Come What May:
Three Scenarios for the US-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 Henry Luce Foundation, the Sasakawa Peace 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 brad@pacforum.org.

Table of Contents

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Foreword

The US-Japan alliance, like any relationship that has lasted 50 years, has had its ups and downs. There have been genuine crises that appear to be make-or-break moments, such as the 1995 rape incident in Okinawa. There have been strains created by political and economic developments that forced the two counties to modernize their alliance. Today, however, a confluence of forces – a new government in Tokyo, an economic crisis in the US, the rise of China, and seeming paralysis and disturbing long-term demographic trends in Japan – poses a challenge of a different kind. There are worries that the base of support for the US-Japan alliance is shrinking, that the two countries may be looking elsewhere for partners, and that an alliance forged during the Cold War has lost its relevance. There are fears that this partnership is losing its vitality and "the most important bilateral relationship bar none" is being eclipsed. Reinvigorating the alliance should be a top priority.

For the past 16 years, the Pacific Forum CSIS has hosted an annual Japan-US Security Seminar that brings together current and former decision makers and working-level officials who do the heavy lifting for the alliance. This group has tried – with varying degrees of success – to look over the horizon to identify issues that will occupy security officials in both countries. For the past several years, that group has been joined by a small cadre of Pacific Forum CSIS Young Leaders – next-generation security specialists who are studying or working on those same issues and who are likely to be dealing with, if not managing, the Japan-US alliance in the future. In addition to observing the senior-level discussions, Young Leaders have their own programs that explore issues that are often overlooked at the main conference. In recent years, the Young Leaders have been briefed on critical infrastructure vulnerabilities and cyber-security risks, and they have explored the economic dimensions of the bilateral relationship, a topic that (surprisingly) has received short shrift at the senior conference.

The Young Leaders program has several objectives: it aims to provide up-and-coming security specialists a chance to acquire unique insights into both the substance and procedure behind decision making; it gives them opportunities to meet experts and specialists that they might not encounter in person; it affords them a platform to articulate a next-generation perspective in these debates; and it begins the critical process of community building as they become acquainted with individuals that whom they will be working throughout their careers.

In the US-Japan context, the Young Leader program has another objective: addressing the erosion of the base of the alliance and engaging young people who normally wouldn't be involved in such programs. As a result, in recent years we have tried to enlarge alliance discussions, introducing new topics and concerns as a means of reinvigorating the alliance and offering opportunities for new voices to emerge. We are trying to enrich thinking about this partnership by bringing in individuals who may not see the relevance of this relationship to their lives and work. We hope this diversity will provide new energy and encourage new thinking about ways the two countries can cooperate.

This publication is one of the fruits of that effort. In an effort to encourage participants to think over the horizon and to get away from the headlines that dominate discussions today, Young Leaders at the 2010 Japan-US Security Seminar were asked to look ahead 20 years to

anticipate developments in each country and the region, and their implications for the alliance. Each participant provided a short preliminary assessment before the meeting. After a day of lectures that explored facets of the bilateral relationship (the full Young Leader program is available in Appendix C), participants were divided into three groups – the emergence of a regional security architecture, "independent Japan," and "status quo plus," – based on a rough reading of their pre-conference papers, and each group developed its assessment. Those visions were further honed through six weeks of email exchanges after the conference ended. The papers that follow provide a description of what each scenario looks like and how the relationship got to that point.

In the *regional security architecture* scenario, a thick weave of ad hoc arrangements has been created over two decades to tackle specific security challenges. The US joins some, but not all, of these initiatives. A key element of this web is a Northeast Asian Security Forum that emerges from the Six-Party Talks as that group deals with regime implosion in North Korea. The US-Japan alliance continues to be the cornerstone of US engagement with the region and acts as a cornerstone for many ad hoc initiatives; of necessity, the two countries expand cooperation even as the US presence in Japan diminishes in size. Deepening economic integration and periodic economic shocks throughout the region also spur greater cooperation. Yet despite growing cooperation and coordination, many of today's political problems – nationalism, territorial disputes, low levels of trust – persist. Concerns about the impact of China's rise drive the US and its allies toward more intense cooperation, even as they engage Beijing.

It is reassuring that even in the *independent Japan* scenario, the US and Japan don't become adversaries. Rather, some crisis drives the two apart when expectations and reality diverge. In response, Japan is forced to increase defense spending and revise its constitution to allow it to cooperate with other countries to protect its security interests. Tokyo doesn't forge a new alliance, but it does reach out to more nations on defense issues. Japan does not go nuclear. For its part, Washington intensifies cooperation with other allies and partners; South Korea and India assume key roles. The analysis outlines key factors that will determine the resilience of the US-Japan alliance, regional reaction to a breakup, and concludes with recommendations to avoid that outcome. Not surprisingly, maintaining trust and confidence is critical to the long-term health of the alliance.

The wide range of shared interests is the main reason why the *status quo plus* scenario makes sense. The two countries have similar outlooks about dealing with China, the Korean Peninsula (whether the issue is denuclearization or managing potential regime collapse in Pyongyang), sea lane security, humanitarian assistance and disaster relief, and multilateralism. Shared values also facilitate cooperation. Yet even as bilateral cooperation expands, this analysis anticipates, like the first scenario, a reduced US presence in Japan. Unlike the second scenario, this group does not envision the need for Japan to revise its constitution since roles, missions, and capabilities look similar. The Cold War bilateral division of labor endures. The alliance remains asymmetrical, but deterrence is maintained.

While the three scenarios ostensibly describe different end states, in practical terms outcomes look quite similar. While the alliance survives in two of the three cases – and the one exception stipulated that it did not – In all three cases, the US and Japan intensify cooperation with other states in the region. The alliance is a key element in efforts to forge coalitions of forces to address regional security concerns. Self-help is not an appealing alternative even when the alliance breaks up. All three scenarios underscore the centrality of Chinese behavior to the region's future. There is little trust or confidence in Beijing. And while in every scenario the US and Japan (and other regional governments) engage China to encourage it to be a good international citizen, they also hedge against a revisionist China. North Korea is an equally weighty concern for policy makers in Washington and Tokyo in each scenario.

In each case, the Young Leaders' analysis also stresses the importance of economics to future outcomes. Deepening economic integration and periodic financial crises contribute to the drive to create regional architectures. The US and Japan have to be prosperous if each country is to be able to meet its security needs and match its partner's expectations. Moreover, economic success provides them with "soft power" – an economic model that legitimates their international leadership – and "sticky power" – some influence over economic outcomes.

It is impossible to know which of the three scenarios will come to be. Not only is the future uncertain, but there are wild cards that threaten to derail any attempt to project current trends forward. It is important however that students of the alliance explore possible futures of the alliance, to get beyond the headlines and better understand the forces at work on this partnership. With that knowledge, they can prepare for the future – whichever one emerges – as well as try to shape it.

Regional Architecture and Japan

By See-Won Byun, Leif-Eric Easley, Kristi Elaine Govella, Daniel Kliman, Kei Koga, Oriana Mastro, Ryo Sahashi, Kevin Shepard, and Ting Xu

The future of the US-Japanese alliance depends not only on bilateral dynamics, but also on changes throughout Asia. As the economic, political, and security situation evolves, the US and Japan may need to rethink and redefine the role of the alliance. This section looks at an alternative future in 2030 in which a regional architecture has emerged and addresses two key questions. First, what is the nature of this regional architecture and how did it emerge? Second, and most critical for this project, what does it mean for the US-Japan alliance?

Regional Architecture and the US-Japan Alliance Form and Function

The regional architecture in 2030 can be best characterized as numerous ad hoc cooperative mechanisms focused on accomplishing specific tasks or discussing particular sets of issues, such as environmental protection, disaster cooperation, transnational crime prevention, financial coordination, and matters of trade. In other words, instead of developing one formal, rigidly institutionalized structure akin to the European Union that addresses economic, political, and security issues, Asia in 2030 will consist of a number of overlapping, functionally focused institutions. Each framework has a specific function, and complements other institutions. For example, while ASEAN-led frameworks do not have effective problem-solving mechanisms, they serve as forums that provide opportunities for states to discuss political, economic, and security issues. Bilateral and trilateral frameworks, such as the US-Japan and US-ROK alliances and the Japan-ROK-China trilateral dialogue, operate as regional security stabilizers and promoters of functional cooperation.

The components of the new regional architecture are likely to include versions of the Association of Southeast Asian Nations (ASEAN), ASEAN+3, the Asia-Pacific Economic Cooperation (APEC) forum, the ASEAN Regional Forum (ARF), and the East Asia Summit (EAS), among others. Asia will most likely witness new or upgraded security institutions, such as a new form of the ARF and the EAS, both of which will start to increase their roles in the nontraditional security arena. Future groupings will also vary in membership, with the issue at hand determining which countries participate in a given institution. The United States will be part of some of these regional arrangements, but it will not participate in all of them. These institutions will coexist without merging, even when tasked with addressing overlapping issues; they will coordinate amongst one another, but will often restrict their activities to a specific functional domain and operate largely independently.

New institutions will also emerge to contribute to the expanding regional architecture. In particular, a Northeast Asia Security Forum (NASF) consisting of China, Japan, South Korea, Russia, and the United States will develop. The absence of such an institution in Northeast Asia to date has been notable, particularly because this area is home to the major powers of the region and to many of its most dangerous flashpoints. The catalyst for the formation of this institution will be a crisis situation, such as the collapse of the Democratic People's Republic of Korea (DPRK). The collapse of the DPRK would compel China, Russia, Japan, South Korea, and the

United States to join forces to deal with the ensuing chaos. These countries will transform the Six-Party Talks into a formal structure that can coordinate aid and serve as a forum for discussion of relevant security issues. This institution failed to emerge in the past, largely due to mistrust between the participating countries and China's concerns about the DPRK's potential reaction to discuss and plan for a regime-collapse contingency.

After managing the situation on the Korean Peninsula, this institution will endure due to the coordination and crisis management benefits that its members gain, and it will gradually take on new security matters. While some hard security issues such as Taiwan's sovereignty will remain off the table, this Northeast Asian Security Forum will be given sufficient institutional power and capacity to handle serious matters such as territorial disputes between Japan, Russia, Korea, and China; counter-proliferation measures; stability across the Taiwan Strait; and confidence building and crisis management measures between a rising China and the rest. Member states will agree to bring issues to the Forum for peaceful dispute resolution instead of engaging in bilateral conflict, and these territorial disputes will no longer be the powder kegs they once were. NASF will increasingly engage in cooperating with ASEAN, India, and Australia to provide for maritime security, crack down on smuggling and trafficking, promote arms control efforts, and cooperatively address problems posed by Burma. While the norm of sovereignty will remain strong throughout Asia and particularly in Southeast Asia, this new institution will represent a significant change in the attitudes of the major players in the region. However, though it may serve to diffuse low-level conflicts and enhance regional stability, it is unlikely that all parties will discuss and/or agree on issues such as the future of Taiwan and the legal interpretation of what defines an exclusive economic zone (EEZ).

As this more extensive regional architecture develops, US alliances in Asia will be strengthened and serve as the platform on which greater multilateral security cooperation is built. Specifically, the US-Japan alliance in 2030 will support trilateral and multilateral forums, thereby increasing the legitimacy of these institutions and providing the alliance with a new, meaningful role. Considering the interoperability between forces, it is likely that the US and its allies and friends would function as the key provider of public goods, including assistance for building regional capacity for disaster relief as well as leading such operations, which they prepare for through joint exercises. The deepening of security partnerships between US allies and friends, such as Australia-India, Australia-Korea, Australia-Japan, and Japan-India, will provide a foundation for transforming the Cold War-era hub-and-spokes system into a web structure.

In this vein, the US-Japan alliance will continue to enjoy a solid commitment from Washington and Tokyo, primarily due to continued shared interests. Despite notable disagreements concerning cost sharing under national fiscal constraints, both US and Japanese publics will remain supportive of the security partnership. Tokyo and Washington will see the alliance as the primary guarantor of Japanese and US security in the region, as the alliance is a proven institution while the NASF will still be under development. In addition, progress on regionalization will reinforce the alliance. The NASF will help demonstrate that the US-Japan alliance is not directed at any other country and that the alliance facilitates rather than hinders regional cooperation on hard security issues. Moreover, such expanded cooperation will help to dispel regional fears about Japanese militarism. Thus, the NASF will reduce international and Japanese domestic concerns about the unintended consequences of the US-Japan alliance and

hence offers positive feedback for the alliance itself.

The United States Forces in Japan (USFJ), however, will have a smaller footprint than anytime since the end of World War II. Even so, major deployments at Yokosuka and Kadena will continue to represent a US commitment to Japan's defense and a strong Japanese commitment to host a US presence that helps stabilize the vital East Asian region. Other US bases in Japan will have been scaled down according to US needs for flexibility of movement, environmental considerations, and the concerns of local populations. Co-basing will have increased between the USFJ and the Japanese Self-Defense Forces, improving efficiency, interoperability and combined morale. Together, US and Japanese forces will demonstrate highly effective search and rescue and disaster relief capabilities, and will project these capabilities in the region and beyond. The Japanese people will see great value in such cooperation, both as an important international contribution, and also as an essential mechanism for dealing with a possible major earthquake or tsunami affecting the Japanese home islands.

The stability of the US-Japan alliance will allow other nations to add layers of cooperation that enmesh the region in a network of mutually beneficial security relationships because it provides a hedge against uncertainty. The US-Japan and US-ROK alliances will have coordinated common strategic objectives including nation building in North Korea, stability across the Taiwan Strait, and free and safe navigation of the seas. Trilateral US-Japan-ROK security consultations, such as agreement on the use of bases in a contingency (strategic flexibility) and commitment to act on Acquisition and Cross-Servicing Agreements (supply of US forces) involved in a contingency, will be formalized in a 2+2+2 annual meeting, supported by regular working-level meetings. The Australia-Japan-United States Trilateral Strategic Dialogue will take a lead role in increasing regional counter-proliferation efforts similar to those envisioned by the Proliferation Security Initiative.

Although less close in terms of security cooperation, US-Japan-China foreign and economic ministers meetings and Japan-ROK-China summits and working-level meetings will demonstrate progress in coordinating policy via trilateral mechanisms. In other words, the emergence of greater regional governance will be promoted by the alliance, and in turn, strengthen the relationship between the two countries.

Impetus for and Obstacles to Greater Regional Governance Economic Trends

The deepening of continued economic integration will promote and reinforce the development of an Asian institutional architecture. On the trade front, flows of goods and services in the region will become faster and freer than ever before. This will not only characterize manufacturing industries that supply cheap goods to Western countries; domestic markets in the region will have substantially matured, with domestic consumption at least an equal driver of growth, if not more important than exports to outside the region. In particular, increased consumption capacity in large economies such as China, India, and Indonesia will play a key role in driving further trade integration in the region. The fast pace of development will cause the relative economic gaps between Northeast Asia and Southeast Asia (India and Pakistan included here) to shrink, making a region-wide FTA more feasible. Much-improved intra-regional roads and other infrastructures will have also encouraged further trade liberalization; an

intra-regional railway system will be proposed and under negotiation by 2030. With the foundation of an East Asian FTA, multiple bilateral FTAs between ASEAN and major regional economies (including Japan, South Korea, China, and India), the region will have entered into negotiation of a greater Asian FTA.

