

# Issues & Ideas

## Doing the Tokyo Tryst

By Bruce Stokes

■ The Japanese want Obama to see them as his eyes and ears in Asia.

■ American companies have three and a half times as much money invested in Japan as in China.

■ Japan's weak series of governments will make Tokyo a difficult partner for regional cooperation.

**T**OKYO—President-elect Obama has fond memories of Japan, according to associates. As a young boy, on a stopover in Japan with his mother, he recalls being awed by the seven-centuries-old bronze Buddha that towers over Kamakura, south of Tokyo.

Today, the Japanese people seem equally impressed with the young American leader. By almost 2-to-1, they supported his presidential candidacy over that of Republican nominee John McCain, according to the 2008 Pew Global Attitudes survey.

But Japan's elites, historically more at ease with Republicans than with Democrats, have serious reservations about the next U.S. president. And it is unclear whether Obama's sentimentality toward Japan will be sufficient to reinvigorate a U.S.-Japan alliance that, although largely

trouble-free in recent years, drifted during the George W. Bush era.

Americans here and Japanese officials urge the Obama administration to recast the relationship by finding ways for the United States and Japan to work together in dealing with China, the two Koreas, climate change, and the global recession.

James Foster, director of corporate affairs for Microsoft in Japan, said that "the Obama administration offers a unique opportunity to move on." To that end, a consensus is forming here on a list of specifics that the new White House could embrace to signal to the Japanese that all is well. Obama should elevate the current annual U.S.-Japan sub-Cabinet dialogue to Cabinet or vice presidential level; use the 50th anniversary of the U.S.-Japan alliance in 2010 to pay a state visit to Japan; and take advantage of Japan's hosting of the Asia-Pacific Economic Cooperation summit in 2010 and America's hosting of that forum in 2011 to develop a joint approach to East Asia.

The rationale for a strong U.S.-Japan alliance is still self-evident. The Japanese economy is the fourth largest in the world, measured by relative purchasing power. And U.S. companies have three and a half times as much money invested in Japan as in China.

Strategically, Japan offers a counterbalance to China's growing economic and military influence in Asia. More than 30,000 U.S. troops are stationed in Japan; Germany is the only U.S. ally with more. And the Japanese islands effectively serve as America's largest aircraft carrier off the Asian mainland.

"Both nations have invested in this relationship," said Charles Lake, chairman of the American Chamber of Commerce in Japan. "We should leverage that fact to our mutual advantage in addressing common regional and global issues."

However, Tomohiko Taniguchi, the

### ■ Obama Visit



■ As a boy, Barack Obama visited Japan with his mother and has told associates that he has fond memories of the country and the Kamakura Buddha.

former deputy press spokesman for the Japanese foreign minister, cautions that Japan needs to understand that America's interests are broader than Tokyo's. "Japanese officials have to acknowledge that the Mansfield era in the 1980s, when U.S. Ambassador to Tokyo Mike Mansfield called Japan the 'most important U.S. ally bar none' is over."

Other experts here warn that Japan's serial governments, weak bureaucracy, and leaderless business community could frustrate efforts to create an effective partnership.

If the Obama administration is to re-engage with Japan, observers say, Tokyo will have to play a more assertive role in the relationship. "Japan's decision-making process assumes the use of *gaiatsu*, or outside pressure, particularly from the United States," said Lake, who is also chairman of Aflac Japan. "Washington is not going to play that same old Kabuki game again." Robert (Skip) Orr, the former head of Boeing in Japan, agreed. "The Japanese should not wait for us to ask; they should tell us what they want to do."

But who speaks for Japan now is a little unclear. The Liberal Democratic Party government of Prime Minister Taro Aso has a public-approval rating of around 20 percent. An election must be called by September 2009, but the betting is that it could come in the spring and that the opposition Japan Democratic Party, which already controls the Diet's upper house, will emerge victorious.

