Executive Summary

The Japan-US alliance confronts a challenging security landscape. North Korea continues to develop missile and nuclear capabilities, China is flexing its muscles, and even if Beijing doesn’t court a confrontation with other nations, the possibility of an accident, miscalculation, or mistake makes that prospect real. Russia too seeks to extend its power and influence, and ongoing economic modernization throughout Asia sharpens the competition for resources in the region. Bitter partisanship and political gridlock in the US and Japan’s reluctance to devote sufficient resources to its military overshadow the continuity in policies in both capitals and send worrying signals to allies and adversaries in the region. Especially troubling is the friction between Japan and South Korea, two countries that should be cooperating to meet shared challenges and concerns.

China poses particular problems for the alliance. There is no simple or single explanation for China’s troubling behavior in recent years; Beijing’s policies reflect a variety of views and actors. There was agreement that China is an opportunistic country, eager to right perceived historical grievances and expand its influence in the region. China’s readiness to see containment whenever its ambitions are frustrated, an apparent need to distract its populations from home grown ills, and its increasingly problematic relationship with Japan – victory in World War II legitimates the CCP’s claim to rule China – all make resolution of problems with China difficult. China is also probing the Japan-US alliance to test its resilience and to introduce insecurities. It is incumbent on both sides to counter this strategy with a firm position that concedes nothing to China and doesn’t reward Beijing’s misbehavior.

Foreign policy making is complicated by domestic politics in each country. The US must counter the notions that it is not committed to its “rebalance” to Asia or that partisan squabbles in Washington will undermine its commitment to regional security. Meanwhile, Japan needs to continue the economic reinvigoration process promised by Abenomics; that will be the foundation for its re-emergence in regional affairs. History issues remain problematic and there is a risk of friction between the two countries because of divergent views of their significance.

An important element of Asian regional dynamics is the divergent economic performances of key players. The Chinese outlook is rosy with the overwhelming majority of Chinese positively assessing their performance and prospects; less than a third of Americans have a similarly optimistic outlook, and the Japanese assessment is darker still. This confidence (or lack thereof) has a powerful impact on perceptions and performance, shaping outcomes. Abenomics is designed to help turn Japanese thinking around; the decision to join the Trans-Pacific Partnership is considered a very encouraging sign, both for the economic potential and the indication of political leadership in Tokyo. It is important for Japan and the US to see such deals as more than mere trade agreements; they are strategic in nature and have a value that goes beyond the determination of tariff levels. One potential wild card is the shale gas revolution.
Exploitation of those resources has the ability to transform economic and security relations, not only for the US but for Japan as well.

Policy coordination between Japan and the US will be more important than ever in this evolving environment. There are concerns that the two countries have differing priorities, especially when dealing with China. This is most manifest in the confrontation over the Senkakus, which Americans see as important but Japanese consider “a touchstone for the alliance.” There is some concern in Tokyo that the US will subordinate this territorial dispute to a broader set of issues that Washington has with Beijing. One way to minimize this fear is for Japan to strengthen its defense capabilities. At the same time, the US must ensure that its policies are seen as ways to counter, but not contain, China.

There is a danger of divergent threat perceptions – or the perception of divergence. It is important that the US recognize the emotional content of Japanese concerns: Japanese territory is being threatened. Both countries must be better able to signal resolve, both to adversaries and to allies. This requires not only statements of purpose, but actual progress in the resolution of thorny issues that have hindered alliance modernization, such as replacing Futenma Air Station. There should also be deeper discussions of roles, missions and capabilities, as well as the inclusion of “new” domains such as cyber and space. Both governments, singly and together, need to be thinking about contingencies that are 10-15 years ahead. Also, they should be explaining what their alliance is for, not just what it is against. Trilateral (Japan-US-South Korea) security cooperation is also necessary.

Ultimately, the US must better communicate its aims and ambitions in the region; the rebalance is poorly understood, often because the US is explaining what the rebalance isn’t, rather than what it is. Washington must also show greater sensitivity to Japanese concerns. That doesn’t mean that the US must defer to Tokyo on regional issues, but it must not be – or seem to be – dismissive of its ally’s concerns.

For Japan, the new government must first restore confidence in Japanese leadership among the public and friends. That demands revitalizing the economy. Japan will also have to increase defense spending and flesh out the bones of its “dynamic deterrence” policy. The new government must show Americans, and Japan’s neighbors, that it understands history and its implications.

Together, the two countries must articulate a shared vision of their partnership, of which the Japan-US alliance is but a part. Once they have this vision, the two governments can then redefine roles, missions, and capabilities that prepare them as nations and as an alliance, to deal with an evolving security environment and over the horizon contingencies. This will modernize their partnership and create opportunities for cooperation with third parties. It will also shape the regional environment in ways that are congenial to our two countries and present friends and allies with choices of our making, rather than leaving them to the mercy of other nations.