



CARNEGIE
ENDOWMENT FOR
INTERNATIONAL PEACE

Uncommon Alliance for the Common Good:

Adapting the U.S.-Japan Alliance to Geopolitical Change in Asia

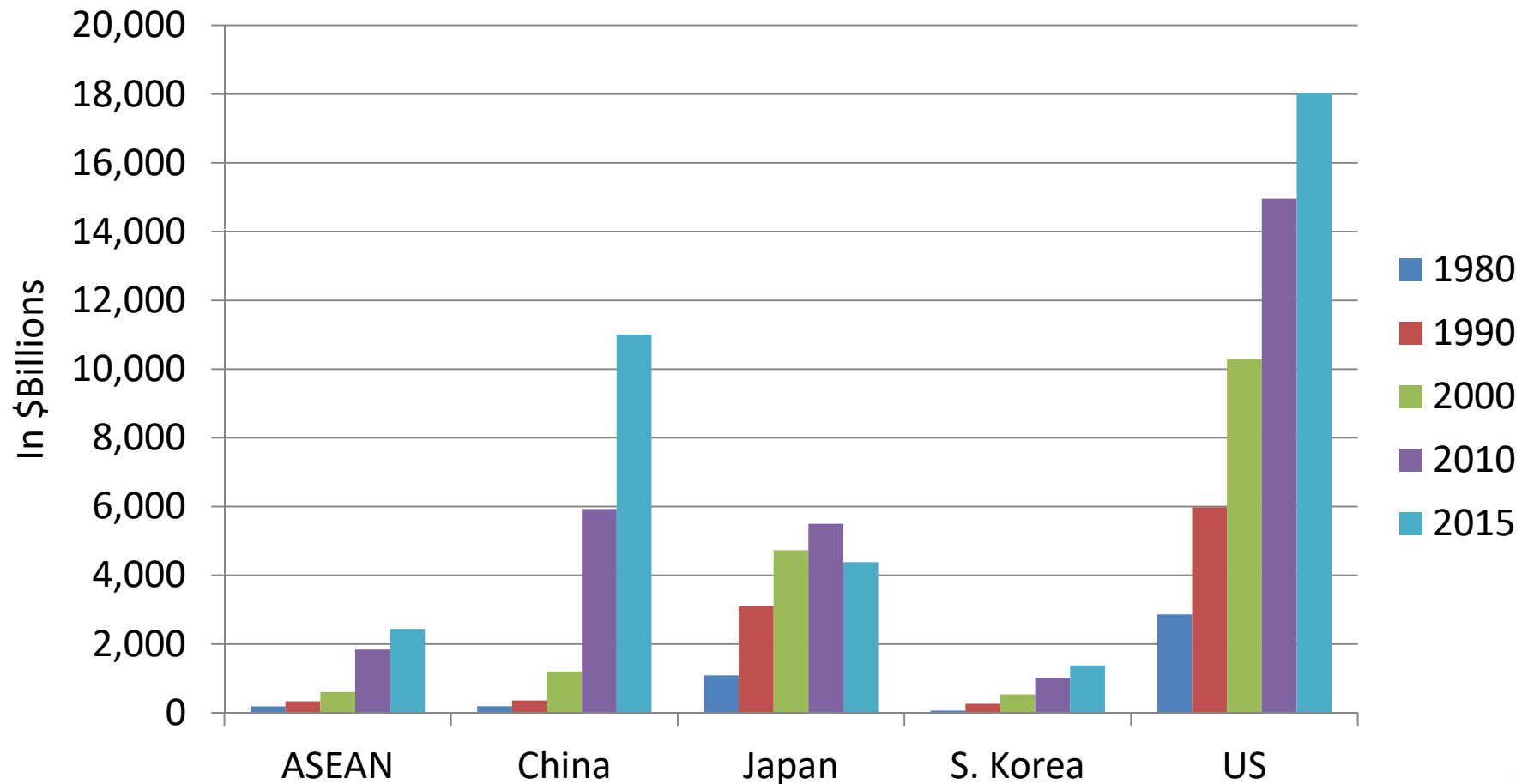
James L. Schoff | February 21, 2017

Outline

- **Where are we now?**
- **Dangers and Opportunities?**
- **What should we do?**



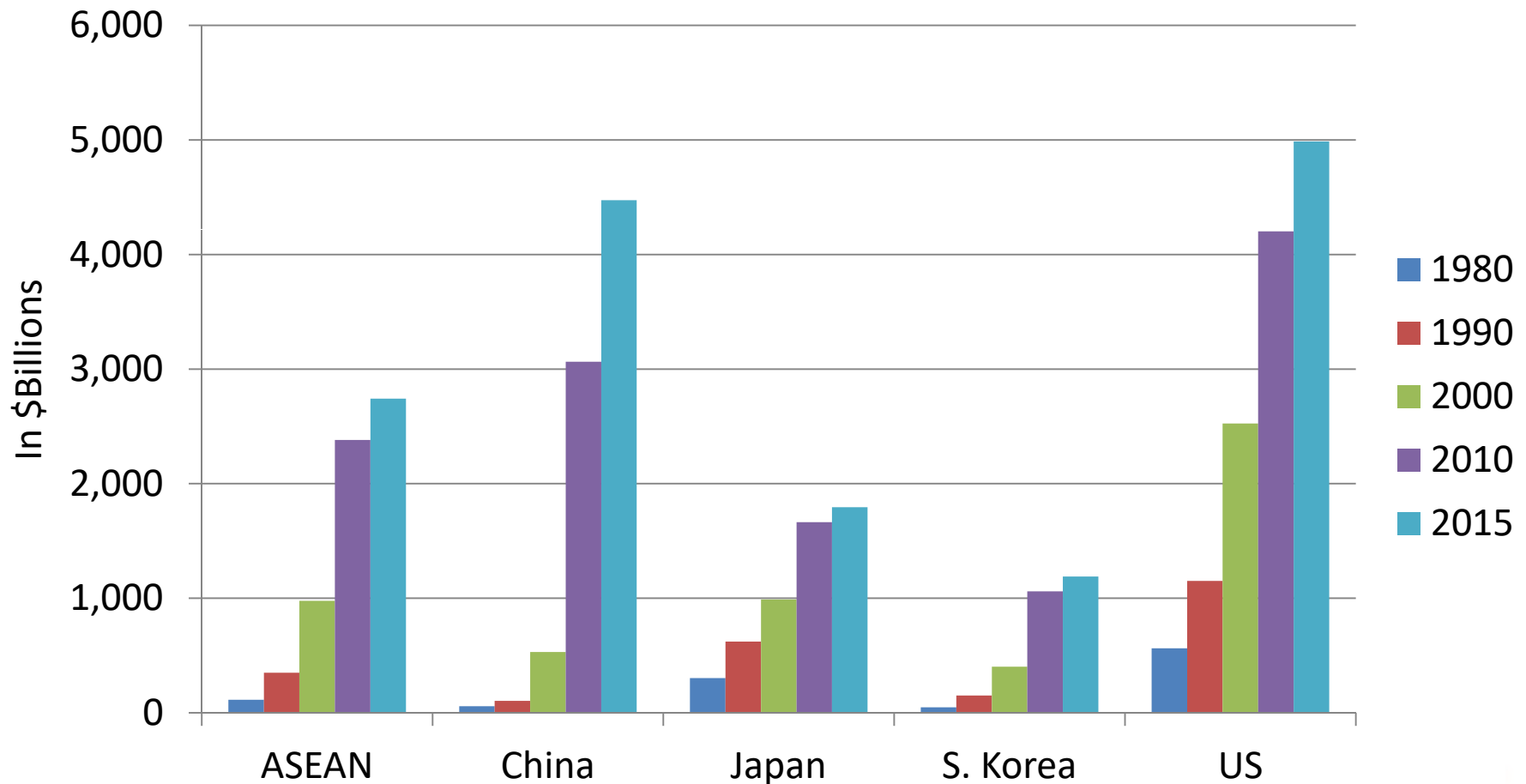
GDP (current US\$)



