Expert Voices on Japan
Security, Economic, Social, and Foreign Policy Recommendations

U.S.-Japan Network for the Future Cohort IV

THE MAUREEN AND MIKE MANSFIELD FOUNDATION

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Arthur Alexander, Editor

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About the Program

The U.S.-Japan Network for the Future

The U.S.-Japan Network for the Future was initiated in 2009 to identify and support American professionals who demonstrate an interest in and potential for becoming Japan specialists and policy experts. More information about the program is available on the Foundation's website: http://mansfieldfdn.org/program/dialogues/u-s-japan-network-for-the-future/.

The Maureen and Mike Mansfield Foundation

The Maureen and Mike Mansfield Foundation is a 501(c)3 organization that promotes understanding and cooperation in U.S.-Asia relations. The Foundation was established in 1983 to honor Mike Mansfield (1903–2001), a revered public servant, statesman and diplomat who played a pivotal role in many of the key domestic and international issues of the 20th century as U.S. congressman from Montana, Senate majority leader and finally as U.S. ambassador to Japan. Maureen and Mike Mansfield's values, ideals and vision for U.S.-Asia relations continue through the Foundation's exchanges, dialogues, research and educational programs, which create networks among U.S. and Asian leaders, explore the underlying issues influencing public policies, and increase awareness about the nations and peoples of Asia. The Foundation has offices in Washington, D.C.; Tokyo, Japan; and Missoula, Montana.

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Foreword

Sheila A. Smith

As 2018 unfolds, the U.S.-Japan partnership is once again in the headlines. In mid-April, when President Donald Trump met with Prime Minister Abe in Mar-a-Lago for the second time, the U.S.-Japan partnership seemed under strain. Earlier in the year, the sudden announcement that the U.S. president would meet with North Korean leader Kim Jong-un surprised Tokyo, as did the Trump administration's announcement that Japan's steel and aluminum exports would be subjected to punitive tariffs. Yet the two leaders came away from their latest discussions with a renewed commitment to the relationship, if not with a complete agreement on how it should be managed.

The United States and Japan are adjusting to the changing geopolitics of Asia, including North Korea's acquisition of nuclear weapons and growing popular discontent with the liberal trading order in the United States and elsewhere. The rise of Chinese influence, both economic and military, has also been cause for concern. Yet each country has their own view of how to adjust, and their expectations for the alliance are not always in sync. More broadly, Japanese and Americans also feel the impact of these currents of global transformation differently. While the interests of both nations may overlap, there will be times when their policy priorities and preferred solutions may not. Living in interesting times may be intriguing, but it also calls for greater understanding. As partners, Americans and Japanese will need to understand each other's societies in far greater depth than ever before as they seek to navigate these important shifts in the Asia Pacific and beyond.

For thirty-four years, the Mansfield Foundation has led the way in ensuring that Americans are well-versed in Japan. As the late U.S. Ambassador to Japan and Senate Majority Leader Mike Mansfield famously said, the U.S.-Japan relationship is "the most important bilateral relationship in the world, bar none." While other relationships have emerged to dominate the headlines, our partnership with Japan continues to be the foundation of our security and our prosperity. More than three decades later, the Foundation established to honor Ambassador Mansfield sustains his appreciation of the importance of this relationship through programs including a fellowship that sends U.S. government officials to Japan to ensure both governments can effectively translate the relationship into better and more informed policy.

Equally significant, the Mansfield Foundation has also ensured that our scholars and policymakers share their in-depth knowledge of Japan through the U.S.-Japan Network for the Future. When understanding Japanese domestic debates and global choices is ever more critical to U.S. policymaking, this program has encouraged four cohorts of scholars to bring their expertise to bear on policy debates in the United States. As global politics have increasingly been shaped by other, rising powers, Japan has often seemed less important to American interests. Yet as these scholars of Japan can attest, nothing could be further from the truth. In fact, as the United States too reimagines its future role in Asia and in the world, the partnership with Japan offers a grounding that few others do. Understanding the dynamics of Japanese society, economy and politics offers a far more enlightened vantage point for U.S. policymaking.

Depth of scholarship on Japan, and the wide-angle lens available to scholars of Japan, offers a rich set of insights on one of the world's most complex and intriguing societies. As educators in universities and colleges around the United States and as policy professionals serving in the U.S. government, the authors of the essays in this compilation—the fourth cohort of the U.S.-Japan Network for the Future—bring sophisticated research experience on Japan and first-hand knowledge of Japanese society and politics.

Their essays here address the myriad ways in which the United States and Japan interact in 2018. Three broad areas of analysis highlight the importance of the U.S.-Japan partnership.

First, both the United States and Japan are facing the complex challenges of the post-industrial era, challenges that at times seem to place strain on liberal democratic practice while at other times offer unique new ways to manage our rapidly changing societies. Matthew Poggi, a U.S. Treasury Department expert currently serving in the U.S. Embassy in Tokyo, tackles the new realities of global financial markets in the wake of the Lehman disaster in an essay offering his assessment of Japan's need for policy reform. In their essays, Yulia Frumer and Michael Sharpe share their insights on the impact of automation and of immigration, respectively, on the United States and Japan, comparing their different narratives and their changing policy goals. The contrast between U.S. concern about automation and the Japanese embrace of it is particularly marked, and reveals the structural dynamics at play in each society. Likewise, the immigration debate in Japan and the United States shows signs of change as the global debate over human migration intensifies. Again, the policy changes in each capital reveal a move away from past orthodoxies, and perhaps a greater convergence with mixed implications for each society. Finally, our democratic values and our care for human rights also infuse these seemingly technocratic decisions over the future of our economy. How our societies tolerate—or discriminate against—minority voices is

addressed in the essay by Jolyon Thomas as he examines recent Japanese conversation on the need to return to traditional values of Shintoism.

Second, in the increasingly fraught geopolitics of our time, domestic leadership choices have tremendous consequences for regional and global cooperation. Japanese political choice is front and center for several Network scholars. Political scientists Ko Maeda, Adam Liff and Amy Catalinac offer their insights into the dynamics that shape the political debate in Japan. Maeda tackles the curious longevity of Shinzo Abe's rule as prime minister, even in the face of low public approval ratings. Liff alerts readers to the coalition dynamics that have shaped governance, and demonstrates how the Komeito, the Liberal Democratic Party's junior partner, has had a pervasive effect on the Abe cabinet's security policy choices. Finally, Catalinac puts forward a theoretical appeal for looking at the domestic drivers of Japan's national security policy, locating the critical turning point of electoral system change in 1993 as an important moment of change in the nature of Japan's security debate. Robert Hoppens presents an important look at the relationship between Prime Minister Abe and Tsai Ing-wen, Taiwan's new president, revealing an often overlooked relationship in Northeast Asia that offers a different vantage point from which to observe the rise in Chinese influence.

Third, the United States and Japan face new policy conundrums, born of emerging technologies and evolving global dynamics, but also some persistent dilemmas. Kristin Vekasi takes on the current differences between Japan and the United States over the best framework for managing our trade, and offers a stalwart defense of the Trans-Pacific Partnership, a multilateral adjustment to managing our increasing economic interdependence. Security expert Nori Katagiri tackles the challenges of cyber security, and offers his recommendations for improving Japanese capabilities in this ever-evolving new arena of strategic competition. Reo Matsuzaki's provocative essay takes us back in time to Japan's colonial strategy for remaking Taiwan in order to examine our contemporary

effort at counterinsurgency and "state-building" strategies and the UN and U.S. concern with strengthening the capacity of governance institutions. Joshua Walker advocates bringing a new strategic vision to the U.S.-Japan partnership, and suggests the lens of an open and free Indo-Pacific as the most promising approach to enhancing our security and economic cooperation. Building a new regional architecture, premised on shared U.S. and Japanese interests, offers the opportunity for partnerships with others across the vast periphery of the Asian continent.

These scholars bring a range of expertise to their analysis of U.S.-Japan relations. The span of their academic specialization is impressive: history, religious studies, political science, sociology and finance. So too are the methods they bring to their inquiry. For some, comparative studies of U.S. and Japan policy practices offer enlightening contrasts, revealing different approaches to solving very similar problems. Others place Japan and the United States in a broader global setting, revealing that our challenges are not necessarily idiosyncratic to our bilateral relationship, but also suggesting the profound influence our decisions have on the global management of shared problems. Finally, with well-honed research training, these scholars can take us deep into the institutions and the practices of Japanese actors in order to challenge and correct the widespread generalizations we often encounter in the media about Japan.

Americans and Japanese face considerable challenges, and in 2018, the world seems more fragile and contested than ever. Elections around the globe test ideas and prescriptions that have been widely accepted for generations. Rising powers suggest the need for Washington and Tokyo to take a new look at the global rules and norms we have often taken for granted. Demographic and generational changes are transforming our societies, and prompting contentious debates over the future of the U.S. and Japanese nations. While the economic well-being of millions around the globe is improving, many in Japan and the United States are beginning to fear that they will no longer benefit from the economies of the future.

Ensuring that we are prepared for those challenges with knowledge and insight is the first step in meeting them, and the essays presented here by the Network for the Future scholars offer a rich starting point. They also offer a critical window into the many opportunities for Japanese and Americans as we continue to strengthen our partnership and together tackle the social challenges of our time. ◼

Japan's Current Interest in National Security Is Not (Only) Made in China, It Is Also Homegrown

Amy Catalinac

Those of us who study national security, whether scholars or practitioners, are all motivated by the same goal: how can we increase security so that wars will not break out and costly arms races are avoided? Understandably, this is a worthwhile goal. To do this, we typically focus on increasing our collective understanding of the drivers of the security policies of different countries. With a view to increasing our collective understanding of the drivers of Japanese security policy, for example, we ask questions like "how did North Korea's test of the Hwasong-15 intercontinental ballistic missile (ICBM) in November 2017 impact Japanese security policy?" or "How did the change of government in 2009 impact Japanese security policy?" The rationale for asking such questions is that once we know how *previous* missile tests or changes of government influenced Japanese security policy, we can say something about how *future* missile tests or changes in government might influence Japanese security policy. We will know what to expect, and if what we are led to expect risks decreasing national security, we can use this information to try to, for example, *prevent* future missile tests, or at the very least, advise interested parties as to their anticipated effects on national security.

Tokyo, We Have a Problem (of Causal Inference)

Unfortunately, there is a problem with this approach. This problem is not always acknowledged by scholars working on national security, despite the fact that our subject area has consequences for the lives of everyone on the planet. This is as follows: when we look back in time at previous instances of missile tests or changes of government, it is virtually impossible for us to tell whether any possible changes in Japanese security policy that happened afterward were actually caused by the missile test, or by the change of government, or whether they were caused by something else. If the changes were actually caused by something else, then we have failed to shed light on the determinants of Japanese security policy because we have not identified what that missing variable is, and any predictions we make about the changes in Japanese security policy that ought to follow instances of missile testing are likely to be wrong.

Why is attributing causation so difficult? If we observe a missile test and then an increase in Japanese defense spending, for example, then we have observed a *correlation* between the test and the spending. We have observed the test, and then the spending increase. But correlation is not causation. Why not? It is possible that the causation actually flows in the opposite direction: recent trends in Japanese defense spending or Japanese security policy more broadly were what prompted Kim Jong Un to launch the missile. Even if Japanese defense spending increased after the missile test, it is still difficult to refute the possibility that Kim's decision to launch the test was influenced by his anticipation that the Japanese government was about to increase defense spending. In social science we refer to this problem as *endogeneity*, or more simply, *reverse causation*. It represents the idea that the outcome we are trying to explain (our "dependent variable," which in this example is Japanese defense spending) is actually being influenced by the variable we think explains it (our "independent variable," which in this case is the missile test). If this were the case, then even though we have observed a correlation between the missile test and the spending increase, we cannot conclude that missile tests lead to spending increases.

It is also possible that another variable can explain *both* Kim's decision to launch the missile and the increase in Japanese defense spending. For example, if the resolve or capabilities of the United States to defend its allies in East Asia were perceived to have waned, it is conceivable that Kim might decide to launch a missile to take advantage of the decline in security *and* the Japanese government might decide to increase its defense spending to try to bolster its security. If this were the case, then while we did observe a correlation between the test and the increase in defense spending, we cannot say that the former caused the latter because they were *both* caused by a third variable. A failure to identify this "omitted variable" means that we have not increased our knowledge of the drivers of security policy, and we are likely to observe missile tests in the future not being followed by increases in Japanese defense spending.

Even if we can rule out the possibility that recent trends in Japanese defense spending caused the missile test or that both the increase in spending and the test are caused by an unidentified third variable, another possibility is that any correlation we observe between increases in spending and missile tests is due to random coincidence. In other words, there are factors that drive both spending and tests, but those factors are unrelated to each other. They just happen to coalesce at the same time, giving rise to the appearance of a relationship between the two that is actually spurious. Without many cases of tests and spending, which we do not have, we cannot definitively rule out this possibility.

Solutions Are Difficult to Apply in the Realm of National Security

How can we say that the test *caused* the increase in Japanese defense spending? There is only one way of saying this definitively, and that is in the event that we observe two Japans, one that experiences the missile test and one that does not. If we observe two Japans that are identical in every way, with one experiencing the test and the other not experiencing it, we can compare levels of defense spending in both Japans after one of

them experiences the test. Because our two Japans are identical apart from the experience of the test, if we then observe the Japan that experienced the test increasing its defense spending, we can definitely say that this spending increase was *caused* by the test.

Obviously, we cannot ever observe two Japans. To get around the problem of not being able to observe two identical "units," one that receives the experience of interest (we call this the "treatment") and the other which does not, scholars have developed strategies to try to approximate this situation. In some areas of social science, scholars have pioneered the use of experiments. They might take a group of people and randomly assign half of them to an experience (for example, reading a newspaper article or receiving a campaign flyer) and the other half to no experience (or to a different experience). Because each group's "assignment" to the treatment (that is, the experience) is random, which means that the people in that group did not have a particular feature that made it more likely they would receive the treatment, then we can attribute any difference in outcome across the two groups after the treatment as the effect of the experience.

Being able to randomly assign people to an experience and then measuring whether those people then differ from other people after the fact is the closest proxy we have to observing two identical units and assigning one of those units the treatment. Even if the people in our experiment are quite different from one another, we have managed to make those differences irrelevant to the fact that they got the treatment. Returning to the above example, this strategy eliminates concerns about "endogeneity" because it eliminates the possibility that there is something special about Japan (or Japanese defense spending) that caused it to experience the missile test. It also eliminates any concerns about bias arising from an omitted variable like the strength of the U.S. commitment to Japanese security because it is unlikely that the group of people randomly assigned to the treatment is systematically different from the group that were not (and anyway, this can be verified after the fact).

As is probably obvious, while experiments can approximate a situation in which we observe two identical units, which differ only in that one of them experiences the treatment, they have received many fewer applications in the realm of national security. This is because most variables we think matter for security policy cannot be manipulated. We cannot randomly select a group of countries and ask North Korea to send a missile over those countries, but not others, and then measure whether there are any differences in defense spending between the two sets of countries. Similarly, we cannot randomly select a group of countries and bring about a change of government in those countries and not others, and then observe whether the two countries go on to craft different security policies.

Given that we cannot observe two Japans and we cannot manipulate our variable of interest in an experiment, the next best strategy is to compile a group of countries that resemble Japan when it received the missile test. To make the best inference as to the effects on defense spending, of the universe of potential countries that resemble Japan, some would have experienced the missile test and some would not have.

Unfortunately, this is much easier to do in other areas of social science than in the realm of national security. Why? If one is interested in the effects of a municipality receiving more money or an individual receiving a campaign flyer, one typically has thousands of cities and individuals from which to find cities and individuals like the ones that received the money or the flyer. Obviously, there are a limited number of countries in the world and countries differ on so many metrics, such as region of the world, constitutional structure, wealth, religious background, size of security threats they face, degree of reliance on external balancing (an alliance partner) in their security policy, and so on, that a group of countries that resembled Japan in 2017 on these metrics *and* varied as to whether they received the missile test simply does not exist.

Knowing this, scholars sometimes find it fruitful to compile a set of observations, some of which received the treatment and some of which did not, from the country's own past. For example, if we are interested in the effect of North Korea's missile launch in 2017 on Japanese defense spending, we can find years from Japan's own past that resemble Japan in 2017. Because North Korea has been launching missiles since 1994, we can find years in which Japan experienced a missile test and did not experience a missile test. Because we are dealing with the *same* country over time, we can eliminate the effects of variables such as region of the world, constitutional structure, or religious background because these variables are the same over time. If there was an increase in defense spending after 2017 and the other years in which there was a missile test, but not after years in which there was no missile test, we can have more confidence concluding that missile tests increase defense spending.

The problem with this strategy is probably obvious: while it eliminates the effects of variables that are the *same* over time, it cannot eliminate the effects of variables that *change* over time. There are many variables that could influence either the propensity that Japan experiences a missile test or Japanese defense spending, or both. We have already mentioned the strength of the U.S. commitment to Japanese security. Another might be the state of the Japanese economy, and yet another might be the size of the security threat Japan faces. Even if we found increases in defense spending after years in which missile tests occurred and not after years in which missile tests did not occur, if any of these variables were different across the two sets of years, we would not be able to rule out the possibility that changes in these other variables were driving the increase in defense spending, not the missile tests.

Of course, if we had hundreds of years to choose from, we could collect data on all these variables and conduct a regression in which they are controlled for. But we do not have hundreds of years to choose from. In this example, we only have twenty-four years since North Korea launched its first missile.

An Even Thornier Problem: Measurement

Unfortunately, as this discussion probably illustrates, there is another, perhaps even more fundamental, problem plaguing work on national security. This is one of measurement. There is simply no agreed-upon way of measuring how much national security a government is providing at any given point in time.

Why not? Governments choose a medley of means to secure themselves. Some may rely on being physically separated from other countries by a large body of water. Others may choose to form an alliance and rely on their ally's capabilities. Others may forgo an alliance and decide to secure themselves via their own capabilities. Among those forming an alliance, there are states who invite the ally to station forces on its territory and there are states that do not, and there are states that face a higher risk of being entrapped in wars that are of little consequence to their security, and there are those that face a lower risk of this. Among states relying on their own capabilities, there are states that dedicate high proportions of government resources to defense and those that dedicate less, and there are those that invest primarily in offensive weapons and those that invest primarily in defense weapons. There are also states that rely on a combination of an alliance and their own capabilities.

It is perhaps unsurprising that there is no formula into which we could plug a state's values on all of these variables and receive a measure of the amount of national security it is providing.

Whereas we can gain reasonably accurate measures of the proportion of GDP being spent on defense in a given country, as these examples should illustrate, defense spending is not the same as national security. Or more accurately, the amount a state spends on defense is not the same as the amount of national security it is providing.

Not being able to measure how much national security a state is providing at any given time severely impairs our ability to understand the drivers of security policy. If we could measure how much national security the Japanese government was providing at various points in time, for example, we could ascertain whether a North Korean missile test decreased Japanese security and if so, by how much. If we found that the missile test reduced the amount of security the Japanese government was providing, then we would expect Japan to take measures to bolster its security. If it did, we could conclude that states are likely to respond to security threats by bolstering their defenses. If we found that the missile test did not reduce Japanese security, then we would not expect it to take such measures. In other words, if we observe Japan sitting on its hands after being confronted with such a missile test, the correct conclusion might not be that it does not respond to security threats, but that the missile test did not reduce Japanese security.

As this discussion illustrates, an even bigger measurement problem lurks. As scholars interested in national security, we want to understand the drivers of a state's security policy. The drivers we tend to be the most interested in are security threats (or more formally, shifts in the balance of power between states). Even if we could calculate the amount of security a state is providing at any given time, it does not make sense to *exclude* the size of the security threat facing a state from this calculation. A state could have no allies and low levels of defense spending, but no adversaries. Another could have powerful allies and high levels of defense spending, but a powerful adversary. Once we take the capabilities of their adversaries into account in our estimation of how much security a state is providing, however, we cannot then try to estimate the effect of changes in an adversary's capabilities on the amount of security a state is providing.

An Alternative Approach: Looking Within the State

My research is also motivated by a desire to understand the drivers of security policy, and in particular, Japanese security policy. Mindful of the

aforementioned problems, I adopted an alternative approach: I decided to look *within the state*, at how politicians in Japan treated the subject area of national security. Once we turn the spotlight onto politicians within a particular country, we can draw upon the large literature in the subfield of comparative politics about how political institutions work. There are at least three advantages to relying on theories from comparative politics.

One, these theories are about variables that are *measurable*. For example, we can easily tell whether a country has a coalition government or a single-party government. We know whether it is a democracy or an autocracy, or a parliamentary system or a presidential system. We know whether its politicians are allowed to receive money from businesses or not. We know how many political parties are represented in the parliament, and we know what type of electoral system is in use and we have theories about how that system works. Being able to measure a hypothetical independent variable we might be interested in means that we can better evaluate the relationship between changes in that variable and changes in a state's security policy.

Two, these theories are about variables that are *manipulable*. While states rarely change their constitutional structures, they do sometimes change their electoral systems and tinker with campaign finance regulations. Even though states may not voluntarily choose to change their institutions very often, international organizations and the United States are sometimes placed in the position of helping to design a political system for a country. Whereas it is inconceivable that we would want to manipulate a security threat (because a security threat is dangerous and therefore no security threats are always better), it is conceivable that we may want to manipulate a political institution if we identified one that had a range of "good" effects.

Three, these theories have the added bonus of being *totally separate* from the outcome I'm interested in: Japanese security policy. In other words, they were not developed with Japanese security policy in mind.

A lot of work on security policy proceeds in the following way: countries are observed interacting with each other and a variable such as "national identity" appears to influence their relationship. Scholars then come up with a theory about how national identity influences a country's security policy. The problem with this approach is that theories must be *falsifiable*. We have to be able to collect evidence and use that evidence to assess the probability that a theory we are evaluating is correct or not. When a theory is developed on the basis of the case used to generate it, it cannot be evaluated with that case because it will never be incorrect.

It is a fairly safe assessment that the scholars developing theories of how party competition plays out under different electoral systems, for example, were not thinking about the security policies of those countries when they came up with their theories. This means that if those theories can be used to explain how politicians treat national security, this can be taken as evidence they are correct.

The particular institution I study is Japan's electoral system. From my perspective, it is enormously helpful that the Japanese government chose to reform the electoral system used to select members of the more-powerful House of Representatives (HOR) in 1994. While there was some evidence that key architects of the reform such as Ichiro Ozawa were considering Japan's position on the world stage when they were thinking about the reform, by and large it was driven by a public sick of corruption (and who had been told by the media that the electoral system was partly to blame) and a government comprised of seven opposition parties, which was the first government not formed by the Liberal Democratic Party (LDP) in thirty-nine years, who were able to capitalize on the public mood.

It turns out that we have very clear theories in comparative politics about how politicians ought to have treated national security under both Japan's old and new electoral systems. In a nutshell, these theories suggest that they ought to have paid it *little attention under the old system* and *more attention under the new*.

Electoral Systems and Japanese Security Policy

Why is this? Under Japan's old electoral system, politicians faced what is called "intra-party competition." Intra-party competition arises when voters not only have a say over which party gets elected in any given election, but also over which of the party's candidates get elected. Intra-party competition arose because Japan's HOR used multi-member districts and gave voters a single, non-transferable vote, which means that votes cannot be transferred to other candidates of the same party after a candidate gains enough votes to be elected. This system is called "SNTV-MMD." In each district, between two and six candidates were elected.

In this system, parties aiming for a majority of seats need to run more than one candidate in the most districts. This means that candidates of those parties had to compete against each other in the same district. Theories in comparative politics say that when politicians have to compete against their co-partisans, they will concentrate on cultivating supporters that will be loyal to *them*, not their party. Those theories also say that if these politicians control government, as LDP politicians did in and after 1955, they will cultivate these supporters by using their access to government resources to come up with goodies that benefit *them*, rather than the supporters of other candidates.

In this system, politicians have trouble paying attention to broad policy areas like national security because they cannot use those policy areas to generate goodies they can target back to their supporters. If there are two politicians from the same party in a district, voters will always be more inclined to choose the politician who spends his or her time coming up with goodies of benefit to *them only* over the politician who spends his time coming up with broad policy issues like national security that benefit everyone.

Knowing this, this research suggests that politicians facing intra-party competition will wind up spending almost all of their time trying to

deliver targeted goods for their supporters, and will seek to minimize the amount of time spent in non-targetable policy areas like national security. In the case of the LDP, the establishment of intra-party committees that concerned policy issues such as commerce and industry, telecommunications, construction, and agriculture; the decision that a politician could request membership in up to two committees; and the publication of a roster indicating which politician was a member of which committee made it very difficult for politicians to pay attention to non-targetable policy areas like national security, even in secret. A politician who was interested in national security and wanted to devote time to it would have been forced to forgo membership in a committee that would have enabled him or her to deliver benefits to supporters. The roster would have made the politician's priorities clear to his or her supporters, increasing the chance that they could be poached by another LDP politician in the district, who might be signaling, through committee memberships, that his or her priorities lay with funneling goodies back to constituents.

In 1993, a group of politicians left the LDP, prompting an election. After the election, a seven-party coalition government was formed. All of these parties had campaigned on a platform of electoral reform. It was implemented in early 1994.

Japan's new electoral system is comprised of two tiers: initially, three hundred members were elected in single member districts (SMDs), while two hundred politicians were elected from party lists according to the principle of proportional representation (PR).

For my purpose, the critical distinction between Japan's old and new electoral system is that the new system eliminated intra-party competition. The fact that LDP candidates didn't have to compete against other LDP candidates in the same district gave all LDP candidates the incentive to cultivate a party label and all run on this label. Because the party is running candidates in districts all over the nation, it makes sense for the

LDP's label to be comprised of broad policy issues like national security; policies that influence voters in all the districts.

To summarize, theories of comparative politics suggest that we ought to observe LDP politicians paying little attention to national security before reform and more afterward.

Evidence for My Claim

Looking at the Japanese politics and security literature revealed a wealth of evidence that politicians were behaving as these theories suggested. Secondhand accounts revealed that LDP politicians seemed to have paid national security very little attention under the old system, and had started paying more attention as soon as the electoral system was reformed. But this literature also revealed other theories that could also plausibly account for this increase in attention to national security. Scholars pointed the finger at Japan's weakened economy, new security threats (in the form of North Korea and China), and changes in the strength of Japan's anti-militarist culture. In the words of Richard J. Samuels, the changes in Japanese security policy that occurred after LDP politicians started paying attention to national security are "overdetermined." This means there are many factors that could account for them, so many that it is difficult to disentangle one from the other.

To properly evaluate whether Japan's electoral system exerted an "independent effect" (meaning, an effect all on its own) on the amount of attention politicians paid to national security, I collected evidence that would help me evaluate my theory and also adjudicate between these competing theories. In Japan, candidates for election to the HOR produce candidate election manifestos, which are distributed to all registered voters in a candidate's district by the local electoral commission. I collected the manifestos produced by the universe of candidates who contested the three elections immediately prior to electoral reform (held in 1986, 1990, and 1993) and the five elections held afterward (held in 1996, 2000, 2003,

2005, and 2009). I used quantitative text analysis—specifically, a new tool called a "topic model"—to analyze the topics in my collection of 7,497 manifestos.

I found that LDP candidates promised pork-barrel projects for their districts and did not talk about national security in the three elections held under the old electoral system. As soon as the system was reformed, they began discussing national security, and this switch to security accompanied a broader shift in their electoral strategies from pork for the district to policies for the nation. This is exactly in keeping with the expectations of these theories.

Concretely, my analysis revealed that the average LDP candidate manifesto was comprised of two-thirds discussion of pork and one-third discussion of policy prior to reform. After reform, the proportions reversed, and LDP politicians began producing manifestos comprised of two-thirds policy and one-thirds pork. In spite of the coming down of the Berlin Wall and the collapse of the Soviet Union, which wiped out the threat around which the U.S. had extended a security guarantee to Japan, and the 1991 Gulf War, which resulted in a U.S. plea for Japanese assistance, LDP politicians devoted a mere 0.1% of their manifesto to national security. After electoral reform, their discussion of national security increased to 0.5% in 1996, 1.5% in 2000, 6% in 2003, 4% in 2005, and almost 7% in 2009.

While these proportions may seem small in absolute terms, it pays to remember that candidates had access to a second type of manifesto after electoral reform: a party manifesto. Given that party manifestos are distributed to voters across the country and candidate manifestos are distributed to voters in a candidate's district, it is reasonable to expect that a savvy candidate might decide to concentrate on policy, which affects voters across the country, in their party manifesto, and pork, which affects voters in their district, in their candidate manifesto. The fact that we observe an increase in discussion of national security in candidate

manifestos is powerful evidence that they believe the issue can help them win votes after reform.

However, the possibility still remained that something *other than electoral reform*, which changed at exactly the same time, could plausibly account for these changes. Revisiting what I said earlier, a research design that examines what happens when a variable like the electoral system is suddenly changed can eliminate the effects of variables specific to the country that do not change over time, the constitutional structure, but they cannot adequately control for the effects of variables that do change over time. I was therefore still left with the possibility that another variable, which changed at exactly the same time, could account for their increase in attention to national security (and other broad policy areas, for that matter).

To evaluate this, I weighed evidence in support of seven categories of alternative explanations. The variable I will focus on in this brief is the possibility that LDP politicians' new attention to national security is explained not by electoral reform, but by concerns about the new security threats facing Japan at the time, in the form of China and North Korea. In other words, I will consider whether this new attention was "made in China" (that is, driven by what is perhaps the larger of the two security threats) or "homegrown" (that is, driven by the electoral reform).

Is It Homegrown, or Made in China?

I reasoned that if these new security threats were driving their attention, we should observe their attention correlating with the seriousness of these threats. We do not observe this. The 1990 election happened after the collapse of the Soviet Union. Candidates talked about how this meant "the end of socialism," but did not mention its security implications. The 1993 election happened after the so-called "embarrassment" of the Gulf War, in which Japan contributed $13 billion yet was not properly thanked by Kuwait. Yet there was no discussion of national security in the 1993 election.

To examine the possibility that politicians actually *were* paying attention to national security, just did not discuss it in elections, I examined newspaper articles from the 1994–1995 period. These contained stories berating LDP politicians for not giving national security a second thought. They described LDP politicians as "not showing much interest in," for example, the changes in Japan's security environment, "not having a sound understanding of security matters," and being "unwilling to help their government study those issues."

I also examined books written by LDP politicians. In one, Shigeru Ishiba described Japan as a country in which the politicians entrusted with its protection "knew nothing about national security." He went as far as to blame this on the electoral system, describing it as making elections into popularity contests between conservative politicians over who was the best "handyman" for the district. He lamented the fact that "nobody in Japan is actually doing the work of the Diet Member." He also described how bureaucrats at the Japan Defense Agency, who were very much under the thumb of LDP politicians, never wrote any legislation and served no purpose other than spending the money assigned to them in the budget of each year on equipment for the SDF and supervising the SDF.

This evidence is, of course, very convincing. However, I kept being told by others: "Perhaps politicians weren't paying attention to national security in this period because even though the cold war had ended, there wasn't a serious enough threat to convince them to pay attention." This critique is not entirely fair because Japan was (and still is) dependent on the U.S. security guarantee for deterrence against large-scale security threats. In this situation, *anything* that weakened either the resolve or capabilities of the United States to defend Japan (and one could argue that the collapse of the Soviet Union weakened U.S. resolve) should have been sufficient to compel LDP politicians to pay attention. Nevertheless, I tried to find evidence to address this critique head on.

It turns out that Japan faced a very serious security threat from the late 1970s until at least the mid-1980s, which is not always described as and recognized as a security threat. This is North Korea's abductions of Japanese citizens. Between 1978 and 1982, a bunch of Japanese people went missing from beaches in Japan and from places in Europe. Newspapers at the time unearthed evidence that these people were not *missing*; but rather, abducted by North Korean spies.

Even though this security threat was so serious that it resulted in Japanese people losing their freedom and lives, it is not an exaggeration to say that LDP politicians ignored the possibility that this was happening until much later; until 1997, to be specific. Early in 1997, four months after the first election under the new electoral system, LDP (and other) politicians formed a league to draw attention to the issue. In the ensuing years they became so angered by the abduction issue that they brought it onto the international stage, and into multilateral attempts to resolve the threat posed by the North's nuclear weapons, like the Six Party Talks. LDP politicians vowed to Japanese people that they would "never let the abduction issue get buried under the nuclear issue."

By examining how politicians dealt with the *same* security threat under the old electoral system, when they faced intra-party competition, and under the new electoral system, when they did not, I am able to definitively rule out the hypothesis that LDP politicians were not paying attention to national security because there was nothing to pay attention to. Sadly, there was "material" they could have paid attention to, had they had the incentives.

It is of course true that there would have been LDP politicians under the old electoral system who probably *wanted* to pay attention to national security. It is possible that they all did. After all, a commitment to constitutional revision was central to the founding of the party in 1955. But spending time on national security meant less time for policy areas that enabled them to bring back pork for their constituents. It is likely that

LDP politicians figured this out as soon as they fought their first election as one unified party in 1958, which explains why, a few years later, they stopped focusing on national security.

Lessons for Scholars of International Relations

A lot of work on national security focuses on the *players* who make security policy and their *preferences*. Research on politicians, for example, might describe them as favoring force or diplomacy, depending on their personality, military background, or changes in the external security environment. My point is that while politicians probably do have preferences, if they cannot get elected, they will not be able to enact any of their preferences. So it makes sense to study what they need to do to get elected.

What the Japanese case reveals for the broader scholarly community is that when it comes to democracies, no matter what a politician's preferences might be, there are democracies in which that politician will have few incentives to try to implement those preferences and democracies in which he will have more incentives to do so. In systems where politicians have few incentives to try to implement their preferences, we may observe very little relationship between external security threats and the state's security policy. We may observe security threats happening, with few changes in security policy. This is because security threats influence security policy through the intervening variable of politicians' attention, which my project shows is in turn influenced by the electoral system. If this intervening variable gives politicians few incentives to pay attention, then we probably will not observe many changes in the state's security policy, even against the background of serious security threats. At least, not until the country adopts a new electoral system.

In a nutshell, my research explains why we observe so much more attention to national security after 1994 than before. It is tempting to attribute the focus on national security in the HOR elections of recent years as the product of China or North Korea. It is true that the security issue

politicians are paying the most attention to presently is how best to deal with the threat posed by North Korea. But it pays to remember that the North Korean threat has existed, in different forms, for decades. It has existed in its current form since 1994. The North Korean threat is not, by itself, *sufficient* to push politicians to talk about it. Without the electoral incentives to talk about it, the debates we are observing in Japan right now would not be happening.

Going forward, it pays to remember that domestic political institutions have profound effects on a state's security policy. If we observe a shift in *attention* to national security or a shift in *content* of a state's security policy, we should not assume that this is being driven by a new player or new preferences on the part of the old players. We should at least consider the possibility that the players and their preferences are the same or similar as before, but that a change in the country's domestic political institutions—whether it be in the electoral system, legislative procedure, or procedure for electing the prime minister, to offer a few examples—has enabled the players to realize their preferences. There is a lot of literature in comparative politics about how these institutions work, and we should consider whether they are having unforeseen and unimagined consequences for security policy. ■

Beyond Singular Tasks: Labor-Saving Technologies and Systems of Labor

Yulia Frumer

Introduction

The difference between the current state of labor markets in the United States and Japan is striking. United States is haunted by the fear of unemployment; Japan is struggling to fill job vacancies. Yet the *discourse* surrounding the labor market in the two countries is surprisingly similar. Both focus on the ways developing technologies obviate the need for humans to perform certain tasks, thus substituting human labor for a robotic one—albeit one side treats this phenomenon as a problem while the other as a solution. Namely, while Americans are dreading the loss of jobs due to automation, the Japanese are hoping that robots will fill the vacancies left by humans.

Current economic scholarship that explores the relationship between automation and labor markets is divided into two camps. One camp maintains that automation displaces human workers and contributes to unemployment. Members of this camp often rely on studies published by a working group of MIT economists.[1] Even though the researchers themselves often warn of unnecessary exaggeration and panic,[2] their

work became particularly popular with the media that predict a looming robotic unemployment apocalypse.

