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Institute for International Policy Studies

The Trump Administration and Japan:

Challenges and Visions for
Japan's Foreign and Security Policy in the New Era

Japan-US Alliance Study Group Report

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Introduction

It is possible that Donald Trump's success in the US presidential election of November 2016 will touch off the greatest transformation in world politics since World War Two. This is because, for the first time, the presidency of the United States—a country that since World War Two has consistently upheld the liberal world order—has been won by a man who asserts that the US national interests will take precedence over international cooperation.

If so, Japan could be one of the most profoundly affected countries. Japan has thus far accepted its status as a junior partner within the US security framework and—without any significant military power of its own—has devoted itself to economic development.

Although it is difficult to predict what Mr. Trump's policies will be, there is a possibility, based on the statements he has made to date, that he will be calling for Japan to become more self-reliant. Although his comprehension of the Japan-US security arrangements is fraught with misconceptions, there is ample possibility that he will ultimately opt to maintain the current Japan-US security framework. However, given that the average defense expenditure of NATO countries is 2% of their GDPs, and that the average expenditure of OECD countries on official development assistance (ODA) is 0.7% of their GDPs, it is highly questionable whether Mr. Trump will approve of Japan's level of defense spending (less than 1% of its GDP) or of its level of spending on ODA (approximately 0.2% of its GDP).

It would not be such a bad thing for Japan to become more self-reliant in terms of security. It is almost unnatural for Japan to maintain this relationship as it is, in the form that it has taken since before Japan's postwar reconstruction. However, in the context of international relations in East Asia, it has long been taken for granted that this is Japan's basic stance. Changing this will be no easy task—either domestically or in terms of Japan's relations with neighboring countries.

In these respects, the authors of this paper decided to consider the question of how Japan should develop its foreign and security policy, and to offer some proposals in this regard.

Trends in US politics

The election of Mr. Trump provides numerous indicators regarding current and future trends in US politics.

The 2016 presidential election was exceptional, not only for Mr. Trump's lack of both political experience and military service but also because it was the first time since World War Two that the Republican Party had nominated a presidential candidate with an isolationist disposition. Also, both the Republican and Democratic candidates for the presidency pledged opposition to the Trans-Pacific Partnership (TPP). The latter two points would seem to be especially important in regard to the consideration of the future evolution of US politics.

In overall terms, it would seem that elites in the United States (as well as in a number of European countries, including the UK) have seen a decline in their ability to influence the course taken by their respective countries. The success of Mr. Trump (who had only rejoined the Republican Party in 2012) in overcoming opposition and resistance from the party's establishment and leadership during the contest to become the Republican Party's nominee for the presidency, and thus securing nomination, would seem to be a manifestation of this phenomenon. Similarly, in the contest for the Democratic Party nomination, Hillary Clinton (who appeared to enjoy an overwhelming advantage by virtue of her name recognition, financial muscle, experience, and personal network) found herself in an unexpectedly difficult struggle with Senator Bernie Sanders—a socialist and virtual unknown.

Mr. Trump's career record was by no means his only heterodoxy. Among the policies or slogans (such as "Make America Great Again") that Mr. Trump put forward, the following trio stood out: an anti-illegal immigrant stance employing fierce rhetoric that particularly resonated with the white blue-collar demographic; an anti-TPP, anti-NAFTA protectionism; and an anti-internationalism that ventures to reduce the US's roles in relations to its allies. Mr. Trump's victories in states such as Pennsylvania, Ohio, Michigan, and Wisconsin would surely have been impossible without fervent support for these policies—in particular, the first two—from the white blue-collar demographic.

There is a certain level of apprehension that future contests for the Republican presidential nomination will regularly see the ascent of candidates who structure their election campaigns around this trio of policies put forth by Mr. Trump. It is feared that, in this event, there will be a transformation in the Republican Party, which during the postwar period has consistently adopted a fundamental stance in favor of upholding the international order, based on the rule of law, and has promoted the principle of free trade. Even in the Democratic Party, though 1972 presidential candidate George McGovern was an exceptionally unabashed isolationist, other candidates have endorsed moderate internationalism. On trade issues, former president Bill Clinton promoted NAFTA, while President Obama has displayed leadership on the TPP. The Democratic Party of today is clearly more inclined towards protectionism than it was 20 years ago.

Though such tidal changes could be taking place in US politics, the Government of Japan should not quickly change or improvise anew its policy vis-à-vis the United States, in response to its regime change this time. A minority voice could call for support in nuclear armament, blindly following the recommendation by Mr. Trump during his

electoral campaign, or could welcome the withdrawal of the US base and the abolishment of Japan US security arrangements. Such arguments basically benefit Japan very little.

To begin with, it is not the case that US public opinion has turned hostile to Japan. Though at times Mr. Trump referred to Japan by criticizing it, such statements carried little weight in the electoral campaign. The public view in the US in general has certainly shown a trend shifting towards protectionism in comparison to the 1960s or even to the 1990s. It is, however, still supportive of internationalist foreign policies, and of free trade. Such a feature is more conspicuous among the social elites. Even in Mr. Trump's government, one could never be sure that all the high-ranking officials of the federal government to be assigned, as many as 4,000, are in accord with President Trump's policies.

What is more, there is a possibility that the nature of a President and his regime could change in a short time, or a possibility that internationalist free-trade proponent government could be resurrected in a short while.

As discussed above, the possibility that the US should change in the long term can neither be denied. In this respect, the thinking that goes back to the basics of foreign and security policies should be indispensable for Japan. What is at the basis of such thinking is, of course, the evaluation of threats to Japan, and the decision on whether response against such threats is adequate for Japan acting on its own. The security environment surrounding Japan is severe by all means, and it is never easy for Japan to deal with it on its own. It would therefore be vital for Japan to firmly uphold the policy line based on the Japan-US Alliance, and to further strengthen the Alliance to improve its security environment.

