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# JAPAN'S DEMOCRACY DIPLOMACY

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On the cover: Japan's Prime Minister Shinzo Abe (right) inspects a guard of honour during his ceremonial reception at the presidential palace in New Delhi August 22, 2007. © B MATHUR/Reuters/Corbis

# **JAPAN'S DEMOCRACY DIPLOMACY**

Asia Paper Series

July 2014

**Daniel M. Kliman and Daniel Twining<sup>1</sup>**

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# 1 Introduction

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A quiet revolution is transforming Japanese diplomacy. This revolution predates the current administration of Prime Minister Shinzo Abe and spans multiple governments in Tokyo, including those run by the now-opposition Democratic Party of Japan (DPJ). For more than a decade, Tokyo has worked to diversify its democratic partnerships beyond the continuing anchor of the U.S.-Japan alliance by forging closer relations with like-minded powers in the Indo-Pacific and beyond. In pursuing a grand strategy of connectivity among democracies, Japan has leveraged different foreign policy instruments, from foreign aid to strategic infrastructure development to defense supply. Japan's ultimate success in this endeavor could determine whether the United States will maintain its leadership in an Asia-Pacific region buffeted by dynamic power shifts.

It is possible to imagine a more robust Asian architecture of cooperation and reassurance emerging from the growing web of countries friendly to, and increasingly involved with, Japan and the U.S.-Japan alliance. This web would not contain China, but could shape the context of its rise in ways that deter conflict, encouraging China to embrace regional norms of democratic cooperation and the resolution of international disputes through peaceful negotiation rather than military intimidation or outright force. This web could also help to integrate transitional countries such as Myanmar and non-democratic states such as Vietnam into a broader grouping to help sustain a pluralistic and rules-based regional order.

The future of the U.S.-Japan alliance, and U.S. leadership in Asia, is therefore closely bound up with Japan's project of democratic outreach. The fact that Japan is diversifying its security and diplomatic relations beyond the United States is, on one hand, an indicator of the changing power dynamics in Asia and Tokyo's unwillingness to solely rely on the U.S. security umbrella. At the same time, Japan's new look at regional and global security is welcome: the U.S.-Japan alliance rests on a stronger foundation when Tokyo, and not just Washington, enjoys close relations with militarily capable democracies such as Australia, South Korea, India, and Europe, and with rising economic powers such as Indonesia, the Philippines, and potentially Myanmar.

This report for the U.S.-Japan Commission on the Future of the Alliance examines Japan's deepening democratic partnerships and the implications for the U.S.-Japan alliance. The timing of such a study is propitious, as Prime Minister Abe and Deputy Prime Minister Taro Aso laid the intellectual foundations for a grand strategy of democratic outreach during their previous service in government. This study begins by examining how Japanese leaders have framed their democracy diplomacy in different ways, including an "Arc of Freedom and Prosperity" connecting Asian and Western democracies, trilaterals linking the U.S.-Japan alliance to Australia and India, and a Quadrilateral Partnership comprising the key Indo-Pacific powers that encompass the sea lanes of communication so vital to Japan's economy. The report then maps the major strands of Japan's democracy diplomacy. The first — and most developed strand — targets the major Asia-Pacific powers: Australia, South Korea, and India. The second strand covers Southeast Asia: Indonesia, the Philippines, Vietnam, Myanmar, and also regional architecture centered on the Association of Southeast Asian Nations (ASEAN). The third strand focuses on Europe: the North Atlantic Treaty Organization (NATO), the Euro-

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pean Union (EU), the United Kingdom, and France. The report ultimately presents a series of recommendations for how Japan and its democratic partners can come together to expand cooperation to reinforce a rules-based international order.

# 2 Universal Values in Japanese Diplomacy

The introduction of universal values into Japanese foreign policy in some respects began with the April 1996 U.S.-Japan Joint Security Declaration. While the U.S. side focused on technical military cooperation and broad strategic themes in the drafting process, it was the Japanese side that proposed a preamble highlighting the common values that bond the United States and Japan as allies.<sup>1</sup>

Although Prime Minister Junichiro Koizumi at times alluded to common values, the first attempt to articulate a framework for Japan's democracy diplomacy occurred under his successor, Shinzo Abe. In 2006 and 2007, Japan's Ministry of Foreign Affairs organized a major initiative around building an "Arc of Freedom and Prosperity," a foreign policy concept underlining Japan's commitment to advance democracy, human rights, and the rule of law from the Baltic to Southeast Asia. In his landmark November 2006 speech, Foreign Minister Aso gave further depth to the "Arc of Freedom and Prosperity" concept, noting that Japan must go beyond its U.S. ally and neighbors and add a new pillar to its foreign policy, one that engages "the successfully budding democracies that line the outer rim of the Eurasian continent, forming an arc."<sup>2</sup> Aso also called for Japan to work with the United States, Australia, India, the EU, and NATO members to expand this zone of rule of law and good governance.

The "Arc of Freedom and Prosperity" was declarative rather than a detailed policy roadmap. Tomohiko Taniguchi, who served in Japan's Ministry of Foreign Affairs at the time, observes: "It was Japan's first ever branding exercise to 'sell' its commitment to values, in order for it to be recognized by its alliance partner and other like-minded nations on whom Japan's national interests would increasingly hinge."<sup>3</sup>

Universal values provided the ideational glue for Japan's initiation of new strategic relationships. From 2006 to 2008, deepening ties with NATO, Australia, and India were framed by Japanese prime ministers as being rooted in common values.<sup>4</sup> Japanese diplomats also used universal values in the debate over the first East Asia Summit in 2005, arguing before other Asian governments in regional meetings that the objective of any new East Asian Community was to establish "principled multilateralism" that would narrow the differences among Asia's diverse political systems by strengthening democracy, the rule of law, and good governance.<sup>5</sup>

Values-based considerations also entered into Japan's foreign aid policy. In December 2005, the Prime Minister's Office established a new body to review Japan's official development

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<sup>1</sup> Japan Ministry of Foreign Affairs, "Japan-U.S. Joint Declaration on Security — Alliance for the 21<sup>st</sup> Century," April 17, 1996.

<sup>2</sup> Taro Aso, "Arc of Freedom and Prosperity: Japan's Expanding Diplomatic Horizons," Speech at the Japan Institute of International Affairs, Tokyo, November 30, 2006.

<sup>3</sup> Tomohiko Taniguchi, "Beyond 'The Arc of Freedom and Prosperity': Debating Universal Values in Japanese Grand Strategy," GMF Asia Paper Series, 2010, <http://www.gmfus.org/archives/beyond-the-arc-of-freedom-and-prosperity-debating-universal-values-in-japanese-grand-strategy/>.

<sup>4</sup> Shinzo Abe, "Japan and NATO: Toward Further Collaboration," January 12, 2007; Japan Ministry of Foreign Affairs, "Japan-Australia Joint Declaration on Security Cooperation," March 13, 2007; Japan Ministry of Foreign Affairs, "Joint Statement by Japan and the Republic of India on the Enhancement of Cooperation on Environmental Protection and Energy Security," August 22, 2007; Japan Ministry of Foreign Affairs, "Joint Statement On the Roadmap for New Dimensions to the Strategic and Global Partnership between Japan and India," August 22, 2007.

<sup>5</sup> Takio Yamada, "Toward a Principled Integration of East Asia: Concept for an East Asian Community," *Gaiko Forum* 3, no. 5 (Fall 2005).

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Abe has centered  
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assistance (ODA). The Commission on Strategic International Economic Cooperation emphasized in its inaugural report that Japan's foreign assistance should advance democracy, human rights, and the rule of law, leading to increases in foreign assistance for the construction of democratic institutions in targeted states.<sup>6</sup> Subtle but important changes in policy priorities also occurred with respect to Myanmar, including a freezing of aid to the junta following the 2007 crackdown and the formation of a Diet Members' League to support Aung San Suu Kyi. Lastly, the 2008 *Diplomatic Blue Book* emphasized that "Japan will strengthen its diplomacy in a comprehensive manner for enhancing human rights and democracy" through foreign assistance, in multilateral forums, and bilateral diplomacy.<sup>7</sup>

Japan's democracy diplomacy continued despite the historic elections of 2009, in which the long-ruling Liberal Democratic Party (LDP) suffered a landslide defeat. The DPJ's new prime minister, Yukio Hatoyama, expressed a strong personal interest in defending human rights in Tibet and Myanmar. In addition, Hatoyama framed his vision of an East Asian Community around norms of good governance, transparency, respect for human rights, and EU-style peace between (democratic) neighbors in East Asia.<sup>8</sup> He also pushed for closer Japan-India and U.S.-Japan-India relations, and along with his successor, Naoto Kan, emphasized strengthening diplomatic and strategic ties with South Korea. Thus, while the DPJ buried the term "Arc of Freedom and Prosperity," in practice it continued the LDP's policy of deepening ties with key Indo-Pacific powers.<sup>9</sup> Moreover, the revised National Defense Program Guidelines released under the DPJ government in 2010 stated: "In order to effectively promote measures to further stabilize the Asia-Pacific region, together with the Japan-U.S. Alliance, a security network needs to be created by combining bilateral and multilateral security cooperation in a multi-layered network."<sup>10</sup> Even as successive DPJ prime ministers sought to promote stronger Japan-China ties, they never lost sight of the larger project of democratic outreach.<sup>11</sup>

The Abe administration that came to power in late 2012 has extended the efforts of its DPJ predecessors, not only by enhancing Japan's bilateral security and diplomatic ties with key Asian powers, but also by broadening the scope of the U.S.-Japan alliance through connecting it to networks of cooperation with other regional states. Except for authoritarian Vietnam — which for reasons of geography and history has a fractious relationship with China — Tokyo's outreach under Abe has centered on key democracies that also enjoy close relations with the United States. As Prime Minister Abe explained in 2013, "From now on the Japan-U.S. alliance

<sup>6</sup> *Hokokusho: Kaigai Keizai Kyoryoku ni Kansuru Kentokai* (Report from the Commission on Strategic International Economic Cooperation), February 28, 2006; Interviews with Japan Ministry of Foreign Affairs officials, Tokyo, June 11, 2008.

