korea, the fear of proliferation threatens to undermine the relative stability that has characterized the nuclear regime. Defense planners are worried by proliferation in a general sense and proliferation in "rogue" states all the more.

Yet another U.S. interest in East Asia is retaining the power projection capabilities afforded by the current basing arrangement in Japan. Although defense planners increasingly link Okinawan acceptance of U.S. bases with the bases' sustainability, the DOD has made it clear that restructuring must not diminish the deterrent capabilities of USFJ. This deterrent, properly understood, includes but is not limited to the defense of Japan.

Japanese Interests in East Asia

Japan's global interests are also stability, prosperity, and economic access. These translate in East Asia as follows.

A top priority for Japan in East Asia is managing the North Korean threat. Given Pyongyang's demonstrations of capability and intent, many of the legal and doctrinal shifts in

Japanese defense policy in the last two decades have been intimately tied to the perceived rising North Korean threat.

Another concern for Japan is preventing Chinese hegemony in East Asia. Although Japan has also adopted "hedging" as the mantra for its China-policy, and ever-increasing economic interconnectedness complicates Japan's desire to contain the PRC, Tokyo has become comfortable with the relative distribution of power and influence in the region in which Asia looks to Japan before China. Although some Japanese may in fact "accept" a China that has more economic, military, and political clout than have, they will often couch their admission by adding that such acceptance would only occur if China were, in the words of Robert Zoellick, a "responsible stakeholder."

An additional Japanese interest in East Asia is keeping the United States engaged in East Asia in order to preserve the relative balance of power in which Washington and not Beijing is the indispensable nation. Balancing entanglement and abandonment has been a perennial concern for Tokyo, but as Washington looks increasingly to the Middle East, Japanese defense planners seem more willing to reaffirm the U.S.-Japan alliance than to usher in a post-hub-and-spoke era.

Level of Analysis

Are U.S. and Japanese interests aligned? At the highest level, the answer seems to be yes. The convergence in their global interests' – stability and economic access – is clear. Regionally, both Washington and Tokyo have devoted considerable energy since the mid-1990s to reaffirming common values and goals. Developments in China, North Korea, and the U.S.-Japan alliance are of mutual concern. That said, it's imperative to recognize that different security realities influenced heavily by proximity in this case dictate divergent interests within these categories, leading to a jazz-like expression of variations on a theme. Both the U.S. and Japan are concerned about China's "rise" but Japan seems more concerned with preserving the current balance of power in East Asia than is the United States. Both the U.S. and Japan are concerned with North Korea, but Japan seems to be more concerned with containing the threat of a North Korean attack than the proliferation of WMD. In sum, the degree to which U.S. and Japanese interests are aligned depends on how specifically we assess actual interests. Simply stating that "China" is a shared interest conceals important differences.

Following the fall of the Berlin Wall, alliance partners around the world have searched for new rationales for their Cold War-origin mutual security alliances. The alliance between Japan and the U.S. is no exception. As Rajan Menon notes, there is a difference between alliance and alignment. Interests don't have to be identical to sustain an alliance but do need to be similar enough. Judging whether they are similar enough starts with both sides understanding what the other's interests are. Clear understanding starts with genuine listening.

Aligning Expectations

Expectations are vital in relations between states. When expectations are not clearly understood, the potential for conflict increases. In the realm of international political arrangements, many expectations are formalized, through written agreements, contracts, or treaties defining the rights and obligations of cosigners. In other instances, however, expectations are less formalized and are not always clearly articulated. When unanticipated events unfold, that do not conform to a pre-arranged scenario, spontaneous actions and responses taken by one actor can fall short of the expectations of another. In extreme cases, the international order can be disrupted when expectations are unfulfilled.

The U.S.-Japan alliance is subject to a dynamic and complex security environment in Northeast Asia. As a result, communicating and assessing appropriate expectations are challenging. There are several elements to aligning expectations in the U.S.-Japan alliance.

The first step in aligning U.S.-Japan expectations is a thorough review of what the United States seeks from Japan in the way of Japanese behavior. Fleshing out these expectations is dependent upon a clear set of policy objectives. When policy positions are vague or opaque, the expectations that flow from these objectives are not clear and are subject to misinterpretation. Because the U.S.-Japan relationship involves multiple dimensions (military, political, economic, social, etc.) it is important to recognize that expectations applied to one element of the relationship may not apply to them all.

Another factor that is critical to an appropriate list of expectations in the U.S.-Japan alliance is assessing whether expectations are realistic. Japan's ability to meet U.S. expectations in a particular situation is likely to be subject to domestic political constraints. The United States must also be sensitive to Japan's relations with neighboring countries. In many instances, Japan might be limited in its ability to meet expectations of the U.S. because of unresolved historical issues.

Once the United States believes it has realistic expectations, it is important that these are fleshed out through consultation and dialogue with Japan in a non-public forum. If expectations are communicated publicly prior to this discussion, Japan is likely to be put off by U.S. disappointment if expectations are not met. This is embarrassing to Japan and harmful to the alliance. When expectations are discussed in a non-public forum, Japan is afforded the opportunity to voice concerns and highlight its limitations.

After consulting with Japan and settling on a set of appropriate and realistic expectations, these should be formalized or articulated. For this to be effective, all managers of the U.S.-Japan alliance must have knowledge of these expectations and be prepared to communicate them in all international forums.

Finally, the United States must be prepared to re-engage Japan on expectations as the domestic and international climate changes. Expectations will change. The danger associated with evolving expectations is that Japan might be operating from an old list, while

the United States has developed an entirely new one. Under these conditions, the potential for embarrassment remains high.

Aligning U.S.-Japan expectations is a daunting task. Careful consideration must be taken to establish, communicate, and negotiate expectations. Because expectations are vital between states, emphasis on this aspect of the bilateral relationship will go a long way toward maintaining a strong alliance.

Nuclear Deterrence in a "Post Nuclear" (?) World

During the Cold War, the extension of the U.S. nuclear umbrella over Japan was an important way to address three high-level U.S. goals and interests. The nuclear umbrella served as 1) an integral component of the overall U.S. military strategy of nuclear deterrence and alliances aimed at containing and defending against the Soviet Union, 2) a tool to dissuade Japan from acquiring a nuclear weapons capability and by destabilizing the strategic balance in Asia and 3) a strong symbol of the U.S. commitment to the alliance.

To be frank, while the United States had an interest in the security and survival of Japan, the primary U.S. interest in the policy of extended deterrence was to develop and implement an overall strategy to contain and defend against the Soviet Union. This strategy relied heavily on a) nuclear deterrence and b) alliances. In this sense, extended deterrence should be thought of first and foremost as a natural outgrowth of U.S. strategy, and not primarily as an approach to defending Japan, per se. With significant numbers of U.S. forces based in Japan, a Soviet nuclear attack on Japan would be, in the most literal sense, an attack on the United States. Extending the U.S. deterrent, i.e., promising a nuclear retaliation in the event of an attack on Japan, therefore, was both obvious and without cost.

As the Cold War environment evolved, U.S. goals and policy focused increasingly on stability. In Asia, this goal was put in jeopardy by a growing set of nuclear developments. China's acquisition of a nuclear weapons capability caused the Soviet Union to put more emphasis on its forces in the East and caused Taiwan to actively explore a weapons program. The conflict on the Korean Peninsula heightened these tensions. The United States had a strong interest in Asia remaining stable, which meant remaining as nuclear free as possible. The United States saw its nuclear umbrella as a tool to ensure that Japan would not feel the need to enter into this competition and exacerbate an already difficult situation. The deterrent served the higher-level strategic goals of the United States globally and in the region.

Finally, the U.S. extended deterrent played a key role in maintaining a strong relationship with Japan. For many reasons, most notably geographic, the alliance with Japan was a key piece of U.S. global strategy. In addition to the basing of U.S. forces, the nuclear umbrella's retaliatory promise served as an outstanding symbol of U.S. commitment to the alliance – and by extension, to Japan. Promising to launch full-scale nuclear war on behalf of another country – and meaning it – is a powerful way to demonstrate the importance of a bilateral relationship.

After the fall of the Soviet Union, U.S. goals, interests, and priorities evolved. While strategic deterrence remained a key component of the U.S.-Russia relationship, it was no longer the dominant theme of U.S. defense policy. As proxies for superpower competition faded from center stage, the question of what would constitute an attack on U.S. interests became less clear.

While these developments made one of the rationales for the U.S. nuclear umbrella more ambiguous, the other two remain today, albeit for slightly different reasons. The United States still has a very strong interest in a stable Asia, largely for economic reasons. Significant regional conflict – particularly nuclear armed conflict – would put that interest at serious risk. In addition, the emergence of other nuclear threats to the United States renewed attention on the global nonproliferation regime. To this end, dissuading any country in Asia from acquiring a nuclear weapons capability remains vital.

