Prepared remarks of

JAMES B. STEINBERG
Dean
Lyndon B. Johnson School of Public Affairs
The University of Texas at Austin

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A NEW JAPAN FOR A NEW CENTURY: WHAT ROLE FOR JAPAN IN THE EMERGING REGIONAL AND GLOBAL ORDER?

For nearly two decades, Japan has been grappling with the challenge of defining its role in a face of a changing and dynamic world. Since the twin shocks of the end of the Cold War and the 1991 Gulf War, the fundamental underpinnings of Japanese post World War II national security strategy have crumbled. Despite this long passage of time, a new template has not fully emerged.

This uncertainty should not be surprising. Even in countries with much stronger strategic communities such as the United States, there continues to be considerable debate and division about the nature of the global landscape and the character of the challenges and opportunities that it creates.

For Japan, this problem is complicated by Japan's own history, its relationships with key countries in the region, its complex and underdeveloped "policy politics", particularly with respect to national security policy, and its underdeveloped community of strategic analysts, both in and out government. Tonight I want to reflect on the trajectory of Japan's national security policy since 1991 and the implication for Japan's regional and global role in the coming decades.

In this audience, I do not need to dwell on why the period of the early 1990s was such a profound shock to Japan's approach to world. With the possible exception of the Nixon shocks of 1971 (both in opening to Japan and the decision to abandon the gold standard), little had happened to shake the basic principles of Japan's national security policy, which was remarkably stable for over forty years. Though we might all fine tune the details, the basics are well known:

- Close US-Japan security ties based on the US nuclear guaranty and forward deployed forces;
- A restrained Japanese military role based on doctrine – Article 9 of the Constitution and the three non-nuclear principles – and capability – defense spending capped at around 1% of GDP;
- Regional policies focusing on economic development in both Northeast and Southeast Asia; and
- A limited role on the world stage, primarily through economic institutions like the IMF and G-7.

The first years of the 1990s changed all that. The US-Japan relationship, already strained on a political level by Japan's economic growth in the 1980s and increased friction over trade and macroeconomic policy, now came under question as its core strategic rationale – containment of the Soviet Union – evaporated.

The Gulf War not only further tested US-Japan relations, but demonstrated that in the emerging international order, Japan would no longer be permitted to sit on the sidelines, occasionally making a financial contribution, but staying aloof from the dirty work of global peace and stability. These developments, along with the collapse of the economic bubble and with it Japan's national self confidence in its model of economic growth, not only roiled Japan's foreign policy, but also had, as this audience well knows, a profound impact on Japan's domestic politics, bringing the first non-LDP prime ministers to power since the 1950s.

It is in this context that the US and Japan began to reshape our bilateral relations, in a process which had broader implications for Japan's overall foreign policy. It is easy to forget in hindsight that the outcome of that re-examination was not fore-ordained.

Writing in Foreign Affairs magazine in 1995, Joe Nye, at that time Assistant Secretary of Defense for International Security Affairs, outlined five alternative futures for US policy toward East Asia: first, withdraw from the region and focus on the Western Hemisphere and Atlantic issues; second, play traditional balance of power politics; third, create loose regional arrangements to replace the Cold War bilateral alliances; fourth, create a NATO like alliance; and fifth, US leadership, based on three pillars – reinforcing our alliances, maintaining forward deployed forces and develop regional institutions. Although this was to some extent a familiar academic trick – Kissinger's three options designed to tilt the debate toward Nye's preferred outcome – there were real choices, driven by factors internal both to Japan and the US, as well as within the Asia Pacific region.

My purpose here is not to dwell on the history of 1996 and 1997, though as a participant in those discussions, I can assure you that the outcome – something looking like the fifth alternative – looks easier through the rear view mirror. The point I want to stress is that the reformulation of the US-Japan security relationship into a post-Cold War framework had a number of important consequences, which frame both today's debate and the options available to Japan.

First, the reaffirmation of the US security guarantee, including the continued stationing of significant US forces in Japan had a profound impact on the first major East Asian security crisis of the post Cold War period, the North Korean nuclear and missile programs.

Second, the sustained US-Japan relationship also had a profound impact on Japan's policy toward China. It created a strategic space for Japan to engage China without the necessity of appearing to appease China on important issues where Japan and China Disagree, most notably Taiwan.