<sup>7</sup> Japan Ministry of Foreign Affairs, *Diplomatic Bluebook: 2008* (Summary), April 2008, 24.

<sup>8</sup> Yukio Hatoyama, "Japan's New Commitment to Asia: Toward the Realization of an East Asian Community," Remarks to the S. Rajaratnam School of International Studies, Singapore, November 15, 2009.

<sup>9</sup> Taniguchi, 3.

<sup>10</sup> 2010 National Defense Program Guidelines quoted in Celine Pajon, "Japan and the South China Sea: Forging Strategic Partnerships in a Divided Region," *Institut français des relations internationales*, January 2013, 28.

<sup>11</sup> In the words of analyst Ryo Sahashi, "Tokyo's strong desire to widen the partnerships [with Asian democracies] never lost momentum during the three years of DPJ government." Ryo Sahashi, "Security Partnerships in Japan's Asia Strategy: Creating Order, Building Capacity and Sharing Burden," *Institut français des relations internationales*, February 2013, 5.

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must effect a network, broad enough to ensure safety and prosperity encompassing the two oceans [Pacific and Indian]. The ties between Japan and America's other allies and partners will become more important than ever before for Japan."<sup>12</sup> The 2013 National Security Strategy reinforced this message: "Japan will strengthen cooperative relations with countries with which it shares universal values and strategic interests, such as the ROK [Republic of Korea], Australia, the countries of ASEAN, and India."<sup>13</sup> The new momentum given to Japan's democratic outreach will undoubtedly carry over from Abe to his successors, continuing a long-term trend in Japanese strategy.

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<sup>12</sup> Abe, "The Bounty of the Open Seas," January 2013.

<sup>13</sup> Prime Minister of Japan and His Cabinet, "National Security Strategy," December 17, 2013.

# 3 The Democratic Three

*Japan's project of democratic outreach has advanced most rapidly with Australia.*

Whereas previously Japanese diplomacy in the Indo-Pacific focused on development assistance and trade and investment ties, over the past few years, “for the first time since World War II, Japan’s bilateral diplomatic relationships outside of the alliance with the United States [now] contain explicit military dimensions.”<sup>14</sup> This is especially the case with regard to Japan’s ties with the other major power democracies in Asia. Security relations with Australia partly constitute an extension of U.S.-Japan alliance cooperation, though Tokyo has also developed new bilateral links with Canberra. Defense cooperation with South Korea to manage dangers from both China and North Korea has moved forward haltingly because Japan’s interpretation of pre-1945 history remains a point of contention between Tokyo and Seoul. Rounding out Japan’s engagement with Asia’s leading democratic powers is a growing focus on India.

Washington has vigorously supported Tokyo’s engagement with the “Democratic Three.” The U.S.-Japan “Two-Plus-Two” declaration of both nations’ foreign and defense ministers in October 2010 “affirmed the importance of security and defense cooperation among allies and partners in the region and noted in particular the success of the trilateral dialogues carried out regularly with Australia and the Republic of Korea.”<sup>15</sup> In the case of Japan-South Korea ties, the United States has actively worked to prevent issues of history from impeding trilateral cooperation needed to support military readiness and deterrence. Washington has also backed the thickening of Japan-India ties.

## Australia

Japan’s project of democratic outreach has advanced most rapidly with Australia, an Indo-Pacific power that is pivotal to the sea lanes of communication linking the Persian Gulf and Northeast Asia.<sup>16</sup> As early as 2002, then-Australian Prime Minister John Howard suggested to Prime Minister Koizumi during his visit to Australia that they pursue a U.S.-Japan-Australia “defense triangle” to formalize cooperation growing out of Japan’s contribution to the East Timor peacekeeping mission, which was led by Australia.<sup>17</sup> It took several more years, but since the mid-2000s, the center of gravity in Japan-Australia relations has shifted from economic exchange to security cooperation.<sup>18</sup> Growing defense ties between Tokyo and Canberra have, in turn, provided the basis for increasingly robust trilateral collaboration with the United States.

## Bilateral Ties

Until the mid-2000s, commerce dominated relations between Japan and Australia. Tokyo was Canberra’s largest trading partner and a major source of investment. The two capitals

<sup>14</sup> Corey J. Wallace, “Japan’s strategic pivot south: diversifying the dual hedge,” *International Relations of the Asia-Pacific* 13, issue 3 (September 2013).

<sup>15</sup> U.S. Department of Defense, “U.S.-Japan Joint Statement of the Security Consultative Committee,” October 3, 2013.

<sup>16</sup> Australia Department of Defence, “Defence White Paper 2013: Defending Australia and its national interests,” May 2, 2013, 25.

<sup>17</sup> Aurelia G. Mulgan, “Australia- Japan Relations: New Directions,” Australian Strategic Policy Institute, July 2007, 4.

<sup>18</sup> Malcolm Cook and Thomas Wilkins, “The Quiet Achiever: Australia- Japan Security Relations,” Lowy Institute for International Policy, January 2011, 4.

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also jointly promoted regional economic integration, working together to establish the Asia-Pacific Economic Cooperation forum.<sup>19</sup> However, security ties lagged; the first postwar visit to Australia by Japan's top civilian defense official only occurred in 1990.<sup>20</sup> Canberra's receptivity to a deeper security partnership was not matched by Tokyo, which remained focused on its U.S. alliance and feared that closer military cooperation with Australia would antagonize China and potentially impose new collective defense obligations.<sup>21</sup>

Tokyo's approach shifted abruptly in the mid-2000s, when Beijing's naval buildup and exclusionary pursuit of natural resources prompted a reassessment of Australia's strategic importance.<sup>22</sup> Capitalizing on momentum generated by the deployment of Australian troops to protect Japan Self-Defense Forces (JSDF) personnel serving in Iraq, Tokyo and Canberra unveiled a Joint Declaration on Security Cooperation in March 2007. Although falling short of the formal defense agreement reportedly desired by the Australian government,<sup>23</sup> the joint security declaration — postwar Japan's first with a nation other than the United States<sup>24</sup> — set a new precedent for democratic outreach.<sup>25</sup> An inflection point in Japan-Australia relations, the joint document laid out an ambitious agenda for cooperation on counter-terrorism, nonproliferation, strategic assessments, maritime security, and humanitarian assistance and disaster relief.<sup>26</sup>

In parallel with the Joint Declaration on Security Cooperation, Tokyo moved to deepen economic ties with Canberra. Despite concerns that Australian exporters would overwhelm Japan's uncompetitive but politically influential agricultural sector, the Japanese government in April 2007 opened negotiations on a free trade agreement (FTA) with Canberra. The motivation was geopolitical: guaranteeing access to Australia's strategic minerals and economically reinforcing the security plank of Tokyo's new democratic partnership.<sup>27</sup>

Since mid-2007, Japan-Australia security cooperation has burgeoned. The two governments initiated a regular, ministerial-level defense and foreign affairs meeting, and unveiled an action plan for implementing the joint security declaration.<sup>28</sup> To improve military interoperability,

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<sup>19</sup> China displaced Japan as Australia's largest trade partner in 2007. David Uren, "China emerges as our biggest trading partner," *The Australian*, May 5, 2007; Takashi Terada, "The Genesis of APEC: Australia-Japan Political Initiatives," *Pacific Economic Papers*, No. 298, December 1999, 2; "Annex 2" in *An Australia-USA Free Trade Agreement*, Monash University APEC Study Center, 2001, 103.

<sup>20</sup> National Institute for Defense Studies, *East Asian Strategic Review*, April 2008, 224.

<sup>21</sup> Mulgan, 3.

<sup>22</sup> Yusuke Ishihara, "Japan-Australia security relations and the rise of China: Pursuing the Bilateral Plus approaches," UNISCI Discussion Papers 32, National Institute for Defense Studies, 2013: 88-89.

<sup>23</sup> Mulgan, 3.

<sup>24</sup> "Australia in Japan security deal," *BBC News*, March 13, 2007.

<sup>25</sup> The Joint Declaration with Australia was the model for the one with India.

<sup>26</sup> Japan Ministry of Foreign Affairs, "Japan-Australia Joint Declaration on Security Cooperation," March 13, 2007.

<sup>27</sup> Mulgan, 9-10; Takashi Terada, "Evolution of the Australia-Japan security partnership: Toward a softer triangle alliance with the United States?" *Institut français des relations internationales*, October, 2010, 14.

<sup>28</sup> Terada, "Evolution of the Australia-Japan security partnership," 4; Cook and Wilkins, 7; Wallace, "Japan's strategic pivot south"; Japan Ministry of Foreign Affairs, "Major elements of the action plan to implement the Japan-Australia joint declaration on security cooperation," September 9, 2007; "Australia and Japan sign agreement on security," *The New York Times*, March 13, 2007.