Similar to the movement in intra-regional trade liberalization, intra-regional investment in Asia will have also increased dramatically by 2030. Even though the amount of investment from traditional sources (such as developed economies and Gulf oil-rich economies) will grow steadily, their total share of investment in the region will have decreased rapidly. This is because the sheer size of markets in the region will have expanded apace, drawing in new sources of investment within the region. Economic players such as Japan, South Korea, Taiwan, Hong Kong, and Singapore will continue to increase their investment inside Asia because the improved infrastructure and cheap skilled labor conditions have made it very attractive. New emerging economies such as China and India will have made great technological leaps in key sectors such as electric cars, and will be able to bring these technologies to the regional market, making the regional market not only a source for raw materials, but also a driver of regional growth due to increased domestic consumption. Energy trade will also play a large role in the development of regional investment, as fuel-rich Central Asia becomes a hub for energy-related infrastructure investment from other economies in the region. However, political instability in some areas, such as Pakistan and North Korea post-collapse, will continue to be an obstacle to further intra-regional investment.

In addition to the crisis caused by the collapse of North Korea, the international financial situation strengthened calls for the development of a regional architecture. These calls were sparked by the recognition after multiple financial crises that individual countries were unable to isolate their economies from regional contagion and consequently should create effective regional prevention, management, and resolution mechanisms. For example, the current financial crisis caused regional actors to question the stability of the US dollar, investigate the plausibility of regional banking institutions, and seek an East Asian Community that may or may not include Washington. The establishment of an Asian Monetary Fund was built on the basis of the “Chiang Mai Initiative,” which was proposed as a result of the 1997 Asian Financial Crisis to give Asian export-led economies a layer of protection from the global currency market. The region has gone beyond agreeing on currency swaps and limited regional reserves. The newly established Asian Monetary Fund holds at least three times the amount of reserves agreed upon in 2008 ($120 billion) and has a full governing body to serve its economic monitoring function. Conditions for an Asian currency are not mature by 2030, but countries have started to use the Asian Monetary Fund as a platform to discuss a regional financial regulatory system and the diversification of regional currency reserves.

Finally, the US will continue to play a major role in the economic development of Asia. Its demand and investment will remain a major driver for Asian economies. However, the economic role of the United States in Asia will be independent of the US-Japan alliance. This will not represent a new development. In pursuing economic opportunities, the United States will gradually take into account the Asian economy as a whole (or at lease ASEAN plus several other major states). In general, Japan will become more dependent on Asian countries for its economic growth because its economic activities will be directed more toward Asian countries than to

industrialized Western countries.

Political Trends

Previously, historical and territorial disputes, rampant nationalism, competition, and a high degree of mistrust and even disdain for others in the region have hampered efforts to form a regional multilateral architecture for either security or economic cooperation. Countries in the region have faced significant threats and been poised to take advantage of valuable opportunities, yet they have felt more comfortable with relatively non-invasive and non-binding institutions for dialogue, and leaned toward ad-hoc and issue-specific forums for dispute settlement when the need arose. While there was little movement on these issues in the initial post-Cold War years, several issues arose leading up to 2030 that overshadowed bilateral and relatively benign disputes and led to a greater demand for regional multilateral cooperation. North Korean nuclear adventurism, protection of sea lines of communication (SLOC), growth of Chinese power projection capabilities, growing needs for alternative sources of energy, and increasingly interlinked economies began to take precedence over the names of seas and the sovereignty of islets.

By 2030, territorial disputes in Asia will not have been sufficiently addressed to allow for a single, overarching regional architecture. However, growing economic and military capabilities within the region and the increasingly overlapping interests and challenges that countries face will have raised awareness of the need for mechanisms to identify, avoid, and resolve contentious issues. Growing economic interdependence will have also sparked renewed discussion on the need for institutionalized security forums and dialogue to prevent territorial disputes and historical sensitivities from impeding progress.

In 2030, territorial disputes will be dealt with on a bilateral and multilateral basis, especially through the NASF. Although the NASF will not provide a specific resolution for territorial disputes in Northeast Asia, it will oversee the situation to maintain regional stability. Admittedly, since each territorial dispute will generate a unique set of problems, there will be no one-size-fits-all solution. Disputes over the Takeshima/Dokto Islands, the Senkaku/Diaoyutai Islands, the Northern Territories, the Spratly Islands, and the Paracel Islands include different actors, histories, and politics. However, the principle for managing these disputes will be the same: each party to the dispute will maintain a low political profile. Multilateral frameworks will monitor whether states abide by this principle. The NASF in particular will establish a code of conduct on territorial disputes whereby states renounce “provocative” and “aggressive” actions. If such behavior is observed, NASF will have the power to take collective actions, including deterrence (i.e., collective monitoring) and compellence (i.e., diplomatic condemnation). In this sense, the US-Japan alliance will have some utility. For example, regarding the Takeshima/Dokto Islands, the United States will foster the establishment of a US-Japan-ROK Trilateral Dialogue and bring the territorial issue into the dialogue by asserting that both other members should create and follow a code of conduct and resolve the dispute through peaceful means.

The US-Japan alliance will also have a tailored approach toward territorial disputes. On the Senkaku/Diaoyutai Islands, the basic stance will be to resolve the issue bilaterally between

Japan and China. However, the United States and Japan will establish a US-Japan-China Trilateral Dialogue, which will include the territorial dispute on the agenda and encourage all parties to create a roadmap to solve the dispute peacefully. The first step will be to follow the code of conduct and to pursue joint development of undersea resources. Neither the United States nor Japan has territorial claims on the Spratly Islands. However, because both states have an interest in the stability of SLOCs, the United States and Japan will closely monitor the Spratly Islands dispute and declare that the alliance will respond politically if any provocation threatens the SLOC. In short, territorial disputes will be difficult to resolve unless the issues of sovereignty, natural resources, and strategic location can be adjudicated among disputing states. Therefore, rather than casting the resolution of territorial disputes as a first-order objective, containment of territorial disputes will be the primary goal of regional institutions. In this, they will be aided by the US-Japan alliance.

As Chinese naval power expands up to 2030, the development of trilateral military operations conducted by South Korea, Japan, and the United States will naturally emerge. Together, these three states will coordinate on nonproliferation, anti-piracy, port security, and other security issues in the maritime sphere. Washington and Tokyo, welcoming China's rise but harboring concerns about its intentions, will work to strengthen their bilateral alliance. They will also support further institutionalizing the regional architecture to constrain China from engaging in competitive behavior. Mistrust of China's intentions will impel other regional players to shore up relations with the United States to hedge against rising Chinese influence. Like the United States, these regional players will view a multilateral regional architecture as a tool for enmeshing China and thereby constraining its behavior. For its part, China will embrace a more robust regional architecture as a mechanism for reassuring others of its benign intentions.

Regional Architecture and the US-Japan Alliance: Beyond 2030

The regional architecture in 2030 and the role of the US-Japan alliance within it will be dynamic. That is, both will continue to evolve in response to trends unfolding at the regional and global level. Potential trends that will shape the supply and demand for regional institutions and determine the capacity of the US-Japan alliance to contribute include the following:

Rising Protectionism in the West. As Asian economies become ever more competitive, the United States and Europe resort to protectionist measures. By partially closing export markets in the West, this would intensify the push for Asian economic integration. Reflecting the emergence of regional blocs in the West, Asian economic institutions become less inclusive.

A Hegemonic China. The US economy experiences a prolonged period of sub-par growth, Japan's economy stagnates, and India encounters a setback derailing its economic takeoff. Meanwhile, China continues to translate rapid economic growth into expanding political influence and military clout. With the balance of power in Asia tilting decisively in its favor, China no longer regards regional institutions as necessary for reassuring its neighbors and managing conflicts. The regional architecture developed begins to fragment as China increasingly seeks to impose unilateral solutions. Chinese assertiveness produces a new regional architecture of sorts – countervailing alliances, including a revivified US-Japan alliance.

China-India Rivalry. Tensions between Asia's two giants heat up, with China and India jockeying for influence around the Indian Ocean rim and engaging in military clashes along the Himalayan border. Both ultimately recoil from an all-out confrontation, and turn to confidence-building measures. What emerges is a new Indo-Pacific security forum involving China, India, the United States, and Japan. Within this forum, the US-Japan alliance takes a stabilizing role by ensuring close coordination among two of the four members.

Conflict in the South China Sea. Maritime disputes in the South China Sea provide an initial impetus for the development of conflict management mechanisms. After 2020, the inability of these mechanisms to dampen maritime disputes proves damaging to the regional security architecture. States begin to hedge against the failure of conflict management mechanisms. The United States and Japan reinvest in their alliance, which becomes the backbone of a broader "lattice" of security relationships encompassing much of Southeast Asia and India.

Global Warming. The climatic repercussions of global warming become increasingly severe. Asia experiences more frequent natural disasters and pandemics. These induce states to establish a more robust regional architecture that can carry out disaster relief and effectively manage transnational threats. The US-Japan alliance, which still fields the region's largest heavy-lift capability, takes the lead within a new pan-Asian disaster relief organization.

Concluding Thoughts: The Likelihood of the Regional Architecture Scenario

The broader project assesses three scenarios for the US-Japan alliance. The first is that the alliance stays in place, with some changes. The second is that the alliance has been abrogated and US troops are no longer stationed in Japan. The third and last scenario is the emergence of a regional architecture in which the alliance is embedded. Given current trends in US-Japanese relations, as well as broader regional trends, we conclude that the third scenario is most likely.

A deepened US-Japan security alliance that is integrated within a strengthened regional security framework is more likely than the other scenarios. Neither Japan nor the United States is likely to prefer separation to the current status quo given the central role of the bilateral alliance in the US alliance network in Asia. Furthermore, as a regional architecture emerges, both countries will find new purpose for the alliance in terms of political, economic, and military coordination. Consequently, even with the emergence of other regional mechanisms, the US alliance will remain the foundation of US policy in Asia. US and Japanese perceptions of China's rise and the need to deal with a collapsed North Korea will reinforce the alliance regardless of institutional dynamics in the region. The status quo is also unsustainable given fundamental changes occurring domestically, within the alliance, and regionally. While the military alliance must adjust to allow greater flexibility and responsibility for the United States and Japan respectively, the evolving regional security environment will also require integrating the alliance into broader cooperative regional arrangements.

Memo on an Independent Japan

By Russ Gottwald, Satoko Hara, Adam P. Liff, Ji-Young Lee, Yudai Maeda, Aki Mori, David Szerlip, and Stephanie Young

For five decades, the US-Japan Alliance has served as the cornerstone of peace and stability in East Asia. All signs suggest that this relationship will remain robust well into the future. The alliance is built not only on shared economic and security interests, but also on a host of shared values such as democracy, free enterprise, and the rule of law. The alliance has faced a number of challenges over the years, yet it has remained strong. Nevertheless, its continued well-being must never be taken for granted. This year marks the 50th anniversary of the US-Japan alliance, which makes this an opportune time to explore a hypothetical future scenario in which the alliance collapses. This memo delineates how this collapse could occur, explores what an independent Japan might look like, and examines what the likely fallout from such a scenario would be for the US, Japan, and the region. This exercise will uncover a possible alternative future that could disrupt the existing order in Northeast Asia, and it will also serve as a cautionary tale for alliance handlers by exposing potential land mines that could have a deleterious impact on relations between the two allies.

An independent Japan: what is it and what is it not

The abrogation of the US-Japan Alliance would not necessarily lead Japan to form an alliance with another country (e.g., China). On the contrary, an *independent* Japan would be exactly that: independent. Although perhaps difficult to imagine in current circumstances, it is possible that the Japanese public would choose to support a more autarkic – or "self-sufficient" – defense policy and significantly increase investment in the Self-Defense Forces. It is also important to emphasize that even if the US and Japan ended their alliance, it is unlikely that they would become enemies. It is worth noting that the United States enjoys friendly relations with many countries with which it has no formal security alliance (including erstwhile ally New Zealand).

Major Factors

The emergence of an independent Japan is unlikely and would serve the interests of neither Japan nor the United States. Nevertheless, to avoid such a development, it is necessary to brainstorm ways in which it could occur. The most likely scenario in which Japan becomes independent would be a "Big Bang," in which a major crisis – such as a conflict between the US and China over Taiwan, a clash between Japan and China over disputed territory, open hostilities on the Korean Peninsula, or a North Korean attack on Japan –precipitously and directly challenges each country's commitment to the alliance. Major factors that will determine the robustness of the US-Japan alliance in the medium- to long-term, especially if such a crisis were to occur, include:

- The stability of US-China relations;
- The Japanese leadership's ability and/or willingness to adhere to alliance agreements and clearly articulate to the Japanese people the rationale for US bases in Japan;

- The credibility of the US commitment to peace and stability in the region and its security guarantee to Japan;
- Economic health and the ability to maintain needed/necessary defense spending; and
- Domestic politics in both nations.

The stability of US-China relations

While the US-Japan alliance continues to play a crucial role in maintaining peace and stability in East Asia, the US-China relationship is quickly developing into the most important bilateral relationship in the world. Although relations between the US and China have matured and deepened over the past decade, recent tensions due to a host of incidents (e.g., alleged Chinese cyber-attacks against the US government and US businesses, China's cancellation of military-to-military talks in response to US arms sales to Taiwan, and less-than-successful negotiations over climate change in Copenhagen last December) serve as a warning that despite a remarkable number of issues on which both countries stand to benefit from close cooperation, bilateral relations continue to be plagued by seemingly intractable issues. Further deterioration of political relations between the two powers would significantly destabilize the region. Although US and Chinese leaders understand that stable bilateral ties serve the interests of both countries and will likely work to avoid such a state of affairs, increasingly tense relations between the US and China could have a huge (and negative) impact on regional stability, and consequently, the security calculations of Japanese leaders.

While unlikely, a rapid deterioration in the US-China relationship may force Japan to make a difficult choice between its sole ally and its top trading partner. In a hypothetical situation characterized by open conflict between the US and China (e.g., over Taiwan), if China were to threaten an attack on Japan in an attempt to forestall or – if hostilities between US and Chinese forces had already commenced – stop the US from using its bases in Japan to launch attacks against Chinese forces, Japanese leaders would be faced with a very difficult choice. It is conceivable that a Japanese decision to forbid the US military from using its bases in Japan in the middle of a conflict, even if the choice was made to protect the lives of innocent Japanese civilians, could lead Washington to abrogate the alliance.

The Japanese leadership's ability and/or willingness to adhere to alliance agreements and clearly articulate to the Japanese people the rationale for US bases in Japan

Japanese Prime Minister Hatoyama Yukio's pledge to reexamine a 2006 agreement with the United States to relocate a US military base on Okinawa has raised serious concerns in Washington about Japan's commitment to the alliance. The Obama administration has consistently said that while it will consult with the new DPJ administration on the issue, it expects Japan to honor the 2006 agreement. Although failure to adhere to the original agreement would not, in itself, lead to the abrogation of the alliance, it would almost certainly damage trust between the two allies and cause US leaders to question the depth of Japan's commitment to the alliance and its support for US forces. Coupled with the ever-present possibility of a more widespread movement in Japan to move US bases overseas, such a development could become a major factor in pushing the two countries apart.

The importance of strong popular support in Japan for the alliance cannot be overstated. Without the support of the Japanese people, there is a strong possibility that in the event of a military crisis in the region the Japanese government would be unable to provide the level of support to US military operations that Washington expects, which could threaten the continued existence of the alliance. To ensure that support is there in the event of a conflict, it is incumbent upon leadership in Tokyo to clearly (and regularly) explain to the Japanese people the strategic, tactical, economic, and political rationale for US bases in Japan.

