

**U.S.
National
Security
Strategy:**
Implications
for the
U.S.-Japan
Alliance

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Edited by **Shihoko Goto**

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Introduction

Tensions continue to rise in East Asia, not least with the continued threat of a nuclear North Korea, coupled with China's ever-growing military, economic, and political aspirations for regional hegemony. Expectations for Japan to play a critical role to ensure peace and stability have increased as a result, and strong ties between Tokyo and Washington remain critical for the two sides to work closely together.

On March 14, 2018, the Wilson Center's Asia Program hosted a day-long conference on the U.S. national security strategy and its implications for the U.S.-Japan alliance. The closed-door forum, made possible through support from the Japanese Ministry of Foreign Affairs, brought together nine panelists, two dozen analysts, and officials from the current administration as participants.

This is a collection of essays from three of those participants. Contributions from **Rumi Aoyama** of Waseda University, **Hiroyasu Akutsu** of Japan's National Institute for Defense Studies, and the Wilson Center's **Abraham Denmark** should further discussions about understanding U.S.-China strategic competition, the way forward on North Korea, and options to update the U.S.-Japan alliance.



Old Territory and New Horizons in the U.S.-Japan Alliance

Abraham M. Denmark

Director of the Asia Program at the Wilson Center and Senior Fellow at the Wilson Center's Kissinger Institute on China and the United States.

The alliance between Japan and the United States has lasted for several decades. Its longevity is a credit to the multiple generations of leaders in Tokyo and Washington that have guided the Alliance and ensured its continued relevance to contemporary security and geopolitical challenges. From Cold War competition between the United States and the Soviet Union to navigating today's increasingly complex and interconnected world, the U.S.-Japan Alliance has maintained its significance by continually evolving to address the challenges of the day and the political realities that Tokyo and Washington have been forced to address.

In 2018, the Alliance confronts an increasingly complex set of challenges and opportunities. To examine these issues and develop policy recommendation for Washington and Tokyo to consider, the Woodrow Wilson International Center for Scholars—in cooperation with the Japanese Embassy to the United States—convened a security symposium in March 2018 composed of top scholars, former practitioners, and policymakers. This report reflects some of the findings and arguments made during this off-the-record meeting.

The symposium focused on three broad issues—China, North Korea, and future opportunities in the U.S.-Japan Alliance. This report reflects some of the issues explored in the symposium, though the words themselves are the opinions of the authors themselves. Following are some broad take-aways from the symposium.

China

Shared deep concerns about the rise of China and its implications for the established liberal international order are a major area of concern for both Washington and Tokyo, though it is perhaps felt more acutely in the latter. These concerns span several issue areas—including Chinese military modernization, its expanding economic influence across the Indo-Pacific, and its apparent territorial ambitions.

Scholars from both the United States and Japan shared concerns about China's rapidly growing military capabilities, fueled by continually rising military budgets and an apparent ability to rapidly acquire and integrate cutting-edge technologies into tools of the state. This includes the development of advanced 5th-generation fighter aircraft, large numbers of advanced surface combatants, and bureaucratic reforms designed to make the People's Liberation Army (PLA) a more formidable fighting force.

For Japan, concerns also extend to China's use of non-military and para-military maritime forces to assert territorial claims and complicate Japanese response options. This especially applies to the waters adjacent to the Senkaku Islands, which China claims as the Diaoyu Islands. Due to Japan's pacifist constitution and related rules of engagement, China's use of non-military forces to assert its claims poses a challenge for Tokyo. Concurrently, the increased tempo of Chinese military activities in Japanese territorial air- and sea-space is taxing the ability of Japan's Self-Defense Force (SDF) to respond, and thus putting a financial and logistical strain on Tokyo.

Complicating matters in the Alliance has been U.S. disinclination to confront China over such "salami-slicing." While Washington has overtly included the Senkakus as covered by its commitments under the U.S.-Japan Alliance, it has proven reluctant to risk explicit and direct tension with China over nonmilitary vessels that, though annoying, are not known to have technically violated Japan's territorial waters.

Several other security issues play a role in discussions between Tokyo and Washington about China. Japanese and American scholars alike see dynamics in the South China Sea as linked to those in the East China Sea, and have grown concerned about Beijing's apparent success in changing the regional status quo, expanding its military capacity, and intimidating other claimants in the South China Sea.

Beyond the military realm, American and Japanese scholars shared concerns about China's Belt and Road Initiative (BRI) and the challenge it may pose to the regional liberal order. Many have grown concerned about the illiberal aspects of some BRI projects and its implications for China's geopolitical influence across the region, yet they also recognize that the initiative addresses a dire need across the region for more infrastructure and investment. Indeed, some in Japan and the United States see BRI as a possible mechanism for cooperation with Beijing, though such hopes are tempered by questions about broader geopolitical competition.

Across all these issues, a single theme dominates. Generally speaking, Washington and Tokyo share broader concerns about what these developments suggest about China's broader ambitions for regional influence and—eventually—dominance. There is a common sense of distress among the allies that the liberal international order is fraying in the face of Chinese ambitions, and are hungry for strategies and initiatives that buttress key aspects of the liberal order that both have relied upon for decades to preserve stability and prosperity.