Source: World Bank, in current US\$



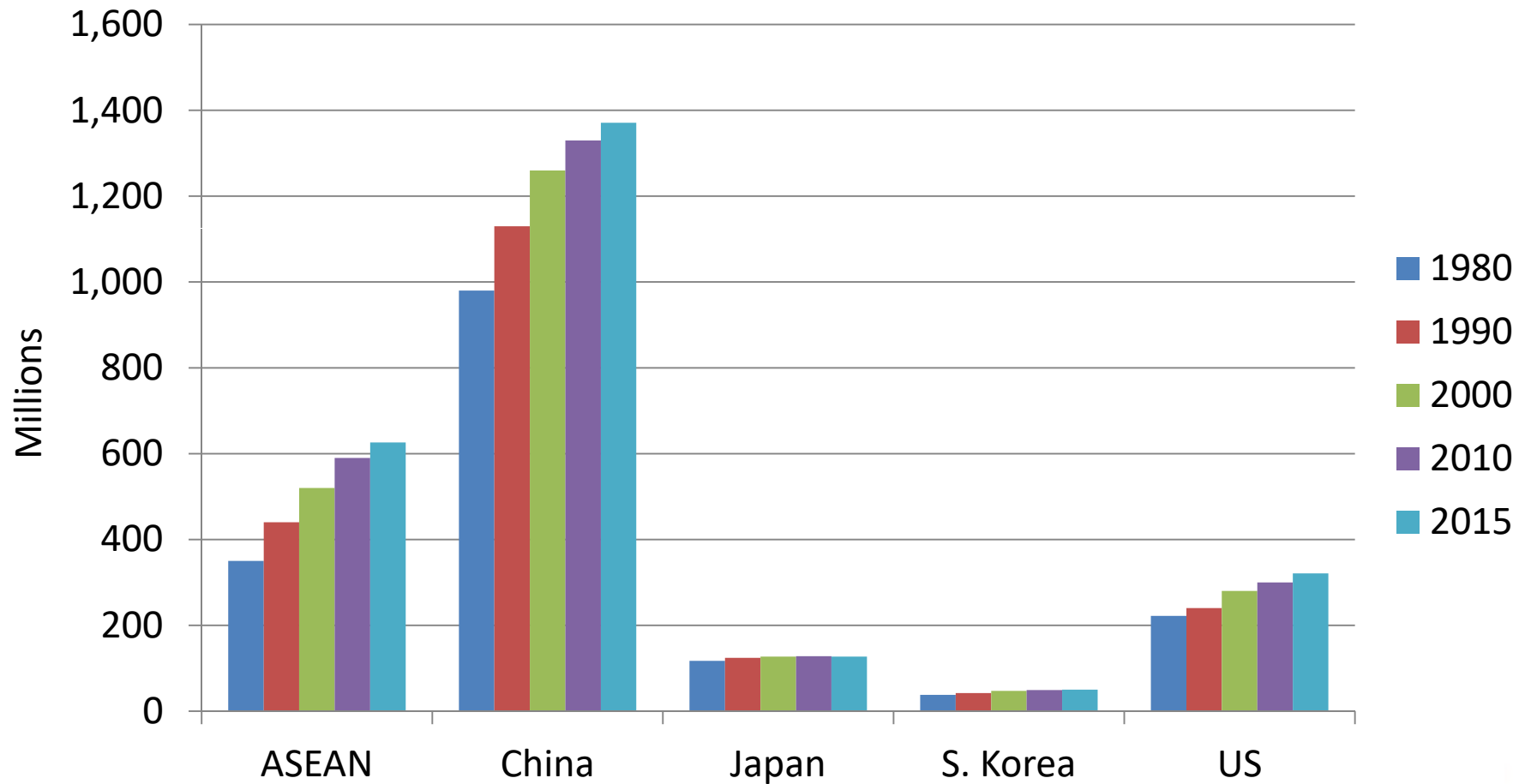
Trade Value



Source: UNCTAD; trade value as sum of exports and imports



Population



Source: World Bank



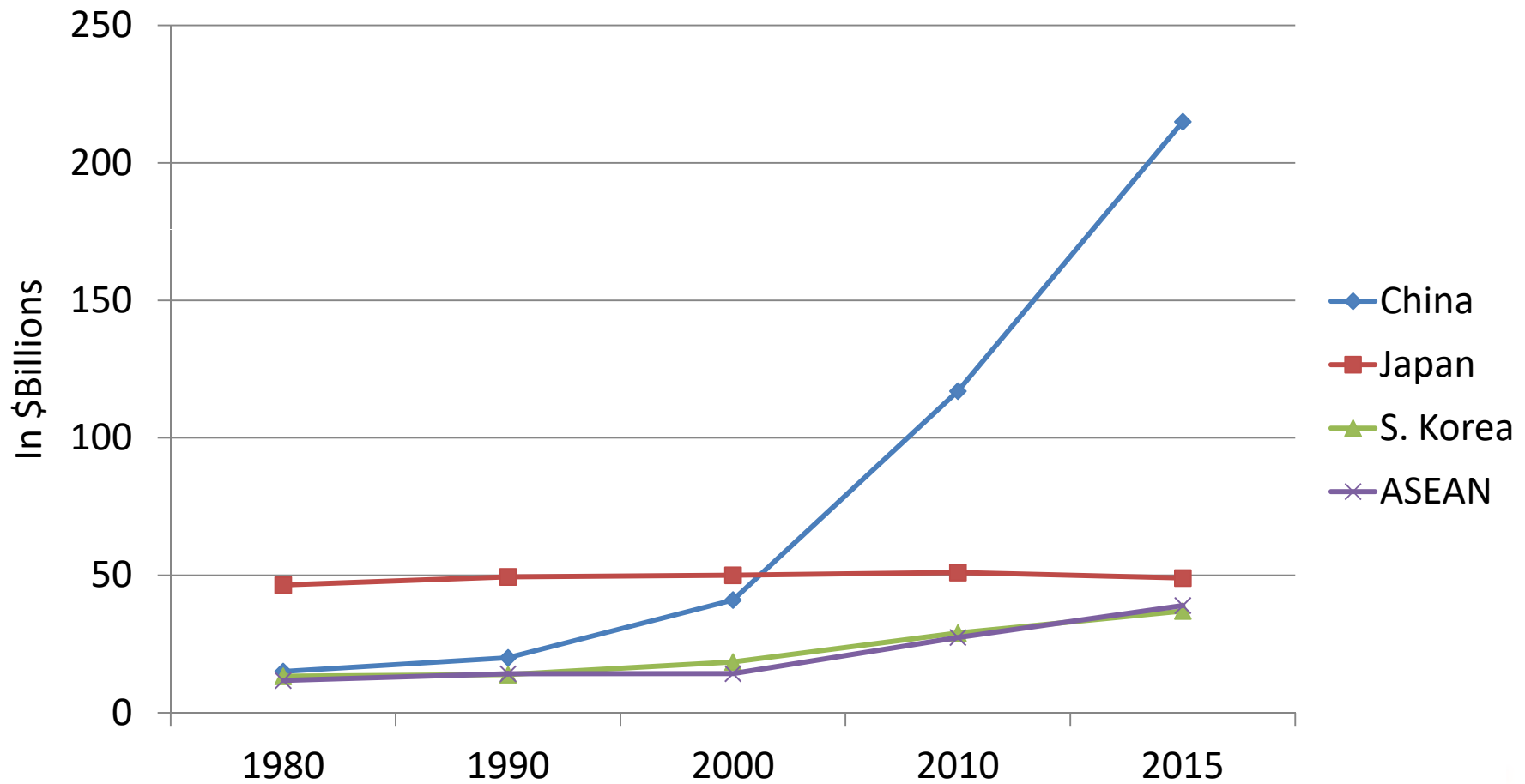
Asia's Mediterranean