Faced with the emergence of a US President who has made remarks, in spite of US and Japan being allies, pointing to policies towards Japan differing from those henceforth, Japan, while prudently discerning the actual US policies, could also be required to search for security undertakings stepped up further than before. In other words, Japan ought to start putting into action whatever it can on its own.

Regional Implications

1. Korean Peninsula

The Japan-US alliance is an international public good that guarantees not only the defense of Japan but also the defense of South Korea and the peace and stability of the Asia-Pacific region. Foreign and security policy experts in Japan, the United States, South Korea, and Southeast Asia widely share this view. Given the advent of the new administration in the United States and a presidential election scheduled in South Korea this year, it is imperative for Japan to have the new leadership in Washington and Seoul understand the strategic importance of the Japan-US alliance. With the heightened level of North Korea's missile and nuclear capabilities, strengthening the Japan-US alliance and the Japan-US-South Korea security cooperation is crucial.

Stronger sanctions and closer security cooperation are the key to the success of our North Korea policy. The former should involve the thorough implementation of UN Security Council sanctions resolutions and stricter financial sanctions against North Korea in a more coordinated manner. Since individual sanctions have not proved effective in deterring the development of missiles and nuclear weapons by North Korea, it will be

vital to implement a diverse range of sanctions consistently and comprehensively. Sanctions can be effective only if they are implemented thoroughly and by all UN member countries. The sanctions adopted against North Korea in the wake of its fifth nuclear test in September 2016 established an upper limit on the country's coal exports, which account for one-third of its export earnings. In collaboration with the international community, Japan must forcefully demand strict enforcement of these sanctions by China and other countries that have significant trade relations with North Korea. Japan, the United States, and South Korea must not only exert diplomatic pressure on China but should also consider a policy of imposing sanctions on Chinese companies that do business with North Korea in violation of the sanctions resolutions.

In terms of security cooperation, Japan and the United States must continue to actively make efforts necessary for dealing with the threat of North Korea's missiles and nuclear weapons. As well as strengthening its missile defense capability and civil protection measures, Japan should also consider incrementally acquire capabilities to destroy North Korea's missiles and missile facilities if necessary. Having signed the General Security of Military Information Agreement (GSOMIA) in November 2016, Japan and South Korea must continue to expand bilateral security cooperation. Since this will obviously require amicable relations between Japan and South Korea, the two countries must continue to improve their relations on various fronts.

While strengthening sanctions and security cooperation as outlined above, Japan, the United States, and South Korea must consider reestablishing the trilateral North Korea policy coordination mechanism. President-elect Trump has demonstrated that he believes in taking a bilateral approach to the resolution of international issues. If the United States is to engage in bilateral negotiations with North Korea, prior consultation with its allies on its approach to North Korea will be essential. Japan, the United States, and South Korea will need to constantly reaffirm the importance of close policy coordination, which is the only way for us to be able to put an end to North Korea's missile and nuclear development, transform North Korea into a country that respects human rights, and respond effectively to any contingencies on the Korean Peninsula.

2. China and Taiwan

Although during the presidential election campaign Mr. Trump made harsh statements on the economic front in the context of policy towards China, there were many unclear aspects to his statements regarding security, and it was unclear what his attitude towards China was really founded upon. For this reason, the belief in China was that the election of Mr. Trump (with his emphasis on economic issues that could be resolved through negotiation) might be more beneficial to China than that of Secretary Clinton, as it was anticipated that she would take a harder line towards China than President Obama has, in terms of policy. Mr. Trump's assertion that he would request that allied countries shoulder the cost of stationing US military forces on their soil, his statements with regard to international security that indicated unilateralist thinking, and his statements that hinted at deals between superpowers reinforced this tendency to view a potential Trump administration as more desirable than a potential Clinton administration.

While Mr. Trump's words and actions on China since his election as the next US president are partially coming to match the statements he made during the presidential election campaign, in some ways they do not correspond at all. Although he made critical

statements about US allies during the campaign, he agreed to hold talks with Prime Minister Abe on November 18, right after the election. He has also taken unprecedented actions, such as holding talks by telephone with Tsai Ing-wen, the president of Taiwan, on December 2, and stating in a television interview on December 11 that, if accord cannot be reached with the Chinese government on a range of issues, including trade, there would be no reason to adhere to the One-China policy that has been followed by successive US administrations. Mr. Trump has been quoted as stating that China must adhere to the rules on freedom of navigation in the South China Sea, and this can be seen as a sign that currently his attitude towards the country is hardening, rather than being placatory.

In terms of staff to support his China policy, however, Mr. Trump nominated Iowa governor Terry Branstad, who has a history of friendship with the Chinese president Xi Jinping, as US Ambassador to China—even before naming a secretary of state. This kind of action can be seen as evidence that his attitude is also to put a premium on dialogue with China. On the other hand, he nominated Exxon-Mobil CEO Rex Tillerson, who has experience in negotiating with China on issues of resource development in the South China Sea, as Secretary of State. More recently, Mr. Trump issued a harsh statement regarding China's capture of an unmanned US underwater vehicle in international waters in the South China Sea.

Mr. Trump's language and behavior since his election as above have probably engendered a sense of foreboding in China over the possible advent of strained relations between the United States and China. The Chinese government's response to his postelection words and actions has so far been restrained. In response to Mr. Trump's statement on the One-China policy, however, a Chinese government spokesperson stated that "if the US government were to reconsider its One-China policy, this would ruin the peace and stability that exist between China and Taiwan, and would also hinder the development of healthy and stable relations between China and the United States." With incoming White House chief of staff Reince Priebus subsequently commenting that "we are not suggesting that we're revisiting the 'One China' policy right now," it will be necessary to keep a close watch to see how the Trump administration handles the issue of Taiwan.