Third, the Security Guidelines adopted in 1997 have shaped Japan's emerging national security strategy, both for doctrine and for force structure. We can see the consequences in Japan's involvement both in Afghanistan and in Iraq, in its engagement with the US on missile defense and military modernization, and in the elevation of JDA to ministry. Although the decisions made in 1996 and 1997 have proved effective in weathering a turbulent period, there are underlying signs of strain and uncertainty that cloud the future.

The first question concerns the approach that the United States will take into the US-Japan relationship. For the Bush administration, the relationship has been central, epitomized by the Bush-Koizumi relationship. But despite the close ties, there are some tensions, most notably over the handling of the North Korean problem: Lack of coordination/consultation, a perception that the US is prepared to cut a weak deal with North Korea on the nuclear question, and a fear that the US will abandon Japan on the question of the abductees in deciding to remove North Korea from the state sponsor of terrorism list.

More deeply, the second question is how US policy toward the region will evolve, particularly with respect to China. For those who fear China's rise, and advocate a policy of more or less explicit containment, the relationship with Japan will remain key, along with an attempt to construct a more or less explicit containment alliance along the lines of the US-Japan-Australia trilateral or even a quadrilateral with India.

For some in Japan this would be a welcome development, cementing the bilateral relationship with the US and building a set of relationships within Asia that would reduce the dangers of Japan's isolation (Abe community of democracies). It is particularly appealing to those who see the Japan-China relationship in zero sum terms, and who note that there has never been a time when both Japan and China were powerful. It also plays into domestic political suspicions of China, a staple of Japanese nationalist politicians.

But there are risks in a containment approach for Japan. A containment strategy will put at risk Japan's deep economic engagement in China, a risk that has been highlighted by the Japanese business community. And these risks are magnified by the possibility that the US commitment could weaken over time.

Why might that happen? First, there is, of course, the preoccupation with GWOT, and the concern with the relationship between terrorists and the possible acquisition of nuclear

weapons. In this framework, China, more than Japan, is arguably more important to the United States, as a state also facing, at least by its own definition, Islamic terrorists, and as a key player in the region and in the Security Council in dealing with nuclear wannabees – North Korea and Japan. Moreover, the GWOT has focused the build of US attention on the Greater Middle East, eroding its ability to play a key role in East Asia, and ceding the field in some degree to China.

Second, of course, is the deepening economic engagement between the US and China, and the mutual dependence would limit the of the ability of the US to take a confrontational approach with each other or for the US to side with Japan in any dispute it may have with China in the future.

Finally, of course, is the fact of China's rise, which inevitably will deepen US preoccupation with China, and there will be a strong impetus to build closer Sino-US relations to head off a more traditional great powers confrontation of the 19th century variety.

For this reason, it seems unlikely that Japan will place all its eggs in the US alliance basket. Such a strategy poses twin risks for Japan – either being drawn into a bipolar confrontation between the US and China, or being abandoned by the United States without adequate capacity to protect Japan's interests by acting alone. Thus, even for a nationalist politician like Abe who advocated a more assertive Japanese role, stable relations with East Asia neighbors, especially China, are critical, as was apparent from Abe's prompt visit to Beijing after taking office. Indeed, even for nationalist politicians, their suspicions of China are tempered by a fear of excessive dependence on the United States, as illustrated by the "tout azimuth" independence viewpoint of Governor Ishihara and his followers that in some ways mimics the approach followed by General de Gaulle during the Cold War.

So to ask Joe Nye's question from the perspective of Japan, "what alternatives does Japan have to reliance on the United States?" Joe would say, from a logical perspective, there are three – Sino-Japanese cooperation, Pan-Asian integration or becoming an autonomous regional power.

Each, of course, has appeals and drawbacks. A Sino-Japanese condominium could help stabilize the potentially most volatile set of relations in the region, and avoid a security competition, both between the two countries in a spiraling military buildup, as well as competition for support among other countries in the region. Japan and China have many interests in common, beginning with the deepening economic integration, and extending to issues like energy, environment and public health.

Of course, this path faces deep challenges, beginning with history. Japan and China have never both been powerful at the same time, and the scars of the past remain vivid. Realists would assert that the power competition between the two is inevitably zero sum.

