THE JAPAN-U.S. DIALOGUE

Japan-U.S. Alliance at a New Stage: Toward a Provider of International Public Goods

Conference Papers

September 11-12, 2012
Tokyo, Japan

Co-sponsored by

The Global Forum of Japan (GFJ)

Institute for National Strategic Studies, National Defense University (INSS)

The Japan Forum on International Relations (JFIR)

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日米対話「日米同盟の新段階−国際公共財の供給者へ」

The Japan-U.S. Dialogue

Japan-U.S. Alliance at a New Stage: Toward a Provider of International Public Goods

Tuesday, 11 September, 2012 ／The Tokyo Club

開幕夕食会 * 特別招待者のみ/ Welcome Dinner *Invitation Only	
19:00-21:00	**伊藤 憲一 日本国際フォーラム理事長主催** **Hosted by ITO Kenichi, President, JFIR**

Wednesday, 12 September, 2012 ／IVY Hall "Miltos"

開会挨拶 ／ Opening Remarks	
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挨拶 Remarks	平林 博 グローバル・フォーラム有識者世話人 HIRABAYASHI Hiroshi, Opinion Leader Governor, GFJ
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議長 Chairperson	ジェームズ・プリスタップ 国防大学国家戦略研究所上席研究員 James J. PRZYSTUP, Senior Research Fellow, INSS
報告A（10分間） Paper Presenter A (10 min.)	泉川 泰博 中央大学准教授 IZUMIKAWA Yasuhiro, Associate Professor, Chuo University
報告B（10分間） Paper Presenter B (10 min.)	マイケル・グリーン CSIS上級顧問・日本部長 Michael J. GREEN, Senior Adviser / Japan Chair, CSIS
報告C（10分間） Paper Presenter C (10 min.)	神谷 万丈 防衛大学校教授 / 日本国際フォーラム参与 KAMIYA Matake, Professor, National Defense Academy of Japan / Councilor, JFIR
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報告E（10分間） Paper Presenter E (10 min.)	宮岡 勲 慶應義塾大学教授 MIYAOKA Isao, Professor, Keio University
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議長 Chairperson	神谷 万丈 防衛大学校教授 / 日本国際フォーラム参与 KAMIYA Matake, Professor, National Defense Academy of Japan / Councilor, JFIR
報告A（10分間） Paper Presenter A (10 min.)	ジェームズ・プリスタップ 国防大学国家戦略研究所上席研究員 James J. PRZYSTUP, Senior Research Fellow, INSS
報告B（10分間） Paper Presenter B (10 min.)	中西 寛 京都大学教授 NAKANISHI Hiroshi, Professor, Kyoto University
報告C（10分間） Paper Presenter C (10 min.)	ニコラス・セーチェニ 米戦略国際問題研究所（CSIS）日本部副部長・主任研究員 Nicholas SZECHENYI, Deputy Director and Senior Fellow, Office of the Japan Chair, CSIS
報告D（10分間） Paper Presenter D (10 min.)	細谷 雄一 慶應義塾大学教授 HOSOYA Yuichi, Professor, Keio University
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16:55-17:00	
挨拶（5分間） Remarks (5 min.)	大河原良雄 グローバル・フォーラム代表世話人 OKAWARA Yoshio, Chairman, GFJ

2. Biographies of the Panelists

【U.S. Panelists】

James J. PRZYSTUP *Senior Research Fellow, INSS*

Holds BA Summa Cum Laude from the University of Detroit and MA and Ph.D. from the University of Chicago. Has worked on issues related to East Asia for close to thirty years on Capitol Hill, on the House of Representatives Subcommittee on Asian and Pacific Affairs. Serves as the Deputy Director of the Presidential Commission on U.S.-Japan Relations, the Policy Planning Staff of the Department of State, Director of the Asian Studies Center at The Heritage Foundation.

Michael J. GREEN *Senior Adviser / Japan Chair, CSIS*

Graduated from Kenyon College with highest honors in history in 1983. Received his MA from Johns Hopkins School of Advanced International Studies in 1987 and his Ph.D. in 1994. Also, did graduate work at the University of Tokyo as a Fulbright fellow. Joined the National Security Council (NSC) in April 2001 as director of Asian affairs. Previously served as Special Assistant to the President for National Security Affairs and Senior Director for Asian affairs at the NSC, from January 2004 to December 2005. Concurrently serves as Associate Professor of international relations at Georgetown University.

Rust DEMING *former Principal Deputy Assistant Secretary of State*

Received BA from Rollins College and MA in East Asian Studies from Stanford University. Has spent much of his career dealing with Japanese affairs, having served in Japan as charge d'affaires, and as deputy chief of mission. Served as principal deputy assistant secretary of state for East Asian and Pacific affairs (June 1998 to August 2000), senior advisor to the assistant secretary for East Asian and Pacific affairs from December 1997. Also, served as director of the Office of Japanese Affairs in Washington from 1991 to 1993. In 2011 he was recalled to the State Department for six months to serve once again as Japan Director. Concurrently serves as an adjunct professor of Japan studies at the Paul H. Nitze School of Advanced International Studies of the Johns Hopkins University.

Nicholas SZECHENYI *Deputy Director and Senior Fellow, Office of the Japan Chair, CSIS*

Received an M.A. in international economics and Japan studies from the Johns Hopkins University School of Advanced International Studies (SAIS) and a B.A. in Asian studies from Connecticut College. Prior to joining CSIS in 2005, served as news producer for Fuji Television in Washington, D.C., where he covered U.S. policy in Asia and domestic politics. In 2009, selected as an inaugural fellow of the Maureen and Mike Mansfield Foundation's "U.S.-Japan Network for the Future" program.

【Japanese Panelists】

ITO Kenichi *President, JFIR*

Graduated from Hitotsubashi University. Entered Ministry of Foreign Affairs in 1960. Studied at Harvard University (1961-1963). Served various positions, including Director of First Southeast Asian Division until 1977. Served as Professor at Aoyama Gakuin University (1984-2006). Concurrently serving as President of the Global Forum of Japan (GFJ), President of Council on East Asian Community (CEAC), and Professor Emeritus at Aoyama Gakuin University. Received an Honorary Doctorate from the University of Cambodia (2011).

HIRABAYASHI Hiroshi *Opinion Leader Governor, GFJ*

Graduated from the University of Tokyo. Entered the Ministry of Foreign Affairs in 1963. From 1991 to 2006, served successively as Deputy Chief of Mission in Washington, D.C., Director-General of Economic Cooperation Bureau at the Ministry of Foreign Affairs, Chief Cabinet Councilor on External Affairs at Prime Minister's Cabinet, Ambassador to India and Ambassador to France. Concurrently, Vice-President of The Japan Forum on International Relations (JFIR), Executive Vice-President of The Council on East Asian Community (CEAC), President of the Japan-India Association, Opinion Leader Governor, and so forth.

IZUMIKAWA Yasuhiro *Associate Professor, Chuo University*

Graduated from Kyoto University in 1990. Entered Osaka Gas Co. in 1990 and retired from office in 1994. Received his M.A. from School of Advanced International Studies (SAIS), the Johns Hopkins University in 1996. Received his Ph.D. from Georgetown University in 2002. Served as Associate Professor at Miyazaki International College from 2002 and then at Kobe College from 2005. Held the current position since 2009.

KAMIYA Matake *Professor, National Defense Academy of Japan*

Graduated from the University of Tokyo in 1985 and did graduate study at Columbia University as a Fulbright grantee. Became Research Associate at the National Defense Academy of Japan in 1992, Lecturer with tenure in 1993, Associate Professor in 1996, and became Professor in 2004. Meanwhile, served as Distinguished Research Fellow at Centre for Strategic Studies: New Zealand (1994-95), and Visiting Research Fellow at the Japan Institute of International Affairs (2004-2005). Concurrently serves as Councilor of The Japan Forum on International Relations (JFIR) and Member of the Board of Directors of Japan Association for International Security.

MIYAOKA Isao *Professor, Keio University*

Graduated from Keio University in 1990. Entered the Ministry of Foreign Affairs of Japan in 1990 and retired from office in 1995. Received his MA in Political Science from the University of Canterbury in 1994. Received his D.Phil. from the University of Oxford in 1999. Served as Associate at Harvard University in 1999-2001, Visiting Fellow at the Sigur Center for Asian Studies, The George Washington University in 2006. Served as Associate Professor at Osaka University of Foreign Studies from 2001 to 2007, at Osaka University from 2007 to 2010, and then at Keio University from 2010 to 2012. Held the current position since 2012.

NAKANISHI Hiroshi *Professor, Kyoto University*

Received MA from Kyoto University in 1987 and studied in the doctor course of the History Department at the University of Chicago from 1988 to 1990 as Ph.D candidate. Served as Associate Professor in Koto University. His major interests include rise of the global international history of the 20th century, with partiular interest on Japanese foreign and security policy in the Showa Era, and current Japanese foreign and security policy. He has been on the panel of several Governmental advisory committees, such as the Council on Security and Defense Capabilities in the New Era, which issued the final report in August 2010.

HOSOYA Yuichi *Professor, Keio University*

Received his Ph.D from Keio University. Served as Visiting Professor and Japan Chair at Sciences-Po in Paris (2009–10), Visiting fellow at Princeton University (2008–2009). His research interests include the postwar international history, British diplomatic history, Japanese diplomacy, and contemporary international security.

