



Obama and East Asia:
No Room for Complacency

By Gerald Curtis

Issues and Insights
Vol. 9-No. 15

Honolulu, HI
August 2009

Pacific Forum CSIS

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, D.C. 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 areas. 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.

Obama and East Asia: No Room for Complacency
By Gerald Curtis

Table of Contents

	Page
Executive Summary	v
The North Korean conundrum.....	3
The U.S.-China-Japan triangle	4
China's rising, America's response	6
Changing Japan.....	8
Japan's reactive diplomacy.....	9
Making continuity work.....	13
About the Author	15

Executive Summary

by Gerald Curtis

The Obama administration's foreign policy in East Asia has been characterized more by continuity than by change, building on policies of previous administrations that have served U.S. interests well. But there is a danger that, forced by events to focus attention on the world's hot spots, continuity will shade into complacency, leaving the administration to constantly try to catch up with developments in an East Asia that is rapidly changing.

Managing trilateral relations among the U.S., China, and Japan requires a multi-level approach. Each of these countries is in a transformative period that is changing the dynamics of their interaction. Bilateral relationships will remain central. It is unrealistic and unwise, however, to think of the U.S.-China bilateral relationship as comprising a G-2 for dealing with regional and global issues. The notion of a G-2 grossly exaggerates China's strengths. It is not in U.S. interests to encourage China to believe that it has more power to influence global affairs than it actually possesses. Being the largest overseas purchaser of U.S. Treasury notes gives China considerable leverage in relations with the U.S. But one should not underestimate the mutual hostage quality that results from China being the largest holder of U.S. bonds, which produces a kind of economic Mutually Assured Destruction.

There is a role for ad hoc trilateral consultations with China and Japan but little to be gained from institutionalizing a consultative mechanism which would leave the South Koreans anxious about being left out, tempt China and Japan each to try to draw the U.S. to its side on controversial Sino-Japanese issues, and remove ASEAN as a useful neutral platform upon which these great powers can interact. As for institutionalizing the Six-Party Talks format, the reality is that these talks have failed to bring about the denuclearization of North Korea and it is not apparent why they would be useful to deal with issues not related to North Korea; it is not clear what such a "talk shop" would talk about. East Asia does not need a new security architecture. It needs an attentive U.S. government that engages with countries in the region flexibly and with imagination.

China's need for a stable international environment within which it can pursue its economic development goals has made its foreign policy eminently pragmatic, as can be seen in recent policies toward Taiwan and Japan. But many things can upset this state of affairs. U.S. media criticism about China's violations of human rights, the inherent fragility of an authoritarian political system lacking in sources of legitimacy other than its ability to produce rapid economic growth, a reversal of positive trends in cross-Strait relations, a sharp divide between the U.S. and China in views about how to respond to North Korea's nuclear quest, and the possibility of growing protectionist pressures in the U.S. offer no room for complacency about future Sino-U.S. relations.

There does appear to be a considerable degree of complacency in the Obama administration about Japan and a tendency to underestimate Japan's strengths and the potential for significant change in its foreign policy. Japan is going through an important political transition. It is not only that the DPJ is likely to form the next government. There is also a generational change underway that is going to bring to the fore politicians who do not view the

U.S. through quite the same kind of “special relationship” lens that characterizes older political leaders. The U.S. needs to embark on a strategic dialogue with Japan that amounts to more than a dialogue about how Japan can do more to help achieve U.S. policy goals. But to do so requires that Japan be prepared to put forth its own ideas about how to enhance U.S.-Japan cooperation.

In the likely event that the DPJ comes to power, both Prime Minister Hatoyama Yukio and President Obama should be guided by an approach that is captured by one word: wait. Hatoyama should wait to go to Washington until he is prepared to offer specific proposals for how the U.S. and Japan can cooperate in dealing with important regional and global issues. Obama should wait until the Japanese government’s new leaders have had a chance to absorb the reality that some of the foreign policies they need to pursue are necessarily different from what they said they would do when they were in opposition. Already, as the prospect of a DPJ victory has grown, so too has the party’s efforts to make more conditional some campaign promises made only weeks earlier. If either side moves too precipitously, the result will be unnecessary and harmful confrontation.

But the Obama administration also needs to recognize that continuity in relations with Japan is not enough. The year 2010 is the 50th anniversary of the signing of the U.S.-Japan security treaty. This should be taken as an occasion not only to celebrate a remarkably deep and mutually beneficial alliance but to initiate a dialogue that would seek to bring that alliance more into sync with the needs of the first half of the 21st century rather than the second half of the last one.

The urgent tends to drive important but less urgent foreign policy issues to the bottom of the president’s inbox. A concerted effort is needed to insure that does not become the case with U.S. policy toward East Asia. This region is far too important to U.S. national interests to be treated with a kind of benign neglect; there is no room for complacency.