The credibility of the US commitment to peace and stability in the region and its security guarantee to Japan

The forward presence of US forces in East Asia has long served as a pillar of peace and stability in the region. Partial or complete withdrawal of these forces or failure to respond adequately to a clear and present security threat (e.g., a contingency in the Taiwan Strait or on the Korean Peninsula) could severely damage US credibility and lead US allies such as Japan and South Korea, as well as other countries in the region, to seek out other means with which to ensure their security. With specific reference to Japan, faced with a direct threat from North Korea's missile and nuclear weapons capabilities and uncertainty about China's long-term strategic intentions, some Japanese policymakers have become concerned about the credibility of the US nuclear umbrella and, more specifically, the willingness of the United States to come to Japan's aid in the event of an attack. US failure to sufficiently reassure its ally could become another factor that weakens the alliance and pushes Japan to formulate a more autarkic security policy.

Economic health and defense spending

The global financial crisis and subsequent recessions in the US and Japan have forced leaders in both countries to make tough choices about government spending. Of particular concern is Japan's economy, which has shown few signs of a sustainable recovery. In contrast to the US defense budget, which will increase to $700 billion in fiscal year 2011, the Japanese defense budget – which, at roughly $50 billion, is well below international norms relative to the size of Japan's economy – has been declining for several years. Under pressure to prevent the economy from becoming the victim of a "double-dip" recession, Japanese leaders may be unable to fulfill previously agreed-upon commitments to the alliance (e.g., financial support for the transfer of forces to Guam or ballistic missile defense cooperation with the US). If this occurs, US taxpayers would be left to foot the bill. However, the soaring US federal deficit and widespread demand for the US government to significantly cut spending may make this impossible. If the US economy fails to achieve a full recovery in the near future, the ability of the US to support its military commitments overseas, particularly in East Asia, may be adversely affected. Such a development would undoubtedly put a strain on the alliance.

Domestic politics in both nations

Worsening public sentiment toward the alliance in either the United States or Japan (or both countries) could force one or both sides to reevaluate the current security arrangement. Such a development may be more likely in Japan, where Japanese citizens (particularly in Okinawa) have frequently protested the US military presence. Many Japanese believe that the

burden of hosting unruly US troops is too great. Furthermore, the possibility that public opinion could weaken the alliance has significantly increased with the advent of two-party politics in Japan, as it is possible that the alliance could become a political football.

Although less likely than the scenario described above, the possibility that popular sentiment in the US could turn against the alliance should not be overlooked. In particular, a scenario in which the perception of Japan as a "free rider," coupled with a growing impression that the Japanese public does not appreciate the US military presence, leads the US public to conclude that the benefits of the alliance are no longer worth the costs is conceivable. In this regard, the negative reaction to Japan's so-called "checkbook diplomacy" during the Persian Gulf War in the early 1990s serves as a cautionary tale. Furthermore, as discussed above, current economic conditions in both countries could exacerbate already sensitive issues, such as burden-sharing. The US public could grow disappointed with the alliance, weary of bank-rolling the US military's role as "global policeman" and security guarantor of wealthy allies with little to show for in return. In sum, in response to a "Big Bang" scenario delineated above, in which a major ally, such as Japan, fails to fulfill its treaty obligations, isolationist sentiment among the US public and Congress could sharply increase and leave US leadership with no choice but to reconsider the level of the US commitment to maintaining a robust troop presence in Japan and East Asia. Such a development would have a negative impact on the alliance.

Japan's status without the alliance

A cessation of the US-Japan alliance would push Japan to expand its military and become more capable of projecting power. However, Japan would most likely refrain from "going nuclear" for fear of sparking a nuclear arms race in the region. Tokyo would face a difficult political decision regarding revision of Article 9 of the Constitution to be better able to hedge against growing Chinese power and uncertainty on the Korean Peninsula. Two tasks would determine the success of Japan's efforts to transform itself into an independent political and military power in a multipolar Asia: 1) its ability to adroitly handle increasingly competitive and interdependent relations with China, and 2) the performance of its economy.

Since the US-Japan alliance has been at the core of Japan's national security strategy for over 50 years, an "independent" Japan without US defense commitments would have to view its national security from an entirely different perspective. An independent Japan's military spending would likely continue to rise on par with its economic power and advanced technologies. The recent trend of increasing its defense programs in the areas of missile defense and intelligence gathering (in the wake of North Korea's provocations) would likely be expanded into a full-fledged military build-up. The Ministry of Defense has requested that Japan's 2009 military budget go beyond the traditional cap of 1 percent of GDP (although huge national debt and the current recession militate against a significant increase in the military budget.)

Japan, though, is unlikely to develop nuclear weapons, given the potential ramifications of such a decision on regional stability. By 2030, Japan's political capital in Asia could increase, provided that the Japanese government's expanded diplomacy toward the region effectively deals with thorny historical issues and succeeds in significantly strengthening ties with Japan's Asian neighbors. However, a move by Japan toward developing a fully independent military outside the US-Japan alliance framework could be viewed with suspicion by other countries in

the region. Tokyo understands that the development of nuclear weapons is likely to lead to a nuclear arms race in the region, a development that would adversely affect Japan's national security. A nuclear Japan could even be perceived as a serious threat to the two Koreas, despite the US-ROK alliance, and could prompt Seoul to seriously consider developing its own nuclear weapons. Additionally, China would likely react to a nuclear Japan by further stepping up efforts to modernize its nuclear arsenal, a development that would destabilize not just the region, but the world.

An independent Japan's security posture outside the US-Japan alliance would likely emerge gradually, after a series of heated debates and painful structural changes within Japan; the most important of which would be the revision of Article 9 of the constitution. Pacifism is currently an important aspect of Japanese society, and Article 9 is a symbol of that pacifism. Revision of Article 9 and a move toward an independent military could divide the country and make it very difficult for the Japanese government to exercise coherent and effective leadership. The level of national unity and the public support behind a new Japan, one independent of the US-Japan alliance, would be a key determinant of Japan's national power portfolio.

Two tasks would require a newly independent Japan's immediate attention: managing relations with China and revitalizing the Japanese economy. It is unlikely that Japan would form a formal strategic alliance with China; however, on the basis of a tit-for-tat strategy and to avoid conflict, Japanese leaders would probably make a much more concerted effort to improve and expand the scope of relations with Beijing. Nevertheless, the China-Japan relationship would probably continue to hit road bumps, and relations are likely to cycle between periods of increased cooperation and competition. Bilateral ties can be expected to include both moments of high tension caused by diplomatic crises (e.g., former Prime Minister Koizumi's repeated visits to Yasukuni Shrine) and expanded cooperation (e.g., the bilateral military exchanges which began in 2009). The relative frequency of each respective cycle will largely hinge on the depth of political commitment in both capitals to improved bilateral ties.

Even if it were to become independent, Japan is unlikely to develop its relationship with China to the extent that it comes to resemble its current relationship with the US. It should be noted that Japan's recent Defense White Paper designates China's growing naval activities beyond its maritime borders a threat to Japan's national security and regional stability. With its eye on the ever-present possibility of a future rivalry with China, an independent Japan would probably make a concerted effort to maintain close relations with the US and forge deeper ties with other nations in the Asia-Pacific, particularly South Korea. For example, it would probably more actively promote trilateral political and economic cooperation among China, South Korea, and Japan to both smooth relations with Beijing and lay the groundwork for a trilateral FTA and single currency.

Whether Japan can succeed in these efforts depends on its ability to maintain its status as an economic power, both to compete with China economically and to financially support the development of a strong independent military as a hedge against the latent Chinese threat without significantly increasing its public debt. Given Japan's current economic plight – the worst recession in the postwar era – the economic factor may turn out to be the most important determinant of Japan's future and whether Japan would succeed as an independent power.

The United States' status without the alliance

The US-Japan alliance continues to be the pillar of the US presence in East Asia. Other alliances – including those with South Korea, the Philippines, and Thailand, and growing partnerships with Singapore, Vietnam, and Indonesia – are also important for East Asian stability, but Washington sees these as being of secondary importance to its relationship with Japan. The United States has viewed its alliance with Japan as special for a number of reasons, including:

1. Japan's provision of basing rights, including on Okinawa;
2. The ability of US vessels, including nuclear submarines, to make port calls in Japan;
3. Japan's provision of host country support for the US military presence in Japan, thereby reducing the financial burden on the US taxpayer;
4. Japan's strategically important location, which provides an ideal location for stationing US military assets and from which to deploy US forces in the event of a contingency on the Korean Peninsula, in the Taiwan Strait, or elsewhere;
5. A local population that is supportive of the alliance and the US military presence on Japanese soil (with the possible exception of some parts of Okinawa);
6. Longstanding and close political ties between the United States and Japan, which extends to multilateral and global fora, and to which the alliance provides added impetus;
7. Despite occasional disagreements, a general consensus between leaders in Washington and Tokyo on the many basic interests which the two countries share in the region.

In the event of the termination of the US-Japan alliance, the United States could react in several ways. The most likely policy responses include:

1. Establishing a modified security triangle that treats the US-ROK alliance, the US-Australia alliance, and Guam as the three key pillars of the US presence in the Asia-Pacific. As part of this effort, the US would probably move to strengthen its alliance with the ROK and establish new and more resilient ports open to US vessels within the US-ROK alliance framework;
2. Significantly expanding and enhancing its security ties with India by increasing weapons sales, the interoperability of the two nations' respective military forces, expanding participation in joint exercises, and establishing a military base and port facility in the Andaman Islands or other locations in the Indian Ocean;
3. Expanding its partnerships with countries throughout Southeast Asia, particularly Indonesia, Singapore, the Philippines, Thailand, and Vietnam;
4. Establishing a new regional architecture that includes India, Australia, South Korea, and the United States as the four core members, and invite key Southeast Asian nations (e.g., Indonesia) to join as "junior" partners.

These accommodations could help the United States mitigate the adverse impact on regional stability of the end of the US-Japan security alliance. It should also be noted that the abrogation of the alliance could have an adverse effect on political relations between Washington and Tokyo for years to come. Possible ramifications for the US-Japan relationship include the collapse of negotiations over a free trade agreement and the end of close coordination in multilateral fora, including the UN.

On the other hand, it is worth noting that the US has abrogated a security alliance with an Asia-Pacific partner before. The alliance between the US and New Zealand was terminated following domestic backlash in New Zealand over port calls by nuclear-armed and nuclear-powered US vessels. In 1984, the government of New Zealand forbade the US from docking any such vessels in New Zealand's ports. When a US vessel was not allowed to enter port the following year, Washington suspended the ANZUS treaty and announced that while New Zealand would continue to be a "friend" of the United States it would no longer be considered an "ally." Although the abrogation of the US-Japan alliance is unlikely, this case demonstrates that such a development is not unprecedented. Should the Japanese government fail to honor its commitments to the alliance, Washington could seek to terminate the alliance. Indeed, tensions over US bases, Japanese calls for a renegotiation of a 2006 basing agreement, and the DPJ administration's investigation into possible violations of Japan's three non-nuclear principles suggest three possible (if unlikely) causes of a serious deterioration in bilateral relations in the future.

Regional perspectives on the end of the US-Japan alliance

Given the importance of the US-Japan alliance to peace and stability in East Asia, it should come as no surprise that its end would cause profound shifts in the actions and views of other regional actors. These shifts would also significantly alter the existing security structure in the region. Below, possible changes in the region will be examined on a country-by-country basis. This analysis assumes that Japan would emerge as an independent power sufficiently confident in its own security to be able to avoid efforts on the part of China to convince Japan to subordinate its interests to those of Beijing.

China. China would perceive the end of the US-Japan alliance as a great strategic opportunity, as long as the potential threat posed by a remilitarized Japan is offset by Tokyo's accommodating behavior toward Beijing on China's core strategic interests, such as Taiwan. Regardless of US attempts to strengthen ties with other Asian states, the loss of its bases in Japan and the ability to closely coordinate with Japan's formidable navy greatly weakens US ability to project power into the western Pacific. Furthermore, the efforts by Japanese leaders to avoid major conflicts with China would be trumpeted by Chinese officials as an example of how Asian states should cooperate and evidence of China's "peaceful rise." However, suspicions of Japan's strategic interests, coupled with the likelihood that longstanding political tensions would not disappear overnight, suggest that Chinese leaders would most likely remain wary of Japan even after the abrogation of its alliance with the US.

With regard to the United States, following the collapse of the alliance, China would almost certainly become more assertive in matters pertaining to its core interests, which will become more broad as China continues to develop. At the same time, Chinese leaders would probably seek to engage the US in the hopes of avoiding a backlash against growing Chinese dominance in the Western Pacific. A shift of US military assets into South and Southeast Asia, however, would provoke Chinese hostility, accompanied by open condemnation of US efforts to "contain" China. Such a development would probably lead China to increased pressure on Tokyo to accommodate Chinese interests and demonstrate its independence from Washington.

South Korea. The end of the US-Japan alliance presents South Korea with a strategic dilemma. On the one hand, South Korea is currently one of the US's most powerful allies in Asia and, together with Japan, the linchpin of the US military presence in Northeast Asia. On the other hand, without Japan as an ally the US position in Korea could become strategically problematic. China's growing sea denial capabilities could greatly impede the US ability to reinforce its assets in South Korea, or, alternatively, to shift its assets elsewhere in the event of conflict.

South Korea would probably respond to the end of the alliance by attempting to establish itself as an indispensable US ally in Asia. Accordingly, South Korea can be expected to become an increasingly vocal supporter of US initiatives at the UN and in various diplomatic fora in Asia and make a concerted effort to mitigate US concerns about the strategic vulnerability of its forces in South Korea. At the same time, however, possible obstacles to a stronger US-ROK alliance should not be overlooked; they include anti-US sentiment among some segments of the South Korean population, difficulties between Seoul and Washington coordinating an effective North Korea policy, the likely adverse impact on South Korea's economic and military strength in the event of reunification with North Korea, and Chinese pressure on Seoul to fall in line behind Beijing.

India. India would probably perceive the end of the US-Japan alliance as a mixed blessing. While India would continue to strengthen political and military ties with both states in the years leading up to the split, an end to the alliance would make this effort more difficult. Furthermore, since the end of the alliance would most likely lead China to become increasingly assertive, Indian leaders would view any US attempt to withdraw from the region with alarm.

The end of the alliance would, however, not be without benefit for India. First, it offers New Delhi the possibility of forging a new defense axis with Tokyo. In the scenario of alliance collapse outlined above, Japan would remain wary of China and seek some form of security framework to replace its erstwhile alliance with the US. India could effectively fill that void, particularly if cooperation between Tokyo and New Delhi continues to deepen. On the other hand, the loss of Japan leaves the United States without an ally in Asia that has the potential to militarily match China on a roughly equal basis. India could use the collapse of the US-Japan alliance to push for a significantly expanded security partnership with the US. Such an arrangement would most likely be an *entente cordiale*, rather than a formal alliance, and would have to be a much more equal relationship than Washington is accustomed to with its partners in Asia. Regardless of which path New Delhi chooses, or if Indian leaders seek to pursue both, the very existence of such opportunities may ultimately mean that the end of the US-Japan alliance would serve India's interests.