OKAWARA Yoshio *Chairman, GFJ*

Graduated from the University of Tokyo. Entered Ministry of Foreign Affairs in 1942. Served various positions including Director-General of the American Affairs Bureau, Deputy Vice Minister for Administration, Japanese Ambassador to Australia and Japanese Ambassador to the United States (1980-1985). Concurrently serving as Special Adviser of Institute for International Policy Studies and President of America-Japan Society, Inc.

(In order of appearance)

3. Presentation Papers

Session I: Changing Roles of Japan-U.S. Alliance in a Changing World: In the Asia-Pacific and Globally

James J. PRZYSTUP
Senior Research Fellow, INSS

"The rise of China as a great power will be one of the defining events of the 21st century, not only for Asia, but for the world generally. More precisely the degree to which this country with its vast size, economic dynamism, and military potential manages to integrate itself into the international system promises to shape the very nature of the future international order. For the United States and other members of the international community, the challenge will be to structure an environment that encourages China to view integration based solidly on existing international norms as beneficial to its own national interests."

The Enduring China – an Overview

The Communist Party of China remains the sole source of political orthodoxy and authority. Among all but the most faithful, ideological commitment has all but disappeared. Political fervor has been replaced by an overwhelming focus on material success. The Party's claim to legitimacy now depends largely on its ability to produce economic success.

Meanwhile, a surging nationalism has been manifest most recently in Beijing's claims to sovereignty over the Senkaku Islands. This both shapes and constrains the leadership's policy options. Many economists project that, at some point in the first quarter of the next century, China will have the world's largest economy in terms of gross national product, though significant challenges lie ahead.

Although China's ultimate national objectives are open to debate – they still are – but near to mid-term success will require a stable international and regional environment as well as access to international markets, finance and technologies. This also holds true for the success of China's military modernization program.

China has demonstrated an interest in greater international integration – APEC and the WTO; the Nuclear Test Ban Treaty and the Missile Technology Control Regime, though its nuclear assistance program and missile sales to Iran and Pakistan jeopardize vital U.S. and Western security interests. China has also demonstrated a willingness to use force and/or intimidation to advance its interests. There is a long list here going back to the Paracel Islands in 1974; the Taiwan Straits Missile Crisis 1995-1996; Mischief Reef 1999; and extending to present day assertiveness in the South China Sea.

The ambiguity of China's conduct poses fundamental questions about China's nature as an emerging great power and its relationship to the international system and to the United States. For example is China a revolutionary or revisionist power seeking to transform the very nature of the international system or is it an assertive but basically status quo power? If the latter, will it remain so as China's comprehensive power continues to grow?

There are, of course, no appropriate historical models; reality is much more complex. China's conduct will be outlined not in predictable black and white, but in shifting shades of gray, with Beijing managing to be both cooperative and assertive on a wide range of issues. China will undoubtedly seek to shape, to its own advantage, the terms and conditions of its engagement with the world.

So what is to be done? Is containment an option?

It is highly unlikely that Japan or other U.S. allies in the Asia-Pacific region are prepared to join in a concerted effort to contain China. Indeed many countries, fearing that actions taken by Washington, could force them to confront difficult choices, have cautioned against a U.S. policy that could force painful choices involving economic and security interests. China is a major market force in the international economy; today, China is the hub of the Asia economy and the leading trading partner of Japan, the ROK, Australia and the ASEAN countries.

The mix of Western trade and investment has spurred China's economic growth while increasing its interdependence on foreign countries and tying it even more closely to the international economy. At the same time, Beijing's growing confidence in the economic power and political leverage of its huge market promises to complicate international cooperation on policy issues. China's willingness to use its market for political ends has been well demonstrated - going back to a 1996 decision to favor Airbus over Boeing to express its displeasure over the U.S. stand on human rights.

And the list is growing: the 2010 imposition of new health standards on the import of Norwegian salmon following the awarding of the Nobel Peace Prize to Liu Xiabao; suspension of the rare earth exports during the 2010 Senkaku incident; contract; blocking agricultural exports from the Philippines during the Scarborough Shoals incident; and the use of travel warnings during the Senkaku and Scarborough Shoals incidents.

The above quotes are from "The United States and China: Strategies for the Future" in Between Diplomacy and Deterrence: Strategies for U.S. Relations with China, The Heritage Foundation 1997.

With regard to China, many questions, 15 years later, clearly remain the same. Others with respect to the United States and Japan have changed. The list of changes below is by no means comprehensive but is offered for consideration.

What Has Changed?

The book was written at perhaps the height of the United States unipolar moment. While still unrivaled as military power and a source of technological innovation, the United States, over the past decade, has experienced a relative decline in comprehensive power. At the turn of the century, the United States enjoyed a budget surplus. Today, China holds over $1.2 trillion of U.S. debt. Significant budgetary and fiscal challenges are facing the United States and Japan. In the United States the "fiscal cliff' is looming, and in Japan the debt to GDP ratio has jumped from 135% of GDP in 2000 to over 233% today.

Japan today is fifteen years older and in the United Sates the "boomer" generation is moving toward retirement. This generational change will affect spending priorities in both countries; defense budgets will not go untouched.

China today is a major international market force. In 2006, China became Japan's top trading partner replacing the United States. Across the Asia-Pacific region, China is at the center of the region's economic dynamism. China's market power has enhanced Beijing's political leverage, which it has demonstrated that it is not unwilling to use, most recently at the ASEAN Regional Forum in Phnom Penh.

Of growing concern to both the United States and Japan has been China's increasing assertiveness in the both the South China Sea and the East China Sea. After almost a decade of "smile diplomacy" following the Taiwan Straits Missile Crisis, China appears to taking the attitude that it is better to be feared than liked.
At the same time, over the past 15 years, China's economy has become increasingly integrated into the global economy and its financial markets. In entering the WTO in 2001, China joined a rules-based trade regime and its dispute resolution mechanism. Beijing's compliance with its obligations leaves much to be desired, yet it is operating with a rules based order that has produced double-digit for China growth for over three decades; and it does not appear to be bent on replacing it yet with a made-in-China trade order.

China's economic dynamism has supported the modernization of the PLA. China's military capabilities have been enhanced across the board as a result of over twenty years of double digit increases in defense spending. Of increasing concern to the United States and Japan is China's development of anti-access/area-denial capabilities. If realized, China's counter-intervention capabilities would challenge the United States capacity to access its allies and extend deterrence.

Finally, the United States, after a decade of wars in Iraq and Afghanistan, is now in the process of reordering strategic priorities – in pivoting or rebalancing toward the Asia-Pacific region.

The Alliance and the Rise of China

In this context of continuity and change over the past fifteen years, how then should the alliance address the issues of continuity and change in rise of China? The process should start with a clear definition of our objectives: to engage China toward greater international engagement and support for a rules-based international order as the surest path to China's economic development and prosperity, and, at the same time, to maintain stability, to enhance security and maintain a balance of power favorable to U.S. and Japanese interests the Asia-Pacific region. These are not mutually exclusive goals; neither are they adverse to Chinese interests.

In short, the alliance should continue the strategic approach that the United States and Japan have pursued consistently since Deng Xiaoping opened China to the market in the late 1970's – an approach marked by intensive engagement – one with the aspiration that China emerge as the Responsible Stakeholder envisioned by Bob Zoellick and, at the same time, one that manages the risk that our aspirations for China may not be met.

Within the United States and Japan, this process should begin with the recognition that we face an increasingly complex regional and international environment as well as daunting domestic fiscal and social challenges; that the way ahead in dealing with the rise of China is to enhance prospects for U.S.-Japan cooperation across the board.

In the security field in particular, here's where the alliance can positively contribute to stability and security in the Asia-Pacific region and at the same time manage down-side risks with respect to China. This starts with the United States making unmistakably clear its commitment to extend deterrence (nuclear and conventional) to Japan. This involves not only the verbal reiteration of the long-standing U.S commitment but also requires demonstrable capabilities to do so. This means maintaining a forward deployed U.S. force presence in Japan and as well developing the capabilities to assure Japan of our ability to extend deterrence. Today, this means the United States and Japan together meeting the challenge posed by the development of anti-access/area denial capabilities.

To enhance security cooperation within the alliance, Japan should, as advocated by the Council Security and Defense Capabilities in the New Era in 2010 and most recently by the Frontier Subcommittee of the National Strategy Council, Japan the review of Article IX and the restrictions on the exercise of collective self-defense. This would serve to strengthen alliance cooperation and, in turn, strengthen deterrence. The deterrence posture of the alliance can be strengthened by enhanced defense cooperation, in particular by expanding joint training and exercises in Japan's southwest, by expanding information sharing, patrolling and surveillance activities, by establishing a coordinated crisis management mechanism; and by cooperation in the hardening of U.S. bases in Japan to allow operations in the face of attack.

The deterrence posture of the alliance can and must be strengthened by increases in Japan's defense spending that will enable Japan to realize the dynamic defense force of the 2010 National Defense Program Guidelines. In a strained fiscal environment this will be a continuing political challenge but one that must be met if Japan is to be able to "effectively deter and respond to various contingencies" and at the same time "to proactively engage in activities to further stabilize the security environment in the Asia-Pacific region and to improve the global security environment."

The United States must also make clear that its alliance commitment to the defense of Japan includes the Senkaku islands. While the United States does take an official position regarding the sovereignty claims, Beijing should be given no reason to doubt that the U.S. treaty commitment to defend Japan extends to the Senkaku islands.

