FOREIGN AFFAIRS

SEPTEMBER/OCTOBER 2002

Japan's Dual Hedge

Eric Heginbotham and Richard J. Samuels

Volume 81 • Number 5

Japan's Dual Hedge

Eric Heginbotham and Richard J. Samuels

NOT ANOTHER BRITAIN

LAST FALL, just eight days after the terrorist attacks on New York and Washington, D.C., Japan's prime minister, Junichiro Koizumi, announced that his country would provide military support to the United States for the war in Afghanistan. His statement seemed to signal a long-awaited shift in Japan's foreign and security policy. Stung by criticism that it had hesitated to lend a hand during the Persian Gulf War, this time Japan quickly declared solidarity with the United States. New legislation was rapidly passed, allowing for the dispatch of naval vessels to Diego Garcia in the Indian Ocean, nearly 3,500 miles away.

American strategists lauded Japan for "showing the flag," providing unfettered access to its bases, and sticking by its ally. Many wondered aloud if Japan might become a U.S. ally more along the lines of the British. In the weeks after Koizumi's speech, however, it became clear that the fundamental approach of Japanese foreign policy had not changed. Japan hastily backtracked on the bolder elements of Koizumi's plan and ended up contributing very little militarily to the Afghan war—much less than did Germany or Italy, which also have constitutions repudiating war. And although Tokyo may undertake additional symbolic military measures in the future to meet U.S. expectations, it is unlikely to be any more supportive of active military

---

ERIC HEGINBOTHAM is Senior Fellow at the Council on Foreign Relations. RICHARD J. SAMUELS is Ford International Professor of Political Science and Director of the Center for International Studies at the Massachusetts Institute of Technology. A more detailed version of this essay will appear in the forthcoming *Strategic Asia 2002–03: Asian Aftershocks.*

cooperation with the United States either globally or in East Asia on issues beyond its own defense. The reasons are strategic: Japan's leaders are neither doves nor hawks but pragmatists, for whom economic and military security are equally important. The country has enjoyed broad consensus on this well-established doctrine of comprehensive security for nearly half a century now, and this doctrine has continued to inform Tokyo's posture since September 11. This comprehensive security policy is manifest today, in an evolving strategy that can be called "double hedging."

On the one hand, Japan has relied on its alliance with the United States as a hedge against military threats. On the other hand, Japan has cultivated different partners—including some the United States identifies as present or potential security threats—to hedge against economic dangers. As Yukio Okamoto, a former senior diplomat and now a senior government policy adviser, has said publicly, "America can be Japan's ally in security affairs, but I do not think it can be an ally in economic affairs." Of course, using the U.S. alliance as a military shield and other economic relationships as a mercantile sword has not been easy, and it has required some delicate diplomacy from Japan to harmonize the seemingly contradictory aspects of its strategy. Specifically, Tokyo has had to reassure Washington that it is acting as an active military partner, while at the same time reassuring other capitals that it is not. In the context of the war in Afghanistan, Japan accomplished this by sending its Maritime Self-Defense Forces (MSDF) to Diego Garcia, far outside their usual range—but still far enough from the battlefield that Japan's envoys to oil exporters and other economic partners could deny Tokyo's active support for the campaign.

What should Washington make of Tokyo's hedging strategy? Certainly the administration is aware that, to one degree or another, all states seek to advance their own national interests, even when pursuing the common good. The United States also knows that Japan, like many other allies, views some U.S. foreign policies as immoderate and heavy-handed. Whether because Japan has contrary economic interests or because it fears becoming enmeshed in ill-conceived American adventures, Washington should not expect Tokyo to become a full military partner.

Even if Japan does not blindly follow American foreign policy, however, the alliance between the two countries can still remain valuable to both—if, that is, each side realistically assesses their common interests. Both nations have a stake in the political stability of the Asia-Pacific region. To further that objective, Japan invests heavily in multilateral regime-building. The United States may find that it can derive great benefit from Japan's multilateralism, as well as from its knowledge of and ties with local states. But America may also need to take a different approach toward its Japanese ally in order to fully realize potential gains in these areas. And expecting a more assertive military alliance, especially in a campaign that targets Japan's trading partners, will only waste resources and strain Washington's relationship with Tokyo.

SECURITY REDEFINED

To best understand Japan's relationship with the United States, both sides must abandon the shopworn myths that remain about the development of their alliance and its status today; these myths only reduce the chances that the two countries will identify the areas where they could more fruitfully cooperate. The first of these myths is that Japan's post–World War II pacifism is the primary inhibitor of the country's action in international security affairs. The second holds that, as these pacifist constraints wane, Japan will become a "normal" nation—and hence a more active American military ally. Both myths are only partly accurate, and taken together, they have created unrealistic hopes for the future of the U.S.-Japan relationship.