While the Trump administration is essentially inheriting the Obama administration's policies towards China, judging from its track record so far (in the security sphere, requesting that allied countries shoulder the financial burden so as to reduce the financial burden on the United States; rescinding the agreement to join the Trans-Pacific Partnership (TPP), one of the twin pillars of the rebalance to Asia policy; as well as indulging in behavior such as holding unprecedented talks with President Tsai Ing-wen), Japan and China are faced with the possibility of a whole new situation. Thus, the Trump administration could potentially be either advantageous or disadvantageous for Japan. It will be necessary to watch closely, in particular, to see if some kind of "deal" (as alluded to by President-elect Trump during the election campaign) might be concluded between the United States and China.

The Japanese government should encourage the Trump administration to demonstrate internationalism in the global arena and to increase its involvement in the Asia-Pacific region. The rebalance to Asia policy included both security and economic components, but with US withdrawal from the TPP already announced, the rebalance has lost one of these two key elements. It would be desirable for the security component to be maintained

and for the economic component to be shored up—for example, through a TPP without the United States or an economic partnership agreement (EPA) between Japan and the United States. However, it cannot be ruled out that the United States will become more inward-looking, just as it was in the latter half of the 1970s. Accordingly, Japan should team up with a partner, such as Germany or the EU, to prevail upon the United States to maintain its internationalism. In so doing, Japan should also consider including China, which is looking to take the opportunity to improve Japan-China relations in 2017 and 2018. If the United States should request some form of cooperation of Japan, Japan should consider responding positively to the extent possible, while seeking stronger relations among the allied countries. Alluding to the fact that Japan has shouldered significant costs to date, Japan should, in line with requests from the Trump administration, promote stronger relations between the allies and with other allied countries, jointly request the United States to maintain its involvement.

Japan must also absolutely minimize the possibility of any deals struck between the United States and China that would be disadvantageous to allied countries. Mindful of the fact that the US-China relationship exerts a huge influence over the situation in East Asia and the western Pacific, Japan must in particular absolutely minimize the chance of any such deals being made on issues regarding the East China Sea or the South China Sea. To this end, it will be necessary to fashion a pluralistic, triangular framework that includes Japan, the United States, and China, and to make full use of it. Should the US regional influence wane, the Taiwan Strait will become the principal focus of China's attention. In light of this, it will be necessary to address the importance of a triangular framework consisting of Japan, the United States, and Taiwan.

3. Southeast Asia

There is considerable diversity between the foreign-policy stances of the Southeast Asian countries. The Philippines and Thailand are allied with the United States; Indonesia—having the largest population in Southeast Asia—is developing its own independent foreign policy; and Cambodia and Laos are regarded as being pro-China. On the other hand, maintaining their influence by preserving a certain level of unity under the banner of ASEAN represents an important foreign-policy asset for these countries. In 2017, ASEAN will mark the 50th anniversary of its founding.

In diplomatic terms, the various Southeast Asian countries are at differing distances from the United States. However, for the most part, they accept that US involvement in East Asia and Southeast Asia is conducive to regional stability. In that sense, the Obama administration's rebalancing policy was essentially favorable to these countries. On the other hand, it is extremely unclear what Trump administration policy towards Southeast Asia will be. In addition, the development of ASEAN-led multilateral institutions, such as ARF, the EAS, and the ADMM+, has been due to the approval of major countries, such as the USA, China, and Japan, of ASEAN performing its central role in constructing the regional architecture, as well as to the policy aims of the Southeast Asian countries. However, it is also unknown whether the incoming Trump administration will respect ASEAN's position in this regard.

The reactions to, and evaluations of, Mr. Trump's victory among the Southeast Asian countries have been diverse and complex. This reflects the various standpoints of the Southeast Asian countries with regard to three of the characteristics that have been

glimpsed so far in the incoming Trump administration's foreign policy: (1) the protectionist characteristics in economic policy, (2) the anti-Islamic stance, and (3) Mr. Trump's scant interest in issues relating to universal values such as human rights and democracy. Regarding the protectionist characteristics in economic policy, anxiety is spreading that the free-trade system may be disturbed and that limitations may be placed on access to US markets and on US investment. Since Mr. Trump has also clearly expressed his opposition to the TPP, apprehensions over the negative economic effects of Trump administration foreign policies are evident in TPP member states in Southeast Asia—particularly in Malaysia, Vietnam, and Singapore. Next, regarding an anti-Islamic stance, there are strong fears in Indonesia and Malaysia (both home to many Muslims) that Mr. Trump's anti-Islamism will result in policies that restrict investment in the two countries, as well as antipathy from a religious perspective. Regarding universal values, Thailand, Cambodia, and the Philippines—countries that have attracted criticism from Western countries over conditions surrounding human rights and democratization—are welcoming the relatively less interest expressed by Mr. Trump.

However, it should be noted that, irrespective of whether their attitude to the advent of Mr. Trump is positive or negative, Southeast Asian countries are not looking forward to a reduced US presence in the region. Given the preference of Southeast Asian countries for omnidirectional foreign policies, they would find the power vacuum that would arise as a result of the withdrawal of the US presence undesirable. What these countries wish for is a United States that upholds the free-trade system, is tolerant of a wide range of values, and maintains its involvement in the region. On this score, their standpoint is identical to Japan's.

Accordingly, Japan should encourage the United States under the Trump administration to maintain its involvement in that part of Asia. At the same time, Japan should also step up its efforts to formulate open regional governance mechanisms that would be desirable in Southeast Asia and East Asia.