As alliance partners and trading nations, the United States and Japan share an interest in maritime security. In the face of China's increasing assertiveness in the South China Sea, Washington and Tokyo, as they have, must continue to focus their diplomacy on support for freedom of navigation; support for ASEAN and ASEAN's efforts to develop a Code of Conduct on the South China Sea; and for the peaceful resolution of disputes in the region.

In this regard, United States and Japanese efforts in capacity building in Southeast Asia will enhance regional stability and security. Japan's decision to transfer patrol boats to the Philippines, Vietnam, and Malaysia is a case in point; as is the recently reported Ministry of Defense initiative to extend non-combat technical assistance to Indonesia, Vietnam, East Timor, Cambodia, Mongolia, and Tonga. Strengthening national resilience across the Asia-Pacific region and sustaining a rules-based international order, free of coercion, must be key strategic objectives of the alliance.

The Road Ahead

Fifteen years in the future we are likely to find ourselves asking the same questions we asked of our selves fifteen years ago with respect to the rise of China. I think it is a good bet that we will. The challenges posed by the rise of China are significant and will play out over the century ahead. To be addressed successfully will require the concerted efforts of not just the United States, not just Japan, not just the alliance. Rather success will require the concerted efforts of the western world acting together in support of a rules-based international order – one that enhances stability and in which China can advance its own development – one that incentivizes China to play by the rules and makes clear the risks and consequences of unilateralism.

IZUMIKAWA Yasuhiro
Associate Professor, Chuo University

The Rise of China and the Challenges for the U.S.-Japan Alliance

How does the rise of China influence the U.S.-Japan alliance? It is often noted that the rise of China has moved both Tokyo and Washington to revitalize the alliance. While this may be true, it does not mean that the ascending China has reduced the divergence of interests between Japan and the United States. This short presentation will point out what Tokyo and Washington need to keep in mind and manage when implementing their defense and foreign policies.

Overall, it should be pointed out that the rise of China has been making the Cold War-era security arrangements in northeast Asia more obsolete, requiring Tokyo and Washington to reassess regional strategic environments and their implications in fresh eyes. While maintaining balance of power in northeast Asia remains a common goal for the alliance, strategic significance seems to be shifting from northeast to southeast Asia for the United States, as a result of China's (and India's) rise. This is reflected in U.S. strategy of diffusing basing arrangements/military assets in the Asia Pacific. These have implications for U.S. security commitments and basing arrangements, both of which are significant issues for Japan. This does not make the U.S. alliance system in the Asia-Pacific obsolete (the opposite is true), but it requires Tokyo as well as Washington to digest the meanings of the new strategic environments and to consider its roles and missions in the alliance.

More precisely, the rise of China requires the United States and Japan to coordinate their respective policies toward third parties in the Asia-Pacific region. Here, I would like to point out two regional actors toward which Tokyo's and Washington's differing approaches could cause problems for each other, for instance: Taiwan and Russia. Since Ma Ying-jeou became the president of Taiwan, situations surrounding the Taiwan Strait have greatly transformed. China and Taiwan have moved closer in economic realms as a result of the latter's economic dependence upon the former. Although it is highly unlikely that China and Taiwan will be reunified in anytime soon, Japan and the United States need to start considering what may be the best joint approach toward Taiwan.

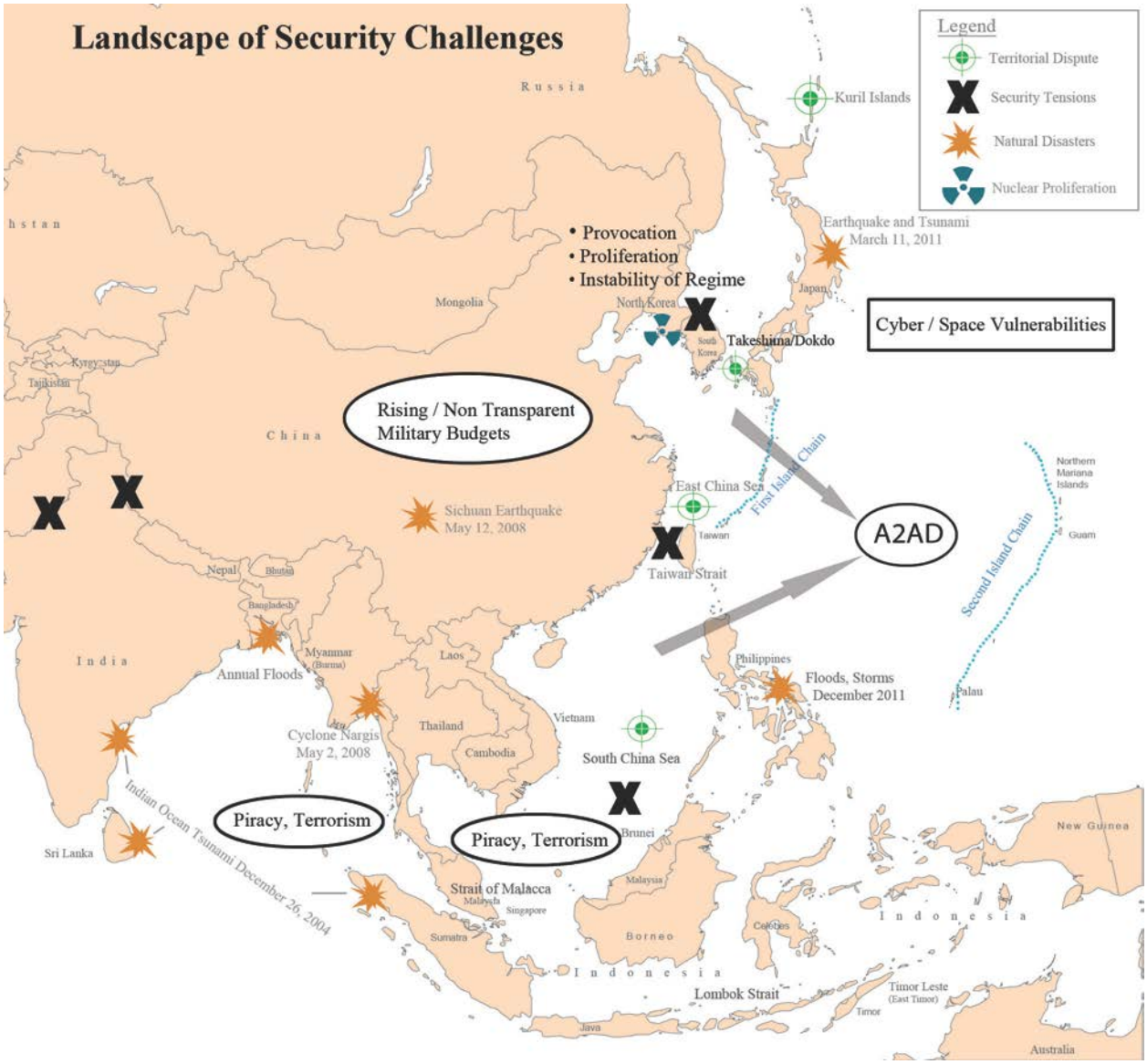
The baseline of U.S. policy toward Russia has been to maintain sound relations with Russia to the extent possible although there have been some turbulences. This policy is reasonable given the rise of China, and Russia has recognized the logic underlying U.S. policy. It is possible, however, that this U.S. approach toward Russia has provided an opportunity for Moscow to take a hard-line position toward Japan on the territorial issues. Therefore, Japan and the United States need to understand each other's baseline approach toward Moscow and devise their respective policies toward Moscow. Doing so would enable the two allies to take a broader strategic perspective and devise their respective policies toward Moscow in the broader perspective.

Michael J. GREEN
Senior Adviser / Japan Chair, CSIS

U.S. Forward Presence in a Changing Strategic Environment

The United States and Japan face a variety of security challenges in the Asia Pacific region today. North Korea remains the most immediate military threat. The North's ability to sustain an invasion of the South may have deteriorated, but Pyongyang's ballistic missile and nuclear weapons programs and uncertainty about stability under Kim Jong-un are forcing the United States, Japan and the Republic of Korea to contemplate additional contingencies, including potential North Korean use of weapons of mass destruction (WMD) in war-fighting scenarios, horizontal proliferation, provocations comparable to the attacks on the ROK's Cheonan naval vessel and the island of Yeongpyeong, and regime collapse or instability. Divergences of Washington and Beijing over the handling of these scenarios would introduce a major element of strategic competition in the U.S.-China relationship. In addition, the Asia Pacific region is prone to major natural disasters comparable to the December 2004 Asian tsunami and the March 2011 Great East Japan Earthquake and Tsunami. These types of mega-disasters create not only a humanitarian imperative for action but also have the potential to heighten competition for strategic influence among major powers to the extent that the event impacts internal political legitimacy or stability of smaller states. Terrorism also continues to pose a threat to the stability of states within South and Southeast Asia and to the U.S. homeland, despite considerable progress against such threats as Jemaah Islamiya and the Abu Sayyaf Group over the past decade in Southeast Asia. Finally, Asia's leading economies remain highly dependent on maritime, cyberspace, and space commons, but they are also becoming technologically equipped—if they were to become adversaries—to threaten or interrupt those domains.

However, the central geostrategic uncertainty we and our allies and partners face in the Asia Pacific region is how China's growing power and influence will impact order and stability in the years ahead. The United States and Japan need a force posture and a strategy of engagement that demonstrates U.S. commitment and reinforces order and cooperation at a time when much of the region perceives a shifting balance of power. This does not mean we need a strategy of containment. Nor is the central purpose of our force posture strategy in Asia to prepare for future conflict with China. Indeed, the United States and China have a stake in each other's success, as the President put it early last year. U.S. strategy must therefore be to "win the peace" by building a relationship with China that makes conflict virtually unthinkable and cooperation mutually attractive. This will require instruments of national power beyond military forces alone. Trade, diplomacy and the broader regional acceptance of American values will be critical.



