



Chapter 8

Japan

Facing the Political Choices in an Era of Great Power Competition

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Japan Maritime Self-Defense Force's JS Ise, USS Carl Vinson, USS Ronald Reagan, and HMS Queen Elizabeth conducting a multilateral exercise in the Western Pacific (©Mc2 Jason Tarleton/U.S. Navy/Planet Pix via ZUMA Press Wire/ Kyodo News Images)

Summary

An era of “great power competition” has returned with the escalation of U.S.-China and U.S.-Russia rivalries. This great power competition has two aspects. One is competition for comprehensive national strength centered on science and technology; the other is competition for geo-strategic balance of power. Japan, which adopts the same strategic position as the United States, is a party to both of the great power competitions.

A key element in the latter competition is the extent to which Japan allocates resources to defense. Japan's defense spending has long remained unchanged at roughly 1% of GDP, or about 5 trillion yen in real terms. Even so, Japan's defense expenditure accounted for 38% of East Asia's total in 2000, although it is now down to 17%. The ratio of defense spending of Japan to China, the largest spender on defense in East Asia, was nearly 1:1 in 2000. By 2020, it had widened to 1:4.1.

In military strategy, the so-called 3:1 rule postulates that the attacker needs three times the force as the defender. In Japan's periphery, including the Senkaku Islands, China has continued and intensified its unilateral attempts to change the status quo, along with expanding and stepping up military activities. If the rule were simply applied to Japan and China, Japan's defense spending would be at least one-third the level of China's. Considering the current Japan-to-China ratio and the growth of China's defense expenditure in the future, Japan's defense spending could be on a scale of 10 trillion yen to maintain the one-third level. Such defense spending level must take into consideration the balance between the risk of fiscal insolvency and the risk of deterrence failure.

In the United States, the Joseph Biden administration took office, while in Japan, the Kishida Fumio administration succeeded the Suga Yoshihide administration. The Biden administration held a Japan-U.S. Security Consultative Committee (2+2) meeting in March 2021 and a Japan-U.S. summit meeting in April, laying a clear path for strengthening the Japan-U.S. Alliance. It is expected that progress in the roles, missions, and capabilities consultations will enhance tangible defense cooperation.

Keywords

great power competition defense spending Japan-U.S. Alliance Taiwan Strait roles, missions, and capabilities

1. Great Power Competition and Japan

(1) Great Power “Competition” and “Cooperation”

There are two main schools of thought in international relations, realism and liberalism. Realism holds that interstate relations are based on conflict between states, while liberalism describes a cooperation-based paradigm. The former tries to understand the reality of endless wars and conflicts “as it is” and emphasizes the balance of power among states mainly in terms of military and economic power. Liberalism, in contrast, emphasizes international law and institutions that support international cooperation and encapsulates a broad discourse on the world “as it should be.”

The two schools offer not so much theoretical frameworks as viewpoints that are unique to international relations. Some events in history are easier to understand from a realist perspective; other events are easier to understand from a liberal perspective. A strict realist view focusing on interstate conflict may overlook opportunities for cooperation, even when there is momentum for international collaboration. Conversely, a strict liberal view emphasizing international cooperation may fail to stop an aggression, even when order is being challenged.

The period between World War II and the Cold War was an era characterized by confrontation across the globe. The ensuing Cold War period saw a bitter contest between the United States and the Soviet Union, raising fears of human extinction from all-out nuclear war. During this period, a realist worldview assumed a prominent place, and security studies evolved especially around deterrence theory.

But after the Cold War ended due to the collapse of the Soviet Union, the liberal worldview gained influence, and scholars began to assert the need for a post-Cold War security policy that focuses on international cooperation.¹ Specifically, the security policy discourse grounded in “cooperative security” was extensively debated.² A paper that attracted particular attention at the time

was Michael Mandelbaum’s “Is Major War Obsolete?”³ He contended that great powers will no longer fight wars over the international order and that a major change in strategic thinking was thus needed.

Two decades later, however, the international landscape underwent a renewed transformation. The United States, which for a time enjoyed prosperity as the “sole superpower” partly because of the September 11 terrorist attacks in 2001, saw its state power wither. In addition, Russia’s annexation of Crimea in 2014 caused a sharp deterioration in U.S.-Russia relations. And, above all, China’s rapid economic growth and modernization of its military capabilities made “great power competition,” especially U.S.-China strategic competition, a key strategic issue. In his paper, Mandelbaum himself self-criticizes his failure to predict China’s activities in particular.⁴ Such escalation of U.S.-China and U.S.-Russia confrontations has brought back an era of “great power competition.” Fears have surfaced that a large-scale war could occur between the United States and China over the Taiwan Strait, or between the United States and Russia over the Baltic states, ushering in the return of realism as the dominant world paradigm.

(2) The Return of Great Power Competition

The international landscape was relatively stable for some time after the Cold War. Following Iraq’s invasion of Kuwait in 1990, the United Nations’ collective security mechanism functioned—the coalition forces led by the United States defeated Iraqi forces and liberated Kuwait. In the wake of the September 11 terrorist attacks in 2001, Russia cooperated indirectly with the U.S. military operation in Afghanistan by allowing U.S. aircraft to transit Russian airspace. China, too, cooperated with the United States by sharing information on Islamic extremist movements in the Xinjiang Uyghur Autonomous Region. On the issue of North Korea’s nuclear development, stakeholders including the United States, China, and Russia cooperated within the framework of the Six-Party Talks, and a denuclearization agreement was reached in September 2005 under China’s chairmanship.

