

PROJECT REPORT

US-Japan Relations and Southeast Asia

Meeting Regional Demands

SATU P. LIMAYE and TSUTOMU KIKUCHI



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THE SASAKAWA PEACE FOUNDATION



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Executive Summary

Until recently, Southeast Asia had not been a region of focus for the US-Japan relationship. A new era of more coordinated, sustained, and combined commercial and security involvement by the US and Japan in Southeast Asia may be at hand.

Five drivers are creating the new era in US-Japan ties with Southeast Asia. First, both countries have tremendous commercial stakes in the region and thus an interest in a stable security environment. Second, Southeast Asia's importance to the Asia-Pacific region and the globe is increasing. Third, there is increased regional integration among North America, Northeast Asia, and Southeast Asia through multilateral architecture and robust trade, production, and supply chain networks. Fourth, Washington and Tokyo see Southeast Asia as a key region for increasing their bilateral cooperation, including through the 2015 revised defense guidelines. Fifth, China's assertiveness is also driving mutual Southeast Asian, American, and Japanese interest in enhanced engagement.

A recent series of workshops, organized for the project "US-Japan Relations and Southeast Asia: Meeting Regional Demands," provided an opportunity for dialogue with Southeast Asians about their perspectives on how the US-Japan relationship and alliance could or should approach cooperation with the region on these issues.

- Southeast Asians see the US-Japan alliance as a "given" and a "public good" that complements and supports their approach to security management, which emphasizes national resilience, regional resilience through ASEAN and ASEAN-led multilateral organizations, and US presence and capabilities.
- Both the US and Japan have expanded their role in Southeast Asia's maritime challenges through a range of different activities including increased rotational deployments, maritime capacity building, counter-piracy initiatives, and coast guard interactions. Southeast Asian countries welcome the US and Japan's provision of maritime domain awareness (MDA) and related capacity building, but balk at a direct joint role to confront China.
- Southeast Asians welcome official recognition by the US and Japan of ASEAN "centrality" and participation in regional multilateral organizations, but worry that a deepening US-Japan alliance and Japan's security normalization could lead Washington and Tokyo to sidestep ASEAN-centric organizations and seek to make the East Asia Summit (EAS) a regional steering mechanism.
- Some Southeast Asian and Japanese participants also warned against over-emphasizing the US-Japan commitment to "advancing universal values in Asia and globally" and promoting "a strong rules-based international order" because doing so would undermine ASEAN coherence and the "ASEAN Way."

- Southeast Asians expressed a strong demand for the US and Japan to engage in the region's social and economic development and voiced concern that early initiatives of the US rebalance to the Asia Pacific, and Japan's renewed engagement, too heavily emphasized security and military initiatives.

The following policy recommendations derive from the workshop discussions:

- Hold a US-Japan joint meeting with ASEAN defense ministers (ASEAN + 2)—perhaps on the sidelines of an ASEAN Defense Ministers Plus (ADMM Plus) meeting.
- Explore establishing separate US-Japan Plus trilateral dialogues with Vietnam and the Philippines and remain open to the idea of turning these trilateral arrangements into a quadrilateral arrangement (e.g., US-Japan-Vietnam-Philippines).
- Explore coordinated equipment and arms sales to Southeast Asian countries as part of regional capacity building.
- Consider launching a new US-Japan-led initiative for public, private, and non-profit partners for better coordination of humanitarian assistance and disaster relief (HA/DR) efforts in the region.
- If and as conditions warrant, move forward with a more robust air- and maritime- patrolling role for Japan in Southeast Asia.
- Initiate a new, annual US-Japan Track 1.5 dialogue with Southeast Asia that would take up issues such as maritime security, regional institutions, and social and economic development.
- Start US-Japan dialogue and consultation with the relevant Southeast Asian governments who have expressed an interest in joining the Trans-Pacific Partnership (TPP). The US and Japan should identify concrete policy measures to support those countries in adjusting their respective economic policies and institutions to prepare for early entry into a future expanded TPP.
- Avoid overreach and overreaction on the part of the US, Japan, or the US-Japan alliance. Differentiating what the US and Japan do, and how they engage a particular country in Southeast Asia, will require careful management.
- Avoid using China as the sole or driving public basis for increased US-Japan engagement with Southeast Asia.

US-Japan Relations and Southeast Asia: Meeting Regional Demands

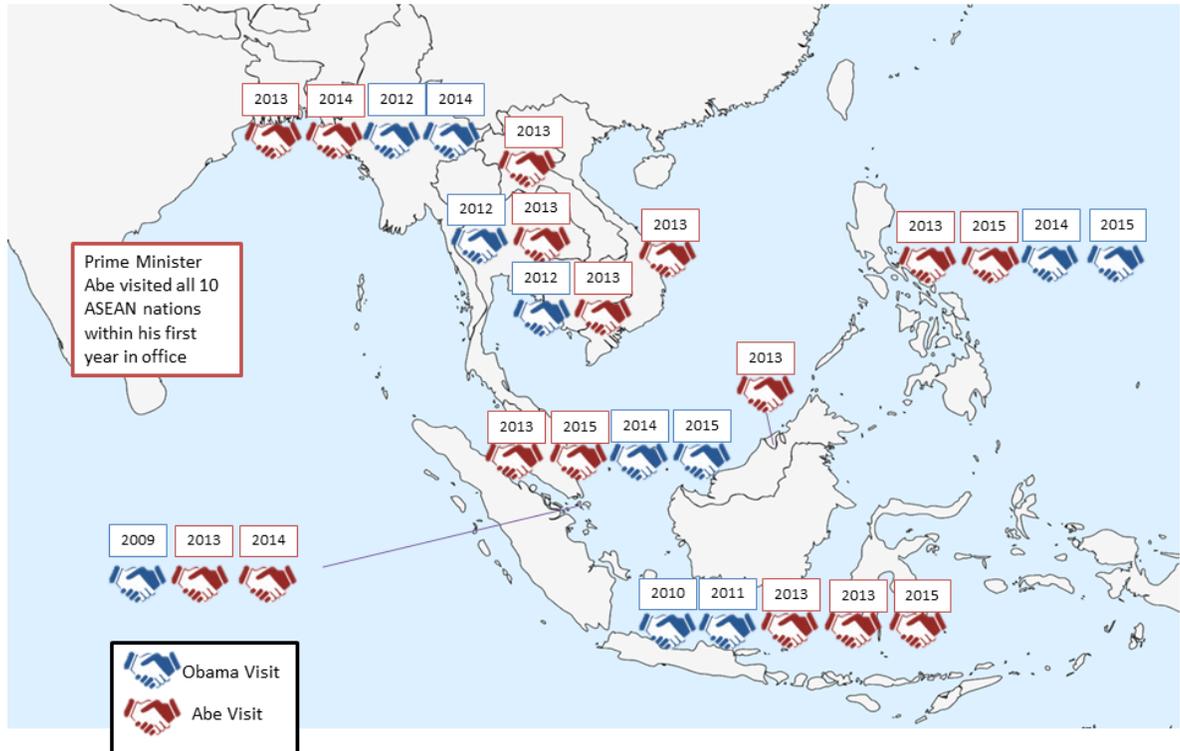
Introduction

Until recently, Southeast Asia had not been a region of sustained focus for the US-Japan relationship. During the postwar era, the two countries primarily engaged the region separately and differently. The US focused on security, first as part of its anti-communist containment strategy and after 9/11 through counter-terror efforts, while Japan concentrated on economic efforts, beginning with reparations and aid and expanding to include considerable trade and investment. US and Japanese involvement in Southeast Asia has also been “out-of-cycle.” Japan consolidated its engagement with Southeast Asia in the mid-1970s, just as the US was reducing its presence in the region. Japan’s first major postwar effort in Southeast Asia began in the mid-1970s under Prime Minister Fukuda, precisely at a time when the US had just ended its decade-long involvement in the Vietnam War. Japan’s second phase of activity in Southeast Asia began in the early 1990s, just after the Cold War’s end and the US decision to leave its military bases in the Philippines. Over time, both the US and Japan steadily increased their trade and investment with Southeast Asia, but the “gap” between US and Japanese security engagement persists, largely due to constraints in Japan’s own security policies.

The situation is changing. The international relations of the Asia-Pacific is becoming more “multipolarized.” This requires the US and Japan to think about the future of the region beyond the issue of US-China relations, which has preoccupied past discussions. A number of nations and institutions in the Asia-Pacific region will substantially affect the region’s future. Southeast Asian nations and the Association of Southeast Asian Nations (ASEAN) are among them. A new era of more coordinated, sustained, and combined commercial and security involvement by the US and Japan in Southeast Asia may be at hand. The American pivot/rebalance emphasizing a renewed focus on Southeast Asia and ASEAN-related regional institutions; Japan’s heightened engagement with the region under Prime Minister Abe’s “Proactive Pacifism”; and Southeast Asia’s own “demand” for greater American, Japanese, and to some extent US-Japanese engagement constitutes a shift in the nature of Southeast Asia’s place in the US-Japan relationship. Also facilitating a more even, coordinated, and substantive US engagement in the region has been the reduction of US-Japan economic disputes, closer US-Japan defense and

security ties, and Japan’s own evolution in foreign and security policies toward a more “proactive defense” posture. Finally, a more assertive China is also driving Southeast Asia toward the US and Japan and the US and Japan toward Southeast Asia.

President Obama’s and Prime Minister Abe’s Visits to Southeast Asia 2009-2015



There are four core drivers of the new era in US-Japan ties with Southeast Asia. First, both countries have tremendous commercial stakes in the region and thus an interest in a stable security environment. Second, Southeast Asia’s importance to the Asia-Pacific region and the globe is increasing, particularly with the emergence of major countries such as Indonesia, Myanmar, and Vietnam and ASEAN’s own commitment to greater regional cooperation, including its centrality in wider regional organizations such as the ASEAN Regional Forum (ARF), East Asia Summit (EAS), and the ASEAN Defense Ministers Meeting Plus (ADMM Plus). Third, there is increased regional integration between Northeast Asia and Southeast Asia through both multilateral architecture and robust trade, production, and supply chain networks. Finally, Washington and Tokyo see Southeast Asia as a key region to increasing their bilateral cooperation, including through the 2015 revised defense guidelines.

PROJECT BACKGROUND

Against this background, the East West Center in Washington (EWCW), in collaboration with the Japan Institute of International Affairs (JIIA), and through the support of the Sasakawa Peace

Foundation (SPF), initiated a dialogue to consider both what the US and Japan could “supply” through their relationship to the region’s security and prosperity as well as the “demand” for this role within Southeast Asia. The project is especially interested in the “gaps” between what the US and Japan can do and what the region wants the US and Japan to do—and how to manage these gaps. There had been little systematic thinking about how members of the alliance could work together on Southeast Asian security problems, ranging from capacity deficiencies, to contested maritime sovereignty and territorial claims, to peace-building; high standard trade and investment rules in the region and regional economic integration; and managing the evolution of the ASEAN-led and other regional multilateral efforts. In addition, there has been almost no regular engagement with Southeast Asians about their perspectives on how the US-Japan relationship and alliance could or should approach cooperation with the region on these issues.

Even as the project got underway, we were mindful of the sensitivities involved. For example, the working title of the project was changed from the “US-Japan *Alliance* and Southeast Asia” to “US-Japan and Southeast Asia.” Nevertheless, a key goal was to gauge Southeast Asian understanding of the alliance and its regional role, including perceptions of its role as a public good.

Importantly, early on the project revealed that within Southeast Asia, expectations of a strong and durable US-Japan alliance are already “internalized.” The alliance is welcomed as an element of regional order contributing to regional security and prosperity. Hence, a more focused exploration of what activities, initiatives, and approaches the US and Japan can undertake together in Southeast Asia, and what would be acceptable to countries in the region, became the focus of the project.

The second key goal was to expand the network of US-Japan dialogue beyond Northeast Asia and individual countries to focus on Southeast Asia as a region and to incorporate Southeast Asian representatives into the discussion. For this reason, the core activity of this dialogue project was a series of four workshops that brought together American, Japanese, and Southeast Asian academic and policy experts. This is one of the only dialogues that has examined the region through the US-Japan lens, while bringing in voices from Southeast Asia to respond to American and Japanese perceptions of their countries’ regional roles.

These workshops were held alternately in Tokyo, Japan, Washington, DC, and Singapore. Each workshop addressed functional themes to frame the conversation (e.g., maritime security, economic integration, regional institutions). Papers were commissioned and presented as part of these discussions. To elicit concrete suggestions for the role of the US and Japan in the region and Southeast Asian responses to such a role, American and Japanese presenters discussed what each country was doing vis-à-vis a specific topic, followed by presentations by Southeast Asian experts on their countries’ expectations and perspectives on the role of the US and Japan. Vigorous discussion followed each panel, as participants shared their reactions and counterpoints. This culminated in an “open forum” on the second day, in which key points of the previous day’s papers and issues raised were reviewed and discussed by all participants in a free-flowing dialogue.