In truth, although pacifism remains a central part of Japanese political discourse, public antimilitary sentiment has declined drastically over the years. Yet there has been no commensurate change in Japan's reluctance to use military force. This is not because political leaders are morally opposed to the use of force; rather, they question its efficacy. Although Japan has at times made concessions to the United States to bear a greater share of the military burden for its defense during the Cold War and for regional stability later on, these concessions have frequently been reversed once American attention or priorities have shifted. For example, although Tokyo broke its

symbolically important one-percent limit on military spending as a share of GNP in 1987, the figure quickly dipped back below that level once U.S. pressure subsided in 1990. In other cases, meanwhile, Japan has not even waited for a change in U.S. priorities. In 1996, while the two countries were still negotiating revisions to their guidelines for defense cooperation, Japanese officials visited Beijing to underscore that the revised guidelines "would not change the rights and obligations of Japan or the U.S. ... nor would they change Japan's constitutional restrictions" on military matters.

Both myths, pacifism and the search for normality, have been used over the years to justify Japan's comprehensive security strategy. This strategy emphasizes that economic, technological, and even cultural policies, as well as more traditional military ones, can be used to secure the nation. These priorities are reflected in a recently proposed reorganization of the Japanese National Security Council, which would reserve two seats for the economic ministries, only one for military defense, and one for domestic public safety. Military security is acknowledged to be an important pillar of the overall strategy but understood to be something that Japan can maintain through its security alliance with the United States, rather than by building up its own offensive forces.

A STILLBORN INITIATIVE

ALL THIS seemed to change on September 19, 2001, when Koizumi announced that Japan's forces would play a prominent role in America's war against the Taliban. Koizumi's speech featured seven specific measures, including promises to improve the protection of U.S. bases in Japan, gather intelligence on behalf of the antiterrorist coalition, provide emergency aid to Pakistan and India, extend humanitarian assistance, and make special efforts to calm the roiling international economy. Three of Koizumi's seven measures involved the dispatch of military units. Naval ships were to provide medical, transport, and logistical support for U.S. forces undertaking strikes. Japanese ships and aircraft would also head to the Indian Ocean to collect intelligence. Japanese officials discussed sending Japan's most capable warships, the 7,800-ton Aegis destroyers, and P-3 aircraft to secure the U.S. rear

area while the United States conducted offensive operations. And finally, other elements of the Self-Defense Forces (SDF) would be dispatched to offer humanitarian aid to refugees.

At first, Koizumi's plan seemed likely to succeed domestically. Apart from the Japanese Socialist and Communist Parties, which between them control only eight percent of the Diet, there was little identifiable pacifist opposition to the deployment of military forces. Throughout September 2001, Yukio Hatoyama, the leader of the Democratic Party of Japan (Koizumi's main opposition), expressed strong support for cooperation with the United States, although he was ultimately unable to deliver his party. Ichiro Ozawa, the head of the Liberal Party, also did not oppose deployment in principle, although he argued that deployment would require more explicit backing from the United Nations. Most important, Koizumi and his plan received strong public support, which should have allowed his Liberal Democratic Party (LDP) to overwhelm the relatively weak opposition.

In the end, though, it was not the opposition that defeated Koizumi's plan; it was the old guard of his own party. Early dispatch of MSDF vessels was vetoed during a September 27 meeting of the LDP General Council (which includes only former secretaries-general of the party). One of the participants, Hiromu Nonaka, said, "I am worried the current policy of making Japan visible and mobilizing the SDF is moving our country in the wrong direction." The day after the General Council meeting, Taku Yamazaki, the sitting LDP secretary-general, met with Koizumi and advised caution.

The LDP's reticence was not driven by antiwar sentiment, however, or by concern that military action would mobilize pacifist public opposition. Instead, the party's luminaries were afraid that supporting the war would damage Japan's economic interests. A majority of these conservative politicians, it is worth noting, were self-identified nationalists. But they determined that, despite Koizumi's promises, Japan's national interest would be best served by "showing the flag" to satisfy the United States while simultaneously refraining from high-profile military action so as to reassure Middle Eastern oil exporters and other trading partners.