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Tokyo and Canberra concluded an Acquisitions and Cross-Servicing Agreement in May 2010.<sup>29</sup> Two years later, both capitals signed an information-sharing agreement to facilitate the flow of intelligence and other classified material.<sup>30</sup> At the same time, the JSDF and the Australian military have developed closer linkages through participation in multilateral exercises such as RIMPAC and KAKADU and bilateral exercises such as Nichi-Gou Trident.<sup>31</sup>

By comparison, Japan's economic engagement with Australia has advanced more slowly. After a period of initial progress, negotiations on a bilateral FTA stalled due to Japan's unwillingness to lift protections on its uncompetitive agricultural sector.<sup>32</sup> Although Tokyo and Canberra concluded a double taxation treaty in 2008,<sup>33</sup> subsequent rounds of FTA talks failed to bear fruit. Only in April 2014 did the two conclude a bilateral FTA.<sup>34</sup>

#### **Trilateral Ties**

In 1996, U.S. Secretary of Defense William Perry called Japan and Australia the northern and southern anchors of U.S. security strategy in the Pacific.<sup>35</sup> But the Clinton administration, focused on expanding Japan's capabilities and horizons within a revitalized bilateral alliance, took no initiative to formally link the two. This became an early priority of the George W. Bush administration. At their first Australia-U.S. Ministerial meeting in July 2001, Secretary of State Colin Powell and Foreign Minister Alexander Downer discussed the possibility of trilateral talks with Japan. Later that month, U.S., Japanese, and Australian officials met to discuss the concept on the sidelines of the ASEAN Regional Forum meeting in Hanoi.<sup>36</sup> These discussions culminated in the launch of the Trilateral Security Dialogue in 2002.

Each country had different motives for participating. Washington was driven by a realization that China's ascendance was transforming the Asian security environment, and that managing this challenge would require bundling the military power of regional allies in ways that moved beyond bilateralism. Both Washington and Tokyo were concerned by Australia's growing economic dependence on China, whose demand for Australian commodities had fueled one of the longest economic booms in Australian history. Thus, for both capitals, trilateral security cooperation in part reflected concerns that Australia could bandwagon with China on Asian security issues.<sup>37</sup> For Canberra, the launch of the Trilateral Security Dialogue was a means of

<sup>29</sup> Japan Ministry of Foreign Affairs, "Entry into force of the Japan-Australia Acquisition and Cross-Servicing Agreement (ACSA)," January 31, 2013.

<sup>30</sup> Japan Ministry of Foreign Affairs, "Signing of the Japan-Australia Information Security Agreement (ISA)," May 17, 2012.

<sup>31</sup> Cook and Wilkins, 8; U.S. Navy, "About the RIMPAC 2012 Exercise," June 29, 2012; Royal Australia Navy, "KAKADU 2012," 2012; Australian Department of Defence, "Australian Navy frigate arrives in Japan for bilateral and trilateral maritime exercises," June 1, 2012.

<sup>32</sup> Australian Department of Foreign Affairs and Trade, "Australian-Japan Free Trade Agreement negotiations: fourth Round of negotiations 25-29 Feb. 2008."

<sup>33</sup> Australian Department for Foreign Affairs and Trade, "New Tax Treaty Signed with Japan," February 1, 2008.

<sup>34</sup> Australian Department of Foreign Affairs and Trade, "Historic Free Trade Agreement Concluded with Japan," April 7, 2014.

<sup>35</sup> Linda Kozarin, "More U.S. Training Planned Down Under," *Armed Forces Press Service*, August 1, 1996.

<sup>36</sup> Australian Department of Foreign Affairs and Trade, "Downer, Powell, and Rumsfeld Discuss Australia-U.S. Ministerial Consultation with Australian and American Press," Transcript of Press Conference, July 30, 2001.

<sup>37</sup> Interviews, U.S. State and Defense Department officials, Washington, February, 2007.

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institutionalizing a higher degree of U.S. commitment to the maintenance of regional security in the midst of the power shift created by China's disproportionate growth, which senior Australian officials argued made U.S. power in Asia, and Australian and Japanese support for it, more important than ever.<sup>38</sup>

In May 2005, Secretary of State Condoleezza Rice and Foreign Minister Downer announced the elevation of trilateral discussions to full ministerial status as the renamed Trilateral Strategic Dialogue.<sup>39</sup> The United States sought to intensify trilateral security cooperation in light of perceptions that China was gaining influence at the United States' expense in Asia, and that some Asian states increasingly showed signs of accommodating rather than balancing Chinese power.<sup>40</sup> While Japanese officials broadly agreed with the U.S. thrust,<sup>41</sup> Australian officials sought to frame their approach in terms of strategic cooperation among what Prime Minister Howard called the "three great Asia-Pacific democracies" to manage regional order as China pursued its geopolitical ascent.<sup>42</sup>

In 2008, foreign ministers from the three nations met again to discuss regional security cooperation. They explored joint approaches to cooperating with China in areas of mutual interest while sustaining the leading role of the United States and Japan in Asia-Pacific security. Moreover, they explored the possibility of expanding the group's cooperation with Indonesia, a rising and democratic regional power expected to play a growing role in Asian security affairs.<sup>43</sup>

Cooperation under the umbrella of the Trilateral Strategic Dialogue continued quietly from 2009 to 2013, though there was a gap in foreign-minister level meetings. The DPJ, despite its promise to break from many of the LDP's foreign policy traditions, embraced trilateral military cooperation with the United States and Australia. Joint military exercises took place off Okinawa in 2010.<sup>44</sup> In 2011, the three allies held their first combined naval exercises in the South China Sea.<sup>45</sup> In 2013, the defense ministers of Japan, Australia, and the United States met in Singapore to intensify planning for military cooperation.<sup>46</sup> Later that year in Bali, the three foreign ministers convened to reaffirm their security cooperation, highlight their

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<sup>38</sup> Hugh White, "Trilateralism and Australia: Australia and the Trilateral Security Dialogue with America and Japan," in William Tow ed., *Asia Pacific Security: U.S., Australia, Japan and the New Security Triangle* (New York: Routledge, 2007): 108-9; interview with Australian Ambassador Dennis Richardson, Washington, September, 2008.

<sup>39</sup> Alexander Downer, "Joint Press Conference with Secretary of State Condoleezza Rice — Washington," May 5, 2005.

<sup>40</sup> Joshua Kurlantzick, *Charm Offensive: How China's Soft Power is Transforming the World* (New Haven: Yale University Press, 2007).

<sup>41</sup> As Hugh White writes of the March 2006 Trilateral Strategic Dialogue ministerial, Japan's and the United States' "presence in Sydney together reflected, more than anything else, their countries' concerns about China's growing influence, and their hopes that Australia could be brought to share those concerns more strongly and more vocally." White, "Trilateralism and Australia," 101.

<sup>42</sup> John Howard, "Australia in the World," speech to the Lowy Institute for International Policy, Sydney, March 31, 2005; Downer cited in Guy Dinmore, David Pilling, and Sundeep Tucker, "China Remarks Add Edge to Rice Trip to Sydney," *Financial Times*, March 16, 2006.

<sup>43</sup> Interview with James Green, Washington, May 2008.

<sup>44</sup> Cook and Wilkins, 9.

<sup>45</sup> Pajon, 31.

<sup>46</sup> J. Berkshire Miller, "U.S.-Japan-Australia: A Trilateral With Purpose?" *The Diplomat*, October 25, 2013.

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concern about Beijing's assertiveness in the South China Sea, and make clear their opposition to China's use of force to overturn Japan's administration of the Senkaku Islands.<sup>47</sup>

### **South Korea**

Japan has yet to build a strong partnership with Northeast Asia's other major democratic power: South Korea. Despite shared values, congruent interests, and a common alliance partner, the legacy of Japanese imperialism on the Korean Peninsula overhangs Tokyo's relations with Seoul. History-related issues have torpedoed progress toward closer security cooperation between the two capitals and hindered trilateral coordination with Washington. A breakthrough in Japan-South Korea ties would transform the security landscape of Asia and reinforce the United States' "rebalance" to the region, but for now, it remains an elusive prize.

### **Bilateral Ties**

Since normalization in 1965, Japan's engagement of South Korea has delivered mixed results. Trade between the two expanded rapidly, and Japanese investment contributed to South Korea's economic takeoff, yet cycles of friction characterized the larger political relationship.<sup>48</sup> As the 21<sup>st</sup> century dawned, multiple developments — the consolidation of a vibrant democracy in Seoul, Beijing's military modernization, and the unraveling of a nuclear freeze agreement with Pyongyang — held out the hope of a new era of bilateral cooperation.

However, unresolved history intervened. Prime Minister Koizumi's regular visits to the Yasukuni Shrine, a memorial that commemorates Japan's military dead, including Class-A war criminals, led the South Korean government to suspend summit meetings.<sup>49</sup> More damaging to bilateral relations was the escalation of a dispute over the Dokdo/Takeshima islands. Although Seoul controls this group of rocks, Tokyo asserts a historic claim tracing back to 1905. When Japan's Shimane Prefecture established an annual holiday to celebrate the 100th anniversary of the islands' absorption, Dokdo/Takeshima became a symbolic wedge between Northeast Asia's largest democracies.<sup>50</sup>

After Koizumi left office, North Korean provocations created a new opening for Japanese outreach to Seoul. Starting in 2006, Pyongyang's nuclear tests directed Seoul's attention to planning for military contingencies, including the potential support that Tokyo could provide to U.S. and South Korean combat forces.<sup>51</sup> North Korea's 2010 sinking of a South Korean frigate and shelling of a South Korean island generated significant momentum behind closer bilateral ties.<sup>52</sup> The two sides in 2012 broke with past precedent and moved toward concluding

<sup>47</sup> Australian Department for Foreign Affairs and Trade, "Trilateral Strategic Dialogue Joint Statement," October 4, 2013.