In addition, the U.S.-Japan relationship continues to be one of the most important U.S. relationships. To the extent the nuclear umbrella credibly demonstrates US commitment to that relationship, it plays an important role. Thus understood, although global and regional circumstances have changed substantially since the initial extension of the nuclear umbrella, there is still a compelling argument that it has relevance to the U.S.-Japan relationship.

We should not, however, accept these assumptions and conditions that underlie this analysis without examination. Just as the United States and Japan would benefit from being more explicit about critical national interests, they would similarly benefit from examining the extent to which the U.S. nuclear umbrella serves those interests. At the highest level, the United States has an abiding interest in the security and protection of Japan. This interest, in fact, has probably risen from secondary status during the Cold War to primary status. The threats to Japanese security, however, have changed significantly; it is no longer clear that the threat of nuclear retaliation is an effective deterrent. U.S. and Japanese interests are also served by a stable region that is characterized more by cooperation than conflict. Here again, we need to take a look at whether the U.S. nuclear umbrella facilitates or frustrates this goal. In some cases, the deterrent threat itself and the strategic thinking that accompanies it may inhibit positive regional developments.

Furthermore, while a strong U.S.-Japan relationship is clearly in both countries' interest if anything, the basis for this relationship has expanded since the end of the Cold War it is worth asking how well the stated goals of the alliance serve this relationship. If the goals of the alliance need to be modified, it is very likely that the structural components of the alliance – including the nuclear umbrella – will also need to be modified. Similarly, a careful reevaluation of goals and interests may suggest mechanisms other than the nuclear umbrella that can offer more credible and positive demonstrations of the U.S. commitment to the alliance and the broader relationship.

Finally, maintaining and strengthening the nonproliferation regime should be a top priority for the United States and Japan. This means ensuring that the most basic goal of the regime – that states without nuclear weapons do not acquire nuclear weapons – is upheld. It is crucial that states recognized as successful and stable societies not violate this obligation,

as that would be far more damaging to the regime than having unstable, weak states developing nuclear weapons. To this end, it should be a top priority to identify ways to reduce any motivation Japan may have for seeking nuclear weapons. We should not, however, reflexively assume that the nuclear umbrella is the best way to achieve this goal. We have an obligation to think more creatively about this challenge and not rely on existing approaches simply because we have no evidence that they do not work.

Conclusion

The U.S.-Japan alliance should be perceived as a tool the United States employs to achieve a variety of objectives. Over the half century, some of these objectives remain unchanged; others have evolved. Strategic deterrence is likely to occupy a central position in maintaining and realizing U.S. regional objectives, but the value of the alliance demands that we consider whether it is still relevant for all objectives. Does strategic deterrence contribute more than it detracts? Are there other means to strengthen the alliance, achieve our goals, and further align our interests? Although we have raised more questions than answers, we agree that the alliance is critical to peace in the region. New challenges will demand deeper dialogue on critical issues and not just more dialogue on "common values."

The U.S-Japan Alliance in the post-Cold War era: A Core Institution of Regional Security Architecture

By Aki Mori, Wakana Mukai, and Yasuhito Fukushima

Reality of East Asia is marked by several facts; the rapid rise of China, the forecast end of the U.S. "unipolar moment," a "reawakened" but still hesitant Japan, and legacy issues in Taiwan and the Korean Peninsula. This reality tells us that notwithstanding the importance of nontraditional security challenges in the post-Cold War era, regional security in East Asia is still primarily oriented toward a "hard security" mindset. Hence, the role of the U.S.-Japan alliance should be widely reexamined within this reality to share a clearer vision for shaping future order. This paper will examine five questions related to the alliance in a new security environment: "How do we justify the alliance?"; "what are the problems and threats to the alliance?"; "how do we align the two countries' interests?"; "how align expectations?"; and "what is the role of nuclear deterrence for the alliance?"

Issues and Challenges

How do we justify the alliance?

The most important role of the U.S.-Japan alliance is making China recognize that the primary role of the alliance is the maintenance of regional stability in Asia. In this regard, the U.S.-Japan alliance could be justified by the United States and Japan as well as by Asian nations as a core institution of the regional security architecture in the post-Cold War era.

The U.S. military role and military primacy via "hub and spokes" in East Asia remains decisive for stability during the post-Cold War era, and it will remain so for the foreseeable future. However, the rise of China raises a puzzling question: how can the U.S.-led alliance shape regional order with China? The hub-and-spoke security architecture is porous since many countries including China remain out of that system. But the rise of China is an undeniable fact; China's economic and political influence in the region is expanding dramatically, it has returned to the traditional position to play a proactive role to shape the regional order. This is reinforced by the rapid growth of its military capability supported by economic development since the 1990s. The United States has been engaging China to integrate it into the existing order, and now the United States encourages China to work with it within the existing order. Robert Zoellick's famous call for China to become a "responsible stakeholder" shows that. It is said the George W. Bush administration does not want to open new hostilities against China because the United States already has difficulties in the Middle East. Close U.S.-China cooperation on the issue of the nuclear development by DPRK shows that the Bush administration is coming to rely on the support of China on regional issues. U.S.-China strategic cooperation potentially provides the United States with an opportunity to reconsider how to shape a new regional order in partnership with China beyond the framework of an alliance.

However, U.S.-China strategic cooperation is still limited. This is because, whether negative or positive, the middle-long term implications of the rise of China remain uncertain. First, a "strong China" might harm the general interests of the U.S. and its allies at the regional and global level. China has been translating its expanded economic power into military capability that lacks transparency. The cross-Strait military balance is rapidly tilting toward the mainland, which implies the possibility of a U.S.-China conflict across Taiwan Strait involving Japan. China's ASAT test represents the possibility of a challenge to U.S. military vulnerabilities by China.[1] Second, "weak China" might also harm stability in the region. China's domestic contradictions, such as lack of resources, rapid transition of society, imbalanced population etc., could prevent China's sustainable economic development. Severe domestic uncertainties might cut the diplomatic margins of Chinese leaders, and they might be forced to choose a confrontational security policy in East Asia. The Hu Jintao administration has been committed to "peaceful development," and the Chinese leadership seeks a policy to defuse concerns that China's rise will disrupt the regional and global status quo. But transparency regarding military developments remains limited; therefore, fundamental concerns about China are not likely to be easily dispelled. The United States and Asian nations hope China will pursue "peaceful development," but "none will bet their future on it."[2] The development of the U.S.-China relationship can be summarized as "limited cooperation and limited confrontation." It is, therefore, indispensable for the United States and its allies to meet this fluid security environment.

We must be cautious to avoid a security dilemma; the United States and Japan should work to ensure that attempts to secure the United States and its allies don't create region-scale insecurity. One of the roles of the U.S.-Japan alliance is to encourage China to understand and accept that the primary role of the U.S.-Japan strategic posture is to shape regional stability, not to threaten war.

What are the problems and threats to the alliance?

1. Short term:

a. The military balance across the Taiwan Strait

Economic interdependence among the U.S.-Japan-China is mutual, and a mutually interdependent economy gives the three countries a strong incentive to work together. However, one of the deepest concerns for both the United States and Japan is that China's growing economic power might shift the military balance across the Taiwan Strait in China's favor. The People's Liberation Army (PLA) has been investing in naval capabilities to delay

[1] "Even a small-scale antisatellite attack in a crisis could have a catastrophic effect not only on U.S. military forces, but on the US civilian economy." Pillsbury, Michael, "Statement to the U.S.-China Economic and Security Review Commission Hearing on China's Military Modernization and its Impact on the U.S. and the Asia-Pacific", March 30, 2007, available at http://www.uscc.gov/hearings/2007hearings/written_testimonies/07_03_29_30wrts/07_03_29_30_pillsbury_statement.pdf

[2] Zoelick, Robert, "Whither China: From Membership to Responsibility?", Sept. 21, 2005, available at http://www.state.gov/s/d/former/zoellick/rem/53682.htm.

military intervention by the United States. In this context, one of the nightmares for the U.S.-Japan alliance is the U.S. military being incapable of preventing PLA military activities in the Taiwan Strait. In this case, Japan faces serious problems securing Japanese people in Taiwan as well as operationally supporting the United States in a military conflict. Chen Shui-bian's identity politics came at the expense of trust with Washington and Asian states, and this could escalate into conflict with the mainland. "Taiwan identity" politics might confront Japan with a political test in case of conflict across the Strait. Domestic public perceptions in the United States about how conflict began might influence military expectations in the U.S. toward Japan as an ally. As the Iraqi case showed, public perceptions in the United States about the Iraq war have deteriorated. So, military contributions from allies have been examined only at the government level, and there is no pressure from public opinion in the United States about the effectiveness of the U.S.-Japan alliance. But, in the case of Taiwan, it is likely that public perception in the United States will conclude that the United States was "entangled" in a conflict between Taiwan and mainland China. Moreover, Japan's geopolitical location is close to the Taiwan Strait, and the SDF (Self-Defense Forces) must engage to save Japanese in Taiwan. If Japan could not effectively support the United States as the United States defends SDF activities in the Strait, it may become hard for the U.S. president to get the public to invest in the U.S.-Japan alliance. In this event, Japan's hesitancy to play a military role can damage the U.S.-Japan alliance. However, from a longer strategic perspective, the United States could be maintaining a "straddle" with Japan, because the United States does not want to see Japan approach China or a nuclear "neutral" Japan.

