

Domestic Political Change and the Agenda for US-Japan Partnership –Roundtable Report–

September 16, 2011

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The US-Japan relationship has been shaped by a series of important regional and international developments in recent years. Asia Pacific has undergone dramatic changes characterized by China's steady rise in power and the increasing significance of regional forums and institutions. The change in majority-party rule in Japan and the United States in 2008 and 2009 respectively ushered in a period of intense optimism and hope for the future in both countries. And yet in subsequent years, against the backdrop of the global financial crisis, both countries have found their domestic and foreign policy goals hampered by stalemates in domestic politics as well as economic troubles.

Recent events, such as the devastating earthquake that struck Japan in March 2011, have reemphasized the need for a more vibrant US-Japan partnership to deal with a changing regional and global environment. Japan's disaster proved to be a critical test for the strength of the alliance—a test that showed that the US-Japan relationship was still both remarkably strong and adaptable to changing situations. However, continued bilateral stalemates such as the protracted debate over the relocation of the Futenma military base show that serious gaps remain where there is a critical need for greater cooperation and communication between the two countries.

On September 16, 2011, more than 20 policy experts convened in Washington DC to explore the recent evolution of the US-Japan relationship at a roundtable discussion on “Domestic Political Change and the Agenda for US-Japan Partnership,” co-hosted by JCIE and the German Marshall Fund of the United States. The discussion was convened as part of JCIE's “An Enhanced Agenda for US-Japan Partnership” project. With the support of the Japan Foundation Center for Global Partnership, this project has periodically brought together promising Japanese and American experts since 2008 to examine how bilateral cooperation can be deepened in order to face common challenges, strengthen regional and global stability and prosperity, and ultimately make the US-Japan alliance more robust and versatile.

During the roundtable discussion, the participants focused particular attention on exploring opportunities for greater bilateral partnership in areas outside of the core security alliance, including functional areas such as disaster relief, nuclear safety, the environment, maritime security, and international development. In the current climate of fiscal austerity measures by both governments, the participants also explored how US and Japanese nongovernmental organizations and civil society can potentially take a greater leadership role in addressing these issues.

Domestic Political Change and the Agenda for US-Japan Partnership

Japan recently elected a new prime minister, Yoshihiko Noda, who is the sixth Japanese prime minister in five years. As one participant noted, this political revolving door has led to difficulty in establishing a clear Democratic Party of Japan (DPJ) foreign policy agenda. Many voices within Japan were critical of DPJ Prime Minister Yukio Hatoyama's handling of the Futenma basing issue, as well as the response of his successor, Naoto Kan, to the September 2010 Senkaku Islands incident between Japan and China. Now, Japan's March 2011 disaster and continuing economic uncertainty has necessitated that Japan's leaders focus their attention inward toward domestic issues.

Indeed, according to participant Tetsuo Kotani, since Prime Minister Yoshihiko Noda took power in August 2011, his first priority has been domestic fiscal rebuilding and disaster reconstruction, with the US-Japan alliance remaining as the cornerstone of Japanese foreign policy and Hatoyama's rhetoric about an East Asia Community put on hold. Kotani noted that Noda has been described as a realist member of the DPJ with a more conservative foreign policy stance. Thus, Kotani predicts that the DPJ under Prime Minister Noda will take a similar approach to foreign policy to that of the Liberal Democratic Party (LDP). Yet, one possibility, Kotani suggested, is that the DPJ might differentiate itself from the LDP in foreign policy through a greater focus on expanding US-Japan alliance cooperation on specific functional or technical areas. Such a move would be in contrast to the geographic expansion of the military alliance under the LDP, such as the Koizumi/Bush era practice of sending Japanese troops to Iraq and on Indian Ocean refueling missions.

On the US side, a bleak economy and intense partisan politics over the US budget and other issues have constrained the ability of the US Congress to agree on even basic budgeting decisions, with the summer's debt ceiling crisis starkly revealing the level of this inaction. As John Park explained, domestic economic issues can have an effect on the US-Japan relationship because such an environment makes it likely that any "non-essential" components of the US-Japan relationship may be left on the cutting room floor even when a budget has finally been agreed upon.