<sup>48</sup> For the most definitive account of this, see Victor Cha, *Alignment Despite Antagonism* (Stanford: Stanford University Press, 2000).

<sup>49</sup> "China, Japan, ROK leaders' meeting postponed," *People's Daily Online*, December 5, 2005.

<sup>50</sup> Anthony Faiola, "Islands Come Between South Korea and Japan: Ordinance Intensifies Diplomatic Dispute," *The Washington Post*, March, 17, 2005.

<sup>51</sup> Sheila Smith and Charles T. McClean, "Japan's Maritime Disputes: Implications for the U.S.-Japan Alliance," in *Japan's Territorial Disputes*, Michael A. McDevitt and Catherine K. Lea eds., CNA Strategic Studies, 2013, 24.

<sup>52</sup> Choe Sang-Hun, "South Korea Publicly Blames the North for Ship's Sinking," *The New York Times*, May 19, 2010; Jack Kim and Lee Jaw-Won, "North Korea Shells South in Fiercest Attack in Decades," *Reuters*, November 23 2010.

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a Military Acquisitions and Cross-Servicing Agreement and General Security of Military Information Agreement.<sup>53</sup>

However, both accords faltered at the eleventh hour. Under pressure from opposition and ruling party legislators and pummeled by the South Korean media, the Lee Myung-bak administration shelved the agreements.<sup>54</sup> In the immediate aftermath, President Lee visited Dokdo/Takeshima, reinserting the dispute into the center of Japan-South Korea relations.<sup>55</sup> Since then, ties between Tokyo and Seoul have regressed. The two capitals have severely reduced the size of their currency swap,<sup>56</sup> frozen negotiations on an FTA, and postponed summit-level meetings.<sup>57</sup> Prime Minister Abe's December 2013 visit to the Yasukuni Shrine further contributed to the decline of bilateral relations. The disparity between the strategic importance of South Korea to Japan and the track record of Japanese engagement remains sharp.

#### **Trilateral Ties**

Cooperation among Japan, South Korea, and the United States has moved forward slowly. During the Cold War, trilateral collaboration was negligible: Tokyo and Seoul preferred to engage each other and their common ally bilaterally. The revision of the U.S.-Japan Defense Guidelines in the mid-1990s provided an initial opportunity to bring the three capitals together. As U.S.-Japan negotiations unfolded, South Korea participated in both official and unofficial trilateral consultations. Lingering concern about a nuclear North Korea subsequently helped to motivate the occasional convening of defense talks among Tokyo, Seoul, and Washington.<sup>58</sup>

The establishment of the Trilateral Coordination and Oversight Group (TCOG) in 1999 signified a major innovation. Created as a tool to promote closer consultation and policy coordination on North Korea, TCOG initially met frequently, released formal statements, and included senior representatives from the United States and its two Northeast Asian allies. However, the nature of TCOG evolved over time, in part due to the change of administrations in Washington. During the first years of the George W. Bush presidency, TCOG became a working-level initiative, convened less often, and stopped issuing trilateral declarations.<sup>59</sup> With the advent of the six-party talks on North Korea's nuclear program and growing tensions between

*The disparity between the strategic importance of South Korea to Japan and the track record of Japanese engagement remains sharp.*

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<sup>53</sup> "South Korea to Sign Military Pact with Japan," *New York Times*, June 28, 2012; "S. Korea and Japan discuss security cooperation," *South Korea Herald*, May 13, 2012.

<sup>54</sup> Evan Ramstad and Yuka Hayashi, "Tensions Derail Japan-Korea Pact," *The Wall Street Journal*, June 29, 2012; Ralph A. Cossa, "Japan-South Korea Relations: Time to Open Both Eyes," Council on Foreign Relations, July 2012.

<sup>55</sup> "South Korea's Lee Myung-bak Visits Disputed Islands," *BBC News*, August 10, 2012.

<sup>56</sup> Ben McLannahan, "Japan and S. Korea Cut Currency Swap," *The Financial Times*, Oct 9, 2012.

<sup>57</sup> Viktor Cha and Karl Friedhoff, "Ending a Feud Between Allies," *The New York Times*, November 14, 2013; Japan Ministry of Foreign Affairs, "Japan-Republic of Korea Summit Meeting," May 28, 2012.

<sup>58</sup> James L. Schoff, "Security Policy Reforms in East Asia and a Trilateral Crisis Response Planning Opportunity," The Institute for Foreign Policy Analysis, March 2005.

<sup>59</sup> For the definitive account of TCOG's evolution, see James L. Schoff, "The Evolution of TCOG as a Diplomatic Tool," The Institute for Foreign Policy Analysis, November 2004: 8-20.

*Even as bilateral relations between Japan and South Korea have frayed, joint security cooperation with the United States has expanded.*

Tokyo and Seoul rooted in the Dokdo/Takeshima dispute, TCOG ceased to formally meet.<sup>60</sup> After June 2003 it endured as an informal caucus within the larger six-party framework, but this new incarnation ended in 2009 when North Korea walked away from the negotiations.<sup>61</sup>

Although TCOG became defunct, shared concerns about Pyongyang have motivated Japan, South Korea, and the United States to pursue new forms of security cooperation. Starting in 2008, Washington and its two Asian allies inaugurated an annual, assistant secretary-level conversation on regional issues — the Defense Trilateral Talks.<sup>62</sup> The next year, the three began holding a trilateral defense ministers' meeting on the sidelines of the Shangri-La Dialogue, an international conference organized in Singapore.<sup>63</sup> In response to North Korea's chain of provocations in 2010, foreign ministers from the three came together to issue a joint statement.<sup>64</sup> And Tokyo gave a trilateral imprint to U.S.-South Korea air and maritime exercises in the Yellow Sea and the Sea of Japan by sending military observers.<sup>65</sup>

Even as bilateral relations between Japan and South Korea have frayed, joint security cooperation with the United States has expanded. The Defense Trilateral Talks have continued. In June and August 2012, the three countries participated in a maritime exercise.<sup>66</sup> A year later, Tokyo and Seoul for the first time joined the Red Flag air force training drills in Alaska, alongside Washington and Canberra.<sup>67</sup> And in October 2013, the navies of Japan, South Korea, and the United States engaged in a search and rescue exercise in waters off the Korean peninsula.<sup>68</sup>

Thus far, Washington's efforts to buffer trilateral security cooperation from political frictions between its two allies have generally succeeded. The Obama administration at the highest levels has underscored the importance of U.S.-Japan-South Korea coordination and in March 2014, actively brokered a trilateral heads of state meeting on the sidelines of the Nuclear Security Summit in The Hague.<sup>69</sup> Yet despite this progress, strained ties between Tokyo and Seoul continue to limit the scope of any trilateral partnership, complicating potential responses to future North Korean provocations and reducing the ability of the United States and its allies to manage China's ascendancy.

<sup>60</sup> "S. Korea, U.S., Japan in Fresh Nuclear Meeting," *The Chosunilbo*, May 16, 2008; Yoichi Funabashi, *The Peninsula Question* (Washington: Brookings Institution Press, 2008), 429.

<sup>61</sup> Schoff, "The Evolution of TCOG," 20-22; Mark Landler, "North Korea Says It Will Halt Talks and Restart Its Nuclear Program," *The New York Times*, April 14, 2009.

<sup>62</sup> U.S. Department of Defense, "U.S., Japan, and Republic of Korea Defense Trilateral Talks Joint Statement," January 31, 2013.

<sup>63</sup> Japan Ministry of Defense, "Defense Minister Yasukazu Hamada attends the IISS Shangri-La Dialogue," August 2009; U.S. Department of Defense, "Joint Statement of the Japan, Republic of Korea, United States Defense Ministerial Talks," June 1, 2013.

<sup>64</sup> U.S. Department of State, "Trilateral Statement Japan, Republic of Korea, and the United States," December 6, 2010.

<sup>65</sup> "Japan to Send Observers to U.S.-S. Korea Joint Drill," *Xinhua*, July 23, 2010; Justin McCurry, "U.S. and Japan begin joint military exercise," *The Guardian*, December 3, 2010.

<sup>66</sup> Sahashi, 16

<sup>67</sup> Matthew Pennington, "Uneasy partners Japan, S. Korea join U.S. air drills," *Military Times*, August 22, 2013.

<sup>68</sup> "Joint naval exercise among S. Korea, U.S., Japan begins," *Kyodo News International*, October 10, 2013.

<sup>69</sup> "Biden urges Seoul-Tokyo co-operation amid Asia tensions," *BBC News*, December 6, 2013; Thomas Escritt and Steve Holland, "Obama brings U.S. allies South Korea and Japan together for talks," *Reuters*, March 25, 2014.

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## India

The developing strategic and economic *entente* between Japan and India may eventually prove decisive in shaping Asia's future. The complementarities between the two democracies located at opposite ends of the Asian landmass are striking. Japan is a capital-rich, technology super-power while India has the world's largest labor pool. Japan has advanced infrastructure while India's own requirements for modern transport and urban networks exceed in scale those of any other country. Unlike nations that suffered the effects of Japanese militarism, Indians comfortably acknowledge that they do not have the kind of "history issues" with Japan that color its relations with countries in East Asia.