Dialogue Project Workshops

1. Tokyo, Japan – August 2013
2. Washington, DC – January 2014
3. Singapore – June 2014
4. Tokyo, Japan – February 2015

Southeast Asian Views of the US-Japan Relationship

Indonesian

“We tend to think of the US and Japan separately. The US and Japan should not focus only on hard security issues but also seek to cooperate with the region on nontraditional security issues, and should work through the various Asia-Pacific forums rather than directly bilaterally.”

Malaysian

“One hope is that the US-Japan alliance would endure. If there were problems, we would have to rethink our options. One option is military buildup but Southeast Asia has limited resources. Another option would be to seek other allies and try to keep the US engaged. The individual countries or the ASEAN collective cannot face up to China.”

Singaporean

“The advantage of the existing structure that is in place is that it requires less legitimation. There is a need to find legitimacy for the alliance (in the post-Cold War era). But trying to create legitimacy for something new would be very difficult. So, there is a need to find ways to keep the alliance strong. Obama’s approach, as an institutionalist route, is one way.”

“What Singapore expects: It is about China. The US and Japan and US-Japan should play the role of balancing China.”

US-JAPAN ENGAGEMENT WITH SOUTHEAST ASIA TODAY

Since this project started, China’s assertive posture in the South China Sea and East China Sea has not abated, and particularly in the case of the former, provocative action has intensified. Meanwhile Japan’s relations with the People’s Republic of China (PRC) and the Republic of Korea remain troubled, despite recent high-level overtures. Within ASEAN, intra-ASEAN differences persist on key security challenges, such as the South China Sea and developmental imbalances. Despite this, the ASEAN community-building project edges slowly forward.

Both the US and Japan have steadily rebalanced toward Southeast Asia in terms of diplomatic engagement, security activities, trade, investment and aid initiatives, and participation in multilateral organizations. In this way, Japan’s “proactive diplomacy” is a counterpart to the US’ continued commitment to the Asia-Pacific rebalance. The US-Japan alliance continues to become more cooperative, even as US-Japan relations have grappled with dissonances on issues ranging from wartime history to North Korea. The revised 2015 Guidelines for US-Japan Cooperation have been issued with the goal of improving alliance coordination, and enhancing cooperation on a number of nontraditional security issues, from space and cyber security to global peacekeeping operations. However, this “thickening” of cooperation within the alliance has not yet spilled into Southeast Asia, where US and Japan roles remain, on the whole, independent and not coordinated. At the same time, both countries face budgetary and political constraints on overseas engagement.

Much has also changed since this project began. Especially relevant is that Southeast Asia has become a major element of official US-Japan alliance priority. An example is the April 2014 Joint Statement and Fact Sheet,¹ which outlined areas of shared interest in Southeast Asia and highlighted various joint US-Japan initiatives in the region. Despite this, the question of the sustainability of this policy affects both the US and Japan; not least because of pressing priorities elsewhere in the world that have arisen since the announcement of the rebalance policy, ranging from an assertive Russia to the emergence of ISIS; domestic challenges as both countries face political tests of flagship security and economic initiatives that are core to their regional engagement strategy; and the continuing matter of budgetary limits.

SOUTHEAST ASIAN ATTITUDES TOWARD THE US-JAPAN ALLIANCE

The US-Japan alliance, although not the subject of explicit and detailed Southeast Asian strategic thinking, is regarded as a “given” element of the Asia-Pacific regional order, critical to regional security and prosperity. It is thus a “public good” and a positive supplement to the security efforts of Southeast Asian countries themselves.

Southeast Asia generally seeks to manage its security challenges using three “tools”: US presence and capabilities; national resilience; and regional resilience through an aspirational, limited, and long-term commitment to ASEAN and other ASEAN-led organizations. In this mix, a strong, calibrated US-Japan alliance is seen as important to all three “tools” and particularly the

¹ See Appendix 1 for the full text of the April 25, 2014 “US-Japan Joint Statement: The United States and Japan: Shaping the Future of the Asia-Pacific and Beyond” and “FACT SHEET: US-Japan Bilateral Cooperation”

first—“maintenance of US presence and capabilities.” Japan and the US acting more unilaterally is seen as particularly helpful to increasing national resilience and regional resilience in Southeast Asia by providing capacity building through the provision of capabilities and training.

Almost no concern was expressed about US-Japan alliance durability. Moreover, Southeast Asians expressed little, if any, expectation or concern about Japan emerging as an independent security actor in the Asia-Pacific region. By and large, they welcome steps by Japan to pursue security reforms such as the establishment of a National Security Council, the first publication of a National Security Strategy, the relaxation on arms exports, and the reinterpretation of the constitution to allow for collective self-defense in certain conditions. However, Southeast Asia does not want World War II-era history disputes to exacerbate great power tensions and spill over into the region. Unlike in previous decades, Japan is no longer the only major northeast Asian country active in Southeast Asia, and its relations with China and South Korea now have direct implications for Southeast Asia’s management of its major power relationships.

In summary, Southeast Asians seek a stabilizing US-Japan role, with minimal alliance dissonance, cautious security activism in Southeast Asia, and a Japan that continues to provide a “presence and capabilities” facilitating role for the US over an independent security role. In this way Southeast Asia’s perspective on the alliance appears to track closely with Washington’s and Tokyo’s visions of a more integrated and mutually supportive alliance. All Southeast Asian countries welcome increased US and Japanese contributions to both national resilience (e.g., security capabilities and development assistance) and regional resilience (e.g., support to ASEAN institutionalization and ASEAN-led regional multilateralism).

Regarding whether or not the US and Japan should cooperate in Southeast Asia jointly, in “lockstep” or under the banner of the alliance, or in parallel, there appeared to be consensus among Southeast Asian, American, and Japanese participants that the US and Japan should emphasize coordinated, parallel, and differentiated approaches over joint approaches. All expressed concern about the US-Japan alliance becoming too active in Southeast Asia and shared the view that the US and Japan can be active in Southeast Asia by acting in coordination rather than jointly.

Some Southeast Asian participants voiced concerns that joint activities, particularly under the banner of the alliance, would be seen as threatening to China, and would exacerbate security tensions in the region. Others saw utility in the separate approach, with one participant from Malaysia explaining that lack of coordination requires Japan (and the US) to engage the Southeast Asian countries directly. One Japanese participant expressed doubt as to whether Japan’s Ministry of Defense would be interested in US-Japan cooperation in Southeast Asia because present 2 + 2 mechanisms are largely being utilized for the management of bilateral alliance matters, while another conceded that although there is no present overlap between US-Japan alliance management and cooperation on Southeast Asia, this is simply a matter of will—the overlap can be created if Washington and Tokyo want to.

Political will is a serious consideration. From a practical policy standpoint, the US, Japan, and individual Southeast Asian countries all have limits to how much they want to and can do together; in this they are not out of sync. This may be a good thing, so long as all parties

appreciate those limits and calibrate their expectations and activities accordingly. As one American expert put it, it is “undesirable and impractical for US-Japan to approach Southeast Asia together because there are legal and practical problems.”

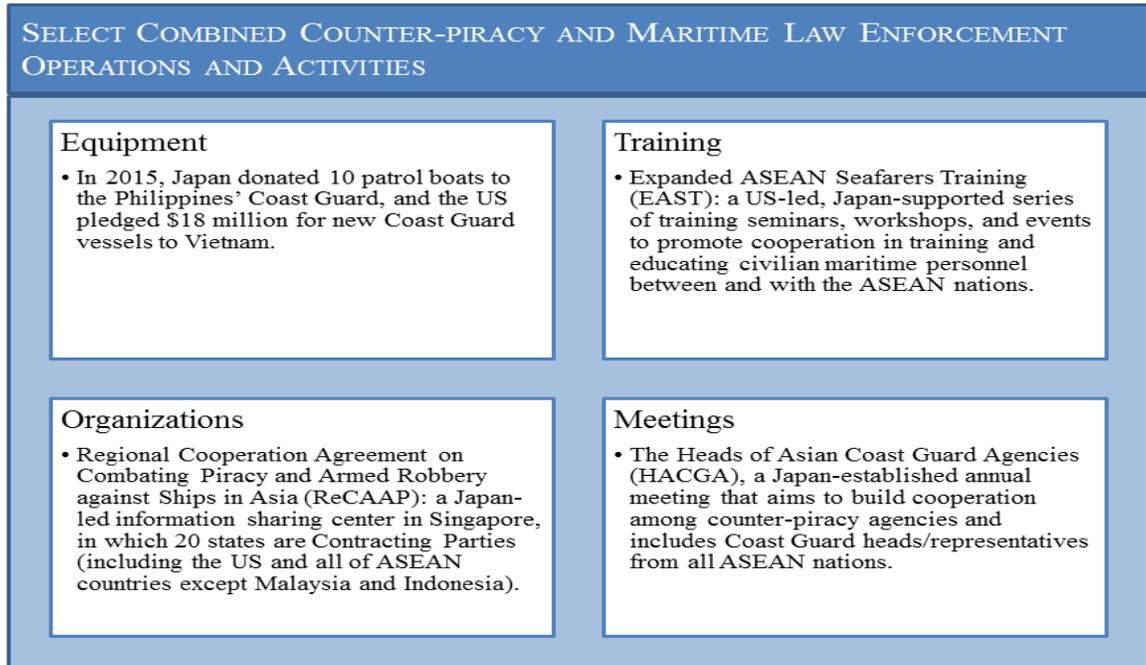
Indeed, in terms of military/security engagement with Southeast Asia, the US and Japan are limited in what they can do and in how they can do it. Japan will have to stress nontraditional issues because of domestic sensitivities about military cooperation and operations abroad. The US will have limits in terms of congressional strictures relating to human rights, as is clear in the cases of Myanmar and Vietnam. Finally, both the US and Japan do not want to “overdo” the visual of balancing against China.

To this end, one American scholar described the parallel approach as making more sense in today’s regional context. The Asia-Pacific is more pluralistic and integrated than before, and therefore the alliance should be more flexible and differentiated. The “functional differentiation approach to US-Japan cooperation is not a bad thing [he said]. I don’t think the US and Japan have to be joined at the hip.” This differentiation was particularly favored among the Southeast Asian views, as it allows the US and Japan to play to their strengths when providing support to the region. Although joint engagement was not favored, the need for some form of consultation or coordination, to avoid overlap, was seen as useful.

THE US-JAPAN ALLIANCE AND SOUTHEAST ASIA’S MARITIME CHALLENGES

Much of Southeast Asia lies astride waterways that connect the Indian and Pacific Oceans, and thus serve as vital corridors of commerce. For this reason, a stable security environment in the Southeast Asian littoral and free and open sea lanes are of vital strategic and economic interest to both Japan and the US. Threats to shipping from piracy and terror and re-ignition of long-simmering territorial disputes in the South China Sea have made maritime security issues a key focus of both US and Japanese engagement with Southeast Asia. These issues go beyond traditional security considerations to include container security, counter-proliferation, counter-piracy and terror, and natural disaster response.

As part of its rebalance to the Asia-Pacific, the US has increased its presence in Southeast Asia through rotational deployment in the region, more frequent port visits, and expanded funding for maritime capacity building. Japan has also expanded its security cooperation. As a Japanese participant explained, from Japan’s perspective, an important vanguard for denying China’s “creeping expansion into contested territorial waters” is the strength and resilience of ASEAN and its 10 member countries. “Such resilience would also sustain the status quo that creates better conditions for ASEAN’s diplomatic negotiations vis-à-vis Beijing.” As a result, helping to build maritime security capacity through the provision of patrol boats as well as bilateral exercises has become part of Japan’s policy toward the region. This follows on earlier cooperative counter-piracy initiatives such as the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) and the launch of an annual Head of Asian Coast Guard Agencies Meeting in the early 2000s. Japanese Self-Defense Forces (SDF) have recently engaged in capacity-building activities in some of the ASEAN countries.