Yet U.S. tensions with China and Russia continued to simmer during this

period, including U.S.-Russia confrontation over the expansion of the North Atlantic Treaty Organization (NATO), differences in U.S. and Chinese positions on the Taiwan issue, and confrontations between the United States and China/Russia over the development and deployment of ballistic missile defense systems. These tensions took a distinctly confrontational turn in the 2010s. China's coercive and unilateral actions, such as rapid construction of artificial islands in the South China Sea and pressure on Japan over the Senkaku Islands in the East China Sea, brought a further backlash from regional countries and heightened U.S. wariness toward China. Furthermore, Russia's annexation of Crimea in 2014 and subsequent pressure on Ukraine triggered a decisive deterioration in U.S.-Russia relations.

In light of this deteriorating international security environment, the Donald Trump administration of the United States formulated the National Security Strategy (NSS) in December 2017, the year the administration took office. The NSS presented a worldview referred to as the "return of great power competition," labelling China and Russia as "revisionist powers."⁵ During the Trump administration, China continued to take unilateral actions in the East and South China Seas and intensified diplomatic and military pressure on Taiwan under the administration of Tsai Ing-wen of the Democratic Progressive Party. In Europe, Eastern European countries were feeling increasingly threatened by Russia's re-expansion, while concerns over human rights issues and the security of 5G mobile networks heightened wariness toward China. The United States, in particular, was concerned about the loss of U.S. dominance, fueled by tensions in international relations, coupled with a shifting balance of power due to the rise of China. These concerns were manifested concretely in the 2018 report of the National Defense Strategy Commission, an expert panel that Congress established to review the Trump administration's National Defense Strategy following its release in January 2018. The report candidly notes that the United States could suffer a "decisive military defeat" against China or Russia.⁶

Against this backdrop, the Joseph Biden administration took office in 2021. In March of its inaugural year, the administration released the Interim National

Security Strategic Guidance. It mentions the escalation of confrontations with states, such as China and Russia, and upholds the Trump administration's worldview of the United States being in strategic competition with China and other countries.⁷

There are seemingly two aspects to the great power competition that is currently unfolding in this manner. First concerns comprehensive national strength centered around science and technology. An example is the 5G mobile network. Chinese companies outpace Western companies in the market, and the technological superiority of Japan, the United States, and other Western countries is no longer regarded as a given. Furthermore, China is leading moves toward "digital authoritarianism," an authoritarian digital revolution that gives top priority to public security, and to this end, strives to control personal information, and in some cases, restrict human rights. But such a social system conflicts with democratic values, such as privacy and basic human rights. For this reason, it is considered critical to rebuild Western technological superiority, including emerging technologies, in order to promote a digital revolution that underscores democratic values. In this context, importance is attached to economic security.

The other is competition over the geo-strategic balance of power. In the Indo-Pacific region—more specifically, in Taiwan, the East China Sea, and the South China Sea—regional countries that seek to maintain the status quo are engaged in a conflict with China that seeks to alter it. Military balance plays a key factor in this aspect.

(3) Japan and "Great Power Competition"

In Japan, there are debates over the country becoming entangled in the ongoing great power competition and its repercussions on the country's position. Japan, however, is not a neutral third party in the U.S.-China competition.

As mentioned above, the present great power competition has two aspects. One is competition over the post-digital revolution social system. The other is balance of power in China's periphery areas, including the Western Pacific, or put more bluntly, a power game of establishing a "sphere of influence." Regarding

the former, there is no doubt that Japan should aim for digital revolution that emphasizes democratic values. Regarding the latter, it is in Japan's national interest to maintain the status quo, especially in the East China Sea. In this sense, Japan's position is the same as the United States' from the start, and it is not fitting for Japan to view the U.S.-China competition from a third-party perspective.

In the first place, the Japan-China confrontation played a significant part in increasing the competitive nature of U.S.-China relations since the Barack Obama administration. In 2010, when tensions erupted after Japan seized a Chinese fishing boat, which rammed Japan Coast Guard patrol vessels near the Senkaku Islands, some in the United States worried about becoming embroiled in a Japan-China confrontation over the Senkaku Islands. This was largely because Washington at the time adopted a “shaping and hedging” policy toward China, i.e., inducing China to become a responsible great power through economic engagement, while simultaneously developing military deterrence and preparing to counter conflict should the outcome be different.⁸ Nevertheless, as noted above, due to the key factors of the Japan-China confrontation in the East China Sea and China's unilateral actions, the United States viewed the current international order as a “return of great power competition,” and perceived that averting China's status quo-breaking actions was an important strategic objective. Thus, so long as Japan-China relations are partly responsible for shaping the U.S.-China competitive relationship, Japan can by no means take a bystander's position in the great power competition.

At the same time, however, Japan needs to note that the U.S.-China confrontation in the great power competition is unfolding over the abstract concept of “hegemony.” So long as it is abstract, an equilibrium point might exist somewhere. Beijing proposed, for example, to reach an equilibrium in the form of U.S. recognition of China's sphere of influence. This was the so-called “new model of major country relations.” Although this was not accepted by Washington, some in the United States for a time advocated forming a Group of Two (G2) with China. It should be kept in mind that it is thus logically possible for the United States and China to set an equilibrium point. If the status quo could be maintained only

for Taiwan's status, the United States could theoretically choose to concentrate its defense east of Guam, while de facto accepting China's dominance west of the first island chain that includes the South China Sea.