As an example of the changed fiscal context, Park brought up a May 2011 joint statement by Senators John McCain, Jim Webb, and Carl Levin, which called for a re-examination of plans to relocate the US marines based in Futenma—calling the execution of such plans unworkable and unaffordable in the current economic climate. For Park, this represented a critical harbinger of how the present environment of fiscal austerity will impact future funding of the US-Japan alliance and other important US international alliances. Park noted that without a well-planned strategy, it will be extremely difficult to ensure future bilateral cooperation. However, in the current cost-cutting environment, with US-Japan relationship managers already overburdened on multiple fronts, he explained that "strategy is a luxury; instead, the current situation is akin to putting out fires"—an austere vision that underscores US fiscal realities as it reviews its external relationships.

Several participants noted that there has been a growing sense under both administrations that the bilateral relationship should be more equal in nature. While more muted than under the early days of the DPJ administration, the Japanese government and public still push back against any perceived overbearing actions on the part of the United States. At the same time, the United States expects Japan to shoulder a more commensurate portion of alliance burden sharing. Indeed, Yuka Uchida theorized that if the US-Japan relationship were to be rebuilt today, Japan would be expected to assume a greater financial contribution toward maintaining the alliance. In reality, however, the current environment of fiscal austerity has led both countries to spend less overall on the upkeep of the US-Japan relationship. As explained by Daniel Kliman, we run the risk of actually de-investing in the relationship, and while it is still possible to talk about US-Japan “grand strategy” on paper, it matters less than real actions and where the resources go.

Opportunities to Strengthen the US-Japan Partnership

Even amid a current climate of economic uncertainty and political deadlock in both countries, the participants identified several functional areas for greater bilateral cooperation that have not received as much attention as they deserve and represent a significant opportunity to advance the interests of both countries. As Llewelyn Hughes noted, while the US-Japan security alliance is the linchpin of security in Northeast Asia and of the US-Japan relationship, in moments of weakness it is good to have “other legs on the stool,” i.e. a broader set of governmental and nongovernmental linkages between the two countries.

The participants agreed that even as the security relationship will remain the heart of the US-Japan alliance, it is time to explore other critical issue areas—including disaster relief, energy safety, environment, maritime security, and international development—where both countries could benefit from greater coordination and exchange. James Gannon likened these new areas for cooperation within the US-Japan relationship to the ripe, low-hanging fruit on a fruit tree; the challenge now is how to harvest and take advantage of them.

Disaster relief

Following the March 11 disaster in Japan, the United States government quickly launched a large-scale military assistance operation, Operation Tomodachi, to come to the aid of its ally. Park noted that in many ways, the disaster rewrote the textbooks on disaster response in terms of the immediate and successful levels of coordination between the two countries. Such successful cooperation on disaster response helps to provide a strong rationale for maintaining a strong bilateral relationship in advance of future crises. However, according to Park, in hindsight such disaster cooperation had never been anticipated as a fundamental aspect of the US-Japan relationship and had not been prepared for as such. Japan’s disaster uncovered a serious need for contingency planning for future events and for regular disaster preparedness exercises among both governments and militaries.

In addition to issues concerning government-to-government coordination, the disaster also showed the need for greater coordination among Japanese and international nonprofit relief organizations. As explained by Gannon, as much as \$500 million in charitable donations may have been raised in the United States to support Japan. During the long-term recovery process ahead, Japanese nonprofit organizations—with knowledge of the affected areas and roots in the community—would likely be the most effective recipients of these funds. Yet, before the disaster, Japanese organizations had never been in the position to receive large sums of international funding, and difficulty has arisen in getting US and international donations to the Japanese relief organizations working on the ground in Tohoku. Japanese nonprofit organizations, their human resources already stretched thin after the earthquake, have had difficulty working with international funders and meeting international grant application and reporting standards. In this respect, greater information sharing and more flexibility in grant-making procedures would serve both US and Japanese interests.

Nuclear safety and energy security

While an important issue before March 11, the Japanese disaster brought to the forefront the issue of safe nuclear energy use in both countries. Several participants noted that the disaster will undoubtedly bring greater attention within Japan to the safety of its nuclear energy program. For example, the disaster will likely lead Japan to review its disposal program for spent plutonium waste and to renew its efforts to better close the nuclear cycle. According to Hughes, if such review leads to a decrease in Japan's plutonium stockpile, this could be a potential benefit to the greater nuclear nonproliferation agenda.

Hughes explained that Japan's review of its energy policy will be a largely domestic issue in terms of re-examining specific nuclear safety procedures, working with local governments in the affected areas, and revisiting what worked and what did not in its response to the plant failures—a process that the United States will naturally not be directly involved with. At the same time, there will be opportunities in the future for both the United States and Japan to work together on analyzing and disseminating the lessons learned from the Japanese government and TEPCO's management of the nuclear power plant failures as part of a larger dialogue on safe nuclear energy use and managing risk.

