



**CARNEGIE**  
ENDOWMENT FOR  
INTERNATIONAL PEACE

# **Uncommon Alliance for the Common Good:**

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

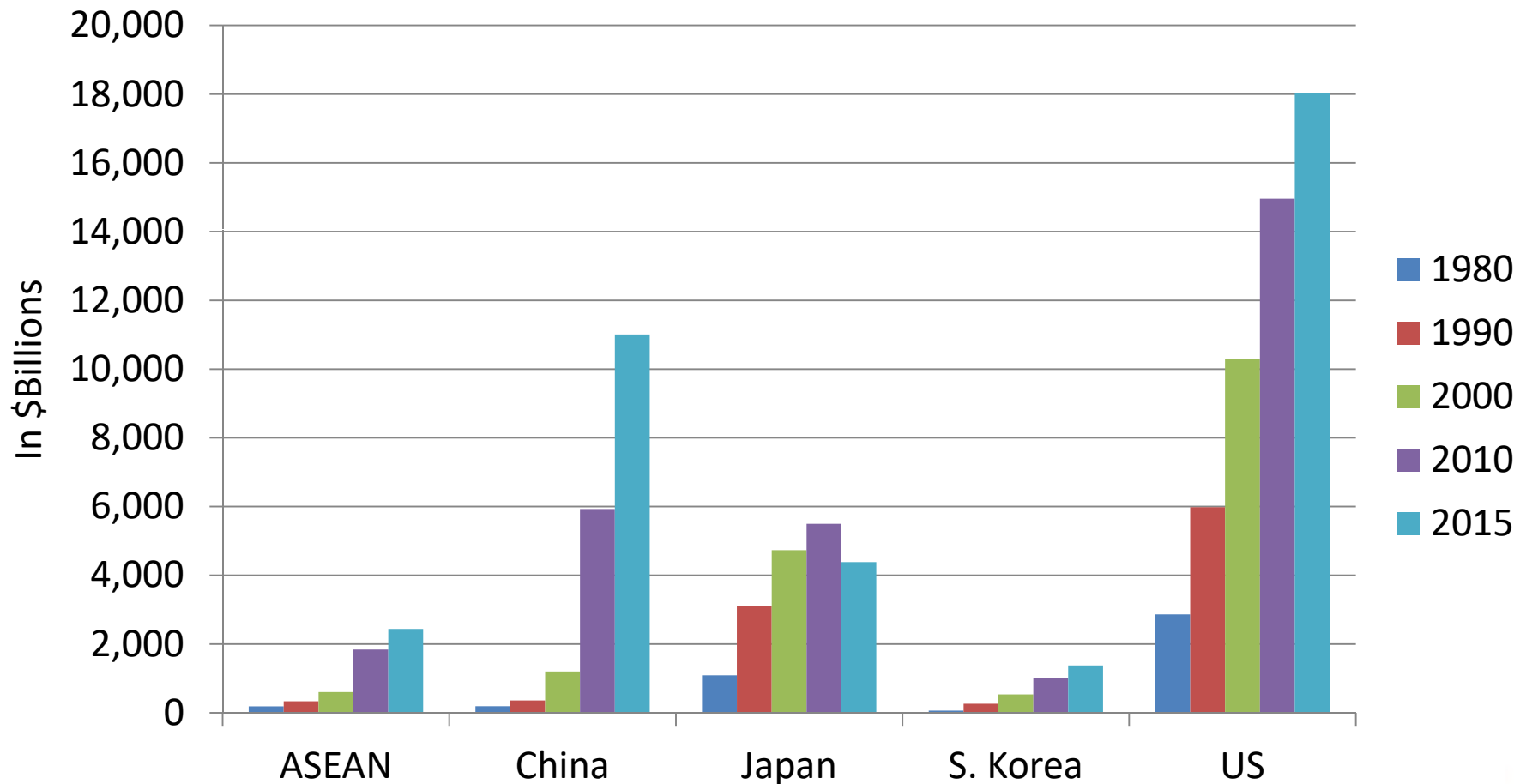
James L. Schoff | February 21, 2017

# Outline

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



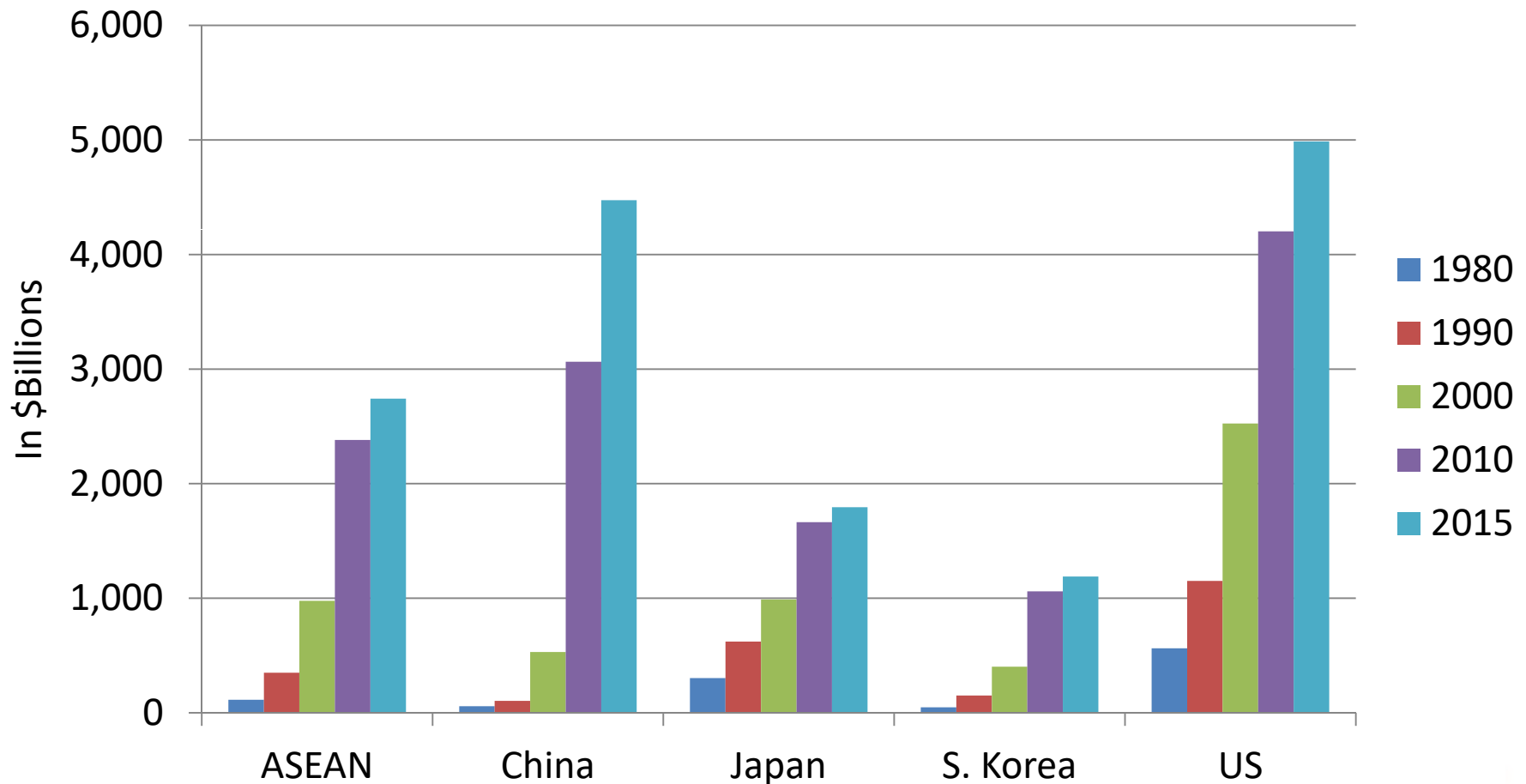
# GDP (current US\$)