Economic, technological, and security cooperation with India offers Japan the prospect of renewal as a great power by reducing its singular dependence on the United States and reinforcing its ability to compete economically against China. For India's modernizing leaders, few countries afford a better prospect for a development partnership than Japan, which has been at the forefront of the industrial and technological revolutions that have transformed the face of Asia. As rival civilization-states to China, Japan and India have the most to lose from Beijing's potential hegemony in Asia — and the most to gain from working together with the United States to ensure that the future Asian order remains pluralistic.

### **Bilateral Ties**

Japanese officials credit the U.S.-India strategic rapprochement of 1999-2000 as establishing a basis for the cooperation between India and Japan that emerged several years later.<sup>70</sup> A groundbreaking visit by Prime Minister Yoshiro Mori in 2000 launched a "Global Partnership between Japan and India."<sup>71</sup> By the end of 2003, India had replaced China as the largest recipient of Japanese ODA.<sup>72</sup> Japanese diplomats identified this shift as strategic — to promote India's rise as a counterweight to China in Asia.<sup>73</sup> In 2005, the same year that India and the United States inked their plans for a wide-ranging strategic partnership grounded in long-term cooperation on defense and energy, Japanese officials worked with like-minded governments to include India as a founding member of the East Asia Summit. This diluted China's ability to dominate the organization and laid the foundation for an open form of Asian regionalism.

Abe's first term as prime minister was a banner year for Japan-India relations. In 2006, Abe declared that Japan's relations with India could overtake those with the United States in breadth and quality, and called them "the most important bilateral relationship in the world."<sup>74</sup> He also made clear the balance of power logic of the relationship, stating that "a strong India is in the best interest of Japan and a strong Japan is in the best interest of India."<sup>75</sup> The same

*Economic, technological, and security cooperation with India offers Japan the prospect of renewal as a great power.*

<sup>70</sup> Takio Yamada, "Emerging Changes in Japan: Impact on Indo-Japan Relations," Institute of Peace and Conflict Studies, New Delhi, October 6, 2006.

<sup>71</sup> Japan Ministry of Foreign Affairs, "Japan-India Relations: Basic Data," November 2012.

<sup>72</sup> Lalima Varma, "Japan's Official Development Assistance to India: A Critical Appraisal," *India Quarterly: A Journal of International Affairs* 65, no. 3 (July/September 2009).

<sup>73</sup> Author interviews with Japanese diplomats in Tokyo and New Delhi, April 2007.

<sup>74</sup> Rajat Pandit, "India, Japan to Go for Greater Flow of Trade," *Times of India*, December 15, 2006.

<sup>75</sup> Japan Ministry of Foreign Affairs, "Confluence of the Two Seas," August 22, 2007.

*During Abe's current term as prime minister, cooperation between Tokyo and New Delhi has expanded apace.*

year, Prime Minister Manmohan Singh argued in Tokyo that Japan must play its “rightful and commensurate role in the emerging international order,” with strong India-Japan ties “a major factor in building an open and inclusive Asia and in enhancing peace and stability in the Asian region and beyond.”<sup>76</sup> Abe in 2007 repaid Singh’s visit and made a landmark speech to the Indian parliament emphasizing the responsibility of both countries to promote a peaceful and prosperous Indo-Pacific region.<sup>77</sup>

Japan-India ties continued to deepen after Abe left office. His successor, Yasuo Fukuda, declared: “India will become one of the pillars supporting the future of Asia,” and expressed Japan’s goal of supporting that development.<sup>78</sup> In October 2008, the prime ministers of India and Japan inked a bilateral security pact that operationalized a new level of defense and strategic cooperation.<sup>79</sup> This was the second security accord Japan had signed with partners other than the United States. Japanese and Indian officials highlighted the strategic implications of Asia’s most powerful democracies conducting regular joint exercises and military planning, and confirmed that their defense agreement was explicitly modeled on the groundbreaking Japan-Australia pact concluded in 2007.<sup>80</sup>

Despite the DPJ’s victory in 2009, successive prime ministers sustained the momentum behind the Japan-India strategic partnership. While Prime Minister Hatoyama for a time distanced Tokyo from the U.S.-Japan alliance, he visited New Delhi in December 2009 and agreed to strengthen defense ties, including holding bilateral naval exercises.<sup>81</sup> In July 2010, Japan and India deepened security cooperation by launching an annual “Two-Plus-Two” dialogue bringing together senior defense and foreign ministry officials.<sup>82</sup> The Indian and Japanese navies instituted their first bilateral drill in June 2012 in Sagami Bay.<sup>83</sup>

During Abe’s current term as prime minister, cooperation between Tokyo and New Delhi has expanded apace. The two confirmed in 2013 that they would conduct joint military exercises regularly.<sup>84</sup> Their navies exercised together off the coast of Chennai in December 2013. That same month, Japan’s new National Security Strategy highlighted India as a country with which it shares “universal values and strategic interests.”<sup>85</sup> Both countries — India for the first time — participated in the 2014 RIMPAC multilateral exercises led by the United States in Hawaii.

<sup>76</sup> Cited in C. Raja Mohan, “PM, Abe to Discuss Cooperation Among Asian Democracies,” *Indian Express*, December 15, 2006.

<sup>77</sup> Japan Ministry of Foreign Affairs, “Confluence of the Two Seas,” August 22, 2007.

<sup>78</sup> Yasuo Fukuda, “When the Pacific Ocean Becomes an ‘Inland Sea,’” Speech to the 14<sup>th</sup> International Conference on the Future of Asia, Tokyo, May 22, 2008.

<sup>79</sup> Anil Joseph, “India, Japan Ink Security Pact,” *Hindustan Times*, October, 22, 2008.

<sup>80</sup> Interviews with participants in U.S.-India-Japan trilateral dialogue in New Delhi, October 2008; Cook and Wilkins, 3.

<sup>81</sup> Taniguchi, 5.

<sup>82</sup> Sandeep Dikshit, “India-Japan Ties Enter Strategic Sphere,” *The Hindu*, July 4, 2010.

<sup>83</sup> Sahashi, 14.

<sup>84</sup> Wallace, “Japan’s Strategic Pivot South.”

<sup>85</sup> Rajeev Sharma, “Three Reasons Why Shinzo Abe’s Visit to India is a Game Changer,” *Russia Today*, January 29, 2014.

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Prime Minister Abe's state visit to New Delhi in January 2014, which followed on the Japanese emperor's first trip to India, took Japan-India relations to new heights. The two heads of state agreed to regular consultations of their national security advisors, moving a relationship often described as primarily based on trade and development ties more decisively into the security sphere. They agreed to intensify joint military exchanges and exercises, laying out an ambitious roadmap for defense cooperation. The two leaders also discussed the sale of Japanese military hardware to India, facilitated by Japan's relaxation of its arms export restrictions. And they called for early conclusion of a civilian nuclear agreement, which in the U.S.-India context played a key role in strengthening bilateral security cooperation.<sup>86</sup>

Prime Minister Narendra Modi's election in May 2014 promised to reinforce this trend. His advisors identified Japan as among the key countries a resurgent India would look to for both economic and security cooperation. Media headlines like "Narendra Modi: India's Shinzo Abe" highlighted the shared qualities of the two prime ministers as nationalist modernizers determined to boost their countries' international competitiveness in the face of Chinese power.<sup>87</sup>

#### **Trilateral Ties**

In April 2007, Japanese Foreign Minister Aso declared that India was "the central pillar" of Japan's ambition to construct an "arc of freedom and prosperity" across Asia. Looking beyond Japan's bilateral engagement, he observed: "It will also be useful to promote cooperation among Japan, India, and the U.S....because the cooperation among the three countries which share the same universal values will contribute to peace and prosperity in the region."<sup>88</sup> At Tokyo's urging, New Delhi in 2011 agreed to join a regular U.S.-Japan-India trilateral strategic dialogue, which grew out of Track Two dialogues among the three sponsored by the Center for Strategic and International Studies, the Confederation of Indian Industry, and the Japan Institute for International Affairs. During the unofficial workshops during the mid-2000s, strategists, experts, and business leaders from the three countries discovered a striking convergence of interests and outlooks with regard to Asia's strategic evolution, the imperative of closer economic integration, and the future of international institutions.<sup>89</sup>

In 2011, the three powers held their first official strategic conclave, mirroring the other trilaterals linking U.S. partners in webs of security cooperation. The conclave had multiple objectives: aligning the major Indo-Pacific powers more closely in the management of China's rise; bringing India more fully into the East Asian security and economic architecture; spreading Japan's strategic and economic horizons; and improving U.S.-Japan alliance cooperation out-of-area. Subsequent meetings of the trilateral strategic grouping have helped to cement Japan-India ties while more effectively building their bilateral security cooperation into U.S. calculations for its strategic rebalance in Asia.

*Meetings of the trilateral strategic grouping have helped to cement Japan-India ties while more effectively building their bilateral security cooperation into U.S. calculations.*

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<sup>86</sup> Nitin Gokhale, "India-Japan Ties Strengthen," *The Diplomat*, January 21, 2014.

<sup>87</sup> Brahma Chellaney, "Narendra Modi: India's Shinzo Abe," *Japan Times*, May 20, 2014.