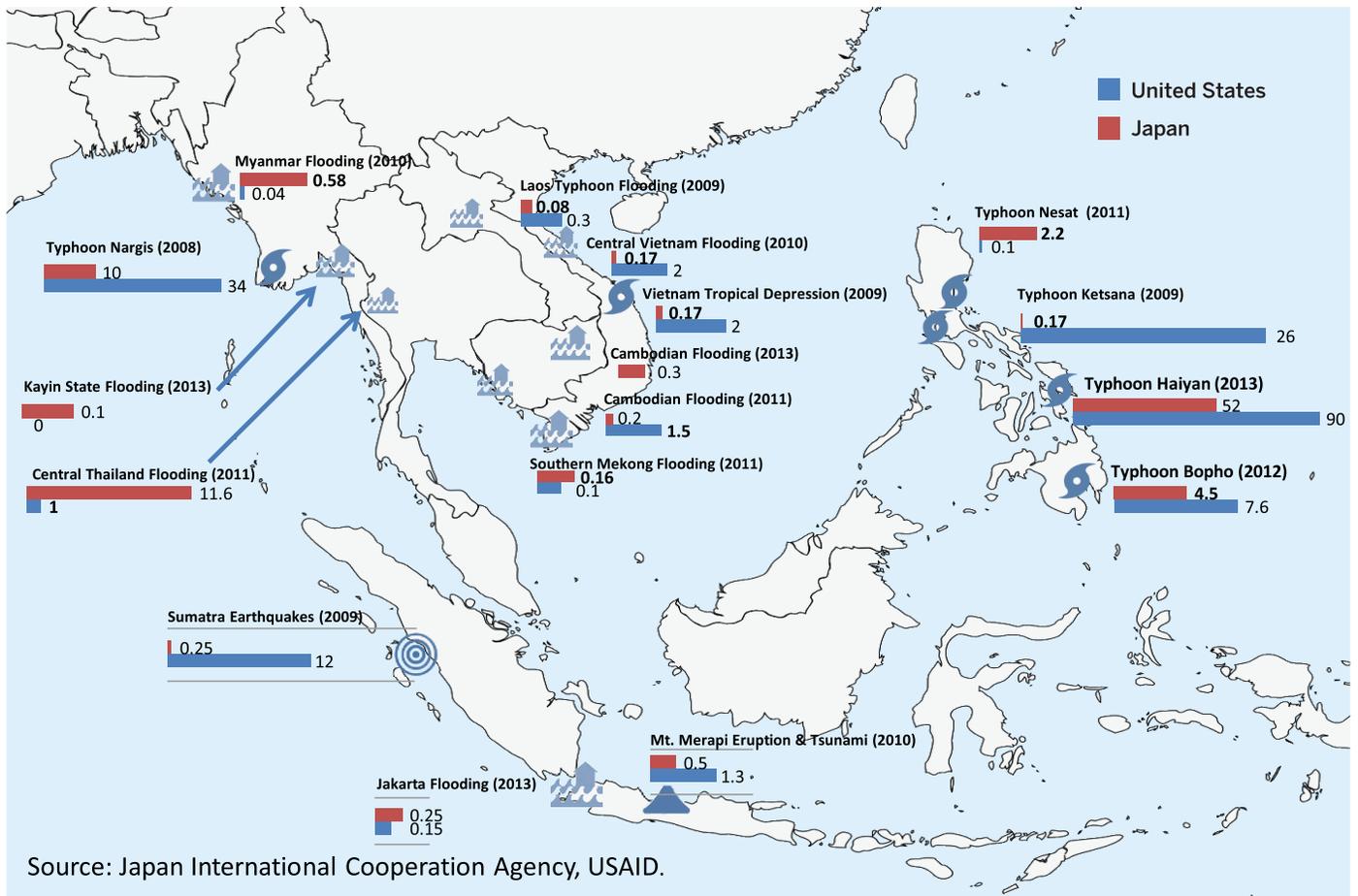
Regarding the South China Sea specifically, some Southeast Asians called for the US and Japan to set “red-lines” on Chinese behavior and to take a more proactive role in countering Chinese assertiveness. This was a minority view. The core message was that most Southeast Asian countries welcomed the US and Japan’s provision of maritime domain awareness (MDA) and related capacity building, but balked at a direct joint role to confront China. An American concurred, noting that “just because [the US] is not sinking Chinese ships does not mean we are not confronting China.”

Southeast Asians expressed a high “demand” for maritime capacity building. There was a general request for capabilities to enhance their ability to enforce jurisdictional control within their Exclusive Economic Zones (EEZs), and for this capability to include not only financial aid and equipment, but also “software,” such as joint training and a common operational manual. Because this need encompasses capacity building in nontraditional security areas, such as humanitarian assistance and disaster relief (HA/DR), marine law enforcement, and shipping and dock security, there was a general understanding and expectation that the manner of US-Japan cooperation would be differentiated based on the limits of what was domestically acceptable. For instance, although both the US and Japan can engage regional partners on HA/DR and MDA, the US has greater latitude to train regional naval forces, while Japan has built up a program working with coast guards.

To better facilitate these efforts, participants expressed a need for the US and Japan to integrate their capacity-building initiatives, to avoid overlap and maximize synergy. However, it was understood that these initiatives would remain mostly separate and parallel for the foreseeable future given the different funding, legal, and systemic factors shaping the countries’ respective programs.

The notable exception to the Southeast Asian emphasis on a coordinated rather than a joint approach was in the area of HA/DR. There was a general consensus among Southeast Asian participants that there was a significant demand for greater cooperation on HA/DR, not only to more effectively and efficiently meet the real needs presented by the region’s vulnerability to natural disaster, but in order to make use of both countries’ respective capacity and expertise. One US expert on the subject argued that this is an area where close cooperation between the US and Japan, as alliance partners or otherwise, could be useful; he believes that there is more scope for joint collaboration on training, contingency planning, and response. In his view, such coordination would allow for better advance planning, rather than post-disaster reaction. Japanese and Southeast Asian participants noted that such cooperation could be expanded to include ASEAN or individual Southeast Asian partners, as well as China as a noncontroversial area of collaboration.

2008–2013 US and Japanese Humanitarian Assistance and Disaster Relief (HA/DR) in Southeast Asia (\$ Millions)



Source: Japan International Cooperation Agency, USAID.

THE US-JAPAN ALLIANCE AND REGIONAL INSTITUTIONS AND ORDER BUILDING

Japanese Participant

“What happened to ASEAN in the driver's seat?”

Philippines Participant

“They worry the driver became the chauffer!”

Singaporean View

“A key takeaway is that most Southeast Asians see Japan as having a deeper and more long-term commitment to regional multilateralism than the US, which is something of a ‘recent convert.’ But while US interest in multilateralism may be growing (set against the past) in order to allow for burden-sharing and order-building, Japan's commitment to multilateralism may be decreasing as the pressure grows to be a normal power and to address China's assertiveness.”

Southeast Asians welcome recognition by the US and Japan of ASEAN “centrality” and participation in regional multilateral organizations. Washington and Tokyo were the first two dialogue partners to send ambassadors to ASEAN, to support enhancing the ASEAN Secretariat's capacity, and to coordinate activities at various ASEAN-led forums. A Burmese participant noted that the US and Japan are regarded as the countries with the most active interest in ASEAN. She described Japan as the most active partner in carrying out activities under the ASEAN + 3 frameworks to assist ASEAN with human security and development. She also pointed out that among ASEAN's partners, the US has deliberately dovetailed assistance programs to ASEAN plans and priorities.

Despite this support for ASEAN, American and Japanese participants expressed skepticism about ASEAN-led multilateral organizations, particularly as a means for practical engagement, saying that reflected the limits of ASEAN rather than the strengths. A preference was expressed for regional institutions such as the EAS, or “minilaterals” (groupings of the US, Japan, and other regional partners or allies) as fora for concrete and practical cooperation.

Southeast Asians, on the other hand, worry that a “deepening of the US-Japan alliance in the context of Japan security normalization could be inimical to ASEAN-led multilateralism,” allowing Washington and Tokyo to side-step the ASEAN-centric security architecture. This was mirrored in the additional Southeast Asian concern that the strengthening of the US-Japan alliance, as well as the inclusion of other partners such as Australia, would create more pressure on the EAS to become a steering mechanism—hence undermining ASEAN centrality. A Filipino participant put it succinctly: “ASEAN does not want to see the ‘plus’ countries leading the ASEAN groups.”

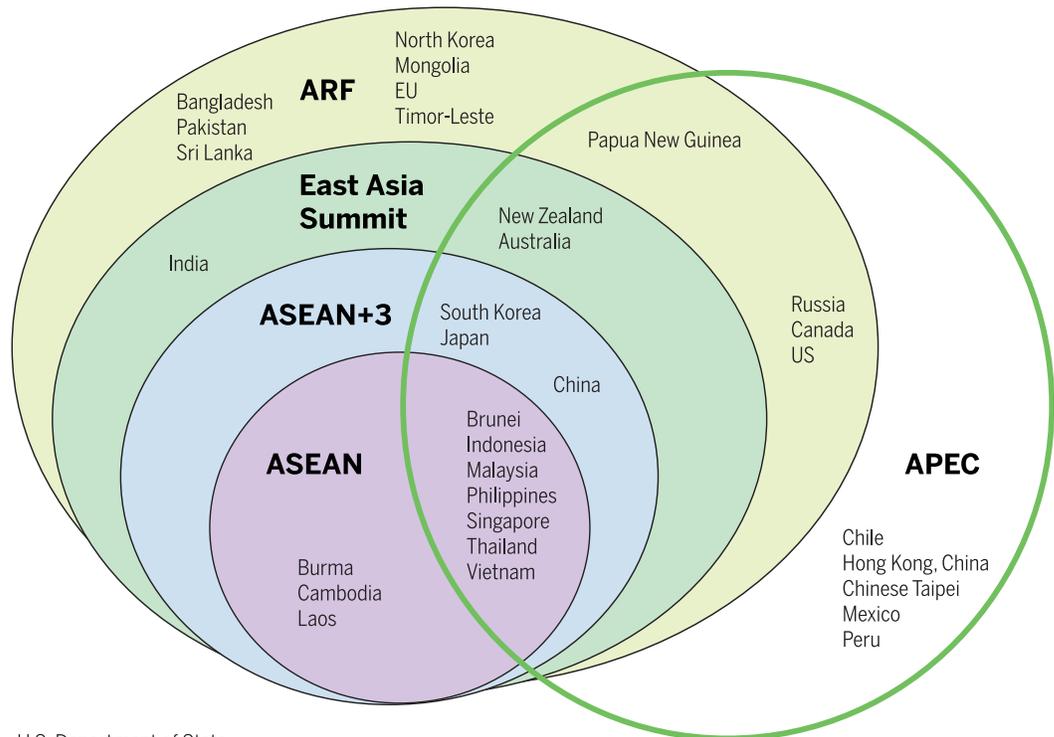
Few participants viewed the emerging multilateral institutional structure in East Asia as the prime mechanism for US-Japan coordination. And no participant saw these organizations as a replacement for the active presence of either the US or Japan. At the same time, a demand was voiced by the Southeast Asians for both the US and Japan to remain engaged in ASEAN and its related multilateral institutions. Given how little exposure the American public has to Southeast Asia and its importance, concern remains “in ASEAN of the region's attractiveness to the US beyond strategic engagement.” Japan, with its support for multilateralism has been seen as an important element in securing US commitment to the region. Japan, meanwhile, is very interested in ASEAN as a “swing institution” that can affect regional order.

Southeast Asian and Japanese participants also warned against over-emphasizing US-Japan commitment to “advancing universal values in Asia and globally” and promoting “a strong rules-based international order.”² They warned that a strictly rule-based order is not right for Southeast Asia because it would undermine coherence within ASEAN, which attempts to unify countries

² The White House, Office of the Press Secretary, “US-Japan Joint Vision Statement,” April 28, 2015.

with very different political systems and methods through the “ASEAN Way.” As a participant from Malaysia explained, the values-driven approach sounds good to and/or resonates with some, but not all. It may be more effective to address “weakness of governance” as a means of tackling the same issues.

US, Japan, and ASEAN Membership in Select Multilateral Forums



U.S. Department of State

Southeast Asians also cautioned the US and Japan not to “over-coordinate” and push joint proposals through ASEAN. A Vietnamese participant noted that this could prevent other countries from joining or supporting these initiatives. Instead, it would be more useful for Japan and the US to approach the ASEAN groupings on an individual country basis—even if the proposals supported the same aims. Most Southeast Asians regarded the best approach as ASEAN “pulling” US-Japan rather than being “pushed” by the US and Japan, either separately or together.