President Obama has the opportunity to build a strong relationship with the countries of East Asia on the foundation that his predecessors have left for him. But build he must. A comprehensive and constructive East Asian policy requires presidential leadership. It is only that leadership that will make continuity work.

Obama and East Asia: No Room for Complacency

By Gerald Curtis

Plus ca change....

President Barak Obama was elected on a platform of change, and in foreign relations as well on domestic issues change is mostly what his administration has been about. One important foreign policy exception, however, is policy toward East Asia. There the keyword is continuity, something that Secretary of State Hillary Clinton underscored in her February 2009 trip to the region.

She headed first to Tokyo, making the point in doing so that the Obama administration puts as much emphasis on the importance of its relationship with Japan as the cornerstone of U.S. policy in East Asia as did President Bush. In Seoul, she reaffirmed America's commitment to its alliance with South Korea. In China she stressed the importance of cooperating to deal with the global economic crisis and said publicly that U.S. concerns about human rights would not be allowed to get in the way of dealing with more pressing political and economic matters. By visiting Indonesia, she signaled that the Obama administration would give more attention to Southeast Asia than did the Bush administration, and she followed through on that commitment in July when she signed the ASEAN Treaty of Amity and Cooperation. But she has not suggested that there would be substantial changes in the substance of U.S. policy toward the region.

Continuity in Obama's East Asia policy is not just continuity with the Bush administration; it reaches back further into the postwar period. Ever since Richard Nixon opened the door to normal relations with the People's Republic of China, every succeeding administration, some only after initially promising to reverse the China policy of the outgoing government, has embraced the view that it is in the U.S. national interest to deepen economic ties with China and encourage it to become fully enmeshed in the international system while at the same time hedging against the possibility that China will use its growing power in ways inimical to American interests. That is the policy line adopted by the Obama administration as well.

From Nixon to Obama, every U.S. president has called for a peaceful settlement of the Taiwan issue and has sought to dissuade Taiwan's leaders from raising tensions with the mainland with calls for Taiwan's independence. President Bush made no secret of his dislike for Taiwan President Chen Shui-bian, whom he regarded as a troublemaker whose actions threatened to upset U.S.-PRC relations. He welcomed the election of the KMT's Ma Ying-jeou and the improvement in cross-Straits relations that followed it. This improvement in China-Taiwan relations brought forth an equally positive response from President Obama.

A similar picture of continuity applies to U.S. relations with Japan. America's alliance with Japan, which was forged in the early years of the Cold War, became the anchor for U.S. policy in East Asia. Despite the collapse of the Soviet Union, the

development of positive U.S.-China relations, and persisting Japanese economic difficulties, the U.S.-Japan alliance remains essential to U.S. strategy in the region.

Basic continuity in U.S. East Asia policy should come as no surprise. National interests do not change with a change of government in Washington, and the East Asian policies that have evolved over several administrations have served those interests well. China, Japan, South Korea, and the countries in ASEAN have welcomed the Obama administration's commitment to build its East Asian policies on the foundation laid by previous administrations.

But continuity implies progression and adaptation to changed circumstances; it does not mean simply carrying on the policies and the practices of the previous administration. President Obama confronts a very different challenge in East Asia than in the Middle East and South Asia, where a sharp break from the failed policies of the Bush administration is imperative. In East Asia, the challenges are in some ways more subtle and the policy adjustments required are complex. It is important not to let continuity become synonymous with complacency, especially in East Asia, a region where:

--China is emerging as a great power in all dimensions: economic, political, and military. It is already a major economic force in the world and with its military budget experiencing double-digit growth year after year, it is rapidly becoming a major regional military power as well. It has the largest army in the world, a nascent blue-water navy, nuclear weapons, and a growing capability to engage in cyber- and space warfare.

--Japan remains the largest economy in the world second only to the United States, and in terms of per capita income and living standards will remain one of the world's most prosperous nations for many years to come. It has the economic and technological resources to play a very different role in the world if it musters the political will to do so.

--intra-regional trade and investment in East Asia are increasing rapidly. As Asian countries become more prosperous and as their middle class grows, the final destination of many of their exports will be in Asia itself. The East Asian region is experiencing growing economic regionalization and that is spurring the growth of significant regional political institutions.

Compelled by events to focus attention on other areas of the world, President Obama and Secretary Clinton might find themselves treating East Asia with a kind of benign neglect, camouflaged with ritualistic rhetorical affirmation of East Asia's importance to the United States. Inattention and complacency, however, would leave the administration in a position of constantly having to catch up with developments in East Asia rather than do what it should do, which is to design a strategy that can help shape those developments.