Beyond bilateral information sharing, Kotani also brought up the importance of both countries working together to address nuclear safety within the wider East Asian region. For example, China has rapidly increased its number of nuclear power plants in the last decade. It is imperative for the United States and Japan to undertake contingency planning in the event of nuclear disasters in other countries in the region. Ryo Sahashi also noted that Japan is a major exporter of nuclear reactors abroad, which since 3/11 has placed a greater sense of responsibility and burden on Japan's shoulders. Economics and environmental concerns have propelled Japan and many other countries toward "cleaner" nuclear energy, but the disaster shows that Japan and the United States also have to address nuclear energy safety more seriously going forward.

Environment and climate change

Climate change is an issue where there are already high levels of coordination within multilateral forums between American and Japanese officials, especially individuals at the Sherpa level. Indeed, Hughes suggested that especially within the field of climate change, Japan has become more of a “normal” country like Germany—working independently in conjunction with allied countries like the United States on transnational issues within multinational fora, which is a positive evolution.

In terms of the future of the climate change partnership, Hughes noted that there is an opportunity for the United States and Japan to take a joint leadership role on exploring how to reduce carbon emissions at the global level. For example, Hughes highlighted the fact that Japanese consumers voluntarily cut their energy consumption following the March disaster and that TEPCO got through summer 2011 without having to resort to planned periodic blackouts. As Hughes explained, these success stories are worth examining in terms of how Japan was able to shift consumer behavior after the disaster and reduce overall demand on the energy supply—an important piece of the puzzle of how to lower carbon emissions in developed, energy-reliant countries.

Maritime security

Unlike many other aspects of the US-Japan relationship that have not been given significant focus, there has been considerable attention paid over the last decade to the security dimensions of the US-Japan relationship, with Japan playing an expanded role in global military operations, such as the Self-Defense Force’s refueling missions during the Iraq War. While these activities have had a lower profile under the DPJ’s leadership, this expansion of the security relationship has continued and has clearly provided a boost to overall US-Japan relations.

However, the participants brought up several areas for potential security cooperation that go beyond the traditional parameters of the US-Japan security alliance. In particular, several participants spoke about the increasing importance of maritime rights in the South China Sea. According to Hughes, maritime claims in this area have been made particularly critical by the rise of China, as China along with other countries neighboring the South China Sea seek to monopolize fishing rights and important undersea oil and gas reserves. At the same time, the United States and Japan want to maintain freedom of navigation in the area. It was noted that there is potential for greater US and Japanese action in maintaining the military balance in the South China Sea. For example, Kotani explained that the Japanese government is considering sending flying boats—not considered to be arms and therefore not violating Japan’s prohibition against arms sales—to Southeast Asian countries and providing them with the associated hardware and training. According to Kotani, this step could help engage these countries in closer cooperation with Japan on South China Sea issues as a counterbalance to China’s rise.

Development cooperation

The United States and Japan have a long and mostly successful track record of cooperation on development assistance, starting with the Common Agenda for

Cooperation in Global Perspective. According to Gannon, in addition to Africa, where US-Japan cooperation on development concerns such as health and population issues has been longstanding, East Asia is a natural geographical region for the two countries to work together more closely on development issues. Indeed, the United States and Japan are the number one and number two official development assistance (ODA) donors in East Asia, encompassing over 50 percent of total ODA in the region. Yet, Gannon pointed out that political momentum for such coordination has died down, and as a result, there is less coordination on the ground than was the case a decade ago now.

With the increasing complexity and interconnectedness of development issues, it is imperative that the United States and Japan revive their cooperation on development through greater coordination of their efforts and more joint programs so as to avoid creating overlap or a competitive atmosphere in providing aid. Such actions go hand in hand with the shared US and Japanese desire to promote stability and prosperity in regions of mutual interest such as East Asia.

Conclusion and Ways Forward

With the continuing constraints felt within both countries, such as fiscal austerity and weakened political leadership, it is difficult to maintain the momentum in US-Japan relations to the degree necessitated by regional and global changes. If both governments continue to be constrained in their ability to adequately manage the relationship, several participants suggested that more leadership will need to come from nongovernmental sources such as the nongovernmental, business, and policy communities.

One approach is to focus greater attention on a few promising functional areas, such as such as climate change, nontraditional security policy, and energy policy, and make a greater effort to involve experts and nongovernmental organizations not normally involved in US-Japan policy dialogue. Several participants noted that such a thematic approach could work to enhance current cooperation by increasing levels of information sharing and collaboration between traditional alliance managers and outside experts.

