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JCIE Report

"Reinvigorating US-Japan Policy Dialogue and Study"

Executive Summary

In recent years, there has been a growing sense that the nongovernmental underpinnings of US-Japan relations are deteriorating. This is evident in the challenges facing Japanese studies in US universities, the difficulties that grassroots organizations have in sustaining cultural exchanges, and the gradual weakening of US-Japan business dialogue. This slide is especially apparent, though, in the very area that has the greatest immediate impact on US-Japan relations—the field of nongovernmental policy dialogue and study.

A new JCIE report concludes that the time has come to acknowledge that the institutional base of US-Japan policy dialogue and study has become dangerously weak, and it recommends that leaders from diverse sectors in both countries undertake a joint effort to strengthen this base. Such an initiative would help reduce the types of misunderstandings that have complicated the relationship in recent years, better equip the two countries to cooperate on a host of pressing regional and global challenges, and lay the foundation for a strong and vibrant bilateral partnership for decades to come.

Key Findings

US-Japan dialogue and study has declined significantly in the past decade.

The decrease in substantive interactions between policy experts and political leaders is reflected in the declining level of US-Japan activities hosted by think tanks and exchange organizations.

- The capacity of Japan's policy institutes to engage in substantive dialogue and study has deteriorated considerably over the past decade.
- Policy dialogue and study on Japan at influential Washington think tanks has also declined. The number with major activities specifically on US-Japan relations dropped from 20 to 10 in the past decade. By 2009, more than twice as many had major activities on US-China relations than on US-Japan relations, with more than 40 senior staff focusing primarily on China—nearly 10 times the number of Japan experts.
- The number of Congressional members visiting Japan is down 70–75% from the late 1990s, and, now, almost 7 times as many Congressional members visit Germany than Japan, more than 3 times as many go to France and the UK, and twice as many visit China.

Mutual frustrations have accumulated in US-Japan policy circles.

Many Americans and Japanese in the field are concerned that policy dialogue has not sufficiently been dealing with the most important long-term issues facing the two countries.

The institutional base for US-Japan policy dialogue and study has significantly eroded.

Many of the nongovernmental institutions that facilitate US-Japan policy interactions have grown substantially weaker over the past decade, especially on the Japanese side.

- The budgets of Japan's five most active and established international affairs institutes fell nearly 40% in the 1998–2008 period. This drop has been further exacerbated in the past year by declining government support and the *jigyo shiwake* budget-cutting process.
- Institutional ties between American and Japanese policy institutes have withered, mainly due to weakness on the Japanese side. As a result, US think tanks are twice as likely to partner on joint projects with Chinese organizations than with Japanese ones.
- There is now a serious risk that a number of Japan's leading nongovernmental policy institutes active in US-Japan affairs will not survive another decade.



Weak funding is likely to further accelerate the decline of dialogue and study.

A deep drop in funding has contributed to the erosion of US-Japan policy dialogue. Without a concerted effort by leaders from different sectors, the prospects for a recovery are dim.

- Since 1995, grantmaking for policy dialogue and study by the 3 foundations most active on US-Japan affairs—CGP, JUSFC, and USJF—has fallen by 87% in inflation-adjusted terms.
- US-Japan funding by other foundations and corporations has also declined dramatically.
- Overall, an additional \$5–\$10 million would be needed in annual funding to return the level of financial support for the field closer to the levels of the 1990s.

There is a deep reservoir of human resources that can be leveraged to strengthen bilateral relations and a strong interest in deeper US-Japan cooperation.

Leaders in both countries feel a need for deeper cooperation, and there are many promising young professionals with extensive experience in each other's societies. However, the weak institutional base for policy dialogue prevents both countries from taking full advantage of this.

New policy issues provide fertile ground for greater dialogue.

There are a variety of promising opportunities to broaden US-Japan policy dialogue by exploring bilateral coordination and cooperation on global issues, relations with other countries and regions, and global and regional governance.

Looking Ahead

A major effort that involves diverse sectors in both countries is needed to reinvigorate US-Japan policy dialogue, and the time is right to launch it. A number of priorities should guide this effort.

 Strengthen institutions, particularly Japanese policy research and exchange institutes. A concerted effort is urgently needed to strengthen Japan's policy institutes, which are facing a "perfect storm" of financial challenges, government budget cutting, and generational change. Meanwhile targeted initiatives—such as the endowment of chairs or fellowship programs for resident Japanese scholars—can help better integrate US-Japan dialogue into US think tanks.

2) Launch an initiative to increase and improve funding.

Little permanent progress can be made without an increase, or more accurately a recovery, in funding for US-Japan policy dialogue and study. Therefore, it is important to consider a major effort to mobilize new resources. Steps such as the establishment of a commission to improve the provision of Japanese government funding for international affairs would also help.

3) Create a more conducive political environment for nongovernmental policy dialogue. Political leaders should be encouraged to take more farsighted approaches to government budget cutting. In Japan, in particular, it is also important to take more steps to insulate government funding from politicization and limit bureaucratic control over nongovernmental organizations' activities.

4) Nurture the next generation.

A generational change is underway in US-Japan affairs. This makes it especially helpful to further institutionalize "young leaders programs" to cultivate promising US-Japan experts and expand efforts to promote the professional development of the staff of Japan's policy institutes.

5) Broaden the US-Japan policy dialogue beyond traditional bilateral approaches. Bilateral policy dialogue can be made more meaningful by a greater focus on cooperation on thematic issues, deeper exploration of the regional and global roles of US-Japan partnership, and efforts to make Japan a hub for high-level dialogue on a handful of pressing global issues.