b. Nuclear provocations by the DPRK: asymmetric threats, Japan's indigenous deterrence capability, and strategic stability with China

The primary focus of the U.S.-Japan alliance has shifted from large-scale aggression by the Soviet Union to asymmetrical threats and a wider spectrum of contingencies to which deterrence policies might not always apply. The U.S.-Japan alliance was forced to adjust to the new security context by the nuclear crisis posed by North Korea. The 2003 nuclear crisis shows that the nature of the North Korea threat has changed from the 1990s. This is marked by two facts. First, the range of DPRK ballistic missiles has expanded since the *Taepo-dong* missile launch in 1998. North Korea still can not threaten the American homeland, but it can threaten Asian states and a region in which the United States has a keen interest. Second, with North Korea's steady development of its nuclear program, the risks of proliferation of nuclear materials to other states as well as nonstate-actors like al-Qaeda have been growing. Japan's exclusively defense-oriented policy has been challenged by the North Korea threat.[3]

Even faced with a nuclear North Korea, Japan could pursue multiple deterrents consisting of: nuclear and conventional extended deterrence, denial deterrence through missile defense deployment; and indigenous deterrence by way of Japan's conventional capability.[4] In this regard, emphasizing Japan's indigenous deterrent capability through missile defense, and utilization of the U.S.-Japan alliance in case of a crisis has become Japan's political agenda. However, the Japanese public is still hesitant about the SDF's role

[3] Jimbo, Ken, "Rethinking Japanese Security: New Concepts in Deterrence and Defense," pp. 30-31, available at http://www.stimson.org/japan/pdf/JNO-Security_Context.pdf.
[4] *Ibid*, p. 40.

within the alliance. The national debate over Japan's role in the region and world politics has not concluded; a shift in Japan's role on security in the region and the world is proceeding incrementally.

China and Russia often claim that an arms race is a likely consequence of deployment of a missile defense system; therefore, enforcement of Japan's military role in the U.S-Japan alliance could accelerate a security dilemma. But Chinese missile development is also driven by a domestic political goal – great power status – not only by the U.S.-Japan alliance.[5] China repeats criticism of missile defense capabilities, but its military response is still unclear. Hence, the vision of future strategic stability on nuclear issues remains unclear, although there is a need for a new mechanism between the United States and China.

2. Mid-long term

a. Strong China: Nuclear posture, charm offensive, China's alternative to the Western system

As China continues sustainable rapid economic development and investment to build military capability, the emergence of a "strong China" may increase friction with the United States and the U.S.-Japan alliance.

The first scenario in the military field is the shift of China's nuclear doctrine from "minimum deterrence" to "limited deterrence" with regard to deployment of missile defense by the U.S.-Japan alliance. China's official nuclear doctrine is a "no first use" strategy, and it reflects China's basic nuclear doctrine of "minimum deterrence," whereby Chinese nuclear forces could be assured of a counter-value capability against an enemy's heartland.[6] Outdated liquid-fueled missiles still perform the central role of deterrence in China, but along with the development of a missile defense system, China will develop ballistic missiles that are solid-fueled. In this event, "limited deterrence" that envisions offensive limited nuclear war-fighting will be possible at a regional level. If so, China and the United States may need to seek a new framework for strategic stability.

The second scenario is a challenge in economic and political fields. Some observers worry that China's growing political influence at both the regional and global level might offer an alternative model of development and values to the Western system. China is engaging Southeast Asia and Central Asia through multilateral institutions such as the ASEAN Regional Forum (ARF) and the Shanghai Cooperation Organization (SCO). China is careful about overt balancing against the United States and U.S.-led alliance system, but it seems to engage such institutions and incrementally expand its influence within them. This implies indirect criticism of U.S. unilateral action. China's activities to secure oil and gas resources are beyond East Asia and occur at the global level. China's national oil enterprise

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[5] Roberts, Brad, "US Ballistic Missile Defenses: Implication for Asia," available at http:www.nautilus.org/nukepolicy/workshops/shanghai-01/Robertspaper.html.

[6] Shambaugh, David, *Modernizing China's Military*, pp. 90-91. Abe, Jun-ichi, "The Second Artillery Corps and its Nuclear Missile Capability," Tomohide Murai, Jun-ichi Abe, Ryo Asano, and Jun Yasuda eds, *Chugoku wo Muguru Anzenhosho*, (Minerva shobo, Kyoto, 2007), pp. 234-235.

invests in “rogue” states like Sudan, Iran, and Venezuela. Such activity may encourage these governments to resist transition to a democratized society and tolerate violations of human lights.

3. Dramatic moves on the Korean Peninsula: what course will a reunified Korea take?

The course a reunified Korea will take depends on how the two divided Koreas reunify. There are two scenarios for this event. The first nightmare for regional stability would be a military strong and aggressive Korea. This would presumably result in a chain reaction among regional countries to build up their military capacity. The second scenario would be a fragile reunified Korea with nuclear weapons. This would result in anxiety among other countries, which could lead to an arms race. Moreover, if a fragile state possesses nuclear weapons, the chances of nuclear accidents as well as the possibility of nuclear proliferation would increase, which would enhance insecurity. In short, whichever the case, reunification would destabilize the strategic environment, and the balance of power in the region would change. Currently, the ROK is a strong friend of the United States: however, no one can be sure what a reunified Korea would favor. A pro-China reunified Korea would transform the strategic atmosphere.

How do we align the two countries’ interests?

There are divergences in U.S. and Japanese thinking about regional security issues, even though two countries recognize that they are trying to deal with a profound shift of the strategic balance in East Asia. The most important difference between Tokyo and Washington is about the role and position of China in the U.S.-Japan-China relationship. Both the United States and Japan have strategies to engage and hedge against a rising China, but too close U.S.-China cooperation makes Japan worry about “Japan passing” on regional security issues. The United States expects China to play a key role to deal with the “rogue” North Korea, but Japan worries that U.S.-China cooperation comes at Japan’s expense on the abduction issue and Japan’s bid for a permanent seat on the UN Security Council. In the triangular relationship among the countries, a certain amount of the U.S.-Japan friction over China exists.

The United States and Japan share the goal of preventing the emergence of a powerful and hostile China, and encouraging China to work as a constructive stakeholder in the region. Alignment of U.S. and Japanese interests is key. The mutual alignment of the interests begins with consultation and practices. Now both countries engage in a dialogue at the U.S.-Japan Security Consultative Committee (SCC), and this consultative process is expected to demonstrate solid commitment by the United States to the alliance to ease Japanese concerns. The United States should take care not to isolate Japan and make China recognize that Japanese fear of being bypassed could enforce Japanese insecurities. The United States needs to understand that Japan won’t go nuclear under the nuclear umbrella of the United States. Japan has to understand its lack of vision on security issues at the regional and the global level undermines its value as an ally of the United States. The United States and Japan can work together on mutually beneficial issues for the region, such as China’s environmental problems.

The United States and Japan always go back to mutual respect and trust. Both countries need to continue to invest in the alliance and engage China together, since the alliance has been the only reliable vehicle to meet profound changes in East Asia. Engagement with China could be shaky, but both countries have to be realistic and recognize that there is no "magic" to align both countries interests.

How to align expectations?

During the Cold War, expectations of Japan and the U.S. for the alliance were relatively clear as they confronted a well-defined threat, the Soviet Union. However, with the end of the Cold War, the single formidable adversary has disappeared. The alliance now has to take diversified challenges into account.

To adopt to the new security environment, Japan and the U.S. have strived to align each country's expectations for the alliance. Since the late 1990s, the two countries have repeatedly consulted on strategic objectives and division of roles. The U.S.-Japan Security Consultative Committee (SCC) known as the "two-plus-two," is the primary consultative mechanism on this issue. At the Feb. 19, 2005 meeting of the SCC, the two counties reached an understanding on common strategic objectives. They reached a consensus on roles, missions, and capabilities at the Oct. 19, 2005 meeting.

Although Japan and the U.S. have intensified discussions on expectations for the alliance, there are still gaps. For instance, the U.S. may not be able to reach Japan's expectations on the abduction issue. Japan is still hesitant to play a more military-centric role within the alliance. Although these gaps may be difficult to fill immediately, recognizing the differences between them could be the basis for such effort and, therefore, such mechanisms should be strengthened.