Source: World Bank, in current US\$



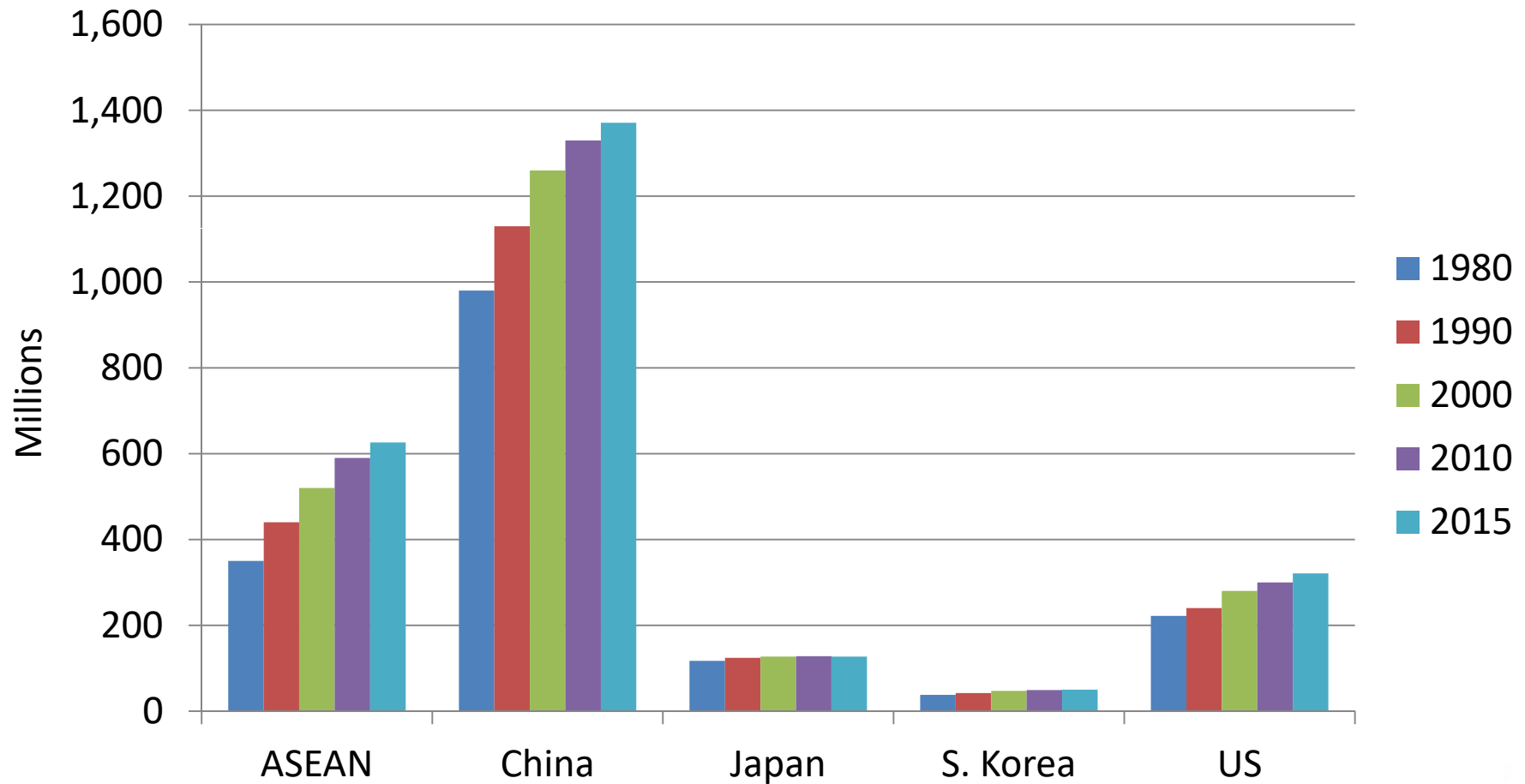
# Trade Value



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



# Population



Source: World Bank



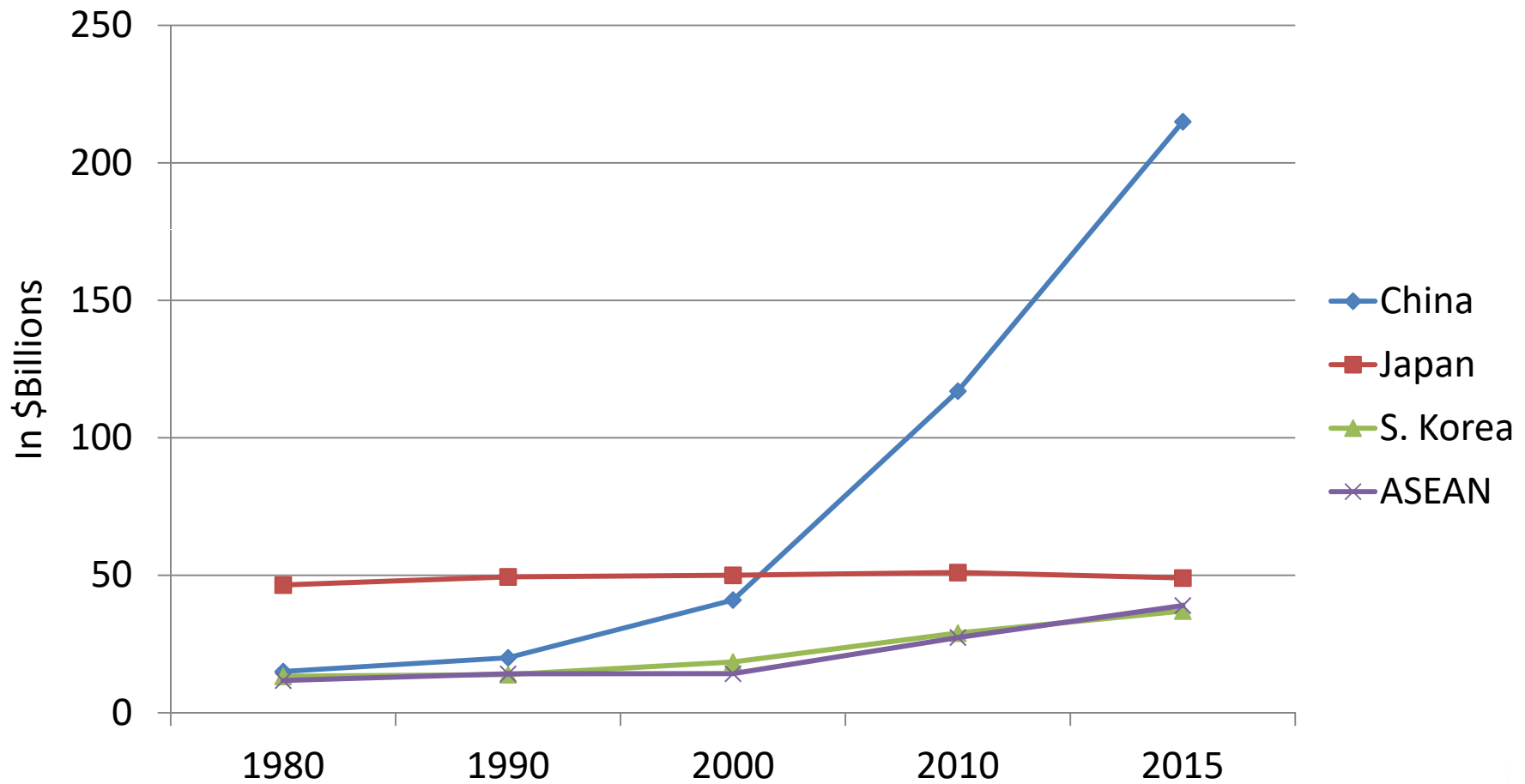