Senkaku Islands, Okinawa Prefecture (Kyodo)

Meanwhile, there are specific issues between Japan and China, such as the Senkaku Islands and the East China Sea gas fields. In this light, it is clear that Japan is positioned as a party to the great power competition more than the United States, in that Japan seeks to maintain the status quo in the geo-strategic competition while finding itself in direct confrontation with China.

2. Relative Decline and Challenges of Japan's Defense Spending

(1) Current Situation of Japan's Defense Spending

The extent to which Japan can allocate resources to national defense comprises a key element of great power competition, especially the power politics dimension where military balance is of great significance. As is well known, Japan's defense spending is roughly 1% of GDP, or approximately 5 trillion yen in real terms. The so-called “1% ceiling” originated in a 1976 cabinet decision of the Miki Takeo administration that stipulated the “1% GNP defense spending cap,” but it is not defined as an official rule today since it was abolished by the Nakasone Yasuhiro administration's cabinet decision in 1986.

On the flip side, defense spending has rarely exceeded 1% of GDP. The reason is not so much an institutional cap as budget ceilings which were imposed in a severe fiscal environment, curbing increases in spending. The security

environment, too, was stable for some time after the Cold War ended in the late 1980s. Therefore, significant increases in defense spending were not needed in the first place.

In order to accelerate defense power reinforcement and significantly enhance defense capabilities from FY2021, the FY2022 defense budget will implement projects to be included in the FY2022 initial budget ahead of schedule on an unprecedented scale. The FY2021 supplementary budget and the FY2022 initial budget were integrated into the “defense power reinforcement and acceleration package.” The total amount budgeted for the “defense power reinforcement and acceleration package” is 5,866.1 billion yen. This represents an increase by 6.5% or 355.9 billion yen from the amount of the FY2021 supplementary budget and the FY2022 initial budget combined (excluding U.S. forces realignment-related expenses). In addition, new deferred burden increased by 2.0% or 49.3 billion yen to 2,458.3 billion yen, which is much higher than previous growth rates. Both increases are the largest on record. Deferred burden applies to multiyear contracts of no more than five years in principle. They are entered into for many defense capability enhancements because they require several years to complete, including procurement of major equipment, such as vessels and aircraft, and construction of hangars and barracks.

Among these priorities, particularly in strengthening the capabilities for cross-domain operations, are the acquisition and enhancement of capabilities in the space, cyber, and electromagnetic domains as well as the enhancement of capabilities, sustainability, and resilience in the conventional domains. Priorities in strengthening the core components of defense capabilities include enhancing the human resources, strengthening the defense technological and industrial base, and enhancing intelligence capabilities.

(2) Decline in Japan's Defense Spending Relative to East Asia's Total

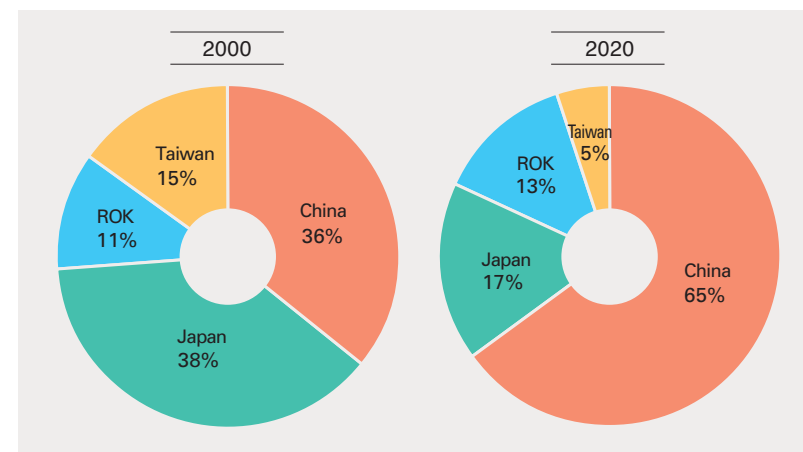
Figure 1 compares the 2020 and 2000 defense expenditures of Japan, China, the Republic of Korea (ROK), and Taiwan as a percentage of East Asia's total. The data are taken from the *Military Balance*, published annually by the British

think tank the International Institute for Strategic Studies (IISS). In 2000, as the chart illustrates, Japan's defense expenditure accounted for 38% of defense expenditures in East Asia, slightly more than China's 36%. The ratio of Japanese to Chinese defense spending was roughly 1:1. Two decades later, however, Japan's share decreased to 17%. Meanwhile, China's share reached 65% boosted by continued large-scale military buildup, widening the ratio to 1:4.1.

That is to say, Japan's defense spending as a share of East Asia's total fell by half, dropping from nearly equivalent to China's share to less than a quarter of it. This stems from the fact that Japan's defense spending remained at around the 5 trillion yen level for the past 20 years, whereas China continued to increase its spending at a high growth rate. Note that Taiwan's share declined from 15% to 5%, while like China, the ROK increased its share, up from 11% to 13%. The ROK has consistently increased its defense spending, and if this trend continues, is expected to surpass Japan in a few years.

As the buildup of defense and military capabilities takes some time, it is not

Figure 8.1. Defense expenditure as % of East Asia's total



Sources: Compiled by the author based on IISS, *Military Balance 2001/2002*; IISS, *Military Balance 2021*.