Another group of economists challenge the conclusions that automation leads or will lead to unemployment. They point to a series of problems in abovementioned research, such as reliance on a limited data set (industrial robots in specific industries), which makes extrapolation to the national level unreliable.[3] According to this camp, focusing on a single type of technology and its effects on job markets misses the bigger picture, in which technologies not only eliminate but also *create* jobs.[4]

The reality of labor markets in the United States and in Japan is challenging for the first approach particularly— we see neither a gradual increase in unemployment levels in the United States, nor a significant change in labor markets in Japan that one would expect to accompany technological development and automation. Not oblivious to this reality, many offer suggestions to explain this apparent anomaly and claim that the existing trends are not representative because we are entering an unprecedented era.[5] To claim that something is "unprecedented," however, we need to make sure that we understand the precedents first.

By looking at the precedents, both in the United States and in Japan, this essay argues that technologically automated tasks should be seen as a part of larger systems of interconnected labor. Apocalyptic predictions of technological unemployment, hopes of technological salvation, and visions of the "unprecedented" near future alike, all focus on specific, visible *tasks* that were previously performed by humans but now are being automated. History, however, shows that these tasks do not exist in a vacuum, but are rather enmeshed in a network of less visible supporting tasks of maintenance. Automating a singular task may save labor previously dedicated to a singular function, but cannot dispense of all the related labor. Furthermore, in many cases automating one task creates new maintenance needs and thus new labor demands that did not exist before. Consequently, rather than seeing robots as a magical solution to

the problem of aging population in Japan, or dreading them as potential job destroyers in the United States, this essay calls for exploring the changes emerging technologies bring to the socio-economic systems of labor, and paying closer attention to less visible labor involving various forms of maintenance.

Technology Always Eliminated Jobs

If there is one thing we can learn by taking a historical perspective, it is that technological inventions have *always* destroyed professions and eliminated jobs. In the late nineteenth century, within the span of just one decade, mechanization in brickmaking, printing, shoe production, and many other manufacturing specialties disrupted hereditary occupations and eliminated entire professions. Railroads reduced the need in horse-breeders, barrage-drivers, and canal maintainers, and threatened a large number of lumber and grain dealers.[6] Around the turn of the century, the adoption of stone-planing machines and pneumatic tools cut the number of stonecutters in half. Between 1921–30, the installation of dial telephone systems displaced 72,000 switchboard operators at Bell. The emergence of "talkies"—movies that recorded sound as well as image—eliminated 10,000 movie musicians in just three years.[7]

A second historical observation is that there is no clear correlation between unemployment levels and waves of automation. In the late nineteenth-century, when mechanization brought about the disappearance of some professions and a considerable decrease in the number of workers in others, employment outpaced population growth by 75%.[8] The major wave of technological development and automation in the early twentieth century—associated with the introduction of assembly lines, as well as automobile, radio, and telephone industries— correlated with *higher* wages and *lower* unemployment. Similar patterns can be seen between the late forties and 1973, and between 1995 and 2002. At the same time, the historical record shows that economic lows characterized by stagnant wages and high unemployment were also the periods of stagnant technological

developments. The first decade of the twenty-first century, troubled by rising unemployment levels, saw a slowdown in automation, not acceleration.[9]

"Unprecedented Times" Claims Are Based on Technological Optimism

Theorists who warn of potential technological unemployment are aware of the fact that one cannot find a correlation between automation and employment *so far.* But, they claim, today is different. This time the economic threat is real. In our time the crisis is imminent.

Some of these theorists, such as MIT's Erik Brynjolfsson, focus on the pace of invention. In an interview on the television program *"60 Minutes,"* he warned that "[t]echnology is always creating jobs. It's always destroying jobs. But right now the pace is accelerating. It's faster we think than ever before in history…We are not creating jobs at the same pace that we need to."[10]

It is not the first time, however, that people felt they lived in "unprecedented times." At any major wave of technological development people experienced the change in technological landscape as simply overwhelming. Expansion of railroad networks at the end of the nineteenth century transformed the economy, as well as the whole ecology of the country. In just two decades, railroads rearranged labor structures, compelled changes in agricultural practice, shifted boundaries between prairies and forests, and forced mass migration. The common sentiment among people was that in this short period of time trains managed to "compress space and time."[11] In the early twentieth century, the invention of the assembly line and labor-saving machinery contributed to the sense that technological development outpaces human labor. Consider President Franklin D. Roosevelt's 1940 State of the Union address in which he laments the country's inability to "fin[d] jobs faster than invention can take them away." "We," he exclaimed, "have not yet found a way to employ a surplus of our labor, which the efficiency of our industrial processes has created!"

Others claim that the "unprecedented" character of our time is not the pace, but the nature of current technology. MIT economist David Autor refers to theories proposed by philosopher of technology Michael Polanyi to explain why machines so far failed to eradicate human labor.[12] Polanyi pointed out that the performance of tasks relies on a "tacit knowledge"— something that is acquired through practice and embodied in movement but cannot be explained in words.[13] Using Polanyi's theory, Autor claims that technology has so far failed to eliminate human labor because machines—which are built according to explicit criteria—lack the "tacit knowledge" required to complete the task. Therefore, the logic goes, human jobs produced by new technology were created to *supplement* the tacit skills acquired through experience—something that machines cannot do. Or, as some claim, *could* not do. Surely—they say—with the development of machine learning, robots will be able to learn the tacit elements of tasks as well, and we will finally see rising levels of unemployment.

Such claims rely not on what technology can do in the present, but on extrapolation from the present state of technological development. Oftentimes, such predictions are accompanied by timelines—claims about what technology will be capable of in five, ten, fifty years. If similar predictions of past visionaries came true we all would have had a flying automobile by the year 2000 (if not personal wings). Although these imagined scenarios make wonderful science fiction, they cannot stand at the basis of real policy—and the cautionary tale from Japan is living proof.

Today, Japan faces a problem opposite to the American one—there aren't enough people to fill job vacancies. Low birthrates combined with record longevity, and women's low participation in the labor force have resulted in a rapidly aging society with a shrinking workforce and dwindling pension funds. Consequently, whereas elsewhere people fear robot-induced unemployment, the Japanese government *wants* robots to take over human jobs.

Informed by extrapolations from the current state of technology, in 2007 the Japanese government introduced the so-called *Innovation 25* policy draft. Written during Prime Minister Shinzō Abe's first term in office, the draft promised to enlist technological innovation to "revitalize" Japanese society by the year 2025. Virtual reality would allow people to work from home; in-ear automatic translators would eliminate language barriers; humanoid robots would take up household chores, childrearing, elder care, and nursing; they would also replace manual laborers to fill vacancies in less-than-prestigious occupations.

But ten years after—and more than halfway through to the 2025 deadline—none of the landscape painted in *Innovation 25* can be found. Virtual reality is confined to the entertainment industry, translation engines for East Asian languages only work for basic tasks, and humanoid nurses draw a lot of media attention but do nothing to remedy the shortage in nurses and caretakers. Robots are certainly nowhere near replacing humans in other demanding sectors. This clear failure to make imaginary technology real did not prevent the government from acting further, however. In 2016 Japan's METI announced the "Robots for Everyone" project that doubled down on the promises of translating, serving, care-taking robots.[14]

Similar to the U.S. media, Japanese media cherry-pick advances in robotic research to portray them as an actuality, or at least part of a very near future. One takes a music-playing robot, and imagines a "near future" where household robots play a nighttime lullaby and tuck you into bed. Another presents advances in geriatric-care robots that can lift immobile patients as an indication of the imminent disappearance of human caretakers. The invention of a laundry-folding machine—at about $16K cost, taking a space of a room, and taking ten minutes to fold a T-shirt (one at a time)—immediately was translated into the declaration that housewives will soon be without work to do.

Historical observation shows that these predictions are eerily similar to the ones we have seen before. An image of a robotic housewife that appeared

in 1969 is almost identical to the one illustrating the 2007 *Innovation 25* policy draft. A cartoon of robots outpacing human capabilities and obviating human labor made in 1969 could have been made today.

Technology, of course, has changed tremendously in the past fifty years. The 1969 robotic housewife image was made with the introduction of the first pneumatically-operated robotic human arm, while today we have full-bodied humanoid robots playing soccer, climbing stairs, and shaking hands without crushing them. But, we are still nowhere near the "near future" painted fifty years ago. Today, when we ask Japanese roboticists whether their robots would be able to replace caretakers in the near future, they answer with a confident negative. Current robots are only attempting to reach the cognition level of newborn human babies, they say.[15]

The assumption that we can predict when a certain technology will develop from infancy to maturity can be described as naïve technological optimism. We can only pose timelines when we know all the factors involved in the process—if a certain task takes a certain amount of time, we can calculate the output and the timeline for completion. But in questions of technological innovation the problem is that we don't know which factors are involved in the process—in many cases, we are not even aware of the problems that will require solutions. Predictions of a near-future innovation is a paradox—if we knew *what* this innovation would be and *how* to achieve it, we would have already been there. To claim that we are on a brink of innovation is akin to one claiming to have "almost" found a lost item—either you have found it or not, there is no "almost."

What we see at play here are exaggerations of technological capabilities. In the same way that the American media portray data about inevitable job losses as a looming robotic apocalypse, the Japanese media takes news about baby-step advancements in robotic technologies and portrays them as the realization of technological utopia. One response is driven by fears of technology, the other by naïve technological optimism.

Exaggeration of technological capabilities is by no means a new phenomenon. Despite the job losses discussed above, in America the early 1920s were characterized by an extreme technological optimism and a solid trust in the ability of technological innovation to solve social problems. In 1922 Henry Ford claimed that "our modern industrialism, changed to motives of public service, will provide means to remove every injustice that gives soil for prejudice."[16] Three years later he declared that "man minus the machine is a slave; man plus the machine is a freeman."[17] In 1928, an article titled "There is Magic in the Air" declared:

> Today you can't spring anything too wild for people to believe. […] You don't have to be an inventor to know we're on the threshold of an age of wonders made ordinary, which will bring health, wealth, and happiness to each of us.[18]

At that very time, while Americans were raving about miraculous technological inventions that were destined to bring prosperity for all, the Japanese were fearful of job-stealing machines. In 1931, the designer of one of the first Japanese modern-day robots wrote: "[Today's] "useful" robots are like a message from heavens to factory owners, but for an ordinary laborer they are a rampant evil. With the coming of the robot age, robots who manage road traffic, take over jobs of concierge […], enter households and reduce house servants to vagrants—those robots provoke […] fear."[19]

In America too, the tone changed after the economic crisis of 1929, and the rosy visions of technological panacea were replaced by fear of an apocalypse of technological unemployment. Machines came to be seen as the main culprit behind the hardships associated with the financial crisis. In 1946, *Fortune* magazine expressed the commonly felt fear that machines are replacing people in an article titled "Machines without Men." "Nowhere," it stated, "is modern man more obsolete than on a factory floor."

Exaggerations about the power of technology to decimate human labor—whether it is perceived as a threat or as a utopian dream—stem from our tendency to focus on the concrete and the tangible. We notice when machines accomplish a task, we notice when they produce *something*, we notice the result of action. We see the emergence of labor-saving household appliances, we witness the introduction of newer and more sophisticated industrial robots that take over tasks previously done by humans, and we recognize that newly developed algorithms are cable of performing calculations in a much faster and efficient way than humans do. Yet these concrete manifestations of *tasks* accomplished by machines conceal a bigger picture.

Technologies That Accomplish Singular Tasks Are Part of Larger Technological Systems

Already several decades ago historians of technology began pointing out that no task exists in a vacuum. Rather, singular tasks are a part of a larger system bound by social structures and the material environment.[20] Consequently, the introduction of new technology that completes *a* task reverberated throughout the system, changing norms, requiring new labor relationships, demanding yet newer technologies, and creating another set of tasks.

Whereas technology can alleviate the labor burden with one particular task, it often creates demands for labor in other areas. Take, for example, the introduction of household appliances. In the fifties and sixties people expected that labor-saving household devices would liberate housewives from work. Yet the opposite proved to be true—despite all the appliances women saw the number of hours they spend on household chores increase, not decrease. Sure, the washing machine made the washing of the single load of clothes easier and faster, but it also facilitated changing norms of cleanliness. New norms required buying more clothes and doing laundry more frequently, and each laundry cycle women were doing more sorting, stain removing, loading, unloading, starching, ironing,

folding, sorting again, and putting away. Furthermore, the introduction of labor-saving household appliances meant that women no longer had to lift heavy buckets of clothes and water, seemingly eliminating the need for help from domestic workers, children, or spouses. With no help, and with new norms of cleanliness, each housewife now spent *more* hours each month on laundry than she did before.[21]

In another example—more visible to those who do not engage with household work—the introduction of automatic teller machines (ATM) to the banking system did not decrease the number of bank tellers.[22] ATMs require significant human labor to load and unload money; sort and deposit checks; develop and debug software; link the machines within information networks; and enhance the user interface, among other tasks. Additionally, the existence of ATMs brought about a higher demand for bank services in general, increasing the number of branches, and with more branches more personal interaction with customers requiring more employees to offer advice, analysis, and customer service. So even if some branches dismissed a certain number of bank tellers, the overall number of bank employees in all branches increased.

What these examples tell us is that each task that visibly *produces something* is entangled in a network of countless other, less visible tasks, which are necessary and require human labor. When new technology is introduced, it saves labor for a particular *task* but it cannot do away with all the supporting and related labor. However, new technology almost certainly *alters* labor relationships surrounding the task, creating new needs and new labor demands.

Another point stressed by historians of technology and confirmed by the examples above, is that the majority of labor is maintenance— repairing, adjusting, customizing, finding and procuring materials, sorting and packing, but also planning, organizing, communicating, pacifying disputes, and caregiving.[23] Production is what makes a given task visible—there is a visible process at the end of which there is a tangible

product, such as a car, a chip, a graph, a report, or a meal. Maintenance tasks are essential to the making of the final product yet they leave no visible trace in it. It is the maintenance tasks that require labor and which are not easily substituted by automation.

When we look at the labor markets from the perspective of technological systems and maintenance, we get an insight into the roots of labor troubles in both Japan and the United States. In Japan, the idea was to use robots to do undesirable maintenance work—mostly caregiving, usually delegated to temporary workers and women, and oftentimes poorly (if at all) compensated. A robot can help with a task, such as lifting a geriatric patient or delivering food. But even such tasks require supervision and adjustment, making sure the patient is comfortable, the food delivery is correct, the robot's settings are changed per patients' feedback, etc. Meaning, a labor-saving device requires numerous humans in still undesirable jobs.[24] In the United States, introduction of industrial robots also requires maintenance tasks, but in a poor economy such invisible labor demands are often ignored, while long-term benefits are sacrificed for immediate profit. In other cases, new maintenance tasks are imposed on existing personnel without additional compensation, resulting in lower job satisfaction, and higher attrition rates. When new tasks—such as customer service—*are* acknowledged, there is no guarantee that the resulting jobs will be created in the same area. Conversely, maintenance tasks such de-bugging and re-programming may require a different level of expertise, which manual workers do not possess.

The question then is not whether technology creates new forms of labor, but whether and how new forms of labor are being compensated. Because supporting tasks are less visible, these tasks are often taken for granted. Consequently, while the introduction of labor-saving technology results in the displacement of human labor, it comes with supporting tasks that are not necessarily desirable and/or well-paid. Jobs of maintenance—or caregiving, as we refer to the maintenance of humans—are perceived as contingent and are thus poorly compensated and seldom seen as good

career choices. It is not enough to turn labor demands into jobs, they also need to become "good jobs."

Policy Recommendations

I therefore conclude that despite seemingly opposite problems faced by Japan and the United States, the solution to both unemployment and the inability to fill job vacancies is the same—creating value for jobs in demand. Despite job losses, the United States faces shortages of nurses and of railroad engineers. The former are perceived to be unfit for male workers, the latter are not prestigious and well paying enough for well-educated employees. In Japan, jobs that stay vacant are the ones that were long perceived to be fitting only for temporary workers—women and retirees. These jobs are not seen as careers, and people who stay in such jobs are perceived as social failures.

A more diligent path to charting out a policy guideline would require a careful study of changes in the system of supporting labor caused by the introduction of each and every type of technology. Looking beyond "tasks" and "products," there is a need for better understanding of invisible labor within larger systems. Once we identify new maintenance tasks, we can encourage investment in them, valuing them socially and monetarily.

A shorter answer that emerges in the current socio-economic landscape in both the United States and Japan is that the jobs that are in demand are in the work of maintenance. Maintenance work should be reframed as necessary and desirable. America needs maintenance—in infrastructure, healthcare, education, and other fields. Maintenance needs left neglected become costlier to address in the future. Maintenance tasks can only be offloaded on free laborers in the short term— in the long term, the cost of free labor is the cessation of maintenance. There *is* work for humans, but it must first be recognized as valued work through proper compensation and status. Japan needs maintenance too—mainly in caregiving—and it can no longer assume that this work is going to magically take care of

itself with the invisible labor of women. One would not need a robot to lift a patient if there were more male nurses, and in order for there to be more male nurses, nursing needs to be seen as a legitimate profession worthy of one's career. The simple logic of supply and demand would not bring people to fill these vacancies. Cultural values dictating what makes a job desirable or undesirable need to change. ■

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Chapter Endnotes

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2   See, for example, David Autor's "Why Are There Still So Many Jobs? The History and Future of Workplace Automation."

3   Lawrence Mishel and Josh Bivens specifically focus their criticism on Acemoglu and Restrepo's 2017 study. See "The Zombie Robot Argument Lurches On."

4   Robert Atkinson and John Wu. "False Alarmism: Technological Disruption and the U.S. Labor Market, 1850–2015."

5   See, for example, Autor "Why Are There Still So Many Jobs?"

6   Cronon, William. *Nature's Metropolis.*

7   Amy Bix, *Inventing Ourselves Out of Jobs?: America's Debate Over Technological Unemployment, 1929–1981.* p. 29

8   Ibid.

9   Michel and Bivens, "The Zombie Robot Argument Lurches On."

10   In Croft's *60 Minutes: March of the Machines*, Jan. 13, 2013.

11   Cronon, *Nature's Metropolis.*

12   David Autor, in "Polanyi's Paradox and the Shape of Employment Growth," and "The "Task Approach" to Labor Markets: An Overview."

13   Polanyi, *Personal Knowledge.*

14   Arthur Alexander, "Japan's Robots Stumble into Services."

15   Ishiguro Hiroshi, interview. Osaka University, April 2, 2017.

16   Ford News, November 1, 1922.

17   Ford News, July 1, 1925.

18   Roger W. Babson, *Collier's*, April 7, 1928. Cited in Bix, *Inventing Ourselves Out of Jobs?*, 11.

19   Nishimura, Makoto. "Hyōjō Jinzō Ningen: Gakutensoku no sōsaku," p. 14.

20   Thomas Hughes, *Networks of Power: Electrification In Western Society, 1880–1930*, Ruth Cowan, *More Work for Mother*, William Cronon, *Nature's Metropolis.*

21   Cowan, *More Work for Mother.*

22   James Bessen "Toil and Technology."

23   David Edgerton, *The Shock of the Old: Technology and Global History Since 1900*, Lee Vinsel "Hail the Maintainers," and Andrew Russel and Lee Vinsel, *"Making Maintainers: Engineering Education and Ethics of Care."*

24   Arthur Alexander stresses the face-to-face element of human labor in "Is there a technological singularity in your future? Or "Hey, Buddy, wanna buy a singularity?'"

Japan-Taiwan Relations under Abe and Tsai in Historical Context

Robert Hoppens

In December 2016, U.S. president-elect Donald Trump accepted a congratulatory phone call from Tsai Ing-wen, president of the Republic of China (ROC) on Taiwan. As the first direct contact between American and Taiwanese heads of state since the normalization of relations between the United States and the People's Republic of China (PRC) in 1979, the phone call brought intense international attention to the Taiwan issue. Most of this attention focused on the possibility of significant change in U.S. China policy and what such change portended for cross-strait relations between Taiwan and the mainland.

Taiwan's relationship with Japan also deserves the attention of American policy makers. The relationship is one of Taiwan's most important, following only those with the People's Republic and the United States. In President Tsai and Japanese Prime Minister Shinzō Abe, Taiwan and Japan have leaders predisposed to expanding and deepening relations in ways that accord with American interests but which could also pose challenges for U.S. policy. Understanding the complex mix of interests and identities that shape the contemporary relationship under Tsai and Abe requires an appreciation of the historical evolution of postwar Japan-Taiwan relations.[1]

Japan's surrender in 1945 ended a half century of Japanese colonial rule of Taiwan. During the ensuing cold war, Japan-Taiwan relations were founded on an uneasy marriage of convenience between Japan's ruling conservative Liberal Democratic Party (LDP) and the Chinese Nationalist Party (KMT) under Chiang Kai-shek. Anti-Communist ideology grounded the relationship but different concepts of national identity led to divergent attitudes toward the history and people of Taiwan. The end of authoritarian KMT rule and Taiwan's democratization since the 1980s, however, has led to the establishment of friendly relations between two vibrant democracies based on shared interests and convergent national identities and supported by widespread positive public sentiment.[2]

The Cold War and Japan-KMT Relations

The relationship between Japan and the Republic of China, formerly bitter enemies, took time to develop. After the Chinese Communist victory on the mainland and the Nationalist retreat to Taiwan in 1949, the Japanese leadership worked to maintain relations with both Chinese regimes. In 1952, however, under pressure from the United States, the Japanese signed a peace treaty with the ROC, foregoing diplomatic relations with the mainland. Even after conclusion of the Japan-ROC treaty, however, mainstream conservative Japanese leaders looked the other way as Japanese politicians and businesspeople established informal contacts and trade relations with the PRC.

In response to these expanding ties with the PRC, influential politicians from the right wing of Japan's ruling LDP, including Nobusuke Kishi and Okinori Kaya, established direct, personal contacts with Chiang Kai-shek and other ROC leaders. These contacts gave the ROC leadership direct access to Japanese leaders and were instrumental in thwarting PRC efforts to use economic ties to advance political relations.[3]

It proved easier to recognize a common interest in opposing the Chinese Communists than it was to arrive at a common historical understanding of

Japan's colonialization of Taiwan. Many Japanese conservatives displayed considerable nostalgia for Taiwan as a former colony and took pride in Japanese contributions to Taiwan's modernization. Some justified their pro-Taiwan position as a moral obligation to support former colonial subjects rather than the ROC. Chiang's conservative Japanese allies also did not necessarily share his ultimate goal of Taiwan's reunification with the mainland. Instead, they tended to favor eventual independence for Taiwan and lamented Chiang's commitment to unification as an obstacle to this goal.[4]

In contrast, Nationalist leaders saw themselves as liberating Taiwan and returning the island to Chinese rule. This made them hostile to Japanese cultural influence, wary of sympathy for Taiwanese independence in Japan (where some Taiwan independence activists initially found safe haven) and often doubtful of the loyalties of the Taiwanese population. While forging close relations with Japan, the Nationalists carried out a campaign of Sinification to root out Japanese cultural influences and inculcate a Chinese national identity. ROC authorities banned the Japanese language and Japanese cultural products, and imposed Mandarin Chinese as the national language. The political system reflected suspicion of local loyalties by concentrating power in the hands of newly arrived mainlanders (*waishengren*), while excluding local Taiwanese (*benshengren*).

The monopolization of political power by mainlanders provoked discontent among the Taiwanese, especially after the 2.28 incident in 1947, when the KMT violently suppressed an anti-government uprising. After this incident, the KMT maintained power through martial law and a White Terror that subjected thousands to imprisonment and intimidation. Authoritarianism encouraged the growth of a Taiwanese national identity opposed to KMT rule and imposed Sinification, one that tended toward a more positive view of Japanese colonial rule.[5]

The close, personal contacts between the pro-Taiwan conservatives and the KMT leadership could not protect Japan-ROC relations from the Nixon shock, President Nixon's surprise announcement in July 1971

that he would visit the PRC, or prevent the normalization of Japan-PRC relations in September 1972. In the joint communiqué establishing diplomatic relations with the mainland, the Japanese government recognized the PRC as the sole legal government of China and declared that the Japanese government "understands and respects" the PRC position that there is only one China. The Japanese government announced the end of diplomatic relations with the ROC, although unofficial contacts would continue. Pro-Taiwan politicians in Japan committed themselves to opposing this "1972 System" that guided Japan's relations with China and Taiwan.[6] Despite their efforts, Japan-ROC relations deteriorated in the 1970s. Chiang Kai-shek passed away in 1975 and was succeeded by his son, Chiang Ching-kuo, who lacked the personal ties to Japan of his father and many of his colleagues who had been students in Japan before the war. Meanwhile, historic changes in Taiwan ushered in a process of democratization that transformed the island's relationship with Japan.

Taiwanese Democratization and Japan-Taiwan Relations

On assuming power, Chiang Ching-kuo sought to reform the ROC political system in the face of an increasing opposition movement and to open the KMT to local Taiwanese in order to secure the party's future as the older generation of mainlanders passed on. As part of this effort, in 1986 Chiang brought in a native-born former mayor of Taipei, Lee Teng-hui, as his vice president. When Chiang died in 1988, Lee became KMT chairman and the first Taiwanese president of the ROC. As president, Lee continued the democratization of the ROC political system, culminating in legislative elections in 1991 and direct presidential elections in 1996. Lee also accelerated the localization, or Taiwanization, of ROC politics and gave voice to a new Taiwanese national identity.

Born and raised in Japanese-occupied Taiwan, Lee had been educated in Japan at Kyoto University. His father had worked for the Japanese colonial police. His brother served in the Japanese military during the war and

was killed in the Philippines, as result of which his spirit was enshrined in Tokyo's Yasukuni Shrine to Japan's war dead. As Lee pointed out, he had been a Japanese citizen for the first twenty-two years of his life while he had only once briefly visited China and was always more comfortable expressing himself in Japanese than in Mandarin Chinese.

As a result, Lee did not identify with China nor did he share the goal of reunification with the mainland. Instead, although as president he did not openly advocate Taiwanese independence, Lee worked to raise Taiwan's international profile and create international space for Taiwan as a separate entity. In 1991 Lee renounced the ROC claim to rule the mainland. After his election in 1996, despite PRC missile tests meant to prevent it, Lee went further in asserting Taiwan's separate identity, describing cross-strait relations as a "special state-to-state relationship."[7] After stepping down in 2000, Lee left the KMT to establish a new party, the Taiwan Solidarity Union (TSU), and joined the opposition in openly advocating Taiwanese independence.

Lee also had a deep affinity for Japan and espoused a Taiwanese national identity that encouraged an identification with Japan over China. Lee's government lifted the ban on Japanese language and culture. In a 1994 interview with the Japanese author Ryōtarō Shiba, Lee praised the Japanese colonial legacy for Taiwan's modernization and dismissed the KMT as an alien regime imposed on Taiwan. In another interview, Lee said that Japan no longer needed to apologize for the war.[8] Lee cultivated ties with leading lights of the Japanese right wing like Shintarō Ishihara, the provocative governor of Tokyo, and Yoshinori Kobayashi, a popular right-wing manga artist, and echoed their attacks on the "masochistic" view of Japanese history that dwelt on Japanese colonialism and aggression. In a 2002 interview, Lee stated his opinion that the Senkaku or Diaoyu islands, over which both the PRC and ROC claim sovereignty, were Japanese territory. Not surprisingly, Lee remains popular among conservatives in Japan, where a Friends of Lee Teng-hui Association (*Nihon Ri Tōki tomo no kai*) pushes his agenda.[9]

Lee was succeeded by Chen Shui-bian, a Taiwan-born lawyer, of the Democratic Progressive Party (DPP), an opposition party associated with a pro-independence position.[10] The new administration continued the drive for separation from the mainland. In his speeches, Chen increasingly referred to Taiwan rather than the ROC, and in 2002 characterized cross-strait relations as "one country on each side [of the strait]" (*yibian yiguo*). In 2006, he suspended the National Unification Council and launched a "diplomatic war" with the PRC for international recognition. Most provocatively, Chen held referenda on cross-strait relations and UN membership in conjunction with presidential elections in 2004 and 2008.

Chen also sought closer relations with Japan. In 2006, the administration floated the idea of a Japanese version of the American Taiwan Relations Act. Taiwanese independence advocates, many of whom had been active in exile in Japan, were welcomed into the administration. They and others associated with the pro-independence, pan-green coalition often added their voices to Lee's in support of right-wing Japanese political and historical positions.[11]

Chen's moves led to a deterioration in cross-strait relations, including the passage in 2005 of a PRC anti-secession law aimed at Taiwan, that alarmed leaders in Washington and Tokyo. In addition, despite generally favorable public sentiment toward Japan, the identification with Japan could be pushed too far. For example, Lee's renunciation of ROC claims to the Dioayu islands was anathema to those in the popular movement to protect Taiwan's territorial claims and efforts on the part of some associated with the DPP to defend Japan's treatment of Taiwanese "comfort women" provoked popular resentment.[12]

The KMT returned to power in 2008 under President Ma Ying-jeou committed to improving relations with the mainland. Ma reiterated the KMT's commitment to eventual reunification, accepted the "1992 consensus" that there is only one China, and restarted intergovernmental cross-strait contacts. There was a cease-fire in the diplomatic war for international

recognition and the two sides reached a series of agreements on issues like tourism, direct air links, mail and shipping. On the economic front, the two sides signed an Economic Cooperation Framework Agreement (ECFA) in 2010 and a Cross-Strait Service Trade Agreement (CSSTA) in 2013.[13]

Ma also sought to strengthen a Chinese sense of national identity. Ma played up Taiwanese resistance to Japanese colonialism, used the term "occupation" to describe Japanese colonial rule and in 2011 dedicated a new memorial to Victory in the Anti-Japanese War and the Recovery of Taiwan. In the summer of 2015, Ma's plans to commemorate the seventieth anniversary of the ROC victory over Japan in World War II provoked a public row with former president Lee Teng-hui, who opposed commemoration on the grounds that Taiwan (as opposed to China) had never been at war with Japan. Ma also reasserted Taiwan's claim to the Senkaku/Diaoyu islands, and in the summer of 2008, a Taiwanese fishing boat in the area sank after a confrontation with Japanese Coast Guard ships, raising tensions with Japan. In 2016, at the end of Ma's term, a dispute over whether the Okinotori reef is merely a rock, as the ROC claims, or an island that can be the basis for an exclusive economic zone, as the Japanese government contends, flared up when the Japanese Coast Guard seized a Taiwanese fishing boat in the area.[14]

Although Ma's policies and rhetoric convinced some that he was anti-Japanese, progress in Japan-Taiwan relations continued. The two sides signed a memorandum of understanding on strengthening mutual exchanges and cooperation, agreements on investment and taxes, and an open skies agreement. Taiwan was the largest contributor of financial assistance in the wake of the March 2011 Great East Japan Earthquake. In 2013, the two sides concluded a long-delayed fisheries agreement that helped to mitigate tensions in disputed waters around the Senkaku/Diaoyu islands and launched an East China Sea Peace Forum.[15] Even commemorations of Japan's colonial contributions to Taiwan continued. In 2011, Ma dedicated a memorial commemorating the contributions of Yayoi Hattori, a colonial-era hydraulic engineer.[16]

Like those of his predecessor, some of Ma's moves went too far. An attempt to rewrite history textbooks, including the insertion of references to the Japanese "occupation" of Taiwan, provoked popular protest. Fears of economic dependence on the mainland and Ma's handling of the services trade agreement in the Legislative Yuan led to the 2014 Sunflower Student Movement. Protests and a weak economy swept Tsai Ing-wen and the DPP to an overwhelming victory in the 2016 presidential and Legislative Yuan elections.[17]

Japan-Taiwan Relations under Abe and Tsai

For Prime Minister Shinzō Abe, scion of one of Japan's most prominent political families, the relationship with Taiwan is very much a family affair. Abe's maternal grandfather, Nobusuke Kishi, was the first Japanese prime minister to visit Taipei in 1957 and a primary political benefactor of the organizations involved in relations with the ROC. Kishi's brother (Abe's great-uncle), Eisaku Satō, was the last sitting prime minister to visit Taipei in 1964. Abe himself visited Taiwan in 2010 and 2011 before becoming prime minister in 2012. Abe's younger brother, Nobuo Kishi, a member of Japan's Upper House and chair of the LDP's Japan-Taiwan Young Diet Members League (*Nittai wakate giren*), acts as the prime minister's contact with the Taiwanese leadership.[18] Even Abe's mother gets involved. In June 2017 she attended the performance of a Japanese symphony orchestra in Taipei with President Tsai.[19]

Unlike Abe, Tsai Ing-wen is not heir to a political dynasty. Daughter of an auto mechanic, of Hakka and aboriginal Paiwan descent, unmarried and childless, Tsai is in many ways a political and social outsider. As such, her rise to become the first female president of Taiwan is a vivid illustration of Taiwan's democratic transformation. A former lawyer, Tsai entered politics in the early 1990s as an independent working with the KMT. A protégé of Lee Teng-hui, she became associated with a pro-independence political position and by some accounts is credited with helping develop Lee's "special state-to-state" formulation of cross-strait relations. Tsai went

on to join the DPP and served as chair of the Mainland Affairs Council during Chen Shui-bian's first term. Tsai has also cultivated contacts in Japan and with the Abe family in particular. She met with Abe during his visits to Taiwan in 2010 and 2011. As a presidential candidate in October 2015 Tsai embarked on a "Japan-Taiwan friendship" tour during which she visited the Abe family's home prefecture of Yamaguchi with Nobuo Kishi and met surreptitiously with Prime Minister Abe himself.

Tsai's election, therefore, raised expectations for improvement in Japan-Taiwan relations after a perceived downturn during the Ma years. The two sides quickly made a series of symbolic moves to upgrade the relationship. For example, in December 2016 the Interchange Association, the office charged with conducting Japan's informal relations with Taiwan, announced that it would change its name to the Japan-Taiwan Exchange Association. The Taiwanese later reciprocated, renaming the Association of East Asian Relations the Taiwan-Japan Relations Association. There was also a series of high-profile contacts between the two sides. In May 2016, just before Tsai's inauguration, Nobuo Kishi met with both President Ma and the president-elect to discuss the Okinotori issue. In March 2017 Jirō Akama, senior vice minister of internal affairs and communications, travelled to Taipei to discuss Taiwan's ban on agricultural products from areas affected by the Fukushima nuclear disaster, becoming the highest-ranking Japanese government official to visit Taiwan since 1972. The same month, Keisuke Suzuki of the LDP Youth Division visited Taiwan and met with president Tsai and former president Lee Teng-hui. In November 2017, on the sidelines of the APEC meeting in Vietnam, Prime Minister Abe himself met with President Tsai's representative, James Soong of the People's First Party.[20]

More substantive accomplishments include Tsai's early announcement that the Okinotori issue would be resolved through bilateral negotiations and the creation of a Taiwan-Japan Maritime Affairs Cooperation Dialogue (which held its second round of talks in December 2017). In April 2016, trilateral Tokyo-Taipei-Washington track II defense talks,

suspended under Ma, reopened. In September 2016, cooperation between Japanese and Taiwanese law enforcement authorities successfully broke up a Taiwanese crime ring smuggling drugs from China to Japan.[21]

Despite these accomplishments, problems remain. Chief among these are the conflicting sovereignty claims to the Senkaku/Diaoyu islands. Similarly, the dialogue on maritime issues has failed to produce agreement on the legal status of Okinotori. Notwithstanding the generally positive view of Japan, historical issues like that of the "comfort women" can still rankle in Taiwan. In addition, in spite of the close economic and trade ties between the two countries, Taiwan has not met Japanese requests to lift a ban on agricultural products from areas affected by the Fukushima nuclear disaster.[22]

That said, there are considerable expectations for the further development of relations. The return to power of the DPP has revived interest in Japan in a Japanese version of the American Taiwan Relations Act (JTRA), an idea first broached under the Chen Shui-bian administration. A JTRA, it is argued, would give a legal basis to Japan's unofficial relations with Taiwan. Like the name change for the Japan-Taiwan Exchange Association, it would also signal Japan's commitment to maintaining relations with Taiwan under its own understanding of the one-China principle agreed to in 1972.[23]

In light of the continuing build-up of the People's Liberation Army (PLA) and shared concern regarding Chinese intentions in the East China Sea and Taiwan Strait, there is also considerable interest in the prospects for greater defense cooperation between Japan and Taiwan. In response to worries about the relative decline of Taiwanese military capabilities, the Tsai administration has committed to increase defense spending. There also is strong sentiment among Taiwanese leaders in favor of greater indigenous defense production capabilities, especially in an indigenously produced submarine. Japanese technological assistance and advice could be instrumental in pursuit of these goals. The two sides

could also cooperate on further developing anti-submarine capabilities to counter the expansion of the PLA Navy's submarine fleet. The two sides could revive Japanese participation in Taiwanese military exercises that had occurred under the Chen Shui-bian administration. Of course, any cooperation on defense would draw Chinese opposition and would need to be implemented cautiously. In addition, despite the lifting in 2014 of the ban on Japanese weapons exports, the Japanese government has made clear that it is not contemplating large-scale arms sales to Taiwan, so that a JTRA would not include the commitment to supplying defensive arms to Taiwan that is at the heart of its American counterpart. [24]

In economic relations, the Japanese government had championed the inclusion of Taiwan in the Trans-Pacific Partnership (TPP). After the American abandonment of TPP, the inclusion of Taiwan in any agreement that replaces TPP could enhance the Tsai administration's "southbound" strategy of fostering economic ties with South and Southeast Asian nations to diversify the Taiwanese economy and counter perceived economic dependence on China.