North Korea

While Washington and Tokyo broadly share anxieties about the implications of a nuclear North Korea, significant concerns have emerged among some in Japan about the Trump administration's approach. Between the United States and Japan, there has been universal condemnation of North Korea's nuclear and ballistic missile programs, and its past belligerence against the United States. Japan has been especially concerned by repeated North Korean missile tests that have overflowed Japanese territory, which posed a danger to the Japanese people and represented an undeniable reminder that Japan is in North Korea's potential cross-hairs.

President Trump and Prime Minister Abe have been in regular communication about this issue, and their two governments have been in close contact to share information and coordinate responses to North Korean actions. Indeed, Alliance coordination on this issue has been remarkably robust, which has served to help manage concerns that Japan has developed about the Trump Administration's approach to the North Korea challenge.

Generally speaking, many in Japan are concerned that their interests are not deeply shared by the United States, and may not be reflected in any bilateral engagements between Washington and Pyongyang. Specifically, Tokyo is worried that the United States may focus on dismantling North Korea's ICBM capabilities to the exclusion of other North Korean capabilities that directly threaten Japan. Additionally, Prime Minister Abe has emphasized the persistent issue of Japanese abductees as a top priority for his government, and some scholars in Japan are concerned that the United States may not regard this issue with the same degree of urgency.

On the other hand, there exists among some Japanese observers a complex, internally inconsistent, analysis of the Trump administration's overall policy toward North Korea. While many in Japan have approved of President Trump's confident and muscular rhetoric vis-à-vis North Korea, some of the same Japanese observers are often also concerned that such rhetoric may reflect a genuine willingness by the Trump administration to consider military options to denuclearize North Korea. They argue that Japan would be a likely target for North Korean retaliation against an American attack, and that such a retaliation could include the use of nuclear weapons or other weapons of mass destruction. Tokyo would prefer that the United States use diplomacy and economic pressure to force North Korea to denuclearize, while always ensuring that it has the will and ability to defend Japan and retaliate against any potential North Korean attack.

The upcoming (as of this writing) summit between Prime Minister Abe and President Trump has taken on added significance as a result of these dynamics. Abe is likely to seek to gain a unified U.S.-Japan position on North Korea, and especially impress upon President Trump the need to address North Korean capabilities that threaten Japan as well as the United States, and to include the issue of Japanese abductees in his engagements with Kim Jong-un.

Expanding the U.S.-Japan Alliance

Scholars from both Washington and Tokyo have broadly acknowledged the significant achievements of the 2015 Guidelines for Japan-U.S. Defense Cooperation, and that it provides significant room for the Alliance to both

deepen and broaden in scope. Mechanisms like the Alliance Coordination Mechanism (ACM) are widely recognized as having already demonstrated their utility in facilitating alliance coordination on a host of security issues, although some in the U.S. believe that additional work should be done to further routinize alliance dialogue on a range of issues, especially those outside the security community.

While scholars from both sides widely agree that the U.S.-Japan alliance remains robust, both sides have expressed ideas about ways to further deepen cooperation between the U.S. military and the JSDF. Specifically, both sides have emphasized the need to examine opportunities for Japan to enhance its missile defense, island defense, and strike capabilities—all within the context of the Alliance. The issue of strike is especially complex, due to Japanese domestic politics surrounding its pacifist constitution, as well as differing opinions within the United States about the advisability of a (at least partially) independent Japanese ability to conduct offensive strike operations.

Due to the expanding challenge from China and the persistent threat from North Korea, reassurance of the reliability of U.S. extended deterrence commitments remains a critical area for Washington and Tokyo to engage. While such discussions have been ongoing for years, the region's evolving security challenges means that neither side can afford to sit on its laurels. Instead, the two sides should consider additional mechanisms designed to demonstrate the credibility of U.S. extended deterrence commitments to adversaries and to the Japanese people writ-large.

The other critical area for enhanced U.S.-Japan cooperation is outside the security realm. Economic issues—especially trade and investment—is an increasingly critical driver of geopolitics across the Indo-Pacific. With the U.S. withdrawal from the Trans-Pacific Partnership, and China's inauguration of a host of different economic mechanisms such as AIIB and BRI, Beijing certainly appears to be driving regional dynamics in this arena. But Washington and Tokyo have significant opportunities to demonstrate their continued relevance in this area—both through TPP-11 (of which Japan has been a driving force) and by cooperating in joint initiatives related to development assistance and infrastructure construction. In this sense, Japan has already taken a leading role, and the United States has an opportunity to contribute resources and leadership.

Yet this speaks to a broader need for enhanced cooperation between Washington and Tokyo—joint development and implication of a strategy to preserve a free and open Indo-Pacific. Though announced by President Trump during his inaugural visit to Asia as President of the United States, this strategy (at least initially) closely resembles similar strategy proposals previously offered by Prime Minister Abe. Yet many details have yet to be developed and explained, and this represents an opportunity for Washington and Tokyo to work together to detail a joint regional strategy. This would involve military, political, and economic coordination for unilateral and bilateral engagements, as well as a set of multilateral mechanisms of which the United States and Japan are a part.

Finally, it is incumbent on Washington and Tokyo to develop (along with Seoul) a unified position on North Korea. While senior officials may be able to negotiate such a unified position, it will be up to President Moon—and then President Trump—to faithfully represent these positions in their meetings with Kim Jong-un. By presenting a unified Alliance front, Pyongyang will be hard-pressed to exploit disagreements to advance its interests. This is especially critical on issues related to maintaining a principled stand on denuclearization, requiring the dismantlement of capabilities that threaten Japan and South Korea as well as the United States, and maintaining maximum pressure on Pyongyang until it makes significant progress toward denuclearization.