- Diverse, ancient, and productive cultures linked by maritime trade
- History of rivalry and war, but also cooperation and prosperity



Defense Spending

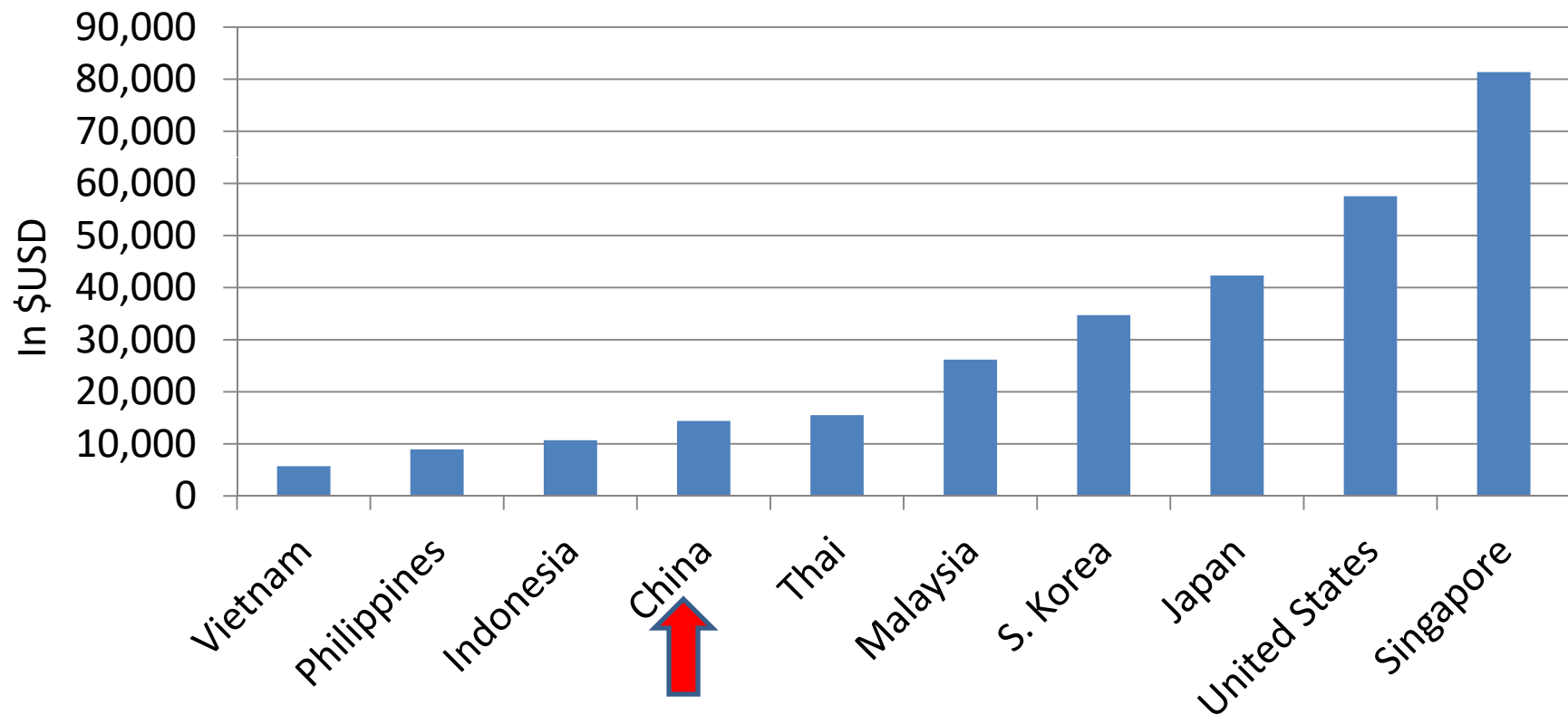


Source: Based on SIPRI and USG (DoD) data, in nominal US\$



GNI (per capita, PPP)