Policy Implications

Despite initial uncertainty, American policy under President Trump has settled into a traditional pattern of support for Taiwan. The administration includes people friendly to Taiwan. The White House has also been encouraged in this direction by bipartisan support for Taiwan in the 115th Congress, which has passed two important pieces of legislation strengthening relations with Taiwan: the Taiwan Travel Act and the Taiwan Security Act. Therefore, there are now administrations in all three capitals—Taipei, Tokyo and Washington—in favor of greater cooperation, and a deepening of Japan-Taiwan relations should be welcome in Washington.

American interests in Taiwanese security, the protection of Taiwanese democracy, stable cross-strait relations and opposition to any unilateral

changes to the status quo remain unchanged.[25] The main challenge to American interests comes from the PRC. The continued growth of PRC military capabilities is changing the military balance in the Taiwan Strait. In addition, Chinese nationalist sentiment could push a more aggressive PRC policy toward Taiwan. Although Chinese leaders have not publicly set a deadline for unification, Xi Jinping's drive for the "great rejuvenation of the Chinese nation" and impatience with the lack of progress toward unification could encourage the Chinese to force a resolution. Indeed, after Tsai's election the PRC took much more assertive policies toward Taiwan. Beijing has insisted that Tsai publicly accept the so-called 1992 consensus as a precondition for any contacts and cut the number of mainland tourists to Taiwan. The PRC has lifted the ceasefire in the diplomatic war with Taiwan, peeling away countries that had recognized the ROC like Sao Tome and Principe and Panama. More provocatively, the PRC has sent bombers and fighter aircraft on flights around Taiwan.

There is another challenge to American interests latent in Taiwanese domestic politics and Taiwan's relationship with Japan. Democratization and localization have legitimized the expression of nationalist and pro-independence sentiment in Taiwan. As on the mainland, Taiwanese nationalist sentiment can lead to frustration. Tsai has committed her administration to the maintenance of the status quo, and polls show that the majority of Taiwanese support this policy. Yet pro-independence sentiment in the pan-green coalition on which the DPP depends could push Taiwanese leaders toward more explicit expressions in favor of independence.

Among Japanese conservatives, there has long been an undercurrent of support for Taiwanese independence. Japanese historical revisionism also encourages an identification with Taiwan, where it finds some support among those in favor of independence. The generally positive view of Japan's modern history that prevails in Taiwan stands in stark contrast to constant recriminations from the mainland. Championing Taiwanese

independence can be a way to stand up to what many Japanese see as a threatening and overbearing China.

There is a danger, therefore, of pro-independence forces in Taiwan and Japan reinforcing each other to provoke PRC fears and upend stability in the Taiwan Strait to the detriment of U.S. interests. Indeed, almost every move Japan and Taiwan have made since Tsai's election has invited Chinese condemnation.[26] Nor do Chinese leaders view Japan-Taiwan relations in isolation. In combination with American moves to strengthen relations with Taiwan, closer Japan-Taiwan relations will only appear more provocative.

The United States needs to strike a balance, therefore, between reassuring its partners in Japan and Taiwan while at the same time not encouraging forces that might upset stability. To date, both Abe and Tsai have done a commendable job in their own balancing acts. Abe has proven himself a pragmatic and flexible leader despite international misgivings about his nationalist and revisionist proclivities. Tsai has also shown great pragmatism in resisting pressure from both the PRC and from within the pan-green coalition pushing her to adopt public positions in favor of independence.[27]

The United States should support and encourage Abe and Tsai in this pragmatic direction. The goal of U.S. policy toward Taiwan is to deter rather than provoke the PRC. The United States should encourage substantive improvements in relations that would preserve the status quo and reinforce deterrence of PRC military action over symbolic assertions of independence meant to gratify nationalist sentiment in Taiwan and Japan. ∎

Chapter Endnotes

1   On the history of Japan-Taiwan relations see, Kawashima Shin, Shimizu Urara, Matsuda Yasuhiro and Philip Yang, *Nittai kankeishi 1945–2008*, (Tokyo: Tokyo daigaku shuppankai, 2009).

2   Ayumi Teraoka, "What's Next for Japan-Taiwan Relations," *Council on Foreign Relations*, January 19, 2016, https://www.cfr.org/blog/whats-next-japan-taiwan-relations; Emily S. Chen, "Japan's Practical Taiwan Policy," *The Diplomat*, April 14, 2017, 3, https://thediplomat.com/2017/04/japans-practical-taiwan-policy/.

3   The most important organization for carrying out these contacts was the Japan-China Cooperation Committee (*Nikka kyōryoku iinkai*). These contacts are seen as instrumental in blocking the extension of Japanese government credit to support trade with the mainland in the 1960s. Robert Hoppens, *The China Problem in Postwar Japan: Japanese National Identity and Sino-Japanese Relations*, (London: Bloomsbury Academic, 2015), 35–38; Kawashima, et al., *Nittai kankeishi*, 76–84.

4   Hoppens, *The China Problem in Postwar Japan*, 122–123.

5   Shelley Rigger, *Why Taiwan Matters: Small Island, Global Powerhouse*, (Lanham, MD: Rowmn & Littlefield, 2011), 64–66. Yinan He, "Identity Politics and Foreign Policy: Taiwan's Relations with China and Japan, 1895–2012," *Political Science Quarterly*, 129, no.3 (2014), 469–500; Leo Ching, "Colonial Nostalgia or Postcolonial Anxiety: The Dōsan Generation between Restoration and Defeat," in Richard King, Cody Poulton, and Katsuhiko Endo, eds., *Sino-Japanese Transculturation: From the Late Nineteenth Century to the End of the Pacific War* (Lanham, Md: Lexington Books, 2012), 211–226.

6   Pro-Taiwan politicians now organized themselves in the Japan-ROC Diet members' Consultative Council (*nikka kankei kondankai*, or *Nikkakon*) to replace the earlier Japan-China Cooperation Committee. The group today still serves as an important point of contact between Japanese Diet members and politicians in the Taiwanese Legislative Yuan. Hoppens, *The China Problem in Postwar Japan*, 95–96; Dreyer, *Middle Kingdom and Empire of the Rising Sun*, 337.

7   On Lee Teng-hui and his relations with Japan see, Dreyer, *Middle Kingdom and Empire of the Rising Sun*, 337–343; June Teufel Dreyer, "Taiwan and Japan in the Tsai Era," *Orbis*, 60, no. 4 (2016), 595–597; He, "Identity Politics and Foreign Policy," 481–489; and Richard MacGregor, *Asia's Reckoning: China, Japan, and the Fate of U.S. Power in the Pacific*, (New York: Viking, 2017), 147–152.

8   Dreyer, *Middle Kingdom and Empire of the Rising Sun*, 340.

9   Friends of Lee Teng-hui Association in Japan, http://www.ritouki.jp/.

10 Chen made a name for himself defending opponents of the KMT regime involved in the 1979 Kaohsiung incident. Chen's vice president, Annette Lu, served time in prison for her part in the Kaohsiung incident. Denny Roy, *Taiwan: A Political History*, (Ithaca, NY: Cornell University Press, 2003), 228.

11 On Chen Shui-bian and the relationship with Japan see, Dreyer, "Taiwan and Japan in the Tsai Era," 597–598; Dreyer, *Middle Kingdom and Empire of the Rising Sun*, 344–348; He, "Identity Politics and Foreign Policy," 481–489.

12 He, "Identity Politics and Foreign Policy," 487–488; Shogo Suzuki, "The Competition to Attain Justice for Past Wrongs: The 'Comfort Women' Issue in Taiwan," *Pacific Affairs*, 84, no. 2 (June 2011), 223–244.

13 On the other hand, Ma stuck to a campaign pledge known as the three-nos (no Taiwanese independence, no unification negotiations, and no use of force), and stated that unification would be possible only once the mainland had democratized. Dreyer, "Taiwan and Japan in the Tsai Era," 598–600; Dreyer, *Middle Kingdom and Empire of the Rising Sun*, 349–350.

14 He, "Identity Politics and Foreign Policy," 490–498; Dreyer, "Taiwan and Japan in the Tsai Era," 605.

15 Shin Kawashima, "The Formation of the New Government in Taiwan and Japan-Taiwan Relations," *Asia-Pacific Review*, 23, no. 1 (2016), 56.

16 Indicative of the ongoing contest over national identity in Taiwan, however, the statue of Hattori was decapitated by a pro-unification activist in April of 2017. Dreyer, "Taiwan and Japan in the Tsai Era," 600. "Japanese engineer whose statue was decapitated lauded by Taiwan," *Japan Times*, April 20, 2017, https://www.japantimes.co.jp/news/2017/04/20/national/japanese-engineer-whose-statue-decapitated-lauded-taiwan/#.Wmgn-6inG70.

17 Kawashima, "The Formation of the New Government in Taiwan," 46–50.

18 The different surnames among siblings is due to the common practice of adoption in Japan. Nobusuke Kishi was born into the Satō family and is the older brother of Eisaku Satō, but was adopted into the Kishi family. Two generations later, Shinzō Abe's younger brother Nobuo was similarly adopted into the Kishi family.

19 Lauren Dickey, "Taiwan-Japan Ties Deepen Amid Chinese Assertiveness," *China Brief*, (October 26, 2016), 9, https://jamestown.org/wp-content/uploads/2016/10/CB_16_16.pdf?x87069. "Tsai, Abe's Mother Enjoy NHK concert in Taipei," *Focus Taiwan*, June 3, 2016, http://focustaiwan.tw/news/aedu/201606030036.aspx.

20 Chen, "Japan's Practical Taiwan Policy," 1–2.

21 Dickey, "Taiwan-Japan Ties Deepen," 12.

22 Since the 1990s a Taipei Women's Rescue Foundation and a museum have been established but, unlike their counterparts in South Korea, Taiwanese comfort women have as yet received neither apology nor compensation from the Japanese government. Dreyer, "Taiwan and Japan in the Tsai Era," 600–607; Jeff Kingston, "Complicating Taiwan's love affair with Japan," *Japan Times*, September 28,2016, http://www.japantimes.co.jp/opinion/2016/09/03/commentary/complicatingtaiwansloveaffairjapan/#.VxmK_krJdg.

23 Teraoka, "What's Next for Japan-Taiwan Relations," 3–4.

24 Dickey, "Taiwan-Japan Ties Deepen," 10–12.

25 Comments by Ambassador James Moriarty, The Brookings Institution, "U.S.-Taiwan Relations under Trump and Tsai (and Xi)," Washington, D.C., October 12, 2017, 2–3, https://www.brookings.edu/wp-content/uploads/2017/10/fp_20171012_taiwan_transcript.pdf.

26 For example, the PRC denounced the name changes to the offices that handle relations in Japan and Taiwan and lodged a formal diplomatic protest over Jirō Akama's visit to Taiwan in March. He, "Identity Politics and Foreign Policy," 488; Chen, "Japan's Practical Taiwan Policy," 3. Joseph Yeh, "Beijing 'dissatisfied' with name change of Japan's de facto Taiwan embassy," The China Post, December 29, 2016. Reuters, December 28, 2016, https://www.reuters.com/article/us-china-japan-taiwan/china-upset-at-name-change-of-de-facto-japan-embassy-in-taiwan-idUSKBN14H0GQ; Isabel Reynolds, "Japan's Abe Meets Taiwan Envoy Hours After Xi Warning," November 11, 2017, https://www.bloomberg.com/news/articles/2017-11-12/japan-s-abe-meets-taiwanese-lawmaker-hours-after-xi-warning.

27 For example, Tsai personally presented the Taiwanese Olympic flag, rather than a Taiwan national flag, to Taiwanese athletes at the Taipei Universiade games in 2017. Comments by David G. Brown, The Brookings Institution, "U.S.-Taiwan Relations under Trump and Tsai (and Xi)," 25–27.

Building the Strategy of Deterrence in Cyberspace: Proposals for Japan

Nori Katagiri

Securing cyber space has become a long-term challenge for Japan. The challenge comes in part from the growing dependence of Japanese people on the internet and their exposure to illicit activities in the digital world. A large number of Japanese people have used the internet to become highly dependent on the internet. According to the Internet World Stats, Japan surpassed South Korea in June 2017 to become the most "wired" nation in East Asia, with the rate of people using the internet at 94 percent.[1] The internet has made many things convenient and efficient, but people's dependence on it has renewed the sense of vulnerability. Like its people, the Japanese government has been a victim to cyber attacks. Worse, it has become known for its lack of effective responses to deter and defend against them.

Of course, Japan is not alone. The United States has seen its government and private-sector websites hacked in a significant manner. China says that it, too, has long been a victim of cyber attacks. Various sites in Russia are targeted by hacktivists and a variety of activities, including the global ransomware incident in 2017. In addition, South Korea has also fallen victim, including the 2013 attack on its banking networks.

Japan's case seems unique in that its vulnerability has generated no real response in strengthening cyber defense. The United States, for instance, has taken a range of actions from proactive attacks on foreign targets via programs like Stuxnet, to retaliation against North Korean attacks on Sony Entertainment, to setting up webpages to protect current and former government employees. In contrast, Japan has refrained from responding in kind to foreign attacks. What explains this predisposition toward defense at the negligence of everything else? Why is Japan so slow in adapting to important changes in cyber security, arguably one of the most important national security issues these days? In this paper, I take three steps to answer these questions. First, I discuss the state of affairs in Japan's response to cyber attacks. Second, I identify a set of problems associated with the response. Finally, I offer a set of policy recommendations to mitigate Japan's cyber vulnerability.

State of Affairs

Japan has taken a number of approaches to reduce its vulnerability in cyber space, but the central tenant of its response has been highly lopsided to favor strengthening defense over offense.[2] While no evidence suggests that the Japanese government has ever conducted cyber attacks on foreign targets, it is widely known that it has long been a victim of such attacks from overseas. Mass media have reported web systems across Japan have been attacked for over a decade. Paul Kallender and Christopher Hughes offer the best list of incidents involving cyber attacks on targets in Japan. Between 2010 and 2015, the Ministry of Education, Ministry of Foreign Affairs, and Ministry of Posts and Telecommunications had their websites and laboratories overwritten or attacked by concerted multi-country, industry spear phishing campaigns.[3] Known incidents in 2011 involving Mitsubishi Heavy Industries and the House of Representatives in the Japanese Diet found virus infection by targeted attacks from China.[4] In 2013, the Ministry of Agriculture, Forestry, and Fisheries had information related to Trans-Pacific Partnership (TPP) negotiations stolen, and the Japan Aerospace Exploration Agency had their systems infected with

viruses, and a similar virus struck the Japan Atomic Energy Agency the following year. These incidents are among the few thousands of attacks Japan gets on a daily basis, making it difficult to say whether or not Japan is successfully defending its cyber space. It is reasonable to argue, however, much information we receive about Japan's vulnerability in cyberspace is negative, in part because the media tend to stress failure over success and because the media can report only so much. As a result, most public records point to Japan being not only on the defensive but also being unsuccessful in defending.

Drawing from these selected but major cases, it is possible to generalize Japan's reactions as passive and reactive. Its reactions have primarily been characterized by belated and inadequate legal patchworks. Japan passed the Cyber Security Basic Law in 2014, which gave the National Center of Incident Readiness and Strategy for Cybersecurity (NISC) the authority to issue and enforce cyber security guidelines, order audits of government agencies, and investigate security incidents. In 2015, the Shinzo Abe cabinet approved the Cyber Security Policy to call for collaboration between the government and private sector. The problem, however, is that cyber attackers are always upgrading their skills to target enemy vulnerabilities at the time and location of their choice, and defenders like the Japanese government have been unable to keep up with these developments. As a result, these legal changes have left Japan mostly vulnerable. In 2015, the Japan Pension Service had its desktops infected with email viruses and lost 1.25 million records. These prominent cases include major corporations and government facilities, but unreported cases could conceal the number and extent of attacks on smaller agencies and firms. It is safe to assume that many small companies have slimmer defenses and are more vulnerable and that incidents involving them were not always widely reported. Because it takes an average of several years for victims to realize, if at all, that they have been massively attacked, we are likely to learn about a greater number of victims than today.

To date, individuals and institutions in China, North Korea, and Russia as well as non-state actors like Anonymous have been linked to cyber attacks on Japanese government agencies. Their motivations may vary; agents in China have been angry about Japan's attitude toward history and may be seeking strategic advantage and financial gains through the mass stealth of industrial and national security secrets. North Korea may be driven more by the financial prospects of stealing customer information than by seeking to narrow the gap in conventional military capability with Japan. The most well-known suspects of cyber attacks in Japan have been individuals in China. In some of the most prominent cases, agents in China allegedly attacked the websites of the Ministry of Defense and Self-Defense Forces in 2015 and the travel agency JTB the same year.

In 2016, the Diet amended the Cybersecurity Basic Law to give both the Cybersecurity Strategic Headquarters in the Cabinet and the NISC the power to monitor the security of government organizations and independent agencies. It allowed the NISC to delegate parts of its operations to the Information-technology Promotion Agency (IPA), a government entity responsible for protecting and nurturing a "reliable IT society."[5] The same year, the Diet also amended the Law on Promotion of Information Processing to create a new professional credential, "Information Processing Security Supporter." Applicants who qualify or who pass a test will register with the Ministry of Economy, Trade and Industry as Information Processing Security Supporters and give advice to businesses on cyber security.[6]

People in Japan have generally taken a balanced if careful approach to these regulations. On the one hand, they understand that threats of cyber security are so serious that they need the government to play a central role in working with the private sector to defend cyberspace, so they have generally accepted these laws. On the other hand, they often feel uncomfortable with the government conducting proactive, possibly aggressive cyber operations overseas because of the concern that the government

might use such operations against Japanese nationals in the future. They are also concerned about the possibility that the government may lose personal information of the citizens to foreign hackers, making them even more vulnerable to external infiltration, as a result of such offensive operations.[7] People's desire at this point, therefore, tends to reflect the government's stance to strengthen defense, not offense. The predisposition toward defense, however, is but one of the problems that I identify below. More importantly, these cyber attacks have failed to make Japan get real defense of its own. The pace of Japan's defense growth has not stopped Chinese attacks.

Identifying the Problems

The main cause of Japan's inability to effectively address its cyber vulnerability is the combination of inadequate defense and lack of effective response. The first problem is that Japan's response has been inadequate to stop foreign attacks. Even as Japan seeks to augment its *defense*, it does not have instruments to *deter* adversaries effectively. International relations (IR) scholar Kenneth Waltz once wrote that "purely defensive forces provide no deterrence. They offer no means of punishment."[8] One of the fundamental reasons why Japan's cyber deterrence is not keeping up with outside developments is that it does not take action or have means to deter cyber attacks. For deterrence strategy to work, Japan needs to send credible signals to potential attackers that it has the ability to punish them.[9] IR scholar Joseph Nye discusses the availability of four such instruments: punishment, denial by defense, entanglement, and normative taboos. Punishment strategy is to impose unbearable costs on adversaries to deter future attacks. Denial by defense is to deny target capability by strengthening defense. Entanglement is to dissuade adversarial attacks by sharing a web of interdependence—areas of common ground like trade and mutual investment—with the target to raise the cost of attacks. Finally, normative taboos can be established by generating a culture of behavior where cyber attacks are socially not accepted.[10]

Of the four strategies, Japan has heavily engaged in denial by defense and entanglement. On the one hand, efforts at denial by defense are an important part of defense,[11] but it is inadequate in cyber space where attackers have an advantage over defense. As long as that offensive advantage continues, Japan's deterrent capability will remain behind. On the other hand, the strategy of entanglement has certainly facilitated Japan's trade and investment relations with a number of countries, including those that undermine Japan's national security, but it has not dissuaded such attackers. In contrast, Japan has comparatively underused the strategies of punishment and normative taboos. The former would require Japan to be capable of imposing unbearable costs on the target. The latter requires efforts to institutionalize the cyber taboo on the international stage. According to Nye, "normative considerations can deter actions by imposing reputational costs that can damage an actor's soft power beyond the value gained from a given attack. Norms can impose costs on an attacker even if the attack is not denied by defense and there is no retaliation."[12] IR scholars Martha Finnemore and Kathryn Sikkink show that the process to make a norm internationally accepted is complex and time-consuming and involves a sufficient number of0 "norm entrepreneurs" who would play a central role in spreading, institutionalizing, and embedding the norms in the international community.[13] Cyber norms have yet to mature that way. The international community has not agreed on even basic issues like what a cyber attack is and why it is bad.[14] A global leader in soft power, Japan has not taken the lead in this respect when the stakes are high.

The other problem lies with Japan's limited ability to influence international public opinion against cyber offenses. Ever since Japan has become a victim of cyber attacks, the international media has tended to highlight its inability to defend its cyber space. Most mass media point to Japan as an inept victim of cyber attacks, trying to do something about it but unable to do so. This characterization further undermines Japan's cyber defense. That is, the more media describe Japan as a passive and reactive cyber warrior, the more attacks it is likely to get. Unless Japan undertakes

an effective response to change its image, it is likely to get more attacks. Additionally, Japan has so far failed to mobilize the international community in generating a norm of counter-attacks on cyber hacktivists.

Policy Recommendations

Within the current strategic and legal frameworks, making policy recommendations that will work is not an easy task. I acknowledge that making recommendations in general is easier said than done. Furthermore, recommendations made at one point may get old quickly because cyber weapons are developing on a daily basis. Additionally, it is important to remember that defense, attack, and deterrence need not be confined to the cyber world, but can occur much more broadly. As Nye notes, a response to a cyber-attack need not be by cyber means any more than a response to a land attack need be by the army rather than naval or air forces. Hitting a suspected attacker with missile retaliation could theoretically be a response to cyber attacks. Thus, cross-domain deterrence is possible.[15] Given all these considerations, I limit the scope of policy recommendation to actions related to cyber deterrence.

First, Japan needs an effective deterrence strategy in cyber space. Granted, Nye points out that of all the nuclear strategy concepts, deterrence theory is probably the least transferable to cyber war. Deterrence is what Japan needs, however, because defense has been inadequate and more expensive than deterrence. To deter enemies, Japan has to develop offensive cyber capability to preemptively undermine enemy capabilities and impose tremendous costs on adversaries before it gets attacked. Research has demonstrated that it is possible to incorporate offensive cyber operations into conventional deterrence strategies. An advantage in this approach is that Japan will not necessarily be breaking its own law, because cyber operations do not necessarily violate the constitutional ban on the use of force. Since there is no law that allows Japan to do this, however, Japan will be better off passing a law enabling it to do so. Security expert Michael Fischerkeller argues that there are four ways for countries to conduct

offensive cyber activities: specific intrusion with autonomous malware, specific intrusion, generic intrusion, and generic actions.[16]

Of the four, the first three are theoretically plausible, but not realistic for Japan at this moment. First, what Fischerkeller calls the "specific intrusion with autonomous malware" is similar to the 2010 Stuxnet attack that Israel and the United States used on Iran to severely slow down Tehran's nuclear weapons development programs. The method would be designed to influence a targeted process on Japan's own timeline; it does not require command and control directly because the virus can operate within target bodies on its own. If Japan learns the skill to acquire this attack method, it would drastically boost Japan's ability to deter attackers in the future. Yet, there is a high technical hurdle to cross to gain skills to do this, and this type of activity would be beyond what Japan's general public can accept. Second, what Fischerkeller calls the "specific intrusion" method is less aggressive than the first, exemplified by the BlackEnergy malware attacks, a Trojan known to have been used in attacks on Ukraine power providers that caused a massive outage in 2015. The difference from the first method is that this method can put its duration, intensity, and visibility subject to Japan's own command and control system, requiring a generally constant watch to ensure operations. This is still too high a hurdle for Japan, as it requires highly skilled cyber activists. Third, the "generic intrusion" method is similar to the so-called ILOVEYOU worm attack in the Philippines in 2000. Unlike the previous two methods, this one has lesser impact on target intelligence capability and is not capable of influencing a target process but it does allow the attacker to show off its capability.

Finally, what Fischerkeller calls a "generic attack" is generally equivalent to a set of distributed denial of service (DDOS) attacks, a massive amount of traffic that floods the victim's computer networks to shut it down temporarily. This is the least aggressive method of the four and the most realistic one for Japan to adopt—for now—for the sake of deterrence. It is also likely the most common method that cyber activists in

China have adopted when attacking Japan. The advantage of using this method is that it does not intrude on the target system, has low impact on target intelligence capability, and will not influence a targeted process. It is also a good choice because Japan can conduct cyber attacks through reversible damage.[17] DDOS attacks would not boost Japan's deterrent power either immediately or drastically, but it will be an important step toward establishing a starting line for deterrence and, if necessary, raising the level of such aggressive moves. Yet it is important to know the limits of punishment strategy. Retaliatory threats of cyber punishment are less likely to be effective, Nye cautions, because the identity of the attack is uncertain. The well-known attribution problem is that it is difficult—if not impossible—to know the origin of the attacker and to hold the attacker responsible. As a result, punishment will not play as large a role in Japan's strategies. However, it remains a crucial part of the dissuasion equation in cyberspace.[18] A range of proven retaliatory capabilities will make Japan's deterrence more robust. However, it is important to note that I am not necessarily recommending the Japanese government conduct preemptive cyber attacks per se and be public about it. Rather, my recommendation is instead to encourage the government to work closely with the private sector and other interested parties to jointly develop the capability to make its deterrence more robust, certainly robust enough to deter adversaries from conducting as many cyber attacks as before. My aim here is to clarify options for more effective deterrent strategies, rather than advocate them.

Second, Japan needs a well-organized public affairs strategy to generate and then institutionalize a global taboo against cyber preemption. There are two parts to such a strategy. The first part is the establishment of a national advertisement structure, preferably on a centralized government-run webpage where the Japanese government will widely report incidents of *successful* defense against cyber attacks. The government logs select samples of successful defense against attacks and selectively makes public information on attacks, origin, time, frequency, and type of such attacks. Of course, disclosure of such attacks will not be immediate; it will take

time to accurately collect, analyze, and disseminate data and determine the origins of malicious activities. A large number of cyber-attacks occur every year against all sorts of targets in Japan, making it difficult for the government to select which incidents to disseminate in a timely manner. There is a danger that publication of successful results would give potential attackers information on what has and has not worked for the government and provide useful information for future attack directions. As a result, what can be made public must be based on close analysis and accompanied by a disclaimer that information is selective and only non-sensitive materials are shared. Accordingly, it is recommended that the government take enough time to collect information and ascertain accuracy of the information before it disseminates it. After all, the aim of this program is to deter future attacks by showing how the government manages to reduce vulnerability and defend itself. The other part of the public affairs strategy is to establish a multilateral community where such reports will be accumulated and shared with other countries. In addition to building a national advertisement program, I believe that multilateral methods with similar-minded nations will make it far more effective. Of course, this part must *follow* the first part of building the advertisement structure, because without an adequate national PR foundation, Japan would not be able to lead other states to join it.

In so doing, Japan must be discreet with what information to announce and share. Four types of actions and inactions are summarized in Table 1 below. On the one hand, Japan should announce cases of successful defensive operations as they arise to the global audience using government webpages, social media, and other media channels. To do so would help Tokyo convey to a global audience that it has increased its ability to defend its cyber space and persuade potential attackers that their aggressiveness will not work as well as before. Of course, this risks emboldening otherwise disinterested cyber hacktivists into attacking Japan, but it also benefits government strategy because it allows Tokyo to improve its negative image and instead show its ability to deny enemy attacks by defense and establish normative taboos against cyber preemption.

Table 1. Types of public affairs strategy

Actions	Types of cases	Justification
Do announce	Successful defensive operations	To do so will allow Japan to demonstrate its ability to defend cyberspace and deter enemies
Do not announce	Failed defense	Announcement would reinforce Japan's image of having weak defense and invite more attacks
	Successful offensive operations	Announcement would put Japan in an aggressive light when it is trying to discourage offensive attacks and build a norm against them
	Failed offensive operations	Announcement would show the limits of Japan's cyber offensive capability and reduce its ability to deter future attacks

On the other hand, Japan should consider refraining from announcing three types of incidents because the net effects of such announcement would be negative: (1) those of failed defense, (2) those of successful offensive operations, and (3) those of failed offensive operations. The first kind (incidents of failed defense) should not be announced widely because information about failed defense efforts would reinforce Japan's image of having weak defense and invite more attacks. The second kind (incidents of successful offensive operations) should not be announced widely, either, because that would put Japan in an aggressive light and convey a bad image when it is actually trying to discourage offensive attacks. Finally, the third kind (incidents of failed offensive operations) should not be announced widely because that would show the limits of Japan's cyber offensive capability. While the public has a right to know these incidents, news of these incidents will help embolden potential attackers to do more than they have done. The "don't announce" category is more important than the "do announce" category because it is more difficult to control the current hyper-media environment once information gets out. Thus, the Japanese government must work closely with mass media when it selects what kind of incidents it will report.

Conclusion

In this paper, I discussed the state of affairs in Japan's response to cyber attacks. Second, I identified a set of problems associated with the response. Finally, I offered a set of policy recommendations to mitigate Japan's cyber vulnerability. In so doing, I have stressed the importance of making cyber defense more robust and finding new means of cyber deterrence. I have also explored several ways for Japan to acquire instruments of strategic deterrence against future cyber attacks. The analysis produces a set of policy recommendations for Japan to deter cyber attacks for the future. One is to gain skills to conduct cyber attacks in order to deter adversarial actions and explore options at various levels of aggressiveness. The other recommendation is for Japan to establish a national public affairs office to demonstrate its ability to defend freedom in cyber space and lead an international effort to build an institution where countries share information about types of attacks and ideas to mitigate them in the future. Taking these steps will neither be easy nor make cyber insecurity disappear, but they provide a hope that the international community can see a better future in cyber space. ■

Chapter Endnotes

1   Internet World Stats, June 30, 2017, http://www.internetworldstats.com/stats3.htm.

2   Nori Katagiri, "Between Structural Realism and Liberalism: Japan's Threat Perception and Response," *International Studies Perspectives*, Vol. 19, No. 4 (Fall 2018).

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4   Reuters, *Japan's defense industry hit by its first cyber attack* (September 18, 2011).

5   Information-technology Promotion Agency, https://www.ipa.go.jp/english/about/about.html.

6   Library of Congress, *Japan: Cyber Security Basic Act & Information Processing Promotion Act Amended, Global Legal Monitor* (Washington, DC: Library of Congress, 2016), http://www.loc.gov/law/foreign-news/article/japan-cyber-security-basic-act-information-processing-promotion-act-amended/.

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9   Thomas Schelling, *Arms and Influence* (New Haven: Yale University Press, 1968).

10   Joseph Nye, "Deterrence and Dissuasion in Cyberspace," *International Security*, Vol. 41, No. 3 (Winter 2016/17).

11   Robert Pape, *Bombing to Win: Air Power and Coercion in War* (Ithaca: Cornell University Press, 1996).

12   Nye, "Deterrence and Dissuasion in Cyberspace," p. 60.

13   Martha Finnemore and Kathryn Sikkink, "International Norm Dynamics and Political Change," *International Organization*, Vol. 52, No. 4 (Autumn 1998).

14   For a latest international effort of this kind, see Michael Schmitt, *Tallinn Manual 2.0 on the International Law Applicable to Cyber Operations* (Cambridge: Cambridge University Press, 2017).

15   I thank Arthur Alexander for raising this important point.

16   Michael Fischerkeller, "Incorporating Offensive Cyber Operations into Conventional Deterrence Strategies," *Survival*, Vol. 59, No. 1 (February-March 2017).

17   Fischerkeller writes that "Offensive cyber operations must remain under the command and control of its originator and inflict damage of only limited visibility. The target should be a system that plays an important role in a low-visibility process valued by the adversary, the exploitation of which imposes costs that are high enough that the target cannot simply tolerate the operations, but at the same time not so severe that its response is to terminate the system's operation." Fischerkeller, "Incorporating Offensive Cyber Operations into Conventional Deterrence Strategies," p. 120.

18   Nye, "Deterrence and Dissuasion in Cyberspace," p. 55.

The Myth of LDP Dominance under Abe: Komeito, Coalition Politics, and Why It Matters for Japan's Security Policy

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Since Japan's Prime Minister Shinzo Abe's impressive political resurrection in late 2012—following three rare years for his conservative Liberal Democratic Party (LDP) in the political wilderness—the LDP-Komeito ruling coalition has steamrolled a fractious opposition to five consecutive national election victories. Coming immediately on the heels of a "revolving door" of a half-dozen prime ministers in six years (2006–2012), Abe's now six-year-old administration stands out as exceptionally stable. He is already Japan's longest-serving prime minister since 1972. Despite major headwinds owing to a festering scandal concerning a discounted sale of public land to a controversial private academy with ties to the first family, the ruling coalition's "landslide" October 2017 election result prompted the latest round of influential commentary declaring that Abe is Japan's "strongest and most successful leader in the postwar era."[1]

Indeed, the LDP's repeated electoral success under Abe, together with his own prime ministership's longevity and relatively stable popularity since 2012, appear to have given his administration a powerful mandate

to carry out his ambitious agenda: including pushing through major economic structural reforms, transforming Japan's security and foreign policy, and amending for the first time Japan's 1947 constitution's Article 9 "Peace Clause"—which renounces war and the threat or use of force to settle international disputes.[2]

No stranger to bold rhetoric, in the foreign policy domain Abe early on declared that "Japan is back" as a "first-tier nation." Throughout his tenure and repeatedly this spring, he has called revision of Japan's never-amended constitution an "historic task" necessary for "national rebirth" and an end to the post-war "regime" he and many fellow conservative LDP Diet members have long identified as shackling Japan since World War II.[3] With the 2020 Olympics rapidly approaching, on constitutional revision and other key policy priorities Abe has deemed 2018 "a year of action."[4]

Yet if one looks beyond the headlines and rhetoric to focus instead on the ability of Abe and his allies to implement its coveted policy priorities, especially in the security domain, the domestic political constraints on the administration appear far more significant than much of the public discourse about Abe's and LDP "strength" would suggest. Significant concessions made thus far on matters central to his national security agenda, such as collective self-defense, coupled with the fact that Abe continues to proceed so cautiously on constitutional revision and other core objectives the LDP has championed and campaigned on for, literally, decades, carry significant policy implications. That the administration's chary approach persists today despite Abe enjoying the ruling coalition's Lower House supermajority – now maintained over two election cycles —and a supra-partisan super-majority of "pro-constitutional revision forces" in the Upper House since 2016 presents a clear puzzle.

After nearly six years in power, and despite a now five-time electoral renewal of what appears to be a powerful domestic political mandate, what explains the Abe government's inability to achieve constitutional

revision and a more radical security policy reform agenda the prime minister transparently covets?