<sup>88</sup> Cited in "Cooperation Between Japan, India, and the U.S. will Contribute to Peace in the Region," interview with Japanese Foreign Minister Taro Aso, *Indian Express*, April 3, 2007.

<sup>89</sup> Center for Strategic and International Studies, "U.S.-Japan-India Relations," June 2014.

*Underpinning the Quad was a common commitment to democratic governance at home.*

Despite this progress, trilateral cooperation remains underdeveloped given the intensity of the Chinese challenge to the rules-based order in Asia and the overlapping security interests of the United States, Japan, and India. Strategic analyst Dhruva Jaishankar identifies “three reticences” that have prevented trilateral security cooperation from achieving its natural potential:

For one thing, Japan is reticent about its own military normalization. While it has certainly shed some of its reluctance about assuming the burdens of security under Abe, its leadership and public opinion remain of two minds about Japan’s remilitarization. For its part, India remains reticent about the wisdom of multilateral cooperation with the United States. Many Indian political leaders still appear to believe that there is mileage to be gained from anti-American posturing. And finally, the United States remains reticent about Japan’s emergence as a military power, in large part a legacy of history.<sup>90</sup>

Chinese assertiveness, Japanese revitalization, a return to strong economic growth in India, and a U.S. recommitment to its Asian rebalance may help to overcome reluctance to intensify trilateral cooperation. Broadly speaking, the U.S.-Japan-India grouping has created new opportunities for New Delhi and Tokyo to systematically pursue strategic cooperation with the United States in order to stabilize the regional balance of power and the concomitant balance of values in Asia.

#### ***Quadrilateral Security Cooperation***

Japan has led the effort to bring India and Australia together with the United States into a new framework for collaboration. Tokyo pushed the creation of the Quadrilateral Partnership among the four Indo-Pacific democracies. The coalition that came together in the wake of the December 2004 Indian Ocean tsunami included the United States, Japan, India, and Australia, setting a precedent for more formalized security cooperation. The confluence of growing U.S. interest in democratic security concerts in Asia, deepening U.S.-Japan-Australia strategic cooperation, Prime Minister Abe’s election in 2006, and the maturing security partnership between Washington and New Delhi created conditions that made the “Quad” possible. Underpinning the Quad was a common commitment to democratic governance at home. As Abe put it at the time, the four members shared “important values such as liberty, democracy, human rights, and respect for the rule of law.”<sup>91</sup>

The Quad was formally launched in a ministerial-level meeting on the sidelines of the ASEAN Regional Forum in Manila in May 2007. At the time, a senior Japanese diplomat identified the Quad as part of a design to advance the formation of new alliances in Asia that could balance Chinese power.

[I]n our talks with the United States about Chinese military modernization, American officials acknowledge that China’s capabilities are growing so rapidly that the United States will not be able to maintain its military advantage in the region. More broadly, the rise of China and India is transforming the regional balance of power. So new alliances

<sup>90</sup> Dhruva Jaishankar, “A Fine Balance: India, Japan and the United States,” *The National Interest*, January 24, 2014.

<sup>91</sup> Cited in Shane McLeod, “Abe Seeks Closer Australian Ties,” *Australian Broadcasting Corporation*, November 16, 2006.

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like the Quadrilateral are ways of adding a new element to regional security on top of the existing — and critical — U.S. role.<sup>92</sup>

Washington and its partners moved quickly to add substance to the grouping by holding combined military exercises in the Western Pacific in September 2007. From the outset, U.S. advocates of the Quad spoke openly of its balance of power logic, for instance, suggesting that the first Quad exercises take place near China's territorial waters, in ways that would showcase for Chinese observers the combined military capabilities of the four democratic powers.<sup>93</sup>

Changes of government in Japan and Australia in 2007 led to a suspension of quadrilateral military exercises. Kevin Rudd, the then-new Australian prime minister, told U.S. counterparts that Canberra was responding to Chinese concerns about “encirclement” at a time when Australia sought to enhance its relations with Beijing.<sup>94</sup> Australia's actions reflected expressed Chinese insecurities and a targeted Chinese diplomatic campaign against the Quad. Privately, however, Australian officials also made clear to U.S. counterparts their concerns about China's military modernization and potential hegemonic aspirations in the region, suggesting that the quadrilateral mechanism could be reactivated at a later time.<sup>95</sup> Indeed, Rudd subsequently launched new defense agreements with Japan and India and intensified U.S.-Australia military cooperation. In the words of Brahma Chellaney, Rudd had “come full circle implicitly by plugging the only missing link in that quad — an Australia-India security agreement. With the Indo-Australian accord [of 2009], quadrilateral strategic cooperation among the four major democracies in the Asia-Pacific region” could move forward even without a formalized four-member institution.<sup>96</sup>

For their part, Japanese officials stated clearly that they hoped to reactivate the Quad when a new U.S. administration took office in 2009, given the expressed interest of both presidential candidates in it.<sup>97</sup> Prime Minister Aso affirmed strong support for reconstituting the Quad in a private meeting in early 2009.<sup>98</sup> Indian officials also expressed an eagerness to resuscitate the grouping.<sup>99</sup> U.S. officials expressed hope that the possible creation of a Northeast Asian concert of powers growing out of the Six-Party Talks would sufficiently assuage Chinese concerns to allow quadrilateral strategic coordination and military exercises to resume.<sup>100</sup> Yet ultimately, the Quad remained dormant, lacking a clear champion in any capital.

Prime Minister Abe's return to office has filled this void and revived the idea of the Quad. In late 2012, he outlined a strategic vision of a “democratic diamond” encompassing the Western

*Prime Minister Abe's return to office has filled this void and revived the idea of the Quad.*

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<sup>92</sup> Interview with senior Japanese diplomat, New Delhi, July 2007.

<sup>93</sup> Interview with senior U.S. diplomat, New Delhi, April 2007.

<sup>94</sup> Interview with senior Australian diplomat, Washington, March 2008.

<sup>95</sup> Ibid.

<sup>96</sup> Brahma Chellaney, “Asia's New Strategic Partners,” *The Japan Times*, December 10, 2009.

<sup>97</sup> Interview with Hideo Suzuki, Political Counselor, Japanese Embassy, Washington, April 2008.

<sup>98</sup> Interview in Tokyo, February 2009.

<sup>99</sup> Interviews with Indian participants in the October 2008 U.S.-Japan-India trilateral, New Delhi.

<sup>100</sup> Interviews with State Department policy planning officials, Washington, April 2008.

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Pacific and Indian Ocean sea lanes that would tie together the principal democratic powers of the Indo-Pacific. In Abe's words, "I envisage a strategy whereby Australia, India, Japan, and the U.S. state of Hawaii form a diamond to safeguard the maritime commons..."<sup>101</sup> A Track Two meeting in late-2013 organized by the Tokyo Foundation, the Heritage Foundation, the Australian Strategic Policy Institute, and New Delhi's Vivekananda Foundation, which included former and future senior officials from Japan, the United States, India, and Australia, agreed on the necessity of reconstituting the Quad — in *de facto* if not *de jure* form — to manage China's rise and uphold maritime security in the Indo-Pacific theater.

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<sup>101</sup> Shinzo Abe, "Asia's Democratic Security Diamond," *Project Syndicate*, December 27, 2012.

# 4 Southeast Asia

Since 2000, Japan's democratic diversification has focused substantially on Southeast Asia. Located at the crossroads of the Pacific and Indian Oceans, featuring key emerging markets, and serving as a driving force behind regional institution building, Southeast Asia has a growing influence over Japan's future security and prosperity.

Tokyo's approach to representative governments and transitional regimes within the region has differed from its democratic engagement elsewhere. Japanese outreach still consists largely of aid, trade, and investment — a reflection of the capacity constraints that limit most regional powers. Japanese economic diplomacy in Southeast Asia has targeted Indonesia, the Philippines, Vietnam, and more recently, Myanmar, highlighting how Tokyo is strategically investing in strengthening Southeast Asian powers that share its concerns about growing Chinese influence. Japan has also added a new pillar to its traditional engagement policies: defense capacity-building and exchanges that aim to bolster Southeast Asian powers and enhance their ability to support the regional security order. The loosening of restrictions on Japanese weapons exports has facilitated this new form of engagement. Tokyo is providing Southeast Asian navies and coast guards with patrol vessels and negotiating the sale of amphibious search-and-rescue aircraft.<sup>102</sup>

At the same time, Japan has vigorously participated in the burgeoning constellation of Asian institutions, often with the aim of amplifying democratic voices. Japan is an active participant in ASEAN-centric regional institutions such as the ASEAN Regional Forum, the ASEAN Defense Ministerial Meeting-Plus, the East Asia Summit, and of course, the Asia-Pacific Economic Cooperation forum (APEC), which Japan helped to establish.