What is the role of nuclear deterrence for the alliance?

Nuclear deterrence provided by the "stronger" alliance member to the "weak" has been one of the keys in an alliance. However, the role that nuclear deterrence plays, especially after the end of the Cold War, has, on the practical level, changed: nevertheless, it can be said that nuclear deterrence in an alliance still possesses the legacy of the Cold War, as it is stitched into the mindset of strategists of every country allied with a nuclear weapons state. This legacy is seen in the alliance between the United States and Japan. Nuclear deterrence has been the primary means of U.S. reassurance of Japan. However, as a result of changes in strategic circumstances surrounding the U.S.-Japan alliance, the role of nuclear deterrence is being relativized.

The U.S. has provided reassurance to Japan mainly using extended nuclear deterrence or its nuclear umbrella. In the alliance, Japan and the U.S. have played the role of "shield" and "sword" respectively. Japan has possessed denial deterrent power against invading forces by maintaining conventional defense capabilities. Meanwhile, the U.S. has provided not only denial deterrent power but also punitive deterrent power by maintaining both conventional

and nuclear offensive capabilities. The U.S. nuclear capabilities have been vitally important for Japan, which does not possess any nuclear forces.

However, the role of nuclear deterrence in the alliance is changing. While the Cold War ended and the Soviet Union collapsed, North Korea and China have improved their strategic capabilities. This has caused degradation in the reliability of the U.S. extended nuclear deterrent since the cost-benefit analysis of North Korea and China may be different from that of the Soviet Union.

In order to complement its nuclear deterrent, the U.S. has deployed ballistic missile defense capabilities such as *PAC-3* and *Aegis*-equipped destroyers in Northeast Asia. In other words, the U.S. now utilizes not only punitive deterrent capabilities such as nuclear forces but also denial deterrent capabilities such as conventional forces in order to reassure Japan. Furthermore, the role of nuclear extended deterrence is being relativized not only because of ballistic missile defense capabilities but also because of relativization of deterrence itself. In addition to deterrence, pre-deterrence options such as dissuasion and post-deterrence options such as pre-emption are valued.

Thus, the U.S. reassurance policy toward Japan is changing from a single layer that utilizes the nuclear deterrent to a multi-layer approach that uses both conventional and nuclear capabilities and values not only deterrence but also pre-deterrence and post-deterrence. In this way, the role of nuclear deterrence for the alliance is relativized.

Conclusion

It is often said that at the end of the Cold War, the security environment surrounding East Asian countries has changed dramatically. Is this so? China has always been an uncertain nation, the United States has always interfered with East Asian security dynamics, Japan has more or less been reluctant to deal with security issues and tried to focus on economic issues and domestic politics, and Taiwan and the Korean Peninsula remain "powder kegs."

What does this reality tell us and what are the implications for the U.S.-Japan alliance? The U.S.-Japan alliance plays an important role in maintaining regional stability in East Asia. There are multiple threats that the alliance must counter: China, instability in the Taiwan Strait, nuclear issues of the DPRK, an instability on Korean Peninsula. All can be said to be legacies of the past, although the revitalization of China in the post-Cold War era adds a new flavor to the security environment of East Asia. This changes expectations of the United States and Japan toward the alliance. The role which nuclear deterrence plays is probably shifting to a new direction too.

In this changing situation, mutual trust between the United States and Japan remains key to keeping the alliance strong. The U.S. and Japan need to share a clear recognition that they are working together to shape the regional stability and their alliance is an indispensable, core institution of the regional security architecture.

Perceptions of Japanese National Security Policy

By Justin Bishop

In a region as complex as Northeast Asia, and with a history as complex as Japan's, trying to discover what the Japanese identify as their three main threats is confounding. Nonetheless, three main security issues come to mind: deterring or defeating North Korean aggression, economic security, and managing the rising power of the People's Republic of China (PRC). Today's complex international system provides an array of difficulties as the Japanese strive to achieve these goals. But as the world's second greatest economic power and in a defensive alliance with the world's greatest military power, there is no reason for Japan not to succeed.

Deterring or Defeating North Korean Aggression

Deterrence and defeating (if necessary) North Korean (DPRK) aggression is the most immediate regional threat Japan faces. The DPRK has made a number of overt threats against Japan. Japan, tied to its security alliance with the United States, has held strong. Recent developments in Ballistic Missile Defense (BMD) programs, run jointly with the United States, will help Japan to defeat the advanced missile technology possessed by North Korea. These programs will continue to be a success and a bedrock against the DPRK and other potential threats in the region. To date, BMD tests have gone quite well and show great promise. This bilateral program should be expanded to South Korea, to enhance multilateral ties, and South Korea's proximity to North Korea might enhance early warning abilities, increasing military effectiveness.

The Six-Party Talks and the respective working groups provide hope for Japan and North Korea to settle their disputes in a diplomatic fashion. While these have provided room for multilateral and bilateral dialogue between the two nations, there is concern that these negotiations are intended to merely stall for time. This does, and needs to continue to factor into any and all regional security apparatuses.

Economic Security

Maintaining or improving its status in the global economic by Pyongyang, is one of Japan's primary national security objectives. As the world's foremost capital lender, the second greatest economy, and a regional economic powerhouse, Japan is and will continue to be one of the drivers of Asian economic growth. Maintaining this position in the 21st century will be a challenge, as developing Asian economies, once reliant on Japan, begin to diversify their assets, and develop an indigenous capability. Recent economic downturns in the United States, and slower growth in the European Union, two economic zones whose fates have been tied to that of Japans, will have an adverse effect on the global economy. The lack of foreign competition in the Japanese market, and an unstable world market make economic policy-making difficult. Lastly, an aging population will drain state wealth, as large amounts of finance are put into pensions and healthcare.

To improve its chances to remain the dominant economic force in Asia, Japan's government and businesses need to work together to develop Free Trade Agreements (FTA) with their trading partners in the region. Of all the major Asian powers, Japan has been the most resistant to signing FTAs. Protectionism, a characteristic of not only the Japanese market, but also of economic populism, will increase during this economic downturn, but has the potential to cause long-term damage to regional trade relations. While an Asia-Pacific wide FTA seems far off, bilateral and multilateral FTAs will enhance trade and foreign relations, as well as allow for more fluidity in an increasingly rigid Japanese market.

The Rise of the People's Republic of China

Historically, Japan and the PRC have been enemies. As the U.S. begins to move hard power assets away from East Asia, fears of Japanese rearmament and Chinese modernization programs abound.

China's military modernization program, probably the largest and most extensive in world history, is a cause of concern for Japan. Japanese policymakers wonder whether China will use its military power to alter the balance of power in the region. This may cause Japan to enter a more militaristic stage, raising fears of conflict between the two powers in East Asia.

At the same time Japan is managing its relationship with China, Japan must try to manage the U.S. relationship with China. Policymakers must ask where the U.S.-Japan alliance fits if a crisis breaks out between China and the U.S.

In the next 10 to 20 years, Japan has a great opportunity to make an adversary enemy into a strong ally. Successfully managing China's rise will test Japan's capabilities and skills, but the foundations for success have already been laid through economic interaction. These need to mature and be nurtured to make any sort of conflict, military or otherwise unthinkable to either nation.

Conclusion

Japan has a wide array of security issues. Its most immediate regional security threat is North Korea. Continued participation in the U.S.-Japan BMD program will provide a deterrent and, if necessary, a defensive capability with which to protect Japan. Japan should also look into the creation of a joint forces command, with the U.S. and South Korea. Japan has the legal right to play a significant role in logistical operations in the event of a Korean conflict, not just for the U.S., but also for the South Korean military too. Participation in multilateral talks must continue, and if necessary, Japan might have to downplay the issue of Japanese abductees for talks to move forward. However, Japan should not sit idly by if it appears the North Koreans are stalling.

The rise of China is also a serious concern for the Japanese, but the underlying trade and economic links should benefit both countries and the rest of East Asia. There is a tendency for hawks in both countries to focus on the other in a military sense, yet these fears

need to be devalued. Japan also must assuage U.S. fears that Japan might become closer to China or that Japan would keep its military out of a U.S.-Chinese conflict. Japan's alliance with the United States has been one of the bedrocks of East Asian security for the past 50 year and given the number of issues that will arise in East Asia, there is no need to break this alliance.

It is important that Japan, as the regional economic power, and China's biggest trading partner, allow for more fluidity in the regional economic environment through FTAs. FTAs will give Japanese businesses access to developing Asian market, and will help increase interdependency and stability throughout the region.

Three Top Security Priorities for the U.S. in East Asia
The Case of the Bush Administration

By Yasuhito Fukushima

This report will assess the U.S. security priorities in East Asia. I will argue that the following issues are three top East Asian security priorities for the Bush administration: shaping the choices of China at a strategic crossroads, solving the DPRK nuclear issue via the Six-Party Talks, and strengthening alliances and partnerships in East Asia.