The question is hardly academic: Understanding the less conspicuous domestic political headwinds his government confronts on the security front is critical to assessing the significance of his administration so far, as well as prospects for major change in the years ahead. In particular, with imperial abdication (April 2019) and the 2020 Olympics over the horizon, if he wants to revise Article 9 to enable more fundamental security policy reforms—a goal he has expressed repeatedly—Abe is running out of time, *even if* he survives his current political difficulties and is elected to a third term as LDP president in September.[5]

In deciding whether and how to move forward, Abe faces one of the most significant domestic political dilemmas of his career.[6] Central to his calculations will be one inconspicuous yet hugely important factor: Komeito, the LDP's small and pacifist junior coalition partner, which enjoys significant leverage over Abe's (much) larger party on key issues greatly exceeding its actual Diet strength.

A Deceptively Limited Mandate

Abe's second prime ministership has coincided with gradual but transformative changes to Japan's strategic environment. According to Abe, "the security environment surrounding Japan is its most severe since World War II."[7] The administration's most urgent concern is North Korea's rapidly advancing nuclear weapons and missile programs, including missile testing that has accelerated significantly under Kim Jong Un. In 2017, Pyongyang threatened to strike Japan and U.S. bases in the region; carried out its first-ever test of a thermonuclear weapon; tested two ICBMs it claimed could hit Washington, D.C.; and launched missiles both into Japan's exclusive economic zone and which overflew Japanese territory. Beyond North Korea, seen from Tokyo other security concerns also challenge Japan's current policies, in particular: China's growing military and

paramilitary (especially coast guard) capabilities and apparent willing-ness to use operational and economic levers to coerce Japan and other neighbors, and qualitatively new security threats in the gray zone, cyber, and space domains.

These external developments, in turn, have accelerated a longer-term post-cold war trend significantly predating Abe: the gradual opening of domestic political space as the long-time major anti-LDP political forces have shifted from a more ideological, pacifist left to a moderate, pragmatic center-left. This shift manifests itself most conspicuously in support across the major political parties—including from the (now defunct) erstwhile leading opposition Democratic Party of Japan (DPJ) during its three years in power (2009–2012)—for evolutionary expansion of the roles, missions, capabilities, and authorities for Japan's Self-Defense Forces (JSDF), within and beyond a U.S.-Japan alliance context.[8]

To be sure, under Abe these trends have enabled important security policy shifts. Since 2012, chief among these is the Cabinet's successful effort to push through a 2014 "reinterpretation" of Article 9 to allow "limited" exercise of collective self-defense, effectively overturning sixty years of government policy.[9] This shift, in turn, paved the way for a major pack-age of security legislation in 2015, which came into effect the following year.[10] Faced with a rapidly changing regional security picture, to many security experts in Tokyo and Washington such changes to Japan's security posture are long overdue.[11]

Such global headline-making developments are undoubtedly significant in any practical sense. Yet often lost in the noise are two important signals: First, practically speaking, these changes are incremental; evolutionary rather than revolutionary. Major, largely self-imposed constraints on Japan's ability to develop JSDF capabilities, much less allow it to employ kinetic force, within and beyond an alliance context, persist.[12] Second, Abe and his allies have repeatedly dialed back their policy ambitions owing to intense political pushback, often behind the scenes. The resulting

policy concessions, in turn, expose a significant political reality: that the administration enjoys a far weaker political mandate than the idea of Abe as a dominant leader or the LDP's post-2012 success in national elections would suggest. Domestic politics has repeatedly compelled pragmatic and practically significant restraint—even on the administration's top policy priorities.

With actual *revision* of Article 9—a fundamental objective of the LDP since its 1955 establishment—now on the docket for 2018, understanding the roots of the administration's cautiousness is crucial to assessing prospects for major change.

Coalition Politics and Komeito's Constraining Role

Fundamental to the political calculations informing the Abe administration's cautious approach on security policy and constitutional revision has been its junior coalition partner: Komeito.

In a fateful, opportunistic step aimed at ending a divided Diet in 1999, the conservative LDP controversially invited Komeito, its ideological, political, and pacifist nemesis theretofore, to rule in coalition.[13] Excluding the three years both were in the wilderness (2009–2012), this political odd couple has governed Japan ever since—in a remarkably stable coalition, and with extremely close cooperation in every national election campaign. Continuing into the Abe era, the benefits for both are clear. Most recently, in last October's election, the coalition partners retained a two-thirds supermajority in the powerful Lower House.

Remarkably, despite Abe's LDP consistently accounting for over 85 percent of the coalition's Diet strength, less than 3 percent of Japanese voters identifying Komeito as their party of choice, and Komeito politicians averaging less than 7 percent of Lower House Diet seats, the smaller party has repeatedly extracted hugely consequential policy concessions (see below) from its ostensibly dominate senior coalition partner. As noted

above, this remarkable deference has continued despite five consecutive and decisive national election victories under Abe's leadership, to say nothing of the LDP's single party Lower House majority (currently 61 percent of seats).

Why, exactly, does Abe's LDP, unabashedly revisionist on constitutional and security matters, continue to tolerate a costly coalition with the pacifistic, status-quo-oriented Komeito—a small minority party which repeatedly frustrates its policy ambitions?

Though the LDP numerically dominates the coalition's Diet seats, not widely appreciated outside Japan is that a significant minority of LDP Diet members actually depend on Komeito to get elected. The net effect of this electoral dependence is that the much larger LDP faces powerful intra-coalition headwinds when its own policy objectives clash with those of its junior coalition partner. Given Komeito's largely lay-Buddhist, pacifist base, security affairs (especially Article 9) are particularly salient issues to party leaders. The net effect is that despite its size, Komeito can punch significantly above its weight in intra-coalition negotiations on defense matters—in key cases effectively exercising a virtual veto behind-the-scenes.

The specific secret to Komeito's disproportionate influence lies in a strange electoral codependence induced by Japan's electoral system, as well as the party's unique ability to rally its supporters to the polls. Here's the rub: Over the past two decades, these strange political bedfellows have become so reliant on mutual stand-down agreements for their candidates to get elected in single-member districts that a critical mass of each party's Diet members would probably be out of a job without the other's help. Case-in-point: in the critical 2014 general election immediately prior to the Abe government's major overhaul of security legislation the following year, votes from Komeito supporters in single-member districts where the smaller party agreed not to run a candidate put as many as fifty-nine LDP candidates over the top.[14]

Why LDP-Komeito Codependence Matters for Japan's Security Policy

As noted above, this electoral dependence on Komeito can be particularly costly to Abe and the LDP on issues highly salient to Komeito's pacifistic support base: above all, security policy.

Komeito's ability to tie the LDP's hands in the security domain is not new. It has manifested previously when past LDP prime ministers pursued major, unprecedented security policy shifts—e.g., efforts to enable Japan Self-Defense Force (JSDF) participation in peacekeeping operations in the 1990s, before the coalition even existed, or as the Koizumi administration sought ways to "show the flag" in support of U.S. military operations after 9/11.[15]

But as electoral cooperation has deepened in the new millennium, candidates from each party have become increasingly reliant on support from the other's supporters.[16] One consequence is that since 2012 Komeito has become the most direct force compelling Abe and his allies to significantly dial back their most high-profile security policy ambitions. Without Komeito support in 2014, for example, the LDP probably would not have had the single party-majority that granted it crucial leverage over summer 2015's historic, controversial security legislation.[17] Less conspicuously, concessions to Komeito behind-the-scenes appear to have significantly watered down the historic 2014 Cabinet Resolution "reinterpreting" Japan's constitution to allow limited exercise of collective self-defense. A more recent case is Abe's formal plan—first announced in May 2017—for revising Article 9 by 2020.[18]

In the former instance, LDP-Komeito negotiations behind-the-scenes deboned the 2014 Cabinet Resolution formally "reinterpreting" Article 9 to enable "collective self-defense" operations: basically, the UN Charter-sanctioned right to use force to aid an ally suffering armed attack. So significant were LDP concessions that Abe, ignoring the recommendation

of his own advisory panel, abandoned a push to allow collective security operations (à la Operation Desert Storm in the 1991 Persian Gulf War). Meanwhile, lost in the noise regarding the fact of the Abe government's reinterpretation itself was the signal of its actual substance: Abe's original goal—rendering constitutional full exercise of Japan's collective self-defense right under international law—proved politically infeasible. More to the point—what emerged was an enabling of a "limited" exercise of collective self-defense severely limited by three internationally exceptional, strict conditions heavily shaped by Komeito.[19]

In the case of Abe administration's Article 9 revision proposal, despite years of talk and the centrality to the LDP's platform since 1955 of fundamental rewriting of Article 9, what Abe ultimately proposed in May 2017 shocked key leaders in his own party for its lack of ambition and the extent to which it bore no resemblance to the LDP's own 2012 proposal—negotiated when they were in the opposition (and out of coalition with Komeito).[20] Indeed, Abe's 2017 proposal bore an uncanny resemblance to a Komeito party proposal from 2004. Abandoning (at least for now) a sixty-year-old LDP goal of fundamentally revising Article 9 itself, Abe ultimately called only for the addition of a *new* third clause merely recognizing the constitutionality of Japan's sixty-four-year-old Self-Defense Forces. Shigeru Ishiba, a multi-time cabinet minister and—most likely—one of Abe's leading challengers for the LDP presidency this September, has openly opposed the plan, judging it a major departure from the party's longstanding position on constitutional revision.[21] In case there was any doubt why things played out this way, Abe reportedly explained his decision not to even attempt to eliminate Article 9's second clause as due to Komeito resistance, stating "It would never get through Komeito. It's impossible."[22]

Even despite Abe's effective adoption of Komeito's own Article 9 revision proposal, recent reports suggest Komeito is nevertheless slow-walking the constitutional revision effort.[23]

These two high-profile policy concessions are remarkable not only because of Abe's repeated identification of these goals as his top personal priorities but also because of their status—literally—as foundational LDP objectives written into the Party's 1955 establishing charter.[24] They reveal the central, if often inconspicuous, role played by the LDP's junior coalition partner in constraining Abe (and LDP) ambitions in the security domain.

Takeaways

Since Abe's remarkable return to the prime ministership in 2012, much of the discourse has focused disproportionately on the rhetoric and alleged personal ambitions of the prime minister himself. Together with a widespread penchant among observers to privilege conspicuous metrics such as cabinet support rates—and even Diet seat totals—when accessing the administration's (often ambiguously-defined) "strength," this tendency frequently distracts from the issue of primary importance for policymakers: the practically significant but incremental nature of actual changes to Japan's security policy over the past six years, especially when baselined against transformative changes under way in Japan's security environment. It also tends to overlook powerful, yet often inconspicuous domestic political constraints the Abe administration confronts daily in the formation of national security policy.

Despite the headlines heralding the ruling coalition's admittedly remarkable string of electoral successes, its supermajority in the Lower House, the relatively high support rates for the Abe cabinet, and the fact that "pro-revision" forces make up two-thirds of the Upper House, the prime minister and his party continue to face stiff domestic political headwinds in their efforts to revise Article 9 and transform Japan's security posture. Beyond the Komeito factor, the Abe government also seems well aware that other metrics also suggest its mandate is not as robust as Diet seat totals would suggest—especially on issues of high salience to voters and where public opinion can be widely variant, such as security policy and constitutional revision.

For one thing, this is not Abe's father's LDP: since 1992 LDP-specific support has plummeted from over 50 percent of voters to less than 20 percent by 2012—and unaffiliated voters now make up a majority of the electorate.[25] Remarkably, the LDP's vote share in proportional representation districts was only slightly higher in its landslide election victory (2012) than its landslide election defeat three years earlier; demonstrating the extent to which its representation in the Diet is at least a partial artifact of lower turnout.[26] Indeed, historically low voting participation across all age groups and apparent widespread public disillusionment with their choices must also be factored in.[27] According to one recent poll, even among the roughly 46 percent of voters who supported the Abe cabinet, half did so only because they saw no alternative.[28] In sum, though elections have given Abe robust LDP support within the Diet building itself, these other factors further urge caution—especially about pursuing more ambitious measures that could embolden an opposition party or compromise the LDP's very advantageous cooperation in national elections with Komeito.

In sum, Abe's mandate is more fragile than much of the discourse would suggest. To a large extent it is *because of*, rather than despite, Komeito support that the LDP enjoys the Diet strength it has today. And as the landslide elections of 2009 and 2012 showed, voter preferences can be highly volatile. For advocates of a fundamental transformation of Japan's defense posture, the analysis herein should be sobering. Regardless of the fractiousness of Japan's formal opposition, Abe's ambitions are powerfully constrained by a junior partner able to punch significantly above its weight and yielding a virtual veto *inside* the ruling coalition. Barring an unexpected collapse of the ruling coalition, major structural change, or a large-scale military crisis, even if the opposition remains weak and Abe stays in power through 2021—two bigger ifs today than just a few months ago—Komeito alone is likely to continue to function as a powerful "brake" on Abe and LDP ambitions in the security domain. ∎

Chapter Endnotes

1   For example, see Ian Bremmer, "Shinzo Abe's Big Win in Japan Gives Him Time to Make History," *Time*, October 26, 2017. http://time.com/4998275/abe-win-japan-election-history/.

2   CHAPTER II, RENUNCIATION OF WAR, Article 9. Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes. In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized. https://japan.kantei.go.jp/constitution_and_government_of_japan/constitution_e.html .

3   Shinzo Abe, "Japan is Back" (Speech) (Washington, D.C.: Center for Strategic and International Studies, February 22, 2013) http://www.mofa.go.jp/announce/pm/abe/us_20130222en.html; "Shinzo Abe calls for Japan's 'rebirth' in 2020 along with constitutional revision," *Japan Times*, December 19, 2017.

4   "2018 seen as make-or-break year for Abe's constitutional revision quest," *Japan Times*, January 1, 2018.

5   Abe's ability to win a third term in September is less assured than it appeared to many only a few months ago. Tobias Harris, "Scandal raises doubts about Abe's ability to win a third term," *Japan Political Pulse*, March 16, 2018. https://spfusa.org/category/japan-political-pulse/.

6   *Japan Times*, January 1, 2018.

7   Shusho Kantei, "Abe Naikaku Sori Daijin nento kisha kaiken" ["Prime Minister Abe's New Year Address"], January 4, 2018, https://www.kantei.go.jp/jp/98_abe/statement/2018/0104kaiken.html.

8   Adam P. Liff, "Japan's Defense Policy: Abe the Evolutionary," *The Washington Quarterly*, 38, no. 2: 79–99.

9   *Defense of Japan 2014* (Tokyo: Ministry of Defense, 2014), 125–127, http://www.mod.go.jp/e/publ/w_paper/pdf/2014/DOJ2014_2–2–1_web_1031.pdf; "Cabinet Decision on Development of Seamless Security Legislation to Ensure Japan's Survival and Protect its People," July 1, 2014 (Tokyo: Cabinet of Japan, 2014), https://www.cas.go.jp/jp/gaiyou/jimu/pdf/anpohosei_eng.pdf.

10 Satoru Mori, "The New Security Legislation and Japanese Public Reaction," *Tokyo Foundation*, December 2, 2015, http://www.tokyofoundation.org/en/articles/2015/security-legislation-and-public-reaction.

11 Sheila A. Smith, "Japan's Military Reforms are Long Overdue," *Room for Debate* (*New York Times*), August 20, 2015, https://www.nytimes.com/roomforde-bate/2015/08/18/should-japan-allow-its-military-to-fight-in-foreign-wars/japans-military-reforms-are-long-overdue.

12 Liff, "Japan's Defense Policy."

13 "A Sect's Political Rise Creates Uneasiness in Japan," *New York Times*, November 14, 1999, http://www.nytimes.com/1999/11/14/world/a-sect-s-political-rise-creates-uneasiness-in-japan.html; For a seminal review of all things Komeito, see Ehrhardt, George, Klein, Axel, McClaughlin, Levi, Reed, Steven R., (eds.), Kōmeitō: Politics and Religion in Japan (Berkeley, Calif: Institute of East Asian Studies, 2014).

14 One recent study argues that without mutual stand-down agreements and Komeito supporters' votes, the LDP would have lost as many as a quarter of the single-member districts it won. Adam P. Liff and Ko Maeda, "Explaining a Durable Coalition of Strange Bedfellows: Evidence from Japan," *Working Paper,* 2017.

15 J. Patrick Boyd and Richard J. Samuels, *Nine Lives? The Politics of Constitutional Reform in Japan*. (Washington, D.C.: East-West Center, 2005), esp. 27–61.

16 Liff and Maeda, "Explaining a Durable Coalition of Strange Bedfellows."

17 Satoru Mori, "The New Security Legislation and Japanese Public Reaction," *Tokyo Foundation*, December 2, 2015, http://www.tokyofoundation.org/en/articles/2015/security-legislation-and-public-reaction.

18 Liff and Maeda, "Explaining a Durable Coalition of Strange Bedfellows."

19 Adam P. Liff, "Policy by Other Means: Collective Self-Defense and the Politics of Japan's Postwar Constitutional Reinterpretations," *Asia Policy*, 24 (2017): 139–172. http://www.nbr.org/publications/asia_policy/free/ap24/AsiaPolicy24_Liff_July2017.pdf.

20 "Former defense chief courts controversy by questioning Abe plan to revise Constitution," *Japan Times*, May 24, 2017.

21 Ibid.

22 *Mainichi Shimbun*, October 12, 2017.

23 "Komeito, Kaiken Sakiokuri no Shinbo Enryo ka?", *Nikkei Shimbun Online*, April 3, 2018. https://www.nikkei.com/article/DGXMZO28968080T00C18A4EA1000/.

24 Liberal Democratic Party, "To no Seiko," November 15, 1955, https://www.jimin.jp/aboutus/declaration/100285.html.

25 Tanaka Aiji, "Japan's Independent Voters: Yesterday and Today," *Nippon.com*, July 18, 2012, https://www.nippon.com/en/in-depth/a01104/ . It appears, however, that LDP support has increased since this study was published. In January 2018 NHK reported 38 percent of voters supported the LDP.

26   Ko Maeda, "Explaining the Surges and Declines of the Japanese Communist Party," *Asian Survey* 57, no. 4 (2017), 686.

27   The 2012 election that returned Abe to power marked a postwar nadir of 59.32 percent. This record was then broken in 2014, when turnout plummeted to 52.66 percent—a seventeen-point drop from 2009. "Kokusei senkyo no tohyoritsu no suii ni tsuite" *Somusho,* September 2016, http://www.soumu.go.jp/main_content/000255919.pdf ; "Kokusei senkyo no nendai betsu tohyoritsu no suii nit suite, *Somusho*, September 2016, http://www.soumu.go.jp/senkyo/senkyo_s/news/sonota/nendaibetu/index.html.

28   "NHK poll: Cabinet support rate at 46%," *NHK*, January 9, 2017, https://www3.nhk.or.jp/nhkworld/en/news/20180109_32/.

The Enigma of Shinzo Abe's Long Tenure and How His Success Can Undermine His Party's Dominant Position

Ko Maeda

The electoral victory of Prime Minister Shinzo Abe and his Liberal Democratic Party (LDP) in October 2017 is unprecedented. No other prime minister in Japan's constitutional history has led his party to three consecutive victories in general elections, where victory is defined as securing control of a majority of seats. The LDP was in opposition for three years, but since its return to power in December 2012 with Abe as the party leader, the LDP's government has been remarkably stable. This is a curious contrast with the preceding six-year period (2006–2012) in which the country had six prime ministers. In this essay, I will discuss this puzzle of long- and short-tenured prime ministers and point out that the state of opposition parties is a major factor that created this pattern. I will further argue that opposition parties can greatly change the fate of the Abe administration and explain how a possible constitutional amendment, for which Abe has long been arguing, can—paradoxically—weaken the LDP's position in Japanese politics.

Strong, but Unpopular?

The durability of Abe's tenure is an enigma. Between 1993, when the LDP lost power for the first time, and 2012, when Abe's current tenure began, Japan had thirteen prime ministers. Their average tenure was only eighteen months, and five of them did not last for a year. In contrast, Abe is currently the third longest-serving prime minister in the post-World War II era, and he will set a new record as the longest-serving prime minister in the country's constitutional history if he stays in office until November 2019.

What makes Abe's tenure as prime minister even more enigmatic is the fact that he is *not* enjoying a high level of public support. During the month preceding the October 2017 general election, the disapproval rate of his cabinet was higher than the approval rate.[1] However, the LDP and its junior coalition partner Komeito were able to secure a two-thirds majority in the election. Why? It is because the opposition forces are not unified to compete against the ruling coalition but are highly fragmented. Nine opposition parties nominated candidates in the election. The largest opposition Democratic Party (DP) split into two shortly before the election. As a result, many opposition candidates ran and consequently divided anti-government votes, helping the LDP. In fact, 41 percent of the LDP candidates who won their local district races did so with less than 50 percent of the votes. Fragmentation of the opposition parties was what gave the not-so-popular prime minister a resounding victory with a two-thirds majority of the seats.

Why Opposition is Fragmented

The asymmetric structure between a dominant ruling party and a fragmented opposition is not new but has been a key characteristic of Japan's party system for half a century. One of the factors that helped the LDP's one-party dominance was the opposition forces' failure to form a unified front. It has been widely argued and accepted that the electoral system that was used until the early-1990s facilitated opposition fragmentation

(Reed and Bolland 1999). After the introduction of the current electoral system in 1994, the opposition became less fragmented, which eventually led to the historic alternation in power in the 2009 election. Yet, the opposition became fragmented again after the LDP's return to power in 2012, still giving an electoral advantage to the LDP. Since the opposition is fragmented even with a new electoral system that favors consolidation, there must be a factor other than the electoral system that fragments the opposition in Japan.

I argue that disagreements among opposition politicians on fundamental policy issues are keeping the opposition fragmented. All of the opposition parties are against the LDP, and all of the anti-LDP voters want the LDP to lose power, but they cannot be unified due to the differences amongst them. Figure 1 is an illustration of the basic structure of Japan's party system. On the right-wing side, there is the LDP (its partner Komeito is omitted to keep the figure simple). The other side is the opposition, and it is divided into two. At the far-left, there are parties such as the Japan Communist Party (JCP) and the Social Democratic Party (SDP). Let us call them the "Type A" opposition parties. "Type B" parties are ones located between Type A and the LDP. The line between the LDP and Type B is slanted, indicating the fact that some of the Type B parties are not necessarily left-wing on the traditional left-right spectrum (for example, the Ishin Party).

Figure 1. A simplified illustration of Japan's party system

Share views on, e.g., national defense policy
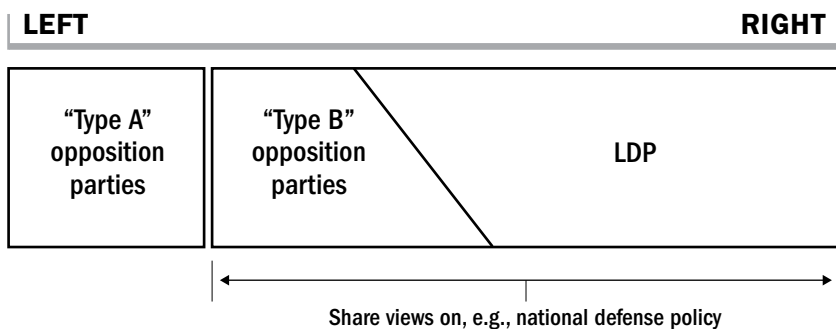
Type A and Type B disagree on fundamental policy issues. In the past, the socialism/capitalism divide was one of those issues, but it is no longer relevant. Currently, the national defense policy is one of the prominent, if not the only, issues that divide Type A and Type B. For example, the security alliance with the United States which started in 1952 has been a foundation of the foreign and defense policies of the country since then. The basic strategy of Japan's national defense has been to stay under the U.S. nuclear umbrella, but the "Type A" parties—the main opposition Japan Socialist Party (JSP) and the smaller JCP—strongly disagreed with the government's strategy during the early years of the alliance. Then a Type B party emerged. The Democratic Socialist Party (DSP) was founded in 1960 and took a position closer to the LDP on the national defense debate, and it was supported by voters who were located between Type A and the LDP. While the JSP for many years maintained friendly relationships with communist countries such as the Soviet Union and China, the DSP was openly an anti-communist party. While the JSP kept arguing that the Self-Defense Force (SDF) was unconstitutional, the DSP's position was that it was constitutional.

For the supporters of Type A parties, issues such as the U.S.-Japan alliance and the SDF were exactly what made them oppose the LDP governments. Yet, for Type B party supporters, having the SDF and U.S. troops to defend the country should not be a matter of a national debate but something on which there should be a broad national consensus. Type B voters were opposed to the LDP for some reasons, but they did not want a Type A party's government that might radically alter fundamental policies of the country and strain the relationship with the United States. On the contrary, for Type A voters, Type B parties are not true opposition parties because they agree with the LDP on the issues that are most important for Type A voters. Disagreements over the national defense policy have been a wedge splitting the opposition.

Consequences of Opposition Fragmentation

The deep gap between Type A and Type B makes it hard for the opposition in Japan to become a unified force. As demonstrated in Maeda (2010), ruling parties' electoral fortunes are influenced by the degree of opposition fragmentation. If there is a unified opposition party, voters see it as a clear, natural alternative to the government, making an anti-incumbent vote swing easier. If there are many opposition parties, even when voters want to punish the incumbent ruling party, they cannot find a viable alternative that can serve as a convergence point of anti-incumbent votes. The LDP, throughout its history, has enjoyed this advantage. Without a credible alternative, the LDP continued winning elections even when the party and its leader were not particularly popular.[2]

The only time the non-LDP camp was somewhat unified was the period from 2003 to 2012. The Democratic Party of Japan (DPJ), which had been the largest opposition party since 1997, solidified its status as the only viable alternative to the LDP in 2003 when it incorporated the second largest opposition party, the Liberal Party, and increased its seat share in the subsequent general election. After that election, the DPJ controlled 86 percent of the total opposition seats. The DPJ was unique in Japan's opposition history in that it contained both Type A and Type B elements. The DPJ was internally diverse, including left-wing politicians who belonged to the JSP in the past and right-wing members who defected from the LDP. As a result, it continually suffered from internal disputes, and it was criticized by the media and opponents for being incoherent. Although the DPJ was able to attract votes from both Type A voters and Type B voters and finally defeat the LDP in 2009, containing conflicting opinions within it ultimately became its weakness. The party suffered a split in July 2012, leading to a crushing defeat in the December 2012 general election. The non-LDP camp has been fragmented since then. So-called "Third Force" parties, which positioned themselves as Type B parties, obtained many seats in the 2012 election (see Reed 2013). The DPJ's successor party, the DP, split into two shortly before the 2017

election, as mentioned at the beginning of this essay. The two parties that emerged out of the DP are a Type A party (Constitutional Democratic Party) and a Type B party (Party of Hope). The dividing line between the two types has become clear again.

Table 1. Contrasting periods of Japan's party politics

	P.M. & Ruling Party		Opposition
2006	Abe	LDP	Unified (DPJ)
	Fukuda		
	Aso		
Unstable period	Hatoyama	DPJ	Unified (LDP)
	Kan		
	Noda		
2012	Abe	LDP	Fragmented
Stable period			

As mentioned at the beginning, Japan has had both long- and short-tenured prime ministers in recent years. I argue that this puzzle can be explained by the composition of their respective opposition parties. As shown in Table 1, the period from 2006 to 2012 was an unstable time that saw six prime ministers in as many years. In contrast, the period since 2012 has been stable years in which Abe and his LDP kept winning in elections. The rightmost column of the table shows whether the opposition was unified or fragmented. As described above, the DPJ was the only viable opposition from 2003 until it won power in 2009. The LDP then went into the opposition and was the only viable opposition until it returned to power in 2012. Therefore, the unstable period of 2006–2012 was also the years with a unified opposition. In contrast, the post-2012 years of Abe's dominance have seen fragmented opposition parties.

When there is a strong, credible opposition party that can be a convergence point of anti-incumbent voting, ruling party politicians are in constant fear of losing in the next election. Unlike the old electoral system under which individual politicians were able to maintain their seats only with their local support bases, regardless of their parties' popularity, the new system made electoral competition party-centered and nationalized. This means that individual politicians' electoral fortunes are tied together and strongly influenced by their party leaders' popularity (Maeda 2009). In this situation, incumbent politicians inevitably become sensitive to their party leaders' popularity. When a party leader's popularity declines, the members of his party become concerned and may try to replace him with someone more popular. This process occurred repeatedly during the 2006–12 period. I by no means intend to argue that all six prime ministers from 2006 to 2012 lost their positions solely for this reason, but I argue that it was one of the main factors behind this series of short-tenured prime ministers. All six of them experienced a sharp drop in their approval rates while in office, and as their popularity declined, more members from their own parties asked for their resignations. Among the six, Aso and Noda did not lose their positions by pressure from within their parties but by electoral defeats. Yet, there were failed attempts within their parties to replace them before the elections (see Arase 2010 for the case for Aso and Pekkanen and Reed 2013 for the case for Noda).

However, if the opposition is fragmented into many parties, ruling party politicians' elections become easier. Multiple opposition candidates divide anti-incumbent votes, giving an advantage to ruling party candidates. Thus, ruling party politicians in this situation do not become as sensitive to the prime minister's popularity as they would become when the opposition is unified. This explains why Abe, since 2012, does not face much pressure from within the LDP, even when his popularity declines. There should be many reasons why Abe's tenure since 2012 has been stable, but opposition fragmentation must be one of them.[3]

Will Article 9 Be Revised?

Based on the preceding discussions, I now turn to an explanation of how a possible constitutional revision, for which Abe has long been arguing, could undermine the LDP's dominant position in Japanese politics. The current constitution, which was ratified in 1947 when the country was still under occupation, has never been amended. How to view this occupation-era constitution, and whether it should be revised or not, has been a major political issue. The contention surrounding this issue divided political parties and citizens for a long time.

In particular, Article 9, which bans the possession of military forces, has arguably been the most controversial political issue in Japan since the end of World War II. Most debates on the constitution center on this article, and arguments for and against a "constitutional amendment" are usually about Article 9. Left-wing activists and organizations say they want to "protect" the constitution, and their central focus is always on Article 9, which they say symbolizes the Japanese people's determination for eternal peace. On the contrary, right-wing people express their desire to revise the constitution, and Article 9 is always on their agenda. To them, Article 9 is unrealistic, and as an independent country Japan must possess military forces to defend itself. The division of opinions on Article 9 roughly corresponds with the division between "Type A" and "Type B" opposition parties illustrated in Figure 1. It is true that there have been LDP politicians who were pro-Article 9, but it is undeniable that the LDP as a whole has always made a constitutional revision one of its goals. The current Type B opposition parties, which are the Party of Hope and the Ishin Party, both advocate for a constitutional revision.[4] In contrast, all three Type A parties—the CDP, the JCP, and the SDP—strongly argued against an Article 9 revision in their 2017 manifestos.[5]

Abe has long been a proponent of a revision of Article 9. Even before becoming the prime minister, he was known as a hard-liner within the LDP on foreign affairs (Park and Vogel 2007). As a result of the 2016

Upper House election, the so-called "pro-revision" parties obtained two-thirds majorities in both chambers of the Diet, clearing an important hurdle for a constitutional revision. On May 3, 2017, Abe announced a concrete plan for a constitutional revision. Unlike the LDP's previous proposals, which called for a complete revision of Article 9, Abe's plan was to preserve the two existing clauses and add another clause that stipulates the SDF's existence and constitutionality. Presumably, he reasoned that adding a clause while keeping the rest would be easier to achieve than completely revising the entire article (see Liff and Maeda 2017). The LDP's manifesto for the 2017 election noted that it would seek a constitutional revision that included a change to make the existence of the SDF explicit.[6] Yet, many opinion polls show that public support for an Article 9 revision is not high. An *Asahi* poll conducted right after the election in October 2017 shows that 45 percent of respondents oppose it, while only 36 percent support it.[7] Since a majority in a national referendum is required for a constitutional amendment, those poll results are not good news to Abe. His plan to have a revised constitution promulgated in 2020 is not looking very feasible as of now.

Constitutional Revision Can Erase the LDP's Advantage

Feasibility aside, let us consider what would happen if an amendment of Article 9 were actually achieved. Its biggest and most immediate consequence would probably not be on Japan's defense system or its foreign relations. Rather, it would most likely be on the country's public opinion. Article 9 has been an issue with such great importance, as discussed above, that its amendment would have a substantial impact on the ideological dimension along which both citizens and political parties located themselves. If Article 9 is revised, will the current pro-Article 9 force fight back and try to start a movement to revise the article back to the original wording? There will certainly be people who will argue for that, but most of the current pro-Article 9 people will keenly realize that it will be a far-fetched dream. A constitutional amendment requires a two-thirds

majority in both houses of the Diet and a simple majority in a national referendum. After an article is revised with such a large majority, revising it back to the original would require an enormously massive swing in public opinion.

A very small minority of citizens think that the country should not have the SDF.[8] Many (or most) of those who currently oppose a revision of Article 9, in fact, accept that it is necessary to have a military force to defend the country. They are opposing a revision not because they support the current wording of the article itself but because of other reasons. For example: approval of the status quo situation ("Why change something if we didn't have a war for seven decades?"), support for the symbolic value of the article ("Maintaining Article 9 shows the nation's commitment to peace"), or a concern for further changes in defense policies that could come after revising Article 9 ("We will fall into a slippery slope toward a dangerous militarism once Article 9 is revised"). Those "passive" supporters of Article 9 who approve the existence of the SDF would surely be disappointed if Article 9 were revised, but they would most likely not join a movement to revise it back to the original wording, which does not, literally, allow the SDF to exist.

The size of the pro-Article 9 force, therefore, would shrink greatly if Article 9 were revised. The small number of "genuine" supporters of Article 9 would remain and try in vain to argue for a re-revision, but the size of them would be significantly smaller than the current size of the pro-Article 9 force. Consequently, the importance of the debate on Article 9 in political competition would diminish significantly. Article 9 has divided Japan's public opinion ever since it was enacted in 1947, but once revised it would most likely not remain as a divisive political issue, and therefore, a major transformation of the configuration of public opinion would follow. (Imagine what would happen to U.S. politics if the abortion rights issue suddenly disappeared from the political scene!)

In other words, a revision of Article 9 would alter the balance between Type A and Type B opposition parties, illustrated in Figure 1. Many citizens who currently vote for Type A parties only do so because they are against a constitutional revision, but many of them are, in fact, "passive" supporters of Article 9. If a revision is achieved, they will be disappointed but will soon realize that they no longer have a reason to support a Type A party. After all, those "passive" supporters think that Japan should have the SDF. Support for Type A parties will thus decrease, and the dividing line between Type A and Type B in Figure 1 will move leftward, making Type A smaller.

What all this means is that a revision of Article 9 can end opposition fragmentation, which has given an electoral advantage to the LDP. As the support for Type A parties diminishes, it becomes likely for a large Type B party to emerge and become the only viable opposition party. The current electoral system already has a tendency to favor a two-party system (Maeda 2008). Article 9 has been playing a role as a wedge that splits the opposition. When that issue becomes non-salient, Japan's party system may transition to a two-party system. The two will compete on various policy issues, but not on Article 9.

Thus, as paradoxical as it may sound, Abe's success can cause irreversible damage to his party. Revising Article 9 has been a long-held desire for Abe and his party, and many right-wing supporters of the LDP have dreamt of the day it is achieved. Yet, what can follow this revision of the constitution is the permanent loss of the LDP's electoral advantage and the end of an asymmetric party system between the dominant LDP and numerous small parties. Japan's constitutional revision is an important issue all the more because it can completely transform Japan's party politics. ∎

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Chapter Endnotes

1   See, for example, https://spfusa.org/category/japan-political-pulse/.

2   For example, the LDP fought the 1976 general election with Takeo Miki as the prime minister, whose approval rate was only 19 percent before the election. Yet, the LDP was able to stay in power after the election. See Patterson and Maeda (2007).

3   The period from 2003 to 2006 had a stable government and a unified opposition. It may seem as if this period does not fit with my explanation, but that is not the case. Junichiro Koizumi (LDP) was the prime minister from 2001 and 2006 and maintained a high popularity while in office. My explanation for the 2006–12 period is that an unpopular ruling party with a unified opposition scrambled to switch its leader from the fear of losing to the opposition in the next election. When a prime minister enjoys a high approval rate, his party members do not feel the need to replace him.

4   Hope's manifesto for the 2017 election stated that it will advance a discussion on a constitutional revision, including Article 9. Ishin clearly argued for an amendment of Article 9. Parties' manifestoes are summarized in https://mainichi.jp/senkyo/48shu_koyaku/, accessed on January 10, 2018.