By remaining persistently engaged across the region our forces shape a more cooperative peacetime environment and demonstrate a readiness and resolve to respond to contingencies that threaten the peace. Specifically, U.S. force posture can enhance the shaping of the peacetime environment by:

- Assuring allies and partners of U.S. security commitments, which encourages solidarity against challenges to their interests and discourages unilateral escalation in a crisis;
- Dissuading Chinese coercion or North Korean aggression by demonstrating solidarity with and among allies and partners;
- Shoring up the security and self-capacity of vulnerable states so that they are neither targets of coercion or expansion nor havens for violent extremists; and
- Reassuring China where possible through engagement in bilateral and multilateral security cooperation and confidence-building on common challenges (e.g., counter-proliferation, counter-terrorism).

At the same time, U.S. forces that are forward deployed and persistently engaged set the stage for more effective deterrence and better contingency capabilities by:

- Shaping requirements, doctrine, tactics, techniques, and procedures of U.S. allies and partners for more competent coalitions across the range of possible contingencies (with Australia, Japan, and the ROK at the higher spectrum of intensity and with other allies and partners at lower intensity levels, such as HA/DR);
- Networking those allies and partners with each other to enable more effective coalitions when needed (e.g., U.S.-Japan-Australia, U.S.-Japan-ROK);

- Gaining greater familiarity with the immediate security environment and with combined and/or interoperable interaction with other allied and partner forces;
- Increasing overall maritime domain awareness for individual countries as well as shared awareness across the Indo-Pacific littoral and ensuring the integrity of the first and second island chains with respect to adversaries in a conflict;
- Complicating the military planning of potential adversaries by identifying and developing arrangements for access, prepositioning, over-flight, and other needs, thereby dispersing possible targets and providing redundancy; and
- Identifying and testing what planners call "off ramps" for crisis avoidance and de-escalation in crises, through regular direct and indirect military-to-military engagement.

The United States will have to realign its force posture in the years ahead to achieve these objectives, while managing other pressures on forward presence, including:

- The need to reduce the burden on Okinawa, preferably by implementing the 2006 Roadmap;
- The desire of allies and partners to keep the U.S. present to balance China while not being forced to choose between the United States and China;
- The downward pressure on U.S. defense budgets and continued demands from the Middle East, despite the Obama administration's pledge to "rebalance" forces towards Asia;
- Current shortcomings in U.S. capabilities that will be exacerbated by a more distributed presence, including the need for more lift, missile defense, and combat sustainability;
- The trend towards declining defense budgets among key allies like Japan and Australia.

KAMIYA Matake
Professor, National Defense Academy of Japan

U.S.-Japan Alliance in the "Era of Smart Power": Changes and Continuities

- The U.S.-Japan alliance will remain the cornerstone of security and stability in the Asia-Pacific, because few security issues in this region will be able to be dealt with effectively without United States and Japan in the foreseeable future, although few issues will be able to be taken care of only by the two allies. Potential importance of this alliance for global peace and security will remain as before.

- Roles and functions of the U.S.-Japan alliance, however, will require modifications.

- In the past, the U.S.-Japan alliance has exercised significant influence in the region and globally as an alliance with the largest size of hard power in the world. The "collective hard power" of the U.S.-Japan alliance has been overwhelming, both in military and economic power. In the face of the rise of newly emerging powers, and despite the fact that Japan has been surpassed by China as the second largest economy in the world, the size of the collective hard power of the U.S.-Japan alliance is still the second largest in the world (only second to the NATO).

- In today's world, however, utility and effectiveness of hard power have been increasingly restricted, while importance of soft power has been growing. In a world entering into the "era of smart power,"

alliance cooperation which relies only on collective hard power of allies will face increasing limitations in achieving results. Effectiveness of an alliance in this new era will depend not only on its collective hard power, but also on its "collective soft power," i.e., collective ability of an alliance to attract other countries and non-state actors to the its side.

- Tokyo and Washington, therefore, will have to find ways to make their alliance not only function effectively, but also perform roles that will be attractive for other countries and non-state actors. Provision of international collective goods will be particularly important to increase attractiveness of the U.S.-Japan alliance for other international actors.

- Among various types of international collective goods which this alliance will be able to provide to the international community, the most fundamental and significant will be the maintenance and stewardship of the existing international order, which is characterized as liberal, open, and rule-based.

- Throughout the post-World War II period, this order has been formed and maintained since by the collective efforts of countries who shares liberal values and principles, including Japan, under the leadership of the United States. While Japan and the United States have been the largest beneficiaries of this order, other countries have also enjoyed significant benefits from the liberal, open, and rule-based nature of this order. In recent years, however, there has been a growing concern in the international society that this existing order may be weakened due to the ongoing shift in the international power balance due the rise of the newly emerging powers, particularly China. It is still unclear whether China will become a "responsible stakeholder" who will be ready to support, rather than attempt to challenge, this order together with the United States, Japan, and other leading democracies in the world. In this circumstance, the U.S.-Japan alliance should be redefined as an alliance of the two leading status quo-oriented powers in the world. Washington and Tokyo should declare to the Asia-Pacific region and to the entire world that their alliance will seek the maintenance of essential elements of the current international order (liberalness, openness, and rule-basedness), both in the Asia Pacific and globally, and in that sense, will be ready to serve as a provider of one of the most important international public goods to the international society.

- As the basic premise of all these, however, one recognition must be shared between the two allies: The U.S.-Japan alliance cannot remain strong and effective without a firm and healthy maintenance of its collective hard power. In the era of smart power, it will become increasingly difficult for an alliance to achieve its goals only by its collective hard power. Cultivation of collective soft power will be crucial. The strength of collective soft power of an alliance, i.e., how much attractiveness other international actors find in that alliance, will depend considerably on what it can do (or, to put it more correctly, how others perceive what it can do), in time of need, by utilizing its collective hard power. The prerequisite for an alliance to strengthen its collective soft power is, therefore, the solid maintenance (or strengthening) of its collective hard power.

- The Japanese, in particular, needs to understand such a intricate relationship between hard power and soft power, before they discuss the roles and functions of the U.S.-Japan alliance in the era of smart power.

- Based on the arguments outlined above, this presentation will discuss the implications of the two important recent documents released by the CSIS, "U.S. Force Posture Strategy in the Asia Pacific Region: An Independent Assessment," and "The Armitage-Nye Report: U.S.-Japan Alliance: Anchoring Stability in Asia," for the future course of the U.S.-Japan alliance and for Japan's roles and responsibilities in it.

Rust DEMING
former Principal Deputy Assistant Secretary of State

U.S.-Japan Alliance as a Provider of Public Goods

The History

For the last sixty years, the U.S. Japan alliance has played a critical role in providing public goods for East Asia and the international community. This includes:

Security – the alliance provides the platform for the U.S military presence in East Asia that has been the backbone of stability and created the environment that has allowed the region to flourish.

Economic development – the U.S. and Japan have provided the investment, ODA, markets and technology that have allowed East Asian nations to climb the value added curve and become the driving force of the world economy.

Institution building – The U.S. and Japan are the top two contributors to the UN and played key roles in the development and maintenance of other regional and international organizations.

Normative – the U.S. and Japan, as vibrant democracies and market economies, set an example for other countries that helped move them in the direction of democracy and helped bring the Cold War to a successful conclusion.

The New Challenges

We are in a period of dramatic shifts in global and regional power that is seeing the rise of new influential international players. This includes the rise of China and India, the new dynamism of the ROK and ASEAN, and the reemergence of Russia. In the economic area, the G-8 is being supplanted by the G-20. In the military area, the U.S. remains dominant, but Chinese military power is growing, particularly in the maritime area, and its long term objectives are unclear.

In this shifting environment, there are challenges and opportunities for the U.S. and Japan as providers of public goods. In the area of hard power, the revitalization of the U.S.-Japan alliance is critical to the maintenance of stability in East Asia. This includes:

Responding to China's potential threat to maritime security in East Asia, including its effort to develop capabilities to deny access to open seas in the vicinity of the PRC.

Continuing to build the capability to deter and contain the North Korean nuclear and missile threat. This includes trilateral coordination with the ROK.

Maintain the credibility of extended deterrence to ensure that Japan and our other allies do not become vulnerable to nuclear blackmail.

In the area of soft power, there are many opportunities for expanded bilateral and multilateral cooperation to provide public goods. These include:

Renewing the momentum toward open markets and expanded trade, with a particular focus on TPP.

Playing leadership roles in revitalizing international and regional organizations, including the UN, International Financial Institutions, APEC, and ASEAN plus 3.

Building a framework for enhanced cooperation on energy and climate change, working with international organizations and like-minded countries on safe nuclear power generation, more efficient and environmentally friendly exploitation of hydrocarbons, and greater emphasis on developing renewable energy sources.

No two countries are better positioned to take the leadership in these areas. There are many opportunities of collaboration with others, particularly in the soft power arena, including the EU, ROK,

ASEAN, and, in many areas, China and Russia. American and Japanese leaders should make providing international public goods a central focus of the alliance. The two countries could use a summit meeting in 2013, when both countries will have been through elections, as an opportunity to put specific proposals for bilateral and multilateral collaboration in this critical area.