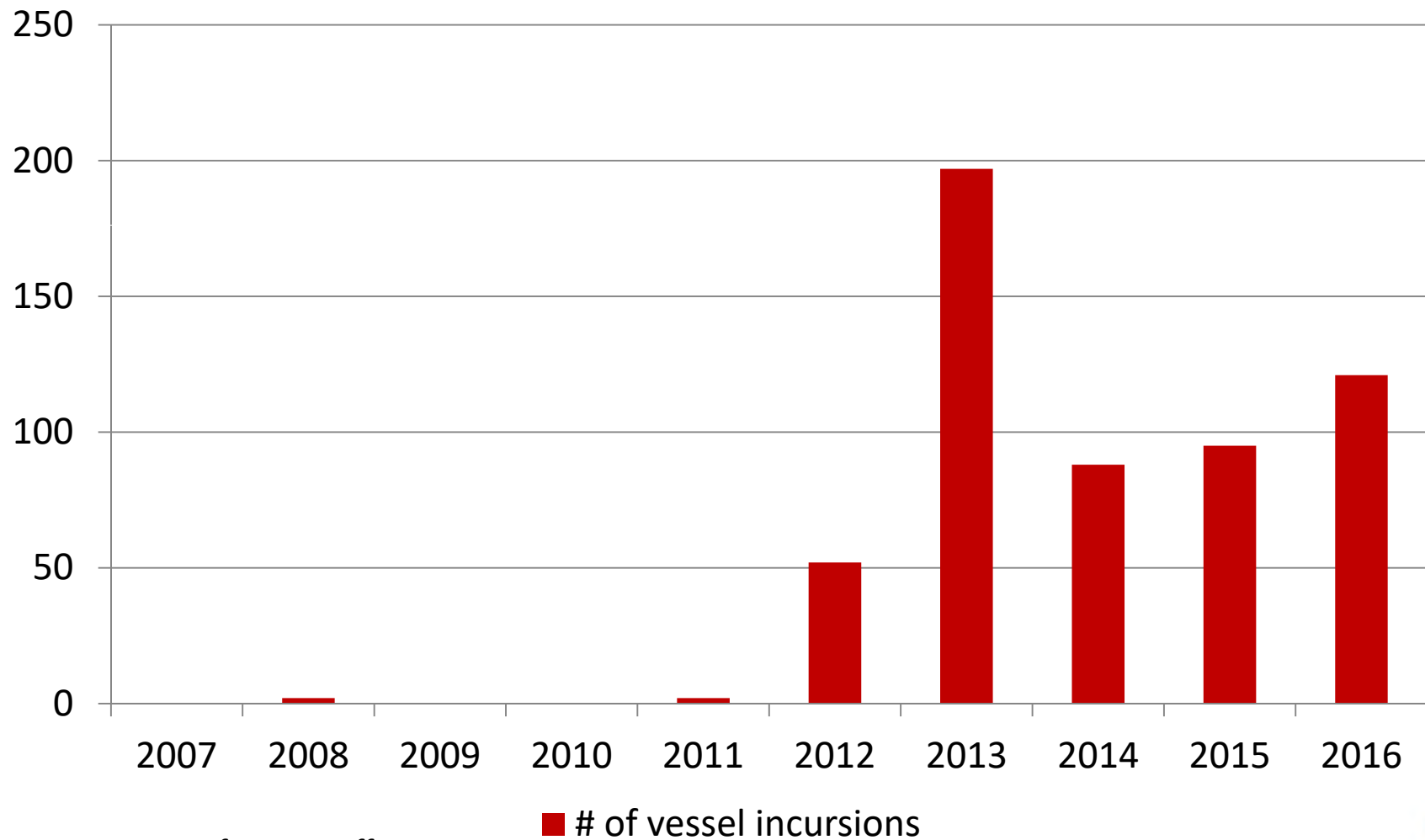
2015



Source: World Bank



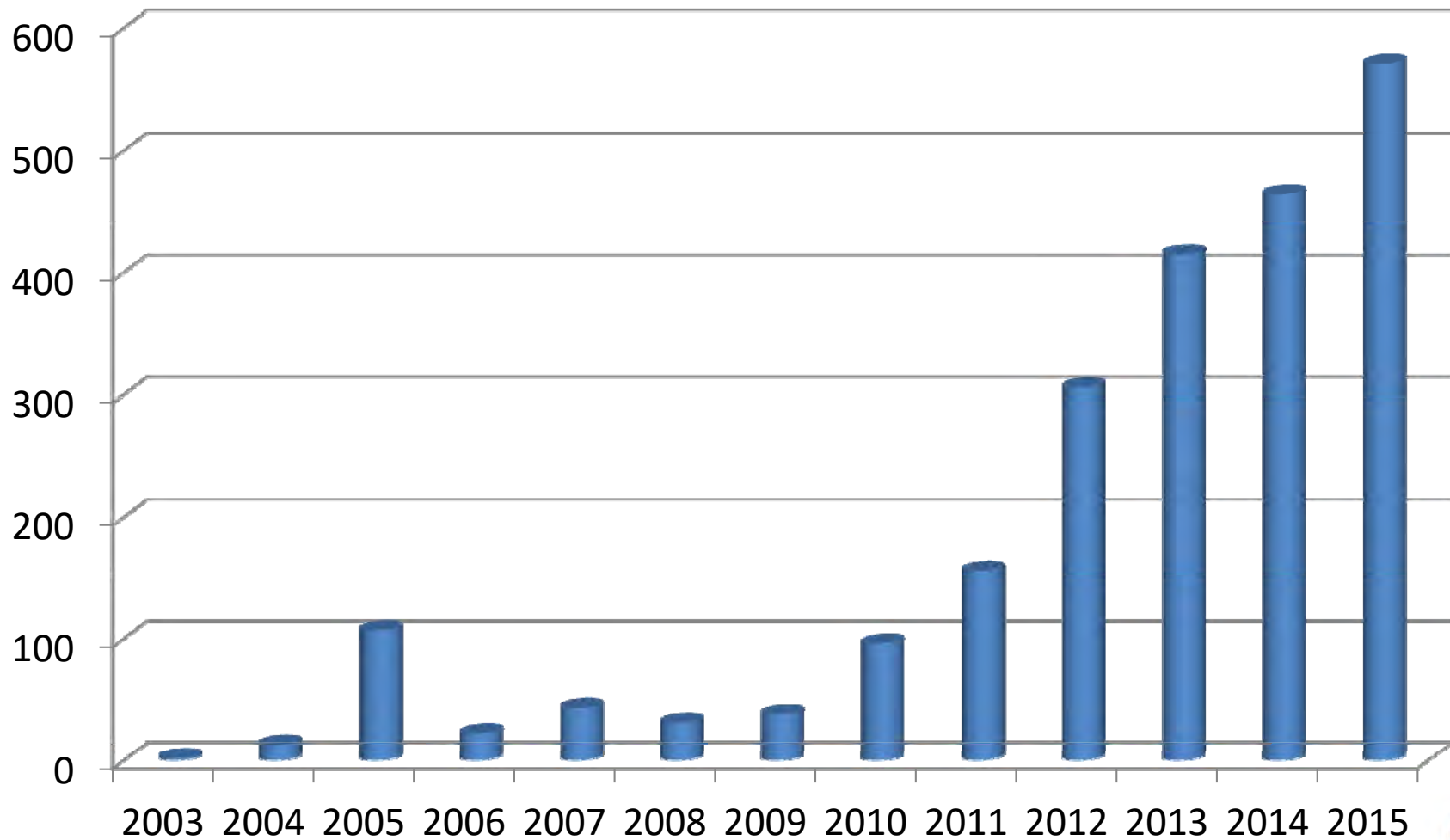
Chinese Ships in Senaku Waters



Source: Ministry of Foreign Affairs



Air Scrambles by JASDF against China