The North Korean conundrum

The East Asian issue that does compel the administration's attention at the moment because it is so fraught with danger is North Korea's nuclear quest. North Korea has completed two nuclear tests, the most recent in May 2009, as well as tests of medium- and long-range missiles. Its response to Obama's call in his inaugural speech for adversaries to "unclench their fists" and engage in dialogue was to restart processing plutonium at its Yongbong nuclear plant and conduct long-range missile and nuclear weapons tests.

When I visited Pyongyang in February 2009 to take part in a Track II Dialogue with North Korean officials, our group was told in no uncertain terms that the price tag attached to North Korea's denuclearization included the denuclearization of the entire Korean Peninsula, meaning the removal of the U.S. nuclear umbrella from South Korea. For the North Koreans, the preferred option no doubt is to have normalized relations with the United States *and* nuclear weapons. And their strategy for obtaining this goal is to string out a long negotiation with the United States, ostensibly with the ultimate goal of eliminating their nuclear weapons capability but the process of which would result in the *de facto* acceptance by the United States of North Korea as a nuclear weapon state even as it insists that its possession of nuclear weapons is "unacceptable."

Though this may be their preferred option it is not their only option. The North Koreans are not irrational. They are vulnerable and trying to make the most of a weak hand. The only way to know whether an agreement that would end their nuclear weapons program is feasible is for the Obama administration to negotiate with North Korea to define the terms of a comprehensive deal. But the experience of nearly two decades of negotiations with the North, a period during which it should be said both the United States and North Korea failed to live up to commitments made, leaves little room for optimism that such negotiations are likely to be successful.

All indications are that the Obama administration recognizes the need to coordinate its strategy toward North Korea with the other parties to the Six-Party Talks – China, Japan, South Korea and Russia – even if those talks are stalled. It needs to reassure Japan and South Korea of the credibility of the U.S. commitment to protect them against attack and nuclear blackmail and prevent North Korea from exporting missiles, weapons, and nuclear technology.

A failure to devise a coordinated approach to North Korea can do serious damage to U.S. relations with each country in Northeast Asia. If China resists the imposition of significant sanctions against North Korea, Americans would be certain to become ever more critical of China for saving the North Korean regime with its economic assistance. Conversely, the Chinese government's confidence in the Obama administration would be shaken if it concludes that Obama is not responsive to China's legitimate security concerns.

The Obama administration needs to reassure the Japanese of the credibility of America's extended deterrent and show that it supports Japan in its demand that North Korea provide fuller and more credible information about the fate of Japanese abducted to North Korea over two decades ago. But it must do so without letting U.S. policy itself become hostage to Japanese policy on the abductee issue. The North Korean issue puts Obama's commitment to construct a new international order based on cooperation and a 21st century style concert of powers to the test. It is a test that he cannot afford to fail.

The U.S.-China-Japan triangle

The United States, China, and Japan are each in a transformative period in their history with respect to their domestic affairs, foreign policy orientations, and relations with each other. Each is trying to define anew its role in the world. And this is taking place at a time when the world order itself is being transformed.

Recovery from the global financial crisis will not return us to a world in which the U.S. reigns supreme, either economically or politically. A system in which prosperity was sustained by easy money, excess consumption, and huge budget and trade deficits will not be revived. American personal saving rates ranged close to 10 percent in the postwar years up to the mid 1970s. They subsequently moved toward zero and finally in 2008 into minus territory. The saving was done by China, Japan, and oil-rich Middle Eastern countries that recycled that money back into the U.S. for Americans to borrow so that they could buy more products made by China and Japan and more oil from the Middle East.

This global system has now crashed. Americans have begun to save more. That trend doubtless will continue and will bring personal spending more into line with personal income, with profound effects both on the American and the world economy.

Countries such as China and Japan and others that have depended on exports to the United States as the driving force behind their export-led growth strategies will have to make major adjustments in light of decreasing U.S. demand for their products. This inevitably will mean a greater emphasis on intra-Asian trade and investment for all Asian countries. Japanese, Korean, and ASEAN trade with China already exceed that with the United States and the gap is bound to grow wider.

The United States for its part will have to adopt policies that reassure foreign holders of U.S. Treasury bonds, most particularly China and Japan, the largest holders of those bonds, that the value of their holdings is secure.

Leverage of course is not all on one side. China's holdings of U.S. Treasury bills, about \$800 billion, creates something of an economic equivalent to the theory of Mutual Assured Destruction (MAD) that applied to the balance of nuclear terror during the Cold War: China could impose devastating damage on the U.S. economy by disposing of these assets but not without creating substantial distress to its own economy.