Conclusion

The alliance between Japan and the United States is one of the most robust bilateral relationships in the world. Trust is high, and the two systems have developed robust and effective means to cooperate and coordinate with one another on a range of complex issues. Nevertheless, the emerging challenges they face require leaders in Tokyo and Washington once again adapt the alliance in order to maintain its relevance.



Options to Update the U.S.-Japan Alliance: Common Strategic Objectives and the Indo-Pacific Strategy

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The Trump Administration released its first *National Security Strategy* (NSS) in December 2017. From a Japanese perspective, this important document involves fewer surprises than expected because it has only confirmed many things that the administration has already done over the year since the administration came to power. However, the document does show some key characteristics that distinguish the document from the previous NSS documents.

The publication of NSS 2017 is the first and most important strategic and policy document of the current U.S. administration because it defines the direction and contents of the two following documents, namely, *National Defense Strategy* and *Nuclear Posture Review*. The fact that the Trump Administration has published all these documents is important because they indicate the structural and rather stable direction of the administration's strategic and policy orientation which provides significant implications globally and regionally. They may play an important role in shaping the strategies and policies of other governments, including those of Japan as it updates its *National Security Strategy*, *National Defense Program Guidelines* (NDPG), and *Mid-Term Defense Program* (MTDP) by the end of 2018.

In light of the latest NSS, there are ways to update strategic objectives as a way of deepening Japan-U.S. alliance cooperation and enhancing quadrilateral cooperation between the Japan-U.S. alliance and other like-minded security partners, namely the UK and France, as a way of widening of the alliance in addition to the existing “Quad” among the United States, Australia, India, and Japan.

Key Features of the U.S. National Security Strategy

Principled Realism, Geopolitics, and Geo-economics

A closer look at NSS 2017 takes us to both change and continuity from the previous administrations’ national security strategy. The major constant elements, for example, include American leadership (with stronger emphasis this time), importance of allies and partners, and *de facto* prominence of Asia or the Asia-Pacific despite the fact that the region is now termed “Indo-Pacific.”

The major changes, on the other hand, may include great emphasis on *America First*, basing its national security strategy on principled Realism, clearer introduction of great power rivalry with focus on Russia and China and of the rogue state notion of Iran and North Korea, attention to geopolitics, geo-economics (in relation to China’s economic statecraft and coercive diplomacy), and treatment of nuclear weapons.

To focus more specifically on China and North Korea, the new NSS reminds of the ongoing challenges to the Japan-U.S. alliance including pushing back not only China’s offensive maritime and military activities but other “gray zone” activities as well in the Indo-Pacific (and beyond) and getting North Korea to completely, verifiably, and irreversibly denuclearize (CVID).

The concept of “Indo-Pacific” can also be seen as a major change, and it is the most likely place where the actual operational cooperation takes place in one way or another. While generally a friendly and amicable atmosphere is dominant in a reference to the U.S. allies in this kind of document, the most likely source of tensions between the allies seems to continue to lie in the trade area as the current U.S. administration takes a different approach to Trans-Pacific Partnership (TTP).

From Japan's perspective, the administration's appreciation of the strong leadership role of Japan indicates the current close ties at the highest political leadership level of the alliance.

Given all this, what implications are there for the Japan-U.S. alliance and what options are there for updating the alliance? There are many ways to draw such implications and discuss the ways to enhance the alliance. As for the ways to update the alliance, there is a choice between deepening and widening. Deepening involves reforming or enhancing the existing institutional arrangements at the alliance management on one hand and reviewing the common assessments of the regional and global security environment, the common strategic, tactical, and operational objectives on the other. Widening, on the other hand, occurs when the Japan-U.S. alliance expands to trilateral and multilateral defense cooperation.

The Continued Importance of the Defense Cooperation Guidelines

The first implication of the NSS 2018 on the alliance is may be that the importance of the alliance has not changed due to the publication of the strategic document *per se*. Instead, the document only confirms the value of the alliance and also indicates the continuing importance of the ongoing efforts to updating alliance cooperation in line with the Guidelines for Japan-U.S. Defense Cooperation of 2015.

Convergence to "Indo-Pacific" and Divergence in Trade Policy

Regarding the implications for the Japan-U.S. alliance, from Japan's perspective, the U.S. administration's strong support for leadership of the Abe Administration as well as a reaffirmation of bipartisan support for the alliance and prominence of Indo-Pacific allies are assuring and encouraging. While the U.S. geographical definition of Indo-Pacific stretches from the west coast of India to the western shores of the United States, Japan's wider scope stretches from Africa to the Pacific through Asia.

Again, the most contentious policy divergence is seen in economic security and trade policy. The Trump Administration's unilateral approach in this policy area, exemplified by its defection from TPP, would remain a major source of concerns among the U.S. allies and friends and will continue to be a major subject of alliance management.

Japan's Security Concerns and Unshakable Alliance Policy

While it is important to continue to resolve any differences between the two allies and to strive to overcome the existing challenges, between the current administrations, it would be more advisable for the two sides to re-emphasize the shared security interests, values and principles as well as new convergences. To do so, it would be useful to see the current orientation of Japanese security strategy and policy. Prime Minister Shinzo Abe delivered a speech at the 196th Session of the Diet on January 22, 2018 (https://japan.kantei.go.jp/98_abe/statement/201801/_00002.html) and already confirmed an overall strategic direction and some specific measures in the security dimension. Given the theme of this report, I will briefly focus only on North Korea and China.