The First Priority: Shaping the Choices of China at a Strategic Crossroads

The Bush administration gives top priority to shaping the choices of China, which stands at a strategic crossroads. In the *Quadrennial Defense Review Report 2006 (QDR 2006)*, the U.S. Department of Defense identified "Shaping the choices of countries at strategic crossroads" as one of four priority areas.[7] The report states that "the choices that major and emerging powers make will affect the future strategic position and freedom of action" of the US, its allies and partners, and the U.S. seeks to "shape these choices in ways that foster cooperation and mutual security interests."[8]

Among major and emerging powers such as Russia, China, and India, the U.S. pays particular attention to China's future. The U.S. government thinks that "much uncertainty surrounds the future course China's leaders will set for their country."[9] While China could choose a path of peaceful economic growth and political liberalization, it may choose a path of military threat and intimidation.[10]

The U.S. government assesses that "China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent U.S. counter strategies."[11] The U.S. Defense Intelligence Agency (DIA) "estimates that China's total military-related spending for 2007 could be as much as $85 billion to $125 billion."[12] Such a military build-up could put U.S. and allied forces and bases in the region at risk.[13]

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[7] The four priority areas are the following. 1. Defeating terrorist networks. 2. Defending the homeland in depth. 3. Shaping the choices of countries at strategic crossroads. 4. Preventing hostile states and non-state actors from acquiring or using WMD. The US Department of Defense. (February, 2006). *Quadrennial Defense Review Report*, p. 19.
[8] *Ibid*., pp. 27-28.
[9] The US Department of Defense. (May, 2007). *Annual Report to Congress: Military Power of the People's Republic of China 2007*, Executive Summary.
[10] The US Department of Defense. (February, 2006). *Quadrennial Defense Review Report*, p. 29.
[11] *Ibid*.
[12] The US Department of Defense. (May, 2007). *Annual Report to Congress: Military Power of the People's Republic of China 2007*, p. 25.
[13] J. M. McConnell. (February, 2008). *Annual Threat Assessment of the Intelligence Community for the House Permanent Select Committee on Intelligence*, p. 32.

The Bush administration seeks to shape the choices of China by persuading China to be a responsible stakeholder and dissuading China from becoming a military competitor. A "responsible stakeholder" is a concept created by Robert B. Zoellick, former deputy secretary of state. In 2005, Zoellick stated that it is important for China to work with the U.S. as a stakeholder in the international system.[14] Shortly thereafter Zoellick explained the concept and stated that the U.S. should transform the 30-year policy of integration and encourage China to become a responsible stakeholder in the international system.[15]

This concept was incorporated into the U.S. security strategy through *QDR 2006* and *National Security Strategy 2006 (NSS 2006)*. *QDR 2006* specifies that the goal of the U.S. is for China "to continue as an economic partner and emerge as a responsible stakeholder and force for good in the world."[16] *NSS 2006* states that "as China becomes a global player, it must act as a responsible stakeholder that fulfills its obligations and works with the United States and others to advance the international system that has enabled its success."[17]

While the U.S. seeks to persuade China to be a responsible stakeholder, the U.S. also attempts to dissuade China from becoming a military competitor. "Dissuasion" is a new concept created by the Bush administration. "Dissuading future military competition" was identified as one of four defense policy goals in *Quadrennial Defense Review Report 2001 (QDR 2001)*.[18] *QDR 2006* also states that the U.S. "will attempt to dissuade any military competitor from developing disruptive or other capabilities that could enable regional hegemony or hostile action against the United States or other friendly countries."[19] In this way, shaping the choices of China, which stands at a strategic crossroad, is the top security priority for the U.S. in East Asia.

The Second Priority: Solving the DPRK Nuclear Issue via the Six-Party Talks

The U.S. makes solving the DPRK nuclear issue via the Six-Party Talks the second security priority in East Asia. As well as "shaping the choices of countries at strategic crossroads," "preventing the acquisition or use of weapons of mass destruction" is one of four priority areas identified in *QDR 2006*.[20] The U.S. intelligence community estimates that DPRK "produced enough plutonium for at least a half dozen nuclear weapons" and "has pursued a uranium enrichment capability at least in the past," and it "judges with at least moderate confidence that the effort continues today."[21] DPRK also demonstrated their nuclear capability through a nuclear test in October 2006.

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[14] R. B. Zoellick. (August, 2005). *Remarks at U.S. Embassy Beijing*.
[15] R. B. Zoellick. (September, 2005). *Whither China: From Membership to Responsibility?*
[16] The US Department of Defense. (February, 2006). *Quadrennial Defense Review Report*, p. 29.
[17] The US President. (March, 2006). *The National Security Strategy of the United States of America*, pp. 41-42.
[18] The four defense policy goals are the following. 1. Assuring allies and friends. 2. Dissuading future military competition. 3. Deterring threats and coercion against U.S. interests. 4. If deterrence fails, decisively defeating any adversary. The US Department of Defense. (September, 2001). *Quadrennial Defense Review Report*, p. 11.
[19] The US Department of Defense. (February, 2006). *Quadrennial Defense Review Report*, p. 30.
[20] *Ibid*., p. 19.
[21] J. M. McConnell. (February, 2008). *Annual Threat Assessment of the Intelligence Community for the House Permanent Select Committee on Intelligence*, p.14.

The U.S. is concerned about the DPRK's nuclear development because their "nuclear weapons and missile programs threaten to destabilize a region that has known many great power conflicts and comprises some of the world's largest economies" and also DPRK could proliferate nuclear weapons abroad.[22]

The Bush administration seeks to solve the DPRK nuclear issue via the Six-Party Talks. The first round of the Six-Party Talks was held in 2003 following the Three-Party Talks among the United States, DPRK, and China. The first joint statement was issued at the fourth round of the Six-Party Talks in 2005.[23] In this statement, the "DPRK committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to IAEA safeguards."

Furthermore, in the third session of the fifth round of the Six-Party Talks in 2007, "Initial Actions for the Implementation of the Joint Statement" was agreed. As the initial actions, which would be implemented within 60 days, North Korea agreed to shut down and seal the Yongbyon nuclear facility and invite back IAEA personnel to conduct all necessary monitoring and verifications.[24]

After the completion of the initial actions mentioned above, the second session of the sixth round of the Six-Party Talks issued "Second-Phase Actions for the Implementation of the Joint Statement" in late 2007.[25] In this statement, North Korea "agreed to disable all existing nuclear facilities subject to abandonment under the September 2005 Joint Statement and the February 13 agreement." To be more concrete, they agreed to complete the disablement of the 5 megawatt experimental reactor at Yongbyon, the reprocessing plant (radiochemical laboratory) at Yongbyon and the nuclear fuel rod fabrication facility at Yongbyon by the end of 2007. In addition, North Korea "agreed to provide a complete and correct declaration of all its nuclear programs in accordance with the February 13 agreement by 31 December 2007." In this way, solving the DPRK nuclear issue via the Six-Party Talks is the second security priority for the Bush administration in East Asia.

The Third Priority: Strengthening Alliances and Partnerships in East Asia

The National Defense Strategy 2005 identifies "Strengthen alliances and partnerships" as one of four strategic objectives.[26] The document states that the U.S. "will help partners increase their capacity to defend themselves and collectively meet challenges to

[22] *Ibid*., p. 13.
[23] The Ministry of Foreign Affairs of Japan. (September, 2005). *Joint Statement of the Fourth Round of the Six-Party Talks*.
[24] The Ministry of Foreign Affairs of Japan. (February, 2007). *Initial Actions for the Implementation of the Joint Statement*.
[25] The Ministry of Foreign Affairs of Japan. (October, 2007). *Second-Phase Actions for the Implementation of the Joint Statement*.
[26] The four strategic objectives are the following. 1. Secure the United States from direct attack. 2. Secure strategic access and retain global freedom of action. 3. Strengthen alliances and partnerships. Establish favorable security conditions. The US Department of Defense. (March, 2005). *The National Defense Strategy of the United States of America*, p.iv.

our common interests."[27] The U.S. cooperates with Japan on the development and deployment of ballistic missile defense capabilities. The U.S. is developing the next generation *SM-3* interceptor in conjunction with Japan. These two countries also agreed on the creation of a bilateral joint operations coordination center (BJOCC) at Yokota Air Base in Japan.[28]

The U.S.-Japan alliance helps the Bush administration address these security priorities. In 2007, the two countries highlighted strategic objectives, including "further encouraging China to conduct itself as a responsible international stakeholder" and "achieving denuclearization of the Korean Peninsula through the Six-Party Talks."[29] In this way, the U.S. gives the third security priority in East Asia to strengthening alliances and partnerships.