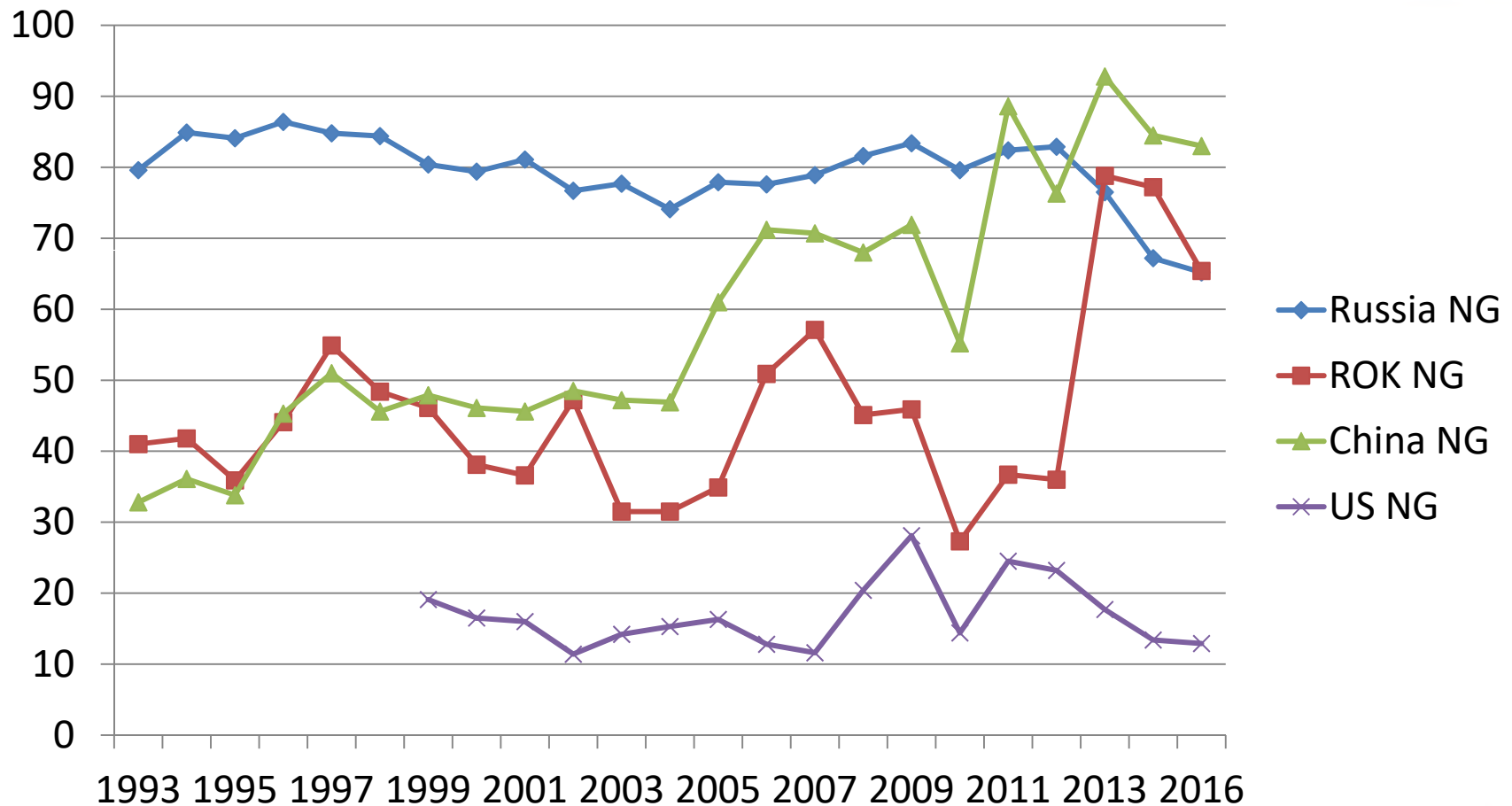
Source: Ministry of Defense and JCG

Japanese Fiscal Years



Japanese Public on Relations in NE Asia

Relations are “not good” or “not favorable”