5   The CDP will "thoroughly fight against" a revision, the JCP will "stop" a revision, and the SDP will "protect and make use of" Article 9, https://mainichi.jp/senkyo/48shu_koyaku/, accessed on January 10, 2018.

6   The manifesto is found at https://jimin.ncss.nifty.com/pdf/manifest/20171010_manifest.pdf, accessed on January 10, 2018.

7   *Asahi Shimbun*, October 24, 2017, online edition.

8   A 2015 poll conducted by the government had a question about how the country should be defended, to which 84.6 percent answered "the U.S.-Japan alliance and the SDF," 6.6 percent answered "the SDF only," and 2.6 percent answered "abolish the U.S.-Japan alliance and either abolish or downsize the SDF." The same poll also asked the respondents' overall impressions on the SDF, and the answers were 92.2 percent positive and 4.8 percent negative. See https://survey.gov-online.go.jp/h26/h26-bouei/index.html.

State-Building and Counterinsurgency Campaigns: Lessons from Colonial Taiwan

Reo Matsuzaki

A defining feature of contemporary state-building, as practiced under colonialism, and more recently in the form of U.S. and UN-led "nation-building" missions, is imposition.[1] Unlike the imperialist powers of the bygone era, today's state-builders do not seek to permanently control foreign territories, and are committed to restoring self-rule and national sovereignty as quickly as possible.[2] The liberal and democratic institutions and practices advanced by recent and ongoing state-building campaigns are also vastly different from those established by colonial rulers.[3] However, much like colonialism, U.S. and UN-led state-building efforts are perceived by large segments of the subject population as unwanted intrusions into domestic and local affairs, and hence are met with resistance. In turn, regardless of the intentions of state-builders, current efforts to reconstitute the so-called "ungoverned" and "under-governed" territories in the Western liberal and democratic image have been typically accompanied by vigorous counterinsurgency campaigns.

Yet, despite counterinsurgency campaigns being a pervasive component of recent and ongoing state-building missions, and longstanding scholarly research on the historic and macro-level relationship between

war-fighting and state-building,[4] we have yet to fully grasp the connections between these processes. For the most part, a successful counterinsurgency campaign is assumed to be a component of, or precondition to, the establishment of a strong state. Consequently, this view has led to a practice of leaving strategic decisions concerning counterinsurgency to generals, while civilian reformers and administrators focus on building institutions and enforcing rules and regulations in pacified territories. Through an examination of Japan's successful state-building efforts in colonial Taiwan, I argue that *how* military victory is achieved has significant and lasting impacts on the development of political institutions; and that strategies maximizing wartime goals may in fact undermine state-building's success in the long run, and vice versa.

Specifically, I contend that rulers who seek to establish modern government institutions by way of imposition face a dilemma: on one hand, territorial control and suppression of armed resistance are more easily and economically obtained when state-builders ally with powerful tribal leaders, provincial bosses, and warlords, whose support can single-handedly ensure peace in a region. As respected regional leaders, owners of large plantations, and/or feared fighters, they have the capacity to mobilize sizeable militia armies. However, with their wealth and power founded upon private and societal sources, they are likely to view the actual construction of a strong state—a state with the capacity to monopolize coercive and rule-making authority—as a threat to their political and socioeconomic interests. As a result, tribal leaders, provincial bosses, and warlords, even if they prove to be effective wartime allies, will become formidable obstacles to state-building once they are entrenched in the post-conflict governance structure due to their substantial contributions during the counterinsurgency campaign.

In contrast, town- and village-level community leaders, embedded within the locality and possessing comparatively limited power and authority, are likely to serve as effective partners in postwar state-building. State-builders will struggle, however, to oversee and manage a multitude of local

community leaders, all with their own sets of interests and sympathies, under the fog of war. These individuals, moreover, are unlikely to contribute militarily to the pacification campaign, compelling the state-builder to expend more of its own money, manpower, and time to win the war. Alliances with local elites that increase the chances of military victory and minimize its costs are therefore not necessarily those that lead to state-building success in the long run; conversely, local allies that are ineffective during the counterinsurgency campaign may prove to be ideal state-building partners.

I advance this argument through an analysis of Japan's colonial occupation of Taiwan, which resulted in arguably one of the most successful instances of state-building in the modern era. Prior to Japanese colonization, the island of Taiwan was a violent frontier province of the Qing empire, where the exercise of government authority was highly uneven at best. Just as in today's so-called ungoverned and undergoverned spaces, this was a result of animosity between the island's various ethnic and lineage groups, made worse by the relative scarcity of agricultural land. Yet, despite such adverse underlying conditions, and despite widespread armed resistance to state-building, Japanese occupiers succeeded in thoroughly transforming Taiwan into a strong state that fit their modernist vision. As I demonstrate below, Japanese state-building success was, to a large extent, a result of the decision to *exclude* the scholar-gentry—Taiwan's most powerful and influential elites under Qing rule, who were distinguished from the rest of the population by their possession of official rank that signified their scholarly or military achievements—from the wartime alliance, and, instead, partner with town- and village-level community leaders.

To the extent that we may draw, with much caution, lessons from the colonial past for contemporary policymaking, the Taiwan case demonstrates that if state-building is to succeed, the establishment of new governmental institutions and the counterinsurgency campaign must be closely coordinated, with the former guiding strategic decisions concerning the latter. In particular, we should be cognizant of the fact that wartime alliances with

local elites have long-term effects on the evolution of the political order. Decisions regarding who to partner with, and how to incorporate them into the governance structure, should therefore be made to maximize attainment of the state-building mission's overall goals. State-building will not succeed without military victory, but a flawed victory could very well become the cause of the state's weakness and failure in the long run.

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Annexation of Taiwan was not within the Japanese government's strategic objectives when it went to war against the Qing empire in July 1894. Rather, it resulted from opportunism made possible by Japan's resounding victory against China, when the island was included within Japan's extensive territorial demands in the 1895 peace treaty. Although the concession of Taiwan to Japan may have been relatively easy and painless for Qing negotiators—after all, it was an island that the empire had struggled to govern for centuries and offered little strategic value under Beijing's defensively oriented military doctrine—it was a heart-wrenching act of treachery for Taiwan's scholar-gentry, which constituted the island's upper class both in terms of their wealth and political influence. While born in Taiwan, they viewed themselves as members of the Chinese civilization, and retained family, lineage, and business ties to their ancestral homeland across the Taiwan Straits. Hence, rather than abide by Beijing's orders to transfer control over Taiwan to the Japanese peacefully, Taiwan's scholar-gentry, with the support of Qing Governor Tang Jingsong, declared Taiwan to be an independent republic and sought to resist the Japanese invaders.[5]

Nonetheless, while most of Taiwan's scholar-gentry initially supported the creation of the Taiwan Republic and mobilized militia armies to defend the island, their commitment to independence was shallow. They were fundamentally conservative individuals whose personal wellbeing—as

landlords and capitalists—depended upon peace being quickly restored. As such, as soon as Japanese forces captured Taipei and the surrounding areas, the scholar-gentry in northern Taiwan quickly shifted their stance from that of resistance to accommodation. If the Japanese could not be repelled, perhaps an arrangement could be reached with the new colonial overlords, whereby the scholar-gentry would retain their prior social status, economic benefits, and political autonomy in exchange for accepting Japanese sovereignty?

In August 1895, Taipei's scholar-gentry and wealthy merchants presented to Governor-General Sukenori Kabayama a plan whereby they would participate in Taiwan's colonial regime as equal partners. The proposal called for creating gentry-led local administrative offices throughout Taiwan, to be known as *baoliangju*, which in turn would be coordinated by a group of the island's most respected and influential scholar-gentry at the baoliangju headquarters in Taipei. In exchange for their assistance in defeating the insurgents, maintaining law and order, mediating local disputes, and enforcing various rules and regulations, the scholar-gentry would be granted special political, social, and economic privileges— essentially those they had enjoyed under Qing rule—and be treated with respect and dignity as co-rulers of Taiwan. The baoliangju proposal basically envisioned a system of indirect rule, where Taiwan, as was the case during the Qing period, would be in effect governed by the island's scholar-gentry elites.[6]

Japanese officials, having yet to establish a large bureaucratic presence on the island, initially welcomed this plan for the sake of expedience, and baoliangju offices were created in the greater Taipei area and surrounding regions. However, this system, despite its success at maintaining peace and stability in northern Taiwan, was never implemented in the rest of Taiwan, and quickly abandoned in the north once a sufficient number of Japanese military and civilian officials arrived to fully staff the colonial bureaucracy.[7] It was, after all, never the intention of Japanese officials to share political power and authority with Taiwan's traditional elites. Japan's

long-term goal for Taiwan was to culturally, economically, and politically modernize and assimilate the Taiwanese and make Taiwan into an integral part of the Japanese nation-state.[8] Preservation of the scholar-gentry's political autonomy and prior socioeconomic status would have directly contradicted this modernist and assimilationist vision.

Denied their request for political autonomy and the continuation of their socioeconomic privileges, most members of Taiwan's scholar-gentry joined the rebellion or left the island for their ancestral lands in mainland China. Whereas approximately 350 individuals holding upper scholar-gentry ranks resided in Taiwan prior to Japanese takeover, only forty-seven such individuals could be identified in 1900. Overall, about two thousand individuals belonging to the larger scholar-gentry class migrated to mainland China following the Japanese invasion.[9] The consequence of Japan's refusal to work with the scholar-gentry and the resulting decimation of Taiwan's traditional political elite stratum would be far-reaching. As we will see shortly, this complicated Japanese efforts to pacify Taiwan and nearly forced Japan to abandon Taiwan altogether. In the long run, however, this decision was among the key contributors to Japan's state-building success.

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The Japanese pacification campaign, in the populous and Sinicized region of western Taiwan, proceeded in two stages. The first involved defeating the militia forces mobilized by the scholar-gentry elites, as the Imperial Army marched the length of Taiwan, from Taipei in the north to the rebel stronghold in the southern city of Tainan. While the Japanese ultimately succeeded in defeating the gentry-led militias and capturing Tainan, this campaign turned out to be far more costly, and required much more man-power—over seventy thousand troops in total—than initially anticipated. Without help from Taiwanese elites, the Japanese could not distinguish

between friend and foe, and between villages that actively assisted the rebels and those that simply sought to be left alone. Rebel-controlled towns—or at least those believed to be—were shelled from afar with artillery, and entire villages suspected of aiding rebels were burned to the ground. Once they had captured towns and villages, Japanese soldiers treated the local peoples with disrespect and relied exclusively on coercive means to obtain obedience.

Consequently, instead of Tainan's fall ushering in a period of peace, it merely served as a transition to a new phase in the conflict. Now, rather than engaging in conventional battles against the gentry's well-organized militias, the Japanese Imperial Army faced the daunting task of suppressing a multitude of small-scale uprisings, insurrections, and ambushes led by discontent and disrespected community leaders and criminal elements seeking to profit from the instability. A downward spiral of uprisings begetting vicious reprisals begetting more uprisings, in turn, made large swaths of Taiwan ungovernable.[10]

Having either alienated or driven out most of the island's scholar-gentry, Japanese officials thus sought help from town- and village-level community leaders, who, unlike the scholar-gentry, did not pose a threat to Japan's long-term vision for the island. Such was the case in the Chiyai and Yunlin regions of central Taiwan, where the Japanese succeeded in obtaining the support of local community leaders, who had become weary of the cycle of violence that was causing much misery to the local population. Their proposal was to revive the Qing-era practice of defending local communities against rebels and bandits through the organization of *lianzhuang baojia*, where each household contributed able-bodied individuals to serve in town- and village-level militias. The result of this experiment was highly encouraging, at least initially, as it led to the end of rebel activity in these two previously volatile regions. Yet, lianzhuang baojia proved unworkable or ineffective elsewhere in Taiwan.[11]

The problem was twofold. First, there was the matter of coordination: while in Chiyai and Yunlin local community leaders were willing and able to coordinate their efforts in defending towns and villages without the leadership of the scholar-gentry, such conditions did not pertain in other regions of Taiwan. Second, the creation of town- and village-level self-defense forces in Chiyai and Yunlin followed a vigorous and months-long Japanese counterinsurgency campaign. What the experience in Chiyai and Yunlin thus demonstrated was that although local self-defense forces could help maintain peace and stability in areas that were *already* pacified, they were ineffective in territories where insurgent organizations remained strong.

Yet, even as the human and financial toll from the counterinsurgency campaign mounted, Japanese military leaders, seeing control over Taiwan as essential for advancing Japan's grand strategy of "northern defense and southern advance" (*hokushu nanshin*), were willing to do whatever it took to win the war.[12] To this end, the Japanese committed to the island what would amount to a third of the entire military forces deployed during the First Sino-Japanese War.[13] The military surge was also accompanied by a civilian one that led to a bureaucratic presence far exceeding even that of Japan itself on a per capita basis.[14] Particularly pronounced was the large size of the colonial police—deployed in small three- to five-person detachments throughout Taiwan—and the outsized role they played in maintaining peace and stability, and in local administration more broadly.[15] Finally, the military and civilian surge was coupled with a highly coercive approach to governance that saw the execution of 716 rebels and other criminal elements per year during the height of the insurgency between 1899 and 1902.[16]

In sum, while the Japanese eventually succeeded in pacifying Taiwan, their decision to shun the scholar-gentry greatly increased the financial and human toll of the counterinsurgency campaign for both the Japanese and the Taiwanese. Yet, the exclusion of the scholar-gentry from the wartime coalition, and the subsequent embrace of town- and village-level

community leaders as allies, would come to pay dividends once the focus of the campaign shifted from fighting insurgents to state-building.

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Japan's strategic choices during the counterinsurgency campaign, while nearly leading to military defeat, had at least three positive consequences on the larger state-building mission. First, the decision to exclude the scholar-gentry from the wartime coalition effectively removed from the political landscape the very individuals who had the interests, as well as the means, to obstruct state-building's centralizing and moderniz- ing reforms. Denied access to political office of any significance, many remaining members of the scholar-gentry went on to pursue careers in business, which literally tied their fortunes to the success of Japan's state- building mission in Taiwan and to the prosperity of the Japanese empire more broadly.[17] Second, as we saw above, the political and administrative vacuum that ensued from the ostracization of the traditional ruling elite compelled Japanese officials to heavily invest in bureaucratic capacity and presence. Third, Japan's reliance on local community leaders as interme- diaries contributed immensely to the state-building effort. Given that town- and village-level elites were thoroughly embedded within their respective local communities, they possessed the capacity to convince and/or compel community members to follow the new set of intrusive rules and regulations of a modern state.[18] Moreover, precisely because their power and authority were localized, and hence limited in geographic scope, local community leaders could be easily controlled and disciplined by government officials.

It was with the help of town- and village-level community leaders, for example, that Japanese colonial bureaucrats successfully completed an island-wide cadastral survey by 1903. In turn, the amount of privately owned—and hence taxable—land recorded in government documents

doubled from 350,604 hectares in 1887 (when land records were lasted updated by Qing officials) to 754,515 hectares at the conclusion of the cadastral survey. The multitude of health and sanitation campaigns, most notably the successful effort to eradicate the bubonic plague, was also made possible with the help of local community leaders. Community leaders ensured that each household participated in a rat catching campaign, which ultimately led to the extermination of 41,923,644 rats between 1901 and 1912. In addition, they played an instrumental role in enforcing quarantines, the burning of infected houses, and other highly unpopular health regulations in areas affected by the plague. By 1917, the disease, which had caused one- to three thousand deaths per year during the first decade of Japanese rule, was completely eradicated. From efforts to increase Taiwan's agricultural output through scientific farming to campaigns against opium smoking, foot-binding, and other "evil" customs, there was hardly an area of public policy where local community leaders did not play a crucial role in policy enforcement.[19]

Moreover, it was through the assistance of community leaders that the Government-General of Taiwan ultimately succeeded in imposing a system of direct bureaucratic governance. As was the case in Japan itself, Taiwanese society was reconstituted in the 1930s to a wartime, and arguably fascist, footing, with the founding of various state-controlled administered mass organizations.[20] The most important among them was the all-encompassing Kōmin Hōkōkai (Association of Imperial Subjects for Patriotic Services), created for the purpose of mobilizing all of Taiwan's subjects and resources for the war effort. Branches of the Kōmin Hōkōkai were established at the prefectural, county, township, village, ward, and neighborhood levels by grafting them onto existing communal structures. Town and village-level elites in turn took on leadership positions in village alliances and public service teams, the two lowermost units of the Kōmin Hōkōkai, thus making possible Taiwan's institutional transformation into a modern state in Japan's own image.[21]

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Each instance of state-building is unique; strategies and institutional models that lead to success in one setting may not produce the same outcome in another. As such, lessons concerning state-building must be applied cautiously from one case to another, especially across different geostrategic and normative contexts. Nonetheless, certain features of contemporary state-building have remained unchanged from the colonial era to the present; so too have the underlying problems and dilemmas associated with state-building by imposition. Whether it was the Japanese seeking to modernize Taiwan and integrate it into their nation-state, or Americans aiming to transform Iraq and Afghanistan into independent and democratic states, these seemingly contrasting state-building missions were pursued amidst widespread resistance. As such, they similarly necessitated a vigorous counterinsurgency campaign at the outset.

As we saw in the above analysis, alliances with local elites that maximize attainment of wartime goals are different from those that lead to the successful construction of a modern state. In colonial Taiwan, this dilemma led the Japanese to choose a less effective and more costly counterinsurgency strategy, so that they could achieve their long-term goal of transforming Taiwan into a strong colonial state. Yet, if we go beyond the case at hand, the reverse practice of state-builders prioritizing military victory over any long-term political goals is far more commonly observed both under colonialism and in the contemporary period.

In attempting to bring northern China under the control of the Nationalist government in the 1920s, for example, Chiang Kai-shek, whose support base was in southeast China, relied on regionally powerful "local bullies" (*tuhao*) to pacify and control the population. This strategy allowed Chiang to rapidly accomplish his goal of uniting China under a single government, but at the cost of entrenching the northern tuhao as powerful political bosses and warlords. This, in turn, not only prevented the government from penetrating, and effectively governing, society in the north, but moreover, led to the corruption of the administrative machinery and the delegitimization of the Nationalist regime. The Communists, led by

Mao Zedong, would later take advantage of people's hatred of the tuhao, and by employing strategies similar to the ones used by the Japanese in Taiwan—that is, relying exclusively on its own military capacity and cultivating ties with local community leaders—successfully reunited and remade China into a strong state.[22]

Similarly illustrative is the American state-building enterprise in the Philippines from 1898 to 1942, a case that was comparable in many ways to the Japanese experience in Taiwan, but led to contrasting state-building outcomes due in part to the difference in the counterinsurgency strategy employed. Constrained by the self-serving narrative that the United States was ethically compelled to occupy the Philippines and to remake the archipelago into an American-style democracy for the benefit of the Filipino people, as well as by the wishes of an U.S. electorate suspicious of foreign entanglements and long-term military commitments, American colonial administrators sought to lower the financial and human toll of the counterinsurgency campaign. They did this, quite successfully, by forging clientelistic ties with wealthy landed elites. In this process, U.S. officials transformed what was once a predominantly socioeconomic elite into a political one. Whereas the Filipino landed elite, despite their wealth, were prevented from having much political influence under the previous Spanish administration, under U.S. rule, they used their collaborative relations with colonial officials to entrench themselves as powerful and autonomous political bosses—a legacy that continues to adversely affect the Philippines today.[23]

Two policy implications follow from this analysis. The first is that the achievement of policy objectives in various issue areas does not necessarily add up to state-building's success overall. In fact, institutional structures that advance policy objectives in one area may negatively affect the development of a strong state. For similar reasons, in order for state-builders to achieve their ultimate goal, they may be better off relying on local allies who are ineffective in any one area or phase of the state-building mission. This observation holds vis-à-vis the counterinsurgency

campaign, as we saw above, as well as in other areas of state-building, such as judicial reform and provision of various public goods and services. In some instances it may be that the state-builder simply cannot militarily prevail if they do not collaborate with powerful provincial elites. If so, they must forge these partnerships with the understanding that they will profoundly affect how the political order will evolve in subsequent years.

Secondly, the way in which the United States goes about planning and executing state-building missions should be changed. In the United States, which has historically lacked a colonial office or its equivalent, military officials have become de facto policymakers in the area of state-building. They do not see counterinsurgency as a component of state-building, but rather, as experts in war-fighting, they approach state-building—dubbed winning "hearts and minds"—as a strategy for military victory. From the perspective of this study, this is highly problematic, and may explain why the United States has so profoundly struggled at state-building.[24] Due to the fact that various aspects of state-building are closely interconnected, strategic decisions and the selection of institutional models in any one area must be made by carefully considering their effects on the larger mission. If America is to improve its dismal record in imposing liberal and democratic institutions abroad, it may therefore be necessary to first develop the civilian personnel and capacity to study, plan, and manage state-building more holistically. ■

Chapter Endnotes

1 As Krasner and Weinstein argue, this is also why contemporary state-building has rarely succeeded. See Stephen Krasner and Jeremy Weinstein, "Improving Governance from the Outside In," *Annual Review of Political Science* 17 (2014): 123–45.

2 James Fearon and David Laitin, "Neotrusteeship and the Problem of Weak States," *International Security* 28.4 (2004): 5–43; Stephen Krasner, "Sharing Sovereignty: New Institutions for Collapsed and Failing States," *International Security* 29.2 (2004): 85–120.

3 Roland Paris, "International Peacebuilding and the 'Mission Civilisatrice,'" *Review of International Studies* 28 (2002): 637–56.

4 Miguel Centeno, *Blood and Debt: War and the Nation-State in Latin America* (University Park: Pennsylvania State University, 2002); Jeffrey Herbst, *States and Power in Africa* (Princeton University Press, 2000); Charles Tilly, *Coercion, Capital, and European States, AD 90–1990* (Cambridge, MA: Blackwell, 1990).

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6 Harry Lamley, "The Taiwan Literati and Early Japanese Rule, 1895–1915: A Study of Their Reactions to the Japanese Occupation and Subsequent Responses to Colonial Rule and Modernization," Ph.D. diss., University of Washington, 1964, 224–27.

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8 Hara Takashi, "Taiwan mondai nian [Two proposals for the Taiwan problem]," in *Taiwan shiryō* [Taiwan documents], ed. Kaneko Kentarō (Tokyo: Hara Shobō, 1970[1895]); Oguma Eiji, *"Nihonjin" no kyōkai: Okinawa, Ainu, Taiwan, Chōsen shokuminchi shihai kara fukki undō made* [The Boundaries of "Japanese": Okinawa, Ainu, Taiwan, Korea from colonial domination to recovery movement] (Tokyo: Shinyōsha, 1998), 93–100.

9 Hui-yu Caroline Tsʼai, "One Kind of Control: The "Hokō" System in Taiwan under Japanese Rule, 1895–1945," Ph.D. diss., Columbia University, 19; Lamley, "The Taiwan Literati and Early Japanese Rule," 237.

10 Ching-chih Chen, "Japanese Socio-political Control in Taiwan, 1895–1945," Ph.D. diss., Harvard University, 1973, 19–26; 19–36; James Davidson, *The Island of Formosa Past and Present: History, People, Resources, and Commercial Prospects* (New York: Macmillan, 1903), 314–70; Ōe "Shokuminchi sensō to Sōtokufu no seiritsu."

11   Chiu-fen Hung, "Ri ju chu qi tai wan de bao jia zhi du (1895–1903) [The baojia system in Taiwan, 1895–1903]," *Jin dai shi yan jiu suo ji kan* 21 (1991): 437–71; Mukōyama Hiroo, *Nihon tōchika ni okeru Taiwan minzoku undō shi* [A history of the national movement in Taiwan under the Japanese rule] (Tokyo: Chūō Keizai Kenkyūjo, 1987), 124–25; Ts'ai, "One Kind of Control," 48–49.

12   Katsura Tarō, "Taiwan Tōchi Hōshin [Taiwan Governing Policy]," July 1896, Reel 9, No. 84.1, Katsura Tarō kankei monjo [Documents related to Katsura Tarō], National Diet Library, Tokyo.

13   Ōe, "Shokuminchi sensō to Sōtokufu no seiritsu."

14   In 1901, a total of 8,719 regular and permanent bureaucrats were employed, which amounted to three bureaucrats per thousand inhabitants. In subsequent years, this would increase to four per thousand. In comparison, the entire civilian bureaucracy within Japan itself was a much more modest 1.6 per thousand during this period. Okamoto Makiko, *Shokuminchi kanryō no seiji shi: Chōsen, Taiwan Sōtokufu to teikoku Nihon* [The political history of the colonial bureaucracy: Korean and Taiwanese Government-Generals and the Japanese empire] (Tokyo: Sangensha, 2008), 51.

15   Taiwan Sōtokufu Keimukyoku, *Taiwan Sōtokufu keisatsu enkakushi* [A history of the Taiwan Government-General police], vol. 1 (Taipei: Taiwan Sōtokufu Keimukyoku, 1933), 506–07, 513–15; Jen-to Yao, "Governing the Colonised: Governmentality in the Japanese Colonisation of Taiwan, 1895–1945," Ph.D. Diss., Department of Sociology, University of Essex, 2002, 184–88.

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18   On this point, see Prasenjit Duara, *Culture, Power, and the State: Rural North China, 1900–1942* (Stanford: Stanford University Press, 1988); Daniel Mattingly, "Elite Capture: How Decentralization and Informal Institutions Weaken Property Rights in Rural China," *World Politics* 68.3 (2016): 383–412; Lily Tsai, *Accountability without Democracy: Solidary Groups and Public Goods Provision in Rural China* (New York: Cambridge University Press, 2007).

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20   On AMOs, see Gregory Kasza, *The Conscription Society: Administered Mass Organizations* (New Haven: Yale University Press, 1995).

21 Matsuzaki, "State-building Amidst Resistance"; Ts'ai, "One Kind of Control," 452–56, 485–91.

22 Victor Nee, "Between Center and Locality: State, Militia, and Village," in *State and Society in Contemporary China*, ed. Victor Nee and David Mozingo (Ithaca: Cornell University Press, 1983), 223–43; Patricia M. Thornton, *Disciplining the State: Virtue, Violence, and State-making in Modern China* (Cambridge, MA: Harvard University Press, 2007).

23 Reo Matsuzaki, *Statebuilding by Imposition: Constructing a Modern State Amidst Resistance in Colonial Taiwan and Philippines* (Ithaca: Cornell University Press, forthcoming); Alfred W. McCoy, ed., *An Anarchy of Families: State and Family in the Philippines* (Madison: The University of Wisconsin Press, 2009); John T. Sidel, *Capital, Coercion, and Crime: Bossism in the Philippines* (Stanford: Stanford University Press, 1999).

24 For example, see Astri Suhrke, *When More Is Less: The International Project in Afghanistan* (New York: Columbia University Press, 2012). On America's state-building record, see Jason Brownlee, "Can America Nation-build?" *World Politics* 59.2 (2007): 314–40.

Japan's Long-Term Financial Stability Challenges Require a New Macroprudential Framework

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Summary and Conclusions

The global financial crisis demonstrated that traditional regulation, often called microprudential, was insufficient to mitigate vulnerabilities that threatened the health of the financial system as a whole. Authorities in many economies, including Japan, subsequently explored and adopted a more systemic approach to financial regulation—a holistic policy approach called macroprudential. Japan, however, went much shorter in reforming its systemic oversight framework than its advanced economy peers, leaving it with a macroprudential architecture that may face challenges in the years ahead. In order to address more effectively its long-run structural vulnerabilities, Japan needs to develop an effective inter-agency macroprudential committee with a legal institutional footing; a formal mandate; clear objectives; and, a sufficient policy toolkit.

The Development and Establishment of Macroprudential Frameworks

The global financial crisis that began in 2007–08 developed due to numerous fundamental micro- and macroeconomic causes such as inappropriate incentives in the financial sector, unsustainable macro cross-border saving-investment imbalances, and insufficient regulatory oversight.[1] As the crisis approached, many economies lacked institutions with the mandate and capacity to assess such vulnerabilities from a high-level point of view with respect to the stability of the entire financial system. Policymakers, therefore, were not prepared well to take sufficient steps in advance to mitigate the crisis.

Systemic risk can be defined as "the risk of widespread disruption to the provision of financial services that is caused by an impairment of all or parts of the financial system, and which can cause serious negative consequences for the real economy."[2] Inclusive in this definition are negative externalities—due to, for example, magnitude, interconnectivity, or excessive leverage—from a disruption or failure of a single financial institution, market, or instrument to the financial system as a whole.

Prompted by the crisis, international financial institutions (IFIs) such as the International Monetary Fund (IMF) and the Financial Stability Board (FSB) devoted considerable resources to take stock of the crisis experience, including institutional frameworks and the policy response. Backed by the political support of the G20 and a resolve to avoid future crises, the IFIs and governments considered institutional frameworks that would yield effective approaches for identifying systemic risks and addressing systemic vulnerabilities. Many governments undertook efforts to reform their institutions and introduce frameworks to better monitor their financial and economic systems from a "macroprudential" perspective. In other words, bringing together macroeconomic policy (e.g., fiscal and monetary) with microprudential policy (e.g., financial regulatory policy such as bank capital and liquidity ratio rules) to limit

systemic risks that, if manifest, could disrupt the provision of financial services and damage the real economy.

The objective of macroprudential policy, which uses microprudential and macroeconomic tools, is to mitigate systemic risks and maintain financial stability (Figure 1).[3] Macroprudential policy complements the microprudential policy focus on the safety and soundness of individual financial institutions as well as the macroeconomic policy focus on price stability and economic growth. An example of microprudential policy is capital requirements imposed on individual banks, which mitigate the risk of bank insolvency by requiring a buffer to absorb potential losses. Capital requirements can also be used as a macroprudential tool if policymakers assess, for example, that asset prices have risen too far too fast. Policymakers could then require banks to hold additional capital (e.g., a counter-cyclical capital buffer) to dampen lending activity (which may be fueling the increase in asset prices) and bolster the banking system's resilience to potential losses in the event of an asset price crash. Macroeconomic policy, meanwhile, can also be employed with a macroprudential perspective.

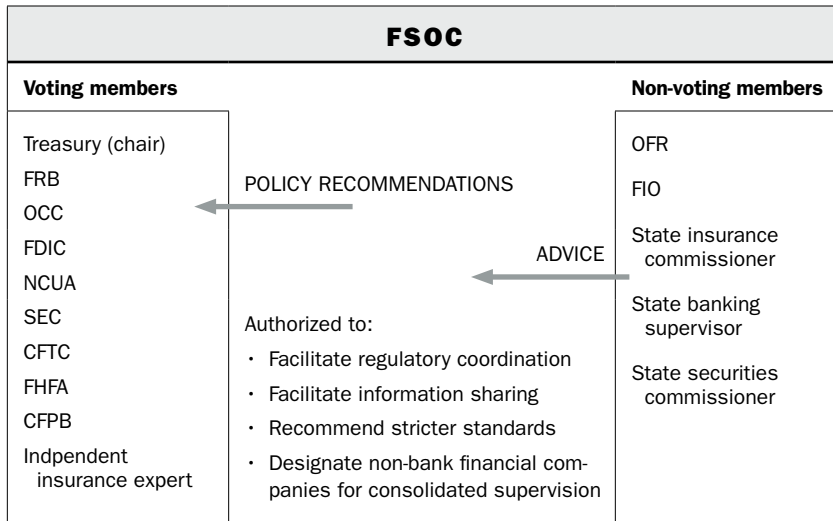**Figure 1. A stylistic view of macroprudential policy**
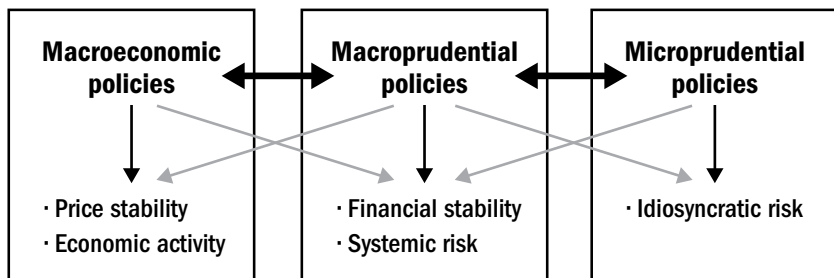
Source: IMF 2013.

Experience with macroprudential frameworks and policy tools is limited, but growing, complemented by an increasing body of empirical research on their effectiveness. Lessons learned and best practices, however, remain tentative as the range of evidence does not yet span a full economic or financial cycle. Nevertheless, an interim consensus has formed that there is no "one-size-fits-all" model for effective macroprudential policymaking given the wide range of country-specific institutional arrangements, political and legal traditions, and existing regulatory architectures.

Broadly speaking, countries have adopted one of three model types under which the main macroprudential mandate is held by:[4]

- *The central bank, with its governor or board making macroprudential decisions.* This model is the prevalent choice where the central bank already maintains the relevant regulatory and supervisory powers (e.g., New Zealand, Singapore).[5] This model can be complemented with coordination mechanisms and information-sharing arrangements with supervisory authorities outside the central bank.

- *A dedicated committee within the central bank (often chaired by the governor).* This structure allows for outside regulatory and supervisory authorities and external experts to participate in the decision-making committee (e.g., the United Kingdom). This helps to bring a range of perspectives and fosters an open discussion of trade-offs of policy options.

- *An inter-agency committee outside the central bank.* This framework aims to facilitate information-sharing among agencies to promote discussion of system-wide risk, and to coordinate policy actions (e.g., France, Germany, and the United States). This model often accommodates a strong role of the finance ministry, as in the United States, where the Financial Stability and Oversight Council (FSOC) is chaired by the Department of Treasury (figure 2). Participation of the finance ministry is important for creating political legitimacy and for when fiscal policy is required to mitigate systemic risk.

Figure 2. Organizational structure of the U.S. Financial Stability Oversight Council

FSOC		
Voting members		**Non-voting members**
Treasury (chair) FRB OCC FDIC NCUA SEC CFTC FHFA CFPB Indpendent insurance expert	POLICY RECOMMENDATIONS ← ← ADVICE Authorized to: • Facilitate regulatory coordination • Facilitate information sharing • Recommend stricter standards • Designate non-bank financial companies for consolidated supervision	OFR FIO State insurance commissioner State banking supervisor State securities commissioner

Source: FSOC Annual Report, 2014.
FRB – Federal Reserve Board; OCC – Office of the Comptroller of the Currency; FDIC – Federal Deposit Insurance Corporation; NCUA – National Credit Union Administration; SEC – Securities and Exchange Commission; CFTC – Commodity Futures Trading Commission; FHFA – Federal Housing Finance Agency; OFR – Office of Financial Research; FIO – Federal Insurance Office.

Although institutional models differ, there is no theoretical or empirical evidence to suggest superior performance of one macroprudential model over another in terms of identifying and mitigating systemic vulnerabilities. Rather, the accumulated evidence can only offer a number of elements of macroprudential frameworks that have been found effective for policymaking. Namely, the institutional setup needs to promote:

1. Cooperation and information-sharing between authorities;

2. Transparency and accountability to establish legitimacy and create commitment to take action;

3. An ability to act based on a framework for analyzing and monitoring systemic risks, appropriate policy tools, and clear mandate of assigned responsibility for taking macroprudential policy decisions; and,

4. A willingness to act with well-defined objectives and powers.

Japan's financial stability framework does not fit into any of the three main model types. It is also less than clear that Japan's existing institutional foundations promote the main elements for effective macroprudential policymaking.

Japan's Macroprudential Framework—An Outlier from Global Models

The foundation of Japan's current financial stability framework was laid in the late-1990s and early-2000s as pressures from the unresolved consequences of the collapsed asset price bubble eventually led to failures of large financial institutions and instability. External factors also played a role in the debate for that round of administrative reforms as Europe was transitioning its financial regulatory structures to the forthcoming adoption of the euro. During this period, the government made the Financial Services Agency (FSA) and the Bank of Japan (BOJ) the main macroprudential authorities.[6]

The FSA, carved out of the Ministry of Finance (MOF) in 2000 as the single financial sector regulator, is the designated regulatory and supervisory authority for all financial institutions with responsibility for "ensuring the stability of the financial system."[7] The FSA also is responsible for the designation of systemically-important financial institutions. The FSA uses primarily microprudential regulatory prudential tools for its macroprudential objectives.