On North Korea, Prime Minister Abe defines North Korea's development of nuclear weapons and missiles as an unprecedented grave and urgent threat and recognizes that the security environment surrounding Japan is the most severe in postwar history. He also wants to make sure that Japan will make North Korea abandon its nuclear and missile programs in a complete, verifiable, and irreversible manner in addition to resolving the abductions issue, which is still Japan's top priority. In order to compel North Korea to change its policies, He stresses that Japan will engage in resolute diplomacy without giving into any acts of provocation.

In the face of escalating North Korean provocations, Japan will prepare for all situations and take concrete actions based on the strong Japan-U.S. alliance. Through close coordination between the two allies, Japan will maintain a high alert posture and protect the lives and peaceful livelihoods of the Japanese people in any situation. Japan will strengthen our defense capabilities, including introducing Aegis Ashore and stand-off missiles.

As for China, on the other hand, Prime Minister Abe takes a careful diplomatic approach in 2018 as it marks the major milestone of the 40th anniversary of the Treaty of Peace and Friendship between Japan and China. He hopes to visit China at an appropriate time and realize President Xi Jinping's visit to Japan at the earliest possible time. Through conducting more mutual visits at a high level, he wishes to elevate the Japan-China relationship to a new level.

He also wants work with China to meet the growing infrastructure demand in Asia. Japan and China share significant responsibilities for the peace and prosperity of the region, and maintain an inseparable relationship. Prime Minister Shinzo Abe says Japan will fulfill the expectations of the international community by deepening our friendly relationship in a stable manner from a broad perspective.

Having said that, however, on the security front, Japan has cautiously been watching the activities of Chinese government vessels, fishing boats, naval vessels as well as air force aircraft around Japan as China has accelerated its assertive military behavior in the region. The infiltration of a Chinese PLA Shang-Class nuclear attack submarine into Japanese contiguous zone in January was recognized in Japan as extremely negative to Japan's effort to maintain a positive diplomatic atmosphere between the two countries.

On deterrence, Japan continues to secure it through the Japan-U.S. alliance as well. Abe reiterates that the Japan-U.S. alliance has been and will continue to be the cornerstone of Japan's diplomacy and security and that Japan will work together with countries with which we share fundamental values such as freedom, democracy, human rights, and the rule of law.

Regarding his free and open Indo-Pacific strategy, Abe says he will work with Europe, ASEAN members, Australia, India, and other countries to ensure the peace and prosperity of this region stretching from Asia and the Pacific Rim to the Indian Ocean. He states, "A vast expanse of sea stretches from the Pacific Ocean to the Indian Ocean. Since ancient times the people of this region have enjoyed affluence and prosperity from this large and free body of water. Freedom of navigation and the rule of law form their bedrock. We must ensure that these waters are a public good that brings peace and prosperity to all people without discrimination into the future. To this end we will promote the Free and Open Indo-Pacific Strategy."

The Way Forward: Options for Updating the Alliance

Option One: Deepening by Resetting Common Strategic Objectives

When it comes to deepening alliance cooperation, the alliance has often updated the Guidelines for Japan-U.S. Alliance Cooperation. The Guidelines have most recently been updated in 2015, and the efforts to effectively utilize them have also continued since then, including the mutual work to improve the Alliance Coordination Mechanism (ACM). But those efforts have persisted even before the Trump Administration came in power and the new NSS was published.

Given the theme of this paper, I think that one of the effective ways to deepen alliance cooperation is to review and update its common strategic objectives. The 2011 common strategic objectives (http://www.mofa.go.jp/region/n-america/us/security/pdfs/joint1106_01.pdf) cover a wide range. The objectives for the Asia-Pacific and some parts of Middle East and Africa are as follows:

- Ensure the security of Japan and strengthen peace and stability in the Asia-Pacific region.
- Enhance the capability to address a variety of contingencies affecting the United States and Japan.
- Deter provocations by North Korea; achieve the complete, and verifiable denuclearization of North Korea, including its uranium enrichment program, through irreversible steps and, through the Six Party process; resolve issues related to proliferation, ballistic missiles, illicit activities, and humanitarian concerns, including the matter of abductions by North Korea; fully implement United Nations Security Council resolutions and the September 2005 Joint Statement of the Six- Party Talks; and support peaceful unification.
- Strengthen trilateral security and defense cooperation with both Australia and the Republic of Korea.

- Encourage China's responsible and constructive role in regional stability and prosperity, its cooperation on global issues, and its adherence to international norms of behavior, while building trust among the United States, Japan, and China. Improve openness and transparency with respect to China's military modernization and activities and, strengthen confidence building measures.
- While welcoming the progress to date in improving cross-Strait relations, encourage the peaceful resolution of cross-Strait issues through dialogue.
- Encourage Russia's constructive engagement in the Asia-Pacific region. Realize full normalization of Japan and Russia relations through the resolution of the Northern Territories issue.
- Discourage the pursuit and acquisition of military capabilities that could destabilize the regional security environment.
- Strengthen security cooperation among the United States, Japan, and ASEAN and support ASEAN's efforts to promote democratic values and a unified market economy.
- Welcome India as a strong and enduring Asia-Pacific partner and encourage India's growing engagement with the region and participation in regional architectures. Promote trilateral dialogue among the United States, Japan, and India.
- Promote effective cooperation through open, multilayered regional networks and rule-making mechanisms, including the ASEAN Regional Forum (ARF), the ASEAN Defense Ministers' Meeting-Plus (ADMM+), Asia Pacific Economic Cooperation (APEC), and the East Asia Summit (EAS).
- In order to support fragile states and promote human security, strengthen U.S.-Japan cooperation in areas of humanitarian assistance,

governance and capacity building, peacekeeping operations, and development assistance.