One specific theme that could be raised is further promotion of regional economic integration. It will be vital to move forward on multiple fronts—preserving the TPP, making progress on the RCEP, and strengthening support for ASEAN regional integration—on the precondition that the United States will not be excluded. A second objective should be to strengthen cooperation on various issues that relate to the peace and stability of the entire Southeast and East Asian region. It should be possible to strengthen maritime security cooperation, the support of antiterrorism countermeasures, and support with regard to defense equipment and technology. Japan is already engaged in cooperation—including coast guard support—with the Philippines, Indonesia, and Malaysia, among others. There is also currently discussion involving some ASEAN countries of strengthening cooperation to deal with the increasing danger of terrorism due to the spreading influence of the Islamic State in Iraq and the Levant (ISIL). A greater contribution by Japan on shared regional issues will lead to stronger regional governance. It will be also necessary to make greater use of regional multilateral frameworks, based on ASEAN, in which the United States also participates, such as ARF, the EAS, and the ADMM+. Although Japan is on track to provide concrete support to the Philippines, Indonesia, Vietnam, Thailand, and Malaysia with regard to defense equipment and technology, it will be necessary to make further progress on these efforts in accordance with a "proactive contribution to peace."

A third important issue for Japan is its policy orientation with regard to human rights and democracy in Southeast Asia. Although there does seem to have been some democratic progress in Southeast Asia since the 2011 transition to civilian rule in Myanmar, apparent setbacks for democratization—such as the persistence of the military regime in Thailand—are also evident in the region. However, if Japan were to engage in the kind of human rights and democracy-based diplomacy that Western countries have utilized thus far, it would harm relations with some ASEAN countries and would not necessarily improve the situation. Japan should take a flexible approach according to circumstances in each country while remaining steady with regard to such universal values as human rights and democracy.

4. Europe and Russia

Europe could be the region that is most affected by the inauguration of President Trump. First, it is possible that the Trump administration will significantly alter the US relationship with Russia. If the new administration changes its existing policy and works to repair relations with Russia, this will create even greater levels of territorial concern in Ukraine and the three Baltic states. Second, the effects of nationalism and populism have thrown European integration into chaos, and it is possible that this may affect global politics as well.

During the presidential election campaign, Mr. Trump repeatedly asserted that he would review existing alliances, and this will likely have greater repercussions for US alliances in Europe—that is, with NATO countries—than it does for its alliances in Asia. The reason for this is that US trade with the Asia-Pacific region is greater in volume than US trade with Europe, and thus the US relationships with Asia—the center of global economic growth—are more closely tied to US national interests. The Trump administration is unlikely to show much interest in multilateralism or regional integration. This would indicate that a major rift could occur between the United States and Europe with regard to the norms of the international order.

Moreover, since the presidential election campaign (during which he dubbed his own movement “Brexit Plus”) and in the wake of the UK referendum that yielded the decision to withdraw from the EU, Mr. Trump has believed that the Brexit initiative and his movement are linked—both spurred by a white middle-class, antiestablishment tendency. More specifically, the belief that Brexit in the UK and the election of Mr. Trump as president of the United States represent two connected movements signifies a major setback for the liberal international order based on the rule of law, which both the United States and the UK have consistently supported since World War Two. This would also have major repercussions for the Japan-US alliance.

Separately, for a long time during the postwar era, the United States has been a supporter of European integration; however, it is possible that from now on it will instead oppose the idea. If the United States were to work together with nationalist and populist movements in Europe, it is possible that European integration would be forced into an impasse. Instead, the need may arise for Germany to step up as the leading defender of liberal values and norms in the Western world. This would likely further increase Germany’s influence. Japan would then probably be faced with a difficult choice—

between a Germany that shares its values and a United States that shares its strategic interests.

The most important element of US policy in Europe is its relationship with Russia. On multiple occasions during the presidential campaign, Mr. Trump spoke of his high regard for President Putin of Russia. Mr. Trump has also expressed interest in strengthening US relations with Russia. The Russian government, too, welcomes Mr. Trump's victory in the election. Moreover, Exxon-Mobil chief Rex Tillerson, who has close ties with Russia, has been nominated for the position of secretary of state. Trump's advances towards President Putin would likely be cause for serious concern among the three Baltic states and the Ukraine, which are Russia's neighbors, and would likely further destabilize this region. If US-Russia relations do improve significantly, it will be essential that there be ample coordination between the Japanese and US governments (including discussions of policy towards Russia at Japan-US summit meetings and at similar venues), so that Japanese national interests or Japan-Russia relations are not harmed as a result.

5. The Middle East

In December 2015, an American couple, steeped in the ideology of ISIL, went on a shooting rampage in San Bernardino, California, killing 14 people in an incident that sent shockwaves across the entire United States. Fears of terrorism in the United States increased once again, and in public opinion polls, "international terrorism" is cited as the leading threat to the United States. Against this backdrop of public anxiety, Mr. Trump has been calling, ever since the election campaign, for counterterrorism measures to be drastically strengthened. He has been advocating for military operations targeting ISIL inside Iraq and Syria, ideological and cyber warfare, as well as the eradication of terrorism financing. He has also spoken of reinforcing immigration controls, so as to prevent an influx of terrorists, and of being willing to torture terrorists. He has also spoken of looking for ways to share information and mount joint operations with various Middle Eastern nations, European countries, and Russia. However, even if realized, actual cooperation with Russia could be ostentatious. Since it is also expected that international collaboration on counterterrorism measures would be stepped up, it is highly likely that the United States would request allies to make cooperation of various kinds in this regard. It is worth noting that Mr. Trump has stated that the US interventions in Iraq and Afghanistan were a mistake, so a close watch will have to be kept to see what form military operations against ISIL will actually take.