The BOJ was reformed in 1997 under the New BOJ Law, which strengthened the Bank's autonomy, increased its transparency, and gave it the objective of financial stability in addition to price stability. The BOJ derives its macroprudential responsibilities from the Law's Article 1 objective for the Bank to "maintain an orderly financial system" through its monetary policy powers and its role as the lender of last resort.[8] The BOJ also seeks to provide a macroprudential perspective when conducting monetary policy with the aim of maintaining sustainable growth and price stability. To fulfill this mandate, the BOJ conducts regular on-site examinations and off-site monitoring of financial institutions, and analyzes financial markets data and information on the functioning of payment and settlement systems. This serves as a basis for its assessment of systemic risks and of policy measures to address them.

In 2001, the government also established a comprehensive crisis management framework in the event of the failure of a SIFI (systematically important financial institution). The Financial Crisis Response Council, chaired by the prime minister and including the BOJ Governor, Finance Minister, and FSA Commissioner, is intended to provide high-level coordination in times of financial crisis. Outside of crisis periods, however, inter-agency coordination remains largely informal, as the government did not establish a standing council or committee for macroprudential policy.[9]

Reforms Since the Global Financial Crisis—Formal Committee Still Lacking

The global financial crisis highlighted for policymakers the need for macroprudential policy frameworks to be clarified and strengthened, and generated another opportunity for Japan to reform its approach. Economies at the center of the crisis, including the United States and the United Kingdom, made significant changes to their macroprudential oversight frameworks and decision-making policy processes. In the first decade following crisis, however, Japan has made only limited changes to its macroprudential architecture.

The IMF, which has made assessing countries' macroprudential frameworks a standard component of its regular, post-crisis Financial Sector Assessment Programs (FSAPs), has had two opportunities to offer rounds of recommendations for Japan to improve its approach.[10] The IMF focused, in particular, on ways in which Japan should improve its inter-agency macroprudential policy cooperation. In its 2012 FSAP, the IMF made the high-priority recommendation (i.e., for immediate attention and implementation within three years) that Japan bolster its oversight of systemic risk by considering "more regular arrangements for more intensive and continuing interagency cooperation in systemic risk monitoring and contingency planning."[11] The IMF also made the medium-term recommendation (i.e., within five years and by the next FSAP) that Japan "strengthen the formal basis for data and information sharing among supervisory agencies." More broadly, the IMF stated that, "further advances in the regulatory and supervisory regime would help to better anticipate and manage systemic risks. Among all agencies, mechanisms for systemic and macroprudential oversight could be enhanced and more forward-looking cross-sectoral approaches adopted."

Japan's authorities have taken some steps to address FSAP recommendations and strengthen their macroprudential policy framework.[12] To improve interagency cooperation, the BOJ and the FSA created the Council for Cooperation on Financial Stability (CCFS) in June 2014 (Figure 3).[13] The two-agency committee provides a mechanism for a periodic exchange of views between the Bank (represented by a Deputy Governor) and the FSA (represented by the Commissioner) on their respective analysis and assessments of risks in the financial system. The CCFS, however, is not formalized in regulation or law, but works under an agreement between the agencies. The Council, which meets only every six months, is not a decision-making body, and cannot make requests to assess specific vulnerabilities or issue recommendations or directions to any authorities. The only public output from the CCFS is a notice that a meeting has taken place.

Figure 3. Overview of Japan's macroprudential framework

FSA and BOJ co-operation
1. *Informal channels*
2. *Council for Cooperation on Financial Stability*—Meets semi-annually to exchange views on recent financial conditions which guides each institutions' risk assessment

	FSA	BOJ
Information collection	Regular supervisory activities (covering all financial institutions); market intelligence interviews; ad hoc requests	Regular supervisory activities (covering all financial institions with current accounts at the BOJ); surveys; money market and payment and settlement system operations data
Systemic risk assessment	Daily monitoring of market condition; monthly monitoring and meetings with financial institutions; quarterly updating of macroprudential indicators; bottom-up stress testing of systemically important financial institutions	Top-down stress testing and early warning system, including a financial cycle index and a cross-sectoral heat map
Public communication	Annual publication of Financial Monitoring Report, which focuses primarily on micro-prudential and regulatory issues (and does not include stress test results)	Semi-annual publication of the *Financial Stability Report*, including results of stress testing and early warning system
Macroprudential measures	Bilateral dialogue backed by on-site inspections and off-site monitoring; administrative actions if needed and activation of Basel III macroprudential (for internationally active banks)	Bilateral dialogue and recommendations following on-site examinations and off-site monitoring

Source: IMF Japan FSSA 2017.

In March 2016, the authorities set up a monthly meeting mechanism to exchange information on international financial market developments, attended by senior officials from the FSA (Commissioner and the Vice Minister for International Affairs), the BOJ (Assistant Governor and Executive Director), and the MOF (Vice Minister of Finance for International Affairs and the Deputy Vice Minister for Policy Planning and Coordination). The meetings, however, are also not formalized in law, generally do not have a pre-defined agenda, and are not intended to make joint decisions on specific policies or recommendations for policy action.

The Absence of a Formal Macroprudential Committee Exposes Japan to Stability Challenges

The absence of a macroprudential committee with a formal mandate and strong institutional footing makes Japan's framework an outlier among advanced economies (Figure 4). Despite improvements to several aspects of its macroprudential oversight capacity and inter-agency cooperation, this absence exposes Japan to a potential inability to manage effectively the structural financial stability challenges it faces as well as identify and address potential cyclical financial instability.

Figure 4. Institutional models for macroprudential policy

Feature	Japan	US	UK	EU
1. Financial stability committee	No	Yes	Yes	Yes
2. Chair of financial stability committee	N/A	Treasury	Central Bank	Central Bank
3. Decision-taking power of financial stability committee	N/A	Advisory and compulsive	Advisory and compulsive	Advisory
4. Degree of institutional integration of central bank and supervisory agencies	No	Partial*	Partial	No
5. Explicit role of Treasury / MOF on financial stability committee	No	Chair	Member	Member

Excludes securities and most banks; regulates systemically-important financial institutions.
 # Excludes securities.
Source: IMF Japan FSSA 2012.

Japan's financial system is currently stable, an assessment affirmed by both the IMF and the BOJ.[14] Low interest rates and demographic trends, however, pose chronic challenges to the stability of the financial system with systemic risks building over time. Bank and insurer profitability is grinding lower with narrowing net interest rate margins while the shrinking and aging population reduce demand and raise financial institutions' risk profiles in their search for yield. Demographic changes will also likely lead to structural changes in the financial system with the role of banks reduced and regional and *shinkin* banks (a type of Japanese deposit institution) facing consolidation and closure.[15]

Although Japan's institutional framework has not so far been an impediment to financial stability, there are number of considerations why a formal structure is important for Japan to adopt. Specifically, Japan's informal settings may not promote effectively the four elements of effective macroprudential policymaking described above.

1. *Cooperation and information-sharing among authorities.* The FSA and the BOJ oversee the financial sector with slightly differing perspectives, and the agencies conduct differing analyses. The existing CCFS facilitates understanding and debate, and the deep, informal networks among bureaucrats raise information-sharing. Neither, however, can drive forward a long-term agenda to increase the resilience of the financial system as, for example, a growing number of regional banks (and an expanding share of the financial system) become loss-making operations and deplete their capital. In addition, the CCFS does not include a number of agencies that can contribute relevant information, analysis, and policy tools such as MOF, the Deposit Insurance Corporation of Japan (DICJ), and the Fair Trade Commission (FTC).[16]

2. *Transparency and accountability to establish legitimacy and create commitment to take action.* In addition to well-defined objectives, transparency through financial stability reports, policy statements, and meeting records can help inform the public of the policy stance.[17]

The aim of macroprudential policy communication strategies is to convey financial stability assessments clearly, link them logically to any policy actions taken, and manage public expectations about what can be achieved with those policies. Accountability mechanisms to the public and legislature can establish legitimacy and create commitment to take action.[18] This fosters an effective pursuit of the policy objective. Japan's existing CCFS provides no transparency regarding its agenda, has no ability to set policy, and therefore is not accountable for macroprudential policy actions or inactions.

Macroprudential policy can be subject to biases toward inaction or insufficiently timely action when the benefits are uncertain while the costs are often more immediate. Using macroprudential policy to increase resilience is typically difficult for policymakers to advance, especially so when the challenges faced are, as in Japan's case, long-term and chronic. Promoting anti-cyclical policies to boost systemic resilience when economic and financial conditions are strong, but when risks are growing, is often difficult for policymakers to carry out. Higher capital requirements may improve the safety of the financial system as a whole, but it is costly for individual banks. Such difficulties can be compounded without effective communication to the public and credible accountability. The FSA, if acting alone as the singular financial regulator, would likely face resistance from the financial sector (and have to overcome the adverse regulator-regulated dynamic of "industry capture") in accepting short-term costs to address long-terms risks. The IMF notes that "where the supervisory authority is a macroprudential decision-maker, coordination with other relevant authorities may be facilitated through the establishment of a coordinating or advisory body, or by attributing a strong role to the central bank on its decision-making board."[19]

3. *An ability to act based on a framework for analyzing and monitoring systemic risks, appropriate policy tools, and clear mandate of assigned responsibility for taking macroprudential policy decisions.*

The absence of a formal structure reduces the authorities' ability to ensure that the right instruments and right policy mix are used. Limitations and interactions between policies are complex and can give rise to both complementarities and tensions. Conflicts may arise when the micro- and macroprudential perspectives on the course of policy action diverge, both in benign times and in times of stress.[20] Formal institutional arrangements can resolve such difficulties. The IMF has recommended in its 2017 FSAP that Japan's macroprudential framework could be "further strengthened by clarifying the mandate of the CCFS and proactively expanding the macroprudential toolkit."[21]

In addition, the most appropriate policy tools could be outside the two agencies with macroprudential responsibilities—the FSA and the BOJ—and the only members of the CCFS. Involvement of additional agencies can be useful to create political legitimacy for macroprudential policy, and enable a macroprudential policy committee to discuss potential measures in other fields. Finance ministries, including Japan's MOF, are often the most politically powerful ministry. Fiscal policy or deployment of fiscal resources (e.g., to recapitalize a bank) is a key tool, and therefore inclusion of the MOF in macroprudential policymaking would expand significantly the macroprudential toolkit. Finance ministries participate in committee setups in many countries, including as a chair (e.g., France, Germany, and the United States), a voting member (e.g., Poland), and as a non-voting member (e.g., the United Kingdom).

4. ***A willingness to act with well-defined objectives and powers.*** A clear mandate forms the basis of the assignment of responsibility for taking macroprudential policy decisions. According to the IMF-FSB-BIS, an element of effective macroprudential policy is an institutional design that "provides the main mandate to an influential central body with substantial convening power and the ability to take a broad view of the entire financial system."[22] Providing the CCFS with well-defined objectives and powers, or establishing a financial stability committee

within the BOJ, can foster an ability and willingness to act. A properly-empowered chair of a financial stability committee can help legitimize macroprudential policy action and push agencies away from inaction bias with a "comply or explain" request.[23] This is critical given Japan's policymaking history of forbearance, such as in the face of the largely unchecked buildup in financial stress during the 1990s.[24]

Conclusions and Recommendations

Japan's framework for macroprudential policy is an outlier from advanced economy norms. Although there is no "one-size-fits-all" ideal model, the Japan's lack of an interagency committee with strong institutional foundations may prevent policymakers from being able to analyze effectively systemic vulnerabilities and implement policy measures to mitigate systemic risks.

Japan faces long-term challenges from a macroprudential perspective related to the decline in financial institutions' profits and a decline in population. These challenges can be addressed better under a framework with appropriate institutional foundations designed to give the main mandate to a body with a broad view of the entire financial system. Japan therefore needs to strengthen its institutional arrangements for financial stability.

Given that international experience indicates that establishing the legal and operational basis for macroprudential frameworks and tools can take time (and often only move more quickly following a crisis), the authorities should seek to reform the existing CCFS. Specifically, the CCFS:

- Should be put on a strong, legal foundation with a formal mandate, clear objectives, and a policy toolkit;
- Should have an expanded membership to other authorities relevant for financial stability (e.g., MOF); and,
- Develop structures as necessary to support its functioning (e.g., permanent secretariat, standing committees to conduct vulnerability analysis). ■

Chapter Endnotes

1   Lo, Andrew, *Reading about the Financial Crisis—A 21-book Review*, Journal of Economic Literature, January 2012. Prof. Lo reviewed twenty-one books on the crisis written by academics, journalists, and one former U.S. Treasury Secretary and concluded that no single narrative emerges.

2   International Monetary Fund-Financial Stability Board-Bank for International Settlements, *Elements of Effective Macroprudential Policies—Lessons from Experience*, August 2016.

3   International Monetary Fund, The Interaction of Monetary and Macroprudential Policy, 2013.

4   IMF-FSB-BIS, 2016.

5   The Monetary Authority of Singapore (MAS) is the central bank and integrated financial regulator in Singapore. Placing both functions under the same authority provides multiple vantage points for both the soundness of the financial system as well as individual institutions in identifying potential risk that could arise from developments in the global and domestic financial systems.

6   Other authorities are only marginally involved in systemic risk monitoring and macroprudential policymaking, including: the Deposit Insurance Corporation of Japan (DICJ), which is entrusted with bank resolution functions; and the MOF, which has a mandate to ensure healthy fiscal conditions, maintain trust in the currency, and promote a stable foreign exchange market.

7   The FSA also promotes the protection of depositors, policyholders, and investors in securities, and facilitates the smooth functioning of financial services.

8   In March 2006, the BOJ clarified its macroprudential policy objective, stating that in assessing the outlook for economic activity and prices when making monetary policy decisions, the Bank analyzes the risks considered most relevant to the conduct of monetary policy, including potential risks to financial stability in the longer term.

9   Financial Stability Board, Peer Review of Japan, December 2016.

10 FSAPs, launched in 1999 in the wake of the Asian financial crisis, are conducted once every five years. FSAPs provide countries with an opportunity to measure their compliance with financial sector standards and codes, and, therefore, to benchmark their regulatory and supervisory systems against internationally-accepted practices. The FSAP also helps identify financial system vulnerabilities and develop appropriate policy responses.

11 International Monetary Fund, Japan—Financial System Stability Assessment, July 2012.

12 The FSA and BOJ also strengthened their internal capacities for macroprudential oversight. In July 2015, the FSA established the Macroprudential Policy Office (within the Planning and Coordination Bureau) to enhance macroprudential monitoring. The BOJ, meanwhile, bolstered its semi-annual *Financial System Report* (FSR) to include top-down stress tests in 2007 and increasingly sophisticated early warning systems from 2011.

13 The FSA's Planning and Coordination Bureau and the BOJ's Financial System and Bank Examination Department jointly provide secretariat support to the CCFS.

14 International Monetary Fund, Japan—*Financial System Stability Assessment*, July 2017; and, Bank of Japan, *Financial System Report*, October 2017. The BOJ's October 2017 states: "No major imbalances have been observed in financial and economic activities, and financial institutions on the whole have generally strong resilience in terms of both capital and liquidity. Thus, it can be judged that Japan's financial system has been maintaining stability."

15 Nakaso, Hiroshi, New Frontier of Macroprudential Policy: Addressing Financial Institutions' Low Profitability and Intensified Competition, Speech, 29 November 2017.

16 One approach to mitigate systemic risks and support bank profitability at the regional level could be through mergers. The FTC, without any mandate for macroprudential policy, recently blocked a regional bank merger in Kyushu which was supported by the FSA.

17 In France, Germany, and the United States such communication tools are required by law as accountability devices.

18 Bank for International Settlements, *Macroprudential Policy Tools and Frameworks—Progress Report to the G20*, October 2011.

19 IMF, 2016.

20 BIS, 2011.

21 IMF, 2017.

22 IMF-FSB-BIS, 2016.

23 The Financial Stability Oversight Council (FSOC) in the United States has the power to recommend that one or more regulatory agencies take action and can ask each recipient to "comply or explain" (i.e., take the recommended action or explain why it will not do so).

24 Ueda, Kazuo, *The Japanese Banking Crisis in the 1990s*, BIS, October 1999.

What Can the United States and Japan Learn from Each Other's Immigration Policies?

Michael Orlando Sharpe

In this time of contentious debate about the costs and benefits of immigration, there is much that the United States and Japan can learn from each other and their historically linked immigration regimes. The United States and Japan, both advanced industrialized "older" liberal democracies[1] and global economic leaders have perhaps the world's most "open" and "closed" immigration regimes. The United States is arguably the international standard bearer as the "country of immigration,"[2] with a reputation for heterogeneity, a history of "E Pluribus Unum," and social, political, and economic "openness." Japan is a "latecomer or recent country of immigration"[3] known for its conservative approach to the maintenance of homogeneity, traditional roles, and social, political, and economic "closure."

Both nations currently are facing the realities of their immigration regimes. The contemporary United States struggles with demands for unskilled and skilled labor, increasing diversity, a large undocumented population, immigration reform, job displacement, and retiring baby boomers exiting the workforce. Many in the United States are concerned about "immigrants taking away jobs and lowering wages," "the sleeping

giant" of Latino population growth, and the potentially transformative effects of the projected continued "browning" of its "multicultural" society. Under President Trump, the United States appears poised for a contraction of its immigration regime.

Japan, ironically, faces a population crisis and anxiety about the advantages and disadvantages of much needed immigration and the impact on its "homogeneous" society.[4] Japan has one the world's largest elderly and rapidly aging populations, longest life expectancy, and lowest birthrates. As Japan's baby boomers retire, there will not be enough young people to support the social welfare system, which heightens concerns about available labor and tax revenue, the viability of the overburdened health care and pension systems, and long-term productivity. Japan's Prime Minister Abe and his Liberal Democratic Party and other political actors seek to balance the country's self-perception of homogeneity and shrinking population with demands for unskilled and skilled labor and measures to allow for an increasing foreign worker population. This suggests a halting accommodation of diversity and possible departure from its previous, rather closed immigration regime.[5]

Both the United States and Japan wrestle with the "liberal paradox"[6] of economic openness and political closure to protect the legitimacy of the liberal state. As such, the United States and Japan have much to contribute to one another's as well as the world's policy discussions around immigration and refugees. This policy paper will first address the intertwined histories of the United States' and Japan's respective immigration policies and the establishment by postwar U.S. and Japanese authorities of Japan's security driven immigration regime. It will then provide background on the current systems of immigration in the United States and Japan. The paper will conclude with a discussion of what the United States and Japan can learn from one another in the way of policy recommendations.

The Intertwined Histories of U.S. and Japan Immigration Policy

The immigration policies of the United States and Japan are historically intertwined. For decades, U.S. immigration policy involved selection based on race and ethnicity and many policies specifically barred entry of Asians. It was only in the 1950s and '60s that the United States began to move away from this approach. with the passage of the Hart-Celler Immigration Act of 1965, which did away with national origins quotas and focused on family reunification and attracting skilled labor.[7] This ultimately changed the demographic makeup of the United States and produced its current multicultural society with citizens and noncitizens from virtually every part of the world.

Japan remained closed to the outside world for much of its history. There was little to no emigration/immigration until the Meiji Restoration of 1868 that initiated Japan's modern state. This was preceded by the isolationism of the Tokugawa Shogunate (1603–1867), American "gun boat" diplomacy, and Japan's opening with United States Commodore Perry's black-ship expeditions of the 1850s. Not long after the Meiji Restoration, the first wave of Japanese emigration was organized by emigration companies with the United States and Hawaii as the initial destinations. In 1885, the first acknowledged group of Japanese emigrants was a group of young unmarried males recruited to work in Hawaiian sugar plantations as contract laborers.[8] The United States was a main destination until the 1900s when the United States wanted to limit Asian immigration. The Chinese Exclusion Act made it possible for Japanese to be replacement workers, but—prompted by anti-Japanese nativism—the Gentleman's Agreement of 1907–1908 redirected Japanese migration to Latin America, which was then facing labor shortages due to the prohibition of African slavery. For these reasons, there are large Japanese descendant (*Nikkiejin*) overseas communities in the United States and Latin America.

Following its defeat in World War II, Japan came under Allied occupation and this lasted until 1952. The postwar Japanese and American authorities discouraged labor migration and enforced very strict immigration and border control. For these reasons, postwar Japan did not experience significant labor migration and its immigration policy has been formulated around the idea of public order and not integration. The 1951 Immigration Control Regulation and the 1952 Foreign Registration Law and then Regulation were established to avoid long-term settlement.[9] In the postwar reconstruction, both the Japanese and U.S. authorities made use of the idea of Japanese homogeneity for the purposes of political consolidation in the face of communist external and internal threats.[10] The collapse of the empire and reduction of ethnic diversity triggered "the unmixing of Japan" and embrace of homogeneity.[11] This helped to set the stage for much of Japan's contemporary immigration policy.

Contemporary U.S. and Japanese Immigration Policy

The United States has a population of 320 million. In 2015, some forty-three million foreign born made up nearly 14 percent of the total population. This included 20.7 million naturalized citizens, 11.1 million unauthorized, 13.1 million permanent residents, and 1.7 million on temporary visas. The United States admitted around 70,000 refugees in 2015. Some 650,000 people were naturalized in 2014, bringing the total number of naturalized citizens to 20 million or nearly half the immigrant population.[12] The Hart-Celler Immigration Act of 1965 still defines much of U.S. immigration policy. The United States has around 185 visa categories that can be broken down in terms of immigrant (for permanent residence) and non-immigrant (for temporary stays including tourism, work, or business). The largest legal immigrant category remains "family reunification," comprising some two-thirds of legal immigration. There are also visas that facilitate formal guest worker programs for high- (e.g., H1B) and low-skilled workers (e.g., H2A). The 14th Amendment of the U.S. Constitution establishes a *jus soli* (law of the soil) regime, meaning

that citizenship is granted at birth on the soil of the territory and its possessions or to the children of a U.S. citizen.

Japan's contemporary immigration policy includes a prohibition on most unskilled foreign workers. Japan had a population of 127 million in 2016, with some 2.9 million foreigners (including short-term stay such as tourists and long-term residents), mostly from Asia,[13] or roughly 2.3% of the total Japanese population. There were some 62,818 unauthorized foreign residents who overstayed their visas in 2016.[14] Some 40,000 were granted permanent residency each year between 2011–2015.[15]. The once very strict naturalization process has been eased and this has resonated with particular increases from the long resident *Zainichi* Korean community, descendants of former colonized Koreans, many of whom do not have Japanese nationality.[16] Although the naturalization process has been liberalized and some 99% of applications are approved, only about 1000 people were granted Japanese nationality between 2010–2016 [17]. Naturalization is still a very involved process and permanent residence a bit easier, so most people opt for the latter. Between 1990–2016, the foreign population increased by roughly 160 percent.[18] Japan contributes a great deal of money to international organizations but accepts very few refugees. In fact, Japan took in just twenty-seven refugees in 2015.

In reaction to increasing foreign workers, the 1990 Immigration Control and Refugee Recognition Act (hereafter 1990 Immigration Act) tightened visa requirements and established the *teijusha* (long-term residence) visa that allows *Nikkeijin* (Japanese descendants) to legally reside and work in Japan.[19] Spouses and children are also able to stay for up to one year both with unlimited renewals. The 1990 Immigration Act essentially established a "side door" for cheap foreign labor and thousands of *Nikkeijin* from Latin America emigrated to Japan.[20] Additionally, a trainee program was later established for pre-college workers from developing countries to work less than full-time as "interns" for up to three years at "trainee" wages.[21] By 2016, there were roughly 228,589 "trainees'" in Japan.[22] In

the wake of the 2008 world financial crisis with many Latin American *Nikkeijin* being laid off, the government established the *Kikoku Shien Jigyo* (Help Return Program) program that enabled unemployed repatriating Latin American *Nikkeijin* to receive about $3,000 per person plus $2,000 for each dependent family member provided they do not reenter Japan under the same visa status.[23] The program ended with some 21,675 remigrants.[24] Japan's immigration regime has many employment-based visas categories for the highly skilled, such as professor, journalist, engineer/humanities, etc., entertainer, some family related immigrant categories, e.g., "dependent," "spouse or child of Japanese national," "spouse of permanent resident," as well as the defacto guest worker programs for Nikkeijin and trainees. Japan has a *jus sanguinus* (law of the blood) regime for nationality, meaning citizenship is granted by blood or citizenship of the parent(s) and not by place of birth. There is no "as of right" acquisition of citizenship for the second generation born in Japan. With the exception of the *Nikkeijin*, Japan is the only advanced industrialized liberal democracy that does not grant family reunification rights.[25]

What Can Japan Learn from U.S. Immigration Policy?

Currently, there is much anti-immigrant rhetoric in the United States, including calls for building a Mexican border wall and excluding certain groups. In some ways, this rhetoric is a throwback to the nativist and anti-immigrant Know Nothing party of the 1850's and a much earlier era of U.S. foreign policy isolationism. Despite this, there is much Japan can learn from the United States. The U.S. was number one out of the top twenty-five immigration destination countries in 2015,[26] and the U.S. experience demonstrates that immigration brings more benefits than liabilities. While some argue the potentially negative effects of undocumented immigration in response to labor demand such as depressed wages for low skilled and less educated natives, including some historically marginalized groups such as Native Americans and African Americans, others contend it has long-term benefits for all. A 2017

report by the National Academy of Sciences concluded immigration is critical to U.S. economic growth and that immigrant labor has helped the United States avoid the demographic problems of other countries with aging populations and falling consumption.[27] Additionally, human capital brought by high skilled immigrants contributes to U.S. capacity for innovation, entrepreneurship, and technological advancement. The Center for American Progress (2017) reports immigrants added some $2 trillion to U.S. GDP in 2016.[28] In 2010, 40 percent of Fortune 500 companies were founded by immigrants and their children. Fewer than one in five immigrants live in poverty. The poverty rate in 2015 for immigrants was 17.3 percent, as opposed to 14.3 percent for the native born. Working class immigrants use social programs at similar or lower rates than the U.S. born. Immigrants are less likely to commit crimes or be incarcerated than the U.S. born. Immigration has a small but positive impact on U.S. wages in the long run. Immigrants complement rather than compete against native workers.[29]

A 2017 *New York Times* op-ed by retired admiral and former chairman of the joint chiefs of staff Michael Mullen notes the benefits of accepting refugees include revitalizing U.S. democracy, preserving or restoring stability in volatile parts of the world, fostering respect, and sending a message of support to countries whose cooperation is needed on a wide range of issues, such as trade pacts, military coalitions, and peace deals.[30] Moreover, Mullen notes that refugees become hardworking Americans and added some $63 billion to the U.S. economy between 2005–2014. Immigrants will remain a very important part of the U.S. economy over the next twenty years as baby boomers retire and people are needed to fill jobs. It is estimated that between 2015–2066, immigrants and their children will account for some 88 percent of U.S. population growth and have much to contribute to the maintenance and growth of the U.S. economy.[31] A key lesson learned from the U.S. case for Japan is that immigration and access to legal citizenship is generally beneficial. Limiting immigration to a trickle or replacing workers with robots will not provide the taxes, pension fund support, innovations, entrepreneurship or new workers

Japan needs. But when it comes to immigrant integration, the Japanese context might necessitate more uniform measures than the American laissez faire approach.

What Can the United States Learn from Japan's Immigration Policy?

The subject of what the United States can learn from Japan in its immigration policy is not often discussed. Some Japanese and U.S. politicians and others, more recently from the U.S. alt-right, look to Japan's standing as one of the world's most highly ordered, safe, and low-crime societies and attribute these qualities and Japan's postwar economic success to its homogeneity and closure.[32] Japan's case informs U.S. policymakers that a highly restrictive immigration regime may appear to be positive in the short run and may satisfy certain constituencies, but could be a policy failure for a country's long-term demographic and economic future. The United Nations claims that Japan will need seventeen million foreigners by 2050 to address population levels, worker scarcity, falling demand, and a possible collapse of the pension system.[33] Hidenori Sakanaka (2005), a former Ministry of Justice official and director of the Immigration Bureau, has argued that Japan should become an "immigration nation" and welcome twenty million immigrants in the next fifty years to help prevent demographic collapse.[34] The IMD World Talent Ranking's assessment of countries' attractiveness to foreign talent lists Japan as the last choice in Asia for many skilled foreign workers. Reporter Noah Smith contends this is due to the perception of a closed society as well as the disincentives of language difficulties, long hours, and low pay.[35]

As President Trump tries to limit foreign talent coming to the United States, Japan's Prime Minister Abe and his LDP seem to acknowledge the need to attract high skilled foreign labor. Like the United States, Japan lacks a national integration policy. Local governments have born much of the burden of immigration in Japan and have led the charge in pressing the national government to come up with more comprehensive policies. Some

advocates argue Japan's Local Government Act mandates local authorities ensure the "safety, health, and welfare of all local citizens, including non-Japanese" and view foreign residents as "local citizens."[36] Japanese municipalities have used existing national government "internationalization policies" in ways that provide outreach to foreigners. Several local governments use international associations to provide language training and assistance, employment and psychological counseling, multilingual telephone help lines, and "living guides" about life and basic services in Japan.[37] Many problems, particularly for Latin American *Nikkeijin* foreign residents, were initially addressed in a policy document demanding more assistance from the national government. This document, known as the "Hamamatusu Declaration," was created in 2001 by thirteen cities that comprised the Committee for Localities with a Concentrated Foreigner Population (CLCF).[38] These cities (which by 2004 became sixteen and later eighteen cities) acted together to propose policies that strive for "social cohesion" and called on national and prefectural governments to reform public education, national health insurance, and foreign registration. In another major meeting of CLCF hosted by Toyota City in 2004, they suggested a national office to coordinate these policies for foreigners.[39]

The United States can benefit from some of Japan's municipal innovation in addressing the needs of noncitizen immigrants such as creating a consultative voice in the form of foreign residents assemblies, local referenda, and ombudsmen. The first foreign residents assembly, borrowed from similar local efforts for noncitizens in Europe, was established in 1996 by Kawasaki City as an initiative between the mostly noncitizen local *Zainichi* Korean community (descendants of former colonized Koreans) and Japanese. This provided a means for noncitizen residents to interact with the local municipal government about their concerns as local citizens and is now replicated in several municipalities across the country. In the foreign residents assemblies of Kawasaki and Hamamatsu, two municipalities with higher concentrations of foreign residents, the assemblies range in size from ten to twenty-six people. They meet between once and several times a year, pass proposals for consideration by the mayor or city council, and have "open

discussions" to allow other local residents to participate. A proposal implemented by both the Kawasaki and Hamamatsu foreign residents assemblies was to use the far easier phonetic Hiragana characters (the most basic of Japanese written script) on top of regular written Japanese in some policy documents to make them easier for foreigners to read. Another measure achieved by the Kawasaki City foreign residents assembly combats housing discrimination by having the local government contract with a guarantor so that foreign residents, the elderly, and the disabled can access housing without going through the difficult process of finding a guarantor. In the United States, noncitizens pay certain taxes, but cannot vote in federal elections and generally do not have the franchise in local elections. As the United States has a very large noncitizen population foreign residences assemblies could be adopted by municipalities as a measure to facilitate their participation and representation.

Although there are local initiatives to enfranchise noncitizens in Maryland and elsewhere, the move to grant noncitizens voting rights may be further along in Japan than in the United States. It is surprising that there has been ongoing discussion in the Japanese legislature about voting rights for noncitizen permanent residents. The Komeito Party has long advocated for voting rights for *Zainichi* Koreans and other permanent residents. Some posit it is in the interest of the party to promote these types of bills to capture the votes of the many *Zainichi K*orean members of Sokka Gakkai, Komeito's affiliated Buddhist organization. Many bills around foreign suffrage have been aimed at "permanent residents" namely the *Zainichi* Korean "special permanent residents." Another mechanism for foreign noncitizen participation that could adapted from Japanese local governments are local referenda. In 2002, the town of Maibara in Shiga Prefecture enacted a "Residents Voting Ordinance" in which residents were granted voting rights along with other residents for the first time. From 2002–2005, over two hundred municipalities (mostly for permanent residents) passed resident voting ordinances that recognize the right of foreign residents to vote. For most, these were ordinances to hold a "local referendum by residents" on the merger of local municipalities, establishment of nuclear power

plants or garbage incineration facilities. It is notable that by 1971 Kawasaki, Sapporo, and Yokohama were providing National Health Insurance to all registered foreigners against the wishes of the national government.[40] Despite the opposition, beginning with Kawasaki City in 1996, during the 1990s several local governments including Osaka, and Kyoto eliminated the nationality clause and allowed foreign nationals to hold civil service jobs.[41] Additionally, some municipalities have established local ombudsman to allow foreign residents and others to lodge complaints.

Local governments have pushed the national government to adapt through their accommodation of *Nikkeijin* and other foreigners. By 2008, the national government openly acknowledged the need for skilled foreign workers as well as efforts to reduce undocumented immigrants. In the post 2008 crisis, the LDP began to enact coordinated reforms and the Democratic Party of Japan built on these with a view towards societal integration that "recognized foreigners as settlers."[42] Japan's first national measure to support recent immigrants was in response to the 2008 financial crisis, and it included children's education, language training, employment and training support, housing, and paid voluntary return for Latin American *Nikkeijin*.[43] In April 2009, the Cabinet Office initiated the "Portal Site for Policies for Foreign Residents" website[44] in multiple languages and the "Council for the Promotion of Measures for Foreign Residents. Appeals by local officials, the Ministry of International Affairs and Communications, and the Conference of Cities resulted in the creation of a new foreign registration system in 2012. The new national system replaced the old local government-based alien registration system, eliminated the local fingerprinting requirement which is now done at the airport, and extended the maximum stay for foreign residents from three to five years.[45] Presumably, this was done because the Immigration Bureau wanted help in monitoring foreigners. However, local governments also needed a more accurate system to deliver social services to the foreign community.[46] Since 2012, Japan has introduced a point based immigration system with easier access to permanent residency after one year (no longer five years) to attract high skilled foreign talent. Additionally, the National Institute of Population and Social Security Research (IPSS)

notes such developments as: inclusion of foreign residents into the Basic Resident Registration (July 2012), governmental targets to increase the number of foreign students, reduction of minimum requirements for the pension premium from twenty-five to ten years (August 2017), introduction of the social security and tax number system "My number" (January 2016), and expansion of international security agreements.[47] Japan is making hesitant and slow strides towards attracting and integrating foreigners, with particular emphasis on those with specialized training, skills, and knowledge.

In conclusion, as the United States closes to immigration, Japan seems to be reluctantly opening, at least for the highly skilled. The United States and Japan can draw on their relative experiences and inform each other's immigration policies. Although there are marked differences in their respective immigration regimes and self-understandings, both countries share the problem of retiring baby boomers leaving the workforce and both lack a national immigrant integration policy. As Japan strives to remedy its shrinking population with more foreign residents, it can benefit from U.S.-accumulated knowledge on immigration, mechanisms to streamline access to naturalization and citizenship, regularizing the undocumented, refugee acceptance, and how to avoid the pitfalls of ethnic exclusion and intolerance. The United States has much to gain from Japan and its experience with the demographic pressures caused by highly restrictive immigration. With its very large noncitizen immigrant and undocumented populations, the United States can enhance its immigration efforts by observing and emulating some of Japan's local governments' efforts to integrate noncitizen immigrants as a step towards these tax payers' participation and representation. While Japan will likely have to consider accepting more refugees as a matter of international credibility, the United States should better weigh its defunding and withdrawal from international organizations and agreements for the same reason. This exchange of the United States and Japan on immigration policies has the potential to yield best practices on immigration and integration for the two countries and the world. ∎

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Religious Freedom and the U.S.-Japan Alliance

Jolyon Thomas

Executive Summary

Since 1998, the United States Commission on International Religious Freedom (USCIRF) and the United States Department of State have generated annual reports about the state of religious freedom worldwide. In addition to describing global trends, these reports include lists of "Countries of Particular Concern" (CPCs) that are allegedly guilty of violating religious freedom principles. While the instances of oppression or discrimination highlighted in the reports are indeed concerning, the reports usually focus on sensational, violent, and extralegal infringements on religious freedom in countries that are ideologically distant from the United States. Meanwhile, the reports are silent on religious freedom disputes within American borders, and they consistently downplay religious freedom complaints leveled against close U.S. allies.