- Seek the peace and security of a world without nuclear weapons, while maintaining necessary deterrence. Promote the nonproliferation and reduction of weapons of mass destruction and their means of delivery, and hold states accountable for violating their non-proliferation obligations.
- Maintain safety and security of the maritime domain by defending the principle of freedom of navigation, including preventing and eradicating piracy, ensuring free and open trade and commerce, and promoting related customary international law and international agreements.
- Maintain our cooperation with respect to protection of and access to space, and cyberspace where we share interests. Promote the resilience of critical infrastructure, including the security of information and space systems.
- Promote stability and prosperity in the Middle East and North Africa by pursuing opportunities to support and encourage democratic reforms.

Surprisingly or not, there seems to be not much left to update those objectives in terms of what now covers the Indo-Pacific area. Given that the U.S. policy has dramatically changed in the Middle East and also in light of the theme of this conference, at this initial stage, it would be better to focus on international cooperation in the Indo-Pacific.

First, the two allies should ensure the security of Japan and strengthen peace and stability in the Indo-Pacific.

Second, on North Korea, a new objective should emphasize CVID as the two allies' interests in achieving this goal fully meet.

Third, for Southeast Asia and ASEAN, Japanese and American allies should enhance capacity building assistance to the regional countries in collaboration with Australia and India.

Fourth, Japan and the United States should invite like-minded democracies outside the Indo-Pacific to collaborate in activities to ensure peace and security in the region.

These are just a few examples I can think of for now, but the point is that jointly working on reviewing and updating the common strategic objectives would provide the allies with a useful opportunity to better coordinate their policies and strategies at this critical juncture.

Option Two: Widening the Alliance Plus

Japan has also been proactive in enhancing trilateral and multilateral security cooperation with the ROK, Australia, India and ASEAN countries. Given North Korea's pressing security threats, Japan has enhanced Japan-U.S.-ROK trilateral defense cooperation to further improve interoperability through joint exercises. To deal with North Korea's continuing missile provocations, the three security partners can build on the first-ever trilateral joint BMD exercise (*Pacific Dragon*) in June 2016 and enhance trilateral missile defense capabilities. Furthermore, a long overdue General Security of Military Information Agreement (GSOMIA) was signed between Japan and the ROK on November 23 in 2016, and this should contribute to enhancing Japan-ROK bilateral security cooperation and promoting Japan-U.S.-ROK trilateral interoperability. In 2017, BMD cooperation continued and the three partners have come as far as conducting an anti-submarine warfare (ASW) exercise.

More recently, with the new focus on the India-Pacific, in particular, Japan has been exploring security cooperation between "the spokes" of the U.S.-centered hub-and-spoke network (The Alliance Plus). As the re-emerging Quad can be seen as a revival of Japan's strategy to deepen such cooperation with Australian and India over the past decade, the Quad concept and framework could be a critical platform for regional security. So far, there have been many joint military and maritime activities between the United States, Australia, India, and Japan in the region through initiatives that are not necessarily interconnected. The most recent Quad actually took place in the form of summit meeting in Manila in November 2017, but there seem to be so many challenges ahead in terms of further quadrilateral coordination.

One of the most immediate challenges would be for the like-minded allies and friends to more closely coordinate to better provide necessary security capabilities to maintain and promote the free, open and rules-based Indo-Pacific by building on their experiences of joint activities.

Another Quad among the Japan-U.S. alliance, the UK and France have emerged over the year. From May 3rd to 22nd, the Japanese MOD/JSDF conducted a first-ever joint training exercise involving the four partners in the air and sea space around Japan, the air and sea space in and around Guam, and the air and sea space in and around the Northern Mariana Islands. This training took advantage of the opportunity presented by the visit of French naval vessel (BPC Mistral) to Japan on April 29th based on the agreement reached at the Japan-France Foreign and Defense Ministers' Meeting held in January as well as the Japan-France summit meeting held in March.

It should be noted that with both the UK and France, Japan has already agreed on ACSA, information-sharing, defense technology exchanges. This indicates that high-level joint exercises of this kind do require a very close relationship and a certain degree and level of capabilities, but just as US-Australia-India-Japan Quad, this Quad also has to improve their interoperability to meet the future challenges in the Indo-Pacific. The Quad, if well designed and coordinated, will be able to provide the kind of security mechanism or set of capabilities that the whole region can benefit from.

Other challenges would also involve further burden/mission sharing in accordance with the geopolitical changes, improving the ACM, but the existing and various levels of alliance management work would help solve those on-going challenges.

Finally, more frequent contact and effective engagement between the highest political leaders and policy makers are even more important not only because of the unique characteristics of the new administration(s) but because the rapidly changing strategic environment surrounding the two allies. Alliance cooperation can be deepened and alliance coordination can be improved relatively easily through enhancing the existing institutional arrangements because both the United States and Japan have robust and reliable working-level officials. However, alliance management especially at the highest political level requires frequent care. It is indeed "like gardening."