Indonesia, Philippines, Singapore, Thailand, Vietnam. Each of these countries views the US-Japan alliance as the foundation of peace and stability in East Asia. Should it collapse, their primary concern would be to prevent the United States from withdrawing from the region. Distinct from the case of India, some Southeast Asian leaders are concerned about both Chinese *and* Japanese influence in Southeast Asia, and as such do not want to be seen as a pawn in a China-Japan rivalry. Furthermore, open conflict between Japan and China would directly harm their interests. From the perspective of these Southeast Asian states, the United States serves as a stabilizing force in the region.

Accordingly, the states listed above would individually or collectively seek to improve ties with the United States to the extent that their domestic political conditions allow. To ensure that the US continues to be able to project power in the region, it is possible that the Philippines, Indonesia, or even Vietnam would offer basing rights for the US Seventh Fleet (currently based in Japan). Increased trade ties with the US, and perhaps India, would be another mechanism these states could use to avoid Chinese economic domination.

Australia. Australia's likely response to the end of the US-Japan alliance has similarities both with that of South Korea and the Southeast Asian states. Like South Korea, Australia's relationship with the US is centered on a military alliance. Australia's ties with the US are strong; in fact, Australia is the only state to have fought alongside the US in every major war since 1945. Given the capabilities of the RAN and RAAF, close bilateral cooperation with Australia would become increasingly important to the US in the event that it loses Japan as an ally. Similar to leaders in Southeast Asia, Australian leaders will remain wary of potentially conflicting interests between China and Japan in the South Pacific and the possibility of conflict between the two countries. In sum, the end of the US-Japan alliance will probably lead to a tightening of the relationship between Australia and the US and provide Australia with the means and motive to ensure that the US stays involved in the region.

Russia. Russian leaders will view the re-emergence of an assertive "independent" Japan with some degree of trepidation. It is bad enough that Russian leaders have to contend with China next door to the Russian Far East; they cannot expect Japan to only look south for resources and markets, and, well over a half-century since the end of World War II, territorial disputes between Russia and Japan linger. Should Japan have the economic power to "go it alone," Russian leaders will come to see Japan as a potential threat to Moscow's security interests in the region. At the same time, Japan could provide Russia with a useful hedge against China's growing power, in much the same way that Russia provides a hedge for India. In the event that the relationship between Russia and China deteriorates, Russia may seek some form of security arrangement with Japan, particularly if either or both powers are able to develop sufficiently strong ties with India to entice New Delhi's involvement.

Conclusion and Policy Recommendations

In light of the mutually beneficial nature of the current security arrangement between the US and Japan, it is improbable that either side would abrogate the alliance without a "Big Bang" in which one or both sides failed to live up to their alliance commitments. Possible "Big Bang" scenarios include a US-China clash in the Taiwan Strait, military skirmishes between Japan and China over disputed territory, or a crisis on the Korean Peninsula. The particular impact of such a shock on the alliance would probably be determined by a confluence of other factors, including the state of US-China relations, domestic political developments in each nation, and each country's economic performance.

The abrogation of the US-Japan alliance would force Washington and Tokyo to rethink their respective security strategies in East Asia. For an independent Japan, the absence of an alliance with the United States would likely lead it to acquire the military capabilities necessary to defend itself. While it is unlikely that Japan would develop nuclear weapons due to concern that doing so would risk catalyzing a nuclear arms race in the region, Japan would pay

significantly more attention to China's strategic posture and double its efforts to ensure more stable political, economic, and security ties with Beijing. For the US, the abrogation of the alliance would probably lead to a strengthening of security ties with other security partners in the region (such as the ROK, Australia, India, and Singapore) and a search for alternative locations for military bases from which to project power into the region. Additionally, the impact of the end of the US-Japan alliance would be felt outside the two countries; such a development would undoubtedly lead states in the region – from India to Russia – to revaluate their respective security postures.

This exercise is based on a hypothetical "worst-case" scenario and the future is uncertain. Nevertheless, the developments discussed in this memo suggest policy recommendations that the US and Japanese governments would be well advised to implement to ensure that their alliance remains robust well into the future:

- Both Washington and Tokyo should work to foster deeper and more stable relations with Beijing so that the US-Japan alliance, rather than serving as an obstacle to cooperation, can become a catalyst for more constructive and closer security ties among the US, Japan, and China;
- The US and Japan should improve multilateral cooperation with other partners, including Australia, the ROK, India, Singapore, the Philippines, Thailand, and Vietnam to improve mutual trust in the region;
- Tokyo should regularly communicate Japan's deep commitment to alliance agreements to Washington;
- Tokyo and Washington should continue to narrow differences on base realignment issues through closer policy coordination;
- Japanese politicians should regularly communicate the value of the alliance to the Japanese people to ensure that public opinion does not adversely affect this pillar of security for East Asia;
- Washington should clearly reaffirm the US commitment to ensuring Japan's security, including the provision of the nuclear umbrella;
- Both nations should work to significantly increase inter-governmental (US-Japan) and inter-party (Democratic Party-DPJ) communication;
- Washington should establish close links to both DPJ and LDP politicians to be able to communicate the importance of the alliance regardless of which party gains power;
- The US and Japan should launch efforts to create a US-Japan Free Trade Agreement to boost both nations' economies and expand bilateral relations beyond security ties.

The "Status Quo Plus": Future Outlook of the Alliance in 2030

By Tim Cook, Tobias Harris, Ellen Kim, Tetsuo Kotani, Ross Matzkin-Bridger, Yukinori Nishimae, Diana Park, Yu Sasaki, and Damien Tomkins

Peace, stability, and economic prosperity will be the three overarching goals for Asia in 2030 just as they are in 2010. In anticipation of a changing security environment in Asia, both the United States and Japan reaffirm the view that the strengthening of their bilateral security alliance constitutes a vital strategic interest. To achieve those goals, it is imperative that a renewed alliance in 2030 be able to meet the following set of core objectives in a proactive manner.

Objectives (in order of importance):

1. Ensure that the emergence of China as a significant regional actor is within the norms of established responsible state behavior;
2. Achieve the denuclearization of the Korean Peninsula;
3. Respond effectively to contingencies on the Korean Peninsula;
4. Keep established international sea lines of communication open for non-military and military passage;
5. Prepare for and deal with in a timely manner non-security / humanitarian emergencies;
6. Be significant participants in regional multilateralism;
7. Promote liberal free market capitalism, political freedom, and human rights.

The rationale for the objectives is built on the most important challenges that shape Asia's security outlook in 2030. The items below correspond to the order of the core objectives.

Key Variables In Asia's Security Environment In 2030

1. "The rise of China" including the status of Taiwan;
2. Denuclearization of the Korean Peninsula;
3. Regime durability in North Korea;
4. Maritime security (especially Southeast Asia and the Indian Ocean) and nontraditional security threats;
5. Humanitarian crises and pandemics;
6. Multilateral regional architecture;
7. Economies: healthy, stagnant, or shrinking?
8. Domestic political situation in Japan (and in the US);
9. Alliance structure.

Changing Dynamic between 2010 and 2030

1. "The Rise of China" including the status of Taiwan

"The rise of China" will be the most important development within the region over the next 20 years. This entails both opportunity and serious concerns for alliance managers. On the one hand, the development of the Chinese economy is to be welcomed. As China's market attracts investment from across the world, Japanese and South Korean trade with China is now larger than that with the United States. Furthermore, China is poised to become the second largest economy in the world, and has the potential to be a significant economic investment for other states.

There is growing concern within the United States and Japan that China seeks to expand its political leverage and influence in exchange for preferential trade deals with countries not only in Southeast Asia, but also in the Middle East and Africa, that at times contrast the norms espoused by global institutions such as the World Bank and the IMF. It would be preferable for China to engage with these institutions for reform, as opposed to offering states a Chinese alternative. Of particular concern is China's growing influence over Southeast Asian economies, which may adversely affect Japanese and US market access and, as a result, undermine the political leadership of the United States and Japan in Asia.

China's military modernization and long-term objectives are equally worrisome. While the military balance regarding Taiwan continues to tilt toward the mainland, forcible reunification by Beijing or independent statehood by Taipei seems unlikely. However, a long-term resolution of the China-Taiwan situation that is amicable to both parties remains uncertain. The strategic outlook across the Taiwan Strait in 2030 may well resemble that of today, with less ambiguity over the status of Taiwan due to the continuous modernization of Chinese military power.

In addition, there are separatist tensions among ethnic minorities inside China. While protest against authoritarian rule seems sporadic and geographically contained, social instability is a chronic concern for Beijing, as well as for Tokyo and Washington. It is expected that there will be continued Han migration into traditionally non-Han ethnic geographical areas, which may dilute indigenous ethnic aspirations or continue to cause further friction.

In short, China's rise offers mixed prospects. To ensure peace and stability in the region, it is critical that the US-Japan alliance functions as a regional stabilizer for China's growing political, economic and military power. Two points stand out in this respect. The first is that US forces continue to be deployed in Japan. By 2030, the shape of the US-Japan alliance will still be militarily unequal. The relocation of US forces will have moved forward. The main component of US forces in Japan will consist of the navy and air force, although the marines remain based in Japan (even if peaceful unification of the Korean Peninsula should occur). Japan will still refuse to allow its Self-Defense Forces (SDF) to possess offensive capacity and will be mainly preoccupied with

homeland and rear-area defense. However, the Japanese SDF will partake in certain UN-mandated peacekeeping operations overseas. Second, it is foreseeable that the United States will continue to offer extended nuclear deterrence to Japan. It is conceivable that the United States may opt to stress nuclear weapons as a central component of its alliance with Japan, as nuclear deterrence is economically more manageable (and operationally more reliable) than a missile defense system.

Finally, there will be greater cooperation and interoperability between the United States and Japan within the realm of cyber-security. It is projected that cyber-security will become a vital component of asymmetrical warfare, especially within Asia. This is an area where both the United States and Japan can draw upon their respective comparative advantages, both militarily and within the private sector, in the pursuit of respective joint self-interests. This cooperation on cyber-security could extend into joint US-Japan space projects, along with other allies, if needed.

2. The Denuclearization of the Korean Peninsula, and
3. Regime Durability in North Korea

Points 2 and 3 should be considered together, as it is uncertain how each issue will turn out. The following table summarizes possible outcomes, with each quadrant showing the order of strategic priority for the alliance:

		Denuclearization?	
		YES	NO
Unification?	YES	I	III
	NO	II	IV

Quadrant I (a unified Korea with no nuclear weapons) is the most preferable outcome for the alliance. Quadrant II is the next best result, in which the Korean Peninsula may remain divided into the current configuration, but Pyongyang abandons its nuclear weapons, delivery means, and relevant programs. Quadrant III represents unification of the peninsula following regime collapse in the North, but a unified Korea that chooses to retain nuclear weapons. The present condition is Quadrant IV. As of 2010, it is difficult to project which scenario is most likely in 2030.

Negotiations based on the Six-Party Talks framework appear to aim at Quadrant II, as denuclearization is the central goal of the multilateral framework. While Quadrant I is desirable for all party states except North Korea, which seems unwilling to give up its

nuclear ambition, unification is at odds with China's interest in stability and the preservation of the status quo. Thus, regardless of whether North Korea is a liability, China will continue to provide economic aid to North Korea and is unlikely to seek or support unification until it becomes inevitable following regime collapse in North Korea. It is important to bear in mind that while authoritarian states are quite durable, their primary goal is the preservation of elites within state control. It is conceivable that North Korean elites, given the necessary security guarantees, can be persuaded to engage more constructively with the international community. Quadrant III is logically possible but seems unrealistic, because it means that the South Korean government will possess nuclear weapons. Given the history of US opposition to such a possibility, this scenario seems unlikely. When/if denuclearization comes to reality; the Six-Party Talks might adjust its objective to unification (Quadrant I), although China will be resistant and reluctant to accept any swift discussion of unification until doing so falls in its best interest.

Two points should be kept in mind when considering Quadrant I as the ultimate goal for the alliance. The first is the possibility of a refugee crisis. Upon the dissolution of the North Korean regime, a large number of refugees could flow into China, South Korea, and other countries. The potential for regional insecurity in such an event cannot be understated, and it is possible that the international community will have to temporarily take over certain state functions within North Korea, as has recently been the case in Haiti. In the case of North Korea, this would include the safe-guarding of nuclear materials.

The second is China's response. Historically, China has preferred to have "buffer zones" around its borders. Unification of the Korean Peninsula eliminates one such zone. It may thus oppose a liberal democratic Korea on its border, especially if that includes the indefinite presence of US military forces, and this can alter China's strategic calculation toward Japan (and the United States). On both points, US forces in Japan (and the JSDF) will play a critical role in minimizing social, economic, and political disruption within the region and to check Chinese dominance over the peninsula. In short, to preserve stability in Northeast Asia, it is imperative that alliance managers take all four scenarios into account and start discussing strategic responses with other regional actors in preparation for such an event even at the track-II level.

4. Maritime Security (especially Southeast Asia and the Indian Ocean) and Nontraditional Security Threats

Maritime security is very important for the US-Japan alliance. The United States must have unhindered passage for its military assets on the high seas between the Pacific and Indian Oceans. This is nonnegotiable and indispensable for extended deterrence and SLOC protection for Japan. However, there are some coastal countries that make excessive claims beyond their national territorial waters as part of an anti-access strategy. Chinese claims over the East China Sea based on the natural extension of its continental shelf and over the "nine-dashed" line loops in the South China Sea as its "historic waters" continue to endanger freedom of navigation. The once-robust US Freedom of Navigation

Program, which sends naval vessels and military aircraft to challenge those excessive claims, is restrained by a shrinking US fleet and the bitter experiences in the 2001 *EP-3* and 2009 *Impeccable* incidents. As a result, Chinese surface and submarine fleets will make the South China Sea off-limits by 2030. Although Japan initiated regime-building in the Straits of Malacca and Singapore – through ReCAAP and the Cooperative Mechanism – China has greater capabilities to control the Straits. On the other hand, if Iran not only becomes a nuclear-weapon state but continues to develop anti-access capabilities such as anti-ship missiles and sophisticated mines, the United States cannot secure freedom of navigation in the Persian Gulf by 2030.

Addressing maritime security to keep strategically vital sea lanes of communication open, safe, and secure is and will remain a core mission for the alliance. The United States and Japan will need to challenge excessive maritime claims jointly, while developing counter-measures to anti-access capabilities.

5. Humanitarian Crises and Pandemics

Effective response to humanitarian crises and pandemics in Asia will be a major challenge for the alliance. Some patterns have already begun to emerge. First, missions of the Japanese SDF in the post-Cold War era have consisted exclusively of military operations other than war (MOOTW), including disaster relief operations. Since the likelihood for major armed conflict in Asia appears remote – with three possible exceptions: an outright declaration of Taiwanese independence, a move by China to "retake" Taiwan by military means or a suicidal move by North Korea – it is hoped that this trend will continue. Moreover, preparation for such emergencies is advantageous for the alliance. Ad hoc multilateral coordination by Australia, India, Japan, and the United States in the wake of the December 2004 tsunami in Southeast Asia greatly improved the image among recipient peoples of these countries (especially the United States despite the Iraq war). Success of this operation may have set a new precedent for disaster relief efforts in Asia, in which Japan and the United States play leading roles.