Because international religious freedom reports are primed to look for religious freedom *abuses*, they overlook a deeper, two-fold problem: 1) religious freedom guarantees are only as good as the legal definitions that inform them, including definitions of "religion," "freedom," "rights," and who counts as a citizen; and 2) policies that affect the ability of individuals

to be free can seem unremarkable rather than sensational and may even use liberal language to deny individuals' rights. This policy brief uses the case of Japan, a close American ally generally deemed "safe" for religion, to argue that international religious freedom (IRF) policy must not be solely based on policing flagrant abuses of religious freedom. IRF policy must also be sensitive to how political and legal interpretations of specific practices as "religion" or "not-religion" can have serious, negative effects for religious minorities and other stakeholders. I focus on religious freedom here because the United States has been particularly invested in protecting this right for vulnerable populations in other countries, but my analysis has implications for rights and liberties in general.

Discussion

Few people would think of Japan as a place where religious freedom is under threat. By the numbers, the country is one of the least religious in the world, featuring levels of professed belief and affiliation that rarely rise above about a quarter of the population. If asked about the current state of religious freedom in Japan, most professional observers of the country would probably point out that promoting religious freedom was a central pillar of the policies implemented during the U.S-led Allied occupation of Japan (1945–1952) and that religious freedom has been firmly enshrined in Japan's postwar constitution since 1947. Unlike Myanmar, China, the Central African Republic, Syria, and Vietnam, Japan does not appear as a "country of particular concern" in the annual report produced by the United States Commission on International Religious Freedom (USCIRF).[1] Indeed, the only two places where Japan appeared in the Commission's 2017 report were in reference to regional concerns about North Korea, another country on the Commission's list of bad actors.[2] It would seem that Japan is a relatively safe place for religion.

Yet some observers regard recent moves by the Shinzo Abe administration as threats to religious freedom. Last June, the Japanese Federation of New Religious Organizations submitted a complaint to Abe decrying proposed

anti-conspiracy legislation as inimical to religious freedom and reminiscent of the 1925 Peace Preservation Law that allowed the imperial Japanese state to crack down on minority religious movements.[3] The controversial bill passed in the Japanese Diet (Parliament) later that month, with lawmakers citing global antiterrorism efforts and security concerns regarding the upcoming 2020 Olympics as rationales for their votes in favor.[4] "Trust us to do the right thing," they seemed to say, but religious groups and journalists have greeted that message with justifiable suspicion.[5]

Prime Minister Abe's cozy relationships with conservative Shinto organizations have also attracted negative attention, and it is common to read that his personal politics presage a return to the so-called State Shinto of wartime Japan.[6] Indeed, Abe's decision to host the 2016 G7 summit at the Ise Shrines seems to have been a brazen attempt to legitimize a particular variant of nationalist Shinto in the eyes of the international community, and his annual New Year's visits to those shrines link Shinto ritual to the public calendar and the theater of state.[7] People who study Japanese religion and politics have therefore eyed Abe's close connections with the Shinto Seiji Renmei (Shinto Association for Spiritual Leadership, or SAS) with suspicion.[8] They expect Abe and his cabinet to try to institute through constitutional revision something amounting to a reproduction of the wartime status quo, when shrine rites formed the cornerstone of Japanese civic rituals and Shinto-based mythology informed public school education.

Journalists in Japan and overseas have also picked up this narrative. An article in the *Daily Beast* published in July 2016 described Nippon Kaigi (the Japan Council), another lobby with close ties to Abe and many Japanese legislators, as a secret "cult" designed to restore Japan's wartime past.[9] Revelations in late 2016 that the Osaka Prefectural Government gave a preferential land deal to the private education corporation Moritomo Academy under alleged pressure from Abe and his wife Akie have served as fodder for concerns that Abe's long-term goal is to erode the firm separation of religion from the state enshrined in Japan's postwar constitution.

(The Moritomo Academy affiliate Tsukamoto Kindergarten espouses a militarist ethic reminiscent of Japan's wartime past; students venerate the imperial portrait and recite the 1890 Imperial Rescript on Education.) Recent revelations that government officials doctored documents related to the controversial land deal so as to remove explicit references to both the Abes and to Nippon Kaigi have prolonged the scandal.

The Prime Minister's actions have led to questions about his ulterior motives, but the problem is really about how "religion" is defined, both in everyday conversation and in the law. Roughly 70–80 percent of Japanese people do not identify as religious, but a majority engage in ritual practices that they are likely to interpret as "custom" rather than "religion." Prime Minister Abe and organizations like SAS exploit this terminological ambiguity to portray a particular type of Shinto as the core of Japanese culture, a repository of national traditions, and as a central part of civic life. This move can come at the expense of minority religious positions.

Yet to be clear, the widespread narrative about the resurgence of so-called State Shinto is a little too pat. First, like much conservative rhetoric, the focus on recovering a "beautiful Japan of which people can be proud" (to use the preferred language of Shinto political lobbies like SAS) does not so much attempt to reproduce Japan's past as it aims to create what proponents see as an ideal future. Second, while the effort to normalize practices associated with Shinto is certainly evident on parts of the Japanese right, it is striking that few Japanese people use the language of "religion" when discussing the importance of revering Japan's war dead at the controversial Yasukuni Shrine, venerating the emperor, or protecting good old Japanese family values through moral education. Third, while there is plenty to concern Japan's citizens about the prospect of constitutional revision in the wake of Abe's announcement that he would seek constitutional revision by 2020, the main issue on everyone's minds seems to be the fate of the famed Article 9 that renounces Japan's capacity to wage war. Indeed, a March 2017 survey conducted by Japan's national broadcaster NHK asked respondents several questions about the prospect of constitutional

revision, but the only specific constitutional clause discussed in the survey was Article 9.[10] The LDP's previous proposals to diminish the constitutional focus on individual rights and liberties by redefining the basic legal unit of society as the household and to subtly tweak the constitutional language regarding human rights received no specific attention in the NHK survey. In other words, the hot-button issue of Article 9 distracts from other issues, including legitimate concerns that the LDP might use security concerns to erode civil liberties such as religious freedom. Abe is not alone in treating Shinto ritual practices as nonreligious cultural traditions, but citizens' and pressure groups' complaints are no less serious for this fact. It is this point that I want to focus on here.

One reason religious freedom issues are complicated in Japan lies in how the constitution imagines religion and rights. The postwar Japanese constitution is rare among constitutions in the world for two reasons. First, it was written by Americans under the circumstances of military occupation, which has always left open the possibility that the constitution, despite the language of its preamble, was not freely chosen. Second, it includes explicit references to "human rights," introducing into the national charter language that calls state sovereignty into question. Whereas civil rights are guaranteed to citizens by their states, human rights transcend state power. The inclusion of the language of human rights in Japan's postwar charter has thus created a curious dynamic whereby citizens are both "Japanese" and "citizens of the world."

This idiosyncratic quality of the postwar "Peace Constitution" reflects the specific geopolitical circumstances under which the constitution was written. The definition of religious freedom that was enshrined in the Japanese national charter was also constructed as an antidote for what the occupiers had only recently come to call "State Shinto," meaning that Japan's postwar constitution was at least as biased against Shinto ideals as its prewar constitution was inclined to support them. But neither document explicitly mentions Shinto at all, and both the 1889 constitution and its 1946 successor left open the possibility that some ritual practices could

appear as culture or tradition rather than religion. Religious freedom claims are hard to adjudicate when Shinto goes unmarked and when its status as "religion" or "culture" is in question. The incoherent nature of Japanese Supreme Court religious freedom jurisprudence over the last several decades reveals the nature and extent of the problem.[11]

The definitional issue continues in recent debates about how Japan's constitution might change. Chafing at the coercive circumstances under which the current constitution was drafted, the ruling Liberal Democratic Party (LDP) describes constitutional revision as fundamental to party identity and as a long-held policy aim. The party advocates revision as a way of correcting the putatively "unnatural" language of the preamble, strengthening the power of Japan's constitutionally ambiguous Self Defense Force so as to make it a "normal" military, and making minor terminological revisions that would have major political effects, including changes to the postwar religion/state settlement. Reactions to the LDP proposals from the left (both within and outside of Japan) tend to describe these initiatives as renascent militarism and a revival of "State Shinto," but it bears mentioning that the LDP proposals use classical liberal language (freedom, peace, rights) to advocate illiberal policy (strengthened authoritarianism and heightened interest in sovereignty and security).

I am interested in the effects of the LDP's proposed changes for the governance of religions in Japan, but my interests go beyond mere analysis of proposed changes to Article 20 (the religious freedom clause) and Article 89 (the establishment clause). Because religious freedom law is only as good as the definitions that inform it, the LDP draft constitution of 2012 and related legal trial balloons offer clues as to how the party envisions the human who is a bearer of rights. Curiously, the preamble to the LDP's draft doubles down on the language of innate human rights, which by definition precede citizenship and transcend the jurisdiction of the state. But simultaneously, the proposal also diminishes the ability of individuals to be rights-bearing subjects by giving rights to "humans" (*hito*) rather than individuals (*kojin*), limiting the bearers of rights to

people born "Japanese," and premising the constitution on ahistorical essentialist claims about harmony, tradition, and culture. The language of Article 24 designating the household as the fundamental legal unit of society also infringes upon the ability of individuals to make rights claims, while strengthened language about citizens' obligations to preserve public order allows collective interests to supersede individual liberties. When we pair the draft constitutional language with the language of the revised Fundamental Law on Education (2006) and that of the Anti-Conspiracy Law of 2017, it becomes clear that the LDP has been using freedom talk to construct a society premised on mutual obligations and duties rather than on individual rights and liberties.

Although it is questionable whether the LDP will actually be able to push through constitutional revision in the ongoing revelations about the Moritomo Academy land scandal, the legal changes that the party has already advanced have profound ramifications for religious freedom in Japan. By mildly tweaking the constitutional definition of "religion" so that practices like imperial ritual and veneration of the war dead at Yasukuni Shrine become collective "social customs," the LDP eliminates the possibility that citizens might mobilize religious freedom claims against state expenditures on Shinto rituals. By defining public order very broadly and expanding the capacity of the state to surveil citizens in the name of security, the LDP subjects religious minorities to risk. Just as the 1925 Peace Preservation Law allowed the Special Higher Police to surveil and suppress marginal religious movements, the 2017 Anti-Conspiracy Law and the LDP's proposed constitution could easily be used to target minority religions and other groups.

The United States Commission on International Religious Freedom treats Japan as of little concern because the Commission is primed to look for certain types of infringements. Are some religious people treated as enemies of the state, as in Vietnam? Have people been hacked to death for their religious affiliations or lack of religious belief, as in Bangladesh? Is the global War on Terror being used as an excuse to crack down on

dissidents, as in China? Is a mounting refugee crisis unfolding due to alleged persecution of religious minorities, as in Myanmar? Because Japan today lacks sensational instances of violent oppression of the sort that happened in the 1930s and early 1940s, the LDP's recent legal machinations fly under the Commission's radar. There is a humdrum quality to the legal tweaks and policy proposals that hardly seems to merit serious attention, especially when the issue of Article 9 takes up so much oxygen. (Here it is worth noting that American diplomats stationed in Tokyo in the 1930s were similarly sanguine, even dismissive, about the 1939 Religious Organizations Law. They thought of it as minor "legislative housekeeping," but historians would later decry the law as having been seriously inimical to religious liberty in wartime Japan.[12] The cautionary nature of this tale should be obvious.)

However U.S. commissioners see Japan, clearly concerns about religious freedom remain for both individuals (like schoolteachers, who have risked losing their jobs over their refusals to perform the national anthem on religious freedom grounds) and groups such as the Japanese Buddhist Federation, which has recently held lecture meetings on whether the State Secrets Law has had a chilling effect on freedom of conscience since it went into effect in December 2014.[13] As mentioned above, the Japanese Federation of New Religious Organizations has also decried the Abe administration's Anti-Conspiracy Law as inimical to religious freedom. When Abe's office used all the social media tools at its disposal to publicize his January 4, 2018 visit to the Ise Shrines, it drew complaints that he had infringed upon the constitutional injunction against using state funds for the promotion of a particular religion.[14] But of course Abe would not describe the visit to Ise as religion, and that is precisely the problem.

It would be too easy to say that the Abe administration is actively trying to establish a national religion or is eagerly trying to quash religious freedom. It would also be too easy to simply urge the USCIRF to add Japan to its list of "countries of particular concern." The harder work lies in recognizing that not all threats to religious freedom involve persecution,

violence, or incarceration. Threats to religious freedom can ironically use the language of liberty and rights to deny those very things. Threats to religious freedom are often prosaic rather than sensational. Threats to religious freedom can take the shape of mundane policy tweaks that have profound impacts. Redefining the human who is a bearer of rights and redefining religion so that "social custom" does not count can make it impossible for anyone to make religious freedom claims at all.

It seems unlikely that Abe, the LDP, Nippon Kaigi, or SAS actually intend to infringe on Japanese citizens' religious freedom when they talk about revising the constitution or when they advocate bringing shrine rites into a more central place in Japanese public life. But even if that is not their intent, legal changes they have enacted and constitutional revisions they have proposed would effectively make shrine rites into national ceremonies rather than religion, would evacuate individuals' abilities to make rights claims, and would make security and public order supersede liberty. That they do all of this in the name of protecting fundamental human rights would seem ironic, but the liberal language of rights and freedom can easily be put to illiberal ends.

I have focused on religious freedom here because international promotion of religious freedom has historically been a central point of American foreign policy, particularly since passage of the International Religious Freedom Restoration Act in 1998 (an Act recently amended by the Frank R. Wolf Act of 2016).[15] But the concerns I raised above about who actually counts in the eyes of the law can be extended to any number of civil liberties and human rights. ■

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Trade, Multilateralism, and U.S.-Japan Relations

Kristin Vekasi

Summary

- Japan and the United States are deeply economically integrated as measured by trade and investment relations. The two countries are also integrated through global supply chains that reflect broader international economic trends.

- Contemporary globalization is inherently multilateral in nature, particularly because of the role of international supply chain integration. Trade in the global economy is equally about trade between companies located in different countries as selling finished foreign-made products to consumers.

- Current trade agreements do not reflect the need in the contemporary global economy for shared production standards, robust dispute settlement mechanisms with broad coverage, protection of intellectual property rights, and coverage of the service sector. The Trans-Pacific Partnership (TPP) is one example of how economic agreements can respond to new economic conditions.

- Japan is pursuing deep multilateral integration through agreements like the TPP because they are in its best strategic and economic interests. These strategies and interests are reflected in its extensive supply chain integration in the Asia-Pacific and limited use of litigation within existing bilateral trade agreements.

- The United States should recognize it has similar economic interests and pursue highly integrated, multilateral economic agreements with its partner Japan.

Background

Over the past two decades, the international political economy has shifted towards regionalism, both in terms of trade and flows and also institutional structures such as regional trade agreements. Trade multilateralism, from deep integration like the European Union to increased scope of rule-making and conflict resolution like the Trans-Pacific Partnership or Transatlantic Trade and Investment Partnership seemed like the wave of the future. The Trans-Pacific Partnership (TPP), in particular, was sold as a new standard for high-quality trade institutions that would lower tariffs and non-tariff barriers, and expand its purview to investment rules, intellectual property rights, and even environmental and labor issues. The TPP was, in short, an institution designed for contemporary trade with complex supply chains and multi-country integration. Then, in the 2016 presidential campaign, both major American political parties seemed to turn against trade multilateralism, and perhaps against globalization more broadly.

After the election of President Trump, some TPP countries were yet optimistic that the negotiated trade agreement would survive with the United States. Japan's Prime Minister Shinzo Abe pushed his party to ratify the TPP, despite uncertainty about the American position. The TPP was by this point indeed quite popular in Japan, with support for

joining polling in the 60s to 70s in 2016.[1] Its popularity reflected years of political effort on the part of Abe and his supporters, particularly in pushing beyond the protests of the powerful agricultural lobby. To their disappointment, President Trump cancelled American participation in the TPP in his first week of office, leading to uncertainty about how (and whether) U.S.-Japan economic relations would deepen institutionally and move beyond the parameters of long-standing disputes over issues such as liberalization of agriculture and foreign direct investment. In 2017, Japan showed its continued interest in TPP, pushing forward with the "TPP-11," a modified deal that excludes the United States.[2] In March 2018, the TPP-11 came into force without the participation of the United States.

Japan's support for the TPP stems from broader trends of economic regionalism, the shifting nature of international trade with multi-country integrated supply chains, and its use of the rule-building mechanisms in trade agreements. Japan's commitment to multilateralism is core to its broader economic strategy. The United States should share these objectives as it stands to reap similar benefits.

Japan is a steadfast security ally and economic partner for the United States. Japan's leadership, particularly the government of Prime Minister Abe, is willing to spend political capital to pursue multilateral economic agreements that will overall benefit the economy of the United States and Japan. Rather than pursuing a bilateral trade deal with Japan, the United States should pursue a multilateral institutional web with Japan and other allies and partners in the Asia-Pacific region. While the TPP provides one possible framework, other multilateral approaches are also possible. This brief outlines Japanese positions and incentives for multilateralism and argues that it is in both countries' interests to pursue deep, multi-country institutional frameworks.

U.S.-Japan Economic Relations: Bilateral Importance within Multilateral Integration

The United States and Japan have deeply integrated economies. Their trade relations are clearly crucial to both partners. Japan is the number four trade partner with the United States (after China, Canada, and Mexico) and the United States is number two for Japan (after China). Japanese investment also holds an important place in the American economy. In 2017, Japan was the number one foreign job creator in the United States, with Japanese companies responsible for $8.3 billion newly invested ($424 billion total), and over 860,000 jobs.[3]

The two economies are also interdependent in other ways that reflect the nature of the contemporary global economy. Key in the U.S.-Japan economic relationship is supply chain integration within global value chains, which are not specific to single countries or bilateral relationships. Supply chains are often horizontally and vertically integrated across multiple countries, especially in industries such as electronics or automobiles with high levels of research and development and many intermediate components before final assembly of a product. Technology companies such as Apple or Toshiba spread their innovation and manufacturing processing across as many as fifty countries. While product engineering and design may primarily occur in the United States or Japan, raw materials can come from China, Australia or Malaysia, intermediate components are manufactured in Taiwan or South Korea, and the final product is frequently assembled in China. The final product is then exported for sale.[4] The United Nations Conference on Trade and Development estimated in 2013 that global value chains accounted for approximately 80 percent of global trade.[5] Trade between companies within global supply chains is a core driver of the contemporary global economy.

The OECD accounts for global supply chains using a "trade in value-added" approach, which measures how much value was added to a good in another country prior to imports or exports from the next country. Drawing on the previous example, the data would show what percentage of a Toshiba

computer's worth came from other countries before it was exported from its final assembly location to the consumer market. In other words, the extent of the computer's foreign value-added. As shown in Figure 1, the percentage of foreign value-added in manufactured exports from both the United States and Japan have increased over the past decades. The percentage for the United States has increased from approximately 11 to 15 percent, and Japan has seen a much more dramatic increase from 5 to 18 percent. A similar approach shows how value added abroad contributes to goods sold in domestic markets, and how the value added domestically contributes to exports down the road. The amount of value that is added domestically before a product is sold abroad "reflects how industries…are connected to consumers in other countries even if no direct trade relationship exists." The amount that is added abroad before it is sold domestically similarly shows how "industries abroad are connected to consumers at home," typically through intermediate goods such as electronic components.[6] Returning to the example of the Toshiba computer, the value-added approach includes intermediate goods such as memory chips as well the final product. The sale and transfer of intermediate as well as final goods are both crucial in today's integrated global economy.

Examining the original TPP countries through a value-added lens shows the extent to which the Asia-Pacific countries are interdependent. The agreement was widely advertised as representing countries generating 40 percent of the total global economy, and almost a third of global trade. With respect to trade for Japan and the United States, the original TPP countries represented 30 percent or 31 percent of their total trade respectively. Using a value-added approach, the proportions of trade in value-added from the twelve TPP countries are proportional to the gross trade percentages. For Japan, 26.4 percent of value added in Japan is sold to TPP countries, and 31.8 percent of what Japanese consumers buy is reflected in value added within TPP countries. For the United States, those numbers are 32.1 percent and 34.8 percent respectively. For the American economy, the TPP countries represent a slightly higher percentage of trade in value added than gross trade. Moreover, overall American trade in value added shows that domestic value added is greater than foreign value added.

Figure 1. Foreign Value-Added Share of Exports
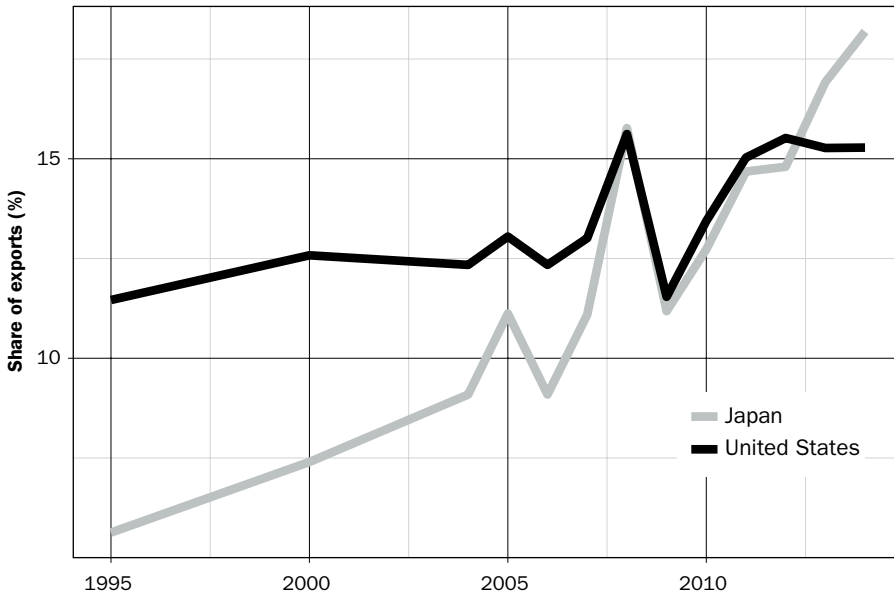
Source: OECD Dataset: Trade in Value (TiVA)

Figure 2 shows the average domestic value added as reflected in final foreign sales and foreign value added of trade as reflected in final domestic sales for Japanese and American trade with sixty-three major world economies.[7] The figure shows how much of the value of the final product is added domestically or in a foreign country and then where that value is sold on the market. This figure demonstrates the relative importance of the Asia-Pacific TPP countries to global supply chain integration for the United States and Japan. On average, the TPP countries are responsible for at least twice as much value-added for both the United States and Japan.[8] The gap between TPP and non-TPP countries is even higher for the United States than Japan. These data indicate how important integration with the Asia-Pacific countries is for multinational American and Japanese firms.

Figure 2. Value-Added as Embodied in Final Demand: Major World Economies
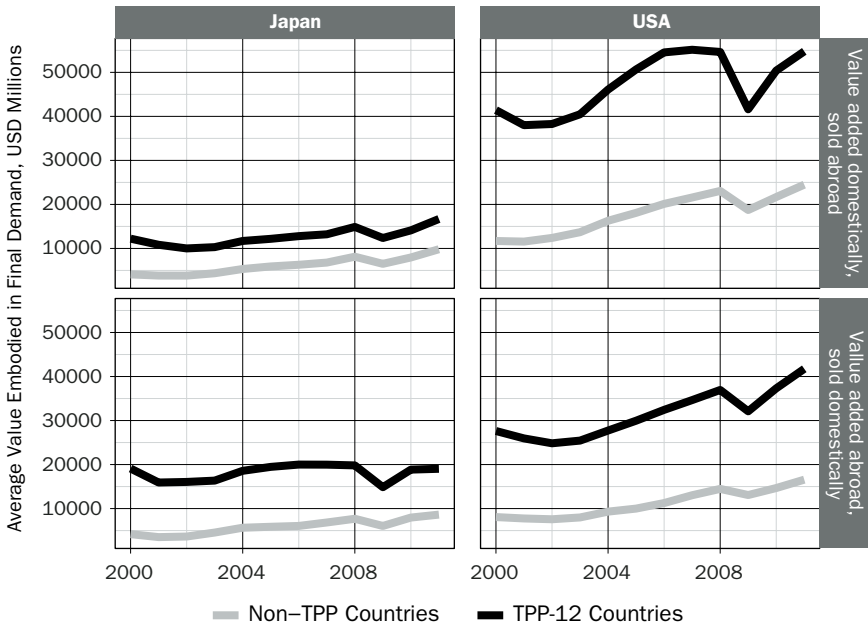
Source: OECD Dataset: Trade in Value (TiVA)

Benefits of Multilateralism

This level of cross-country integration means that any particular production process is covered under many different laws. Different regulations and tax structures for all aspects of business increase transaction costs for companies. It is thus in the interest of both Japan and the United States to have liberalized and institutionalized trading relationships with many countries in the Asia-Pacific in order to make their own exports more globally competitive. The current trade infrastructure does not reflect the need in the contemporary global economy for shared production standards, robust dispute settlement mechanisms with broad coverage, or protection of intellectual property rights. One of the key improvements in the TPP over existing multilateral agreements such as the World Trade

Organization (WTO) is to start integrating industry standards, dispute settlement mechanisms, and intellectual property rights protection to smooth cross-country supply chain trade issues.[9]

The benefits of multilateralism are not embedded solely in globalized supply chains, but also in institutional effectiveness including rule enforcement and the depoliticization of economic disputes. The World Trade Organization is effective at rules creation and enforcement because of multilateralism. If a country is suspected of reneging on its terms of WTO accession (say through government subsidies to liberalized industries or tariffs), another member country can litigate that policy through the WTO dispute settlement process. If the panel of judges finds the complaint is accurate and in violation, then all member countries can legally retaliate against the guilty country. Commitments to the institution are thus more binding than bilateral agreements because the punishment for violation is widespread and severe. Multilateralism thus helps member countries avoid "tit-for-tat" tariffs or other illiberal trade policies.

Disputes in a multilateral context are depoliticized relative to bilateral agreements because they are expanded beyond two countries, particularly in the enforcement stage. Bilateral agreements incur additional political costs at the initiation and enforcement stages. The negotiation and completion process comes only with high effort and the expenditure of political capital with the inevitable losers from any trade agreement. Additionally, a country may opt not to formally participate in a dispute against a treaty partner because it would worsen relations with the country. Signing a bilateral trade agreement is a symbol of diplomatic cooperation and closer political ties, in addition to an invitation for closer economic cooperation. Countries can also participate as "third-party observers" in disputes, again potentially broadening the number of parties involved and keeping a dispute more rooted in economics rather than bilateral politics.

A trade agreement's core purpose is to strengthen an economic relationship with another country, and a negotiated dispute settlement process is an institutional solution to make the agreements binding. Bilateral agreements, however, do not defray the diplomatic costs to the same extent that multilateral ones do. They can, in fact, even discourage use of enforcement mechanisms because of fear of political backlash from a dispute.

Japan's Regional Trade Agreement Strategy

Beyond these broadly known economic and institutional reasons that any country would prefer multilateralism, Japan also has specific behaviors and incentives that favor the approach. An original dataset of litigated and non-litigated trade disputes from Japan and partner countries from 1995–2016 sheds light on how Japan behaves within its trade agreements.[10] Examining the use and non-use of agreements shows what sort of institutional design Japan favors and why. The dataset includes the universe of Japan's litigated trade disputes, as well as potential but not litigated trade disputes that are published by both the Japanese government and private industry. Japan's Ministry of Economy Trade and Industry publishes two annual reports on non-compliance with major trading partners.[11] Similarly, the private sector organization Japan Machinery Center for Trade and Investment publishes a report on trade and investment barriers that signals to the Japanese government which international economic issues they want resolved in the coming years.[12] These reports give detailed assessments of perceived trade violations of WTO or bilateral agreement partners, allowing an assessment of how Japan uses institutional features such as trade litigation.

The data include 120 potential but not litigated and 190 litigated trade disputes from 1995–2016. Regionally, disputes have been shifting from trade with North America (largely the United States) prior to the era where Japan is negotiating Regional Trade Agreements to East and Southeast Asia over the last decade. This shift, shown in Figure 3, reflects

the general shift in Japan's trade towards the Asia-Pacific. While prior to 2008 over 50 percent of disputes were with countries in North America and 17.9 percent with Asian countries, after 2008 only 23.3 percent were with North America and 45.4 percent were with countries in East and Southeast Asia. The dramatic increase in trade disputes with Southeast Asia in particular, underscores the importance of having a robust institutional structure in place in that region. The Japanese government also desires to have a more robust institutionalized, rules-based structure in place in Northeast Asia as evidenced by their now decade-long attempt to negotiate an agreement with South Korea.

Figure 3. Percent of Disputes by Region and Time Period
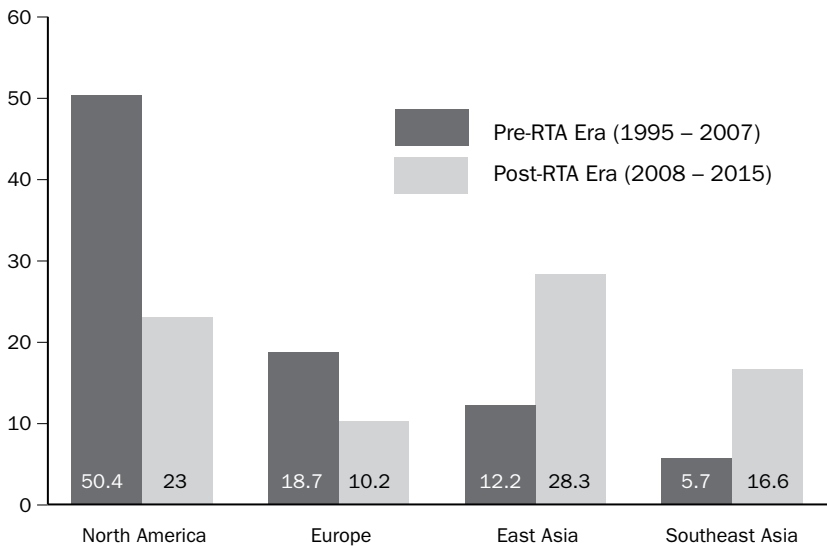
Japan is seven times more likely to pursue legal recourse if it has the option of either being a third party or jointly pursuing a case in tandem with another country. In the data, there are twenty-three cases where Japan was the solo/primary litigant and 167 where they were the third party/joint litigant. For example, after China placed strict limits of its exports

of rare earth metals in 2009 and 2010, Japan joined with the United States and the European Union to contest that policy through the WTO, which ultimately found in their favor. Japan shows a strong preference to pursuing litigation this way, arguably to avoid a nasty bilateral political dispute with its neighbors. China is once again a case in point. Prior to the advent of Japan's pursuit of bilateral trade agreements with other Asian countries, scholars noted Japan was unlikely to use the dispute settlement process at the WTO with China because of concerns about political fallout, even though China was rapidly becoming a major source of trade disputes.[13]

This phenomenon extends beyond the enormously important and often fraught Japan-China relationship. The trend has been exacerbated and spread to the East and Southeast Asia more generally. An example from Indonesian-Japanese relations is telling. After a little over two years of negotiations, Indonesia and Japan signed an agreement in 2007, which included provisions for a dispute settlement mechanism allowing litigation. The agreement stipulated that Indonesia would phase out its automobile tariffs for Japan to well below the levels established in Indonesia's WTO accession agreement by 2014, but Indonesia failed to do so. Indonesia violated the Japan-Indonesia agreement by overcharging import tariffs on Japanese automobiles for years, costing the industry millions of dollars. It appeared that Indonesia was trying to protect local companies that collaborate with foreign multinationals. Japan held multiple ministerial-level meetings with Indonesia to resolve this problem, but did not exercise their right to litigation, despite significant losses to the Japanese automobile industry.[14] Japan did however pursue cases against Indonesia in multilateral contexts. In 2015, for example, Japan joined two trade disputes over Indonesian iron and steel safeguards (a type of non-tariff barrier).[15] Taiwan and Vietnam were the primary complainants, and Japan was a third-party along with nine and ten other countries respectively. Japan was not hesitant to use litigation in this multilateral context.

This pattern holds true for Japan's behavior more generally. Despite evidence of many potential violations of bilateral trade agreements that do not violate WTO rules, Japan has yet to formally file one complaint in that context. This observation is not simply an artifact of the particular disputes. The result is confirmed with a statistical model that controls for factors such as size of trading partner's economy, trade dependence, prior disputes, region of the world, and sectoral-level factors such as research and development investments and degree of trade in value added to predict what factors determine whether Japan decides to litigate within its negotiated agreements. Controlling for other variables, Japan is far less likely to litigate within a bilateral agreement than a multilateral organization.

There is also evidence that Japan is more reluctant to litigate in sectors that are precisely those that are highly integrated into global value chains such as automobiles, high-tech machinery, and electronics. As the average amount of research and development funds in a sector increases, the probability of using litigation to resolve an international trade dispute declines. As the proportion of trade in value-added for a sector increases the probability of litigation similarly declines. When the presence of a bilateral agreement is introduced into the model, the probability of litigation plummets from near 100 percent for a WTO dispute in a low-tech, single-country sector to just over 20 percent. The effect is stronger when taking regional variables into account. The statistical model shows that Japan is even less likely to pursue litigation with its Asian neighbors than other countries with which it has a bilateral agreement.

In sum, Japan's behavior within existing agreements shows that it finds the bilateral approach unhelpful in resolving disputes, particularly in the region of the world and the sectors that are most central to its economy. From the perspective of supply chain integration and international rule enforcement, all signs from Japan point toward a desire for multilateralism. The two factors are interrelated: more cross-country integration within product lines produces stronger incentives for rule harmonization

across countries. Given Japan's economic situation and behavior in existing institutions, there is scant motivation to pursue anything but high-quality multilateral agreements.

The U.S., Japan, and Institution Building

Japan's approach to trade agreements is in line with the overall economic incentives of the United States if not its current behavior. Institution building is related to goals long-held by the United States, including regional leadership in the Asia-Pacific and the bolstering of a rules-based international order. Such institution building in part happens within the context of rule-making and enforcement within trade agreements. If an end goal is truly "fair" trade agreements for American workers, companies, and consumers, then the United States should pursue multilateral agreements that solve some of the persistent complaints of current trade deals. To resolve complaints of "cheating" in trade agreements, for example, it is important to have a robust institutional structure where countries can resolve complaints and litigate disputes. Multilateralism is more effective than bilateralism for rule enforcement.

The contemporary story of global trade and production processes is not bilateral but multilateral. The interests of countries with global economic pursuits like Japan and the United States lie in multi-country integration. Japan, as a steadfast economic partner and security ally of the United States, has made it clear that it prefers the path of multilateralism and deep integration. Japan's behavior in its existing trade agreements shows how that is in Japan's historic patterns and strategic interests to reject bilateralism and pursue multilateralism. The United States should negotiate in good faith with its strongest economic and security partner in the Asia-Pacific, recognize the interests and goals that are shared, and pursue a multilateral approach that will advance the interests of both countries while resolving some of the conflicts.

Recommendations

American reengagement in the TPP is the most preferred outcome for Japan. Because that option is unlikely in the current political climate, the following potential paths would help deepen United States-Japan ties and advance the overall economic interests of both countries.

- Leverage mutual security ties with the United States to open U.S.-South Korea-Japan multilateral trade negotiations. Japan has currently suspended negotiations with South Korea for a trade agreement, but has long been eager to deepen economic institutionalization in Northeast Asia.

- Enter negotiations for a multilateral Asia-Pacific investment treaty with TPP member countries that includes some of the dispute settlement provisions and production standards in the TPP. This style of agreement would lose the benefits of trade liberalization and would be far less sweeping than TPP, but would preserve the important "rules-making" and multilateral features. Moreover, it would avoid some of the distributional consequences of trade liberalization, where some sectors inevitably lose while others win.