Conclusion

Despite the initial concerns about the new U.S. administration's policy and strategy in late 2016, partly due to Prime Minister Abe's active and direct engagement with President Donald Trump, the Japan-U.S. alliance has managed to deal with the common security challenges including North Korea's nuclear and missile threats. Now that NSS 2017 has set a clearer strategic and policy direction of the administration, the United States and Japanese allies have a better idea of where to deepen, widen, and coordinate alliance cooperation.

While the differences in trade policy remain one of the most difficult issues to resolve, for more critical security challenges, the two allies should continue to strive to enhance their cooperation at all levels and through all communications channels available especially at this critical moment.



The China Challenge: China's Foreign Policy as a Rising Power

Rumi Aoyama

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The rise of China and its increased foreign policy efforts have posed a significant challenge for Japan, the United States, and more importantly for the current existing international order.

It is clear that China is a revisionist power that will inevitably challenge U.S. hegemony, but it is far less easy to identify what kind of challenges we are going to face if China becomes a superpower. There are three main arguments regarding the rise of China and its implications for the international order: (1) China will overturn the international order dominated by the West; (2) China is a status quo power that will continue to comply with regional and international norms; (3) China is a revisionist power that will challenge U.S. hegemony.

The existing international order will be largely undermined by China's assertive military strategy, economic statecraft and institutional statecraft, even though China may not have clear intentions to upend the current international regime. This paper will first analyze China's foreign policy as a rising power, and then address the implications of China's rise for Japan, the United States, and the current international order. Finally, policy options such as the Trans-Pacific Partnership (TPP) and Indo-Pacific strategy, and China's possible reactions will be discussed.

China's Foreign Policy as a Rising Power

China's foreign policy in the post-Cold War era is complex, not linear.

China's foreign policy, especially foreign policy under Xi Jinping consists of three pillars: (1) Military rise of China; (2) Economic statecraft; (3) Institutional statecraft.

(1) Military Rise of China “富国强兵 (achieving a rich country and a strong army)” has always been an overarching national goal for the Communist Party of China (CPC) since the founding of the People's Republic China. From around 2009, the Chinese government switched from using the slogan formulated by Deng Xiaoping “韬光养晦 (hide our strength, bide your time)” to a new watchword “積極有所作為 (actively seeking to achieve something).” Since then, China foreign posture has become more and more assertive, especially regarding its maritime disputes with Japan, Philippines and Vietnam in East and South China Sea. Beijing established an Air Defense Identification Zone over East China Sea (ECS ADIZ) encompassing disputed maritime territory in November 2014 and has pushed forward with the reclamation of artificial islands in South China Sea. Under Xi Jinping's signature foreign policy—the Belt and Road Initiative (BRI), China has outlined its plan to build a world-class army by 2050. In the last decade, China has become substantially more aggressive in terms of its expanding power projection capability, and its willingness to use coercive power to establish a strategic foothold in the disputed sea. With the newly approved 2018 defense budget by the National People's Congress, China has now become the world's second-largest defense spender. Although China's military spending continues to be dwarfed by that of the United States, China's assertive maritime posture has posed great challenges for many countries in Asia, especially Japan. China's growing military spending, combined with its breakthrough in technological developments, has played an important role in enhancing its influence in the Asia-Pacific region. While its greatly expanded military footprint has raised concerns in many neighboring countries, China has been able to deepen its relations with many countries in the region. It is worth noting that China's improving bilateral relations with many ASEAN nations have led to increased sway of

China in the region. After the July 2016 arbitration ruling, China has put enormous efforts into deepening ties with ASEAN countries. Bilateral relations between China and many ASEAN countries have largely been mended in the last one or two years.

As a result of China's charm offensive policy, the framework on the Code of Conduct (COC) in the South China Sea was endorsed by related countries, and negotiations on the first print of the COC has already started. Furthermore, China has also been benefiting from the weakening centrality of ASEAN as a regional institution.

From the security angle, the United States is still the dominant military power in the region. However, China's assertive maritime posture and increased military presence have posed great challenges for Japan, the United States and many other countries in the region. In the Asia-Pacific region, security rivalry between China on one hand, and the United States, Japan on the other is also on the rise.

(2) Economic Statecraft China has been promoting multilateral economic cooperation, including bilateral Free Trade Agreements (FTAs), the Regional Comprehensive Economic Partnership (RCEP) and the Free Trade Area of the Asia-Pacific (FTAAP).

To date, China has signed FTAs with 15 nations and regions. There are 11 FTAs under consideration, and 10 FTAs under negotiation. These vigorous economic statecraft serves two purposes: to create a sphere of influence centered on itself and to mitigate the negative impact of TPP and the Transatlantic Trade and Investment Partnership (TTIP) on China.

Thus, in the economic realm, China intends to leverage its economic power by establishing a free-trade system, and has been promoting multilateral economic cooperation including bilateral FTAs, RCEP and FTAAP. However, there is a potential risk for countries doing business with China that China may use economic dependence as an instrument of coercion against the recalcitrant countries.

(3) Institutional Statecraft

After the turn of the 21st century, China has been attempting to increase its presence and influence through structural power.