MIYAOKA Isao
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- "The Japan-US alliance is an international public good for the stability and prosperity of the world" (Noda 2011).
- The Japan-US alliance: "the relationship, based on the Japan-U.S. Security System, whereby both nations, . . ., coordinate and cooperate closely in a range of areas in security, politics and economics" (Ministry of Defense 2011).

I. United States as a Hegemon

1. Hegemonic stability theory (Gilpin 1981)

- Hegemony: the leadership of one state (the hegemon) over other states in the system
- Hegemons supply public goods such as international security and economic order.
- Public goods are beneficial to not only the hegemon but also other status-quo states.
- Public goods legitimize the leadership of their providers.
  - Soft power (Nye), Smart Power (CSIS Commission on Smart Power)
- Two successive hegemonic powers: Great Britain and the United States
  - liberal international economic order
  - liberal international order that is open and loosely rule-based (Ikenberry 2011)
  - collective security (inclusive and rule-based)
  - Hub & spoke system

- The provider of international public goods tends to overpay (Olson and Zeckhauser 1966).
- Relative decline of U.S. power
  - Virtual Enlargement of the Japan-U.S. Alliance

2. Peace and order in the global commons (Posen 2003)

- "Command of the commons creates additional collective goods for U.S. allies."
  - world trade, travel, global telecommunications, and commercial remote sensing
- "U.S. command of the commons provides an impressive foundation of selective engagement."
- Non-allies such as China
- Contested commons (Flournoy and Brimley 2009; Denmark and Mulvenon 2010)
  - A2AD

3. Peace and stability in the Asia-Pacific region

- Article VI of the 1960 Japan-U.S. Security Treaty: For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air and naval forces of facilities and areas in Japan.
- The 1996 Joint Declaration on Security: continued U.S. military presence is also essential for preserving peace and stability in the Asia-Pacific region.

- "Japan actively provides a crucial public good for regional security in the form of its continuing alliance with the US" (Goh 2011).
  - First, the security treaty furnishes the US with a compelling and legal raison d'etre for a very significant military presence in the region.
  - Second, Japan bears a disproportionate burden of sustaining the US presence.
  - Third, Japan has expanded its military role in the alliance.
  - Moreover, Japan has also helped to uphold the "stick" part of the regional strategy of socializing China in a more overt way.

II. Economic Theory of Alliances

1. Pure public goods among allies (Olson and Zeckhauser 1966)

- Deterrence, as provided by strategic nuclear weapons
  - Defense benefits must be non-excludable and non-rival among allies.
  - Hypotheses:
    1) Defense burdens are expected to be shared unevenly among allies.
    2) Defense expenditures are predicted to be at inefficient levels.
    3) There is no need to restrict alliance size.

2. Impure public goods and private goods among allies (Sandler 1977)

- Damage limitation or protection for times of conflict
  - Partially excludable and partially rival
  - Force thinning of conventional forces
- Ally-specific benefits
  - Responding to national disasters, managing domestic terrorism
- Article 5 of the Japan-U.S. Treaty: the security of Japan
- An ally must support its own defense

3. Open public goods

- Crisis management in the Post-Cold War period (Sandler and Hartley 1999)
  - Power projection
  - Out-of-area peace operations (Lepgold 1998)
    - ✧ Common goods (non-exclusive and rival)
- Nuclear non-proliferation (Sandler and Hartley 1999)
  - Security that is purely public to allies and others

Session II: What Needs to Be Done?: Assignments to Be Tackled Hand-in-Hand and Independently

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Today's conference, "the Japan-U.S. Alliance at a New Stage: Toward a Provider of International Public Goods" reflects the continuing evolution of the Alliance. Forged in a bipolar Cold War environment, the U.S.-Japan Alliance focused on providing for the defense of Japan and international peace and security in the Far East. Today, the alliance operates in a globalized world, having evolved into a political, diplomatic as well as a security instrument. As reflected in Joint Statement issued following Prime Minister Noda's visit to the United States in April of this year, the alliance seeks to address global challenges from a shared "commitment to democracy, the rule of law, open societies, human rights, human security and free and open markets…." At the same time, as reaffirmed in the Joint Statement, the alliance remains indispensable to the security of Japan, and to the peace, security and economic prosperity of the Asia-Pacific region.

These are among the public goods –by definition goods that can be enjoyed by any number of people without affecting other people's enjoyment; goods that are provided for users collectively and can be jointly consumed by many individuals simultaneously; goods that are non-excludable in nature -- that are the subject of today's conference.

In this context, my task today is to answer the questions: "What needs to be done? What are we to do hand-in-hand and independently?" In essence, I have attempted to answer these questions by developing what amounts to a personal "to do list" for the alliance. The list is not all encompassing but focused on what I believe are critical tasks and contributions to international stability and security. Some are political in nature, others involve diplomacy; others are military in nature.

Operational Environment

Today, the United States and Japan are facing an international environment that is increasingly complex and challenging, one in which, as recognized in Japan's 2011 Defense White Paper, "it has become extremely difficult for one country to deal with the issues confronting the international community." This reality holds true for the broad Asia-Pacific region and Northeast Asia as well.

At the same time, the United States and Japan are also faced with daunting fiscal and social challenges that will inevitably affect our respective security interests and policy choices. The fact that our values and interests, while not identical, are compellingly congruent argues for increasingly close policy coordination between the United States and Japan.

Yet there actions we can take individually as alliance partners, that can serve to advance the public good – that of our respective people and the international community at large.

Security: The Preeminent Public Good.

As alliance partners, the United States and Japan both have roles to play, both independently and hand-in-hand. I want to begin by considering our independent roles in fostering international stability and security.

The United States

Within the context of the alliance, this begins with the United States historic commitment to defend Japan. A secure Japan is a Japan more capable of positively engaging Japan has moved the world beyond Northeast Asia. And, over the life of the alliance, Japan has enhanced its contribution to fostering public goods across the world

To support Japan's security and international engagement, Washington must make unmistakably clear the U.S. commitment to extend deterrence (nuclear and conventional) to Japan. This involves both the verbal reiteration of the long-standing U.S commitment, but demonstrable capabilities to do so. This involves maintaining a forward deployed U.S. force presence in Japan and as well developing the capabilities necessary to assure Japan, and other U.S. allies, of our ability to extend deterrence. Today, this means meeting the challenge posed by the development of anti-access/area denial capabilities.

In the 2010 QDR, Secretary of Defense Robert Gates tasked the services with developing the capabilities to fight and prevail in an anti-access/area denial environment. This charge was again set out as one of the Primary Missions of the U.S. Armed Forces in the January 2012 Strategic Guidance.

In their February, 2012 article, "Air-Sea Battle – Promoting Stability in an Era of Uncertainty," Air Force Chief of Staff Norton Schwartz and Chief of Naval Operations Jonathan Greenert wrote " The United States will continue to make the necessary investments to ensure we maintain regional access and the ability to operate freely in keeping with our treaty obligations." They went on to emphasize that the driving force behind the development of the Air –Sea Battle concept "stems from the importance of our nation's capacity for protecting allies and partners as well as assuring freedom of access to key areas of international air, sea, space and cyberspace;" – all are critical public goods that support international commerce and prosperity and, in turn, stability and security.

To enhance confidence in the U.S. ability to extend deterrence, the United States should seek to expand access across the Asia-Pacific region. The Darwin rotation is a recent case in point. Looking ahead, by looking back, I would note that during the Second World War, U.S. submarines operated out of Perth and Brisbane. Expanding access serves to enhance deterrence by complicating any potential adversary's decision-making.

With regard to the South China Sea, the United States must maintain its principled position on freedom of navigation; its diplomatic support for ASEAN and ASEAN's efforts to develop a Code of Conduct to govern the South China Sea; and for the peace resolution of disputes in the region. Sustaining freedom of navigation through the region is a public good that supports economic prosperity and stability across the broad Asia-Pacific region.

The United States could also strengthen its diplomatic hand by ratifying UNCLOS – though, despite the support of the U.S. military leadership, prospects are unfortunately not favorable for Senate ratification in the next Congress.

And, with sequestration on the horizon, it is also incumbent on our political leadership to address, and resolve, the critical budget and fiscal issues facing the United States today. These are issues at the very core of the sustainability of the U.S. pivot/rebalance to Asia. They will affect the future of the U.S. force structure and presence in the Asia-Pacific region and, in turn, the credibility of the U.S. commitment to extend deterrence and to defend Japan. The United States must be able to resource the naval, air, ground and electronic assets – space and cyber – necessary to sustain the credibility of the United States pivot/rebalance.

Japan

For Japan, a starting point should be the commitment to fund the "dynamic defense" force outlined in the 2010 New National Defense Program Guidelines. This will require difficult choices with regard to the allocation of financial resources and the development of platforms. In a strained fiscal environment this will be a continuing political challenge but one that must be met if Japan is to be able to "effectively deter and respond to various contingencies" and at the same time "to proactively engage in activities to further stabilize the security environment in the Asia-Pacific region and to improve the global security environment."

To deter and respond to various contingencies effectively, the SDF must continue to increase its joint operational effectiveness. The large-scale joint exercises, such as the November 2011exercise, conducted on

Kyushu, Okinawa and the Anami islands south of Okinawa, serve to enhance the SDF's defensive capabilities to meet various contingencies. The SDF is the first-responder in the defense of Japan.

To proactively engage in activities that stabilize the regional and global security environment, there are a number of political decisions that should be taken to advance Japan's standing as an alliance and international partner.