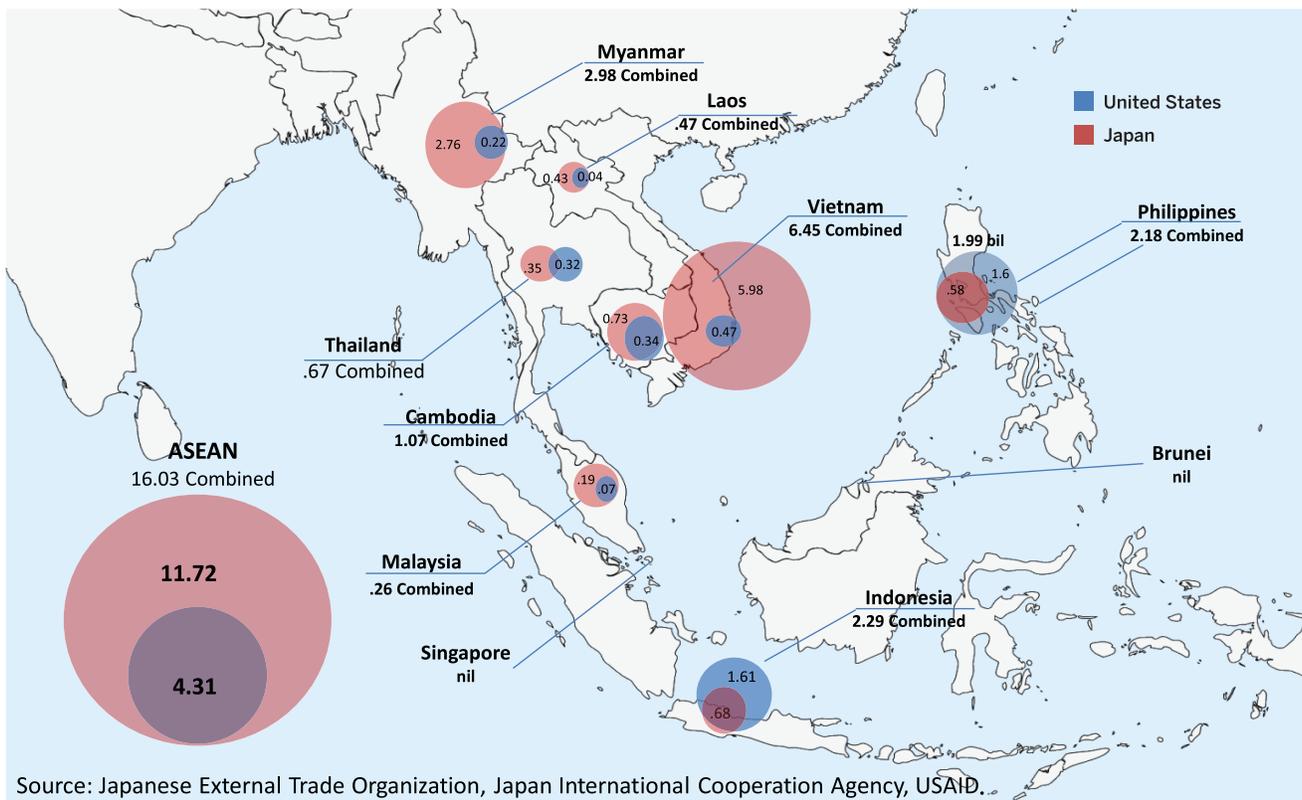
THE US-JAPAN ALLIANCE AND SOUTHEAST ASIA’S ECONOMIC AND SOCIAL DEVELOPMENT

Southeast Asians expressed a strong demand for the US and Japan to engage in the region’s social and economic development. Some voiced concern that early initiatives of the US rebalance to the Asia-Pacific region and Japan’s renewed engagement too heavily emphasized security and military initiatives. They called for a more balanced approach that included support for much-needed economic and social development.

Despite being commercial competitors, the US and Japan share and pursue the same fundamental economic goals, including market access, a favorable investment climate, protection of intellectual property, and simplified customs procedures, among others.

Both the US and Japan support ASEAN economic integration as a means to expand market opportunities, create jobs, and bolster the legitimacy of local governments, thus contributing to regional peace and security and shared prosperity. One Japanese economist named the ASEAN Economic Community (AEC) as the most important key to adding substance to ASEAN: to create a single integrated market that is connected to the rest of the world—while acknowledging that this would be a long-term project.

US and Japanese Overseas Direct Aid to Southeast Asia 2009–2013 (\$ Billions)



Key requirements to achieve such a vision include the need to improve Southeast Asia’s business climate as well as its physical and human capital infrastructure. A Japanese economist said that the US and Japan can support both through overseas development assistance (ODA), but warned that Japan is at risk of “aid fatigue.” He suggested greater coordination between the US and Japan on issues that would enhance infrastructure connectivity in the region. An economist from Singapore noted that what the region really needs to increase productivity growth is increased innovation and technology diffusion. These are areas where there is already considerable US-Japan collaboration and where the two countries could do more in Southeast Asia.

Southeast Asians welcomed the contributions from the US and Japan to economic development, through respective bilateral channels and via cooperation through such mechanisms as the Asian Development Bank (ADB). Southeast Asians expressed particularly strong interest in the US and Japan's respective roles in helping the less-developed countries of Southeast Asia to address imbalances in regional development. Indeed, the bulk of trilateral US-Japan and ASEAN cooperation to date has focused on the Mekong region, with initiatives on connectivity, women's entrepreneurship, and natural disaster management.

Although only four of the ASEAN countries, along with the US and Japan, were involved in the Trans-Pacific Partnership (TPP) talks during these workshops, several participants suggested that the agreement had greater utility for broader regional economic development. A participant from Vietnam stated that TPP's passage would help ASEAN restructure its economy toward greater productivity and sustainable development. His view that supporting the expansion of the TPP to the rest of ASEAN could be a possible means for bringing the nonmembers' economic systems up to that high standard of modernization was shared by a number of participants. However, there was also an interest to know what, if any, more region-inclusive economic policies Japan and the US had, beyond the TPP, regarding Southeast Asia.

Finally, there was a view from Southeast Asia that among all the things the US and Japan could do to enhance economic engagement in the region, they need to work to keep their own domestic economies robust. This was seen as necessary in order to meet any of the commitments to security or development in the region, and to shore up confidence in them as partners despite their relative decline. More pragmatically, strong US and Japanese economies were described as a means to help ASEAN countries be less dependent on China's markets and development assistance. These views found no disagreement among American and Japanese participants.

Mechanisms for US-Japan-Southeast Asia Trilateral Cooperation

In considering *how* the US and Japan can engage Southeast Asia, several key mechanisms emerged throughout the course of this project. Given the complexity of the different interests and “asks” of the individual ASEAN states a single US-Japan approach to Southeast Asia is neither necessary nor desirable and definitely not feasible. Most participants agreed that multiple, pragmatic mechanisms for engagement have the best chance of success.

The following mechanisms are largely framed through a security lens, given the alliance theme of the project, but several mechanisms can also be used for economic, development, and socio-diplomatic engagement as well.

THE US-JAPAN ALLIANCE

The alliance itself is of course a key mechanism for cooperation, particularly on security-related issues. The US and Japan should act as catalysts to operationalize intra-ASEAN regional security cooperation. This could be achieved through alliance-driven initiatives, such as the development and sharing of interoperable platforms, engaging in joint multilateral training, and designing agreements for sharing information and intelligence about common interests or threats. As the two partners consider how to address “grey zone” deterrence and capabilities under the new US-Japan Defense Guidelines, they should also think through how to help build similar capabilities in Southeast Asia, and/or how to plug other strategic partners into alliance-led initiatives.

There are already examples of this in the region. US-Japan cooperation on the Proliferation Security Initiative (PSI), counter-terrorism (CT), search and rescue, and HA/DR is the basis for regional multilateral cooperation. Exercises such as Pacific Endeavor, which focuses on communications in regional HA/DR contingencies through the use of regional government, and even private sector, satellite capabilities, could also be a useful alliance-led tool.

Dynamics within the alliance can also serve to open up new opportunities for engagement with Southeast Asia. One potential example of this is ongoing changes to “host regional support.” Currently, Japan is helping to pay for transfer of some marines to Guam. Japan could potentially support movement of forces to elsewhere in Southeast Asia, if regional countries are willing to accept such forces. It was also suggested that in the future the US and Japan could work on anti-submarine warfare, which could provide a new security tool that could be extended throughout the region. The US-Japan 2+2 process, as is evident in the April 2014 Fact Sheet on Global and Regional Cooperation, already attests to the significant attention that Southeast Asia is receiving in alliance terms. Greater awareness of this at the bilateral working level could further enhance the knock-on benefits of alliance-centric initiatives for regional security engagement.

THE ASIA-PACIFIC REBALANCE: US REGIONAL ACTIVISM

US regional activism through the rebalance is also an important, if unilateral, tool. Indeed, a key change in the renewed policy focus on the Asia-Pacific has been rebalance toward Southeast Asia. This has been evidenced by the recent upgrading of relations with Indonesia and Vietnam to “strategic partnerships,” the elevation in November 2015 of US-ASEAN relations to a “Strategic Partnership” with a follow on US-ASEAN Summit at Sunnylands in California in February 2015, and other agreements for cooperation, such as the Enhanced Defense Cooperation Agreement (EDCA) with the Philippines. As part of this, the US has been engaged in many activities, such as bilateral military exercises, strengthening trilateral projects on issues ranging from maritime security to climate change responses, offering arms sales where there were prohibitions before, and diplomatic openings (e.g., the support of the political transition in Myanmar; presidential trips to Thailand, Cambodia, and Myanmar. These are all part of a robust effort for engagement in Southeast Asia that should be maintained and expanded.

PROACTIVE CONTRIBUTIONS TO PEACE: JAPAN'S REGIONAL ACTIVISM

Japan, too, is rediscovering ASEAN and its members as important partners in promoting Japan's political, economic, and security interests. Japan's own greater diplomatic and strategic activism is also a mechanism. Prime Minister Abe's opening diplomatic thrust of visiting all 10 ASEAN countries within his first year in office resulted in new strategic partnerships within the region, including three countries (Cambodia, Laos, and Malaysia) with which the US does not have similar agreements. This is among the reasons why, in one Japanese observer's assessment, “Japan has more flexibility to engage Southeast Asia—and this will in turn help the US and Japan to coordinate engagement.” Beyond the traditional economic and development policy toward Southeast Asia, greater Japanese engagement is evident in the security realm, including regional exercises (e.g., Cobra Gold, Balikatan), joint training, strategic use of ODA, and relaxation of restrictions on arms exports. These initiatives create a more “enabled” Japan. Japan's security activism is regarded as having “helped socialize SEA to a greater security role for Japan.”

REGIONAL MULTILATERAL ORGANIZATIONS

Regional multilateral organizations, and especially action-oriented ones such as ADMM Plus, could be mechanisms for US-Japan cooperation in Southeast Asia. There has been increased US-Japan coordination ahead of ARF and ADMM Plus. However, it should be noted that this coordination is not a “joint game plan,” but rather involves supporting each other's agendas and considering concrete things the two countries can do within the framework of the multilaterals. As Southeast Asian participants, along with some from the US and Japan, cautioned, the US and Japan should not be seen as hijacking ASEAN-led forums to push “Plus” agendas. Beyond the ASEAN-lead frameworks, the US and Japan have unique roles in other regional institutions, such as the ADB, which could also be leveraged. If approached carefully, embedding US-Japan cooperation in regional organizations and workshops, as well as the careful promotion of regional and international norms, could “take the rough edges” off power politics and US-China

competition, hence making such cooperation more palatable to Southeast Asians. The emerging multilateral institutional structure in East Asia cannot be the prime mechanism for US-Japan coordination and certainly cannot replace the active presence of either the US or Japan, but should not be overlooked.

ECONOMIC AGREEMENTS AND PARTNERSHIPS

Joint economic agreements and partnerships can be an additional mechanism for promotion and development of both rules and norms by encouraging adoption of practices toward better governance, expanded economies, and reduced inequality. They also provide an opportunity to bring in other stakeholders and resources beyond the respective governments of the US and Japan, namely their private sectors and nongovernmental organizations. The US and Japan, as two of the TPP's key negotiating countries, could serve as vehicles for cooperative engagement in the economic and governance spheres, not just by working with the four ASEAN states involved, but by encouraging eventual expansion to include more countries in Southeast Asia and beyond. The development required to meet the trade and economic reform requirements for membership could provide opportunities for projects of mutual interest. Successful implementation of the TPP could also benefit the nascent Regional Comprehensive Economic Partnership (RCEP) which, while not directly implicating the US, would include Japan and all 10 ASEAN members. These two agreements together could ultimately be linked through the realization of the Free Trade Area of the Asia-Pacific (FTAAP), a goal for economic integration and cooperation held by the Asia-Pacific Economic Cooperation forum (APEC), in which both the US and Japan are actively engaged.

Policy Recommendations

Utilizing some of the mechanisms described above, a few concrete policy recommendations to further US-Japan cooperation with Southeast Asia are as follows:

- Hold a US-Japan joint meeting with ASEAN defense ministers (ASEAN + 2). Both the US and Japan have held meetings between their defense secretary/minister and those of the ASEAN countries (the US in April 2014 in Hawai‘i, and Japan in November 2014 in Bagan, Myanmar). The US and Japan should canvass Southeast Asian countries about a possible US-Japan-ASEAN defense ministers’ meeting—perhaps on the sidelines of an ADMM Plus.
- The US and Japan should explore establishing separate trilateral dialogues with Vietnam and the Philippines, respectively. These dialogues are not to preclude other partners, but these relationships currently “are ripe” for such engagement. The US and Japan should consider the same arrangement with Indonesia. Just as in the case of the US-Japan-India cooperation, which might include Australia again, as in the past, the US and Japan, along with Vietnam and the Philippines, should remain open to the idea of turning their respective trilateral arrangements into a quadrilateral arrangement (e.g., US-Japan-Vietnam-Philippines).
- The US and Japan should explore whether they can coordinate equipment and arms sales to Southeast Asia as part of regional capacity building. In the future, it might be possible to combine equipment/arms transfers with maintenance and repair roles that include a coordinated US and Japanese role. Joint training with the equipment could also be considered.
- To better and more efficiently manage fragmented HA/DR capacity building and response efforts, the US and Japan should consider launching a new initiative for public, private, and nonprofit partners for better coordination of HA/DR efforts in the region. Additionally, a joint task force could be established to develop response contingencies prior to disasters, both between the alliance partners and with willing partners in Southeast Asia.
- US military officials have already stated that they can foresee and welcome a role for Japan in air (particularly with Japan’s P1 reconnaissance aircraft) and sea patrols in the international waters of the South China Sea. If and as conditions warrant, the US and Japan should move forward with a more robust patrolling role for Japan.
- The US and Japan should initiate a new, annual US-Japan Track 1.5 dialogue with Southeast Asia that would take up issues such as maritime security, regional institutions, and social and economic development. Such a dialogue could be modeled on the recently inaugurated US-Europe-Japan Dialogue. The trilateral dialogue should focus on how ASEAN centrality in regional institutions could be effective.