Other Security Agendas in East Asia

There are other security agendas such as combating terrorism and deterring a Taiwan crisis. "Defeating terrorist networks" is one of the four priority areas identified in *QDR 2006*.[30] But terrorist activity in East Asia is not as vigorous compared with other regions, although the U.S. intelligence community assesses that Jemaah Islamiya (JI) in Indonesia and the Abu Sayyaf Group (ASG) in the Philippines have links to al-Qa'ida and pose the greatest threat to U.S. interests in Southeast Asia.[31]

The U.S. government also estimates that China is deterred from taking military action against Taiwan since China does not yet possess enough military capability. Also, such an invasion will undermine the peaceful external environment, which is necessary for China's sustainable economic growth.[32]

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[27] *Ibid*.
[28] The Ministry of Foreign Affairs of Japan. (October, 2005). *Security Consultative Committee Document U.S.-Japan Alliance: Transformation and Realignment for the Future.*
[29] The Ministry of Foreign Affairs of Japan. (May, 2007). *Joint Statement of the Security Consultative Committee Alliance Transformation: Advancing the United States-Japan Security and Defense Cooperation.*
[30] The US Department of Defense. (February, 2006). *Quadrennial Defense Review Report*, p. 19.
[31] J. M. McConnell. (February, 2008). *Annual Threat Assessment of the Intelligence Community for the House Permanent Select Committee on Intelligence*, p. 8.
[32] The US Department of Defense. (May, 2007). *Annual Report to Congress: Military Power of the People's Republic of China 2007*, p. 33.

Toward International Security
Assessing Japan's Shifting Priorities

By Arthur Lord

Emerging from the rubble of World War II, Japan reclaimed its status as a world power in a surprisingly short period of time in large part due to its focus on economic development, choosing to become a rich country before a strong one. The resulting bare minimum rearmament based on a self-imposed commitment to defensive military posture, coined the Yoshida Doctrine, has served as the bedrock of Japanese defense planning for over six decades.

A grand strategy, of course, is intimately tied to the security challenges a country seeks to confront. As the nature of threats facing Japan in a post-Cold War world continues to shift, that Japanese security planers continue to reassess their overarching grand strategy is not only understandable but expected. Following the dissolution of the Soviet empire, Japan is no longer confronted by the unitary, if highly improbable, threat of a large-scale invasion from the north but rather faces a number of low intensity, yet more likely, threats emanating from a range of actors. This paper seeks to outline the most important direct and indirect post-Cold War, post-9/11 security threats facing Japan, from a U.S. perspective. These challenges, in order of perceived importance, are China's development, North Korea's nuclear and ballistic missile program, and access to energy supplies.

The Threat of a Proactive China

Debates over how Japan should interact with China are nothing new; both Pacific powers have a long history of interaction, and voices within Japan have been divided on the China question throughout the history of modern Japan. What is new is how interdependent the two are at a time when both seek greater regional and global influence.

China and Japan share a complex relationship. On one hand, the two countries have a strong incentive to work together. Bilateral trade volume continues to reach new heights, with Japanese capital playing a critical role in China's economic development and China's markets playing a similarly critical role in Japan's economic recovery. The economic codependence between Tokyo and Beijing is truly mutual. By 2007, China had become Japan's largest trading partner and Japan was China's second largest trading partner. Additionally, China, guided by its "peaceful development" doctrine, and Japan, guided by the Yoshida doctrine, share a number of security related concerns such as regional stability and nonproliferation. China's rise, thus framed, could easily be characterized as the most important new strategic opportunity for Japan since the establishment of its alliance with the United States in 1951.

That said, scholars and government officials have always noted the possible threats that China represents. China is a security challenge to Japan on two levels. The first, a direct threat, is perhaps the most menacing: as China modernizes its antiquated military, Japanese defense planners are well aware that its missile buildup alongside the Taiwan Strait can also

be targeted against Japan. Its development of a blue water navy, furthermore, suggests future challenges China may pose in limiting Japan's freedom of movement in the seas encompassing the Asia Pacific region. The second, an indirect threat, is perhaps the most significant. As China grows in economic and political influence, it has increasingly prevented Japan from achieving its geopolitical objectives. Tokyo's failed attempt to become a permanent member of the UN Security Council serves as one example. Given China's structural commitment to perpetuating anti-Japanese sentiment through its education system, this indirect threat may be far more consequential for Japan than an armed conflict, since neither side wants an armed conflict but both sides want more economic and political influence.

The Threat of a Rogue North Korea

Japan's relations with its more neighbor to the West, North Korea, are significantly less dynamic since they are primarily based on security. Although Tokyo and Pyongyang were at odds throughout the Cold War, North Korean ballistic missile and nuclear provocations in the 1990s and 2000s have raised the perceived threat level from peripheral to central. When North Korea unexpectedly test fired a Taepodong ballistic missile over Japanese territory in 1998, public perception regarding the North Korean threat reached a new level, and Japanese defense planners found a new impetus for many of the revisions in the laws and regulations governing Japan's defense posture. When North Korea test-fired six ballistic missiles in July 2006, Tokyo once again took note of its neighbor's ability to strike most of Japanese territory. This threat has significantly grown since North Korea conducted a partially successful nuclear test in October 2006. Given its growing ballistic missile program coupled with nuclear capabilities, the implications of a "rogue" North Korea extend far beyond the Sea of Japan.

Adding to Japan's sense of direct threat coming from the DPRK is the ongoing saga surrounding North Korea's abductions of Japanese nationals. Perhaps Kim Jong-il believed that acknowledging and apologizing for the abductions of the 1970s and 1980s would serve as a sign of goodwill and allow for normalization of diplomatic ties. But as questions regarding how many citizens were abducted, their current status, and the fate of their captors linger, Japanese are reminded of the malevolent intent that the DPRK has harbored toward Japan and their demonstrated willingness to act on it. Following the detection of suspected North Korean spy ships off Japanese waters in March 1999 and December 2001, Japan perceives – with ample evidence – continuing North Korean provocations.

The Threat of Access to Energy Resources

Given its almost complete lack of endowed energy resources, Japan has been in search of a stable supply of hydrocarbons since it began to industrialize. Importing 99 percent of its oil and gas, Japan is acutely aware of its complete dependency not only on the supply of energy resources, but also on their safe and stable passage to Japan's ports. The stable flow of energy resources into Japan underwrites all of its other security and foreign policy goals. As global oil reserves peak and then begin contracting, competition for the

lifeblood of industry will become even more fierce, with increasingly dangerous implications.

The need to protect a stable supply of natural and energy resources has played heavily in Japan's security calculations. Japan's care in balancing its support for U.S.-led security initiatives in the Middle East with its bilateral relations with Middle Eastern oil suppliers, active promotion of open sea lanes in the Straits of Malacca and Taiwan Strait, and commitment to claiming an EEZ inclusive of the Senkaku/Diayutai and Takeshima/Dokto Islands are all demonstrations of Japan's energy security priorities.

Conclusion: Implications for Japan and the U.S.-Japan Alliance

Since these three threats are ultimately global in character, an important structural implication for Japanese defense policy is the need to become more actively engaged in the international arena. The rise of an assertive Japan with a global security orientation is a marked break from the Yoshida Doctrine era of territorially confined homeland defense policy.

Related to this shift, Japan is becoming increasingly entangled, both operationally and strategically, with U.S. defense policy. Although Japanese defense planners have undertaken significant, if piecemeal, steps toward revising the legal framework surrounding the use of force, until the constitution is either amended or interpreted to allow for collective defense, Japan continues to expand its defense activities through the U.S.-Japan alliance. Japan's development of new roles, capabilities, and missions in order to meet its post-Cold War, post-9/11 threats have both operational and strategic implications. As the sword and shield division of labor with the U.S. evolves into more joint operational capabilities, Japan will continue do more. As is the case with missile defense, however, it will do more only in conjunction with the U.S.

Given defense planners' threat calculations and corresponding responses, Japanese defense policy is thus on a trajectory to become more closely linked to U.S. defense policy. As Japan's participation in *Operation Enduring Freedom*, *Operation Iraqi Freedom*, and the Proliferation Security Initiative suggest, the move toward operational convergence will also translate into pressure for strategic convergence. Although the Yoshida Doctrine is far from dead – Japan's defense policy can still be defined by its limits more than anything else – it seems that the echoes of Yoshida have grown faint. Whether Japan realizes the full implications of strategic convergence with the U.S. is yet unclear.

What are the United States' Three Top Security Priorities in East Asia?

By Wakana Mukai

(1) The rise of China (2) Dramatic changes on the Korean Peninsula (3) U.S.-Japan alliance

One of the important facts of the last five years is that United States' strategic interest regarding East Asia have declined dramatically.