In this context, the Report issued by the Council Security and Defense Capabilities in the New Era made a number of recommendations. Many were incorporated into the 2010 NDPG. Two of the recommendations, however, remain to be acted upon. The first called for the review of Article IX and the restrictions on the exercise of the right of collective self defense. The second called for a review the International Peace Keeping Law.

In July, the Noda government considered legislation that would allow the SDF, while engaged in Peace Keeping Operations, to use weapons to protect civilians beyond the SDF's assigned area of operations. Yielding to the opinion of the Cabinet legislative Bureau, the government postponed consideration of the legislation. But, as NGOs are integrated into Japan's PKO missions, the use of weapons to protect civilians will have to be addressed.

Both with respect to Article IX and the International Peacekeeping Law, the reconsideration of the restrictions on the exercise of the right of collective self-defense and rules of engagement are steps that Japan could take in support of the public good of security, both its own and that of the international community.

This is not to deny the value and significance of the expanding role the SDF has played in Peace Cooperation activities over the past twenty years under the International Peace Cooperation Law, only to argue the opportunities exist for Japan and the SDF to make a fuller contribution to the international community in support of the public goods of safety and security. And to enhance the efficacy of Japan's participation in international peace cooperation activities, a permanent law governing the dispatch of the SDF should be enacted.

Japan's diplomacy and Official Development Assistance efforts serve to support peace-building in post conflict countries. Programs aimed at human resource development, fostering good governance, the rule of law, and the respect for democratic values support economic development and political evolution across the Asia-Pacific region and beyond.

Within the Asia-Pacific region, Japan's hosting of the Fourth Mekong Summit in April and the commitment of approximately 6 billion yen for infrastructure projects in Cambodia, Laos, Myanmar, Thailand and Vietnam in support of an East-West Economic Corridor across mainland Southeast Asia support economic development and enhance prospects for political evolution across the region. With respect to Myanmar, the government's decision to forgive repayment of outstanding loans and to embark on a programs aimed human and infrastructure development, and to resume concessional ODA lending, represent support for the government's incipient efforts at political reform.

Likewise noteworthy is Japan's commitment to the strategic use of ODA to improve maritime security in the South Pacific and in Southeast Asia. In keeping with the revision of the arms export regulations, the decision to transfer patrol boats to the Philippines,Vietnam, and Malaysia underscores Japan's commitment to capacity building with Japan's neighbors in the Asia-Pacific region -- a security enhancing contribution.

Particular attention should also be paid to Japan's strong diplomatic support for ASEAN, for ASEAN's efforts to develop a Code of Conduct in the South China Sea, and for a rules-based maritime order. Efforts to stabilize the seas and safeguard freedom of navigation contribute to regional and global prosperity – public goods enjoyed by all.

Beyond the Asia-Pacific region, Japan's contributions to Iraq, Afghanistan and now South Sudan, all serve as contributions to the international public good. Likewise, the establishment of the SDF base in Djibouti, allowing for the basing of P-3C aircraft, has served to enhance Japans contribution to anti-piracy efforts off Somalia.

What Should We Be Doing Hand-in-Hand?

The answer to this question is one that both governments have given considerable thought to. Recent Two-Plus-Two Statements, going back to the February 2005 document, which put the alliance in a globalized context, provide a clear sense of direction for cooperation in the defense of Japan, in support of prosperity and stability in the Asia-Pacific region and beyond – all public goods – involving instruments that span the economic, political, diplomatic, and security spectrum.

In the world of 2012 and beyond, fiscal constraints and budget imperatives should spur cooperation across the board. For example:

In the advancement of public goods, respective Japanese and American skills and know-how can be brought together with synergistic effects. In remarks delivered in Washington, DC, Akihiko Tanaka, president of the Japan International Cooperation Agency called for greater Japan-U.S. cooperation in development in the fields of health, food security, the environment and in the promotion of public-private partnerships, citing the recently signed Memorandum of Understanding between the U.S. Agency for International Development and the Japan International Cooperation Agency.

With regard to the Defense of Japan, as agreed to by Secretary of Defense Panetta and Minister of Defense Morimoto both governments should expedite a review of the Defense Guidelines, and in this context, review and update our respective roles, missions and capabilities. In a larger context, this should also involve reviewing what the Defense of Japan" entails in 2012 as well as the geographic extent of Situations in Areas Surrounding Japan.. The defense of Japan today must be considered in greater depth (distance, east to the Central Pacific and west to the sea-lanes in the South China Sea) and breadth (space and cyber) than considered in earlier Defense Guidelines.

Going forward, a good place to start is The Defense of Japan 2012. The Defense White Paper highlights three areas for defense cooperation: the expansion of joint exercises; consideration of expanding joint use of facilities; and an expansion of information sharing, patrolling and surveillance activities. And, given the rapidly evolving Asian security environment, particular emphasis should be placed on ISR, missile defense and maritime security – sea lanes and anti-submarine – space and cyber security. And, in light of the recent Senkaku landing, we also need to sort out together our respective responsibilities in the "gray areas" of Japan's southwest.

To conclude, for both the United States and Japan respective "to do lists" reflect significant challenges, economic and political, but it has been the strength of the alliance that has allowed Washington and Tokyo to meet similar challenges in the past, to advance individual and shared national interests, and, in the process, to contribute to the international public good. Looking ahead, new challenges will present new opportunities both to deepen and to expand the alliance as a provider of international public goods.

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Japan and the US as provider of security in Asia-Pacific: a Japanese view

Japan is the country who has taken the greatest advantage from the postwar international system of widening liberal political and economic institutions. Despite changing conditions in both domestic and global arena, Japan desires this condition to be sustained. For that purpose Japan finds the US as the key partner and ally.

The most significant international change for Japan is that the area surrounding Japan, roughly called as Asia-Pacific, has become the focal point of global politics abundantly endowed with vitality and risks. Being in the center of the Asia-Pacific, Japan recognizes the enormous challenges it faces and the fact that the US commitment to the region as the source of reassurance of peace and prosperity remains vital for Japan.

Despite well-known political turmoil in the last half-decade, Japan formed certain level of defense policy framework in the form of the new Defense Guideline, revision of the arms production and export policy, selection of F35 as next major fighter. Still Japanese authority recognizes the hard task ahead. The most basic challenge is to maintain, and if necessary increase, budgetary resources for defense against the extremely stringent fiscal situation caused by the most aging population in the world. Almost as difficult questions are to secure enough human, technological, entrepreneurial resources for defense area and to balance the political movement of increasing local advocacy with the need for national defense burden-sharing. Regrettably right now these issues are not clearly addressed by any political forces in Japan, but they must be tackled by Japan in order to stay in the Asia-Pacific power game.

Under these constraints, Japan needs to be the smartest investor of its resources for defense and foreign policy needs. For that, Japan needs to clarify its strategic objectives as clearly as possible, and finds the most efficient way to achieve them.

Geopolitically, Japan is on the overlapping zone of American defense perimeter (Dean Acheson) and the first island chain of China. Japan clearly needs to secure maritime space around itself, which requires certain level of freedom of operations not only in the Pacifc but in the East and South China Seas, countering the so-called A2AD capability of rising China. This requires to upgrade coordination levels of the SDFs and the American forces in the Pacific in maritime, amphibious, anti-missile, ISR and other related operations. These arrangements may be the major issue to be tackled with in the new guideline between the two governments. The two governments may like to involve other countries in the region such as ROK, Australia, India, willing members of the ASEAN and the Pacific Islands, in this maritime cooperation. The deepening cooperation may revitalize the debate over the collective defense right in Japan. Even though it may be possible for Japan to finesse the issue as before, it is time-consuming and logically unpersuasive. So long as political situation allows, Japan needs to tackle the constitutional issue head-on.

Secondly, Japan needs to prepare for the large-scale disaster in Japan and the region. That requires higher jointness with use of new commons (space and cyberspace) along with the capability to work together with the American Forces and other helping countries. This also requires higher level of coordination among various sections in Japan: SDF, police, firefighters, local government, private companies, NGO, etc. Key issue here is flexible use of the infrastructure such as airports, highways, and trains in time of emergency.

Thirdly, Japan has security stakes in Korean peninsula and Northern pacific area towards the Arctic sea. For Korean peninsula, Japan continues to provide key facilities for the US to achieve its commitment to the peninsula, while Japan is willing to participate in the US-Japan-ROK trilateral cooperation. Japan also sees the North Korean nuclear capability and missiles as paramount threats. Japan needs to continue upgrading the missile defense capability along with securing American extended deterrence, while being engaged in the peaceful talk to de-nuclearize and open up the DPRK to the outside world. On Russia, Japanese public opinion is fired up against the Medvedev's repeated visits to the Northern territories, but Japan has not yet seen Russian comeback in Asia as serious military threat. Still Japan pays close attention to the Russian intention in the region, particularly its relations with other countries.

At the Security Consultative Committee on April 27 this year, Japan and the US agreed to deepen "dynamic defense cooperation." It is no doubt a right direction, but adjective "smart" needs to be attached in two senses. First, Japan and the US together needs to find smart way to achieve key security objectives with most efficient and politically acceptable way. Particularly the US is expected sophisticated doctrine and placement of forces which assures its commitment, limits local burden to reasonable level with the wisest price tag.