- As the US and Japan pursue strategic development projects throughout Southeast Asia, effort should be made to discuss these projects and goals with each other to reduce overlap, maximize limited development resources, and share best practices based on on-the-ground experiences. This consultation could be part of on-going government-to-government working-level engagement, or be established as a new dialogue and coordination mechanism between related agencies.
- The US and Japan should start dialogue and consultation with the relevant Southeast Asian governments who have expressed an interest in joining TPP. The US and Japan should identify concrete policy measures to support those countries in adjusting their respective economic policies and institutions for their early entry to the TPP.

In addition to the recommendations for action outlined above, a few cautions against certain actions also emerged out of these dialogues:

- Conditions in Southeast Asia do not warrant overreach or overreaction on the part of the US, Japan, or the US-Japan alliance. As a former Southeast Asian official stated, neutrality and inclusiveness continue to prevail in Southeast Asia/ASEAN's approach. Although it is not clear how long that can persist in the current regional environment and in the face of China's assertiveness, thus far ASEAN's approach is "all about the balance." Therefore, a US and Japan coordinated or joint role vis-à-vis Southeast Asia should be calibrated with this balance in mind. However, the US and Japan can adjust as the conditions and interests of the US, Japan, and Southeast Asia warrant and require.
- When engaging Southeast Asia, it is important to remember that ASEAN is not a monolith; each of the 10 member countries has its own domestic interests and foreign policies. Differentiating what the US and Japan do, and how they engage a particular country, will require careful management. In a similar vein, the US and Japan have their individual interests and comparative advantages. Therefore, a one-size-fits-all approach to cooperation with Southeast Asia would not be appropriate or effective.
- Most Southeast Asians warned against the US and Japan, unilaterally or together, using China as a basis for their increased engagement with Southeast Asia. A distinguished Southeast Asian diplomat who had served as ambassador to Japan warned that "Southeast Asia would be uncomfortable about US-Japan taking sides against China." Although Japanese experts grant that Japan's security normalization is vis-à-vis China, and balancing China has been a driver of certain US policy decisions, neither should approach Southeast Asia as a subset of their China policy.

Appendix 1

US-JAPAN JOINT STATEMENT: THE UNITED STATES AND JAPAN: SHAPING THE FUTURE OF THE ASIA-PACIFIC AND BEYOND

The White House, Office of the Press Secretary, April 25, 2014

The relationship between the United States of America and Japan is founded on mutual trust, a common vision for a rules-based international order, a shared commitment to upholding democratic values and promoting open markets, and deep cultural and people-to-people ties. The US-Japan Alliance is the cornerstone for regional peace and security as well as a platform for global cooperation. The US rebalance to the Asia-Pacific and Japan's policy of "Proactive Contribution to Peace" based on the principle of international cooperation both contribute to the Alliance playing a leading role in ensuring a peaceful and prosperous Asia-Pacific.

Close US-Japan cooperation is essential in managing and responding to long-standing and emerging threats and challenges in Asia and around the world. Recent events underscore the importance of coordinated action to uphold regional and global rules and norms. At the March 25 Trilateral Summit in The Hague, the leaders of the United States, Japan, and the Republic of Korea urged North Korea to take concrete actions to meet its international obligations on nuclear and missile issues and to address, without delay, humanitarian concerns, including the abductions issue. In concert with our G-7 partners, the United States and Japan have condemned Russia over its illegal attempt to annex Crimea and are consulting closely on further measures against Russia over its deplorable conduct, while strongly urging Russia to deescalate tensions in Ukraine. Together, we are taking concrete steps to support Ukraine's sovereignty, territorial integrity, and economic stability. The United States and Japan are working collaboratively to resolve the Iranian nuclear issue, support Middle East peace efforts, contribute to Afghan reconstruction, and improve the situation in Syria, including through the disposal of its chemical stockpiles. The United States and Japan recognize that China can play an important role in addressing all of these challenges, and both countries reaffirm their interest in building a productive and constructive relationship with China.

The United States and Japan, as maritime nations with global trade networks that depend on open seas, underscore the importance of maintaining a maritime order based upon respect for international law, including the freedom of navigation and overflight. The United States and Japan share strong concern over recent actions that have raised tensions in the East China Sea and South China Sea, such as the uncoordinated declaration of an Air Defense Identification Zone in the East China Sea. Our two countries oppose any attempt to assert territorial or maritime claims through the use of intimidation, coercion or force. The United States and Japan urge the

establishment of confidence-building measures among governments and militaries in the region to address these tensions. In the South China Sea, we call on countries concerned to clarify the basis of their maritime claims in accordance with international law. We support efforts for the early establishment of an effective Code of Conduct as a way to reduce the risk of an unintended incident. The United States and Japan fully support the use of diplomatic and legal means, including international arbitration, to settle maritime disputes in the South China Sea.

Given the common security challenges our two countries face, the United States and Japan are strengthening and modernizing our security alliance as directed by the Security Consultative Committee, including through the revision of the Guidelines for US-Japan Defense Cooperation. The United States has deployed its most advanced military assets to Japan and provides all necessary capabilities to meet its commitments under the US-Japan Treaty of Mutual Cooperation and Security. These commitments extend to all the territories under the administration of Japan, including the Senkaku Islands. In that context, the United States opposes any unilateral action that seeks to undermine Japan's administration of the Senkaku Islands. The United States appreciates Japan's establishment of a National Security Council and creation of a legal framework for information security that will facilitate enhanced policy and intelligence coordination between the two countries. The United States welcomes and supports Japan's consideration of the matter of exercising the right of collective self-defense. The United States and Japan reaffirmed the importance of the US extended deterrence to maintain regional security. The United States and Japan are also making sustained progress towards realizing a geographically distributed, operationally resilient and politically sustainable US force posture in the Asia-Pacific, including the development of Guam as a strategic hub. The early relocation of Futenma Marine Corps Air Station to Camp Schwab and consolidation of bases in Okinawa will ensure a long-term sustainable presence for US forces. In this context, we reaffirm our commitment to reducing the impact of US forces on Okinawa.

The United States and Japan also coordinate closely in multilateral financial and economic fora to advance trade liberalization and promote economic growth. Our joint efforts are grounded in support for an international economic system that is free, open, and transparent, and embraces innovation. In order to further enhance economic growth, expand regional trade and investment, and strengthen the rules-based trading system, the United States and Japan are committed to taking the bold steps necessary to complete a high-standard, ambitious, comprehensive Trans-Pacific Partnership (TPP) agreement. Today, we have identified a path forward on important bilateral TPP issues. This marks a key milestone in the TPP negotiations and will inject fresh momentum into the broader talks. We now call upon all TPP partners to move as soon as possible to take the necessary steps to conclude the agreement. Even with this step forward, there is still much work to be done to conclude TPP.

We also support Japan's Chairmanship in the OECD Ministerial Council Meeting on the occasion of the 50th anniversary of its accession to the OECD and support China's hosting of the Asia-Pacific Economic Cooperation (APEC) forum and Australia's hosting of the G20 this year. We are working together in the APEC and the G20 on the promotion of the role of women, which is an important domestic and foreign policy priority for both countries. Through the Equal

Futures Partnership and upcoming events such as the White House Summit on Working Families and Japan's international symposium on women's empowerment, the two countries are committed to ensuring women's full participation in society. Furthermore, the United States and Japan continue to be world leaders in high-technology, where our collaboration is expanding the frontiers of robotics, space, and medical science.

The United States and Japan view energy security as vital to prosperity and stability. Both sides welcomed the prospect of US LNG exports in the future since additional global supplies will benefit Japan and other strategic partners. The United States welcomed Japan's new Strategic Energy Plan, which includes global, peaceful and safe use of nuclear energy and acceleration of the introduction of renewable energy. Both countries are working together to promote the development of clean energy, including by facilitating business cooperation and deepening civil nuclear cooperation. These steps are part of a broader effort to address the urgent challenge of global climate change. Both countries plan to put forward robust post-2020 nationally determined contributions, building on decisions taken at the 19th Conference of the Parties (COP-19) to the United Nations Framework Convention on Climate Change (UNFCCC), in order to promote the adoption of a protocol, another legal instrument, or an agreed outcome with legal force under the UNFCCC applicable to all Parties at COP-21 in Paris in December 2015. We will continue to work with other countries on complementary initiatives to encourage reduction of greenhouse gas emissions.

The United States and Japan are committed to promoting peace, stability, and economic growth throughout the world, including in Africa. Through our recently launched senior-level US-Japan Development Dialogue, we are expanding our development cooperation in these areas. Furthermore, the United States and Japan are continuing bilateral policy coordination to address other global challenges and promote our common agenda, such as women's empowerment, human security, humanitarian assistance, disaster risk reduction, the post-2015 development agenda, global health, climate change, counter-terrorism and transnational organized crime, cyber policy, the goal of a world without nuclear weapons, nuclear security, and cooperation at the United Nations, including in peacekeeping. The United States looks forward to a reformed UN Security Council that includes Japan as a permanent member. Our two countries are continuing to cooperate in the field of disaster risk management based on the experience of the Great East Japan Earthquake.

The United States and Japan renew our commitment to deepening diplomatic, economic, and security cooperation with the Association of Southeast Asian Nations (ASEAN), recognizing the importance of ASEAN unity and centrality to regional security and prosperity. We are coordinating closely to support ASEAN and its affiliated fora as its members seek to build a regional economic community and address trans-border challenges, including cybersecurity and cybercrime. In this context, the two countries view the East Asia Summit as the premier political and security forum in the region. We support the Asian Development Bank work to address the region's infrastructure and connectivity needs. The United States and Japan are collaborating to assist Southeast Asian littoral states in building maritime domain awareness and other capacities for maritime safety and security so that they can better enforce law, combat illicit trafficking and

weapons proliferation, and protect marine resources. The robust US and Japanese civilian and military response to Typhoon Haiyan in the Philippines demonstrated our ability to collectively assist the region in disaster relief and risk reduction.

To achieve our shared objectives of promoting peace and economic prosperity in the Asia-Pacific and around the globe, the United States and Japan are strengthening trilateral cooperation with like-minded partners, including the Republic of Korea, Australia, and India.

The United States and Japan reaffirm our long-standing and indispensable partnership in shaping the future of the Asia-Pacific and beyond through close cooperation and collaboration.

FACT SHEET: US-JAPAN BILATERAL COOPERATION

The White House, Office of the Press Secretary, April 25, 2014

The United States and Japan have a modern and diverse alliance focused on the future. In April 2014, President Obama and Prime Minister Abe met in Tokyo to chart a future course that will foster prosperity, security, and welfare for citizens of both nations. Their meeting underscores the depth and scope of our bilateral cooperation, which includes the following:

Advancing Mutual Prosperity

The United States and Japan share a robust and productive economic relationship. Our close economic ties are reflected in the strong partnerships between US and Japanese companies, and in ongoing economic dialogues spanning a variety of areas including environment and climate change, development, civil nuclear cooperation, clean energy, innovation policy, cybersecurity, and the Internet economy.

Japan and the United States are the world's largest free-market economies with a two-way goods and services trade flow of \$290 billion in 2012, making Japan the United States' fourth-largest trading partner. Moreover, Japan is the second-largest source of foreign direct investment into the United States, the stock of two-way investment between our countries topped \$442 billion in 2012, and Japanese companies employed approximately 650,000 US workers. These close trade and investment ties contribute to increased prosperity in both our countries. Our countries are closely aligned in promoting 21st century economic rules in the region and globally, including through the G-7 and G-20, the Asia-Pacific Economic Cooperation forum and the World Trade Organization. We are firmly committed to reaching a high-standards agreement on the Trans-Pacific Partnership (TPP), recognizing that this will support jobs and growth in both countries.

Our countries share a common focus on empowering women to take a greater role in our societies. Recognizing that expanding economic opportunities for women and ensuring their full participation in the workforce are challenges shared by both countries, the United States is pleased to announce its intent to invite five Japanese participants to attend the White House Summit on Working Families, which President Obama plans to host on June 23, 2014. The Summit aims to bring together businesses, economists, labor leaders, policymakers, advocates, and ordinary citizens to discuss how we can create a 21st century workplace that supports working families and improves women's labor force participation.