As a permanent member of the security council of the United Nation, it is natural for China to see a strategic opportunity in being directly involved in the existing international order. China is now seeking to increase its influence and political presence through setting the agenda and creating rules for global issues.

In the meantime, China has been increasingly vocal about its dissatisfaction with the current international order and is endeavoring to reform the existing international institutions centered on the Western liberal democracies. BRICS and G20 are the two major platforms for China to advance its interests by reforming the International Monetary Fund (IMF). Winning more say in the current global institutions is one of the top priorities of China's foreign policy today.

In order to enhance its political and institutional power, efforts have also been made to create new global institutions centered on China. Along with other BRICS members, China launched BRICS New Development Bank (NDB) in July 2014. One year later, another China-backed multilateral development bank—Asian Infrastructure Bank (AIIB) newly opened. AIIB, with over 80 member states, received the highest credit rating by three major rating agencies.

In line with its ambition to boost its economic, political and security influence globally, China has established cooperative frameworks with almost every regional institution. In Asia, China has participated in China-ASEAN talks since 1991, established Shanghai Cooperation Organization in 2001, initiated the Six-Party Talks until 2007, and joined the South Asian Association for Regional Cooperation as an observer in 2005. In addition to the China-European Union (EU) Summit, the China-CEE (Central Eastern European Countries) Summit started in 2012. In Africa, there are two cooperative frameworks in progress—one is the China-Africa Cooperation Summit, the other is the China-AU (African Union) Strategic Dialogue Mechanism. In the Arab world, China launched China-Arab States Cooperation Forum in 2004, and China-GCC (Gulf Cooperation

Council) in 2010. In an attempt to boost bilateral relations with the Pacific Island states, China-Pacific Island Countries Economic Development and Cooperation Forum was established in 2006. In a relatively recent move, China joined the Arctic Council as an observer in 2013, and embarked on the China-CELAC (Community of Latin American and Caribbean States) Forum in 2014. These cooperative frameworks have subsumed many joint projects in a wide range of areas backed by China and regional institutions. By utilizing these cooperative frameworks with regional institutions, China has infiltrated many parts of the world.

However, China's proactive efforts to engage with regional institutions may have a great potential of undermining the existing regional order. China approached ASEAN in the mid-1990s. As a result of China's "divide and rule" strategy, ASEAN has lost its centrality in terms of its China policy. Now EU is facing a similar challenge posed by China's engagement policy. China's 16+1 framework is designed to strengthen relations with the Central and Eastern European countries, many of whom share few interests other than doing business with China. This "choose and pick" policy by China will greatly weaken EU as a regional institution.

In short, after the turn of 21st century, China has been attempting to increase its presence and influence through structural power. In addition, China's regional policy has been orchestrated under the cooperative framework between China and regional institutions. As a result of China's active engagement policy, the existing regional and global institutions may be greatly undermined.

(4) The Salient Features of China's Foreign Policy

As elaborated above, throughout the last two decades, three salient features were witnessed in China's foreign policy.

- China's engagement in multilateral institutions
- China's promotion of economic globalization
- Increased assertiveness in defending its "core interests"

Belt and Road Initiative: Building a Socialist Countries with Chinese Characteristics

Under Xi Jinping's leadership, the three salient features of foreign policy of China were brought in together with "the China model." It should be noted that Xi, who coined the phrase "socialism with Chinese characteristics for a new era," clearly aspires to build a great "socialist" power. Indeed, in his speech in the 19th National Congress of the Communist Party of China, Xi stressed the supremacy of the communist party and declared that China will not imitate the Western political institution of liberal democracy.

This 19th National Congress was convened in Beijing from October 18th to 24th last year. Xi Jinping used this occasion to establish his position as the father of China's ascendancy to the position of being a great power, with the aim of putting himself on a par with Mao Zedong, the founding father of modern China, and Deng Xiaoping, the father of reformation in China and its open-door policy.

Xi Jinping is gambling for a new governance model. The reformation and open-door policy championed by Deng Xiaoping yielded brisk double-digit economic growth for China year after year. At the same time, however, political decay, widening income inequality, worsening environmental destruction and other such problems stemming from these reforms are becoming increasingly apparent. The need for a systemic and comprehensive overhaul of the national strategy for tackling the side-effects of Deng Xiaoping's reforms had already been pointed out under the leadership of Hu Jintao, but special interest groups had obstructed policy agreement and paralyzed policymaking at the central level. The Xi Administration, however, is now pursuing reforms and an opening up of the economy by rebuilding the communist party and strengthening its leadership in state affairs.

The emphasis on both the supremacy of communist leadership and the opening-up of the economy have without a doubt shaped Xi Jinping's signature foreign policy—the BRI. In September 2013, President Xi Jinping announced in Kazakhstan the idea of a Silk Road Economic Belt, and in October, he announced in Indonesia the idea of a 21st-Century Maritime Silk Road. In March 2015, the National Development and Reform Commission, the Ministry of Foreign Affairs, and the Ministry of

Commerce jointly announced the “One Belt, One Road” concept. In May 2015, specific policies pertaining to the “One Belt, One Road” concept were revealed. In the aftermath of the Belt and Road 2017 Summit, the Chinese government announced two routes for the Maritime Silk Road. In January 2018, a new route named “Polar Silk Road” which connects China with the arctic region was included. To date, “six international economic corridors” for the “One Belt (Silk Road Economic Belt),” and three routes for the “Maritime Silk Road” would be deployed in the center.