Of particular concern to the LDP was the reaction of the Muslim world. Thus in early October, former Prime Minister Ryutaro Hashimoto was

sent to Egypt and the United Arab Emirates as a special government envoy, where he also met with Palestinian Authority Chairman Yasir Arafat. In an October 26 interview with the *Mainichi Shimbun,* Hashimoto explained his mission: "In the current situation, the important Japanese roles are to provide support for refugees, transportation, and medical care. ... However, we do not engage in combat. That is the message the Japanese government has sought to convey in the countries I visited." Even the openly hawkish former Prime Minister Yasuhiro Nakasone opposed Koizumi's initial plan on similar grounds, proclaiming that "any globally minded politician worth his salt should be exploring measures that would please the Arab world and bring honor to Japan at the same time." Indeed, Nakasone was experienced at doing just that; as minister of international trade and industry in 1973, he had negotiated an explicit quid pro quo with Saudi Arabia, agreeing to Japanese recognition of Palestinian autonomy in exchange for Japan's exclusion from the Arab oil embargo.

Within the Muslim world, Japan was most concerned about its relationship with Iran, where after Muhammad Khatami came to power, Japanese businesses agreed to invest $6 billion to $12 billion. Despite getting involved with Iran later than its European competitors, Japan's Iranian deals are so big and well supported politically that they promise to provide it with strategic advantages in the Gulf far in excess of any it once enjoyed with Saudi Arabia. After September 11, Japan thus became very intensely involved with helping Iranian officials alleviate problems associated with the expected influx of Afghan refugees. Iran reciprocated by assuring Japan a steady flow of oil throughout the course of the U.S. military campaign. This maneuvering put Japan in an ideal position. As the United States sought to shore up support for its military activities in Afghanistan among that country's neighbors, Tokyo found itself poised to assist in and benefit from any potential rapprochement between Tehran and Washington. It is similarly well situated to benefit, however, should U.S.-Iranian ties not improve.

Looking back, it was these mercantile concerns—and not pacifism or the desire to make Japan a "normal" military nation—that won the day and determined its policies on Afghanistan. Japan undertook the minimum commitments necessary to let it claim to be supporting the U.S. campaign. Those minimum measures amounted to the following:

several C-130 cargo aircraft, loaded with blankets and relief supplies, disgorged their goods at the Islamabad airport and then quickly took off again. Logistical support was provided to U.S. forces but did not include weapons or ammunition—and arrived after the Taliban had already been routed. Two SDF tankers shuttled fuel to the U.S. fleet. Destroyer escorts were provided for the tankers, but they served no other military function. Despite Koizumi's promises, no Aegis-equipped ships were dispatched to the Indian Ocean. No P-3s were sent to Diego Garcia. No medical teams for either refugees or U.S. soldiers went to Afghanistan. And no SDF personnel were deployed for refugee relief work in Pakistan.

Japan's military contribution, although more substantive than any in the past, was nevertheless largely symbolic. Although Japan did not object to the Washington's use of American bases in Japan to stage operations in Afghanistan, other U.S. allies provided significantly greater military assistance. The British played the most active role, flying strike missions with the United States. Australia, a nation with a population no larger than Tokyo's, also flew attack missions after sending a squadron of F-18 fighter jets to Diego Garcia. Both the British and the Australians engaged in land combat and sustained casualties. French President Jacques Chirac dispatched several thousand French soldiers and a wing of Mirage 2000 fighter jets. Even tiny Jordan, with its own delicate domestic political balance and significant security concerns (and without any formal alliance with the United States), provided security for U.S. special forces and established a field hospital in Mazar-e-Sharif, the scene of one of the largest battles in the war.

Even Germany and Italy contributed more to the Afghan war.

Even countries with constitutional constraints similar to Japan's, likewise born of their unpleasant military histories, acted more boldly. Germany declared its full military support for the United States, and departing from the restraint that had characterized all German uses of force beyond Europe since World War II, Chancellor Gerhard Schröder staked the future of his government on legislation that would permit Germany to join the allied war effort. German soldiers were among the first to die in Afghanistan, and Germany even offered to assume leadership of the subsequent peacekeeping operation.

Meanwhile, although the Italian constitution constrains the use of force nearly as much as Japan's does, the Italian government offered an armored regiment, attack helicopters, fighter jets, and four warships to the United States in Afghanistan. Italy also offered the use of its specialists in nuclear, chemical, and biological warfare. Reconnaissance was conducted in mid-December, and Italian troops began arriving in Afghanistan before the first day of 2002.