The United States welcomed Japan's joining the Equal Futures Partnership in September 2013, a public commitment made by countries around the world to break down barriers to women's political and economic participation. The United States is working with Japan in the G-20 to expand female labor force participation as a way of accelerating global growth. We applaud Japan's leadership in strengthening women's empowerment efforts in APEC and will work closely with Japan to advance that agenda.

Enhancing our Security

The US-Japan Alliance remains the cornerstone of both countries' security policy in the Asia-Pacific region, ensuring mutual security as well as the peace, stability, and economic prosperity of the region in the 21st century. We are committed to building an even more robust and effective Alliance based on expanding security and defense cooperation in the Asia-Pacific region and beyond to reflect contemporary challenges and on implementing the realignment of US forces in Japan, including the construction of a new Marine Corps Air Facility at Camp Schwab to replace MCAS Futenma and the relocation of US Marines to Guam. The two countries are developing an environmental framework related to US bases in Japan, including an agreement supplementing the Status of Forces Agreement (SOFA).

The United States and Japan have made steady progress in revising the Guidelines for US-Japan Defense Cooperation to ensure the Alliance continues its vital role in deterring conflict and advancing peace and security. To support the roles, missions, and capabilities the new guidelines will define, the Alliance is upgrading its forces using the latest cutting edge technology. We will be deploying US Air Force Global Hawk unmanned aircraft rotationally, US Navy P-8 maritime patrol aircraft, and US Marine Corps F-35B aircraft. Remaining vigilant against emerging threats, we are also coordinating in bilateral working groups to address challenges in new domains such as space and cyberspace.

The United States and Japan agree on the importance of the peaceful denuclearization of North Korea. In order to achieve this goal, we seek authentic and credible negotiations while ensuring that North Korea's provocative behavior and reluctance to live up to its international obligations incurs consequences. Given North Korea's missile threat, we are strengthening bilateral cooperation on ballistic missile defense, including construction of a new X-Band radar facility in Japan. The United States also recently announced the deployment of two additional Aegis ballistic missile defense vessels to Japan by 2017, further enhancing our defenses. Together, these steps and others demonstrate our shared, strong commitment to protecting both Japan and the United States from North Korean aggression.

We also cooperate in the area of domestic law enforcement to protect our citizens' interests and safety. Building on the February 7 signing of the bilateral Agreement on Preventing and Combating Serious Crime, we are deepening law enforcement cooperation to protect the citizens of both nations. The United States welcomes Japan's ongoing efforts to criminalize child pornography, as well as Japan's consideration of criminalizing conspiracy to help combat transnational organized crime as part of the process allowing Japan to conclude the UN Convention on Transnational Organized Crime (UNTOC) and the Palermo Protocol on Human Trafficking. Moreover, on April 1, 2014, the Hague Convention on the Civil Aspects of

International Child Abduction entered into effect in Japan. The Convention provides a legal framework for securing the prompt return of wrongfully removed or retained children to their country of habitual residence, where a competent court can make determinations of child custody and access based on the child's best interests. We welcome Japan's decision to join the Hague Convention and look forward to working closely to resolve existing and future international parental child abduction cases.

Ensuring Stability and Prosperity Around the World

The relationship between the United States and Japan is global in scope. Rooted in shared values, our two countries address political, humanitarian and security related issues worldwide, working together to create a more safe, stable, and equitable world.

The United States and Japan are supporting the efforts of the Ukrainian people to pursue democracy and economic development. In The Hague, the leaders of the United States and Japan joined with the other G-7 Leaders to reaffirm our support for Ukraine's sovereignty, territorial integrity, and independence and committed to impose a variety of sanctions against Russia if Russia continues to escalate the situation in Ukraine.

Japan and the United States promote stability, security, and prosperity in the Middle East. Joining the United States, which is the largest contributor of humanitarian assistance to the region, in support of a united, democratic Syria, Japan has provided nearly \$420 million in aid to assist conflict-affected and displaced populations in Syria, as well as Syrian refugees and countries hosting them, and assists in the destruction and elimination of Syria's chemical weapon stockpile. The United States and Japan have also been the leading donors of civilian assistance to Afghanistan, and have already pledged to continue their support through 2016.

Moreover, the United States and Japan have consistently supported Middle East peace efforts, notably through assistance for Palestinian economic growth and institution building. The United States is the largest donor to the Palestinian Authority, having committed approximately \$5 billion in bilateral assistance since the mid-1990s. Japan has committed \$1.44 billion in assistance to the Palestinian Authority during the same timeframe and has made efforts to mobilize the expertise and resources of East Asian countries in assisting the Palestinians.

Both countries are strong supporters of the work of the International Atomic Energy Agency (IAEA) in expanding the benefits of the peaceful use of nuclear energy in health, agriculture, medicine, industry, and power to countries that comply with their nonproliferation obligations, and are the two largest supporters of the IAEA's Peaceful Uses Initiative.

Working with the United States to convince Iran to address the international community's concerns about its nuclear program, Japan has significantly reduced its imports of Iranian oil and supports implementation of the Joint Plan of Action.

Cooperating on Advanced Technologies

US-Japan partnership in the areas of science and technology confronts a broad array of complex issues facing our two countries and the global community. Under the auspices of the US-Japan Science and Technology Agreement, our two countries have collaborated for over 25 years on scientific research in areas such as new energy technologies, emergency management, supercomputing, and critical materials. In recognition of these achievements, the President and

Prime Minister announced an extension of our bilateral Science and Technology Agreement for an additional 10 years.

The United States and Japan share a commitment to an open, interoperable, secure, and reliable cyberspace. To reinforce this commitment, the United States and Japan have strengthened their bilateral and international collaboration in promoting the multi-stakeholder system of Internet governance, developing the Internet economy, addressing national security issues in cyberspace, combating cybercrime, and enhancing cybersecurity and critical infrastructure cybersecurity in particular. At the fifth US-Japan Internet Economy Dialogue, the United States and Japan decided to work together in international discussions of internet policy issues to promote the free flow of information and further development of the global Internet economy, especially in developing countries. At the second US-Japan Cyber Dialogue, the United States and Japan reaffirmed their shared recognition and approach to cyber policy. In particular, the two sides decided on more in-depth whole-of-government bilateral engagement on critical infrastructure cybersecurity and the establishment of international norms of state behavior and practical regional cyber confidence-building measures.

The United States and Japan maintain robust and mutually beneficial cooperation in the field of peaceful exploration and use of outer space. The Annual US-Japan Comprehensive Dialogue on Space, scheduled for May 2014 in Washington, D.C., will advance our cooperation on the use of space for environmental research, scientific discovery, national and international security, and economic growth. Japan plays a major role in the success of the International Space Station. A robust multi-agency Japanese delegation attended the inaugural International Space Exploration Forum (ISEF) in Washington in January 2014. The United States looks forward to supporting Japan as the host of the next ISEF. Nearly 50 active documents underpin cooperation between NASA and Japan, including the launch of a NASA-built Global Precipitation Measurement satellite on a Japanese H-2A rocket in February 2014. The Japan Aerospace Exploration Agency (JAXA) is one of the few international space agencies with which NASA cooperates in all mission areas – human space flight, Earth science, space science, space technology, and aeronautics research.

Over the past year, Japan and the United States have signed an unprecedented set of documents to facilitate bilateral collaboration in robotics for disaster response. A Japanese team came in first place in the December 2013 Defense Advanced Research Projects Agency (DARPA) Robotics Challenge Trials for developing disaster response robotics technology, and Japan will field several more teams in 2015. Our collaboration will yield robotic systems with greater ability to navigate difficult terrain and greater capacity to work with humans in addressing dangerous environments resulting from natural and manmade disasters.

We also cooperate in the area of advanced health research and development. The National Cancer Center of Japan and the US National Cancer Institute recently signed a Memorandum of Understanding to promote and conduct high-quality research to strengthen cancer prevention and control. In addition, the US-Japan Vaccine Policy Exchange (VPE), held annually since 2010, is serving to develop better understanding of short- and long- term goals for US and Japanese vaccine policy.

Securing a Clean Energy Future

The United States and Japan work together to share our skills and knowledge to develop clean, reliable, and efficient energy resources for current and future generations. The US-Japan Clean Energy Policy Dialogue, most recently held in December 2013, fosters coordination on policies and on research and development activities. Through the Dialogue, US and Japanese researchers are pursuing exchanges on fuel cell, solar, and geothermal technology, and contribute to our governments' plan to collaborate on a joint project on microgrid systems. The US-Japan Renewable Energy Policy Business Roundtable, held in conjunction with the Dialogue, provides a venue for companies of both countries to discuss policy developments in the clean energy sector, identify new business opportunities, and share information on issues such as creative public-private financing mechanisms for renewable energy projects.

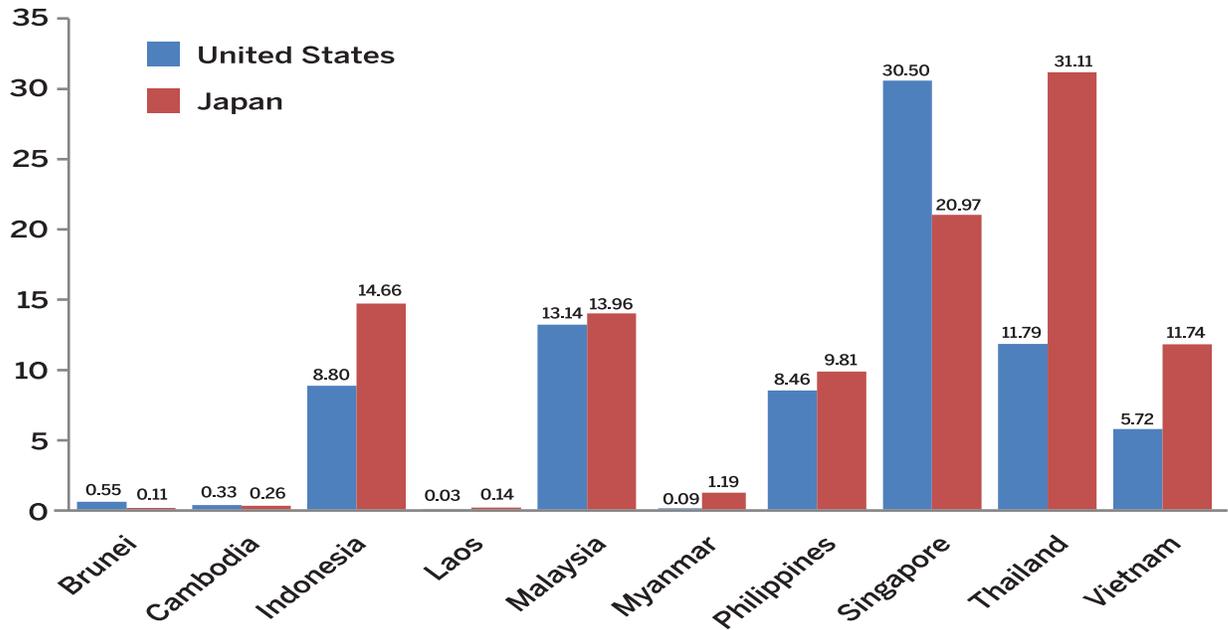
The Bilateral Commission on Civil Nuclear Cooperation consolidates and expands bilateral cooperation on civil nuclear energy, addressing issues such as nuclear safety and regulation, clean-up from the Fukushima nuclear accident, nuclear energy research and development, non-proliferation, safeguards and security, and emergency response. The Bilateral Commission most recently met in November 2013, setting the stage for successful US-Japan cooperation at the March 2014 Nuclear Security Summit. The next meeting of the Bilateral Commission will be held in June 2014. Recent activities under the Bilateral Commission's umbrella include the Japan-US Decommissioning and Remediation Fukushima Recovery Forum, which met February 18-19 in Tokyo and brought together representatives from US and Japanese firms to discuss potential partnerships to assist with Fukushima recovery. That same week, under the auspices of the Bilateral Commission's Civil Nuclear Energy Research and Development Working Group, the Department of Energy and Japan's Ministry of Economy, Trade and Industry held a US-Japan roundtable on probabilistic risk assessment methodologies and their applications for nuclear safety. The United States welcomes Japan's October 2013 announcement of its plans to ratify the Convention on Supplementary Compensation for Nuclear Damage in the near future, demonstrating its leadership in the establishment of a global nuclear liability regime.

Japan and the United States have extensive cooperation on nuclear security. Bilaterally, Japanese and US agencies work together under the Nuclear Security Working Group toward nine nuclear security goals. We also cooperate closely in multilateral fora, including the Nuclear Security Summits, the Global Initiative to Combat Nuclear Terrorism, and the Global Partnership against the Spread of Weapons and Materials of Mass Destruction. We welcome Japan's March 2014 announcement of its plans to remove hundreds of kilograms of highly enriched uranium and plutonium to the United States for disposition. We are also working together, with three other countries, on nuclear transportation security and highlighted this work at the third Nuclear Security Summit this March.