# Asia's Mediterranean



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



# Defense Spending

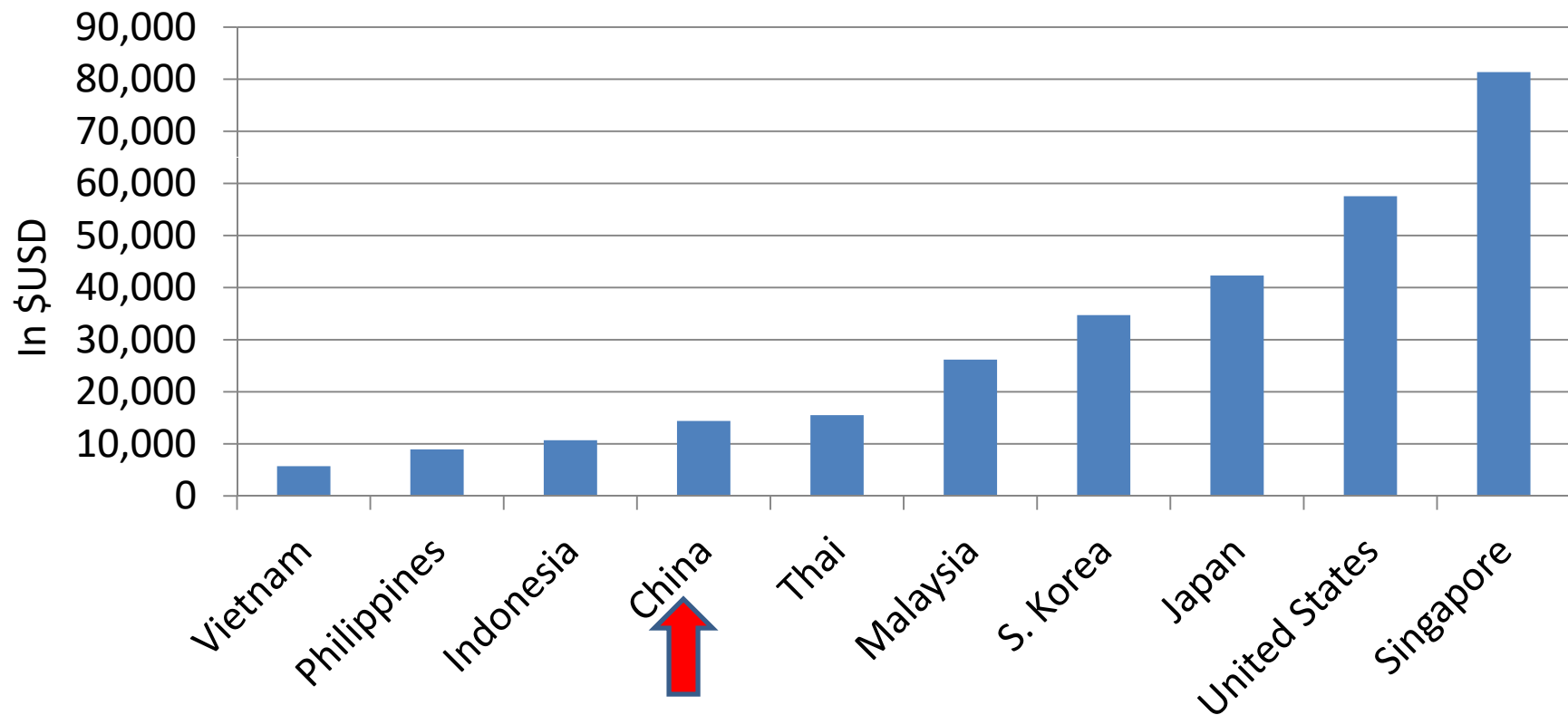


Source: Based on SIPRI and USG (DoD) data, in nominal US\$