Japan is in a similar situation, with nearly \$680 billion of U.S. treasuries, though Japan's dependence on the U.S. for its security makes it more unlikely than in China's case that it would take actions that the U.S. would perceive as hostile. Nonetheless, the reality that the U.S. depends on foreign financing of its government deficit changes the dynamic between the U.S. and the countries whose willingness to buy that debt is crucial to U.S. economic well-being.

A strategy for managing the trilateral relationship among the U.S., China, and Japan, as is the case for managing relations with the countries in Northeast and Southeast Asia as a whole, requires a multi-level approach. Obama has to reassure Japan that the deepening of U.S.-China ties is not lessening the importance of the U.S.-Japan relationship, and he needs to avoid actions that would lead China to conclude that strengthening the U.S.-Japan alliance is part of a containment strategy against China.

A "G-2," a China-U.S. partnership to deal not only with bilateral issues but with regional and global ones, would be both ineffective and counter-productive. Ineffective because the idea of a G-2 grossly exaggerates China's strengths and the ability of the U.S. and China to make progress on issues from climate change to financial reform without multilateral cooperation. Counter-productive because it can only make Japan and Europe apprehensive that the U.S. and China would be taking actions that affect their vital interests without their participation in making those decisions.

The Obama administration went overboard in treating China as a kind of peer partner during the U.S.-China Strategic and Economic Dialogue held in Washington in July 2009. President Obama's statement that the U.S.-China relationship "will shape the 21st century" implies much greater Chinese power to influence global affairs than it actually possesses or is likely to possess for many years to come. It is one thing to seek closer U.S.-China relations – and continued Chinese purchases of U.S. Treasury notes – but quite another to suggest that China in its relationship with the United States has the power to "shape the 21st century" or that it is in the U.S. national interest to encourage it to think that it has.

Trilateral consultations among the U.S., China, and Japan on an ad hoc basis and to deal with particular issues has a certain attractiveness, but institutionalizing a trilateral dialogue does not. The South Koreans would be unhappy and anxious about being left out. Japan and China would each worry that the U.S. would side with the other. The U.S. would be concerned that either China or Japan would try to get it to take sides on controversial issues that it would rather avoid being drawn into. Leaving out ASEAN removes a useful neutral platform upon which these great powers can interact.

Bilateral relations will remain the centerpiece of U.S. relations with China and Japan and South Korea. What is needed is awareness that in the interconnected world in which we live, the process of bilateral negotiations resembles a game of billiards as much as it does chess. When one ball hits another it sets that ball into motion, striking and moving another one. The result when this is applied to international politics is a multi-party game even if there are initially only two players in it.

Turning the Six-Party Talks into an institution to deal with issues not related to North Korea and using it as the core of a new security “architecture” for Northeast Asia is less appealing than it might appear at first glance. The Six-Party Talks have failed to achieve their goal of getting North Korea to abandon its nuclear weapons quest. It is not evident what else such a talking shop would talk about.

The truth is that East Asia does not need a new security architecture. It needs an attentive U.S. government that engages with the countries in the region flexibly and with imagination, building on institutions and policies in place and adapting them to changed circumstances as necessary.

China’s rising, America’s response

At the center of America’s East Asia policy has to be a strategy to engage China, the region’s rapidly rising power, as a responsible stakeholder in the international system, as Robert Zoellick put it so well when he was deputy secretary of state in the Bush administration. This would be a demanding task under the best of circumstances, but it is especially difficult now because the international system itself is in flux and because China’s emergence as a major power has been so quick and dramatic. Japan is an example of a newly powerful state being incorporated into the existing international order in the postwar world. But Japan’s rise to great power status was uni-dimensional. Japan became a great economic power but foreswore the option to become a political and military power as well. China is determined to be a great power in all dimensions. Chinese strategists are not like Japanese, who tend to think reactively, trying to gauge what they should do to maximize their advantages in the world as they find it. Chinese are more like Americans, inclined to think strategically about how to shape the world order to achieve their objectives.

There are reasons to be cautiously optimistic about the impact of China’s rise to great power status on the international order. Chinese think strategically and on a global scale, but they are not driven to impose their ideology on others, as was the Soviet Union. Moreover, Chinese are keenly aware of their economy’s weaknesses and the many years it will take before China becomes a truly prosperous country in terms of the living standards of the majority of its people. It needs a stable international environment for it to be able to secure its economic development goals. All of this contributes to making Chinese eminently pragmatic in their foreign policy, anxious to avoid conflicts with neighbors, seeking a strong voice in existing international organizations, and expecting to be treated as a major power.