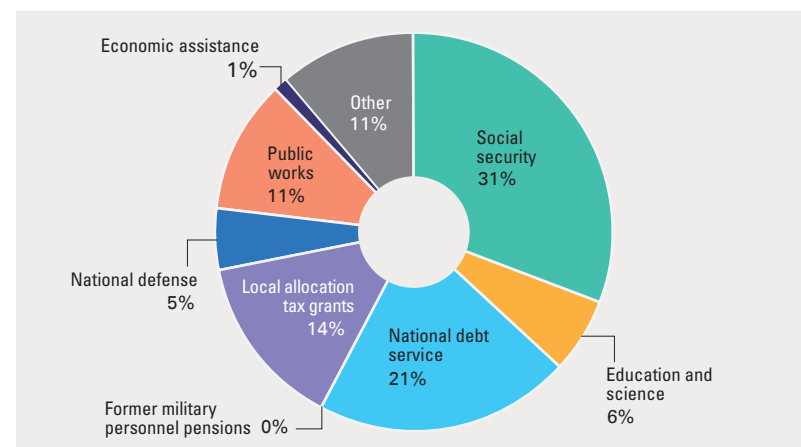
hugely meaningful to compare single-year differences alone. However, the fact that significant disparities have emerged over the past two decades has critical implications for the military balance in the region. They affect not only Japan but even the United States, which has serious concerns about facing a “decisive military defeat” in a war with China, as stated in the aforementioned National Defense Strategy Commission report.

That said, Japan, too, has increased its defense spending. Japan’s defense spending contracted under the austerity measures of the Koizumi Junichiro administration and subsequent administrations, which were aimed at balancing the primary balance. In FY2008, defense spending fell to about 4.7 trillion yen in nominal terms. But since then, the amount has increased to 5,123.5 billion yen in the FY2021 budget and to 5,178.8 billion yen in the FY2022 initial budget. In other words, in a little over a decade, defense spending grew by more than about 17%. It is a fact that efforts have been made, considering Japan’s difficult fiscal situation. This is evident by comparing defense to other budgeted items.

Figure 2 shows Japan’s budgeted expenditures in FY2019 on a settlement basis. The data is based on settlement information reported to the Diet. Rather than budgeted expenditures, actual expenditure figures are used to examine the overall cash flow. Budgeted expenditure is the sum of the initial budget and the supplementary budget. Actual expenditure represents the budgeted expenditure, plus the amount carried over from the previous fiscal year, reserve funds used, and changes such as transfers and appropriations. As of writing, the most recent settlement information available is that for FY2020. The FY2020 trend, however, diverges significantly from that of earlier years due to the introduction of a large supplementary budget for responding to the novel coronavirus disease (COVID-19). Total expenditure (actual) amounted to 182 trillion yen in FY2020, compared to 109 trillion yen in FY2019.⁹ Notably, social security expenditure was about 49 trillion yen in FY2020, compared to about 34 trillion yen in FY2019. Due to these discrepancies, this analysis uses FY2019 figures from before the COVID-19 pandemic.

In an ordinary context, defense spending refers to defense expenditure in the

Figure 8.2. FY2019 Japan’s budget expenditures (settlement basis)



Source: Compiled by the author based on Ministry of Finance’s settlement information.

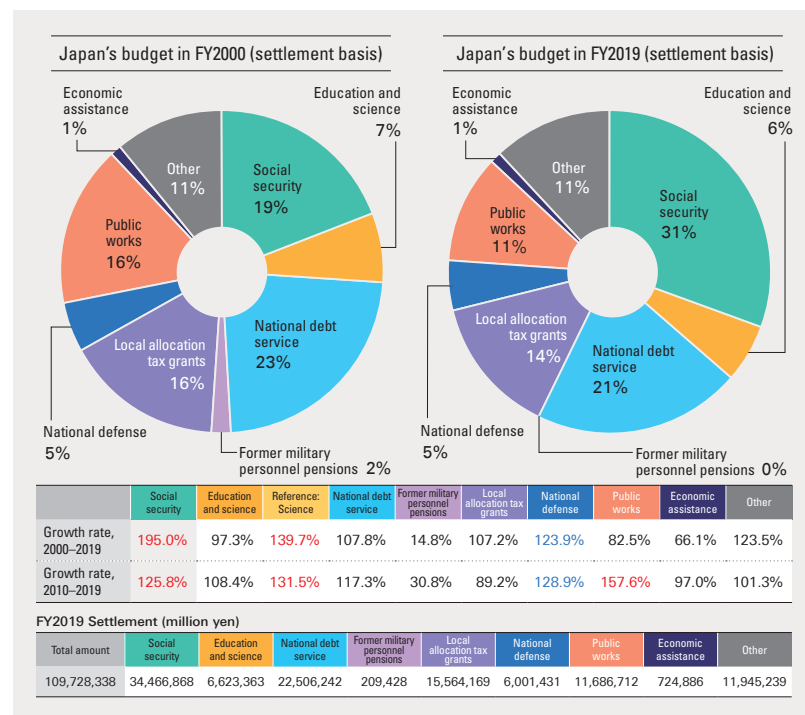
main budget. It is expressed on a contract basis and often includes expenditures on equipment and other items under deferred payment contracts. The reason is that contract basis is more useful for knowing the total expenses per project. This method, however, does not include any supplementary budget that was spent after the approval of the main budget. Settlement, on the contrary, presents the amount of expenditures made during the fiscal year in question and includes the supplementary budget. It does not, however, include expenditures borne in the future through deferred payment contracts. In this sense, it should be noted that the items included in the settlement and the main budget are different. In order to examine the supplementary budget and other cash flows for the relevant fiscal year, the actual expenditure as shown in the settlement is used as a guide here.

Since a meaningful analysis cannot be conducted looking only at a single fiscal year, comparisons with other expenditure items are made based on past data. Figure 3 compares FY2019 data from before the COVID-19 pandemic and FY2000 data from 20 years ago (in real terms with price adjustments). As the figure shows, defense spending increased by 123.9% in real terms from FY2000 to FY2019. Over the last 20 years, only social security spending (195.0%) grew at

a higher pace than defense spending among the major budgeted items.