# GNI (per capita, PPP)

2015

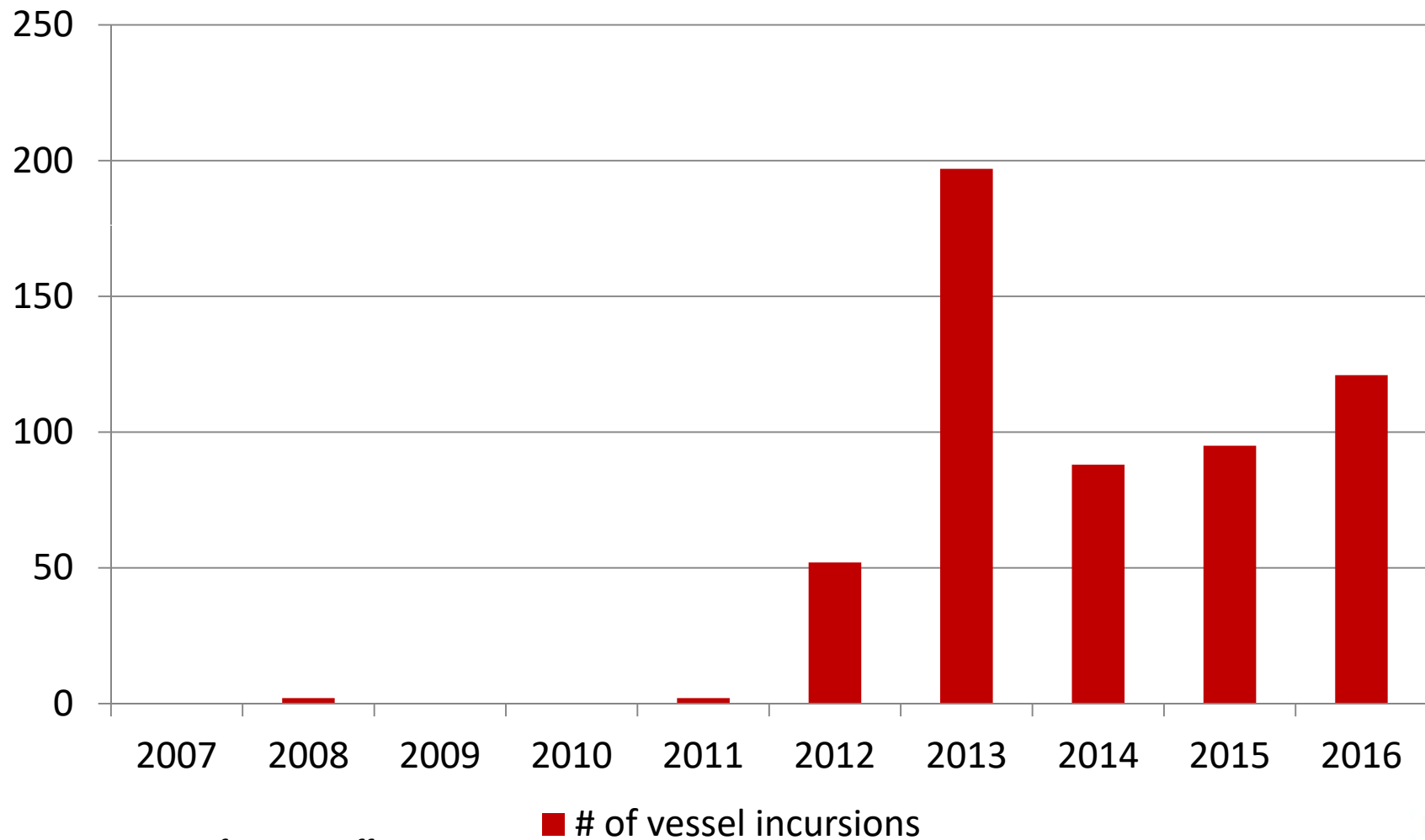


Source: World Bank





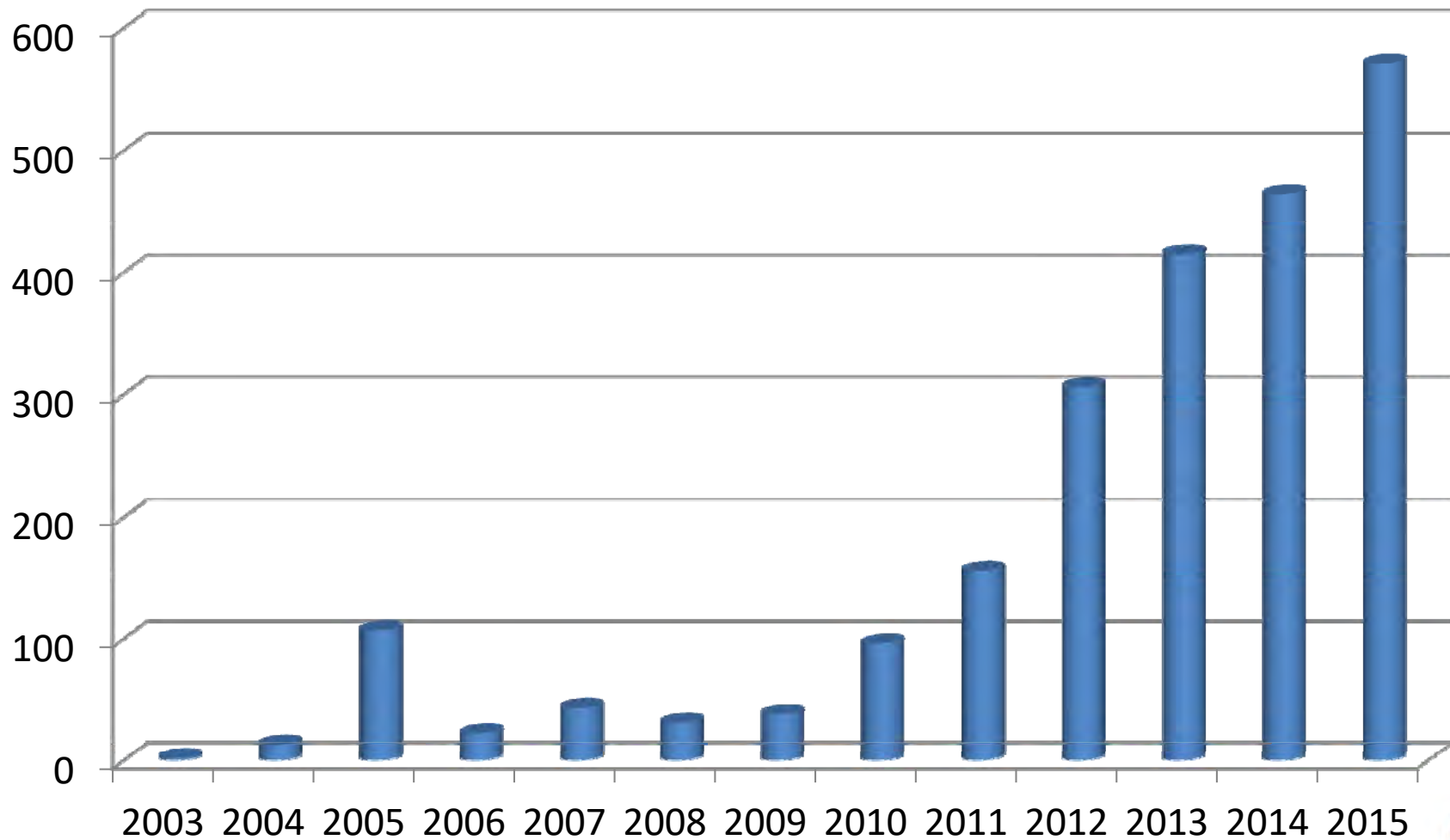
# Chinese Ships in Senaku Waters



Source: Ministry of Foreign Affairs