Second, defense policy needs to be combined with political, diplomatic, economic, cultural policies in the region. The Asia-Pacific needs to strengthen habits of solving conflicts peacefully. The region also needs more open economic cooperation backed by political realities. The US needs to be part of the multilateral rules both at the regional and global levels. The ratification of the UNCLOS is a matter of serious contention

in the US, but its ratification will certainly increase its persuasiveness in the diplomatic arena. Japan has its own misery of being unable to come up with policy decision on the TPP. But the US also needs to take lead among the current negotiating members with an eye to the days of enlarging this into the FTAAP. By strengthening and creating just and equitable rules which can create sympathetic political forces within countries in Asia, Japan and the US will be able to provide the public goods truly desired in the region.

Another key area is natural resources. Fukushima accident and the Shale Gas revolution has given rise to large-scale energy policy review. Whatever happens to Japanese nuclear policy, Japan needs to maintain its key nuclear expertise and business resources who can contribute safe and secure development of nuclear use around the world. In addition, they are needed for disposing nuclear reactors and nuclear spent fuels. But overall Japan needs to lead the world by energy conservation and efficiency. The US, on its part, needs to resolve the issue of the disposal of the NSF. It also requires to lead the energy market around the globe while taking reasonable care of the climate change and other environmental issues. Keeping the first-rate energy and environment policy and technology will greatly enhance the diplomatic stance of Japan and the US.

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The joint statement issued in conjunction with the April 30 Obama-Noda summit presents a shared vision for the future of the U.S.-Japan alliance and a framework for enhancing bilateral cooperation. The statement reprises the shared values that underpin the alliance, outlines common strategic objectives and covers a range of issue areas as a testament to the breadth and depth of the bilateral agenda. What must be done to implement this vision, and what are some of the challenges going forward?

Fundamentally, the vitality of the U.S.-Japan alliance will depend on the strength of the two economies. Both countries prioritized stimulus measures in the wake of the global economic crisis but have struggled to outline strategies for long-term growth and a return to fiscal health. Japan is devising a post-3/11 growth strategy that will depend on a stable supply of energy but has yet to reach consensus on an energy mix to support a path towards sustainable growth. The question of trade liberalization and Japan's role in regional economic integration also looms large, especially given the potential for joint leadership with the United States under the rubric of the Trans-Pacific Partnership. Looming cuts in defense spending in the United States would carry economic consequences and could raise questions about the durability of strategic rebalancing toward the Asia-Pacific. In short, growth strategies and security strategies are inextricably linked. To repeat a core theme from a JFIR conference on "smart power" last year: There is no hard power or soft power without economic power. Downward pressure on defense spending in both countries places a premium on inter-operability between the JSDF and U.S. forces. Joint training, as outlined in the April 27 bilateral Security Consultative Committee statement, as well as efforts to network with other partners in the region are encouraging developments that will further the role of the alliance in preserving regional peace and stability. Also noteworthy is Japan's relaxation of the three arms export principles to allow the joint development and production of defense equipment, which could expand opportunities for defense industrial collaboration with the United States. The next step is to facilitate ways to realize those opportunities and reduce costs.

There also is a need to further explore concepts such as Dynamic Defense and Air-Sea Battle that are animating the strategic debate on security challenges in the Asia-Pacific region. The alliance should be agile in response to a changing international security environment and it will be important to ensure that prevalent

themes are integrated into the framework for alliance cooperation from which operational requirements will flow. Dialogues on issues including cyber, space, and extended deterrence, documented in an overview of common strategic objectives released in June 2011, also promise to enhance bilateral coordination on new challenges.

These are but a few of the issues confronting Japan and the United States in an increasingly diverse and complex international arena. Fiscal pressures may necessitate hard choices regarding the allocation of resources but the alliance remains grounded in a shared commitment to champion rules and norms that govern the international order. If the objective of this conference is to ask how the U.S.-Japan alliance will be perceived as a purveyor of public goods, the normative aspects of the alliance agenda—from regional economic integration to maritime security and nuclear nonproliferation—should provide answers well into the future.

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Assignments for Japan

Japan is now facing a very difficult time. Militarily, China is rapidly expanding its maritime activities both in the South China Sea and in the East China Sea, and the Senkaku Islands is currently becoming the "frontline" between the U.S.-Japan alliance and China. Economically, Japan is now facing a huge national debt problem that would seriously weaken the performance of Japanese economy in near future. Then, politically, Japanese political leaders are experiencing that they cannot make necessary decisions.

It is now questioned, in a report by the Center for Strategic & International Studies titled The U.S.-Japan Alliance: Anchoring Stability in Asia, whether "Japan desires to continue to be a tier-one nation". The answer will be made by Japan. In order to further strengthen the U.S.-Japan alliance, and also in order to maintain Japan as a "tier-one nation", there exist many assignments for Japan. Here, both military and political "assignments" will be discussed from a Japanese perspective.

First, Japan should further contribute to enhance stability in Asia. For the purpose of this, the U.S.-Japan alliance remains the best tool. It is agreed at the Joint Statement of the Security Consultative Committee on April 27, 2012, that the U.S.-Japan alliance "continues to provide deterrence and capabilities necessary for the defense of Japan and for the maintenance of peace, security and economic prosperity in the Asia-Pacific region".

There are many areas in which Japan should further enhance its efforts to strengthen the alliance. As the region of the Asia-Pacific shows more uncertainties and less stability with the changing balance of power, Japanese defense contribution should direct to create more stability. Firstly, Japan should revise its old-fashioned restraint upon the exercise of the right to collective self-defense. This restraint has been a symbol of not its peaceful constitution but of its unwillingness to contribute more to international security. But this is exceedingly sensitive issue for both Korean and Chinese people. The trilateral meeting among the U.S., Japan and the R.O.K. can be a useful framework where the U.S. officials and ministers could persuade to Korean counterparts on the necessity of asking Japanese government to do more for international security.

Then Japanese government would more easily modify this restraint. Domestic criticisms seem now much less than criticisms coming across the sea.

Secondly, it is more necessary than ever to integrate further the facilities, bases, personnel and strategy of two allies, the U.S. and Japan. As both allies face serious budgetary constraints, and also as both allies need more efficiency to plan and operate jointly, it would be a smart way to integrate U.S. and Japanese forces to the extent it is possible. This integration has been hitherto partly achieved, but largely deadlocked due mainly to the stalemate in the Futenma U.S. Marine Corp reallocation issue. The success in the Operation "Tomodachi" can be a good incentive to develop this effort.

This defense cooperation cannot be achieved without strong political base in Japanese administration. Confusions in Japanese politics has been one of the most virulent factor which has been stagnating Japan's defense efforts. However, the DPJ government has been bolder in defense issues than the previous LDP government. There are several examples such as the decision to send the SDF to Haiti after the earthquake in 2010, the new National Defense Program Guideline of 2010, the revision of the three principles on arms exports, among others. At the same time, Japanese government is now serious to enhance its commitments to maritime security in the Asia-Pacific.

However, more pressing "assignments" can be found in Japanese politics. The problem of weak political leadership in Japan is not mainly rooted in cultural or individualistic reasons, but it is more rooted in institutional reasons. Firstly, without either abolishing or largely weakening the upper house, the House of Councilors of Japanese Diet, any prime ministers will face similar sorts of leadership problem. No other democratic country has such a strong power in the upper house. Secondly, we need to establish Japanese National Security Council. This can help coordinate conflicting visions and interests of different Ministries. Each Ministry in Japanese administrative machine has more autonomy and power than that of other democratic countries. Prime Minister's Office is, on the other hand, much smaller in numbers of staffs and political power in comparison with American White House. Japanese prime minister does not have his or her chief of staff. It means that Japanese prime minister usually faces difficulty to think independently and communicate directly with his or her counterparts in Japan's important partner countries.

In short, Japan government should radically reform its political. For example, Japan has no national security strategy paper, nor political institution to produce it. Japanese prime minister is vulnerable not because of his or her lack of eligibility, but largely because of the fact that the upper house has exceeding power to veto any of prime ministers important decisions for the purpose of a next election.

Due largely to these political problems, it is difficult for any cabinet to radically reform Japan's security policy. Strong political base can help to create a strong security policy.

This stalemate is made, due largely to democratization of Japanese party politics in the last decade. Before it, the LDP prime ministers did not have to fear the possibility of being defeated by the opposition party. Any current prime ministers have to pay more attention to media and public opinion than before, if he or she wants to remain at the post. Japanese prime ministers are now more vulnerable to Japanese media, the opposition party, public opinion than ever. If democracy is good to Japanese people, we need to overcome these challenges.

If Japan can become more prosperous, more stable, and stronger in international society, other Asian countries might think that democracy, freedom, the rule of law and human rights can be friends to economic growth and national security.

4. An Introduction to The Global Forum of Japan

【Objectives】 As we embrace the 21st century, international relations are becoming increasingly interdependent, and globalization and regionalism are becoming the big waves. In this global tendency, communicating with the world, especially neighboring countries in the Asia-Pacific region at both governmental and non-governmental levels, is one of the indispensable conditions for Japan to survive. On the basis of such understanding, The Global Forum of Japan (GFJ) aims to promote the exchange of views on commonly shared interests and issues in the field ranging from politics and security to the economy, trade, finance, society and culture, and to help business leaders, Diet members and opinion leaders both in Japan and in their counterpart countries to discuss the formulation of new orders in global and regional arenas.