Recent positive developments in cross-Strait relations are a good example of this pragmatism, and leave relations across the Taiwan Strait more stable and more hopeful than ever before. Under President Hu Jintao, China has effectively put unification off into some time well into the future. Hu seems to have concluded that a long period of pre-unification peaceful coexistence will over time integrate Taiwan economically with the mainland and that political integration will follow. Chinese have a more expansive

concept of time than Americans do. Waiting even another 40 or 50 years for unification is not very long for a country with a history that goes back thousands of years.

The Chinese effort to defuse tensions with Japan after Prime Minister Koizumi Junichiro left office in 2006, and the positive Japanese response it elicited, are equally impressive. Prime Minister Koizumi's visits to Yasukuni shrine sent Sino-Japanese relations into a cul de sac from which neither could emerge without losing face. But once Koizumi was gone, China and Japan lost no time in improving relations. Koizumi's successor, Abe Shinzo, despite his hawkish leanings and repeated visits to Yasukuni before becoming prime minister, quickly visited Beijing and signaled that he would not go to Yasukuni while he was prime minister. The Chinese responded with a visit to Japan by Hu Jintao and another the following year by Prime Minister Wen Jiabao . Neither mentioned Yasukuni or wartime history and instead applauded Japan on its postwar accomplishments and peaceful foreign policy.

But Sino-Japanese relations can become tense once again. Disputes over territory and the delimitation of the boundaries of their respective economic zones can erupt as can controversy over history, China's military buildup, food and product safety and the safeguarding of intellectual property rights. One should not assume that Sino-Japanese relations will not again deteriorate.

Trouble in China-Japan relations means trouble for the United States. The United States does not need to worry that China and Japan will grow too close, that Japan will opt to align with China instead of with the United States. The powerful memories of a modern history of conflict and Japanese aggression and a pre-modern history of China demanding subservience by other states to the Middle Kingdom, something that Japanese are quick to point out they never accepted, make that all but inconceivable. Some U.S. analysts believe that tension in Sino-Japanese relations is desirable because it will encourage Japan to do more militarily to balance China's growing power. But all this actually would accomplish is to spur an arms race in East Asia and create new tensions in U.S. relations with both China and Japan.

There is no room for complacency about the future of Sino-U.S. relations. Positive developments in cross-Strait relations are reversible. The absence of political democracy in China sets limits on how close U.S. relations with the PRC can become. Concern about suppression in Tibet and China's violations of human rights more generally can draw the ire of U.S. citizens in ways that the U.S. government would not be able to ignore. Continued economic malaise in the United States can ratchet up protectionist pressures that will be directed first and foremost at China and generate an equally hostile Chinese response. And the gap between what the U.S. believes should be done to pressure North Korea and what China is willing to do may prove unbridgeable and become a significant source of bilateral tension.

China's economic performance in the midst of the global financial crisis has been impressive. But China faces severe long-term problems, from correcting gross inequalities in the distribution of wealth and income, finding urban employment for

growing numbers of migrants from rural areas and urbanizing more of those rural areas, dealing with an inadequate water supply, the depletion of resources, and the health dangers posed by extensive environmental pollution, and finding ways to shift to a more domestic demand led growth strategy.

And behind all of this lurks a demographic time bomb. China's working-age population, currently about 918 million, is expected to peak within the next five years or so at about 997 million. From then on it will decline rapidly, while the over-65 population rapidly increases. As a consequence of its one-child policy, China will become an aged society before it becomes an advanced economy. It is estimated that by 2025 the average age in China will be 40. In 1995 it was 27.

The opportunities for deepening and broadening U.S. relations with China are great, but so too is the possibility that inattention, miscalculation, poor understanding of regional dynamics, or the absence of a thought through strategy will produce dangerous tensions in the relationship. Continuity in U.S. policy toward China is desirable, but to make continuous what is positive and to deal effectively with what is not requires sustained attention by President Obama and his foreign policy advisors.

Changing Japan

It is evident to even a casual observer that Japan has been going through a very difficult period since the early 1990s when the Cold War ended, Japan's real estate and stock market bubble burst, and when the government and the ruling Liberal Democratic Party realized that after achieving the goal of catching up with the West they had no idea what to do for an encore.

In the late 1980s at the height of the bubble economy, it was virtually impossible to get anyone to take seriously the argument that Japan had weaknesses as well as strengths. Today it is nearly as difficult to convince people that Japan has strengths as well as obvious weaknesses. Yet, it would be a mistake to underestimate Japan. Japan can be deceptive for those who cannot see below the surface at the currents that are churning Japanese society and influencing the thinking of its people about their own country and about the world in which they must live and survive.

Japan faces formidable problems to be sure. But Japan has a hard-working, well-educated, and disciplined work force, high living standards, low crime rates, a deep sense of the nation as a community in which people believe that they have obligations to others and not just to themselves, and business leaders who reflect the moral values of a society that places a premium on self-restraint in the pursuit of personal wealth, treats full-time employees more as a fixed rather than a variable cost and makes layoffs and firings the last rather than the first resort in times of difficulty.