# Air Scrambles by JASDF against China



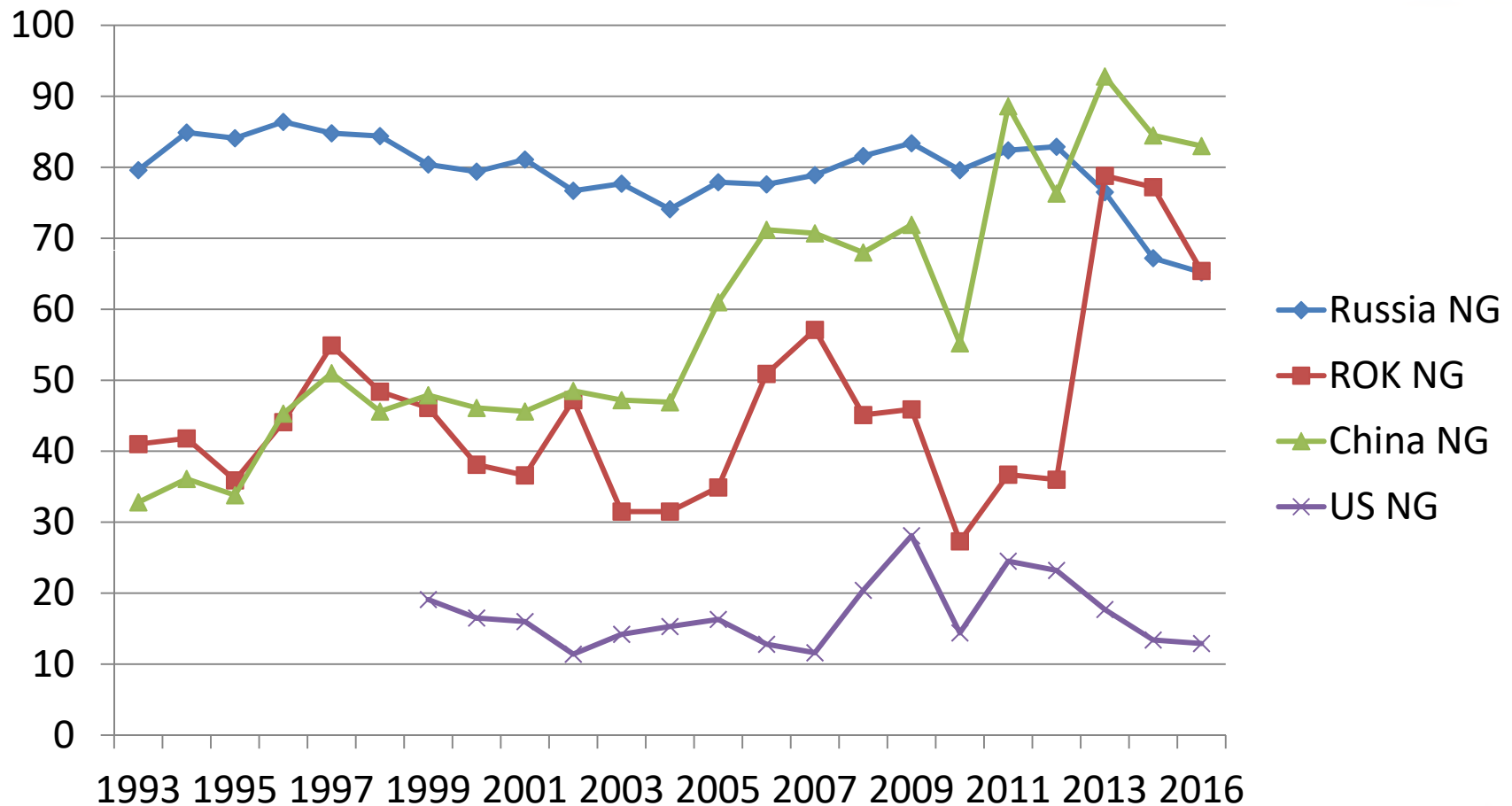
Source: Ministry of Defense and JCG

Japanese Fiscal Years



# Japanese Public on Relations in NE Asia

Relations are “not good” or “not favorable”