Finally, Japan and the United States work together on climate change issues, including through a bilateral dialogue. We will continue our close cooperation, including in the UN Framework Convention on Climate Change, with the goal of securing the participation of all major economies and other major emitters in an effective, ambitious, and durable global climate change agreement to be adopted in 2015.

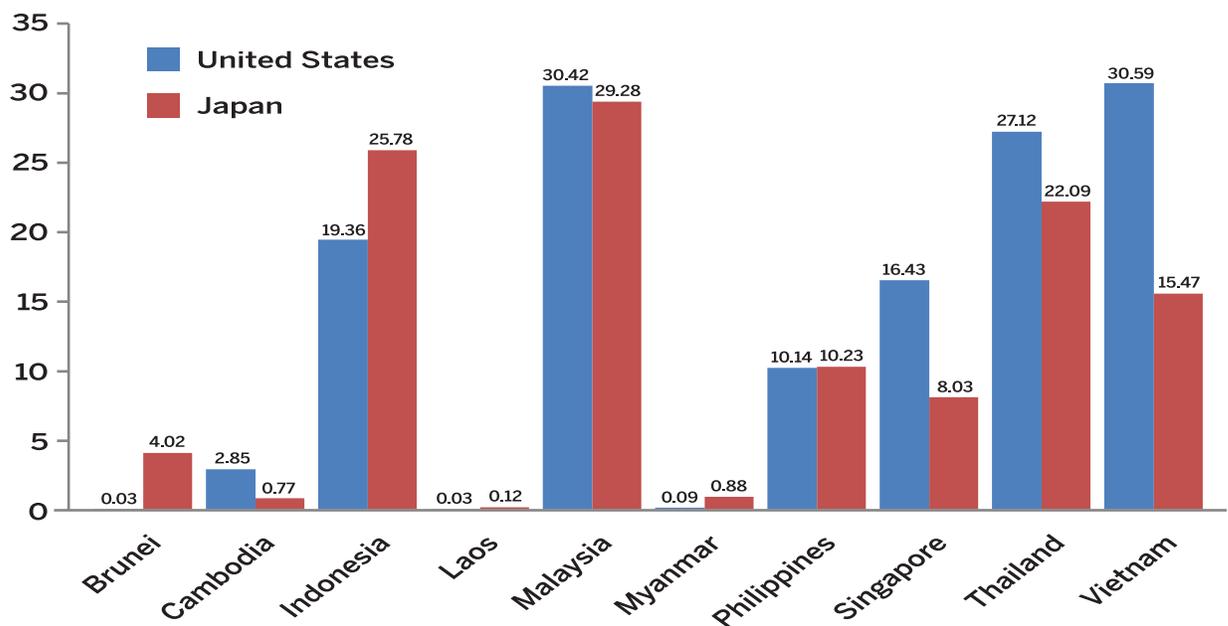
Appendix 2: Reference Data

US and Japan's Exports to Southeast Asia (\$ billions)



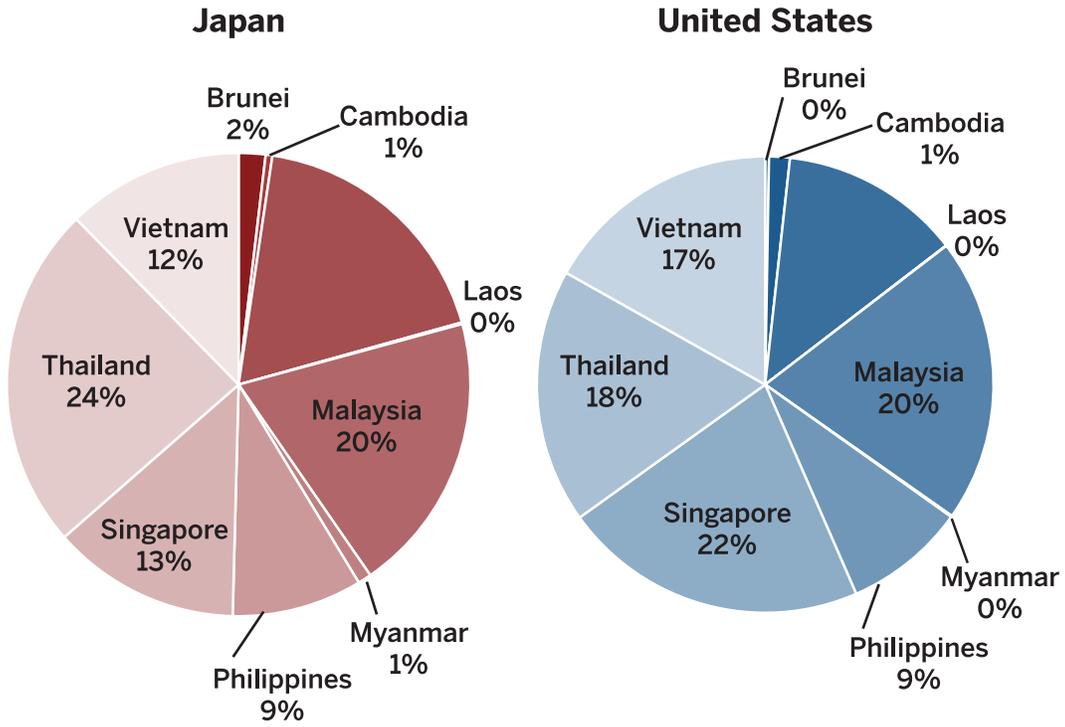
Source: United Nations ComTrade (2014).

US and Japan's Imports from Southeast Asia (\$ billions)



Source: United Nations ComTrade (2014).

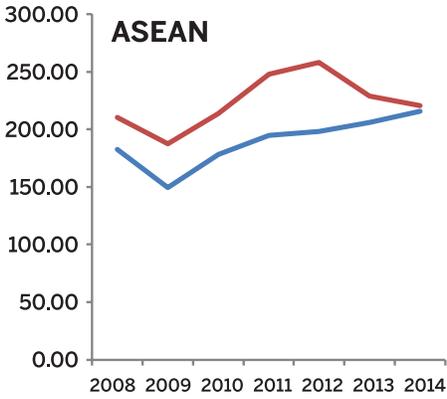
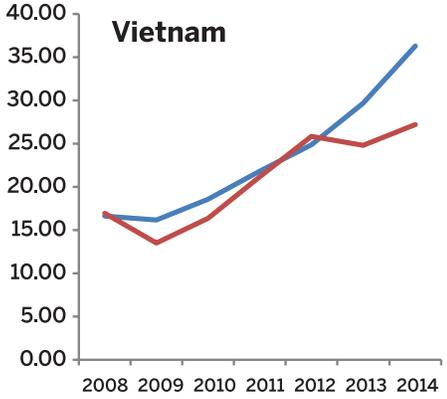
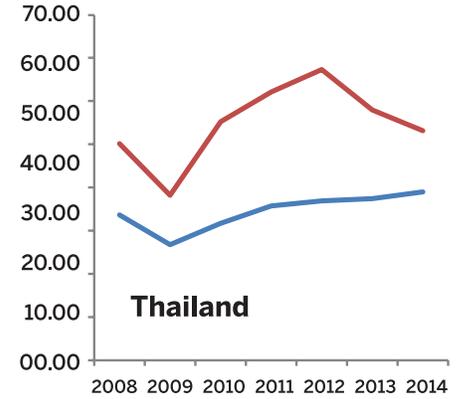
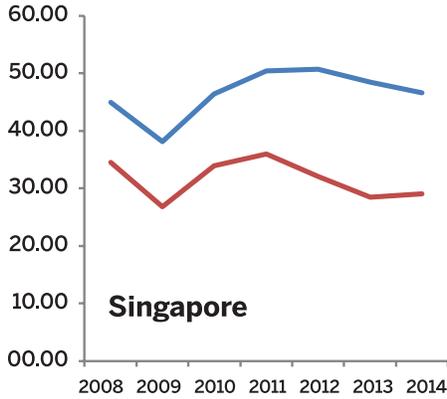
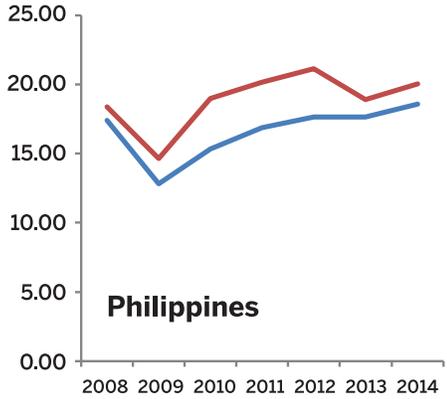
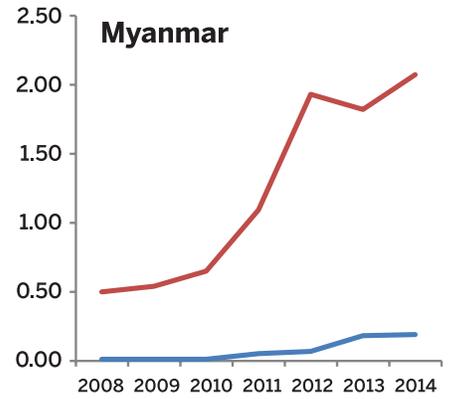
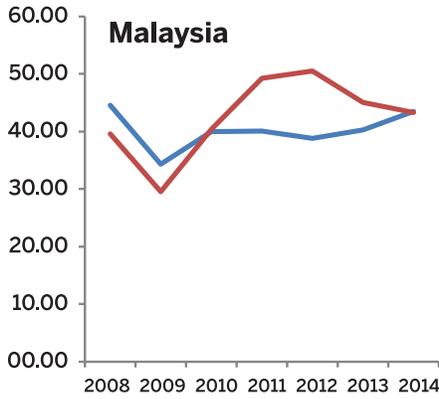
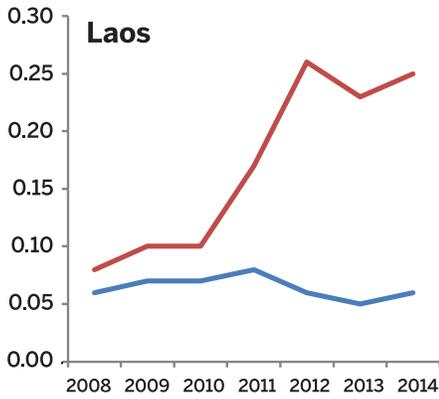
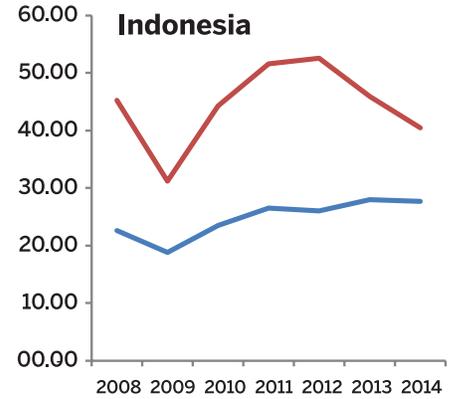
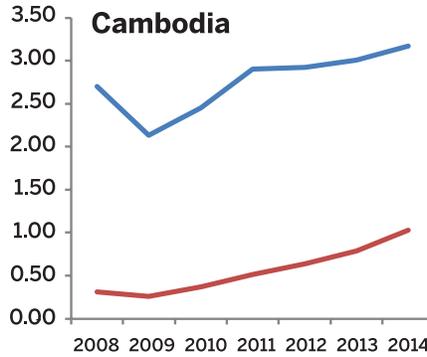
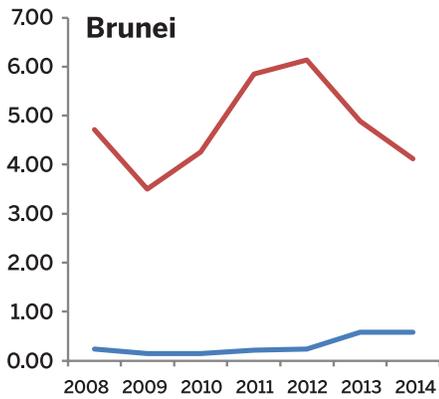
Share of Total ASEAN Trade



Source: United Nations ComTrade (2014).