The BRI is an instrument to consolidate China’s position and influence in the world. Along with negotiations for investing and financing infrastructure projects, agreements for deepening cooperation in military affairs, culture and many other areas are often signed simultaneously. There are compelling reasons to believe that the BRI is far more than a collection of infrastructure projects, and has well-defined political and security aims. It is also designed to share the “China model” with the countries signed on with the BRI (in Chinese, 中国經驗, China experience is more often used, rather than 中国模式 [China model]). At least in the short run, the BRI will contribute greatly to China’s growing global economic, political, and security presence and influence.

Thus, the BRI may change the global economic, political and security landscape, and lead to a new ideological war with the western countries.

China's Challenges

There is little doubt that China will put enormous efforts to push forward with the BRI. China is going to further and deepen regional economic integration and bilateral FTAs. President Xi Jinping is determined to revive communist ideology and adopt a more assertive foreign policy. China’s global and regional engagement has a great potential of weakening the current international order.

A wide range of challenges have emerged in the context of a rising China. China’s challenges lie mostly in two fronts: security and ideology. First, China’s military rise will challenge the dominance of the United States and may eventually destabilize Asia. Second, China’s rise as a socialist power may lead to the consolidation of the authoritarian camp and there

is a lingering likelihood of severe ideological competition between China and the Western democratic countries.

In the context of China's rise, challenges may also be faced by the rest of the world. In fact, China is benefiting from the disturbing global democracy retreat, rising populism and trade protectionism in many parts of the world.

Furthermore, there is a widening gap in perception in terms of the "China threat." Not all countries perceive China as a pressing security threat. On the contrary, the BRI provides material incentives for other countries to get on board with China, and is producing political dividends. Many states, including western democracies, have not felt the need for any counter-BRI strategies yet. This kind of perception of China is not in line with that of countries such as the United States and Japan that intend to counter China's growing influence, and may also pose a challenge for the implementation of the Indo-Pacific strategy.

Policy Options

Prime Minister Shinzo Abe has proposed a quadrilateral talk among the United States, Japan, Australia, and India several years ago. Last year, this idea was re-conceptualized as the Indo-Pacific strategy and has been endorsed by the four nations.

For the United States, networking the alliance may be an urgent issue in order to counter Beijing's influence. For Japan, two seas and two continents are central to Japan's foreign policy. Two seas refer to Indian Ocean and Pacific Ocean, and two continents refer to Asia and Africa. In 2017, Japan and India issued a vision for "Asia-Africa Growth Corridor" in order to increase economic connectivity between the two continents through funding and building infrastructure projects. Tokyo also plans to use its Official Development Assistance (ODA) to promote a broader "Free and Open Indo-Pacific Strategy".

The Indo-Pacific strategy is widely conceived as a counterweight to China's BRI. It is true that the bilateral relations between Japan and China has been improved concurrently with the Indo-Pacific strategy, and that Tokyo has announced its support for the BRI last year. Nevertheless, Japan's

cooperation with the BRI will only be conducted on a case-by-case basis. Last year, the Japanese government has released guidelines for Japan-China business cooperation in third countries. According to the guidelines, third party cooperation will be centered on environmental and energy-saving sectors, promoting industrial modernization in third countries, and logistics in the Eurasian supercontinent.

The United States and Japan have two policy options on the table—TPP and the Indo-Pacific strategy. Despite President Donald Trump's withdrawal of the United States, the 11 remaining countries has signed an agreement to revamp the TPP. China, on the other hand, will probably continue to push forward with the RCEP, FTAAP and bilateral FTAs to ease the negative impact of the revived TPP. To be sure, in the economic domain, the competition between the two trade deals—TPP and RCEP or FTAAP—will not be a zero-sum contest.

The possible reaction to the Indo-Pacific strategy on the Chinese side would be a closer China-Russia relationship. Immediately after the announcement of U.S. intentions to make a diplomatic “Pivot to Asia” by Secretary of State Hilary Clinton in 2011, China started putting renewed effort into strengthening relations with its “all-weather friends”, such as Pakistan and Mozambique. Against this backdrop, Russia, which has been isolated due to the crisis in Ukraine, has adopted closer relations in more recent years with China. The ongoing Indo-Pacific strategy has a risk of pushing China even closer to Russia.

The Indo-Pacific strategy may bring the debate of abandoning China's non-alignment policy up again. In 2011, some scholars, including a well-known scholar in international relations Yan Xuetong, have argued vigorously that, in order to prevent China from becoming isolated as it receives strong pressure amid the diplomatic offensive by the United States, China should abandon its non-aligned stance and instead form quasi-alliances or alliances with neighboring countries. As opposed to this argument, the Chinese government put out its official view in 2011, arguing that “we maintain our principle of forming a network of partnerships but not forming alliances.” However, Xi Jinping, who apparently has great confidence in China's governance model, may turn to forge alliances in the long term as a reaction to the Indo-Pacific strategy.

The Indo-Pacific strategy has its limits when countering the BRI as well. Whereas the BRI has a global reach, the Indo-Pacific strategy as a quasi-security alignment is currently confined to the Indo-Pacific region.

The competition between the TPP and RCEP, and the contest between the BRI and the Indo-Pacific strategy may eventually further deepen the current trend in Asia-Pacific / Indo-Pacific region: deepening economic cooperation and growing strategic rivalry.



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