Japan's economic problems are in important respects less grave than those of the United States. Its banks are relatively healthy and do not have to dispose of toxic assets as the U.S. does. Its companies are suffering because of the collapse of export markets

but as the world economy recovers, Japanese automotive, electronics and other manufacturing companies, many of which have the world's best technology, produce products of the highest quality, are energy efficient and ecologically friendly, will reemerge as strong global competitors.

Japanese politics have been going through a tortuous process of change, and it may be some years before a stable government emerges. But it is a mistake to jump to the conclusion that Japan is therefore incapable of undertaking new initiatives or shifting its foreign policy orientations, or that it may not do so in ways that the United States would find troubling.

Japan is about to experience an important generational shift in political leadership. That shift will accelerate if the DPJ takes control of the government because the party is made up mostly of younger people. These politicians will bring with them a more cosmopolitan perspective than has been the norm for Japan's political class. A large number of them have studied in the U.S. or for other reasons have had the experience of living abroad. For the most part they do not have the stomach for the old wheeler-dealer style of Japan's machine politics and would rather give their attention to national and global issues than constituency-specific pork-barrel politics.

On the whole they are not interested in debating issues of responsibility for a war that their grandfathers fought. Nor do they inherit that complex of attitudes of gratitude and injured pride that so many older politicians who experienced the American Occupation and its aftermath exhibit. It will be easier for U.S. officials to talk with these younger politicians, but it may turn out to be far more difficult to deal with them than with the older generations of Japanese political leaders who have made preservation of Japan's "special relationship" with the United States their primary foreign policy goal.

Japan's reactive diplomacy

Japan has been reluctant to break with the successful policies of the postwar years. Its response to dramatic changes in the international situation mostly have taken the form of cautious, incremental changes in policy largely defined by what it judged to be necessary to maintain a strong alliance with the United States.

Japanese do not formulate their foreign policy goals in the pursuit of a strategic vision – Japan is not like the U.S. or like China in that regard – but as a reaction to what Japanese refer to as the dominant "trends of the time," in the international system. This kind of reactive diplomacy has been the hallmark of Japan's foreign policy since the 1850s when Commodore Perry's black ships appeared at Japanese shores.

Reactive does not necessarily mean passive. Japan has been consistently reactive in its approach to foreign policy, trying to grasp what the dominant trends of the time are and adjusting policy accordingly. There have been periods when Japan has assumed a passive posture and other times, as its Asian neighbors remember all too well, when it has been appallingly aggressive.

The world system today is in a state of flux, and the Japanese reaction so far has been largely a policy of drift and indecision. But that is not necessarily a permanent condition. Deciding what the new trends of the time are, what the challenges are that they pose to Japan, and how to adjust Japanese foreign policy to respond to them are not issues that are debated in the public arena with the kind of black and white clarity that Americans favor. But there is a serious reconsideration of Japan's foreign policy currently underway. The Obama administration needs to tune in to this Japanese foreign policy debate and not get caught by surprise.

There are sharp differences in opinion in Japan with regard to relations with China and with the United States. There is virtually universal support for alliance with the United States, and a belief cutting across the political spectrum that having that alliance is of crucial importance for Japan in managing its relations with China. That is unlikely to change no matter what parties come to power in the next several years. But matters do not end there; that is where they begin.

There is a sharp divide on China. On one side are the views of business leaders who see their companies' future increasingly dependent on a successful China, and more generally on deepening ties with Asian countries. On the other side are security specialists who see China's growing power as a threat, are worried that the balance of power in East Asia is shifting in China's favor, and are concerned that Americans are too enthusiastic about China and too naïve about its hegemonic ambitions.

Like the United States, Japan is trying to pursue a hedging strategy toward China, deepening economic ties while at the same time trying to keep the balance of power from shifting too far in China's favor. But Japan's ability to influence the politics of and the military situation in East Asia is severely constrained – constitutional restrictions on the roles and missions of its military, by severe budgetary constraints that have frozen defense spending and lowered spending for official development assistance and for cultural diplomacy, and by political leaders who have not been able to convince the public to support a larger role for Japan in regional security. As a consequence, Japan's "hedge" against China is primarily its alliance with the United States. And Japanese strategic thinkers worry how reliable this U.S. hedge is.