That said, defense spending and public works spending decreased in the meantime due to fiscal austerity policies implemented since the Koizumi administration through the global financial crisis. If the comparison timeframe is narrowed from a 20-year period to a 10-year period from FY2010 to FY2019, the growth rate of defense spending becomes 128.9%. Compared to other budgeted items, only public works spending (157.6%) grew at a higher rate than defense spending during this 10-year period. Over the decade from FY2010 to FY2019, social security spending increased by 125.8%, slightly less than defense spending

Figure 8.3. Comparison of FY2000 and FY2019 expenditures



Source: Compiled by the author based on Ministry of Finance's settlement information.

growth (however, if FY2010 and FY2020 are compared, defense spending growth becomes 127.4% and social security spending growth 177.4% due to a surge in social security spending in FY2020).

The significant growth in social security spending was inevitable in an aging Japanese society. The increase in public works spending was also unsurprising, especially considering that large cuts were made during the Koizumi administration and public works spending was necessary for reconstruction following the Great East Japan Earthquake.

Conversely, budgeted items that grew slower than defense spending from FY2000 to FY2019 were principally government national debt service (107.8%) and local allocation tax grants (107.2%). This shows defense spending has been given relative importance within the overall budget, even if it accounts for only 5% of the total national budget. The growth rate suggests that, albeit the difficult fiscal situation, Japan has made a degree of efforts to address the current security environment. In terms of absolute cash flow expenditures in FY2019, defense spending represents only about one-sixth of social security spending, less than one-third of government national debt service expenditure, about two-fifths of local allocation tax grants, and about one-half of public works spending.

(3) The Necessity of Political Choice

China has increased its defense spending at a pace far exceeding Japan's, and the gap is only widening. In 2019, U.S. Secretary of Defense Mark Esper of the Trump administration said allies, including Japan, should ideally spend 2% of GDP on defense.¹⁰ This was not without reason, looking at the share of defense expenditures in East Asia shown above. Twenty years ago, Japan's defense spending, even at less than 1% of GDP, accounted for 38% of East Asia's total defense spending. Now it has dropped to less than half to 17%. The ratio of Japan to China, the largest spender on defense in East Asia, has widened from nearly 1:1 in 2000 to 1:4.1 in 2020. If Japan's defense spending were 2% of GDP, or double the current level, the ratio would be 1:1.95 in 2020, which is still disproportionate compared to the 2000 level but would significantly close the gap.

In military strategy, the so-called 3:1 rule postulates that the attacker needs three times the force as the defender. Additionally, Japan's security objective is to maintain the status quo. In other words, this objective can be achieved if the status quo can be maintained through defensive operations, not occupying some land through offensive foreign operations.

Of course, Japan has an alliance with the United States and can expect U.S. forces in Japan as well as U.S. reinforcements. Nevertheless, Japan has primary responsibility for defending its own territory as stated in the Guidelines for Japan-U.S. Defense Cooperation: "Japan will maintain primary responsibility for defending the citizens and territory of Japan and will take actions immediately to repel an armed attack against Japan as expeditiously as possible." In this light, one way to think of it would be to raise Japan's defense spending level to at least one-third but slightly less than one-half of China's defense spending, with the aim of securing stable deterrence for countering China's unilateral attempts to change the status quo near the Senkaku Islands.

If the rule were simply applied to Japan and China, and furthermore, if Japan's defense spending were 2% of GDP, or about 10 trillion yen, the Japan-to-China ratio would be 1:1.95. If Japan's defense spending were 7 trillion yen, the ratio would be 1:2.76, or about one-third. That said, China's defense spending has grown and is expected to continue to grow. From this perspective, it is not appropriate to use the FY2020 level as a given. Assuming that China's defense spending would continue to increase, Japan's defense spending set at one-third of that amount could reach the 10 trillion yen range.

Ten trillion yen corresponds to an expenditure level slightly less than public works spending (approximately 13 trillion yen) in FY2020 actual expenditures, which represent cash flow. In absolute terms, it is the fourth highest expenditure following social security, government national debt service, and local allocation tax grants. It is equal to about one-fifth of social security spending, about one-half of government national debt service, and about two-thirds of local allocation tax grants. Meanwhile, total expenditures in FY2020, expressed as actual expenditure, were approximately 182 trillion yen. Including the additional

expenditure of 4 trillion yen that would be necessary if defense expenditure was 10 trillion yen, total expenditures would be approximately 186 trillion yen. While it is a well-known fact that Japan faces a difficult fiscal situation, an increase in spending from 182 trillion yen to 186 trillion yen would only translate into an increase of about 2.2% in overall expenditures. In FY2019, before the COVID-19 pandemic, total expenditure expressed as actual expenditure was 109 trillion yen. A 4 trillion yen increase in defense spending would represent about 3.5% of overall expenditures.

At the same time, if deterrence against China were to fail, the cost will likely not be contained at 4 trillion yen. Furthermore, it should be noted that if war were to occur in Japan, this fact would send shock waves to financial markets and could bring Japan closer to fiscal insolvency.

Japan cannot circumvent a debate over the following two options. One option is to increase defense spending to the same level as public works spending, or to about one-third the pre-pandemic social security spending, in order to fundamentally strengthen deterrence at the risk of increasing fiscal insolvency. The other option is to give emphasis to the fiscal insolvency risk and bear the risk of deterrence failure by accepting decisive inferiority in military balance. In examining this issue, consideration will need to be given to the extent to which priority will be given to defense over public works and other policy objectives.