Source: Japan Cabinet Office



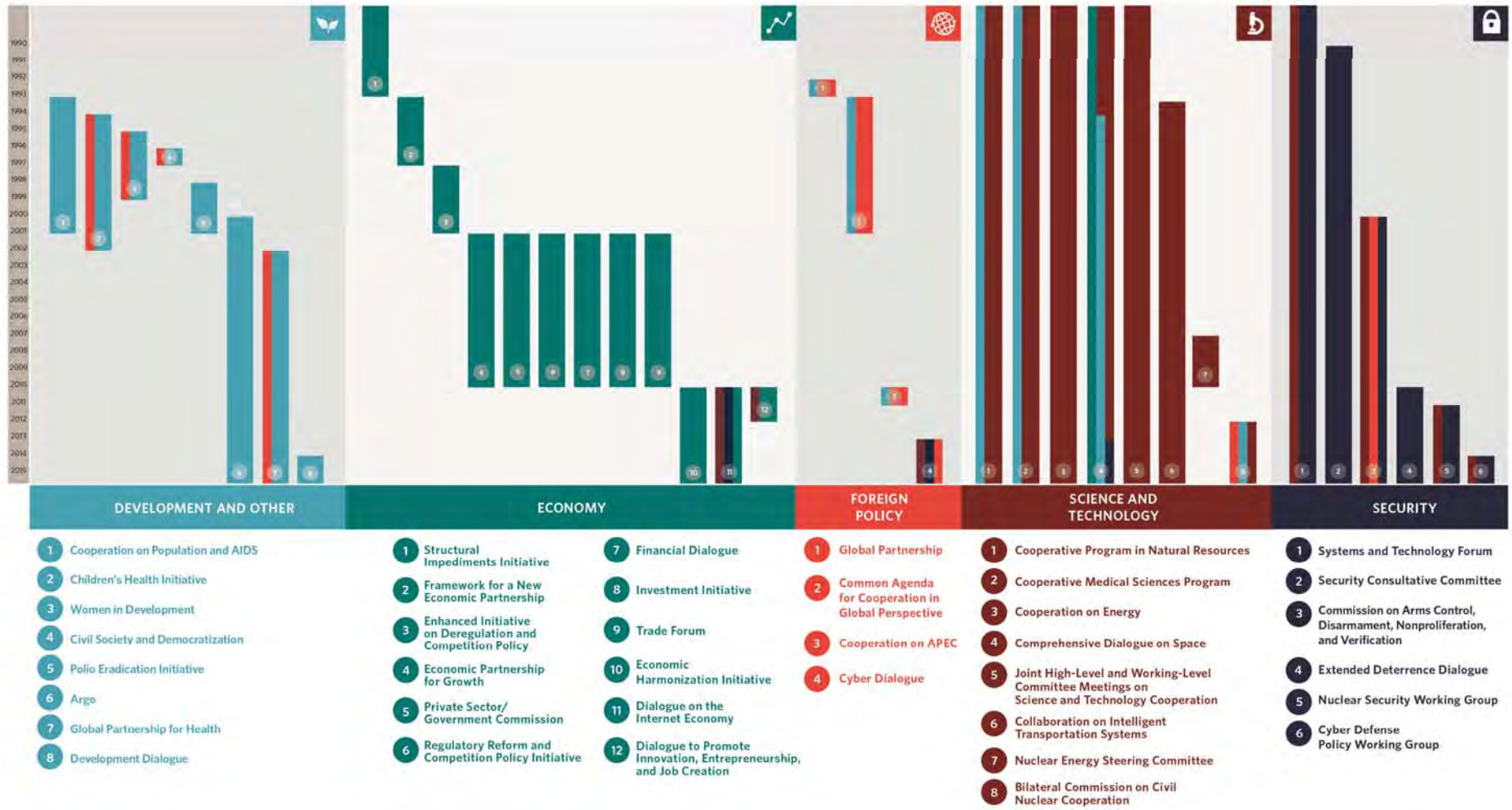
Post-Cold War Reflections

Japan's Security Policy Staircase



Post-Cold War Reflections

CHARTING THE POST-COLD WAR U.S.-JAPAN ALLIANCE | A resource to explore the evolution of U.S.-Japan alliance cooperation across a variety of policy categories.



Post-Cold War Reflections

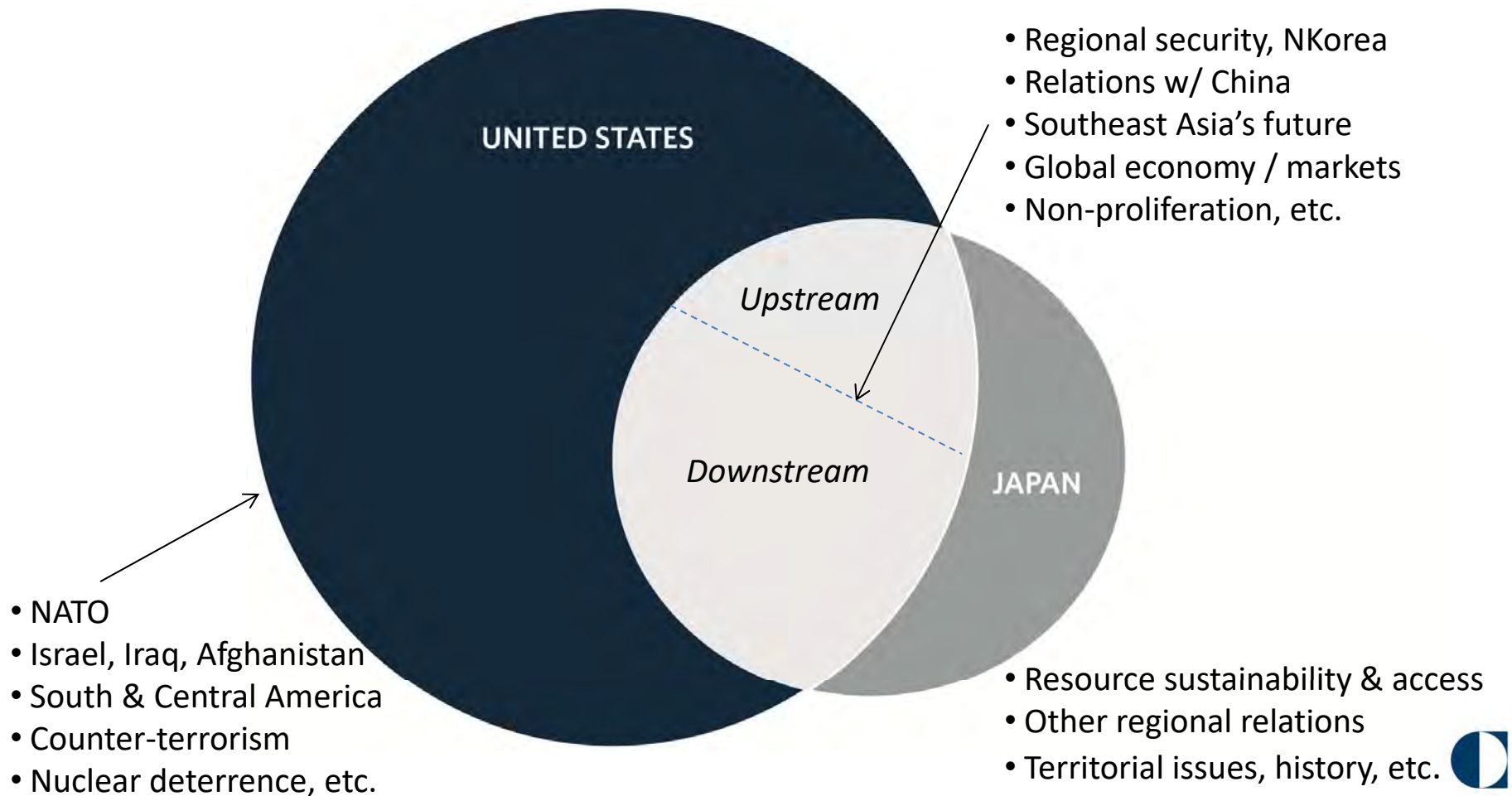
Times Change (1990 to 2015)