Having said that, **the rise of China, especially in the field of military** has become one of the deepest concerns for the United States. In recent years, China has enjoyed 10 percent annual growth in its economy. Along with this development and perhaps even moving faster, is the expansion of its military budget. Yet Beijing claims that these modernization movements do not pose a threat to neighboring countries. This may not be false, but many countries still hold anxieties toward this development. It is obvious that China has become a major international actor as well as a potential regional hegemon in East Asia: an actor that does not share a sense of values with the United States, but nonetheless possesses considerable influence throughout the world. The rise of China could trigger instability within the region, leading toward a new arms race.

A conclusion to be drawn from this is that when the United States looks to East Asia strategically, it primarily wishes to avoid a situation that it cannot control. Yet this may come about as a result of reducing its presence in the region or other external factors. The United States strongly wishes to retain its position as an international leader, and as the influential "sting-puller" of East Asia, now that it contains two gigantic markets in Beijing and Tokyo. In order to maintain its impact, the United States needs to constantly grasp circumstances that are occurring in the region, and quickly adjust to them. One of the situations that the United States would want to avoid would be a **dramatic move on the Korean Peninsula,** namely, the collapse of the DPRK followed by the reunification of the two Koreas. This would destabilize the strategic environment in the region, and the balance of power in the region would change. A nuclear-armed DPRK is no doubt a deep concern, yet would not match a collapsed DPRK.

The U.S.-Japan alliance would thus be an effective tool for the United States to use to deal with emergencies that may occur in the region. This tie would create a commitment for the United States, and serve as a reason to remain active in the region. From a political perspective, since Japan is the leading promoter of certain policies of the United States, for good or for bad, Tokyo cannot pursue its individual policies without seriously confronting those of the United States. From a military, strategic perspective, bases located in Japan are crucial for military activities of the United States. There is the Taiwan Strait issue, the DPRK issue, Chinese issues and Russian issues that would require need action if circumstances deteriorate. Japan, being one of the strong supporters of missile defense systems, would be crucial for United States' strategic plans, especially given the rise of

Russia in recent years. Thus, Japan, a provider of land, must be kept within the United States' "control." Having said that, however, in recent years, there have been issues involving servicemen on Japanese soil who committed crimes that stirred up anti-American emotions within Japan. Strong support for the two countries' relationship would be essential for maintaining a strong presence in Japan, which, ultimately leads to a strong U.S. presence within the region.

Finally, one cannot ignore nuclear issues. Although nuclear issues seem to be a deep concern in East Asia, for the United States, it is less likely to be one of the top priorities (in relation to the above three). The United States wants a stable East Asia. Whether nuclear weapons exist in the region is presumably not that big of a deal for policy makers in the United States. In other words, as long as it remains stable, not so much harm is done to the United States, at least in the short-term. The proliferation of nuclear weapons is a serious matter in the region, but for the United States, whose main concern and top priority is to maintain international order, the weight it puts on nonproliferation matters differs according to how it sees the situation. A good example for this is the 1994 Agreed Framework. Thus, for the United States, nuclear non-proliferation is considered a policy that enhances international stability, yet it is just a sufficient condition and not a necessary condition. Therefore, if higher priority conflicts with non-proliferation policy, the latter would easily be dismissed. Nuclear issues in East Asia can be said to have always been stuck in this dilemma.

In short, the strategic interest of the United States is based on how to achieve stability in the region. Issues in the Middle East remain the top priority. East Asia remains secondary.

Japans' Security Priorities

By Dwayne Stanton

As the realities and perceptions of security ebb and flow in accordance with the dynamic events unfolding in East Asia, policy prescriptions for Japan's security woes have adjusted to the changing times. As a result, recommendations made by Western media are often subject to the 24 hour news cycle.

There is always a danger when outsiders weigh in on another country's priorities. The assigned task, in my estimation, will prove to be quite illustrative. Articulating Japan's top three security priorities in East Asia will echo preconceived notions and stereotypes that accompany Western academia and punditry. There is no shortage of literature when it comes to assessing Japan's security concerns. Based on my observations the top three priorities, from the perspective of the United States, are North Korea, China, and natural resources.

North Korea

Tensions on the Korean Peninsula have occupied Japanese foreign policy since the collapse of the Soviet Union. In the wake of attacks on U.S. soil in 2001, Japanese officials embraced the U.S. characterization of North Korea as a rogue nation that must be contained. North Korea's launching of missiles over Japanese territory has only solidified their position on the opposite axis of those who seek peace and harmony. The threat of nuclear attack arrived center stage when North Korea announced the successful underground test of a nuclear weapon. As a result, Japan has a vital role to play as a member of the six-nation partnership to defuse the situation.

Recognizing that dialogue with North Korea has stalled in the Six-Party Talks, Japan is frustrated with the lack of progress and commitment from North Korea. It appears that North Korea is engaged in a successful strategy of assessing the capacity of the international community to effectively deal with a nuclear North Korea while leveraging this position to extract concessions and prolong the inevitable.

It is in Japan's interest to promote a comfortable working relationship between North and South Korea in order to facilitate a peaceful reunification of the peninsula. To what extent this is possible through the six-party process is open to speculation. Japan is clearly interested in reducing the threat of nuclear attack by the North Korean regime. Reunification might provide the best chance for defusing the nuclear issue.

Many have suggested that one important element to "normalizing" relations with North Korea is for Japan to offer a considerable amount of economic assistance. This overture would go a long way toward settling claims from the period of Japanese colonization. Furthermore, economic ties might be the catalyst by which like-minded neighbors collaborate to arrive at concrete solutions over contentious issues like territory disputes and abducted citizens.

In summary, Japan faces a daunting security dilemma with respect to North Korea. Surrounded by nuclear neighbors, the unstable security environment will continue to receive

significant attention. Questions relating to Article 9 amendments and interpretation will dominate the Japanese domestic agenda. It is quite likely that a nuclear North Korea will solidify the Japan-U.S. alliance and expedite the arrival of the most comprehensive missile defense system in the world.

China

Conventional wisdom suggests that China poses two kinds of threats in Northeast Asia. The first is that China might face a full-scale domestic crisis that could be triggered from growing internal pressure to pursue democratization or from social tensions arising out of the ever-widening disparity between prosperous coastal areas and neglected rural-inland areas. Rapid social changes are having a destabilizing effect in China and there is ample evidence to suggest that this is a primary concern of Chinese Communist Party leadership. Such a scenario is likely to have a destabilizing impact on the security environment of East Asia. Managing China's "demise" is something that Japan must contemplate.

The second type of "China threat" assumes that China will successfully negotiate decades of linear economic development. Advanced economies like Japan will be forced to make painful adjustments to their economic apparatus as China occupies the central position as the manufacturing capital of the global economy. While this presents an economic challenge to Japan, it is not nearly as troubling as a scenario whereby continued successful economic development in China yields substantial resources to strengthen its military capability. China watchers acknowledge that this has already begun.

In any event, the question is whether Japan considers China's failure or success to be a threat. Both are worrisome to Japan. Even more daunting is the recognition of China's sheer size. A destabilized or prosperous population of 1.3 billion people is guaranteed to have an impact on security in East Asia. Regardless of which theory one embraces, what is clear to Japan is that China holds all the cards. The way China pursues modernization is destined to have a huge impact not only on Japan but the entire world. Japan will have cause for alarm if China begins to channel a considerable amount of its economic resources – made available as a result of its recent economic growth – into the military in such away that its military capability experiences a quantum leap.

The Taiwan Strait is another flashpoint. Increasing Taiwanese confidence in its democratization has further complicated the prospects for a political solution for cross-Strait relations. On the other hand, it is encouraging to note the recent dynamism in cross-Strait economic transactions, which might promote pragmatism on both sides. It is obvious that military hostility in the Taiwan Strait would have a devastating impact on Japan's regional security environment. Japan's historical link to Taiwan is well understood by China and further complicates its involvement in cross-Strait relations. The promotion by Japan of the status quo is imperative.

As far as Japan's relationship with China is concerned, it is essential that both China and Japan recognize that they have many common interests, such as economic transactions, the maintenance of peace and security in the region, and the management of environmental challenges, to name a few. And since this shared interest is likely to deepen and widen,

careful management by both sides is required. Candid dialogues between the two nations, involving people from all walks of life, should be promoted because this might be the most effective guarantor against nationalistic outbursts in either country that could disrupt or derail the bilateral relationship.

Natural Resources

Oil is the lifeline of Japan's economy. In 2006 Japan was dependent on the Middle East for 89.2 percent of its imported crude oil, with the Gulf Cooperation Council (GCC) states providing 76.4 percent of total imported crude oil. Add to this the emerging economies of China and India, which already depend on the Middle East for approximately 40 percent and 60 percent of their oil imports respectively, and it becomes apparent that for the foreseeable future, from the perspective of the Middle East the oil market would become a sellers' market to the extreme. As an oil consumer, clearly Japan has a vital interest in the Middle East and is compelled to maintain a tangible presence.