Of course, Japan has entered into an alliance with the United States, meaning Tokyo does not have to fend for all its needs on its own. Yet the ongoing geo-strategic competition with China in East Asia is above all a Japanese problem rather than a U.S. problem, and Japan is a major party to the competition, especially in the East China Sea. The United States, too, has serious concerns regarding possible "decisive military defeat" in a contest with China. The extent of Japan's efforts in this regard will be a critical factor that shapes whether or not the future security environment will be favorable for Japan.

That said, defense spending cannot be increased haphazardly by setting some numerical target, nor is it even desirable to do so. Defense spending increases cannot improve Japan's security environment unless the specific force

structure to be achieved and the strategic effects that they will deliver are clearly articulated. In particular, public understanding for defense spending increases cannot be attained without clarifying what specific capabilities will be used and in what form, and what the current shortfalls are.

Important in this context is “theory of victory,” a concept which has recently gained currency among military experts. It describes how to fight a war to achieve its objectives should deterrence fail and war occur. In general, security strategies are considered to be hierarchically structured: grand strategy, followed by military strategy, followed by operational plan. “Theory of victory” lies between military strategy and operational plan.

Forming a “theory of victory” allows defense planners to know which capabilities are particularly essential. They can then clarify in what form those capabilities would be used and what the current shortfalls are, along with indicating more tangibly what strategic effects would result from increasing defense spending. In this sense, discussions are urgently needed for establishing a “theory of victory” through formulating Japan’s new National Security Strategy and National Defense Program Guidelines.

3. The Strengthening of the Japan-U.S. Alliance Cooperation

(1) The Biden Administration and the Japan-U.S. Alliance

During the 2017 to 2021 Trump administration, the security environment in Japan’s surrounding region continued to become more severe, as demonstrated by the North Korean missile crisis in 2017 as well as China’s increased pressure on Taiwan and continued deployment of government vessels around the Senkaku Islands. Meanwhile, Japan-U.S. relations remained stable, due in part to the positive relationship enjoyed by Prime Minister Abe Shinzo and President Trump. The deterrence provided by the Japan-U.S. Alliance contributed significantly to regional stability. The Japanese prime minister has since been replaced by Prime Minister Suga Yoshihide and then by Prime Minister Kishida Fumio, while the

United States transitioned to the Biden administration. Despite some uncertainty about how the Japan-U.S. Alliance would fare on the heels of the favorable Abe-Trump relationship, the Biden administration dispelled such fears by putting forward a policy underscoring the alliance early in the presidency.

Prime Minister Suga and President Biden held their first in-person summit meeting on April 16, 2021. This was President Biden’s first in-person meeting with a foreign leader amid the strict international travel restrictions caused by the pandemic. After the meeting, the two leaders released the joint statement, “U.S.-Japan Global Partnership for a New Era,” as well as the annexed agreement documents, “U.S.-Japan Competitiveness and Resilience (CoRe) Partnership” and “Japan-U.S. Climate Partnership on Ambition, Decarbonization, and Clean Energy.”

The first foreign leader to visit the White House during the Obama administration was also a Japanese prime minister, Prime Minister Aso Taro. While Prime Minister Abe met with President Trump after he was elected, he was the second leader after Prime Minister Theresa May of the United Kingdom to meet with President Trump after he was inaugurated. A joint statement was not released after the Aso-Obama meeting, while the joint statement of the first Abe-Trump meeting was no more than two pages long. In contrast, the three documents released after the Suga-Biden meeting in April were ten pages in total, with each document containing specific and substantive content one would be surprised to find only three months into the U.S. presidency. As this suggests, the Suga-Biden meeting was not a ceremonial first meeting but a meeting held to conduct substantive policy coordination.

Indeed, even before the Japan-U.S. summit meeting, the Biden administration immediately set out to conduct active diplomatic activities after assuming office, ahead of finalizing its China strategy. The Suga-Biden meeting in April was one tipping point in the administration’s initial diplomatic campaign comprised of successive meetings: the Quad summit meeting held remotely on March 12, the Japan-U.S. Security Consultative Committee (2+2) meeting held in Tokyo on March 16, the U.S.-ROK 2+2 held in Seoul on March 18, and the U.S.-China

Foreign Ministers' meeting held in Alaska on March 18. As this reveals, Japan occupies a critical place in the Biden administration's Asia strategy. In holding the Japan-U.S. summit meeting at this timing, the Biden administration likely intended to align the basic stance with Japan to begin fully forming the China strategy.

In Japan, the prime minister changed, and the Kishida administration came to power in October. As early as on October 5, Prime Minister Kishida held a telephone talk with President Biden, during which the two leaders agreed to proceed along the same path as previously followed, including further strengthening the deterrence and response capabilities of the Japan-U.S. Alliance and President Biden's reiteration of the U.S. commitment to Japan's defense, such as application of Article V of the Japan-U.S. Security Treaty to the Senkaku Islands.

(2) Issues concerning the Taiwan Strait and the Strengthening of Deterrence

The joint statement released after the Suga-Biden meeting in April 2021 drew attention most of all to the reference to Taiwan, the first such reference in 52 years by a Japan-U.S. leaders' joint statement since the 1969 Joint Statement of Japanese Prime Minister Eisaku Sato and U.S. President Richard Nixon.