During the election campaign, Mr. Trump also asserted that he would rescind or renegotiate the nuclear accord that was concluded with Iran in July 2015. Since there is strong opposition to the nuclear accord also within the U.S. Congress, particularly among Republican members, Mr. Trump could very well rescind the agreement. If he does so, moderates in Iran will suffer politically and hardliners would reemerge. Iran could further increase its dependence towards China. Moreover, there would likely be a backlash from other countries that were party to the accord, such as the UK, France, and Germany. It would likely be welcomed by Israel, Saudi Arabia and other states of the Gulf Cooperation Council (GCC), but the situation in the Middle East would further deteriorate.

Mr. Trump has nominated former Marine Corps General James Mattis, who has abundant experience in the Middle East, for the post of secretary of defense, and Congressman Mike Pompeo, who has been an advocate of drastic counterterrorism

measures, for the post of director of the Central Intelligence Agency. It appears that Mr. Trump is clearly forming his administration to shift towards counterterrorism and the Middle East. It will be necessary to keep a close watch on whether leading administration officials are still able to direct sufficient strategic attention towards Asia.

If the regional turmoil in the Middle East seems likely to intensify, Japan should persuade the Trump administration against making major changes to the Iran policy while continuing to expand its efforts to help stabilize the region. In response to an ISIL video warning of the murder of Japanese citizens abroad—which the organization released during Prime Minister Abe’s visit to the Middle East in January 2015—the prime minister declared that the \$200 million donation announced during his visit was part of the cooperation including refugee assistance, and Japan would continue its non-military contributions to the War on Terror. In addition, a leaders’ declaration was issued at the May 2016 G7 Ise-Shima Summit that stressed the importance of medium- to long-term initiatives to deal with refugee and migration issues. Subsequently, at the Leaders’ Summit on the Global Refugee Crisis hosted by President Obama in September 2016, Prime Minister Abe announced that, to pursue “human security,” starting in 2016 Japan would provide, over a period of three years, approximately \$2.8 billion in humanitarian and self-reliance assistance to refugees and migrants, and assistance to host countries and communities. Separately, Japan has announced that, starting in 2017, it will accept 30 students each year from Syria, up to a maximum of 150 over a five-year period—an initiative that has been commended.

6. Maritime legal order and the rule of law

China is the one country that repeatedly makes self-serving claims that represent a direct challenge to the current maritime order, as enshrined in the UN Convention on the Law of the Sea—an agreement that crystallizes the universal wisdom and philosophy rooted in human maritime history, which date back to ancient Phoenicia. China is causing disorder and creating major ructions in the international community by making selective claims which fall under such categories as, “unilateral interpretation,” “disregard,” or “proposals for arbitrary new regulations” that completely deviate from existing international law and practices. The essential elements of China’s maritime expansion can be broadly observed in the following two ways as follows: (1) the assertion of territorial rights to maritime features such as islets and (2) challenges to the interpretation of the UN Convention on the Law of the Sea regarding the rights of coastal countries and regarding the principle of the freedom of the seas, as typified by its assertion that it possesses exclusive jurisdiction over the central part of the South China Sea.

In the first place, territorial disputes should essentially be resolved by the countries concerned, and neither Japan nor the United States is party to any of the territorial disputes in the South China Sea. However, China’s approach to issues in the South China Sea is as follows: it divides the countries involved, turns the matter into a set of bilateral disputes, and simultaneously tries to impose its will on each of the other countries within the context of the bilateral relationship (against the backdrop of its overwhelming economic clout and military power). Thus, it attempts to ignore the law and resolve disputes through force, which naturally inspires great apprehension in every country concerned, as well as in uninvolved countries. Coastal countries that are directly subjected to pressure by China are hoping that the United States will be involved in the situation and that other countries

outside the region are also keeping a close eye on China's tendencies and the changing circumstances.

Next, there are the issues that relate to the freedom of the seas and to the interpretation of the UN Convention on the Law of the Sea. China counters the universal principle of the freedom of the seas by asserting that the central part of South China Sea has historically been under Chinese jurisdiction and that it regards these waters as a controlled area in which domestic Chinese law circumscribes the freedom of the seas. This assertion stems from China's unilateral and high-handed execution of all kinds of maritime activities that are designed to make its control of this area a reality. This is also the very essence of China's dispute resolution method—use force and ignore the law. At the same time, it is a point of acute conflict with US doctrine, which holds that the freedom of the seas is a US national interest.

Under its rebalancing policy, the United States has been proceeding with all kinds of measures in response to this regional situation, which has been greatly affected by China's actions. Specifically, in part out of consideration for requests from countries and regions apprehensive over China's high-handed policies, the United States has strengthened diplomatic relations and security cooperation with countries outside the region, such as India, as well as with regional countries, and has thus isolated China internationally. As well as conducting enhanced joint military exercises with coastal countries, the United States has been demonstrating an unbending will by conducting Freedom of Navigation operations, and by refusing to indulge China's self-serving maritime activities. However, an overall assessment of the "rebalance" policy reveals its limitations, such as their failure to prevent China from constructing and militarizing manmade islands or to suppress China's coercive maritime activities.

Based on such awareness, there is an urgent need to formulate a Japan-US joint strategy that spotlights the geopolitical character of the South China Sea—the central main front in China's maritime expansion—as a “mare clausum” (closed sea) which would focus on the following three zones: the seas beyond the South China Sea (the Indian Ocean, the western Pacific Ocean, and the waters north of Australia); the sea's periphery (the coastal countries and regions of Taiwan, the Philippines, Indonesia, Malaysia, Singapore, and Vietnam); and the inland sea. There are further needs to formulate a new Japan-US joint strategy towards the East China Sea (the second front in China's maritime expansion), as well as to build the as-yet dangerously meager capabilities of the coastal countries and regions—in particular, to improve their domain awareness capabilities.