Source: Japan Cabinet Office



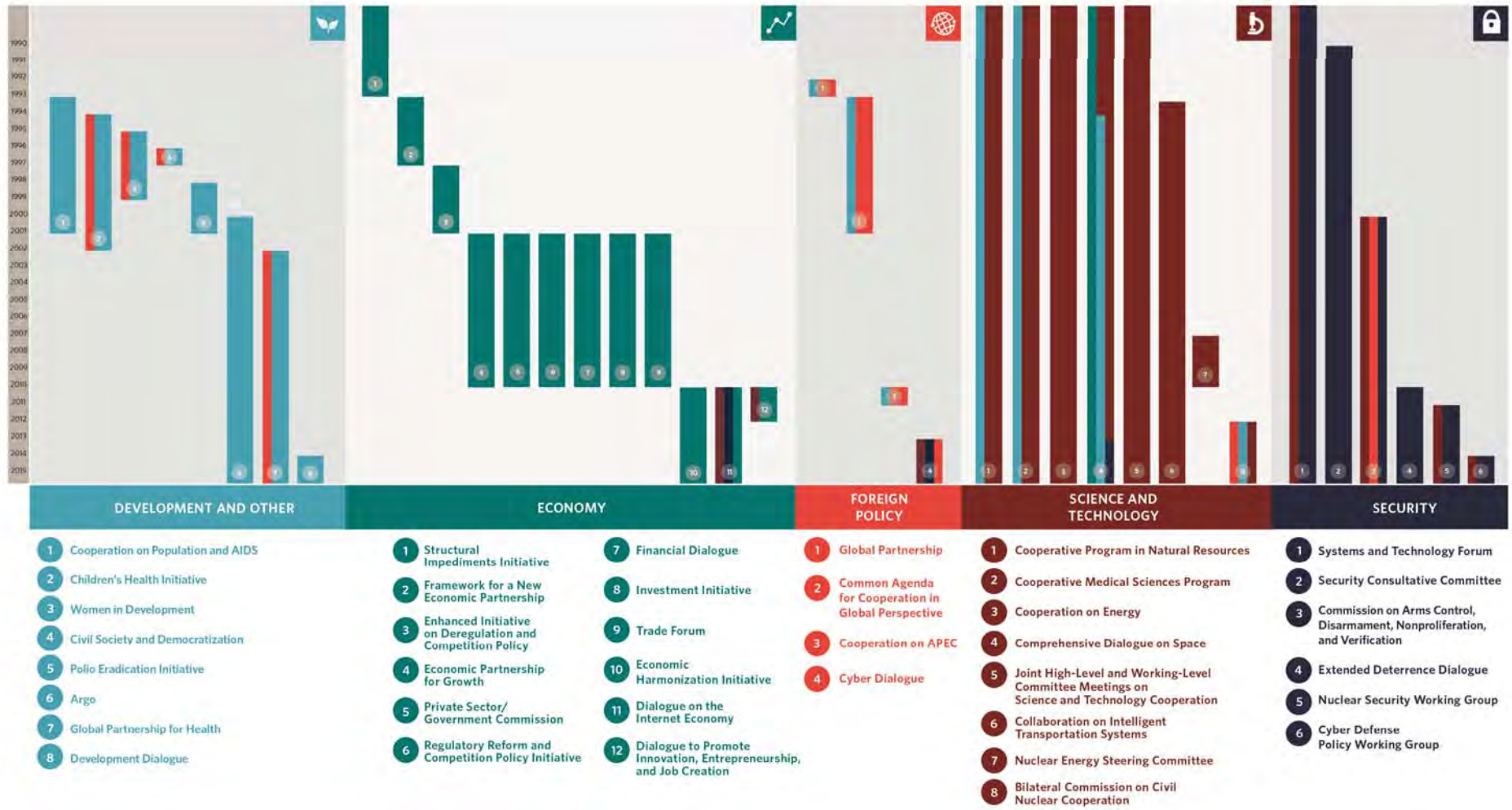
# Post-Cold War Reflections

## 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

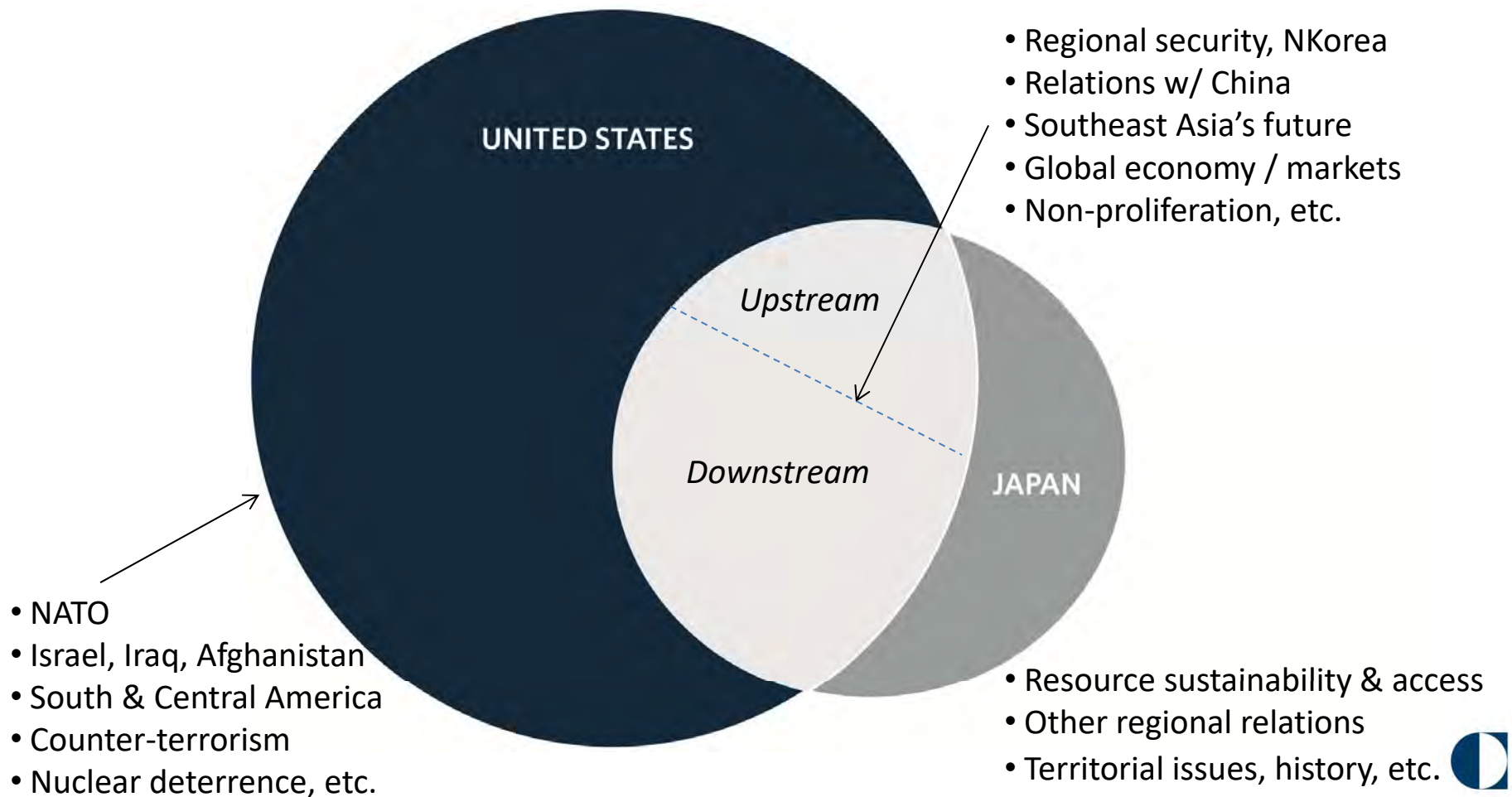
## Times Change (1990 to 2015)