Second, it is increasingly critical for states to be ready to respond to pandemics and emerging infectious diseases. Given today's highly interconnected global economy, it is nearly impossible to halt the flow of goods and humans upon a pandemic outbreak. It is equally difficult to predict when new pandemics will emerge, while the social and economic impact on countries with poor medical infrastructure, especially Southeast Asian states, will be enormous. By 2030, the stakes will have grown higher for Japan and the US as they engage in more trade with Southeast Asia.

In case of humanitarian emergencies and pandemic outbreak in Asia, the United States and Japan will be expected to exercise leadership, as they possess the capacity to respond via their military assets and advanced medical infrastructure. Provision for such assets and resources will keep potential economic and social costs to the minimum, help restore stability and prosperity in the region, and ultimately raise the credibility of the US-Japan alliance as the cornerstone of regional security and order.

6. Multilateral Regional Architecture

The US-Japan alliance is the security alliance upon which to continue to build and maintain peace and security within Northeast Asia, with close interaction with South Korea and other US allies in the region, including Australia.

The six-party forum concerning the denuclearization of North Korea is a multilateral platform for addressing security issues that concern members of the Northeast Asian region. The United States, Japan, and South Korea would be well advised to remain in sync regarding their joint and mutual shared self-interests, especially taking into consideration their shared values, respect for the rule of law, democratic civil societies, and open market economies.

Regarding Southeast Asia, ASEAN will continue to be the main vehicle for regional interactions and cooperation. With two giants, China and India, concluding free trade agreements with the Southeast Asian bloc, Southeast Asia will emerge as a region of strategic importance for the US to renew its focus and strengthen its footing. Thus, it is foreseeable that the president of the United States will partake in an annual meeting with the leaders of ASEAN as the United States seeks to further embed itself economically with these nations, possibly through free trade agreements. It is also foreseeable that the United States will continue to develop closer bilateral ties, including military, with individual ASEAN members, for example Vietnam.

It may not be possible or advisable for the United States to be a member of every Asian regional forum. Therefore, it is important that the United States maintain close ties with regional allies. These allies will have to protect US interests at any regional forum in which the United States is not present.

7. Health of Respective Economies

The economic component of the US-Japan relationship will have been put to the test by 2030. As shown by the economic hardships of the late 2000s, a struggling economy only makes the US more insular and less focused on foreign policy. If economic problems continue to exist in 2030, the momentum for a more vibrant alliance with Japan may not be likely. Also, an increased focus of US trade and investment interests in China and Southeast Asia may further deemphasize its relationship with Japan.

Furthermore, should the United States continue to lose its economic status, the value of an alliance with a weakened power may come into question among Japanese strategists. This, coupled with a continued US military presence, may exacerbate anti-US sentiment among the Japanese public. On the other hand, if the United States has rebounded after the recession of the 2000s, there may be more “pull” for the US-Japan alliance in Japan. In the United States, isolationism may be less of a threat to the alliance if its economy has recovered fully from the so-called “Great Recession.”

8. The Alliance Structure – Prediction for 2030

Despite alliance tension following the historic DPJ victory in 2009, both Japan and the United States came to the conclusion that a continued – and strengthened – alliance was in each country's medium to long-term strategic interests. After a contentious period of negotiation and bargaining, the two sides decided to implement the 2006 base realignment agreement, and MCAS Futenma was relocated to Camp Schwab. With its implementation, the presence of US bases in Japan was maintained. As stipulated in the original agreement, all 8,000 US Marines scheduled for relocation from Okinawa to Guam were moved. Implementation of the agreement constituted a smaller US Marine presence on Okinawa, which, despite the relocation to a less populated area of Okinawa, continued to put stress on the local population and served as a source of tension in relations between the United States and Japan.

After the base realignment implementation, Tokyo and Washington began talks on roles, missions, and capabilities. The two-party system in Japan never created two strong parties, and the two parties continued to rely on small coalition partners. As a result, there was no momentum in Japanese political circles to revise Article 9. The debate on collective self-defense occasionally came up, but without conclusion. Therefore, the new roles, missions, and capabilities were discussed within the existing legal framework.

The new division of labor was a continuation of that of the Cold War – the United States provided offensive capabilities with its carrier strike group and newly introduced littoral combat ships, while Japan provided ASW and air-defense capabilities. But the geographical focus shifted from the Sea of Japan to the Philippine Sea, or the trianglular sea area between Tokyo, Guam, and Taiwan ("TGT sea area"), and Japan reinforced its surveillance recognizer and intel capabilities by introducing the *Hyuga*-class destroyers, new patrol aircraft, the *Soryu*-class submarines, and UAVs. Additionally, Tokyo and Washington agreed to strengthen cooperation for the protection of the global commons to deal with asymmetrical warfare capabilities such as anti-ship ballistic missiles, sophisticated mines, anti-satellite attacks, and cyber-warfare. Thus the US-Japan alliance remained asymmetrical but reciprocal, and maintained deterrence.

Program Report

By Kristi Elaine Govella

On the 50th anniversary of the US-Japan Security Treaty, the Pacific Forum CSIS, along with the Japan Institute for International Affairs (JIIA) and the Japanese Embassy in Washington DC, cohosted the 16th Annual Japan-US Security Seminar. This meeting brings together senior alliance managers and supporters from both countries for intense discussions on the status of this vital bilateral relationship and to explore future directions for this partnership.

In addition to senior participants, the Pacific Forum CSIS, through its Young Leaders program, brings a small group of up-and-coming security specialists from each country to the seminar. This program gives the future leaders unique insight into the substance of bilateral discussions, exposes them to how the relationship is managed, and lets them begin the process of forging relationships with future peers if they continue in this work.

This year's seminar differed from previous meetings on several counts. First, it was held in Washington in early January rather than San Francisco in March, when it is usually scheduled. The date was moved so that the meeting would serve as the kickoff for the US-Japan Mutual Defense Treaty of the 50th anniversary celebrations. Second, thanks to support from the Sasakawa Peace Foundation (SPF), Young Leaders (YLs) had a full day and a half of discussions rather than the usual half-day. (A full program is attached as Appendix C.) The program was expanded in another way as well. Normally, the Young Leader contingent at this meeting is a small group – a total of 12 Japanese and US participants. SPF support allowed us to double the number of Young Leaders attending the first two days. As a result, 25 up-and-coming specialists, many of whom work on Northeast Asian issues, joined two days of discussions. (A full list of participants is attached as Appendix D.) This expanded group gave our discussions a wider range of perspectives, and reflected both a broader national base (we had Koreans and Chinese in the group, in addition to Japanese and Americans) and a more variegated research focus. This was also an opportunity for Young Leaders who work on issues that relate to – but don't focus on – the alliance to acquire knowledge and insight into this vital partnership.

As in all Young Leader programs, prior to the meeting, each participant was sent a reading list and then was required to submit a short statement detailing his or her vision of the alliance 10 years in the future (Appendix B). These pieces served as a point of departure for discussions over the course of the program.

Day 1 (Jan. 14) consisted of a series of presentations by experts followed by question-and-answer sessions with Young Leaders. These sessions supplemented discussions at the senior seminar by providing more detail to participants about issues that Japan and the US had to deal with as an alliance and to bring in the perspectives of other countries regarding this partnership. In other words, these discussions were

intended to frame the discussions and provide more context as Young Leaders debated the alliance's future.

After welcoming and introductory remarks by Pacific Forum CSIS Executive Director Brad Glosserman, Victor Cha *(CSIS, Georgetown University)* started off presentations with a session on "The Japan-US Alliance on the Korean Peninsula." Cha argued that the three main drivers of alliance coherence are external threats, political values, and populism within a domestic democratic context. His comments prompted a lively discussion about the difference between an "alliance" and a "relationship." Most participants envisioned these two concepts as two ends of a continuum, with an alliance being a specifically military link focused on a threat, and a relationship being a deeper connection between the two countries. The discussion also probed the role of domestic politics in contemporary alliances, comparing the difficult period in US-ROK relations under the Roh administration and the current rocky relations in the aftermath of the Democratic Party of Japan's (DPJ) rise to power in August 2009. While some asserted that fluctuations in domestic sentiment might be relevant only in the short term, most participants agreed that recent changes are part of a larger transition away from the governments that managed the alliances in Japan and Korea during the Cold War era. Given this, a major consideration for the future of these alliances will be how to communicate with and gain the support of the domestic populace.

Bonnie Glaser *(CSIS)* followed with a presentation on "Roles of the US-Japan Alliance and China," articulating Chinese perceptions of the alliance. Much of the following discussion revolved around Chinese views of US alliances with Japan and Korea and the best ways to engage China. Some time was also devoted to the issue of cybersecurity, particularly on the recent announcement by Google that its systems had been compromised by Chinese hackers. The group agreed that cybersecurity presents an uncontroversial area of future cooperation for the US-Japan alliance.

At lunch, Evan Feigenbaum *(Council on Foreign Relations)* explored "Big Thoughts about the Alliance." He presented a number of provocative thoughts on changes in global structural and functional factors, suggesting that there is a shift in the parties making big global decisions, and that the US-Japan alliance needs to find a way to maintain and increase its relevance amidst these changes. Young Leaders spent some time focusing on what the US and Japan might be able to do for one another in the context of the alliance. The tension between a more independent Japan and a strong alliance has been a problem at various times; while Japan needs to bring more vision to the alliance, too much independence might endanger ties. Continuing the theme from earlier in the day, participants discussed what the US-Japan alliance might stand for, now that it is no longer clearly focused on the Cold War era communist threat.

The first afternoon session featured Robert Scher, deputy assistant secretary of defense for South and Southeast Asia. Scher examined the role of the US-Japan alliance in that part of the region, arguing that the two countries have an opportunity to work together for common goals. Young Leaders explored the potential for greater US-India

cooperation and for contributions by India to areas beyond the Indian Ocean, with the consensus being that many things are possible but that they will take time.

The day's discussions closed with a presentation on "Japan vs. China in the Asian Economy: Implications for the US-Japan Alliance" by Richard Katz *(SUNY, Oriental Economist*). Katz argued that since Japan's economy is its main international asset, it seems inevitable that Japan's shrinking weight in the global and Asian economies will have geopolitical ramifications; therefore, the US has a clear security interest in Japan's economic revival. Young Leaders discussed the relationship between political and economic reforms in Japan, given the possibility that there may be conflict between Japanese actors interested in revitalizing the economy and actors dedicated to the maintenance of the US-Japan alliance. In other words, there may be a conflict between Japan's security options and its economic prospects, and Tokyo may have to chose between the two. There was a consensus that economic issues are vital to understanding and realizing the full capabilities of the US-Japan relationship and that there should be more attention to linkages between economic and security issues.

Our second day (Jan. 15) began with Young Leaders discussing impressions from the day before and exploring key themes and issues. They teased out potential roles and challenges for the alliance. Young Leaders were then divided into groups that reflected the conclusions of their preconference essay. The three groups were: continuation of the status-quo alliance, dissolution of the alliance, and coexistence of the alliance with a new Asian regional security architecture. (In fact, the groups overlap and many of the essays didn't lend themselves to a specific group.) The groups were assigned two tasks: to lay out with some specificity how the alliance would look in 20 years (or how each nation would configure its security policy), and how events would unfold to make that outcome possible. The entire group of YLs then reconvened to present their conclusions and for other participants to critique those findings. This discussion was abbreviated as the YLs were invited to a lunch with senior seminar participants that featured off-the-record remarks by Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell.

Young Leaders then joined over 200 invited guests for a public panel session with Richard Armitage, Shinichi Kitaoka, Yukio Okamoto, and William Perry that examined the alliance's past and its future. Finally, all the Young Leaders joined an invitation-only dinner that featured keynote speeches on the alliance by Deputy Secretary of State James Steinberg and Japanese Ambassador to the US Ichiro Fujisaki.

On the third day (Jan. 16), the "core" group of Young Leaders – 12 Japanese and Americans who would attend the closed-door sessions – began their program with an off-the-record breakfast discussion with Evans Revere, head of the Korea Society and a former US diplomat. (The core group of YLs is identified in Appendix E.) Participants compared current tensions in the US-Japan alliance and tensions in the US-ROK alliance during the administration of former ROK President Roh Moo-hyun. While many differences in the US approach to the two allies were evident, it was important to note that the long-standing relationships between allies and the resultant trust have helped ease tensions in the past.

After a day of senior discussions, the Young Leaders met to identify central themes of the conference. They included:

- The implications of the coming to power of the Democratic Party of Japan (DPJ). We are still debating the meaning of this event. Some believe it signals an important shift in Japanese domestic politics, and both countries need to think seriously about what it means for their alliance. There is a notable lack of information about DPJ foreign policy, partly because it is still very much in formation. During the extended period that the Liberal Democratic Party dominated Japanese politics, opposition parties did not have access to key information about international politics, and as a result, the DPJ has a steep learning curve to overcome. The US needs to know more about the DPJ and take its views on foreign policy more seriously. At the same time, it should be noted that the DPJ was not elected on a foreign policy platform; its mandate largely concerns domestic economic reform.
- The need for greater focus on the connection between economic and security issues. These two arenas do not exist in isolation; indeed, they have profound effects on one another. Both countries' abilities to provide global public goods are premised mainly on their economic power. Yet, as a result of the global crisis and Japan's continuing economic woes, both countries' ability to provide those goods has diminished. Refusing to recognize this results in an incomplete understanding of each country and of the interconnected issues that constitute the Japan-US relationship.
- Recognition that the US-Japan alliance is no longer directed against a clear threat, despite persistent problems with the Democratic People's Republic of Korea and concerns about the rise of China. Consequently, the allies need to form a new consensus on the purpose of their relationship. This may mean deciding what the alliance stands *for* instead of merely what it is aligned *against*. In contrast to the focus on provision of global public goods and military support during the Koizumi administration, the alliance seems to be shifting toward a regional focus and greater acceptance of non-military contributions by Japan.
- The need to note the distinction between an "alliance" and a "relationship." Japan and the US share a multi-faceted relationship based on shared values and interests, history, economic exchange, and more. Both countries need to think creatively about the assets they bring to the table and come up with ways to leverage these assets to serve their mutual interests and provide regional and global public goods. Cybersecurity and space research present two promising areas for future cooperation, though neither has been seriously explored to date.
- The challenges involved in relocating the Marine Air Station Futenma. These illustrate the importance of taking a more inclusive approach to the Japan-US alliance. Changes in domestic politics mean that alliance politics are no longer solely the realm of elites; there needs to be a greater focus on communicating the importance of the alliance to the Japanese public and garnering support for the presence of US troops in Japan.

The conclusion of the senior seminar did not end Young Leader engagement. Three of the YL participants, along with Pacific Forum CSIS President Ralph Cossa, went to New York City to join a Japan Society panel discussion that looked at the state of the alliance and its future. The papers in this publication reflect those discussions. Each paper fleshes out a scenario for the US-Japan alliance; what the relationship would look like in 20 years' time and the events that could produce such an outcome. Over a six-week period, the Young Leaders engaged in robust and sometimes heated exchanges about the future of the bilateral relationship and the forces at work upon it and each nation. While the range of outcomes differs, in practical terms each scenario looks similar. Thus, all the groups anticipated ongoing, albeit varied levels of cooperation. If the alliance continues – and in two of the three scenarios it does – then it served as a cornerstone of broader multilateral initiatives. Even if Japan goes "independent," its security is best maintained as part of overlapping security efforts; it does not "go it alone." Japan and the US remain engaged even if their alliance does not survive. Moreover, each group emphasizes the importance of economics. A free trade agreement is an important tool to deepen the alliance. Economic integration provides the framework of more enhanced regionalism. The centrifugal forces created by Asia's economic activity tip the scale against the alliance (even though it would take a "big bang" to end that partnership), and in all three scenarios, healthy and growing economies in the US and Japan all needed to sustain the defense programs that comprise the ballast for the alliance (or each national defense effort). The Young Leaders continue to discuss among themselves the scenarios and develop the ideas they first articulated in the Friday morning session. These exchanges have been quite robust, and the product reflects the intensity of their discussion. In addition to publishing these papers as part of the Pacific Forum CSIS *Issues & Insights* monograph series, they will be starting points for discussion at future Young Leader programs that focus on the Japan-US alliance.