Significantly, the United States never publicly demanded specific military deployments from Japan or any of its other allies. The United States was determined to undertake the campaign regardless of allied participation, and in the case of Japan, U.S. alliance managers believed that any military participation would erode the constitutional and normative constraints on Japan's use of force and ultimately represent one step on Japan's path to "normality." Hence no sooner had Tokyo declared its support for the U.S. campaign than Washington accepted what was offered—without the sort of criticism it had leveled at Japan during the Gulf War. Secretary of Defense Donald Rumsfeld even stressed that different U.S. allies had different capabilities, and he expressed pleasure with Japan's contributions.

Japan's diplomacy during this period was remarkably deft, deriving maximum advantage at minimum cost. Gen Nakatani, director-general of Japan's Defense Agency, was able to fly to Washington, D.C., to take credit for Japan's contribution to the U.S. war effort at the same time that Hashimoto headed to the Middle East to argue that Japan was not in fact waging war alongside the United States and the United Kingdom. Hashimoto's message was soon reinforced by Yamazaki, who conducted his own mission to the Middle East. Upon returning to Japan, Yamazaki reported that his visit "was very effective," adding, "We learned that Japan is highly regarded there. I think they listened attentively to our views since they are different from those of the United States and Europe."

Japan's next move was to propose that it take the lead in the post-Taliban reconstruction of Afghanistan. Washington readily accepted, and both sides agreed that Japan would co-chair an organizational meeting in Washington in November 2001 and host a larger conference on Afghan rebuilding in Tokyo in January 2002. By taking the lead in these efforts, Japan hoped to simultaneously fulfill its obligation to

the United States and consolidate its presence in the region, without incurring the risks of military action. This diplomatic effort was only partially successful, however. France, Germany, and the United Kingdom—each of which had placed troops in harm's way—objected to such a high-profile role for Japan. The United States backtracked, adding the European Union and Saudi Arabia to the list of co-chairs for the Washington conference, downgrading that meeting from the ministerial to the vice-ministerial level, voicing approval for a parallel meeting to be held in Brussels around the same time, and giving formal backing to a December 2001 conference in Bonn to pick an interim Afghan government—effectively limiting the Tokyo conference (one month later) to the useful, but less glamorous, purpose of organizing financing for the physical rebuilding of the country.

Japan still managed to achieve many of its regional objectives, however. It secured its budding relations with Iran. It further enhanced its relations with Pakistan. It positioned itself to recover its position in Saudi Arabia. And it established itself as an interested party in the Middle East and Central Asia, one capable of playing an independent role. Its failure to capture a preeminent position in Afghanistan itself may lead Japan to further refine its tactics, but the overall success only confirmed the continued utility of Tokyo's comprehensive security strategy.

THE CHINA FACTOR

Japan's dual hedge involves Tokyo's balancing of its American military alliance with its economic strategy in Asia and the Middle East, and thus Japan's relationship with China deserves special attention in this discussion. Despite more than a century of enmity between the two countries, despite their competition to establish regional leadership, and despite an active lobby of "China hawks" in Tokyo, Japan has moved closer to Beijing since the Asian financial crisis of 1997. In a recent interview, Koizumi stated flatly that he does "not subscribe to the view that China is a threat" and insisted that the main challenge now facing his country was "how Japan will be able to cooperate in terms of regional stability, with the premise that Japan will not use force." Sino-Japanese political and economic coordination remains relatively new and not well

understood, but it is likely to affect Japan's relationships with other countries in the region and around the world.

Relative to its total global trade, Japan already enjoys nearly twice as much trade with China as does the United States relative to its total (9.2 percent vs. 5.4 percent). China is Japan's second-largest trade partner and its largest aid recipient in Asia. China has also served as a preferred production base for Japanese firms since the rise of the yen encouraged them to go offshore during the mid-1980s. China was the largest Asian recipient of Japanese foreign direct investment between 1993 and 1996, and after declining somewhat as a target country between 1997 and 1999, reclaimed that position for 2000 and the first half of 2001 (the latest year for which data are available). Although there is some concern about the migration of manufacturing facilities and employment from Japan to China (what the Japanese refer to as the "hollowing" of Japanese industry), most Japanese business leaders and economic bureaucrats continue to view China's economy as complementary to their own. China provides raw materials to Japan, and the growing sophistication of Chinese parts suppliers has increased the country's value to Japan as both a production base and a trade partner.