Japan's democratic engagement in Southeast Asia has intensified under the current LDP administration. Prime Minister Abe notably visited every member of ASEAN in 2013. Moreover, Tokyo's inaugural National Security Strategy emphasizes building the capacity of maritime states lining the strategic waterways of Southeast Asia.<sup>103</sup> Although enhancing Japan's utility as a U.S. ally,<sup>104</sup> this growing outreach to Southeast Asia has largely occurred bilaterally. Leaders in Tokyo and Washington have come together and pledged to build security capacity in the region.<sup>105</sup> Yet until now, Southeast Asian partners have generally favored bilateral cooperation with Japan and the United States due to concerns about unduly antagonizing China. To date, trilateral security cooperation among the United States, Japan, and Southeast Asian states has remained informal and ad hoc. In the future, though, Beijing's diplomatic assertiveness

*Tokyo's inaugural National Security Strategy emphasizes building the capacity of maritime states lining the strategic waterways of Southeast Asia.*

<sup>102</sup> In August 2012, Japan's Ministry of Defense announced for the first time that it would directly supply non-combat military equipment to regional militaries for capacity building. Wallace, "Japan's strategic pivot south"; Yoshihiro Makino, "Defense Ministry quietly begins providing assistance to military forces overseas," *The Asahi Shimbun*, August 27, 2012; Jonathan Soble, "Japan to end self-imposed ban on weapons exports," *The Financial Times*, March 13, 2014.

<sup>103</sup> Prime Minister of Japan and His Cabinet, "National Security Strategy," December 17, 2013.

<sup>104</sup> Ernest Z. Bower and Michael J. Green, "U.S.-Japan-ASEAN Trilateral Strategic Dialogue," Center for Strategic and International Studies, January 5-7, 2011.

<sup>105</sup> U.S. Department of Defense, "Joint Statement of the Security Consultative Committee," April 26, 2012; U.S. Department of Defense, "Joint Statement of the Security Consultative Committee. Toward a More Robust Alliance and Greater Shared Responsibilities," October 3, 2013.

*Tokyo's reaction to the 2004 Indian Ocean tsunami served to boost its credibility with Jakarta.*

and posturing in the South China Sea may create space for more institutionalized trilateral security cooperation.

### Indonesia

With an archipelagic geography that straddles critical maritime trade routes, a consolidated democracy, and a dynamic economy valued at more than \$1 trillion,<sup>106</sup> Indonesia has emerged as the lynchpin of Southeast Asia. Japanese engagement has evolved in response.

Until the late-1990s, Japan's approach to Indonesia was overwhelmingly commercial. However, after the collapse of the Suharto dictatorship, the Japanese government leveraged official development assistance (ODA) to promote Indonesia's democratic transition; during the 2000s, Indonesia was among the largest recipients of Japanese democracy support. Japanese aid helped to inculcate rule of law, strengthen public administration, and train police.<sup>107</sup> ODA from Tokyo also continued to flow to more traditional projects such as ports, rail, and electricity generation. Tokyo's reaction to the 2004 Indian Ocean tsunami served to boost its credibility with Jakarta. As a member of the Quad, Japan deployed troops to provide disaster relief, and committed significant funding toward reconstruction efforts.<sup>108</sup>

In the years that followed, successive Japanese administrations expanded relations with Indonesia to include a new security component. Prime Minister Abe and his Indonesian counterpart, President Susilo Bambang Yudhoyono, inaugurated a "Strategic Partnership for Peaceful and Prosperous Future" in 2006.<sup>109</sup> Their joint statement coincided with a concrete policy shift: the Japanese government decided to relax restrictions on arms exports and granted three patrol boats to Indonesia to "fight terrorism and piracy."<sup>110</sup> During Abe's tenure in office, the two countries also concluded an economic partnership agreement.<sup>111</sup> The DPJ, after coming to power in 2009, continued to expand security ties with Indonesia. A few weeks after the DPJ transitioned from the opposition to the ruling party, Tokyo supplied a maritime surveillance system and additional patrol boats to Jakarta.<sup>112</sup> Under the DPJ's last prime minister, Yoshihiko Noda, Japan's Ministry of Defense announced that it would regularly provide non-combat military equipment and supplies to Indonesia.<sup>113</sup>

<sup>106</sup> Central Intelligence Agency, "World Factbook: Indonesia," last updated June 22, 2014.

<sup>107</sup> Maiko Ichihara, "Understanding Japanese Democracy Assistance," *The Carnegie Endowment for International Peace*, March 2013, 8, 10, 22.

<sup>108</sup> Emma Chanlett-Avery, *The U.S.-Japan Alliance*, Congressional Research Service, January 18, 2011, 11.

<sup>109</sup> Japan Ministry of Foreign Affairs, "Japan-Indonesia Joint Statement: 'Strategic Partnership for Peaceful and Prosperous Future,'" November 28, 2006.

<sup>110</sup> "Japan to give patrol boats to Indonesia, to relax arms export ban," *BBC Monitoring International Reports*, June 8, 2006; Wallace, "Japan's strategic pivot south," 13.

<sup>111</sup> Japan Ministry of Foreign Affairs, "Agreement Between Japan and the Republic of Indonesia for an Economic Partnership," August 10, 2007.

<sup>112</sup> "Japan to supply Indonesia with maritime surveillance systems, patrol boats," *BBC Monitoring International Reports*, October 8, 2009.

<sup>113</sup> Indonesia was one of six countries listed. Wallace 2013, 12; also see Yoshihiro Makino, "Defense Ministry quietly begins providing assistance to military forces overseas," *The Asahi Shimbun*, August 27, 2012.

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Tokyo's relations with Jakarta have further deepened since the LDP staged a political comeback in December 2012. On the economic side, the Japanese government has expanded a currency swap with Indonesia and moved forward an ambitious plan to support large-scale infrastructure projects in Java, the most densely populated island in the Indonesian archipelago.<sup>114</sup> On the security side, the two countries have agreed to enhance military-to-military cooperation and announced their intention to convene a foreign and defense ministers' "Two-Plus-Two" meeting.<sup>115</sup> Tokyo and Jakarta have also identified counter-piracy as a priority for future collaboration, possibly through using the Japanese Coast Guard to train Indonesian maritime security forces.<sup>116</sup> The scope for Japanese engagement will likely expand as Indonesia becomes increasingly active in Southeast Asia and beyond.

*After taking power, the DPJ carried forward its LDP predecessor's policy of deeper engagement with the Philippines.*

### Philippines

Japan's approach to the Philippines, another archipelagic democracy adjacent to critical sea lanes, has resembled its outreach to Indonesia. During the 1990s, Tokyo's relations with Manila lacked a strategic component. Trade and aid dominated: Japan was among the Philippines' most important commercial partners, a key source of foreign direct investment, and its largest provider of development assistance.<sup>117</sup> Yet security cooperation between the two countries remained minimal.

The future outlines of a new era of Japanese engagement emerged in 2001, when Prime Minister Koizumi and Philippines President Gloria Macapagal Arroyo pledged to elevate bilateral ties.<sup>118</sup> In the decade that followed, their vision took on increasing substance. The two governments opened trade negotiations in 2004, held their first annual politico-military dialogue in 2005, concluded an economic partnership agreement in 2006, and began to frame their relations as a strategic partnership in 2009.<sup>119</sup> After taking power, the DPJ carried forward its LDP predecessor's policy of deeper engagement with the Philippines. In 2011, Prime Minister Noda and Philippines President Benigno S. Aquino affirmed the realization of a strategic partnership predicated on shared values and common security interests. Tokyo and Manila also convened their first dialogue on maritime and oceanic affairs and decided to enhance cooperation between coast guards.<sup>120</sup> And Japan participated for the first time in the U.S.-Philippines *Balikatan* joint exercises in 2012.

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<sup>114</sup> Takashi Nakamichi, "Japan to Double Indonesia, Philippines Currency Swap Lines," *The Wall Street Journal*, December 6, 2013.

<sup>115</sup> Japan Ministry of Foreign Affairs, "Japan-Indonesia Summit Meeting," December 13, 2013.

<sup>116</sup> "Japan, Indonesia to cooperate in responding to pirates," *Kyodo News International*, October 4, 2013.

<sup>117</sup> Renato Cruz De Castro, "Exploring a 21<sup>st</sup>-Century Japan-Philippine Security Relationship: Linking Two Spokes Together?" *Asian Survey* 49, no. 4 (July/August 2009), 708.

<sup>118</sup> Japan Ministry of Foreign Affairs, "Joint Press Statement Between Japan and the Republic of the Philippines," September 13, 2001.

<sup>119</sup> Castro, 710-711; Japan Ministry of Foreign Affairs, "A Japan-Philippines Economic Partnership Agreement," November 29, 2004; Japan Ministry of Foreign Affairs, "Joint Statement on the Occasion of the Signing of the Agreement between Japan and the Republic of the Philippines for an Economic Partnership," September 9, 2006; Japan Ministry of Foreign Affairs, "Japan-Philippines Joint Statement 'Fostering a Strategic Partnership for the Future between Close Neighbors,'" June 18, 2009; Sahashi, 17.

<sup>120</sup> Prime Minister of Japan and His Cabinet, "Japan-Philippines Joint Statement on the Comprehensive Promotion of the 'Strategic Partnership' between Neighboring Countries Connected by Special Bonds of Friendship," September 27, 2011.

From Japan's perspective, Vietnam and Myanmar constitute crucial "swing states" in Southeast Asia.