Appendix A

About the Authors

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Appendix B

Pre-Conference Essays

Ms. See-Won Byun

In a decade, the US-Japan alliance will likely remain the foundation for bilateral security cooperation within a broader US-Japan partnership that coexists with Japan's political, economic, and nontraditional security partnerships with other major regional players and multilateral institutions. The alliance will focus primarily on the defense of Japan, with both sides adopting more specialized roles based on relative capabilities. Both sides will begin discussing the process of reducing the US military presence in Japan as Japanese capability increases, with a more flexible arrangement for US forces in Japan and Japanese forces assuming greater responsibility in some areas. Revised guidelines for JSDF overseas activities will allow Japan to play a greater role in multilateral missions. US-Japan military arrangements will undergo readjustment as Japan seeks to depend on a diversified set of regional partners for its security based on its own national interests. Japan will continue to depend on the US nuclear umbrella.

The US-Japan alliance will remain an important part of Japanese efforts to lead regional cooperation but with greater coordination with China as a partner, especially given China's economic rise. Japan will focus on cooperating closely with China, its biggest trade partner, but its alliance with the United States will serve as a key balancer. To address nontraditional security threats, the United States and Japan will strengthen cooperation with allies and partners like Australia, South Korea, and ASEAN, but such efforts will be more inclusive and based on common interests rather than values. Japan's renewed leadership efforts in Asia will be complemented by a strengthened US Asia policy. The United States and Japan will also lead efforts in global governance through the UN, G20, and other mechanisms. A broader policy framework will not necessarily mean a weaker bilateral alliance, but rather, a deeper security partnership integrated within broader regional and global efforts.

Mr. Tim Cook

The Japan-US alliance will continue to thrive in 2020, albeit in an evolved form where the partners will have adjusted their expectations and understanding of their roles and responsibilities in the relationship. The United States will continue to have a forward-deployed troop presence in Japan to maintain peace and security in Asia and to augment Japanese defense capabilities in a crisis. Japan will assume a greater responsibility for its own defense, including revision of Article IX of its constitution to allow for the maintenance of Self -Defense Forces.

Current tension over the implementation of the Okinawa force realignment agreement has severely tested the alliance, but will set the alliance on a more realistic footing by 2020. The partners will realize that their mutual security concerns in Asia – such as a rising China, nuclear North Korea, and sea lane security – are such that meeting them together is more efficient and in the best interest of each party.

The continuation of the security alliance does not, however, mean that the partners will revert to the status quo. Rather, the US will come to accept the new political reality in Japan and temper expectations of Japanese alliance commitments. Japan will not be urged to contribute to security activities in areas outside of Japan and will exclusively focus on the core defense of Japan. The United States will handle regional security commitments such as maintaining open sea lines of communication and preparations for regional contingencies. In the event of an attack on Japan, US forces would augment Japan's defenses. Such an arrangement will necessitate revision of Article IX of the Japanese Constitution to allow self-defense capabilities, which will require a concerted effort on the part of Japan's political leadership to justify the revision not only domestically, but to states that are likely to interpret such a move as a step toward Japanese rearmament.

Mr. Leif-Eric Easley

As Japan and the US celebrate the 50th anniversary of the security treaty, recent history raises important lessons for the alliance. The fact that the US-Japan alliance has adjustments to make in light of a changed post-Cold War security environment is well understood. The alliance transformation process has made progress, and there is a shared vision for the future: a strong US-Japan alliance, not directed at any third country, that (1) ensures the defense of Japan, (2) acts as a cornerstone of regional stability in Asia, and (3) provides a platform for more substantial Japanese contributions to international security. Those contributions include UN PKO, efforts addressing nontraditional security issues, and deepening security cooperation with South Korea, Australia, India, NATO, ASEAN, and even China.

This alliance vision is generally uncontroversial among Japanese and is overwhelmingly welcomed around the world. The trouble, as with most things, is that the devil is in the details. Implementing the alliance vision is the difficult part. Implementation issues include financial burdensharing, base realignment, and the roles and missions of the JSDF under constitutional constraints. For much of the 2000s, major questions for implementation stemmed from diplomatic sensitivities (particularly strained relations with South Korea and China), and US global priorities and commitments (especially concerning the wars in Afghanistan and Iraq).

The most important hurdles for implementation today are related to Japanese domestic politics. The DPJ, which defined itself in opposition to policies of the long-ruling LDP, has taken over the helm of government and the alliance. After a historic transition, it is natural that the DPJ needs time to grasp its responsibilities and pursue effective policies. Ultimately, it is likely to seek a broader-based alliance with increased cooperation across agencies and functional areas, a revitalized trade relationship possibly with an FTA, and deepened civil society connections. But so far, the new ruling party has treated the alliance as a piece on its political chessboard.

Japan's democracy, much like that of the US, is looking to renew itself to cope with long-term socio-economic challenges. This process will continue. The lesson for the alliance

is this: the future is a security partnership solidly in both countries' national interests that inspires the support of both populations while rising above domestic politics. The alliance will thrive not as a relationship between particular political parties focused on the next election, but as a broad-based partnership between nations that share pride in the provision of international public goods.

Mr. Russ Gottwald

The next decade could witness a fundamental shift in the nature of the US-Japan alliance. At present, it is the most important of the hub-and-spoke alliances that underpin US involvement in East Asia. This security régime may take on a more multilateral character in coming years, however, as Washington has the opportunity to encourage increased ties between both traditional and emerging allies in Asia. In this scenario, emerging cooperation between such states as Japan and India would be strongly encouraged, with a view toward creating a multilateral treaty organization including the US, Japan, South Korea, India, Australia, and other states (such as Indonesia or the Philippines) that may seem suitable candidates for membership as they continue to develop and democratize.

A multilateral alliance framework for Asia, of which the US-Japan alliance would be a fundamental part, would bring many benefits. It would foster regional political integration while simultaneously underscoring the commitment of its members to political pluralism, human rights, and free enterprise. Indeed, it could serve as the basis of a Free Trade Area. It would keep the United States anchored in the region while reducing the asymmetry of Washington's security relationships in Asia. Finally, it would provide a basis for tackling multilateral issues such as piracy and proliferation.

There are major obstacles to furthering Japanese involvement in security actions abroad regardless of the alliance framework that exists in 2020. The demographic challenge posed by an increasingly elderly population is the most obvious of these, and the one least amenable to solution. The issue of public aversion to revising Article 9, on the other hand, may be more easily mitigated by a multilateral alliance; this mechanism could also ease Asian apprehension of a resurgent Japan.

Ms. Kristi Elaine Govella

The US-Japan alliance will continue to be a cornerstone of Asian security for years to come, but fundamental global political changes since its inception require the relationship to change to stay relevant. The alliance must become more equal in terms of both vision and implementation.

For the US, this means giving Japan the room to be a strong partner *within* Asia; in recent years, US demands have led Japan to feel pulled away from the rest of the region, and backlash against this is reflected in recent DPJ rhetoric. The US should encourage Japan to be a strong regional leader, despite historical tensions that complicate Asian relations. Given the constraints imposed upon Japan by its constitution and populace, the US should avoid delegitimizing non-military contributions by Japan and recognize the

importance of alternate forms of assistance. The US must also come to terms with changes in Japanese politics since the 2009 election and the constraints faced by the new coalition government.

For its part, Japan must be able to make concrete military contributions to the alliance, which necessitates negotiating the constraints of Article 9, though not necessarily revising it. Japan cannot use its domestic political situation as an excuse to evade these responsibilities; it must resolve difficult issues such as the Futenma base relocation. More fundamentally, however, this military alliance can and should become the foundation for a much broader axis of cooperation. Japan's leadership in nontraditional security areas (e.g., environmental protection, prevention of transnational crime, and infectious diseases) can be leveraged in this regard. Moreover, the two countries should seek closer military *and* diplomatic cooperation, working to both share military intelligence with an eye toward joint operations and to find productive joint stances toward North Korea in the Six-Party Talks or toward China on human rights. The overlap in US and Japanese interests and beliefs presents the possibility of an extremely powerful partnership, but much work remains before this potential can be fully realized.

Ms. Satoko Hara

Japan needs to further consolidate the strong US-Japan security alliance over the next decade. The Japanese government must and will make every effort to maintain its alliance for the following reasons; 1) the continuing threat from neighboring countries; 2) its energy reliance on Middle East oil and, 3) America's extended nuclear deterrence.

First, the realistic and direct threats to Japan are likely to remain in the foreseeable future. The North Korean regime appears to be on firm footing - for now - and China continues to expand its military power. US military presence in East Asia will continue to be vital for Japan and for the stability of the region.

Second, Japan's dependene on foreign energy sources is unlikely to change over the next decade. The US-Japan alliance is vital maintaining energy resources, sea lane security, including counter-terrorism cooperation.

Finally, Japan must rely on America's extended nuclear deterrent. Japan has capable conventional defense forces but is unable to increase its military capability and does not have a nuclear deterrent. To seek to be a "normal country" with full armaments provokes neighboring countries like China and Korea, and harms stability in East Asia. Japan's public opinion also precludes that argument. Thus Japan should remain under the US nuclear umbrella to possess diplomatic influence without a full military capability. The presence of US troops in Japan is also vital to keep the extended nuclear deterrent credible.

To maintain a strong US-Japan alliance over the next decade, Japan needs to do the following. First, Japan should not let homeland concerns like Okinawa and "sympathy" budget allocations affect the alliance. Second, Japan should contribute more troops for

international peacekeeping operations, which requires Japan to deepen international discussions on its interpretation of Article 9 of the constitution. Finally, Japan should frequently and carefully examine whether the existing alliance paradigm meets US security needs and its interests in East Asia.

Mr. Tobias Harris

With the US and Japanese governments locking horns over Futenma – yet again – it is tempting to conclude that the US-Japan alliance, now 50 years old, is on its last legs. In a short span of time, US officials have gone from hailing the alliance's "golden age" to murmuring about Japan's unreliable new government.

These murmurings, reminiscent of the alarm voiced by Japanese elites that greeted the transition from the Bush administration to the Obama administration, are serious. But as important as Futenma is, anxieties in Washington and Tokyo are reflective of deeper concerns about the future of Asia.

During the 1990s, when US and Japanese officials decided to reaffirm the alliance, it was implicitly assumed that the rise of China had given the alliance a new *raison d'etre*: a stronger alliance would be necessary to counter China's influence, and in order to build a stronger alliance Japan would have to introduce legal and constitutional changes – and spend more on its military – in order to be able fight alongside the US.

But it increasingly appears that another future for the alliance is possible, and perhaps even the most likely outcome. In a multipolar Asia, both Japan and the US will have reasons for wanting a looser alliance. Accordingly, by 2020 the alliance will look different. US ground forces will have left Japan, but air and naval forces will remain (and very few US personnel will be in Okinawa). Japan will permit some form of collective self-defense. Negotiations will have begun on a free trade agreement, but will not have concluded. The US, Japan, and China will have created a formal trilateral organization. Most significantly, Japan will have deeper security and economic ties not only with China, but also with India, Russia, Australia, and South Korea.

Ms. Ellen Kim

US-Japan relations are in the throes of transition. The strained relationship will continue for a while as both countries are pitted against each other over a number of contentious issues, particularly the relocation of Futenma Marine Corps Air Station in Okinawa. However, this will not lead either sidee to denounce the long-standing US-Japan security treaty. Instead, both the US and Japan will gradually prefer that their security alliance evolve into a more flexible "global alliance" that will allow them to take more independent but complementary actions for their shared vision of global peace and prosperity while keeping the essence of their security pact intact.

Looking out a decade, the US-Japan security alliance will continue and Japan will remain under the US nuclear umbrella in the face of the rise of China and the immediate nuclear

and missile threats from North Korea (if the Kim Jong-il regime still exists). Due to strong public disapproval, Japan will neither modify Article 9 of its constitution nor send the JSDF abroad for combat missions. Instead, both the US and Japan will come to a mutual understanding that would allow for Japan to play a more active leadership role within Asia and contribute to regional peace and stability. On the global level, Japan will continue to dispatch the JSDF for the UN peacekeeping operations while enhancing its capabilities to deal with non-traditional security threats such as natural disaster, cyber warfare and nuclear nonproliferation.

Meanwhile, Japan will also seek to develop and enhance a regional partnership with its neighboring countries in Asia. Such approach will be taken carefully through dialogue and prior consultation between the U.S and Japan so as not to undermine their security alliance, while allowing Japan to take initiatives in regional issues and find itself smoothly integrated into Asia. In light of its economic recession, shrinking weight in international trade and aging society, Japan will strengthen its economic ties with China and South Korea through trade.

In 2020, while the sustained US-Japan alliance will allow the US to stay relevant to Asia, the US will also develop and consolidate strategic ties with ASEAN member countries, India and Australia. Following passage of the KORUS FTA in Congress, the US will start negotiate trade agreements with some of the countries in the region and actively participate in the ASEAN Regional Forum and join the East Asia Summit in order to maintain its influence in Asia.

Mr. Daniel Kliman

Underpinned by congruent national interests and shared democratic norms, the US-Japan alliance endures. Despite episodic tensions over basing issues, substantial US forces remain deployed in Japan. Neither Washington nor Tokyo sees a “virtual alliance” as desirable. For the United States, China’s military modernization has reinforced Japan’s value as an unsinkable aircraft carrier. For a non-nuclear Japan, the presence of US troops constitutes the ultimate guarantor of extended deterrence.

However, talk of a global alliance has given way to renewed focus on the defense of Japan and regional contingencies. Although still less institutionalized than NATO, the alliance has become more operationally capable. Aiding this process, the Diet has eased restrictions on the right of collective self-defense in areas surrounding Japan.

The United States and Japan continue to cooperate on global security issues, particularly nontraditional threats – proliferation, piracy, and failing states. But collaboration occurs under the aegis of multilateral institutions and ad hoc international partnerships. In effect, the alliance outsources global security to minimize domestic pushback against overseas deployment of the SDF.

The most significant change in the alliance is a new focus on promoting mutual prosperity. Washington and Tokyo recognize that economic stagnation in either partner

will reduce the long-term value of the alliance. The two announce an "Alliance for Growth" that by 2020 has achieved significant milestones: a bilateral free trade agreement, Japanese investment in US high-speed rail, a green innovation community, and a venture capital pipeline linking American investors and Japanese entrepreneurs.

Prior to 2020, the United States and Japan join together to establish the D-5, which replaces the defunct G-8. Leaving economic leadership to the G-20, the D-5 serves as a consultative body for the world's five leading democracies: Brazil, the European Union, India, Japan, and the United States.