This requires expanding the range of players involved in discussions that have US-Japan relations at their core. However, as Gannon explain, funding for nongovernmental US-Japan policy dialogue and exchange has declined to a fraction of the levels of 15 years ago, and face-to-face exchanges among a diverse set of players are expensive. Therefore, a concerted effort is needed to mobilize additional resources to engage functional experts and US-Japan specialists in a dialogue on areas of possible cooperation.

Another suggestion brought up by Sahashi and Kliman would be to put more energy into pursuing US-Japan-Plus formats—in other words, trilateral or “mini-multilateral” cooperative group with US-Japan relations at their core. The participants saw such multi-country formats, such as US-Japan-Korea, US-Japan-Australia, and US-Japan-India, as being increasingly necessary to address the complex multitude of security, economic, and political issues within the region today. There is already work being done in the area, but the participants agreed that a greater focus on trilateral or multilateral dialogues anchored by the US-Japan relationship could enhance present cooperation on specific functional

areas, such as climate change, which require steps to be taken at a broader, regionwide level.

Overall, the participants agreed that positive steps such as increasing nongovernmental participation in functional areas of cooperation and placing a greater emphasis on building US-Japan-Plus dialogues would better reflect the “maturation” of the US-Japan partnership beyond its traditional security-based relationship and would help to build the strong connections necessary to meet further unforeseen challenges faced by both countries in the future.

Agenda

September 16, 2011

10:30 am ~ 1:30 pm

Presentations

The Impact of Domestic Politics on US-Japan Relations

Tetsuo Kotani, Special Research Fellow, Okazaki Institute

John Park, Senior Program Officer, United States Institute of Peace

Comments

The Agenda for US-Japan Relations

Daniel Kliman, Transatlantic Fellow for Asia, German Marshall Fund of the United States

Llewelyn Hughes, Assistant Professor, George Washington University

James Gannon, Executive Director, Japan Center for International Exchange (JCIE/USA)

Yuka Uchida, Visiting Fellow, Center for Northeast Asian Policy Studies, Brookings Institution

Moderator

Ryo Sahashi, Tokyo Foundation-German Marshall Fund Partnership Fellow;

Research Fellow, Japan Center for International Exchange;

Associate Professor, Kanagawa University

Participants

Javid Ahmad, Program Coordinator, Asia Program/Foreign Policy, German Marshall Fund of the United States

Jessica Drun, Intern, Project 2049

Yoso Furumoto, Washington Correspondent, Mainichi Newspaper, Washington Bureau

James Gannon, Executive Director, Japan Center for International Exchange (JCIE/USA)

Lilian Haney, Program Associate, Japan Center for International Exchange (JCIE/USA)

Russell Hsiao, Senior Research Fellow, Project 2049

Llewelyn Hughes, Assistant Professor, George Washington University

Joe Hurd, Senior Director, Export Promotion and Trade Policy, International Trade Administration, US Department of Commerce

Dhruva Jaishankar, Program Officer for Asia, German Marshall Fund of the United States

Koyama Kazu, Student, George Washington University

Daniel Kliman, Transatlantic Fellow for Asia, German Marshall Fund of the United States

Tetsuo Kotani, Special Research Fellow, Okazaki Institute

Yumiko Kusakabe, Senior Finance Officer, Inter-American Development Bank
Isabella Mroczkowski, Research Assistant, Project 2049 Institute
Kentaro Nakajima, Correspondent, Washington Bureau, *Yoimiuri Shimbun*
Shin Nakayama, Correspondent, *Nikkei*
John Park, Senior Program Officer, United States Institute of Peace
Jun Beom Pyon, MA Candidate, School of Advanced International Studies (SAIS), Johns Hopkins University
Brent Sadler, Commander, US Navy
Ryo Sahashi, Tokyo Foundation-German Marshall Fund Partnership Fellow; Research Fellow, Japan Center for International Exchange; Associate Professor, Kanagawa University
Daniel Twining, Senior Fellow for Asia, German Marshall Fund of the United States
Yuka Uchida, Visiting Fellow, Center for Northeast Asian Policy Studies, Brookings Institution
Lisa Wong, Associate Program Officer, Intellectual Exchange, Japan Foundation Center for Global Partnership
Shingo Yoshida, Visiting Scholar, Elliott School of International Affairs, George Washington University
Ryota (Randy) Yoshimura, Vice President and General Manager, Washington Office, Sumitomo Corporation of America