- Closer US-Japan, Global Japan, China risen...
- Japan share of US trade deficit (40% to 9%)
- US trade complaints vs Japan (57 to 7) (5-yr periods)
- Japan's US FDI ↑ by 6x; employ most in manufacturing
- Japan firms' ratio of foreign assets to all (3% to 12%)
- Foreign ownership of Tokyo stocks (5% to 30%)
- Japan export-import re: China (2 & 5% to 18 & 25%)



Broader Context for Security Policy

Overlapping Alliance Strategic Priorities



Asia's Mediterranean



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- History of rivalry and war, but also cooperation and prosperity



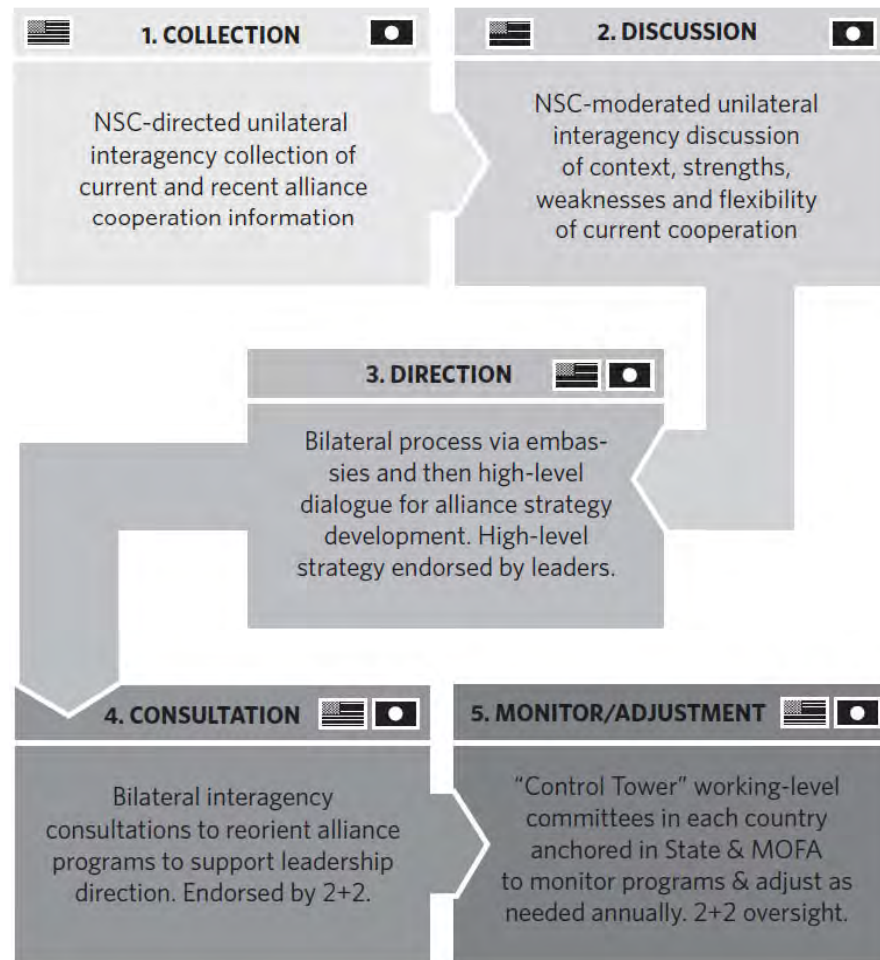


Thank You



New Opportunities & Enduring Challenges

Five-Step Alliance Strategy Consultations



New Opportunities amid Challenges

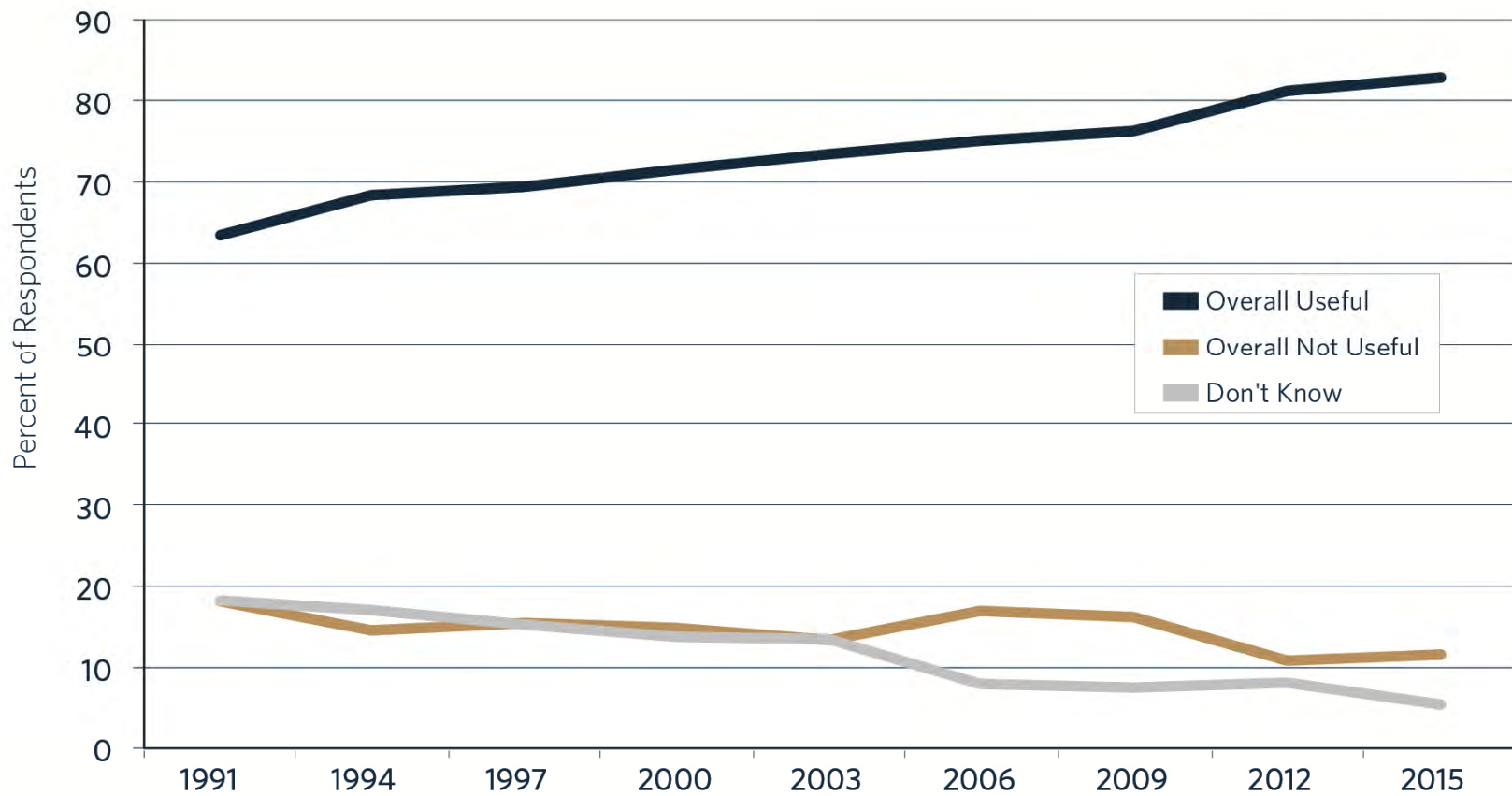
Policy Recommendations

- Alliance Strategy Consultations
 - China Policy (and North Korea)
 - Southeast Asia Balanced Dvlpt/Regional Commons
 - Global Econ (minimize protectionism & promote tech policy)
- Defense Guideline Implementation