Of course, history also offers examples where historical adversaries have found ways to overcome differences – just look at the contemporary relationship between France and Germany. Nonetheless, if for no other reason than domestic politics, a factor which is important today in Japan and increasingly so in China, the prospect of the kind of reconciliation embodied in the Élysée Treaty between France and Germany seems unlikely.

For this reason, some have suggested that a better strategy is to embed the Sino-Japanese relationship in broader regional structures. After all, looking again to the European experience, the Franco-German rivalry was embedded in deeper European integration through NATO and the EU. From this perspective, the desire of other Asian countries not to be caught in the crossfire between two regional powers might provide a powerful incentive to create Pan-Asian structures which neither dominates. This could be especially appealing to Korea and the ASEAN countries. Deepening regional economic integration could contribute to this process.

But Pan-Asian integration too, faces considerable difficulties. Despite the proliferation of regional organizations in recent years, most remain weak and ineffective on the truly pressing issues of the day. Geography, history and culture all provide substantial barriers – and there is a critical open question about how willing the US would be to accept Pan-Asian integration without the US – or indeed, how effective it would be without the US.

Finally, of course, Japan could choose to go it alone – building on its undoubted economic and technological strength, to balance China both militarily and politically. Some political scientists would suggest that this path is inevitable, and some politicians in Japan feel that this is the only long-term way to assure Japan's security.

But this path holds considerable peril both for Japan and the region as a whole. I do not think I need to spell out the likely consequences of an out and out competition between Japan and China – an outcome which is likely to produce only losers, and no winners. The debate on nuclear weapons in Japan is beginning to emerge after more than thirty years since the annunciation of the three non-nuclear principles and the reaction of Japan's neighbors to that debate is symptomatic of a dynamic that a more autonomous Japanese strategy would pose.

This leaves Japan in a quandary – anxious about the strategic implications of China's rise, confronted with a near term threat from North Korea, all pushing Japan towards the US – yet troubled with a fear of abandonment by a potentially unreliable US ally that leads Japan to want to hedge its bets either through closer ties with China, or more independent military and political capability.

Of course, it is possible to sketch out a first best solution, one in which a strong US-Japan relationship is complemented by a strong US-China relationship, leaving Japan free to build a better relationship with China without feeling that it might be choosing sides against the United States, or risk being swallowed up by an increasingly powerful China.

Such a balanced triangle could also prove a motor to greater regional integration, to the relief of others in this region.

The United States clearly has a critical role to play in bringing about this result. There are three key elements of the strategy. First, the United States must sustain and build on the bilateral relationship. This is particularly important in the context of coordinating strategy toward North Korea. Second, however, the US must make clear that this relationship is not built at its core on a hedging strategy vis-à-vis China, since this both puts Japan in a zero sum relationship with China and increases the likelihood that China will feel the need to compete with the US and Japan.

To achieve this goal will require both increased political dialogue, including a meaningful trilateral consultation with China, Japan and the US, and an approach by the US to our own military modernization, force structure, overseas basing and doctrine that emphasizes confidence building and sensitivity to the risk of an arms race in the region.

Finally, the United States must make clear that it supports Asian regional integration, and intends to be a key part of it, beginning with a decision to sign the ASEAN Treaty of Amity and Cooperation which will allow the US to join the East Asian summit. At the same time, the US must be relaxed about the fact that there may be some elements of Asian integration – e.g. ASEAN plus three – which do not include the US but not our expense.

China actions, too, will influence Japan's course. To facilitate a smooth transition to new stable relationships in the region, China most take care not to abuse the history card for its own domestic political purposes, to apply its peaceful rise strategy not only to the US but also to Japan, to demonstrate its willingness to share regional leadership with Japan by supporting Japan's accession to the UN Security Council and to enhance the transparency of China's military modernization.

Of course, Japan, too, must do its part. The most important factor would be the ability and the willingness of Japan's leaders to harness resurgent Japanese pride in a constructive dimension of active cooperation on the regional and global level rather than to resort to narrow politics that emphasize the "us versus them" nature of nationalism – a strategy for Japan that would be self isolating and therefore ultimately self defeating. Whether Japanese political leaders can rise to this challenge is of course the subject of the symposium that you will begin tomorrow, and we all look forward to hearing your thoughts on this extremely important issue for the future of us all. Thank you very much and I look forward to your thoughts.