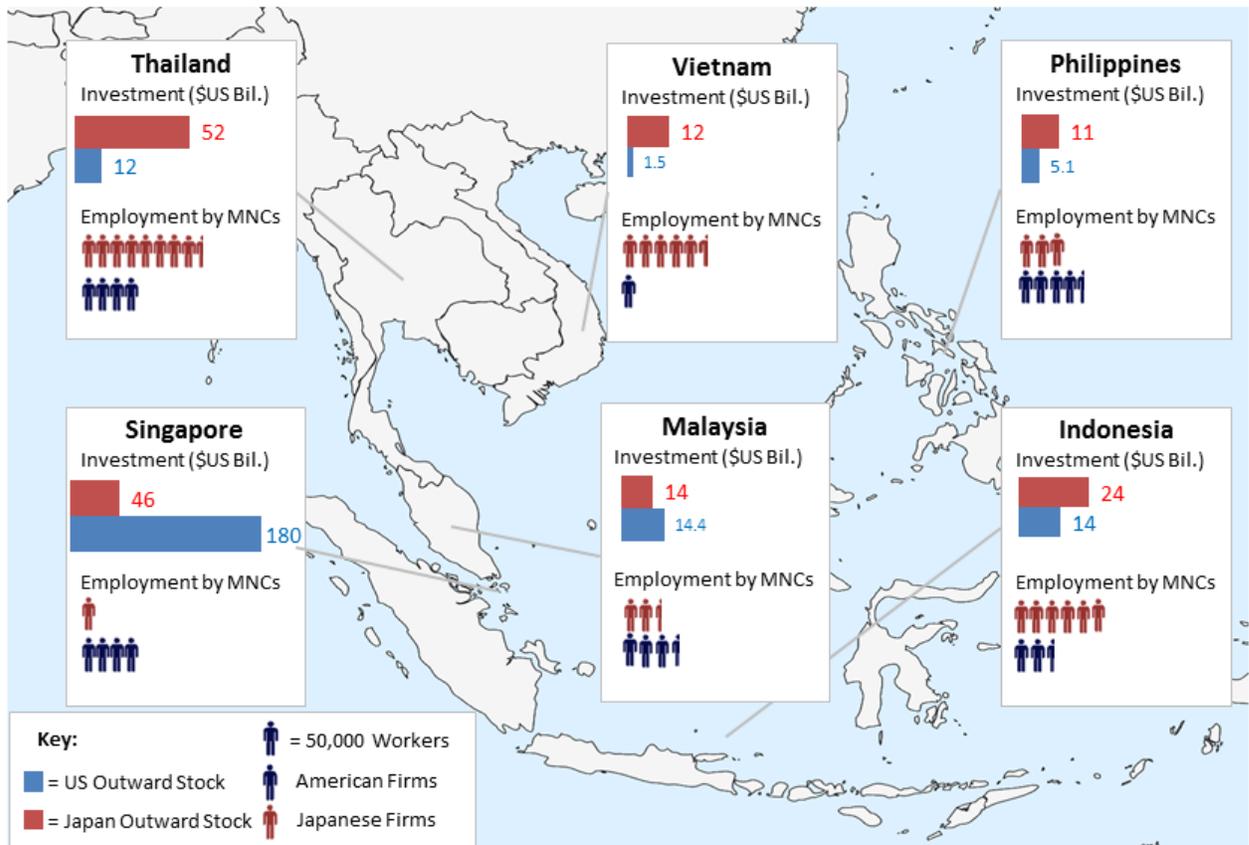
US and Japan Total Trade with Southeast Asia (\$ billions)

United States Japan



Source: United Nations ComTrade

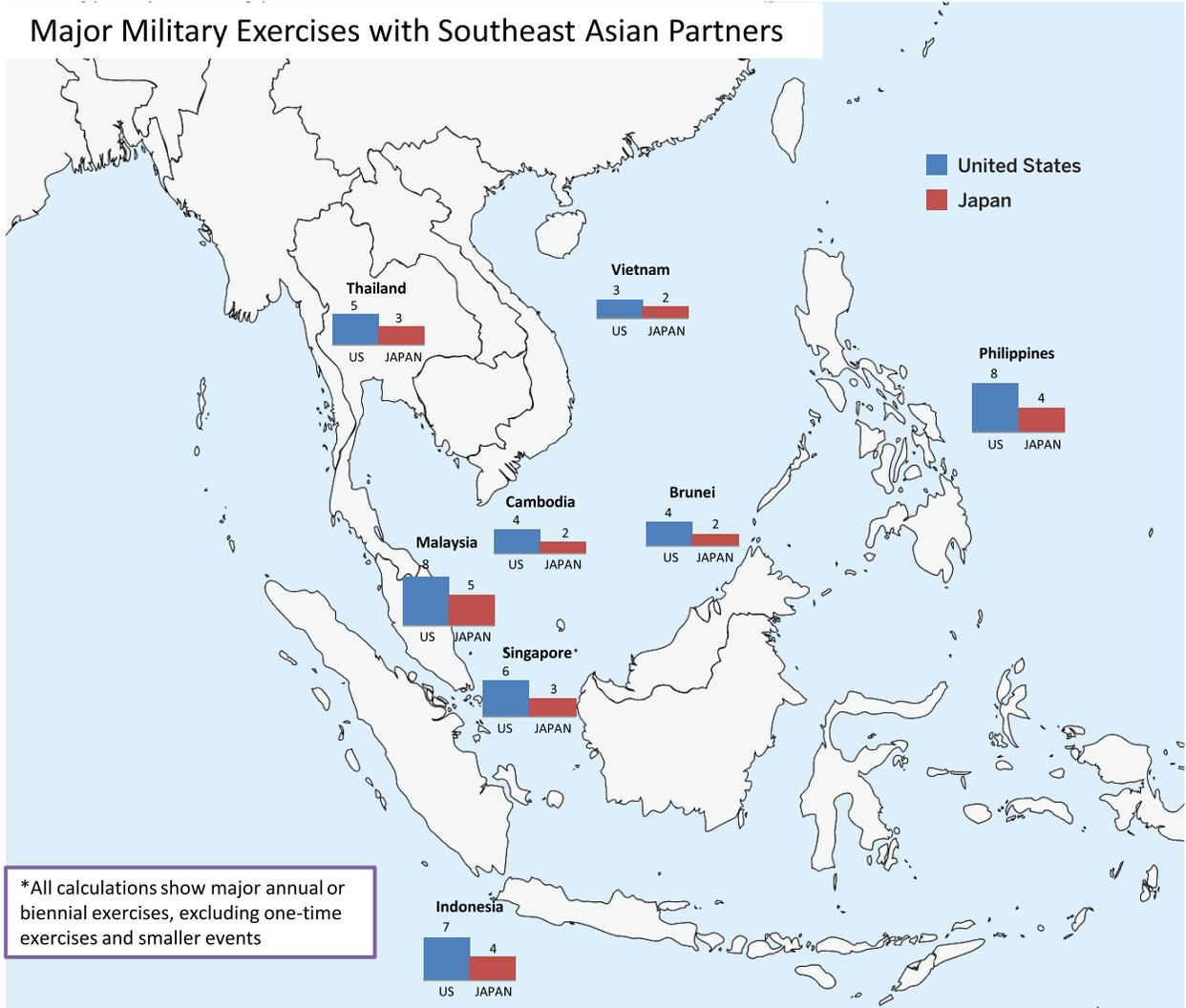
US and Japanese Investment in Southeast Asia



Sources: US Bureau of Economic Analysis; Ministry of Economy, Trade, and Investment; Japan External Trade Organization (2012).

MAJOR MILITARY EXERCISES	
MULTILATERAL	BILATERAL
<p>Exercise Cooperation Afloat Readiness and Training (CARAT) - Annual, 2015</p> <ul style="list-style-type: none"> • Brunei, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam (Separate exchange event), US 	<p>Philippine Bilateral Exercise (PHIBLEX) – Annual, 2014</p> <ul style="list-style-type: none"> • Philippines, US
<p>Exercise Cobra Gold – Annual, 2015</p> <ul style="list-style-type: none"> • Thailand, Singapore, Indonesia, Malaysia, US, Japan 	<p>Exercise Keris Strike - Annual, 2015</p> <ul style="list-style-type: none"> • Malaysia, US
<p>Pacific Partnership – Annual, 2015</p> <ul style="list-style-type: none"> • Philippines, Vietnam, Malaysia, US, Japan 	<p>Exercise Tiger Balm – Annual, 2015</p> <ul style="list-style-type: none"> • Singapore, US
<p>Rim of the Pacific Exercise (RIMPAC) – Biennial, 2014</p> <ul style="list-style-type: none"> • Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, US, Japan 	<p>Exercise Garuda Shield – Annual, 2014</p> <ul style="list-style-type: none"> • Indonesia, US
<p>Exercise Khan Quest – Annual, 2015</p> <ul style="list-style-type: none"> • Brunei, Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam, US, Japan 	<p>Exercise Angkor Sentinel – Annual, 2015</p> <ul style="list-style-type: none"> • Cambodia, US
<p>Global Peace Operations Initiative Capstone “Garuda Canti Dharma” – Annual, 2014</p> <ul style="list-style-type: none"> • Cambodia, Indonesia, Malaysia, Philippines, US, Japan 	<p>Exercise Balikatan – Annual, 2015</p> <ul style="list-style-type: none"> • Philippines, US
<p>Southeast Asia Cooperation and Training (SEACAT) – Annual, 2014</p> <ul style="list-style-type: none"> • Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, US 	

Major Military Exercises with Southeast Asian Partners



*All calculations show major annual or biennial exercises, excluding one-time exercises and smaller events

JOINT HUMANITARIAN ASSISTANCE AND DISASTER RELIEF (HA/DR) ACTIVITIES

Equipment

- During the 2013 Typhoon Haiyan disaster relief, Japan sent its largest single relief operations team with Japan Maritime Self-Defense Force ships including the landing ship *Osumi* and the destroyer *Ise*, and 10 military aircraft. The US sent 12 naval vessels, 66 aircraft, and various other military assets.

Training

- The ASEAN Defense Ministers' Meeting (ADMM)-Plus HADR and Military Medicine (MM) Exercise in 2013 took place in Brunei with 18 nations including all ASEAN countries, Japan, and the US, with 3,200 personnel participating

Organizations

- The US and Japan pledged in December 2013 to “coordinate the establishment of an emergency information transmission system on natural disasters in ASEAN countries.”

Meetings

- In 2015, Japan hosted the Third United Nations World Conference on Disaster Risk Reduction (WCDRR) in Sendai Japan with US support and all ASEAN nations in attendance

Acknowledgments

The project codirectors wish to thank the Sasakawa Peace Foundation for its support, their respective institutions—the East-West Center and the Japan Institute of International Affairs—for their cooperation on the project, and the Institute of Southeast Asian Studies (ISEAS) for its hosting of one of the dialogues. The project codirectors wish to thank Grace Ruch Clegg for her superb coordination of the project and input on the report and Naoko Funatsu for her background research in support of the project. The authors also wish to thank Justin Chock for his research and design on several of the report’s graphics.

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Dr. Satu LIMAYE is the director of the East-West Center in Washington, as well as a senior advisor at the CNA Corporation, a nonprofit research and analysis organization located in Alexandria, VA. He is the creator and director of the *Asia Matters for America* initiative, the founding editor of the *Asia-Pacific Bulletin* series, an editor of the journal *Global Asia*, and on the international advisory council of the journal *Contemporary Southeast Asia*. Dr. Limaye publishes and speaks on US-Asia relations and is a reviewer for numerous publications, foundations, and fellowship programs. He has been an Abe Fellow at the National Endowment for Democracy and a Henry Luce Scholar and research fellow at the Japan Institute of International Affairs (JIIA) in Tokyo. Dr. Limaye received his PhD from Oxford University (Magdalen College) where he was a George C. Marshall Scholar.

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The **Japan Institute of International Affairs (JIIA)**, founded in 1959, is a private, nonpartisan policy think-tank focused on foreign affairs and security issues. In addition to a wide range of research projects, the institute promotes dialogues and joint studies with other institutions and experts at home and abroad, examines Japanese foreign policy and makes proposals to the government, and disseminates information on international relations to the public. The institute, together with a large network of affiliated scholars, aims to serve as an indispensable resource on international affairs in a complex world.

The **Sasakawa Peace Foundation (SPF)** addresses the diverse and complicated issues that human society is encountering in the 21st century. In order to respond to increasing natural disasters and social crises, the foundation implements and supports a variety of necessary programs and projects. As a private Japanese foundation, it strives to strengthen cooperation at all levels between our country and countries abroad. SPF makes use of its freedom as a private foundation to effectively promote activities, proposals, and exchanges in the search for a new governance model for human society.

PROJECT REPORT



US-Japan Relations and Southeast Asia

Meeting Regional Demands

SATU P. LIMAYE
and **TSUTOMU KIKUCHI**

Until recently, Southeast Asia had not been a region of sustained focus for the US-Japan relationship. But the situation is changing. The international relations of the Asia-Pacific is becoming more “multipolarized.” This requires the US and Japan to think about the future of the region beyond the issue of US-China relations, which has preoccupied past discussions. A number of nations and institutions in the Asia-Pacific region will substantially affect the region’s future. Southeast Asian nations and the Association of Southeast Asian Nations (ASEAN) are among them. A new era of more coordinated, sustained, and combined commercial and security involvement by the US and Japan in Southeast Asia may be at hand. In light of these changes, the East-West Center in Washington (EWCW), in collaboration with the Japan Institute of International Affairs (JIIA), and through the support of the Sasakawa Peace Foundation (SPF), initiated a dialogue with Southeast Asians about their perspectives on how the US-Japan relationship and alliance could or should approach cooperation with the region.



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