- 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





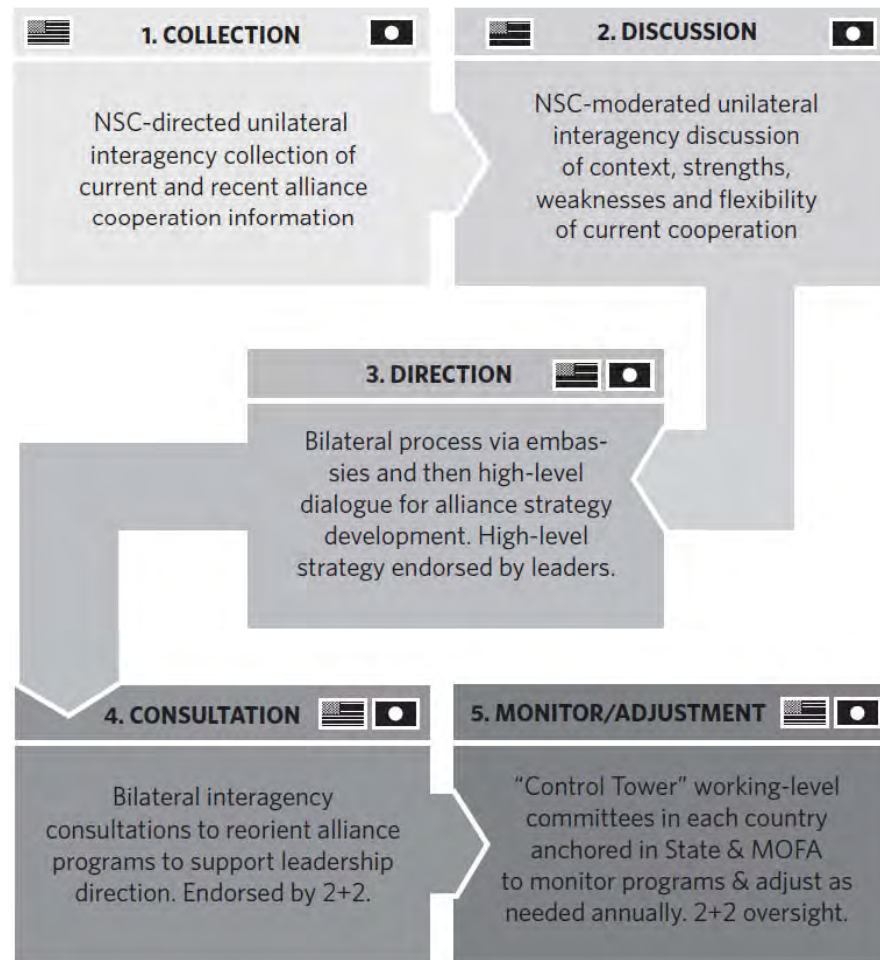


Thank You



# New Opportunities & Enduring Challenges

## Five-Step Alliance Strategy Consultations



# New Opportunities amid Challenges

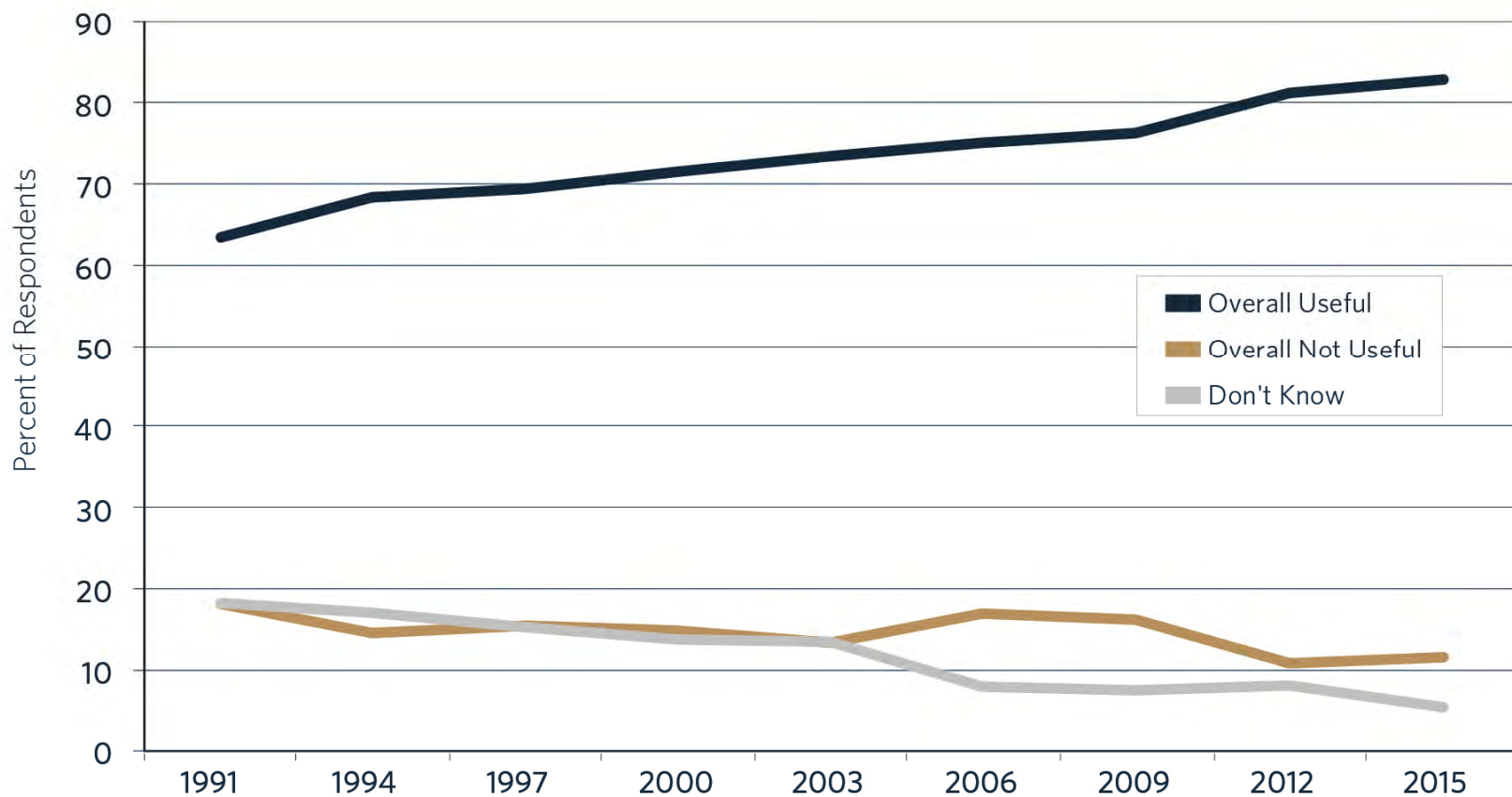