Proposals for the Japanese Government

The aspect of the foreign-policy statements made so far by Mr. Trump that creates some degree of apprehension is his apparent tendency to view diplomacy and global politics as essentially transactional in nature. On a related note, he seems to make virtually no mention of values, the international order, or human rights, and he has made hardly any statements regarding these topics.

In other words, the United States that has been intent on leading and upholding the liberal international order and the free market system may be changing its shape. This might be a short-term change, but it could also be the harbinger of a transformation that

extends to the medium and long term as well. Japan must discern the precise nature of this change and think about the most appropriate foreign and security policies to adopt. This will likely involve initiatives to further strengthen the alliance with the United States, as well as an intensification of Japan's own defense and foreign-policy efforts.

1. Security policy

The current Abe administration, which was inaugurated in December 2012, has thus far carried out a whole raft of security policy reforms: the formulation of the Act on the Protection of Specially Designed Secrets in 2013; the establishment of the National Security Council, formulation of the National Security Strategy, and revision of the National Defense Program Guidelines in December 2013; the formulation of the Three Principles on Transfer of Defense Equipment and Technology to replace the Three Principles on Arms Exports in April 2014; the July 2014 cabinet decision partially allowing the exercise of the right to collective self-defense; and the adoption of security legislation based on this cabinet decision in September 2015.

Within the context of Japanese politics, this has represented a quantum leap in policy terms. Consequently, these changes have encountered a considerable level of domestic opposition. To the world at large, however, these all amount to no more than a natural—and as yet insufficient—set of policies. Among the world's major states, there is no other that is under so many constraints that limit its exercise of military power. The current interpretation with which the right to collective self-defense is deemed only partially employable is a case in point.

This was evident in the debate over the authorization of Self-Defense Force members to perform *kaketsuke-keigo* (“rush to the rescue”) duties in UN peacekeeping operations in autumn 2016. Nowhere else in the world does an expression equivalent to “rush to the rescue” exist—the reason being that, for all other states that participate in UN peacekeeping operations, the protection of a fellow country's military units or civilians would just be a matter of course and would require no debate.

A near neighbor of Japan is North Korea, which is increasing its missile launch capability, miniaturizing nuclear weapons, and developing submarines that are capable of carrying nuclear weapons. In addition, China is catching up with the United States in terms of military power. In this environment, it is essential for Japan to develop a more comprehensive defense capability.

S-1: Revise the National Security Strategy and the National Defense Program Guidelines

Considering the above realities, the National Security Strategy should be revised. In line with the practice in the past, a "Council on Security and Defense Capabilities" could be established in the process. In conjunction with this, it will also be necessary to revise the National Defense Program Guidelines and to consider substantial changes in strategy.

S-2: Incrementally develop conventional counterstrike capabilities

Japan should develop deterrent capabilities of its own, possessing weapons such as cruise missiles so that it can prevent further attack and conduct

counterstrike if armed attacks against it occur. In doing so, Japan must make sure that (a) its strike capabilities would be constituted solely by conventional weapons and used only after taking enemy attacks, and that (b) any counterstrike operations should be conducted through close consultation with the US government.

In legal terms, destroying missiles pointed at Japan immediately before they are launched has always been regarded constitutional and consistent with Japanese laws. In reality, however, no decision to possess capabilities for that purpose has ever been made—out of consideration for public opinion, as well as out of consideration for a United States that was concerned about possible negative consequences of a Japan with independent offensive capabilities. However, with the current security environment being so much worse than before for Japan, both the United States and the people of Japan would likely recognize the fact that it is essential for Japan to possess its own deterrent capabilities, and accept the idea of Japan possessing conventional counterstrike capability premised on the two premises laid out above.

At present, missile defense has been at the core of Japan's defense measures against missile attacks. For example, if North Korea were to launch *Nodong* missiles against Japan, Japan would take defensive measures using its missile defense systems. However, when it comes to the issue of preventing further attacks, Japan would have no other option than to request the US allies to launch counterstrike operations, imposing significant risk on the US military without itself taking such risk. Certainly, it would not be easy to destroy *Nodong* missiles operated on mobile launchers even if Japan possessed counterstrike capabilities. Nevertheless, if North Korea were deterred from launching such missile attacks by Japan's counterstrike capabilities in the first place, this would be significant—even if these capabilities did not result in the physical destruction of the missiles. In addition, Japan's counterstrike capabilities would undermine North Korea's ability to conduct offensive missile operations, which in turn would enhance Japan's ability to conduct missile defense operations effectively.

- S-2-1: Make sure that (a) Japan's counterstrike capabilities would be constituted solely by conventional weapons and used only after taking enemy attacks, and that (b) any counterstrike operations must be conducted through close consultation with the US government.
- S-2-2: Reiterate Japan's position that it has the inherent right to possess counterstrike capabilities against adversaries' bases and explain the necessity of exercising such right both at home and abroad.
- S-2-3: Closely coordinate with the United States in the process of acquiring the conventional counterstrike capabilities and clearly explain to concerned countries that Japan's counterstrike capabilities are intended for responding effectively to the complex security environment and reflect Japan's intention to contribute to regional security in the manner commensurate with its international standing.

- S-2-4: For the purpose of utilizing Japan's counterstrike capabilities efficiently and effectively, shape common strategic understanding with the United States, determine how to coordinate Japan's counterstrike capabilities with those of the US forces, and ensure connectivity between Japan's capabilities with US military command, control, and intelligence (C4I) systems.