They worry about the balance of regional power shifting irrevocably in China's favor. They are concerned that progress made in talks between the PRC and the KMT government on Taiwan will undermine the military balance across the Taiwan Strait. They fear that the Obama administration's intention to negotiate a reduction in U.S. and Russian nuclear weapons stockpiles will leave China in a relatively stronger position. They are apprehensive perhaps most of all that the U.S. will learn to live with a nuclear-armed North Korea. Some in the Japanese security community are asking the Japanese version of the question Charles de Gaulle asked about U.S. willingness to sacrifice New York to save Paris, and answered with the decision to create France's own nuclear force de frappe. The question being asked by Japanese is whether the U.S. would sacrifice Los Angeles to save Tokyo.

It is unlikely that Japan will opt for nuclear weapons, but this is no longer a taboo subject, and unlikely has now replaced inconceivable. Apprehension about the credibility of America's extended deterrent is widely shared among those in the national security and foreign policy communities in Japan, and not just among those on the right. There is a need for a sustained U.S. dialogue with Japan, and with South Korea, about extended deterrence and about how to deal with a nuclear-armed North Korea.

Japanese thinking about military security is evolving. Constraints on military policy that are largely unique to Japan are likely to remain for some years to come. But even within those constraints it is possible to deepen U.S.-Japan security cooperation. The Obama administration needs to pursue ways to do so, but the president should drop the longstanding U.S. effort to convince Japan to become a "normal" country. Americans are having a tough enough time defining what normal means for their own country; they should back away from trying to define it for Japan.

A "strategic dialogue" in which the United States seeks to elicit greater Japanese contributions to support U.S. policy is not a dialogue about strategy but a dialogue about how Japan can help implement U.S. strategy. That was essentially the dialogue the Bush administration had with Japan, and it focused mainly on trying to coax Japan to do more militarily. The consequences of continuing this kind of dialogue are fairly predictable. The U.S. will endeavor to convince Japan to contribute to one America defined project or another, saying that the decision is entirely Japan's and that the U.S. has no desire to tell it what it should do. The Japanese will respond by expressing understanding of or support for American policy – the choice of words depends on how strong Japanese public opposition to the policy is – and stressing the domestic constraints that prevent it from doing as much as it would like to do. They will offer to do something and the U.S., knowing that this is about all it can get, will accept.

That is not entirely a bad way to manage the relationship. After all something is better than nothing. But this approach is insufficient. The strategic dialogue the Obama Administration needs to have with Japan should be based on a realistic assessment of what is possible, pinpoint areas of potential cooperation and reach out beyond the foreign ministry and other government agencies to include the business community, mass media, and relevant groups in Japan's civil society.

Environmental protection, energy conservation, and the economic development of the world's poorest countries are high on today's international agenda. These are issues where Japan has superb technology and expertise. They should be high on the U.S.-Japan agenda, and on a trilateral U.S.-China-Japan agenda as well. There are Sino-U.S. and Sino-Japanese bilateral projects dealing with the environment, health, and energy conservation but very little activity on a trilateral basis. All three parties would benefit from trilateral cooperation, though there is reason to believe that China prefers to deal with Japan and the United States separately rather than engage in trilateral activities that would result in deeper U.S.-Japan cooperation. The U.S. and Japan, however, should not permit China to define the terms of engagement.

Little is likely to happen, however, unless Japan's political leadership takes some initiative. It has become something of a fashion among Japanese political leaders, especially in the DPJ, to talk about creating a more "equal" partnership with the United States, but there is precious little in the way of specific Japanese ideas about what that partnership should seek to achieve.

In the likely event that the DPJ comes to power as a result of the Aug. 30th election for members of the lower house, there is one word that at the outset should guide both Prime Minister Hatoyama Yukio and President Obama in managing the bilateral relationship. The word is: wait.

Prime Minister Hatoyama should not rush off to Washington to pay a courtesy call on President Obama. Doing so may satisfy Japanese sensibilities about proper etiquette but it can only irritate Americans who have sat through more than enough meetings with Japanese politicians who have nothing to say. Prime Minister Hatoyama should wait to visit Washington until he has specific proposals to advance to strengthen bilateral cooperation, proposals that would involve Japan in setting the agenda for U.S.-Japan relations in a way that has not been true in the past.

If the DPJ wants a more equal relationship to mean more than a Japan that can say "no" to the United States, its leaders will have to advance ideas of their own that will interest and engage President Obama and his key advisers. Such proposals, if they are forthcoming, are likely to focus on nonmilitary aspects of security, issues that are high on President Obama's own agenda. Proposals to expand Japan's role in building civil society institutions in such places as Afghanistan, to provide technological assistance to China and other countries with huge problems of water, air, and other forms of pollution, to improve energy efficiency, an area where Japan is a world leader, or to deal with global health issues would go far in getting the world interested once again in Japan and it could open a new and constructive chapter in U.S.-Japan relations.