- At the least, American officials should continue to give minimal public signals that indicate potential future interest in rejoining the TPP to avoid further alienating its partners such as Japan. ∎

Chapter Endnotes

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5   United Nations Conference on Trade and Development, *World Investment Report 2013: Global Value Chains: Investment and Trade for Development*, 2014. Available at http://unctad.org/en/PublicationsLibrary/wir2013_en.pdf.

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15 The disputes are DS 490 and DS 496.

Globalizing the U.S.-Japan Alliance for the 21st Century

Joshua W. Walker

Japan today is uniquely placed to play a larger global role than arguably at any time in its postwar history. Much of this can be attributed to the personal leadership of Shinzo Abe, who—assuming he can weather the scandals domestically and win an unprecedented 3rd term as the leader of the Liberal Democratic Party of Japan—could soon become the longest-serving prime minister in modern Japanese history. As Japan celebrates the 150th anniversary of the Meiji restoration that launched one of the most impressive modernization efforts in history, 2018 will be a watershed year.

Prime Minister Abe's personal diplomacy, interest in foreign policy and political stability is part of what has led to this unique moment in Japanese history. However, the alignment of two of the strongest Chinese and Russian presidents at the same time as one of the weakest U.S. presidents—as defined by domestic divisions and polarization—also has much to do with the place Japan finds itself in the world. Combined with a weakened British prime minister and German chancellor, Abe's timing on the global scene could not be better for the U.S.-Japan alliance or the

future of the liberal international order that has been in place since the end of World War II.

The U.S.-Japan alliance has undergone fundamental structural changes since the arrival of President Trump, leading Japan to increasingly assume a leadership role in Asia and beyond rather than to remain a passive beneficiary of the U.S. security umbrella like during the cold war. 2017 was all about the deepening of the personal relationship between Abe and Trump, which has borne significant fruit including Washington's recent wholesale adoption of the "Free and Open Indo-Pacific" initiative originally unveiled by the Japanese prime minister in 2007. In other words, Trump essentially abandoned the Obama administration's "pivot to Asia" strategy while adopting Tokyo's regional vision instead. The upshot is Tokyo's emerging role in charting the future of the bilateral alliance on a global scale.

As the leader with the most stable and solid political base among the major democratic powers, at least until recently, Prime Minister Abe has a unique status that affords Japan a welcome chance to play a larger role on the global stage, much like President Macron in France. While other Western leaders seem to be facing a populist backlash to their authority, Abe has emerged on the global geopolitical landscape as both a champion of Japanese nationalism and the liberal international order. However, this does not mean that Japan is immune from a difficult geopolitical environment that includes some of the world's toughest challenges in the form of North Korea, China, and Russia. As the Trump administration takes a harder "America First" and economic nationalist line, Japan must balance its relations with these neighbors and its alliance with the United States as evidenced by ongoing discussions and developments over tariffs, trade, and free trade deals like the Trans-Pacific Partnership (TPP).

If 2017 was about Japan adjusting to America's new style of global leadership, 2018 will provide opportunities for Japan to act as a regional leader shaping the geopolitical future of the Indo-Pacific and beyond. Japan

is virtually the only country both willing and capable of defending a liberal international order beleaguered by revisionist challenges. Prime Minister Abe is one of the few world leaders who can talk and mediate between Moscow and Washington or Ankara, Jerusalem, Riyadh and Tehran (among many other capitals where he has friends) without the threat of domestic backlash. As a result, he can advance Japan's role as a bridge builder, facilitating dialogue between the liberal international order and the rise of revisionist forces.

Given Japan's new potential and the opportunities Prime Minister Abe has created, Japanese foreign policy can no longer be studied in silos. A broader perspective also is needed for the U.S.-Japan alliance; globalizing the alliance beyond the bilateral is long overdue. Japan's global leadership must aim to provide new regional orders in the Indo-Pacific and Eurasia, serving as an intermediary between local countries and the liberal international order by facilitating the self-realization of the population in accordance with their traditions and the liberal values that benefit the greater economic good of the world. The U.S.-Japan alliance must therefore integrate and promote Tokyo's new imperative for global leadership. This brief seeks to look beyond functional areas of shared concern and cooperation, laying out Japan's potential in broad strokes and concluding with a series of policy recommendations for Washington and Tokyo to work together to further globalize this critical alliance.

Realizing an Alliance of Hope: How to Globalize the U.S.-Japan Alliance and Go Beyond the Bilateral

Any discussion of Japanese foreign policy necessarily begins—and often ends—with the U.S.-Japan alliance, THE central pillar of Japanese strategic thought since the end of World War II. For Japan, the alliance has been the overarching security framework through which to engage and often see the world. Prime Minister Abe's strong personal efforts in courting U.S. President Donald Trump, from his impromptu visit to Trump Towers even before Trump's inauguration to his warm reception as the "Winter

White House's" (Mar-a-Lago) first official visitor, have paved the way for globalizing the alliance. Particularly in a world which questions whether "America First" can lead with the type of global leadership necessary to manage the postwar international system through architecture and institutions being challenged by China and others, Japan has an outsized role to play.

Abe has come to be widely recognized as Trump's "best buddy"[1] or "loyal sidekick"[2] as the two leaders jointly faced various regional challenges, particularly North Korea. Trump's November 2017 visit to Japan elevated Abe's status even higher, leading the Japanese leader to increasingly mentor the freshman American president in regional affairs, culminating in Washington's official adoption[3] of Tokyo's 2007 "Free and Open Indo-Pacific" initiative.[4] Abe has realized in Trump an opportunity to work toward his "Alliance of Hope,"[5] a stronger alliance that he envisions as contributing to the region and the world and leading the liberal international order.

The challenge with the personalization of the U.S.-Japan alliance has been that domestic changes in Washington have led to historic unpopularity for President Trump and weakened institutions that could eventually affect bilateral relations. While the two countries' secretaries/ministers of state and defense have engaged in "2+2 format"[6] strategic dialogues for decades, this framework for regular meetings is more necessary than ever for institutionalizing the evolving relationship. To reflect Japan's growing role as a global bridge builder, the 2+2 format could be expanded to include other agencies and ministries and other national security functions, such as economic diplomacy and intelligence.

Such an expanded 2+2 format would envision a full-spectrum alliance that would jointly meet emerging hybrid threats such as from cyberspace or from non-state actors, while advancing bilateral cooperation worldwide as well as in emerging war domains. The institutionalization of a new U.S.-Japan alliance could lay the foundation for a "U.S.-Japan+Alpha" formula

that could add other regional countries and like-minded allies with Japan as a global bridge builder. This formula could follow other models of international cooperation. For example, the "Five Eyes" intelligence-sharing alliance between Australia, Canada, New Zealand, the United Kingdom and the U.S. is based on shared language and common law heritage. The new U.S.-Japan alliance could include these nations and even other EU or NATO allies that would benefit from going beyond the bilateral or geographic scopes to like-minded and mission-oriented partners.

Decades before Washington's bandwagoning on a "Free and Open Indo-Pacific," Tokyo had been a leading player in economic development in the Indo-Pacific. Japan is fundamentally a maritime power, and its liberal approach to economic development has invariably centered on the establishment of transparent, democratic economies by encouraging various local incentives underwritten by Tokyo's strategic investments. Such an approach is core to Tokyo's "Quality Infrastructure Investment" initiative[7] aimed to meet Asia's $1.7 trillion/year infrastructure demand (excluding that of China) while promoting greater regional connectivity aligned with the liberal international order. Japan's historic free trade agreement with the EU links two of the largest markets in the world that, while separated by geography, share many other similar characteristics from democracy and demographics to rule of law. Japan is also the leader of what recently became the "TPP 11"[8] after the United States' sudden exit in 2017 and could integrate its own infrastructure investment initiative into a greater regional free trade regime. Japan's infrastructure investment agenda and leadership on free trade zones has enormous potential to become a powerful alternative to China's $8 trillion "One Belt, One Road" (OBOR) initiative[9] and therefore must be fully integrated into the globalization of the U.S.-Japan alliance.
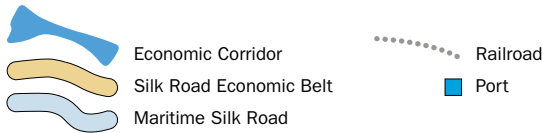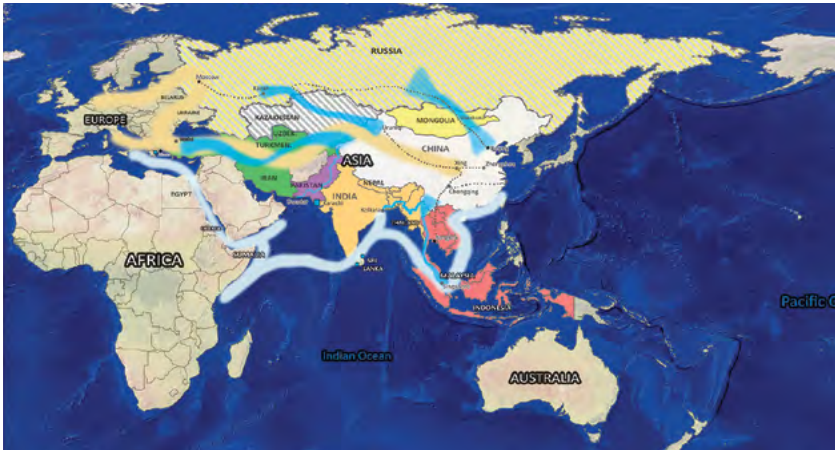
North Korea As a Unifier?

Beginning in 2017, North Korea's nuclear ICBM (intercontinental ballistic missile) brinkmanship emerged to become the most imminent regional challenge for the U.S.-Japan alliance. With ICBM and nuclear technology

at its disposal, North Korea is now capable of directly threatening the U.S. in Guam and Hawaii with mainland capabilities perhaps only a few years away. This drives a wedge in the U.S.-Japan alliance by presenting a strategic dilemma for Washington. The Trump-Kim summit, while offering a critical photo-op and possibility for short-term victorious headlines, does not seem to be aimed at addressing the broader underlying issues. Increasingly Russia and China seem to hold the key to resolving the North Korean crisis and their sway over the country's leadership and economy in particular continues to grow. In fact, Japan supported Russia's September 2017 proposal for resolving the North Korean crisis[10] through infrastructure investment by regional countries. This was commonly known as the 5+1 framework with "5" referring to Russia, China, Japan, North Korea, and South Korea and "1" referring to the U.S. Meanwhile, Tokyo continues to support Washington's potential military action against Pyongyang and recently decided to purchase a new missile defense system from the U.S.[11] Abe's hawkishness on North Korea seems to have paid off at home. In his most recent electoral victory voters chose his foreign policy credentials and experience over untested opponents. Looking ahead to 2018 and beyond, North Korea provides Japan with a unique opportunity to globalize the U.S.-Japan alliance by accelerating Tokyo's security normalization while acting as a bridge to Russia and China. However, it also represents the greatest flashpoint for a Third World War.

China As a Shared Security Concern, but Necessary Economic Partner

The 19th Party Congress and President Xi Jinping's absolute consolidation of power present the most high-level common threat facing the U.S.-Japan alliance since the demise of the Soviet Union at the end of the cold war. From a security perspective the threat is chiefly in the maritime domain, such as the South China Sea. China's unconventional strategy, such as the building of artificial islands and soft-power projection of its media, enables Beijing to drive a wedge in the U.S.-Japan alliance by creating various perception gaps between the two allies. Therefore, it is imperative for Japan to assume a more proactive naval role in service of the larger U.S.

Geopolitics of China's One Belt, One Road Initiative

Economic Corridor		Railroad
Silk Road Economic Belt		Port
Maritime Silk Road		

SIX ECONOMIC CORRIDORS

China–Mongolia–Russia Corridor
Russia   Mongolia

New Euroasian Land Bridge
Russia   Kazakhstan

China–Central Asia–West Asia Corridor

Azerbaijan	Uzbekistan	Tajikistan
Armenia	Turkmenistan	Iran
Georgia	Kyrgyzstan	Turkey

China-Pakistan Corridor
Pakistan

Bangladesh–China-India–Myanmar Corridor

India	Nepal	Myanmar
Bangladesh	Bhutan	

Indochina Peninsula Corridor

Thailand	Cambodia	Laos
Vietnam	Malaysia	Brunei
Indonesia		

maritime strategy in the Indo-Pacific. In late December 2017, Tokyo was reported to be considering upgrading its Izumo-class helicopter carrier to carry F-35b stealth fighters,[12] which would be the country's first offensive naval capability since 1945 if achieved. The bilateral alliance should be restructured to incorporate Tokyo's inexorable security normalization into a larger alliance strategy in the maritime domain.

In the economic domain, the U.S. and Japan must remain vigilant toward China's "One Belt, One Road" agenda to maximize its stabilizing

potential for developing economies while preventing it from becoming an exclusionist force. In June 2017, Abe essentially welcomed China's OBOR as holding "the potential to connect East and West as well as the diverse regions found in between,"[13] demonstrating Japan's willingness to forge economic cooperation where possible, particularly on the Eurasian continent. Meanwhile, Trump and Abe signed an agreement in November 2017[14] to offer a quality-driven alternative to China's OBOR in infrastructure investment for the Indo-Pacific. Filling in the details and operationalizing initiatives such as this will be key for the U.S. and Japan as they employ a two-pronged approach consisting of accommodation and resistance in dealing with China's expanding economic clout. The biggest unknown for Japan of course is the future trajectory of U.S.-China relations. Despite growing competition between Japan's two largest markets and trade partners, the stage could be set for either a major economic nationalist showdown or pragmatic deal making.

Russia: Opportunity or Perennial Problem?

Japan's potential as a global bridge builder is perhaps most palpable in Russia. Japan has successfully positioned itself as the only U.S. ally capable of improving ties with Russia without political backlash, despite the lingering territorial dispute over the Kuril Islands. Japan's unique position largely derives from Abe's peculiar knack for building rapport with strongman leaders like Putin. Since 2013, Abe has singularly focused on forging direct rapport with Putin and has succeeded in advancing bilateral cooperation while essentially shelving the territorial dispute in hopes of driving a wedge between Moscow and Beijing. Abe's ambitious Russia policy has already reaped tangible results ranging from the resumption of 2+2 talks to the recent increase of bilateral military exercises[15] (thirty already planned for 2018), outcomes that would be unthinkable for most U.S. allies in Europe. While clearly the level of cooperation and discussion at the 2+2 and even military exercises (search and rescue vs. joint troop and weapon trainings) differ significantly, the simple fact that they are taking place means something to Japan.

Russia increasingly looms large over the fate of North Korea, and Japan is virtually the only intermediary connecting Washington to Moscow's proposed 5+1 format for North Korea. Moreover, Russia still remains a major arbiter over the geopolitics of the Eurasian heartland and Eastern Europe, where China has recently been boosting its geo-economic presence through its Shanghai Cooperation Organization and OBOR initiatives. Furthermore, Russia has been emerging as an important stakeholder in Indo-Pacific maritime security by boosting defense ties with the Philippines, Vietnam, and other ASEAN countries[16] while opportunistically supporting China's maritime stakes.[17] As U.S.-Russia relations remain tense over Ukraine and Syria, a U.S.-Japan+Russia Asia-specific formula might be one way to allow Washington and Tokyo to better address Moscow's growing importance in Asia. As the Russiagate scandal continues to hamper U.S.-Russia relations and Trump's own options, Abe remains Washington's best intermediary for addressing Moscow's Asia policy, including that for North Korea.

Prioritizing India, the Quad and the Indo-Pacific

India is the geopolitical pivot for the future of the Indo-Pacific. From Japan's perspective, India's inexorable rise as an emerging power must be guided in such a way as to ensure its full integration into the liberal international order. Going back to Abe's first term in 2007, the idea of the Indo-Pacific has been to draw Asia's two most important democracies closer together by emphasizing their shared interest in keeping the Indian and Pacific Oceans free and open against China's encroachments in the region. After the creation of the National Security Council in 2013 and adoption of Japan's National Security Strategy, the Indo-Pacific was elevated to a place of prominence that has only grown over time.

Today at a time in which U.S. Asia policy is still being chartered, Japan has a unique opportunity through its Indo-Pacific strategy to guide India's rise, to link it to the greater U.S.-Japan+Alpha formula, and to encourage New Delhi to look beyond the perpetual India-Pakistan rivalry and become

a democratic example that could counter Beijing's expanding regional influence. Emerging pillars of the Japan-India relationship include: the September 2017 bilateral agreement to align India's "Act East Policy" with Japan's "Free and Open Indo-Pacific" initiative;[18] Japan's official participation in Malabar naval exercises since 2015;[19] and Tokyo's arms exports to New Delhi (i.e., pending sales of U.S.-2 amphibious plane).[20] India also purchased a $17 billion Japanese bullet train system in September 2017[21] in a move to further solidify bilateral cooperation. Moreover, just like Abe's personal relationship with Trump has offered Japan a unique opportunity on the global stage, his special relationship with Indian Prime Minister Modi has reinforced the bilateral relationship. These bilateral developments would mesh with the fledgling institutionalization of the U.S.-India relationship, such as the 2016 Logistics of Exchange Memorandum Agreement[22] that was one of the regional highlights of Obama's pivot to Asia strategy. A U.S.-Japan+India formula should focus on ushering India's full integration into the liberal international order through strategic infrastructure investment and greater maritime cooperation aimed to strengthen New Delhi's role as a responsible stakeholder in the South China Sea.

Prioritizing the Indo-Pacific as an emerging zone of the 21st-century geopolitical "Great Game" makes logical sense for the U.S.-Japan alliance. China has sought to transform the Indo-Pacific into Bejing's lake or Mediterranean by expanding naval forces, buying up local companies and ports and even mobilizing maritime militia. Japan is the only other democratic regional power capable of countering these maritime challenges with a combination of instruments of national power. In fact, Japan now finds itself increasingly urged to take the initiative in leading the Indo-Pacific at a time when the Trump administration appears to be reducing its regional commitment.

The so-called U.S.-Japan-India-Australia "quad formation" is a regional framework revived in November 2017, the first time a quadrilateral dialogue was held since 2008. The original quadrilateral dialogue was

initiated by Abe during his first term in 2007 and fell apart the following year largely due to the Japanese leader's untimely political exit. The framework still suffers various institutional setbacks and perception gaps, particularly India's reservations about explicitly resisting China's maritime clout with the other three major naval powers.[23] Looking to 2018 and beyond, the revived quad formation could be restructured to become the ultimate test case of the U.S-Japan +Alpha formula in charting the future of the bilateral alliance. It could also become the core pillar of the "Free and Open Indo-Pacific" initiative by re-institutionalizing the quad formula and reinvigorating the liberal international order in the Indo-Pacific.

Absent an overarching regional vision from Washington, Tokyo must take the lead by leveraging its growing potential as a global bridge builder as well as its burgeoning regional partnerships, such as the 2017 U.S.-Japan-India-Australia quad formation and TPP 11. Indeed, Japan's leadership in the Indo-Pacific could eventually become the touchstone for the globalization of the U.S.-Japan alliance.

Beyond China, India and the Indo-Pacific

Traditionally, Japanese foreign policy has had little space beyond the U.S. and China. When there was discussion, it tended to focus on Russia, Korea and increasingly on the Indo-Pacific. However, under Abe the possibilities for Japanese involvement have expanded beyond its immediate neighborhood to locations as varied as Southeast, Central, and Southwest (Middle East) Asia. While the geographies, histories, and relations vary widely, Japan's appeal remains constant. As an economic superpower that is a highly valued investor and capable of reconciling value promotion with economic pragmatism, Japan enjoys a special place as a non-Western champion of the liberal international order that does not generate the same type of anti-American or imperial feelings that its European allies generate in these geographies. This may be because Japan's own imperialism was felt in very different ways and was linked to a pan-Asianism that

connected seamlessly to pan-Islamism. Therefore, while Japan's capabilities remain limited in these geographies, the possibilities for greater U.S.-Japan cooperation in these areas has never been greater.

Southeast Asia: Japan's "Other" Backyard

Southeast Asia is a narrower zone of contention within the Indo-Pacific but one of the most strategically contested areas given that control of this region affects the fates of major regional powers, including China, India and Australia. During World War II, imperial Japan's regional control allowed the country to expand into Southeast Asia and the Pacific islands from which it challenged U.S. naval power. Today, China has been expanding its regional influence through a combination of military coercion, strategic investments, and ethnic divisions, threatening the liberal maritime order traditionally provided by the U.S. and increasingly by Japan, India, and Australia together. Therefore, Southeast Asia seems especially ripe for Japan's infrastructure investment potential to counter China's growing regional influence. Specifically, Indonesia, the Philippines, Vietnam, and Burma are the key regional countries for Japan's strategic investment.

Japan has only recently recovered its influence in Indonesia after Indonesian president Joko Widodo began asking for Tokyo's participation in the country's major railway projects. In 2015 Jakarta ditched Tokyo at the last minute for Beijing in the national railway bid. This was seen as a sign of things to come, but with renewed interest in greater regional cooperation and Japanese private sector investment, Abe has prioritized Indonesia. In the Philippines, Abe enjoys a special relationship with President Duterte and in November 2017 pledged an $8.8 billion economic package[24] to boost bilateral economic cooperation. Japan's economic diplomacy with the Philippines includes arms exports culminating in the sales of five naval aircraft in 2017. This occurred alongside growing naval cooperation[25] between the two countries in recent years. Japan returned as the largest investor in Vietnam in 2017.[26] Apart from investment, Japan has been boosting military ties with Vietnam,[27] which

recently decided to allow for greater use of its key Cam Ranh Bay port by the Japanese Self Defense Forces. Burma is where China and India have historically intersected, and the country's independence and stability are crucial to the future of the Sino-Indian relationship. China dwarfs other countries in Burma due to massive investment and politico-military relations cultivated over decades.[28] Japan is nonetheless a wildcard that can counter China's influence in Burma due to its historical ties with the country and potential for investment and interest.[29] The present imperative is to prevent Burma from becoming China's de facto geoeconomic colony by incorporating the country into the U.S-Japan+Alpha framework via Japan's special relationship with the Southeast Asian country.

Central Asia: Looking for a Third Alternative

With the arrival of the Trump administration and a strategic rebalance underway from Washington to Moscow to Beijing and every capital in between, there has never been a more important time to focus on this region as an area of core and strategic interest for America and its critical allies. Japan's political stability under Prime Minister Abe, along with his strong personal relationship with Trump, offers a unique moment for further cooperation in areas like Central Asia. As evidenced by Arab uprisings characterized by popular rebellion and widespread violence, the combination of autocracy and religious extremists can be lethal to the liberal international order that America and Japan have championed since the end of World War II. If such a fate were to fall upon any of the countries of Eurasia, the stability of the corridor would be lost, along with the fragile future of Afghanistan and all the progress that has been made over a quarter century of independence in these fledgling nations. To add fuel to the fire, the countries of the Silk Road are surrounded by a rather looming crowd of countries with which global Western ideals do not particularly resonate. Destabilizing this area would harken back to the cold war days and lead the U.S.-Japan alliance down a path that no one has the stomach to face. America's alliance structures in Europe and Asia also depend on stability and pro-Western ideology in the countries bordering the corridor. The amount of investment China and Russia

are making into Eurasia cannot be met by any other of its neighbors. This reality leaves the Eurasian corridor both vulnerable and ripe with opportunity, not only political and security, but economic.

These once poor, post-Soviet republics have developed into market adept, resource rich territories. The countries of Central Asia have historically been utilized for land transport of natural resources and various other manufactured products between Europe and the Far East, as the countries rimming the Caspian and Black Sea have facilitated the movement of similar goods via vital sea trade routes. As populations grew, trade increased and technology flourished, local and regional infrastructure were overwhelmed and incapable of handling the growing economic needs of the population and the market. This led to a gradual decline in the utilization of trade routes across the Eurasian corridor during the 20th century. Today, this is not the case, thanks to the growing competition among the great powers.

As the idea of the "New Silk Road" gains popularity, economic interest and energy investment in the corridor have begun to see a steady increase. Russia has grand plans for its Eurasian Union, as China mulls its own institutions such as the Shanghai Cooperation Organization and its "One Belt, One Road." The governments of these countries are also heavily involved in promoting regional economic development, especially through the Central Asia Regional Economic Cooperation Program (CAREC), an initiative of the Asian Development Bank or the Asian Infrastructure and Investment Bank (AIIB). American and Japanese government agencies have gotten involved, but more on the local level with small-scale grants, loans or projects through the World Bank, Japan's External Trade Organization, Japan International Cooperation Agency, Ministry of Economics, Trade and Investment, Ministry of Foreign Affairs, U.S. State Department, USAID, and the United Nations that have not always been closely coordinated. American and Japanese interests have also funneled into the corridor through non-state actors such as private businesses and various multi-national corporations like GE, Sojitz,

ExxonMobil, and Chevron, which were mainly interested in the oil and gas pipeline possibilities of this area. This private sector presence has allowed for the diversification of energy supply routes for non-OPEC countries, which has in turn greatly impacted the energy market and its policies. Despite this targeted involvement, there has yet to be a driving force that can link the many pieces of this puzzle in an overarching plan or program for regional economic development, trade and investment that engages the Black and Caspian Sea region and Eurasia more broadly. This is largely due to the *de facto* demise of Washington's 2011 New Silk Road Initiative, which has only recently regained policy attention under the Trump administration after years of institutional neglect.[30] Although Abe's 2015 Central Asia tour essentially kept Washington's geostrategic vision afloat with lavish infrastructure investment in all five regional countries, the lack of bilateral coordination between the two capitals led the initiative to remain aimlessly adrift, increasingly allowing Beijing to wield hegemonic influence. This is a gap that enhanced U.S.-Japan cooperation and understanding could fill.

In fact, Japan became the first liberal democratic country to establish a consultative dialogue with all five Central Asian states after the collapse of the Soviet Union in 1991. Launched in 2004, the Central Asia plus Japan dialogue became a model for other liberal democracies, leading South Korea to establish its own in 2006, EU in 2009, and the U.S. in 2016. As China's Belt and Road Initiative increasingly traverses the Eurasian heartland horizontally from Afghanistan to the Caspian Sea, it is imperative to include Afghanistan in this dialogue to bolster its political stabilization and economic development. Unlike the U.S. and EU, Japan has unique soft power influence over the region that is free from various political constraints, such as democracy and human rights, that often hamper Western countries in the region. Including Afghanistan in the Central Asia dialogue would also facilitate Japan's regional connectivity to South Asia. There the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, a key infrastructure project of Washington's New Silk Road Initiative currently funded by Japanese businesses, remains the only

tangible achievement toward this end. Uncertainty perpetually surrounds the TAPI pipeline, making the project vulnerable to Beijing's geo-economic opportunism, and leading Japan's local infrastructure investment to acquire renewed significance for its regional future. Indeed, China's Machiavellian geo-economics has been on full display in its recent courtship with jihadist militants in TAPI's transit cities, further underscoring the urgent need for a Japanese alternative in regional development.[31] Given that Central Asia has historically fallen into either the Chinese or Russian spheres of influences, most of these nations would prefer a third alternative like the U.S. or Japan that has no capability or interest in domination or regional groupings.

A starting point for reviving the liberal international order in the Eurasian "heartland" would be to craft a bilateral regional strategy following the spirit of Washington's 2011 New Silk Road Initiative. Unlike Russia's Eurasian Economic Union and China's OBOR that span horizontally across the region, the New Silk Road Initiative is a vertical connectivity project linking Central Asia to the burgeoning economies of South Asia. It therefore has significant potential as a counterweight against the growing horizontal influence of Russia and China across Eurasia. Indeed, Kazakhstan is today's core Eurasian heartland, control of which would inevitably lead to the status of regional hegemony, a prospect increasingly being realized by China. Although the country remains a *de facto* protectorate under Moscow's security and Beijing's economic influence, the government in Astana has consistently pursued "multi-vector diplomacy" to maintain regional independence. Despite Washington's lackluster attention to its own regional initiative, the U.S. and Japan must work together to anchor their sway firmly in Kazakhstan. Given Abe's strong personal relations with Kazakh president Nursultan Nazarbayev, a U.S.-Japan+Kazakhstan formula that links existing C5 (Central Asian republics) + U.S. and Japan could be combined to lay the foundation for linking Central Asia to South Asia. The U.S. should complement Japan's budding economic and soft power in both regions with necessary security and intelligence support. Furthermore, given Kazakhstan's geostrategic

significance as the Eurasian pivot, Tokyo must work toward establishing a 2+2 dialogue mechanism with Astana just as it did with its key Indo-Pacific partner, India. Japan's security presence in Central Asia in cooperation with the U.S. military would significantly bolster the vertical influence of the two countries. Finally, a joint U.S.-Japan New Silk Road initiative would be a Eurasian equivalent to the ongoing bilateral "Free and Open Indo-Pacific" initiative. Therefore, the U.S. and Japan must transform the New Silk Road Initiative into a solid alternative to China's Silk Road Belt in Eurasia.

Middle East: Balancing Western Asia's Dynamics Through Far Eastern Pragmaticism

Japan's soft power in the Middle East, like in Central Asia, also benefits from the lack of historic baggage that the U.S. and other Western powers have in the region. Given Japan's almost exclusive economic focus in the Middle East, Tokyo has been able to maintain good relations with Jerusalem at the same time as Tehran, Riyadh, and even Ankara. Indeed, Prime Minister Abe's personal rapport with Israeli Prime Minister Netanyahu and Turkish President Erdogan further builds on his ability to get along with strongman leaders. Despite Japan's interest in further deepening trade with Iran, U.S. sanctions and increased tensions under the Trump administration have prevented Japanese companies from jumping in the way European companies have in recent years. Nonetheless, given Japan's ability to balance its relations with all the major players in the region while avoiding strategic entanglement, there is room for greater U.S.-Japanese cooperation in the Middle East, particularly in the area of energy and infrastructure investment. Japan's humanitarian efforts in Jordan, Lebanon, and Turkey (in response to the civil war in Syria) and in Iraq (in response to ISIS) have been particularly well-received and are worthy of greater attention. Especially given the cultural sensitivity exhibited by Japanese, the unique place that Japan holds as a non-Western champion of the liberal international order, and its more pragmatic focus on economic cooperation and regional stability, Tokyo's efforts would go further and have greater long-term resonance than some of

the discussions about values emanating from Brussels or Washington. In effect, Japan could be America's secret ingredient for a more robust geo-economic presence in the Middle East even as it draws down its military engagements. Indeed, Japan has a successful track record of closely working with the U.S. military to provide humanitarian support to the local population during the Iraq War, and a similar U.S.-Japan+Syria formula could have the potential for offering a solution to the lingering civil war.[32] By working in close coordination with the Abe administration, Washington might be able to learn from Tokyo's ability to maintain good relations in the midst of tense regional relations. While shaping the future of Syria or confronting Iran will require hard power and leadership that only Washington can provide, with Tokyo's soft power support both diplomatically and financially, the U.S.-Japan alliance has much to offer in the Middle East and beyond.

Connecting Two Diamonds: Visualizing Japan's Geostrategy in the New Era

2018 presents numerous opportunities for Japan to boost its global presence as a bridge builder across the Indo-Pacific and Eurasia. Geopolitical strategist George Friedman once described China as "Japan on steroids" due to the two countries' economic-centric approach to geopolitics. At a time when Beijing's OBOR permeates throughout the Indo-Pacific and Eurasia, Tokyo must conceive of a comparable geostrategic initiative on a global scale that incorporates its alliance with Washington as a counterweight to the growing Chinese influence in the world in defense of the liberal international order.

In fact, Japan already possesses a solid intellectual foundation to offer such an alternative to OBOR. In 2006, Taro Aso, the then-foreign minister under the first Abe administration, unveiled postwar Japan's first geopolitical vision known as the Arc of Freedom and Prosperity.[33] The Arc spanned from Europe to the Far East, including the regions on the shores of the Indo-Pacific defined as the "Arc of Crisis" by Zbigniew Brzezinski in 1978. Aso envisioned Tokyo's greater engagement with emerging Eurasian

capitals from Ankara to New Delhi, while leveraging a combination of Japan's pacifist soft power and development aid to war-torn countries, such as Iraq and Afghanistan. In December 2012, prime minister Shinzo Abe published a seminal article that laid out his vision for the Indo-Pacific region known as Asia's Democratic Security Diamond.[34] Abe's 2012 vision was largely confined to the Indo-Pacific in scope and revolved around Japan's burgeoning maritime cooperation with India and Australia to counter China's growing regional clout.

Proposed Eurasian Geostrategic Diamond and Indo-Pacific Security Diamond

Continental countries   Continental/Maritime countries

Maritime countries   Japan (part of both diamonds)

Eurasian Geostrategic Diamond
(Russia–Turkey–India–Japan)

Indo–Pacific Security Diamond
(India–Australia–Hawaii (USA)–Japan)

As the U.S. increasingly sheds its global influence, Japan has a unique opportunity to globalize the U.S.-Japan+Alpha formula by upgrading its existing geostrategic visions. Given Tokyo's budding relations with Moscow, Ankara, and New Delhi in recent years, a Eurasian Geostrategic Diamond consisting of Russia, Turkey, India, and Japan would serve as a solid basis for boosting Japan's presence on the continent. Aso's 2006 formula of combining Japan's pacifist soft power and economic investment would be particularly effective in boosting the country's engagement with Eurasian countries ranging from major powers like Russia to war-torn countries, such as Afghanistan. Moreover, Japan's participation in non-Chinese led regional institutions would significantly contribute to the institutionalization of the proposed Eurasian regional framework. Likewise, the growing operationalization of Japan's engagement with emerging maritime powers, such as the revival of the quad formation, is essentially transforming Abe's 2012 concept into a veritable security diamond in the Indo-Pacific. An Indo-Pacific Security Diamond aimed to further institutionalize Japan's regional leadership and value-driven diplomacy would be a significant counterweight to China's Maritime Silk Road and its inexorable military assertiveness in the South China Sea.

Conclusion

For too long the U.S.-Japan alliance has been seen and studied in the narrow confines of its traditional security architecture, which while vital in ensuring the foundation of bilateral relations has been greatly expanded upon in the era of Prime Minister Abe. To take full advantage of the capabilities and synergies that exist between the U.S. and Japan both functionally and geographically, a broader framework for globalizing the alliance must be realized. In adapting to the national interests of both Washington and Tokyo, policymakers on both sides of the Pacific would benefit from greater coordination and interaction across the spectrum of the issues that go far beyond what this brief could cover. The hope is by laying out some aspirational policy recommendations, the U.S.-Japan

alliance can continue to adapt for the 21st century and remain as critical to maintaining the liberal international order in the future as it has for the past seven decades. It is no longer a one-way road of policy direction from Washington to Tokyo. Japan is on the frontlines of the Indo-Pacific and Eurasian rivalry with China, and there is much that America can learn from its experience in the region moving forward. Ultimately, Japan must craft its own regional orders in the Indo-Pacific and Eurasia and promote the liberal international order through strategic engagement ranging from infrastructure investment to defense cooperation. A future U.S.-Japan alliance must therefore integrate and promote these orders, in service of the globalizing scope of the bilateral relations.

Policy Recommendations

- Institutionalize the personal chemistry that Abe and Trump share to protect the alliance against domestic (mainly U.S.) backlash in the future.

- Engage a "U.S.-Japan+Alpha" formula that would add other regional countries and frameworks as we have seen in the U.S.-Japan-India trilateral and U.S.-Japan-India-Australia quad evolution.

- Coordinate on the shared strategic threats posed by China and North Korea while leaving room for tactical divergence on the economic front.

- Appreciate Japan's unique role as a bridge builder with Russia and further seek to bring Russia into Asia.

- Double down on the "Free and Open Indo-Pacific" and "the New Silk Road Initiative" as joint strategies with specific focus on India and Kazakhstan, respectively, but with enough flexibility and room for other countries of the region.

- Conceptualize an Indo-Pacific Security Diamond consisting of America, Australia, Japan and India along with a Eurasian Geostrategic Diamond consisting of Russia, Turkey, India, and Japan as a counterweight to China's regional order.

- Further coordinate and develop areas for U.S.-Japan cooperation in Southeast Asia, Central Asia, and the Middle East to include regular discussions and even a framework for joint engagement.

- Fully integrate emerging Japan-led regional orders in the Indo-Pacific and Eurasia into the globalizing U.S.-Japan alliance. ∎

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