Competition for oil resources has led to tensions between and among North Asian neighbors. Japan has several territorial disputes with its neighbors concerning the control of certain outlying islands. It vies with Russia for the Southern Kuril Islands (including Etorofu, Kunashiri, Shikotan, and the Habomai group) which were occupied by the Soviet Union in 1945; with South Korea over Liancourt Rocks (Japanese: "Takeshima, Korean: "Dokdo"); with the People's Republic of China (PRC) and the Republic of China (Taiwan) over the Senkaku Islands; and with the People's Republic of China over the status of Okinotorishima. These disputes are in part about the control of marine and natural resources, such as possible reserves of crude oil and natural gas.

With respect to disputed territories involving China, Japan has suggested jointly developing the disputed areas if they cannot agree on territorial demarcation. The Chinese have refused such a plan. China is already developing gas fields in the disputed waters – a process it will not suspend. If negotiations fail, a logical next step for Japan would be to start its own development in the area, creating the risk of conflict with China. Though conflict is not in Japan or China's interests, China could use Japan's initiation of development to fuel nationalism in China, a tactic frequently used by Beijing for its own political gains.

It is unclear whether resource competition will present a window of opportunity for Japan to implement confidence building measures with North Asian neighbors. Many Western observers believe that cooperation in resource management might provide the breakthrough that would lead to other security arrangements to diffuse tensions.

Conclusion

There are a host of security issues that plague Japan in the complex post-Cold War arrangement. Domestic and international politics in Japan are extremely sensitive and therefore proceed with extreme caution. Central to Japan's security however, is the principle of preventing aggression against Japan and the desire to maintain the Japan-U.S. security

arrangement. Japan relies on U.S. nuclear deterrence against the threat of nuclear weapons. A nuclear-free Korean Peninsula remains the primary objective.

APPENDIX A

About the Authors

Mr. Justin BISHOP is pursuing an MA in Diplomacy and Military Studies at Hawaii Pacific University and he is an intern at Pacific Forum CSIS. He is also a researcher/integrator at Cubic Applications.

Mr. Yasuhito FUKUSHIMA attended Keio University to study policy management. When he studied international politics and strategic studies among other topics. He completed his dissertation on the limitations of Cold War deterrence and the emergence of dissuasion strategy. He is working on his MA on global governance and regional strategies and working as an intern at Center for the Promotion of Disarmament and Non-Proliferation, Japan Institute of International Affairs.

Mr. Arthur LORD is pursuing an MA in international relations at Johns Hopkins SAIS, concentrating in Strategic Studies and International Economics and focusing on East Asia. At SAIS, he is working on research projects related to the U.S.-Japan alliance. Lord has previously worked in the International Affairs and Trade Department of the Government Accountability Office in Washington, DC, researching American strategy in FTA partner selection. Before SAIS, Arthur was a foreign affairs researcher for Yoichi Funabashi, Editor-in Chief of the *Asahi Shimbun*.

Ms. Aki MORI is a Ph.D. candidate at Doshisha University's Graduate School of Law, Kyoto, Japan. Her research topics are comprehensive security, security policy of China, and U.S-China relations. She received her MA in political science at Doshisha in 2006. She is currently studying at the School of International Studies in Renmin University of China.

Ms. Wakana MUKAI is a Ph.D. candidate in International Politics at the University of Tokyo and is also a research fellow at the Center for the Promotion of Disarmament and Non-Proliferation, Japan Institute of International Affairs. She specializes in nuclear disarmament and nonproliferation issues as well as South Asian issues. She received her BA in Language and Area Studies from Tokyo University of Foreign Studies and her M.P.P. from the School of Public Policy at the University of Tokyo.

MAJ. Dwayne STANTON is a 1994 graduate of the United States Military Academy. Upon graduation and commissioning as a second lieutenant in the Aviation Branch, he served as a Blackhawk helicopter pilot. After graduating from the Defense Language Institute (Mandarin Chinese), Dwayne served a training tour with the USDAO, U.S. Embassy Beijing. Dwayne is pursuing a degree in Asian Studies at the University of Hawaii. His next assignment will be at United States Army Pacific Command as China Desk Officer.

APPENDIX B

hosted by
PACIFIC FORUM CSIS
and sponsored by the
U.S. DEFENSE THREAT REDUCTION AGENCY

U.S.-Japan Strategic Dialogue

Royal Lahaina Resort ◆ Maui
February 24-26, 2008

AGENDA

Feb. 24, 2008 – SUNDAY

Participants Arrive

6:30 PM **Welcome Dinner –** ***OCEAN FRONT LAWN***

Feb. 25, 2008 – MONDAY

8:30 AM **Continental Breakfast –** ***OAHU BALLROOM***

9:00 AM **Opening Remarks**

9:15 AM ***Session I: Views of the Security Environment***

This session is intended to identify issues for the United States and Japan, within Asia and worldwide, and highlight both shared and divergent concerns. How does each country view the strategic environment? What are the primary threats? How does each country see the rise of China? Topics could include issues related to China's growing status and influence; relations with Taiwan and the cross-Strait relationship; the North Korea denuclearization process; prospects for relations with Pyongyang; relations with South Korea after the ROK presidential elections; Middle East, Central and South Asian challenges. This overview will set the stage for subsequent discussions of U.S. and Japanese security policies and efforts to address these challenges.

10:45 AM **Break**

Feb. 25, 2008 – MONDAY cont'd.

11:00 AM ***Session II: Views of the Global Nonproliferation Regime***

How does each country view the global nonproliferation regime (GNR)? How does it fit into each country's national security strategy? How do they assess its effectiveness, and that of its various components? What can be done, unilaterally and bilaterally, to strengthen the GNR?

12:00 PM **Lunch –** ***OCEAN TERRACE RESTAURANT***

1:30 PM ***Session III: Understanding Deterrence and the Roles of Strategic Systems***

Session IIIA: Nuclear Weapons and Strategic Systems and U.S. Strategy

This session explores the role of nuclear weapons and strategic systems (such as missile defense and other defense technologies) in U.S. national security strategy. It is intended to provide a theoretical and practical understanding of the role such weapons and systems play in U.S. thinking and defense policy. It will focus on their strategic implications in East Asia, and the ways that the GNR can impact on U.S. strategy.

3:00 PM **Break**

3:15 PM ***Session IIIB: Nuclear Weapons and Strategic Systems and Japan***

How does Japan view nuclear weapons and strategic systems? How does it view the nuclear balance of power in East Asia? How does North Korean proliferation affect this situation? What is the status of the nuclear debate in Japan? How does Japan view extended deterrence? What implications does this have for the alliance with the United States?

5:00 PM **Session adjourns**

6:30 PM **Dinner –** ***OCEAN FRONT LAWN***

Feb. 26, 2008 – TUESDAY

8:30 AM **Continental Breakfast –** ***OAHU BALLROOM***

9:00 AM ***Session IV: Views of the U.S.-Japan Security Alliance***

Feb. 26, 2008 – TUESDAY cont'd.

Session IVA: Japan's Perspective

This session focuses on respective views of the bilateral security alliance. What are key issues for Japan when it looks at the alliance? How do Japanese politics affect the national security debate? How do Japanese define a "normal" nation? How does Japan view its role and that of the Self-Defense Forces in regional and global security challenges and in the global war on terrorism? How does Japan see the alliance functioning? What is Japan's role in the alliance? What is the role and impact of the antiballistic missile defense system the two countries are deploying? What progress has been made on implementation of the May 2006 "United States-Japan Roadmap for Realignment Implementation"? What obstacles exist?

10:30 AM **Break**

10:45 AM ***Session IVB: A U.S. Perspective***

How does the U.S. see its alliance with Japan? What are the two countries' respective roles within the alliance? What are the key issues in and obstacles to future development of the alliance and the realization of those roles and objectives? How will the redeployment of U.S. forces in Japan affect the alliance? What are Washington's expectations? What does it want Japan to contribute to the alliance? How does Washington define a "normal" Japan?

12:30 PM **Lunch –** ***OCEAN TERRACE RESTAURANT***

2:00 PM ***Session V: Visions of Future Asian Security***

How do the two countries envision future Asian security relations? Do we have a common vision regarding future security challenges and preferred responses? What is the role of U.S. alliances – with Japan and other partners – in this vision? What factors will influence their development and survival? Will new regional security architectures emerge? What are key factors shaping cooperation and how can current levels of cooperation be sustained? What are the political/security-related areas in which future cooperation will be most important? How do the Six-Party Talks and regional security architectures fit into the alliance? Is more cooperation with South Korea desirable? If so, what can be done to facilitate such cooperation? How do other regions, in particular South and Southeast Asia, fit into each country's thinking?

3:30 PM ***Session VI: Conclusions and Wrap Up***

4:00 PM **Conference adjourns – free evening – optional group luau**