【History】 The 1982 Versailles Summit was widely seen as having exposed rifts within the Western alliance. Accordingly, there were expressed concerns that the summit meetings were becoming more and more stylized rituals and that Western solidarity was at risk. Within this context, it was realized that, to revitalize the summit meetings, there must be free and unfettered exchanges of private-sector views to be transmitted directly to the heads of the participating states. Accordingly, Japanese former Foreign Minister OKITA Saburo, U.S. Trade Representative William BROCK, E.C. Commission Vice President Etienne DAVIGNON, and Canadian Trade Minister Edward LUMLEY, as representatives of the private-sector in their respective countries, took the initiative in founding The Quadrangular Forum in Washington in September 1982. Since then, the end of the Cold War and the altered nature of the economic summits themselves had made it necessary for The Quadrangular Forum to metamorphose into The Global Forum established by the American and Japanese components of The Quadrangular Forum at the World Convention in Washington in October 1991. In line with its objectives as stated above, The Global Forum was intended as a facilitator of global consensus on the many post-Cold War issues facing the international community and reached out to open its discussions not only to participants from the quadrangular countries but also to participants from other parts of the world. Over the years, the gravity of The Global Forum's activities gradually shifted from its American component (housed in The Center for Strategic and International Studies) to its Japanese component (housed in The Japan Forum on International Relations), and, after the American component ceased to be operative, the Board of Trustees of the Japanese component resolved, on February 7, 1996, that it would thereafter act as an independent body for organizing bilateral dialogues with Japan as a hub for all countries in the world, and amended its by-laws accordingly. At the same time, The Global Forum's Japanese component was reorganized into The Global Forum of Japan (GFJ) in line with the principle that the organization be self-governing, self-financing, and independent of any other organization.

【Organization】 The Global Forum of Japan (GFJ) is a private, non-profit, non-partisan, and independent membership organization in Japan to engage in and promote international exchanges on policy-oriented matters of bilateral, regional and global implications. While the secretariat is housed in The Japan Forum on International Relations, GFJ itself is independent of any other organizations, including The Japan Forum on International Relations. Originally established as the Japanese component of The Quadrangular Forum at the initiative of HATTORI Ichiro, OKITA Saburo, TAKEYAMA Yasuo, and TOYODA Shoichiro in 1982, GFJ is currently headed by OKAWARA Yoshio as Chairman and ITO Kenichi as President. The membership is composed of 10 Business Leader Members including the two Governors, MOGI Yuzaburo and TOYODA Shoichiro; 25 Diet Members including the five Governors, ASAO Keiichiro, HATOYAMA Yukio, KOIKE Yuriko, SUEMATSU Yoshinori, and TANIGAKI Sadakazu; and 84 Opinion Leader Members including the three Governors, HIRABAYASHI Hiroshi, SHIMADA Haruo, and WATANABE Mayu. Friends and supporters of The Global Forum of Japan are organized into the Supporters' Club of the Global Forum of Japan. Financially the activities of GFJ have been supported by the annual membership fees paid by 11 leading Japanese corporations (Toyota Motor Corporation and Kikkoman Corporation contributing 5 shares each, and the other 9 corporations contributing 1 or 2 shares each) as well as by the grants provided by The Japan Foundation, Japan-ASEAN Exchange Projects, Japan-ASEAN Integration Fund, The Tokyo Club, The Japan-Korea Cultural Foundation, etc. KIKUCHI Yona serves as Acting Executive Secretary.

【Activities】 Since the start of The Global Forum of Japan (GFJ) in 1982, GFJ has shifted its focus from the exchanges with the Quadrangular countries for the purpose of contributing to the Western Summit, to those with neighboring countries in the Asia-Pacific region including the U.S., China, Korea, ASEAN countries, India, Australia, European countries, and Wider Black Sea area, for the purposes of deepening mutual understanding and contributing to the formation of international order. GFJ has been active in collaboration with international exchange organizations in those countries in organizing policy-oriented intellectual exchanges called "Dialogue." In order to secure a substantial number of Japanese participants in the "Dialogue," GFJ in principle holds these "Dialogues" in Tokyo. A listing of topics of "Dialogues" and its overseas co-sponsors in the last five years is given below.

Year	Month	Topic	Co-sponsor
2012	September	Japan-U.S. Alliance at a New Stage: Toward a Provider of International Public Goodss	Institute for National Strategic Studies, National Defense University
	March	The Future of ASEAN Integration and Japan's Role	ASEAN Institutes of Strategic and International Studies Fudan University
	March	The Rise of Emerging Countries and the Future of Global Governance	Nanyang Technological University The Carnegie Endowment for International Peace
	February	The Asia-Pacific Region in Transition and the Japan-U.S.-China Relations	China Association of Asia-Pacific Studies
2011	October	The Japan-China Relations at Crossroads	China Institutes of Contemporary International Relations (CICIR)
	July	The Great East Japan Earthquake and Regional Cooperation on Disaster Management	National Graduate Institute for Policy Studies, etc
	February	The Japan-U.S. Relations in the Era of Smart Power	The Center for Strategic and International Studies (U.S.)
	February	East Asia in Transition and New Perspectives on Regional Cooperation	International Studies Department, Vietnam National University (Vietnam)
2010	September	East Asian Regional Architectures and Japan-India Relations	The Federation of Indian Chambers of Commerce and Industry (India)
	May	Promoting Japan-U.S. Cooperation in Non-Traditional Security: the Case of Counter Piracy	National Bureau of Asian Research (U.S.)
	February	Promoting Japan-China Cooperation on Environmental Issues of the 21st Century: In Pursuit of Recycling Society	School of Environment, Beijing Normal University (China)
	January	Prospects of Changing Black Sea Area and Role of Japan	Organization of Black Sea Economic Cooperation
2009	September	Japan-ASEAN Cooperation amid the Financial and Economic Crisis	ASEAN-ISIS
	June	Prospect of Japan-China Relationship in the Changing World	China Institutes of Contemporary International Relations (China)
	April	US-Japan Relations Under the New Obama Administration	National Committee on American Foreign Policy (U.S.)
2008	September	Prospect of Japan-ASEAN Partnership after the Second Joint Statement on East Asia Cooperation	ASEAN-ISIS Institute of Japanese Studies, China Institutes of Contemporary International Relations (China)
	July	Japan-China Relations Entering A New Stage	
	June	Cooperation in Environment and Energy	The Council on East Asian Community, The East Asian Institute of National University of Singapore (Singapore)
	January	An East Asian Community and the US	The Council on East Asia Community, The Pacific Forum CSIS (U.S.)

5. An Introduction to the Institute for National Strategic Studies, National Defense University

The mission of Institute for National Strategic Studies (INSS) is to conduct strategic studies for the Secretary of Defense, Chairman of the Joint Chiefs of Staff, and the Unified Combatant Commands to support the national strategic components of the academic programs at National Defense University (NDU) and to provide outreach to other US governmental agencies and to the broader national security community.

INSS includes the following Centers: Center for Strategic Research (CSR), Center for Technology and National Security Policy (CTNSP), Center for Complex Operations (CCO), the Center for Strategic Conferencing (CSC), the Conflict Records Research Center (CRRC), the Center for Transatlantic Security Studies (CTSS), and the Center for the Study of Chinese Military Affairs (CSMA).

The military and civilian analysts and staff who comprise INSS and its subcomponents execute their mission by performing the following functions: research and analysis, publication, conferences, policy support, and outreach.

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6. An Introduction to the Japan Forum on International Relations

The Forum conducts a variety of activities hosting conferences, organizing research programs, and publishing research reports and policy recommendations, etc.

[History]

The Japan Forum on International Relations, Inc. (JFIR or The Forum) was founded on March 12, 1987 in Tokyo on the private initiative of Dr. OKITA Saburo, Mr. HATTORI Ichiro, Prof. ITO Kenichi, and 60 other independent citizens from business, academic, political, and media circles of Japan, recognizing that a policy-oriented research institution in the field of international affairs independent from the government was most urgently needed in Japan. On April 1, 2011, JFIR was reincorporated as a "public interest foundation" with the authorization granted by the Prime Minister in recognition of its achievements.

[Purpose]

The Forum is a private, non-profit, independent, and non-partisan organization dedicated to improved understanding of Japanese foreign policy and international relations. The Forum takes no institutional position on issues of foreign policy, though its members are encouraged not only to analyze but to propose alternatives on matters of foreign policy. Though the Forum helps its members to formulate policy recommendations on matters of public policy, the views expressed in such recommendations represent in no way those of the Forum as an institution and the responsibility for the contents of the recommendations is that of those members of the Forum who sign them alone.

[Organization]

JFIR is a membership organization with four categories of membership, namely, (1) corporate, (2) associate corporate, (3) individual and (4) associate individual. As for the organizational structure of JFIR, the "Board of Trustees" is the highest decision making body, which is in charge of electing the "Directors" and of supervising overall activities of JFIR, while the "Board of Directors" is an executive body, which is in charge of the management of day-to-day operations of JFIR.

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[Activities]

In tandem with the core activities of the "Policy Council" in making policy recommendations, another important pillar of JFIR's activities is the BBS "Hyakka-Seiho" which means "Hundred Flowers in Full Bloom" (http://www.jfir.or.jp/cgi/m-bbs/). The BBS, which started on April 12, 2006, is open to the public, functioning as an interactive forum for discussions on foreign policy and international affairs. All articles posted on the BBS are sent through the bimonthly e-mail magazine "Meru-maga Nihon Kokusai Fōramu" in Japanese to about 10,000 readers in Japan. Furthermore, articles worth attention for foreigners are translated into English and posted on the English website of JFIR (http://www.jfir.or.jp/e/index.htm) as "JFIR Commentary." They are also introduced in the e-mail magazine "JFIR E-Letter" in English. "JFIR E-Letter" is delivered bimonthly to about 10,000 readers worldwide.

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