No simple comparison between the two is appropriate. Fifty-two years ago, both Japan and the United States did not have diplomatic relations with the People's Republic of China, and any references to the ROK and Taiwan concerned the Okinawa reversion negotiations. That said, the Suga-Biden joint statement has significant implication considering the 1996 Japan-U.S. Joint Declaration on Security (also called the "Hashimoto-Clinton Joint Declaration" because it was a declaration between Prime Minister Hashimoto Ryutaro and President Bill Clinton). This declaration, in which the leaders confirmed the importance of the Japan-U.S. Alliance in the Asia-Pacific region since the end of the Cold War, refers to "peaceful resolution of problems in this region" but does not mention Taiwan or the Taiwan Strait.

Meanwhile, on February 19, 2005, in the midst of the consultations on U.S. force realignment, the Japan-U.S. 2+2 defense and foreign ministerial consultations announced common strategic objectives that included "Encourage the peaceful resolution of issues concerning the Taiwan Strait through dialogue." For some time after that, Taiwan and the Taiwan Strait were not mentioned in any 2+2 document. Then, for the first time in a while, the joint document released after the 2+2 meeting on March 16, 2021, ahead of the Suga-Biden summit meeting, contained the wording, "[The Ministers] underscored the importance of peace and stability in the Taiwan Strait." While this 2+2 document states, "underscored the importance of peace and stability," the joint statement released after the April 16 summit meeting changed the wording to, "[We] underscore the importance of peace and stability across the Taiwan Strait and encourage the peaceful resolution of cross-Strait issues," adding "encourage the peaceful resolution" similar to the 2+2 document of 2005.

A sense of crisis over the rapidly deteriorating security environment surrounding the Taiwan Strait underlies why such references to Taiwan or the Taiwan Strait were made in Japan-U.S. official documents for the first time in a long time. China's unilateral and coercive behavior backed by its rapid economic growth and modernization of military capabilities was already heightening concern during the Obama administration, ushering in a shift in the United States' China strategy to "rebalance to the Asia-Pacific region." Around this time, however, the South China Sea was the main focus of China related concerns, and the issues surrounding the Taiwan Strait did not garner much attention except for from some experts. But with the advent of the Trump administration, a sense of crisis surged over the situation in the Taiwan Strait, stemming from the United States revising its strategy based on the perception that a "great power competition" is unfolding between the United States and China, China stepping up pressure on Taiwan including increased military activity around Taiwan, and rising concerns that China might be considering the option of using limited force.

In particular, there is a shared concern among experts recently that the balance of conventional forces in the Western Pacific may be tipping in China's favor,

in part due to the dominance of short- and medium-range ballistic and cruise missiles that China has deployed in large numbers. Of course, U.S. military superiority will remain unchanged if resources are mobilized from all over the world. However, this will take at least six months to around a year. Without taking into account such global mobilization and assuming a short-term decisive battle scenario using only the assets currently deployed in the Western Pacific, China is considered to have an increasing chance of gaining the upper hand. Reflecting this situation, the aforementioned U.S. National Defense Strategy Commission report expressed concern that the United States could suffer a “decisive military defeat” in a contest with China or Russia.

In light of this reality, it is clear that deterrence must be fundamentally strengthened, and the Japan-U.S. Alliance has assumed an increasingly greater role in peace and stability in the Western Pacific region. A sense of imminent crisis based on this strategic reality lies behind the extremely rapid pace at which the Biden administration has conducted Asian diplomacy since its inauguration.

(3) The Challenges of Strengthening Japan-U.S. Alliance Deterrence

Strengthening deterrence in a severe security environment requires resource allocation. In this regard, progress has been scant for both Japan and the United States. As the previous section showed, Japan’s defense spending in 2000 accounted for 38% of East Asia’s total (Japan, ROK, China, and Taiwan). This percentage has halved in two decades and is now down to 17%. In Washington, the fiscal year 2022 budget request allotted \$5 billion for the Pacific Deterrence Initiative. Yet a close look at the details reveals that the budget is limited to Marine Corps and other existing modernization programs, including the F-35 fighter or the Tomahawk cruise missile. Fundamentally, the U.S. allotment is not designed for building a new deterrence posture. Given the seriousness of the present circumstances, it is imperative for Japan and the United States to develop actual capabilities.

In this connection, of note is the following excerpts from the joint statement issued on the occasion of the 2+2 held on March 16, ahead of the Suga-

Biden meeting: “The Ministers acknowledged the importance of close coordination as the Department of Defense conducts its Global Posture Review”; “The Ministers recommitted to enhancing close coordination to align security policy, deepen defense cooperation across

all domains, and bolster extended deterrence by consulting on Alliance roles, missions, and capabilities.”

The Global Posture Review (GPR) was conducted some 20 years ago, too, during the George W. Bush administration. At that time, the main objective was to adapt the global deployment posture of the U.S. forces to the post-Cold War strategic environment. The GPR’s aim was to transform the U.S. forward-deployed presence into a “virtual presence.” This shift envisioned force reductions in Europe, where many troops had been deployed during the Cold War, as well as contingency response through rapid deployment of forces from the U.S. mainland. The September 11 attacks in 2001, however, forced the United States to send large numbers of troops to Afghanistan and Iraq, and the United States could not realize the initial goal of concentrating its main forces on the U.S. mainland. Furthermore, Washington began to rethink its agenda of reducing permanent forward-deployed forces and responding to contingencies through rapid deployment. Reducing permanent presence would decrease the United States’ contribution to the security of its allies in peacetime and could undermine allies’ trust in the United States. Washington abandoned the virtual presence concept, stating in the 2010 Quadrennial Defense Review (QDR), “We cannot simply ‘surge’ trust and relationships [with allies] on demand.”¹¹

The GPR now underway was prompted by the withdrawal from Afghanistan



Japan Air Self-Defense Force F-15s escorting U.S. bombers in a training exercise (ZUMA Press/Kyodo News Images)

and Iraq. In August 2021, the U.S. forces withdrew completely from Afghanistan and conducted a major drawdown of troops stationed in Iraq. The withdrawal does not simply mean reduced overseas involvement of the U.S. forces; the withdrawal is meant to lead toward the realignment of their deployment posture, with focus on strengthening the strategic deterrence posture against China. A premium will be put on countering China's rapid development of anti-access/area denial (A2/AD) capabilities.