- Continue to Reduce the U.S. Footprint in Okinawa
- Adjust to Better Support the Open Stable System



Post-Cold War Reflections

Japanese Public Views on Alliance Utility, 1990-2015

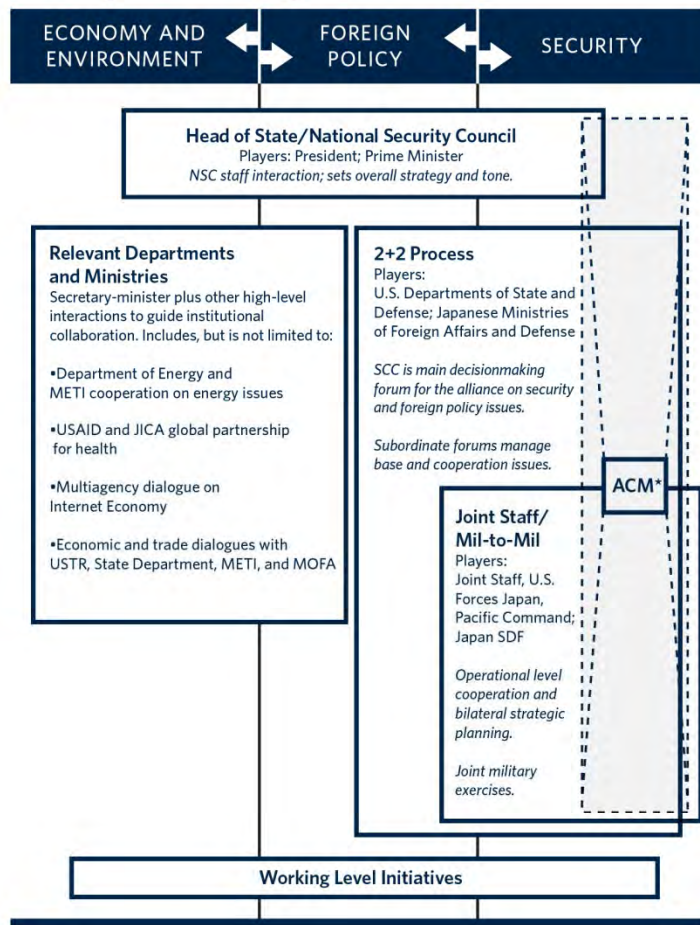


Source: Japanese Cabinet Office



Post-Cold War Reflections

U.S.-Japan Alliance Management



The Alliance Coordination Mechanism (ACM)*

Players: USFJ, U.S. Embassy in Japan, DOS, DOD, PACOM, NSC; MOFA, MOD, NSC, SDF

The ACM facilitates interagency information sharing and collaborative decision making for a security-related situation. Maximizes operational and political accountability for the alliance in a crisis.

Meetings are conducted in-person and via secure video teleconference.

A bilateral operations coordination center in Tokyo and/or a component coordination center on site of the response can be created when necessary.

In event of a crisis, the ACM can be scaled up to include higher-level officials and other departments relevant to the situation.

Note: Please see the list of acronyms at the beginning of this report for full names.