Many senior Japanese politicians and bureaucrats also see strengthening regional ties as a strategic measure to enhance Japan's position vis-à-vis the United States. Whereas the United States is considered an economic rival, China is viewed as an indispensable, if occasionally difficult, partner in regional economic integration. In one survey taken two years ago, 72 percent of Japanese polled thought that "building and strengthening a regional framework to promote peace and dialogue in Asia" was a "very important" security option. Only 11 percent thought that the U.S. alliance should be strengthened, whereas 53 percent said it should be weakened and 12 percent said it should be abrogated.

As Japan's perceived economic interests in China have evolved, its political dialogue with Beijing has also deepened. In 1997 the two countries began to cooperate in the new ASEAN+3 (which includes the members of the Association of Southeast Asian Nations plus China, Japan, and South Korea), and in 1998, Japan and China agreed to annual meetings between their heads of state and an expansion of their dialogue to include security issues. In 2001 Japan, China, and South Korea agreed on an additional annual summit meeting between

their economic ministers. As in the past, problems have continued to emerge that challenge the Sino-Japanese relationship. But these problems are now resolved faster and more efficiently. For example, in 1999 and the first half of 2000, Chinese maritime incursions into the waters of Japan's exclusive economic zone (EEZ) threatened to spark anti-Chinese public opinion in Japan. But Zhu Rongji, the architect of increased Sino-Japanese economic cooperation on the Chinese side, quickly promised to resolve the issue, and Beijing agreed to provide prior notification to Tokyo in case it decided to conduct further oceanographic surveys in Japan's waters. Similarly, after Koizumi's visit to the Yasukuni Shrine war memorial in August 2001 inflamed passions in China (as well as South Korea), Japanese foreign ministry officials quickly engineered a calming visit by Koizumi to China. Finally, during a visit to Tokyo in April 2002, Chinese Premier Li Peng stated that China would permit Japan to salvage a suspected North Korean vessel that Japan's coast guard had sunk inside of China's EEZ.

KNOWING OUR ALLY

MUCH of the conventional wisdom about Japan—about its supposed pacifism, its striving for normality, its subordination to U.S. preferences, and its enmity toward China—no longer comports with Tokyo's foreign policy choices. Japan's actions in Afghanistan appear motivated more by the pursuit of economic interests in the shadow of the U.S. war on terrorism than by either existing normative constraints or by a desire to achieve normality. And Japan's evolving relationships with Iran and China suggest the potential for significant divergence from the United States.

Japan's military today is larger, more legitimate, and more convincing than at any time since 1945. But it is unlikely that Japan will commit to use its armed forces in ways that harm its perceived economic security interests. Economic and diplomatic concerns will deter Japan from fully reciprocating American military ties, especially if such measures might be perceived as aimed at China or Iran. In the former case, even where partial participation is unavoidable, Tokyo is likely to compensate with diplomatic initiatives reassuring Beijing of its commitment to strong bilateral relations. Japanese foot-dragging

on participation in the development or deployment of missile defense can be seen in this light. Tokyo's sensitivity to Chinese objections was also reflected in Koizumi's remarks at a press conference prior to meeting with Bush in the spring of 2001, when he urged the president to consider the effects U.S. plans for missile defense would have on regional relations. Japan ultimately resorted to its most reliable defense against American pressure by invoking the argument that its constitution forbids collective defense. Indeed, Tokyo's fear of complicating its relationship with China may also have been the reason Japan has largely abandoned its plans to reinterpret those restrictions. In the case of Iran, Japan has continued to push for closer economic and political ties, even after Bush's "axis of evil" speech. If, as is likely, Tokyo continues to strengthen its relationship with Tehran, that connection will undoubtedly affect U.S. calculations on the war on terror, the Middle East peace process, and the probability of successfully routing Caspian oil through Turkey.

Being more open about Japan's dual hedge strategy may not materially improve the bilateral alliance, at least from an American perspective. The persistence and importance of mercantile values in Japanese foreign policy, combined with other diverging interests, could lead Japan to become an ever more independent American ally, one more like France than the United Kingdom. It is also possible, however, that Japan's role could come to look more like Germany's. This result, however, will require government officials in both the United States and Japan to spend less time concealing their substantive disagreements—about the U.S. use of Japanese bases to contain China, for example, or about how to resolve the Israeli-Palestinian conflict. It would also help if Americans could learn to appreciate Japan's penchant for bilateral and multilateral efforts to enhance regional stability. Washington should directly face up to Tokyo's evolving doctrine of comprehensive security and the dual hedging it engenders. These strategies may not be ideal from the U.S. perspective, but they are likely to remain central to Japan's foreign policy for some time to come, and thus Americans should learn to live with them.