## Policy Recommendations

- 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

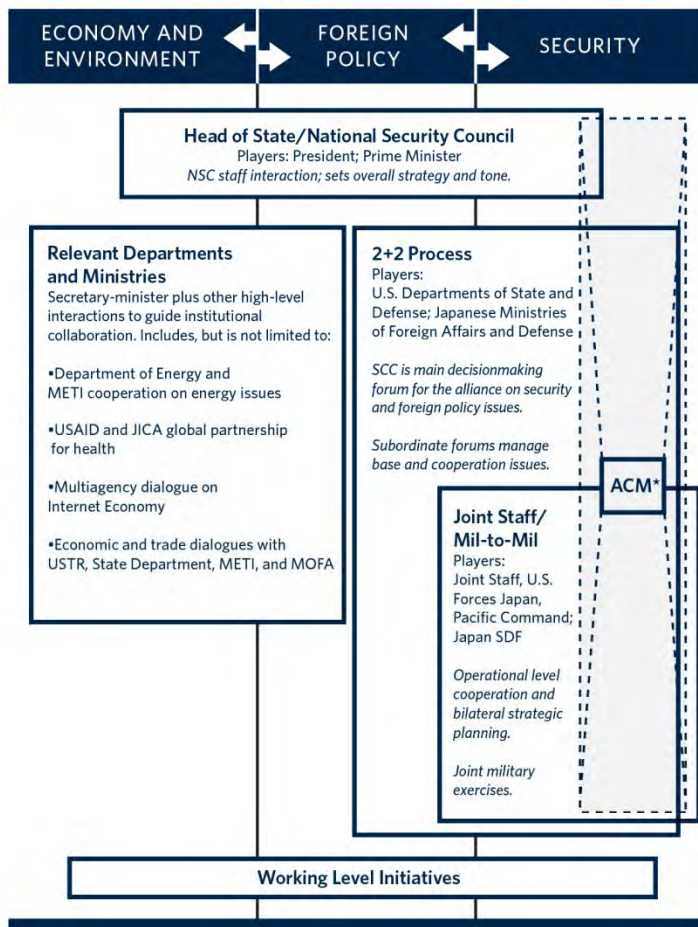


Source: Japanese Cabinet Office



# 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.