Mr. Kei Koga

Since the end of the Cold War, the scope of the US-Japan alliance has geographically and functionally expanded from national defense to regional stability to global security. Currently, it provides a US extended deterrent for Japan; prevents an arms race in the region; maintains US power projection capability to the region and beyond; provides public goods, such as disaster relief in the region; and provides nontraditional security functions, such as counter-terrorism and peace operations. These multiple functions ensure the current form of the alliance for the next decade and seem to bind the alliance tightly even in the long-term.

However, a perception gap between US and Japanese expectations for the alliance also exists. For example, while Japan worries about US policies toward China, North Korea, and the credibility of the US nuclear extended deterrent, the United States worries about Japan's unwillingness to play a larger military role in global security, such as peace operations in Afghanistan. Moreover, there are other problems over alliance management, including the US bases in Japan and the Status of Forces Agreement. Although these are not new problems and have been negotiated below the surface, if not carefully managed, they always risk being politicized. This is illustrated by the new DPJ administration, and these could become trust issues between them, which again widens the perception gap despite widening functions.

If this is the case, the US-Japan alliance, whose core function is military and political cooperation, needs to "deepen" a common strategic vision in East Asia (how to achieve durable stability in East Asia) rather than to "widen" the scope of the alliance. Given the asymmetric nature of the military and diplomatic resources between the United States and Japan, it is natural that Japan doesn't play the same military and political role in the global arena as the United States.

This does not suggest a scaling back of the role and missions in the global arena that the United States and Japan currently embrace. Rather, this suggests that the United States and Japan first should individually establish their roles in the global arena and then cooperate where cooperation is possible, such as disaster management and peace operations. The 50th anniversary is the ideal opportunity to create new momentum to consolidate bilateral cooperation this way.

Mr. Tetsuo Kotani

Japan and the United States share a basic strategic vision for the region. Both envision an open and inclusive alliance based upon common interests and values rather than an exclusive alliance against a common threat. Asia, occupying half the world's population and producing one-third of the global economy, has the potential to reach an unprecedented level of prosperity and freedom in this century. Asia faces the two Great Oceans, and Asia's dynamism comes from the Indo-Pacific Rim. Both allies would enjoy greater benefit from a broader system that brings order to the Indo-Pacific Rim to allow people, goods, capital, and knowledge to flow freely. Global issues such as climate change and nuclear nonproliferation/disarmament are additions to the alliance agenda.

The Indo-Pacific Rim is full of hope and concerns. Democracy promotion and human rights violation, economic development and disparity, nontraditional security issues, and the impact of Chinese and Indian rapid economic, social and military development – these challenges have no respect for borders but offer new arenas for cooperation.

The United States provides extended deterrence and long-range sea-lane protection, while Japan provides bases – this basic structure of the alliance remains intact. It is an asymmetric but reciprocal alliance. The alliance structure was premised on US hegemony and Article 9 of the Japanese constitution. However, the very fact that the United States is meeting challenges of North Korean nuclear ambition and piracy in the Pacific and Indian Oceans implies that the United States cannot maintain dominance in the Indo-Pacific Rim.

To seize every opportunity and to meet every challenge, the United States and Japan should seek a more symmetric, power-sharing alliance. The US bases in Japan should be maintained, while Japan should contribute more to deterrence and sea-lane protection. That requires Japan to relax its self-imposed restrictions on security policy to play greater roles. The alliance managers should be expanded, involving more experts on regional and global functional issues. Public awareness of the alliance needs to be promoted to make the alliance more sustainable. Finally, the alliance should constitute the core of an Indo-Pacific Rim security community.

Dr. Ji-Young Lee

The US-Japan alliance will still exist in 2020, but in a different tone. In principle, the formula, "when you want shade, find the largest tree" will remain the same for Japan, but with significant changes in its importance: the US is no longer the only large tree, and Japan is looking outside the shade. Challenges in the US-Japan alliance through 2020 are a direct result of trials and errors from Japan's search for a new identity and a place in the world, triggered by the economic decline, China's rise, and threats from North Korea. Looking out a decade, while keeping the alliance with the US as the cornerstone of its security policy, the DPJ-led governments will have transformed Japan into an "Asian" power strengthening ties with China, which means the region will move toward a loose trilateral framework of the US-Japan alliance plus China. By 2020, Japan will *not* have

revised Article 9 of the Constitution, but will clarify the role of the JSDF in the process of defining a new Japan as a more active supporter of UN peacekeeping operations and in a bid for a permanent seat on the UN Security Council.

For the next 10 years, the resilience of the alliance will be tested primarily over two balancing acts: 1) a relative decline in the US ability to provide security public goods in the region vs. the DPJ's reluctance to play a larger role in US-led security cooperation; and 2) Japan's desire for disarmament vs. its reliance on the US extended deterrence to remain as a pacifist country. It is imperative that Japan avoid a binary notion of looking at the alliance with the US as a counter to friendly relations with Asia. The two countries should closely coordinate policies so that the US interest in Japan's partnership in implementing a larger global security strategy and Japan's interest in contributing to the UN operations converge.

Mr. Adam Liff

The advent of the DPJ administration presents a novel challenge for alliance handlers. However, what has often gone unappreciated is the fact that current tensions are, in large part, a symptom of more fundamental – if often overlooked – issues between the two allies that have existed since well before the August election. The silver lining may be that regime change has finally forced a candid discussion about mutual expectations. The timing could not be better: the 50th anniversary of the alliance presents a prime opportunity to reform and strengthen the alliance and ensure that it evolves to meet the challenges of the coming decades.

In addition to adopting measures to ensure that the alliance continues to function effectively as a guarantor of both Japan's security and hedge against potential threats to regional stability – e.g., by negotiating mutually acceptable terms for a continued US troop presence, reemphasizing the nuclear umbrella, and tightening security links with other US allies in the region – both states should actively work to expand its scope – not in terms of geography *per se*, but ensuring that it adapts to meet the diverse and evolving needs of the region. For example, instead of pressuring Japan to revise article IX and play a more assertive military role in support of US military operations overseas, the US should help Japan explore ways to expand its non-military contributions (e.g., humanitarian relief) and involvement in UN-sanctioned PKOs. Furthermore, both states should demonstrate their commitment to expanding the breadth of bilateral cooperation by reinvigorating economic ties through the pursuit of a bilateral FTA. Finally, and most importantly, the allies must also accelerate the process of transforming the alliance into a more *inclusive* partnership that actively engages states throughout the region – in particular, China, South Korea, Australia, Indonesia, and India – and beyond in joint operations to tackle "nontraditional" security issues of shared concern (e.g., WMD proliferation, terrorism, natural disasters, maritime piracy, infectious disease, and transnational crime). To facilitate this effort and provide a clear signal of its commitment to multilateralism and peace and stability in the region, the US should follow up its July 2009 accession to the ASEAN Treaty of Amity and Cooperation with a sincere push to join the East Asia Summit.

Mr. Yudai Maeda

The US-Japan alliance will remain one of the most important diplomatic issues for Japan, at least for the next decade. These days it is said that US influence is declining, and thus the US-Japan alliance might become less meaningful for Japan. Japan should adapt to the new international order, but even as US strength decreases, the US will remain one of the strongest countries in the world. In addition, though the Pacific Ocean separates the two countries, Japan and the US are geographically proximate countries. Given these perspectives, Japan needs to stress the importance of the US, especially in security matters. In order to maintain peace in the Asia-Pacific region, Japan should let US troops stay in Japan. Absent a dramatic crisis, for example military attack from North Korea, it would be nearly impossible for Japan to modify Article 9 of the Constitution, due to strong objection for inside the country. At present, Japan has not started discussions on this matter. Likewise, it will be very difficult for Japan to expand its ability to send military troops overseas. As for the economy, the situation will change. China has become a vital trade partner of Japan. The US economy is struggling and the US market has become less attractive to private companies. I doubt an FTA between Japan and the US will be realized.

Ms. Oriana Mastro

The US-Japan alliance will continue to be the center of the US military presence in East Asia over the next 10 years. The most important aspect of the alliance for the US is basing rights, which allows for a strong US military presence in the region. I would evaluate proposals for an alliance upgrade accordingly.

- US troops will remain in Japan. In the short term, no Japanese government would demand withdrawal of all US troops; for the US, there are no viable alternatives to regional bases.
- From a US operational and budgetary perspective, it is not vital that Japan amends Article 9, the right to self-defense, or its constitutional norms against the projection of power. Japanese participation in international missions is beneficial to the US (mostly politically), but not worth risking US basing rights, which could arise if moves towards ‘normal’ status further reduced the popularity of the US presence. However, it is unlikely that Japanese domestic politics will push major changes in military posture within the next decade.
- Trilateral defense cooperation is unlikely, given the political obstacles, and potentially undesirable.
- Some changes to the alliance are likely. There will be a move toward interoperability, but perhaps not to the degree some might hope. Cooperation in intelligence sharing and training will improve, but there will not be significant demand for a joint force with a shared command structure. Cobasing could occur, which would allow the militaries to work side by side, making the US presence more palatable.
- The US and Japan will sign a FTA.

- Six-Party Talks will be institutionalized into a Northeast Asia security forum, but whether it has any teeth will depend on whether and how the DPRK nuclear issue is solved.

Mr. Ross Matzkin-Bridger

In 2020, the US-Japan alliance will still serve as a cornerstone of stability for both nations. The US will still be the chief party responsible for Japan's defense, while Japan's Self-Defense Forces will step up to play a slightly more active role. Despite recent calls by Prime Minister Hatoyama for a "more equal" alliance, there is very little evidence to suggest that this can be achieved on a military level. Currently, Japan spends roughly 1 percent of its GDP on defense, and a variety of factors will prevent this number from rising significantly. First, Japan has a debt/GDP ratio of approximately 175 percent, meaning that the government will find it difficult to find extra money for defense. Furthermore, Japan's rapidly aging population will add more stress, decreasing the tax base and increasing the number of senior citizens collecting social benefits. Finally, there is still significant political opposition in Japan to an indigenous military buildup, so this would be a difficult task even if the money were there. Ultimately, the Japanese government will need to choose between either accepting a continued US military presence or significantly decreasing defense capabilities. Over the next ten years, the status quo is likely to prevail. Regarding Japan's constitutional restrictions on the use of its Self-Defense Forces, there may be room for at least a reinterpretation of Article 9 that will allow for collective self defense. This will allow Japanese forces to play a more substantial worldwide role, to the extent that their budget will allow them to do so. The temptation for military "normalization" will continue, and this could be realized in subsequent decades this century.

Ms. Aki Mori

When we talk about the future vision of the Japan-US alliance from a Japanese perspective, we must acknowledge that Japan is destined to adapt to the international environment and that Japanese options for foreign and security policy are strictly limited. Japan created enormous casualties in Japan and other states in major wars. This fact reminds us that the absolute must for Japan is to avoid antagonizing the US and to guard Japan from making China an enemy of Japan. This has not changed even today.

Therefore, my vision of Japanese foreign and security policy extends existing policy. First and foremost, Japan needs to maintain a strong alliance with the US and make Japan-US relations more comprehensive. Second, Japan needs to expand practical cooperation with China. This is a must for Japan's survival, at least in state-to-state relations. However, domestic politics could constrain Japan and limit the pursuit of reasonable policy goals.

Domestic politics in Japan are hurting the alliance. The foreign and security policies of the DPJ-led coalition Cabinet are a hybrid of "the illusion of omnipotence" and "pleasure of political demonstrations," which are designed to appeal to the public. However, "the

illusion of omnipotence" – the notion that Japan can choose any foreign and security policy the Japanese want – is a fantasy which cannot be achieved. The proper responsibility of the DPJ administration is to explain constraints on Japanese foreign and security policy and the limited but possible policy choices to the public and create a mature consensus. This effort will expand the strategic margins for Japan and could stabilize the international environment in East Asia by creating predictability about Japan's future course.

Mr. Yukinori Nishimae

In dealing with the recent financial crisis, experts justified bailout plans with the phrase "too big to fail." It offers a very close analogy to the current situation of the US-Japan alliance. It is fair to say that a breach of the agreement will significantly harm mutual trust. Nevertheless, no matter what happens to Futenma, the alliance is destined to survive because the alliance, described as a "cornerstone," a "common asset," and a "lid," is too important to fail.

Japan's recent dithering revealed that it has become more difficult to manage the alliance without changes in the structure of the alliance: the US gains strategic locations while Japan gains security without full-fledged military responsibility. Given the relative decline of national power and increasing global responsibilities, the US may be frustrated by a faltering Japan. Meanwhile, Japan, suffering from the daily burdens of US bases, may be frustrated by the US, which takes the status quo for granted. For the alliance to remain strong and reliable, elasticity is indispensable.

Three efforts must be made. First, Japan must develop a national security strategy instead of articulating what it cannot do. For an "equal relationship," Japan should do more: expand its role in the defense of Japan and make active contributions to international peace and stability. Second, the two nations must implement a plan exceeding the 2006 "Roadmap" to further reduce the burdens on local communities while maintaining the level of deterrent. For this, the expansion of Japan's capabilities will be a key to replacing the US footprint. Third, the two nations must deepen strategic ties to avoid suffering from dissatisfactions created by gaps between expectations and realities. Japan's solid strategic vision and enhanced information security system will be keys to facilitating joint planning and policy coordination within the alliance.

Ms. Dayea Diana Park

In the last 6 months, many have seen the US-Japan alliance as fading and becoming less important. I see the opposite sort of pattern. Even though the Hatoyama administration and the DPJ as a whole are not as keen about a strong US-Japan relationship as were LDP administrations of the past (specifically the Koizumi and Abe administrations), the relationship will be going through major tests in the next decade. Japan has friendly relations with surrounding countries, but its relationship with China is chilling and the relationship with North Korea is almost non-existent. Hatoyama wants to be the prime minister who changes the course of Japanese international relations and creates strong

ties with Asian partners. But Japan will need to have a strong relationship with the United States to deal with these two countries; therefore the US-Japan relationship can only get stronger.

The Obama administration recently began direct talks with North Korea. Although this move has been defended as a step toward bringing North Korea back to the six-party process, this carried an important message to Japan. The six-party process is not a process of equal parties. The United States is in control. It is also clear that the North Korean leadership cares little about other countries. If Japan wants to stay relevant in these negotiations and have its say, it must work on the alliance with the United States.

With regard to China, competition – at the least – still exists. The United States as an ally has and will continue to help balance the butting of heads in Northeast Asia. However, as the US-China relationship becomes warmer, this will mean that Japan will need to strengthen its alliance with the US.

Dr. Ryo Sahashi

Japanese diplomatic and security strategy in the coming decades would transform itself with these basic assumptions: First, its economic dependence and social interaction within Asia would increase and Japan's aging society would suffer from higher social welfare spending and a low level of innovation. Second, there would be no serious military disputes in the region. If these conditions prevail, Japan's diplomatic and security strategy would gradually change to "double hedging" – keeping the alliance with the US and simultaneously increasing efforts to catch up with the growth of China and Asia.

The mainstream diplomatic strategy in postwar Japan relied on the alliance for deterrence and the gateway to come back to world politics as a economic great power. However, the self-image of Japanese diplomacy would inevitably change into one of a "middle power," at least for one camp in the two party system (I expect the other camp would have a more nationalistic agenda), and under the conditions described above, it would prefer to benefit from the growth of Asia and avoid political rivalry. This does not mean that Japan would band-wagon with China.