S-3: Strengthen Japan's defense capabilities

- S-3-1: Increase the level of defense expenditures from the current 1.0% to 1.2% of gross domestic product (GDP) in order to respond effectively to the changing security environment while taking into consideration the defense efforts made by other major powers.¹
- S-3-2: Strengthen missile defense capability and remedy major deficiencies in the functions of the Self-Defense Forces in the way that coherence in Japan-US joint strategy and operational concepts is maintained.
- S-3-3: Significantly increase the budget for the Japan Coast Guard in order to adequately supply manpower and equipment, to include the strengthening of patrol ship flotillas, to the organization. Such a step is necessary in view of the enlargement of the China Coast Guard's equipment and capabilities as well as the continued frequency at which Chinese government vessels and fishing boats violate Japanese

¹According to the *Defense of Japan*, an annual white paper published by Japan's Ministry of Defense, the defense budgets for 2014 of major countries as a proportion of GDP were: The United States 3.4%, China 1.3%, Russia 3.5%, South Korea 2.4%, Australia 1.8%, the United Kingdom 1.9%, and France 1.8%. Japan's Ministry of Defense, *Defense of Japan 2016*, p. 193. According to the Stockholm International Peace Research Institute, the defense expenditure for 2015 of Germany and Italy as a proportion of GDP was 1.2% and 1.3% respectively. "Trends in World Military Expenditure, 2015," SIPRI Fact Sheet, April 2016, p. 2 <<http://books.sipri.org/files/FS/SIPRIFS1604.pdf>>. Furthermore, estimates on China's actual defense related expenditure varies between sources. For example, the Ministry of National Defense of Taiwan estimates that China's actual defense related expenditure is 2 to 3 times that of publicly announced figures. The Stockholm International Peace Research Institute (SIPRI) estimates it to be 1.5 times larger than publicly announced figures, and the US Department of Defense estimates the figure to be more than 1.25 times that of announced figures. Ministry of National Defense of Taiwan, *National Defense Report 2015*, p.55, <<https://michalthim.files.wordpress.com/2015/08/2015-national-defense-report.pdf>>; Stockholm International Peace Research Institute, Military Expenditure Database, "Source and Methods," <[#sipri-estimates-for-china](https://www.sipri.org/databases/milex/sources-and-methods)>; US Department of Defense, *Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2016*, p.77, <<https://www.defense.gov/Portals/1/Documents/pubs/2016%20China%20Military%20Power%20Report.pdf>>.

territorial waters.² Missions of the Japan Coast Guard as defined in the Japan Coast Guard Act should also be reviewed and, if necessary, revised so that they reflect the fact that the Japan Coast Guard is actually performing the mission of maintaining Japan's territorial integrity today.

S-4: Urge the Trump Administration to reaffirm US commitment to the defense of the Senkaku Islands

The US government has, up until now, affirmed its position that Article 5 of the Japan-US Security Treaty applies to the defense of the Senkaku Islands. However, given the fact that China continues to engage in coercive revisionist activities and that the new administration has come into office in the United States, the Japanese government is advised to urge the US government to reaffirm its alliance commitment to the defense of the Senkaku Islands. Clear demonstration of the US defense commitment—a critical element of deterrence generated by the Japan-US alliance—has become more important than ever before in preventing any misjudgment on the part of China and North Korea.

2. Foreign policy

F-1: Korean Peninsula

- F-1-1: Demonstrate more clearly how the Japan-US alliance contributes to peace and stability on the Korean Peninsula, and serves the national interests of the United States and South Korea. Japan must articulate a vision for the closer coordination between the Japan-US alliance and the US-South Korea alliance.
- F-1-2: Develop a three-pronged strategy toward North Korea consisting of stronger sanctions, enhanced defense measures, and closer Japan-US-South Korea policy coordination.

F-2: China and Taiwan

- F-2-1: Japan should explain that policy to strengthen the US involvement in the Asia-Pacific region (including the TPP, which incorporates both security and economic dimensions) is in accord with the long-term national interest of the United States, and Japan should request that the United States continue this involvement. In doing so, Japan should encourage the United States to continue to maintain its internationalism in global fora and to refrain from becoming excessively unilateralist.
- F-2-2: Japan should strengthen its relations with allied countries in the western Pacific; together with these allies, it should request that the United States maintain its involvement in the region, and it should discourage any deals between the United States and China that would be

² Japan Coast Guard's budget for 2017 (initial budget) is 210.6 billion yen. Japan Coast Guard, *Overview of 2017 Japan Coast Guard Budget*, p. 2.
<<http://www.kaiho.mlit.go.jp/soubi-yosan/H29ketteishiropan.pdf>>.

disadvantageous to allied countries. If this yields requests for cooperation from the United States, Japan should comply as far as possible (for example, regarding an expanded role for Japan), and should also consider requesting that the alliance be strengthened.

- F-2-3: Japan should accept China's overture to make 2017 and 2018 a turning point in improving Japan-China relations. In the meantime, reestablishing the "21st Century Japan-China Friendship Association" and recommencing the "Japan-China Joint History Research" would be good starting points. Japan should also strengthen the triangular framework between Japan, the United States, and China. A triangular framework consisting of Japan, the United States, and Taiwan should also be constructed.

F-3: Southeast Asia

- F-3-1: In order to promote regional integration, Japan should proceed with efforts on multiple fronts—to preserve the TPP, make progress on the RCEP, and strengthen support for ASEAN regional integration—on the precondition that the United States will not be excluded.
- F-3-2: Japan should promote regional security cooperation by strengthening maritime security cooperation, providing stronger support on antiterrorism countermeasures, and providing stronger support on defense equipment and technology. In doing so, Japan should make appropriate use of multilateral institutions to which the United States is also a member, such as ARF, the EAS, and the ADMM+.
- F-3-3: Japan should maintain firmly its support of universal values such as human rights and take a flexible approach to their promotion according to circumstances in each country.