The Bush administration's GPR announced 20 years ago emphasized "stand-off" systems against A2/AD threats, i.e., deploying assets to positions outside the adversary's strike range and counterattacking with precision strikes from remote locations. But with the enhancement of China's A2/AD capabilities, the notion has spread that assets cannot penetrate from outside the strike range. Therefore, the discourse has increasingly shifted to the "stand-in" concept of maintaining highly resilient bases within the A2/AD zone and deploying outside assets to the bases. Another idea that has been debated is the "Archipelagic Defense" concept of strengthening the Japan-U.S. Alliance's A2/AD capability with ground-based missile capabilities, mainly anti-ship and anti-aircraft missiles. In order to strengthen the deterrence posture against China, Washington must review and adapt the U.S. military presence to its geopolitical and strategic confrontations with China, taking into account the current trends in military technology.

As for the roles, missions, and capabilities (RMC) consultation, this was part of the U.S. military realignment discussions during the Bush administration's GPR. Notably, the joint document from the 2+2 in October 2005 lists 15 examples of cooperation, and RMC has continued to be discussed since then.

The Guidelines for Japan-U.S. Defense Cooperation are similar to RMC. The Guidelines identify situations that should be jointly addressed by the Japan Self-Defense Forces (JSDF) and U.S. forces and specify the JSDF and U.S. forces' roles for each situation in order to formulate joint operational plans. The Guidelines are agreed to at the 2+2, a consultative committee of Japanese and U.S. defense and foreign ministers. Hence, operational plans that are prepared based on the Guidelines are contingent upon political approval, and the Guidelines play a

significant role in ensuring democratic control over defense policy. Conversely, RMC's key role lies not in operational planning but in redefining the basic direction of the Japan-U.S. defense strategy and repositioning individual issues within the overall defense strategy. For example, the areas of

RMC cooperation agreed upon in the 2+2 document of 2005 transcended mere realignment of bases and redefined the direction of U.S. military realignment in the context of strengthening deterrence.

In light of the current security environment, the RMC consultation to be conducted based on the 2+2 Joint Statement of March 2021 may have the following prime objective: redefine the basic direction of the Japan-U.S. defense strategy and form a "theory of victory" for the Japan-U.S. Alliance, tailoring to the changing military balance due to North Korea's growing nuclear and missile threat and China's strengthening of military capabilities, including A2/AD capability.

I would like to highlight here three critical discussion items for the RMC consultation.

First is the question of how to develop a missile defense system against North Korea's nuclear weapons and missiles and China's precision-guided ballistic missiles, along with growing threats of hypersonic weapons and cruise missiles. Japan and the United States have engaged in ballistic missile defense (BMD) cooperation since the end of the 20th century. Japan has made steady progress in developing a system against ballistic missile strikes and has acquired some level of capability to defend itself against ballistic missiles. However,



U.S. PAC-3 and the Japan Ground Self-Defense Force's Type-03 medium-range surface-to-air missile deployed for a Japan-U.S. combined training exercise (Kyodo)

ballistic missiles are not the only threat. Hypersonic weapons and cruise missiles also pose increasing threats: hypersonic weapons have a higher likelihood of penetrating BMD by aerodynamically maneuvering in the atmosphere, while cruise missiles cannot be dealt with by BMD because they fly at low altitudes in the atmosphere. Japan has evolved the “comprehensive air and missile defense” concept to address these new missile threats and ballistic missiles in an integrated manner. Japan will very likely need to develop new hardware, especially against hypersonic weapons, as well as the concept. In addition, given the growing missile threat, Japan will need to conduct research and development of not only first-generation BMD, which focuses on kinetic energy interceptors, but also second-generation BMD, which focuses on directed energy weapons.

Secondly, with the expiration of the Intermediate-Range Nuclear Forces (INF) Treaty, the post-INF system needs to be discussed. The treaty prohibited 500-kilometer range U.S. and Russian ground-launched missiles, but those restrictions have lapsed with the termination of the treaty in 2019. Considering Japan’s geographical conditions, surrounded by water, the consultation must examine what comparative advantages ground-based missiles have over sea-launched missiles and which missiles would bring high added value through deployment.

Third is what to infer from the changes in the nature of combat, especially air warfare, with the United States no longer having a monopoly over precision-guided weapons and with unmanned and stealth technologies under development and proliferation. The precision-guided ballistic missiles currently deployed by China can likely pinpoint and destroy aircraft on standby at airfields. Note that any aircraft, including fighters, are on the ground for most of the day. In this light, the very nature of air warfare could change significantly in the near future.

These three matters are issues of importance individually, and each has implications for the overall Japan-U.S. Alliance. Rather than examining each of the issues alone and individually, the two countries need to contextualize them into the “theory of victory” for the entire Japan-U.S. Alliance and clarify the strategic effects. To this end, the RMC consultations are expected to play an essential role.

NOTES

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