A more realistic scenario would be for Japan to keep its option of a partnership with the US and other advanced economies as a counter-weight against China, and in this context, Japan would need such a coalition to integrate China into the international order without making significant compromises, while Japan would be likely to accept greater Chinese involvement in the regional and international order and institutional reform that would give Beijing a louder voice. Such a Japanese policy opposes those who believe that Japan, as the world's second largest economy should be superior to China in world politics. The other camp would have an updated self-portrait of diplomacy as a (relatively large) middle power. It would resemble the diplomatic dilemma which Australia has encountered, finding itself between the US and China. In this new diplomacy, Japan should prioritize its limited diplomatic and security resources on Asia's integration and

development and also on securing economic interests such as SLOC protection. I do not deny the significance of its global responsibility and missions to satisfy humanitarian needs, but at the same time Japan should engage Asia in a more dynamic way.

Mr. Yu Sasaki

Designing diverse visions in the global context is imperative for the US-Japan alliance. Current debates about the alliance are largely confined to either the bilateral or regional (East Asian) context. This is misguided and dangerous. Just as threats to the interests of the United States and Japan have been globally defined, visions for the alliance must be developed similarly. The two states – individually or as partners – will lose considerably if they remain unable to come up with alliance vision(s) in line with the scope of their (respective or mutual) interests. Today, a serious gap exists between the alliance's reality and policy debate about it. While both the United States and Japan's security commitments have *already* been globalized, debates surrounding the alliance do not fully recognize this fact. As the United States finds sources of threats in such far-flung regions as the Middle East and South Asia, Japan likewise has substantial stakes for its present and future interests in Southeast Asia and Africa. In addition, countering issues such as nuclear proliferation, transnational terrorism, and infectious diseases requires more than individual state efforts. Refusal or inability to create a vision that goes beyond familiar waters will eventually render the alliance obsolete. It is time to construct a menu of alternative visions for the alliance. Given the unique form of the alliance, it is critical to think about diversified roles in the alliance – functionally, geographically, or otherwise. We can imagine a possibility in which the United States and Japan as an alliance undertake a project, while working in different regions, in a mutually beneficial manner. Envisioning such possibilities allows us to discuss the future of the alliance in strategic terms and helps us consider hitherto unexplored – yet realistic and viable – options to strengthen the alliance.

Dr. Kevin Shepard

- US-Japan relations are fundamentally solid. Issues recently arising in diplomatic and security discussions reflect longstanding positions of the Japanese public. Fleshing these issues out is long overdue. While the more liberal government in Tokyo will pose some problems for Washington, Japan's election of a DPJ administration offers the US more benefits than detriments.

  A leading DPJ means:
  - Hatoyama Yukio faces constraints (not unhappily) on issues concerning US military presence in Okinawa. His party ran on a platform of revising (later, reviewing) USFJ;
  - Tensions will continue regarding calls to revise SOFA, the 'Guam Agreement' on relocation of USFJ marines, and the consolidation of bases on Okinawa.

However, the Hatoyama government has:

- Pledged to work to resolve the issue of DPRK kidnappings of Japanese citizens;
- Supported US denuclearization efforts;
- Eased nationalist pressure to develop nuclear capabilities as part of normalization;
- Promised not to visit the Yasakuni Shrine, a sign of willingness to ease tensions with Koreas and China over historical issues.

Therefore, it appears that:

- Issues surrounding the logistics of USFJ will continue. The DPJ more realistically reflects the demands of the Japanese people, unlike the more conservative LDP that Washington has grown accustomed to dealing with.
- At the same time, the DPJ seeks to address considerably more regionally contentious issues that drove tensions and mistrust with Japan's neighbors, limiting opportunities for NEA multilateral security cooperation.
- Resolution of kidnapping issues could facilitate Japan's more active participation in Six-Party Talks on DPRK nuclear issues, as well as potentially lead to diplomatic relations with Pyongyang that would allow the flow of Japanese reparations in the form of ODA.

In order to strengthen the US-Japan alliance:

- Washington should allow Hatoyama the slack needed to fulfill DPJ platforms, while strongly pressing for a USFJ presence most supportive of US regional security goals. This means allowing 'reviews' and even 'renegotiations' of agreements made with the previous administration. Washington should use its bilateral relationship with Seoul as leverage, just as it did when negotiating with a liberal ROK government using its relationship with the LDP.
- Washington should support DPJ efforts to ease regional tensions, and take the opportunity to push for increased regional multilateral cooperation.

Mr. Damien Tomkins

Both Japan and the United States benefit from the Japan-US alliance and it is in the interests of each country to maintain this partnership into 2020. The existential threat that Japan perceives from North Korea is a practical example of why Japan will want to maintain this relationship. The uncertainty of China's role in the future is another reason for Japan's close affiliation with the US. From the US perspective, having a military presence in Northeast Asia is of important geo-strategic value.

However, the current trajectory of the alliance is not conducive to realities on the ground. Looking ahead, Japan should consider taking a more proactive stance regarding its own defense and security, with the United States providing supplementary personnel and capacity support. It is likely that the US will continue to provide a nuclear umbrella for Japan, with Japan remaining a non-nuclear power.

To further strengthen the Japan-US alliance, both states could explore additional cooperation on traditional and non-traditional regional security threats. This expanded role for Japan will primarily revolve around issues that negatively impact Japan's national security interests. Examples include the safe passage of goods and commodities on international seaways and regional humanitarian assistance. Some of these missions may include operations beyond the Asian region; international piracy is a case in point. Furthermore, Japan should continue partaking in UN-mandated peacekeeping operations than involve Japanese active military personnel, and the US should be supportive of Japanese leaders who implement these decisions.

The above would best be implemented along with a review of Article 9 of the Japanese constitution regarding collective security responsibilities. This review should take into consideration that Japan is a state actor with both regional and global interests. In summary, Japan is a state that has the latent capacity to collectively and responsibly respond to both traditional and non-traditional security threats, but is not fulfilling this role on the regional and global stage.

Ms. Ting Xu

Looking out a decade, the US-Japan alliance should still exist, but with more limited, practical features. Extended nuclear deterrence from the US would be one of the few truly relevant components of the military alliance. Japan would have modified restrictions on Article 9, and would be at the beginning of a more proactive self-defense strategy. However, change would be at the initial stage and Japan would still restrain itself from moving too fast overseas. There could be more frequent Self-Defense Force participation in humanitarian missions, and more active logistical support for the US forces that are on missions. However, Japan will be struggling to maintain the health of its own economy, while adjusting its relationship with China. As a result, the US-Japan Security alliance will weaken as the strength of both countries weakens, and strategic considerations in both change. However, the alliance would also move toward a new direction which strengthens the cooperation of the two countries at sea. How they deal with China would influence the terms of the alliance. On the economic front, there would be more FTAs. Japan might have FTAs with China, South Korea, India and some Latin American countries. The US might develop more FTAs with more Asian countries as well. However, it is unlikely that a US-Japan FTA will be realized in the coming decade, because of agricultural interests in Japan, powerful US industries, and the shear time needed to complete such a large FTA. However, because it is largely beneficial to both countries, and both countries will have finished agreements with more of each other's trade partners, a FTA will ultimately be realized.

Ms. Stephanie Young

Quality of life, honor, security, choice, respect, and history – these are the concepts which underlie the alliance between the United States and Japan. Despite the ebb and flow of domestic politics and international relationships, this very special friendship

between our two countries will exist in the years to come, though it will evolve in response to environmental changes.

Japan, like the United States, has seen dramatic political shifts in the past year. Thus we are experiencing uneasiness as our new leaderships get to know each other and themselves. Their precarious new dance is concerning because it is unfamiliar, but soon our interaction will become as proverbial as it once was.

Despite political and economic variances, the United States' force posture in Asia and the Pacific is at the very heart of the US relationship with Japan. US forces based in Japan are vital to the security of all of Asia, maintaining a tolerable balance with rising China and North Korea, all the while keeping regional SLOCs open to world commerce.

Although the alliance keeps our bond strong, it is also the cause of complications. Frustrations on both sides must be heard and respected if the alliance is to function at its optimum level. In 2020 there will be US troops in Japan, though with a much smaller footprint. It is likely that US military forces will work in a more collaborative way with the Japanese Self Defense Forces, which may share bases and work jointly to train, equip and operate. Japan will continue to send troops and resources overseas, as they are currently doing in the anti-piracy campaign off the Horn of Africa. Article 9 will still exist in form, but its fashion will be redefined as the country and world get reacquainted with a more capable Japan. Ten years from now, the Treaty of Mutual Cooperation and Security between the United States and Japan will exist, albeit with changes. These alterations will enable both parties to flourish and yet stay true to the concepts from which the relationship began.

Appendix C

PACIFIC FORUM CSIS

YOUNG LEADERS

16TH ANNUAL

JAPAN-US SECURITY SEMINAR

January 14-16, 2010
Washington, D.C.

AGENDA

Thursday, January 14 (At CSIS, 1800 K St NW) – *Young Leaders session*

8:30AM	Continental Breakfast *(Room B-1, CSIS)*
8:45AM	**Program Introduction** Brad Glosserman, Executive Director, Pacific Forum CSIS
9:00AM-10:30AM	**The Japan-US Alliance on the Korean Peninsula** Speaker: Victor Cha, Director and Professor of Asian Studies, Georgetown University, Korea Chair, CSIS
10:45AM-12:15PM	**The Role of the US-Japan Alliance and China** Speaker: Bonnie S. Glaser, Senior Associate, International Security Program, CSIS, Senior Fellow, Pacific Forum CSIS
12:30PM-2:00PM	Lunch **Keynote Address: Big Thoughts About the Alliance** Evan Feigenbaum, Senior Fellow for East, Central, and South Asia, Council on Foreign Relations
2:15PM-3:45PM	**The Role of the US-Japan Alliance in Southeast Asia, South Asia, and Oceania** Speaker: Robert Scher, Department of Defense
4:00PM-5:30PM	**The Japanese Economy: Problems and Prospects** Speaker: Richard Katz, Senior Editor, The Oriental Economist
7:00PM	Dinner – ***Sushi Ko Chevy Chase*** ***5455 Wisconsin Avenue***

Friday, January 15 (At the Willard Hotel) – *Open session*

8:30AM Continental Breakfast

9:00AM-12:00PM **YOUNG LEADERS Discussion and Presentations** *Nest Room, Mezzanine Level*

12:00PM – 1:30PM **Informal Lunch** (hosted by The Tokyo Foundation)
Speaker: Kurt Campbell, Assistant Secretary of State
Willard Room, Lobby Level

2:00-5:00PM **Public Seminar:** *Ballroom, Lower Level*
The Japan-US Alliance at Fifty –
Where We Have Been; Where We Are Heading

This public seminar is an integral part of this year's Japan-US security seminar. Sponsored by the Tokyo Foundation, it will be both reflective and forward-thinking and will be open to the general public. A section of reserved seats will be set aside for seminar participants and Pacific Forum Young Leaders. The first set of speakers will focus on how the alliance has evolved over the years; the second set of speakers will look toward the future. An extended Q&A session will follow the formal presentations.

Opening Comments:	Yoshiji Nogami, President, JIIA
	Ralph Cossa, President, Pacific Forum CSIS
Opening Remarks:	Hideki Kato, Chairman, The Tokyo Foundation
Where We Have Been?	Shinichi Kitaoka, University of Tokyo
	William Perry, Stanford University
Where We Are Heading?	Richard Armitage, Armitage International
	Yukio Okamoto, Former Special Advisor to the Prime Minister

5:00-6:00PM **YOUNG LEADERS wrap-up session**

6:00-7:00PM **Opening Reception** *Ballroom Foyer, Lower Level*

7:00-9:30PM **Opening Dinner** *Willard Room, Lobby Level*
Remarks: Ichiro Fujisaki, Ambassador of Japan to the US
Keynote Speaker: The Honorable James B. Steinberg
US Deputy Secretary of State

Saturday, January 16 (At the Willard Hotel) – *Closed session*

7:30AM **YOUNG LEADERS Breakfast Meeting**
Nest Room, Mezzanine Level

8:00-9:00AM Continental Breakfast *Crystal Room, Lobby Level*

The Japan-US Alliance at Fifty: Where We Have Been; Where We Are Heading

9:00AM Welcoming Remarks

9:15AM **Session 1: Domestic Changes in Japan and their Impact on Alliance Management**
Japanese presenter: Toshihiro Nakayama, Tsuda College
US lead discussant: Sheila Smith, Council on Foreign Relations

This session focuses on changes in Japan's security policy and outlook under the new DPJ government. What is the meaning of the Aug. 30 election result? What explains the DPJ victory? What are the government's priorities? Do they differ from those of its predecessors? What is the significance of DPJ lack of experience in governing? How does the Hatoyama government's national security policy differ from that of its predecessor? How does this government view its role and that of the Self Defense Forces in regional and global security challenges? What is the status of and prospects for constitutional reform? What are the key issues in the national debates on Japanese security planning and how might they be resolved? What is the significance of changed time lines for the development of Japanese security documents (such as the National Defense Program Guidelines)? How have Japanese policies toward North Korea and toward trilateral (US-Japan-China) and broader multilateral cooperation changed and what are the implications for alliance management?

10:45AM Break

11:00AM **Session 2: Domestic Changes in the US and Impact on Alliance Management**
US presenter: Michael Green, CSIS
Japanese lead discussant: Fumiaki Kubo, The University of Tokyo

This session examines US security strategy one year into the Obama administration. How can we characterize US foreign and security policy and its national security strategy? What are the contents and implications of the new Quadrennial Defense Review and Nuclear Posture Review (and National Security Strategy)? How have US policies toward North Korea and toward trilateral (US-Japan-China) and broader multilateral cooperation changed and what are the implications for alliance management? What is the impact of evolving strategies toward Iraq and Afghanistan on US Asia policy and alliance management? How do force posture changes in Asia, and especially in South Korea and Guam, affect the US-Japan alliance and basing issues?

12:30PM **Lunch** *Willard Room, Lobby Level*
Speaker: Wallace "Chip" Gregson
Assistant Secretary of Defense

2:30PM **Session 3: Future Visions of the Alliance**
Japanese presenter: Matake Kamiya, National Defense Academy of Japan
US presenter: Ezra Vogel, Harvard University

How do the US and Japan see their alliance evolving? What are key factors shaping cooperation and how can current levels of cooperation be sustained? What do the US and Japan expect of each other? How significant are Japanese concerns about the credibility of the US extended deterrent? What future challenges affect the alliance? 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 can the US and Japan work together to encourage China's peaceful development? Do we have a common vision regarding future security challenges and preferred responses? How can multilateral mechanisms and initiatives enhance future bilateral cooperation? How can we best use the 50th anniversary year to strengthen the alliance?

3:30PM Break

3:45PM Session 3 (cont.)

4:30PM Wrap-Up Session

4:45-6:45PM YOUNG LEADERS Roundtable Discussion, moderated by Brad Glosserman

Appendix D

PACIFIC FORUM CSIS

YOUNG LEADERS

16th Annual
JAPAN-US SECURITY SEMINAR

January 14-15, 2010
Willard Intercontinental Hotel • Washington, D.C.

Participants

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The Asia Foundation

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Mr. Russ Gottwald
MA Candidate
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Ms. Satoko Hara
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Ms. Stephanie Young
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Appendix E

PACIFIC FORUM CSIS

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Core Participants

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