F-4: Europe and Russia

- F-4-1: The United States anticipates substantial improvements in its relationship with Russia. It is possible that this would lead to major geopolitical upheaval in Europe. The Japanese government will have to use its judgment, in the interests of stability and the international order, to distinguish between areas in which it can support Trump administration policy towards Russia, and areas in which it ought to distance itself.
- F-4-2: Although the UK has isolated itself in Europe with Brexit, such that its influence is expected to decline, at the global level Japan should proceed to strengthen relations with the UK, which is a permanent member of the UN Security Council. In parallel with this, at the EU level, Japan should at the same time proceed to strengthen relations with Germany.
- F-4-3: NATO is an important strategic partner of Japan, with which it shares values such as democracy, freedom, and human rights. The United States occupies a pivotal position within NATO. Japan should strengthen relations with NATO and at the same time increase cooperation between the Japan-US alliance and NATO. The major US allies, such as Japan, the UK, France, and Germany, should make visible efforts to

expand their current defense roles and alleviate the burden of alliance on the United States.

F-5: The Middle East

- F-5-1: With the 2020 Tokyo Olympics in mind, Japan should strengthen its international counterterrorism measures without waiting for a request from the United States.
- F-5-2: To counter the problem of unprecedented numbers of refugees and internally displaced persons, Japan should seek to broaden the range of measures used for attempting to bring stability to the Middle East with a mid- to long-term perspective. Japan should make effective use of international organizations to extend well coordinated humanitarian and development cooperation with a view to assisting with the social and economic development of countries that border conflict zones, and promote mutual understanding through Inter-civilization Dialogues.
- F-5-3: Japan should persuade the United States not to drastically revise its policy towards Iran. If the United States were to begin embarking on a revision of its policy towards Iran, the Japanese government should request that it be a party to the so-called P5+1 framework or in other forms of consultations among countries concerned, and thereby more actively engage international policy consultations regarding the Middle East and the Persian Gulf region.

F-6: Maritime legal order and the rule of law

- F-6-1: As a practical matter, Japan will need to face the reality of China's self-righteous challenges to the maritime legal order and the rule of law, and its high-handed maritime expansion, as well as the fact that there are limitations to other countries' policies designed to counter them, such as the US rebalance policy. In light of these realities, it will be necessary to formulate and put into practice a new Japan-US joint strategy that focuses on the geopolitical character of the South China Sea and East China Sea, which constitute the ocean area around China.
- F-6-2: It will be necessary to formulate a Japan-US joint strategy for deterring Chinese adventurism in the Indian Ocean and the western Pacific Ocean, the seas beyond the South China Sea (which is a "mare clausum" or closed sea). Japan and the United States will need to coordinate on strategy with the countries and regions that make up the periphery of the South China Sea—Taiwan, the Philippines, Indonesia, Malaysia, Singapore, Thailand, and Vietnam. It will be necessary to formulate and implement a Japan-US joint counterstrategy to prevent China from establishing and expanding a fait accompli in the South China Sea which China regards as an inland sea. In doing this, Japan and the United States should make it a priority to ensure that a fundamental element of this strategy is its compatibility with the strategies of Australia and South Korea (both common allies of Japan and the United States) and of the friendly regional power, India.

- F-6-3: Japan should formulate a proactive counterstrategy for the East China Sea and construct operational infrastructure (that is, develop a defensive capability). In addition, a Japan-US joint operational plan that is compatible with Japan-US joint strategy should be formulated, based on the designation of Japan's role and mission as being to ensure the efficient and flexible use of US armed forces in the above.
- F-6-4: A Japan-US joint strategy to enhance the sea power and domain awareness capabilities of the coastal countries and regions of the South China Sea which directly face China should be formulated and put into practice.

F-7: Latin America and Africa

- F-7-1 (Latin America): In general, the countries of Latin America are important partners for Japan—both economically and in terms of shared values. As newly emerging states strengthen their mutual cooperation after the model of BRICS, Japan should continue to cultivate closer bilateral and multilateral relations with them. As it does so, Japan should also encourage the United States that it ought not to reverse its diplomatic posture (including its stance towards Cuba, with which it has just attained historic normalization of diplomatic relations) and turn inwards.
- F-7-2 (Africa): In August 2016, the sixth Tokyo International Conference on African Development (TICAD) was held in Nairobi, Kenya, jointly chaired by Prime Minister Abe and African leaders. Japan hosted TICAD in 1993, directly after the demise of the Cold War and before any other state had launched a comparable initiative, and had held it every five years. The United Nations Mission in South Sudan (UNMISS), a peacekeeping operation in South Sudan--a State founded only five years ago--includes headquarters staff and an engineering unit that are dispatched from the Japan Self-Defense Forces. The UN Security Council is attempting to resolve the conflict in South Sudan and foster peace. Japan, which has been a nonpermanent member of the council 11 times (more than any other UN member-state), is playing a unique role in this effort. In close consultation with the United States and other leading states, Japan should continue to advocate widely for the moral and practical utility of multilateral rule-making and system management.

F-8: The United Nations, global issues, and multilateral frameworks

- F-8-1 (The United Nations): Japan should promote reform of the UN Security Council to ensure that its composition is in keeping with the realities of the international community and continue efforts to pursue its long-held objective of becoming its permanent member, through maintaining the solidarity among the G4 members. Japan should also participate actively in peacekeeping-operations, and give due consideration to making strategic use of different UN agencies.
- F-8-2 (Global issues and multilateral frameworks): Even the largest countries cannot, without international collaboration, effectively deal with cross-

border global issues, such as refugees and displaced persons, infectious diseases, natural disasters, climate change, and international organized crime. As a partner of the United States, Japan should continue to advocate widely for the moral and practical utility of the multilateral frameworks and institutional administration of international rules. Separately, if the new US administration should call into question the fundamental *raison d'être* of multilateral frameworks for dealing with global issues, Japan should use this as an opportunity for their reform and display intellectual leadership towards their effective administration.

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