The Obama administration should wait. It should not greet the transfer of power from the LDP to the DPJ by publicly pressuring the DPJ to sign on to all the policy agreements reached between the U.S. and previous Japanese administrations. The DPJ is on record as opposed to the agreement to relocate the Marine Air Corps base at Futenma in Okinawa to elsewhere in the prefecture. It has called for revising the status of forces agreement between the U.S. and Japan and for ending the Maritime Self-Defense Force's refueling mission in the Indian Ocean in support of coalition forces operating in Afghanistan. Publicly raising these issues with the new government in Tokyo as soon as it comes to power is to ask for a confrontation. There is nothing to be gained from doing so.

Governmental power has a way to make leaders think differently than they did as candidates. This is probably especially true in Japan where the possibility that opposition party leaders might actually take control over the government is such a new and novel reality. As that reality sinks in, the new government inevitably will seek ways to blunt the edges of policies that can only produce tensions and difficulties in Japan's relations

with the United States. Already, with the prospects for a DPJ victory growing stronger, Hatoyama and other party leaders have been making their proposals for change much more conditional than was true even weeks earlier.

The Obama administration needs to get to know the key players in the DPJ better and engage them in unpublicized discussions on a number of issues. While it does so it should limit its public comments to expressions of confidence that the U.S.-Japan relationship will remain as close and positive under the new government as it has been under previous ones.

But the Obama administration also needs to recognize that continuity in relations with Japan is not enough. Whatever party or parties come to power, the pressures in Japan to make significant adjustments in relations with the U.S. will continue to grow stronger. Sixty years after the end of the Pacific War, it is not only DPJ leaders who are asking whether there is a continuing need to have an elaborate U.S. military base structure and nearly 50,000 U.S. troops in the country, especially since the Soviet threat that they were intended to contain no longer exists. The year 2010 is the 50th anniversary of the signing of the U.S.-Japan security treaty. This should be taken as an occasion not only to celebrate what continues to be a remarkably deep and mutually beneficial alliance relationship but to initiate a U.S.-Japan dialogue that would seek to bring that alliance more into sync with the needs of the first half of the 21st century rather than the second half of the last one.

Making continuity work

The urgent tends to drive important but less urgent foreign policy issues to the bottom of the president's inbox, where they sit until some event compels attention and forces a policy response. If those at the center of foreign policy making in the Obama administration permit that to happen with policy toward East Asia, the president will find himself constantly caught up in a game of catch-up, reacting tactically to events after they occur rather than thinking strategically about how to further U.S. interests in a region that is the dynamic center of the global economy and that is undergoing far-reaching political and economic change.

“East Asia” or the “Far East” received that appellation because it is far to the east of Europe. But it lies to America's west, not so much separated from as connected to the United States by the Pacific Ocean. There are Americans with extensive experience in and knowledge of Asia but as a nation the U.S. remains profoundly Eurocentric. Its political leaders look out at the world across the Atlantic to Europe and beyond. But for America, East Asia is not beyond Europe. It is where we find ourselves when we travel west beyond our shores. We need to bring Asia and an appreciation of its cultural richness, economic vitality, and geopolitical importance into the center of our thinking about the world.

Leaders and publics throughout Asia are excited by President Obama. He is the first U.S. president who because of his personal history quite naturally looks out at the

world across the Pacific as much as he does across the Atlantic. People get the sense that for him Asia is not the alien other, but societies of real men and women with whom he can interact comfortably. Of course it is the truly unique quality of Barack Obama that people all around the world seem to get that same feeling about him.

President Obama has an opportunity to make the U.S. a more active participant in East Asia's economic, political, and cultural life, to develop habits of consultation and cooperation between the U.S. and the countries of East Asia, and to make Asia a much more integral part of the American consciousness about the world. His predecessors have left a lot for him to build upon in designing his East Asia strategy. But build he must. A comprehensive and constructive East Asian policy requires presidential leadership. It is only that leadership that will make continuity work; there is no room for complacency.

About the Author

Gerald Curtis (Ph.D., Columbia, 1968) is Burgess Professor of Political Science at Columbia University and concurrently Visiting Professor at Waseda University and Senior Research Fellow at the International Institute for Economic Studies, Tokyo, and the Tokyo Foundation. He served as Director of Columbia's Weatherhead East Asian Institute for a total of twelve years between 1974 and 1990. Professor Curtis is the author of *The Logic of Japanese Politics*, *The Japanese Way of Politics*, *Election Campaigning Japanese Style*, and numerous other books and articles written in both English and Japanese and translated into Chinese, Korean, Thai and other languages. His most recent book, written in Japanese and published in April 2008, is *Seiji to Sanma-Nihon to Kurashite 45 nen* (Politics and Sanma: 45 Years Living with Japan), published by Nikkei BP.