Regardless of the election outcome, the Japanese worry about being ignored and underappreciated. During President Bush's second term, said Shotaro Yachi, the former vice minister of foreign affairs, "the only U.S.-Asian policy was the six-party talks about North Korea, which were not successful." The Japanese fear that Washington's indifference could worsen under the Democrats. "I don't think Obama and [Secretary of State-designate Hillary Rodham] Clinton will be friendly to Japan," opined Hitoshi Tanaka, former deputy minister for foreign affairs.

Obama is personally popular in Japan, but the 2008 Pew Global Attitudes survey also showed the Japanese people evenly split on their overall support for the United States. Various surveys suggest that these mixed sentiments toward America reflect a perception that in negotiations with North Korea the Bush administration has disregarded the Japanese public's concern about North Korea's past abduc-

tions of Japanese citizens. Tokyo charges that Pyongyang has kidnapped 17 of its people, five of whom have been returned home and six of whom North Korea claims are dead.

By 88 percent to 70 percent, the Japanese are more concerned about the abductee issue than they are about North Korea having nuclear weapons, according to the Japanese Cabinet office's recent annual survey of public opinion on foreign affairs.

The Obama administration's top foreign-policy priority in Northeast Asia is likely to be restarting nuclear talks with North Korea. Accommodating Japanese concerns about abductees may pose the same conundrum for Obama that it did for Bush. Before the six-party talks involving China, Japan, Russia, North and South Korea, and the United States are completed, Japanese abductee activists want Pyongyang to prove that it is not still holding missing Japanese. Such Japanese expectations hamstringing Tokyo's active participation in the six-party talks. Yoshiji Nogami, the former vice minister for foreign affairs, worries that this intransigence will result in the Obama administration proceeding with five-party talks on nuclear issues, leaving Japan to hold two-party talks on abductees. "Japan will resent it," he warned.

Such differences could also end up eroding the broader strategic relationship. Japan's global military stance has come a long way since the 1980s, when no Japanese soldiers were stationed abroad. Today, Japanese peacekeeping forces operate in Cambodia, on the Golan Heights between Israel and Syria, and in East Timor. After a parliamentary tug of war, Japan recently renewed its commitment to refuel U.S. warships sailing in the Indian Ocean in support of the war in Afghanistan.

But Washington's pressing of Tokyo for even greater military engagement abroad is straining the alliance. Only 25 percent of Japanese, according to the Cabinet office's poll, want to expand their country's peacekeeping operations. And three in five want American and allied troops out of Afghanistan, according to the Pew survey.

So far, Tokyo has resisted Bush administration entreaties to provide heavy-lift helicopters, reconstruction teams, and more money for the war in Afghanistan. But the Japanese are willing to fund schools and infrastructure projects in troubled neighboring Pakistan.

As a Chicago Council on Global Affairs survey in October concluded, "Narrowing the expectations gap and finding the right missions in places like Afghanistan will be a critical alliance management issue for the next U.S. administration" in its relations with Japan.

### ■ Protests Against Pyongyang



■ The Japanese are more upset at North Korea's past abductions of Japanese citizens than they are about Kim Jong Il's nuclear weapons.

AP/KOJI SASAHARA

U.S.-Japanese economic cooperation is another promising but potentially frustrating challenge for the Obama administration.

On the positive side of the equation, at the November global economic summit, Tokyo provided the International Monetary Fund with \$100 billion, nearly doubling the institution's available resources to cope with the world recession while reminding the world that Japan's deep pockets can help ease the financial crisis. "That demonstrates the effectiveness and readiness of Japan to work with the new administration," said Mitoji Yabunaka, the vice minister for foreign affairs.

Interest here in deepening U.S.-Japanese economic integration also persists. The U.S.-Japan Business Council has called for the eventual negotiation of a U.S.-Japan Economic Partnership Agreement, which would essentially be a broad free-trade deal; such talks would be preceded by an enhanced dialogue on economic competitiveness to address bilateral obstacles to investment and regulatory convergence. Backers see the effort as a way to counterbalance Tokyo's aggressive pursuit of partnership agreements with Asian nations, deals that some U.S. business leaders fear could harm American interests.

The negative side of the economic-cooperation equation contains some disturbing signs, however.

A broad economic stimulus package to boost the Japanese economy would help ease the worldwide economic crisis. Although Japan is headed for its worst recession in the post-World War II era, the Japanese government's proposed domestic spending package—at \$52 billion, it's only 1.2 percent of the country's gross domestic product—appears too small to give the Japanese economy the needed economic boost.

Moreover, the Bank of Japan will probably soon intervene in currency markets to prevent further appreciation of the yen, which, at 90 to the dollar at the beginning of 2009, has increased the prices of Japanese goods on world markets and eroded Japan's export competitiveness. If such action goes too far and weakens, rather than stabilizes, the yen, it would diminish U.S. hopes for a cooperative effort to cope with the global recession.

On increased trade cooperation, U.S. officials in Washington remain skeptical. "The baggage the Japanese bring with them, especially their intransigence on

opening up their agricultural market, will make past trade debates look like child's play," one U.S. trade negotiator said.

Nevertheless, Japan is busy building a web of trade alliances with Australia, India, and Southeast Asia that Washington may no longer be able to ignore. "The United States cannot just sit back and let East Asian nations work out their own arrangements," Tanaka said. "If you do that, we will work it out without the United States."

## ■ Mitoji Yabunaka



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■ "We should never be in a position of competing in courting China."

One Bush administration legacy is an ongoing negotiation for a comprehensive free-trade agreement involving some south-of-the-equator countries—Australia, Brunei, Chile, New Zealand, Peru, Singapore, and the United States. Although Japan is wary of being excluded from the talks, protectionist sentiment from its own domestic agricultural interests hinders Tokyo's ability to participate. The Obama administration may be able to use Japan's desire for regional cooperation with the United States and its fear of exclusion from regional integration to leverage Tokyo into opening up some of its markets.

Japan remains in favor of strengthening bilateral ties through regional cooperation. "The Japanese want to hear one word," said Orr, "that Japan will remain *madoguchi*, the U.S. window on Asia."

The cornerstone of such an effort would be a closer relationship in dealing with China on strategic, economic, and environmental issues. "We should never be in a position of competing in courting China," Yabunaka said.

But cooperation on China may prove difficult. Only a third of Americans want to strengthen the U.S.-Japanese alliance to offset China's power, according to the recent Chicago Council survey. And the glacial pace of Japanese decision-making is likely to clash with Obama's desire for early results on a range of issues.

Climate change is another challenge on which Japan sees the potential for more cooperation with Washington. Japanese envision greater opportunities for collaborative research and development, and argue that Tokyo and Washington should develop a common front on the transfer of clean technologies to developing countries, on the protection of intellectual-property rights for those technologies, and on broader measures to deal with trade in carbon-intensive products.

To develop a new vision for the U.S.-Japanese relationship, Uichiro Niwa, chairman of the Japanese conglomerate Itochu, and former Foreign Minister Yoriko Kawaguchi have called for the creation of a wise men's group to report back to the new U.S. president and Japanese prime minister in time for a 2010 summit. With the Obama administration having higher initial priorities than Japan and Japan's political scene in flux in early 2009, such an initiative would buy time.

The U.S.-Japan Business Council has also called for an annual economic summit with Tokyo and a Cabinet-level economic forum. If, as many here expect, the Obama administration turns the U.S.-China dialogue over to Vice President-elect Biden, the current U.S.-Japan dialogue may have to be elevated to avoid slighting Tokyo. Alternatively, the administration could appoint a high-profile ambassador to Tokyo and designate a senior White House official to coordinate relations with Japan, as is done with the European Union, as a means of highlighting the president's commitment.

The U.S.-Japanese relationship will never regain the primacy it held in the Cold War. And Japan's continuing political weakness will make it difficult for Washington to negotiate with Tokyo on North Korea or in deepening economic integration. But opportunities exist for cooperation on China, climate change, the global recession, and Southeast Asia. The view in Japan is that the Obama administration will miss a huge opportunity if it fails to try to reinvigorate the alliance from day one. ■

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