Under the leadership of a revived LDP, Japanese outreach to the Philippines has further intensified. Tokyo has pledged to donate ten new patrol boats to the Philippines Coast Guard — part of an ongoing effort to help Manila develop the capacity to monitor and police its own waters.<sup>121</sup> In turn, the Philippines government has expressed an interest in hosting JSDF personnel and equipment on a rotating basis.<sup>122</sup> Typhoon Haiyan, which devastated the Philippines in November 2013, has also brought the two countries together. The Japanese government deployed disaster relief teams and committed ¥6.6 billion in grant aid.<sup>123</sup> As part of this relief effort, Japan deployed its largest maritime task force since World War II, sending naval vessels including a flat-top helicopter carrier alongside some 1,000 personnel. The Abe administration has also advanced the economic side of the bilateral relationship. Japan has expanded a currency swap arrangement with the Philippines and extended loans for large-scale infrastructure projects. Lastly, commerce between Tokyo and Manila has flourished: Japan remains the Philippines' largest trading partner.<sup>124</sup>

The intensification of strategic cooperation between Tokyo and Manila has been driven by a changing external security environment as China has deployed its military power to encroach on Philippine waters and territory, including by occupying Scarborough Shoal in 2012 after a naval standoff. Japan has sought to reinforce Philippine defense capacity and support it diplomatically against China, including in Manila's case against Beijing in the International Court of Justice. The leaders of both Japan and the Philippines have used similar language to warn of dangerous parallels between Chinese revisionism in Asia in 2014 and German revisionism a century earlier that contributed to the outbreak of World War I.<sup>125</sup>

### Vietnam and Myanmar

Neither Vietnam nor Myanmar is a democracy. Both are rapidly growing, transitional societies whose leaders are skeptical of Chinese power and, for reasons of security as well as their economic development aspirations, look to Japan for military and economic assistance. The two states also occupy highly strategic positions in Southeast Asia. Vietnam hugs the western boundary of the South China Sea and has actively challenged China's revisionist claims to its many islets and oil and gas fields. Myanmar forms the land bridge between India and Southeast Asia and also has substantial natural gas reserves. From Japan's perspective, Vietnam and Myanmar constitute crucial "swing states" in Southeast Asia; they are unaligned, economically reformist, politically not far along the pathway to democracy — but crucially, share Japan's anxiety about overweening Chinese power.

<sup>121</sup> "With eye on China, Japan to provide patrol boats to Philippines," *The Asahi Shimbun*, May 23, 2013; Delon Porcalla, "Japan sending 10 vessels for PCG patrols," *The Philippine Star*, October 12, 2013.

<sup>122</sup> "Philippines Wants To Give U.S., Japan Access To Bases," *Agence-France Presse*, June 27, 2013.

<sup>123</sup> Japan Ministry of Foreign Affairs, "Dispatch of Japan Disaster Relief Team (Japan Self-Defense Force Unit) in Response to Typhoon Damage in the Central Philippines," November 12, 2013; Japan Ministry of Foreign Affairs, "Japan-Philippines Summit Meeting," December 13, 2013.

<sup>124</sup> Takashi Nakamichi, "Japan to Double Indonesia, Philippines Currency Swap Lines," *The Wall Street Journal*, December 6, 2013; Julius Cesar I. Trajano, "Japan-Philippine Relations: New Dynamics in Strategic Partnership," RSIS Commentaries, February 28, 2013.

<sup>125</sup> Sanat Vallikappen and Rosalind Mathieson, "U.S. General Tells Japan, Philippines to Cool China Rhetoric," *Bloomberg News*, February 10, 2014.

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For these strategic reasons — and because many Japanese companies view Vietnam's economy as a good source of FDI diversification — Japan provided more ODA to Vietnam in 2013 than to any other country. Tokyo has pledged to provide additional ODA to Vietnam in 2014, including for major infrastructure projects encompassing construction of roads, airport terminals, and hydropower dams as well as projects on public health and enhanced economic competitiveness. Over the past two decades, Japan has provided some \$20 billion in ODA to Vietnam, making it Vietnam's largest bilateral donor as well as the leading source of FDI into Vietnam.<sup>126</sup>

*Japan seeks to strengthen Vietnam because Tokyo expects it to be the leading balancer to China in Southeast Asia.*

As a senior Japanese diplomat puts it, Japan seeks to strengthen Vietnam because Tokyo expects it to be the leading balancer to China in Southeast Asia.<sup>127</sup> Japan's plans for strategic infrastructure projects in Southeast Asia ascribe a core role to Vietnam, linking together Vietnam with Thailand and Myanmar as part of a land bridge to India. Japan also aspires to work much more closely with Vietnam's navy given the country's strategic coastline along the disputed South China Sea, as well as the intensity of Vietnamese opposition to Chinese suzerainty. The constraint on cooperation remains the closed and repressive nature of Vietnam's political system, which Japanese officials believe will mellow and begin to open as Vietnam's development levels rise.

The political opening initiated by Naypyidaw has enabled Tokyo to lead Asian support for Myanmar through increased development assistance, diplomatic engagement, and construction of strategic infrastructure. To Washington's discomfort, Tokyo maintained some assistance programs in Myanmar during the pre-reform period, when the junta's rule was sanctioned harshly by the West. From 2008 to 2012, Japan provided \$3.2 billion in loan and grant aid to Myanmar, with assistance spiking in the last year of that range as the country began to liberalize.<sup>128</sup> Myanmar's political opening has since created new convergences between the United States and Japan as they work individually and together to pull Naypyidaw out of China's orbit and put Myanmar on an irreversible path of political and economic liberalization. As Asia's largest developed democracy, Japan's ability to closely engage with the Myanmar government is no longer constrained by the detention of Aung San Suu Kyi and other former political prisoners. In March 2013, the Japanese government pledged over \$500 million in new assistance to Myanmar.<sup>129</sup> Prime Minister Abe visited the country in December 2013 and pledged an additional \$610 million in aid.<sup>130</sup>

Capacity constraints inside Myanmar, and the fact that its experiment with liberalization is only several years old, mean that Japanese assistance is not yet at a level similar to that of Southeast Asian neighbors like Vietnam and Indonesia. Japan's plans for Myanmar, however, are perhaps even more ambitious, given that the "Asian miracle" that transformed neighboring

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<sup>126</sup> "Vietnam receives the most Japanese ODA," *Nhan Dan*, February 28, 2014; "Japan assures Vietnam ODA level will not drop from 2013," *Thanh Nien News*, March 6, 2014; Brian La, "Japan-Vietnam: Lures, Rewards, and Bribes," *Asia Times*, June 23, 2014.

<sup>127</sup> Interview with senior Japanese diplomat, Tokyo, April 2014.

<sup>128</sup> Japan Ministry of Foreign Affairs, "Japan's ODA Disbursements to Myanmar," June 2014.

<sup>129</sup> Embassy of Japan in Myanmar, "Pledging of New ODA Loans by Japan," March 28, 2013.

<sup>130</sup> Shibani Mahtani, "Abe Pledges More Aid for Myanmar," *The Wall Street Journal*, December 15, 2013.

*Myanmar's political and economic opening have created an unparalleled strategic opportunity for Japan.*

economies has largely passed Myanmar by due to the autarchic policies and human rights abuses of its leaders until quite recently. As part of its push for the construction of strategic infrastructure, Japan has become the lead partner in developing the Thilawa special economic zone near Yangon.<sup>131</sup> In addition to being a base for foreign manufacturers in Myanmar, Thilawa will eventually host a modernized deep-sea port with associated infrastructure that will serve as an important hub for trade and port calls by friendly navies.<sup>132</sup> The Myanmar government has also sought Japanese support for “what is arguably Southeast Asia’s most ambitious industrial zone — a 250 square kilometer (100 square mile) deep-sea port, petrochemical and heavy industry hub on the slim peninsula separating the Pacific and Indian Oceans”<sup>133</sup> at Dawei, with connections to Kunming in the north, Ho Chi Minh City in the east, and Bangkok.<sup>134</sup>

These infrastructure projects have an intrinsic economic logic as havens for Japanese direct investment. But they also have a core strategic logic. Indeed, Japanese officials speak openly of developing a land corridor across Myanmar so as to link Japan with India through infrastructure in ways that recast the Asian balance of power.<sup>135</sup> In this regard, Myanmar is being strategically reoriented from a predominantly north-south axis linking China’s southern Yunnan province through a road, rail, and pipeline network to the warm waters of the Andaman Sea and Bay of Bengal, to an east-west axis tying India, ASEAN, and Japan together across land and sea. This has significant geopolitical implications. As one observer describes it:

The coming together of Japan and Thailand in Myanmar, and now India’s invitation to Japan to invest in and build overland infrastructure in the Northeast, is going to outplay Chinese dominance in the region. Furthermore, Japanese development of the Chennai port and plans to link it with Dawei are indications of Japan, India, and Thailand coming together and forming an axis in a bid to confront China in Myanmar. India’s growing closeness to Japan and recent maritime security exchanges have been viewed as a strategic attempt to challenge Chinese dominance and gain an advantage, which is going to redefine the security architecture of the region.<sup>136</sup>

Such an “Eastern axis” of democratic countries and transitional states wary of Chinese power, with Myanmar at the geographic center, is a conscious design of Japanese policy.<sup>137</sup> Myanmar’s political and economic opening have created an unparalleled strategic opportunity for Japan, made all the riper by Naypyidaw’s ambition to edge away from China’s embrace by diversifying

<sup>131</sup> Mitsuru Obe, “Moving Forward in Myanmar, Finally,” *The Wall Street Journal*, November 5, 2013.

<sup>132</sup> Aung Hla Tun, “Manufacturing could start in Myanmar’s Thilawa zone in mid-2015,” *Reuters*, February 21, 2014.

<sup>133</sup> Jared Ferrie, “Myanmar turns to Japan, Thailand to kick-start stalled Dawei,” *Reuters*, November 19, 2013.

<sup>134</sup> Amornrat Mahitthirook, Nareerat Wiriyapong, and Thanida Tansubhapol, “Burma keen to prove it’s open to foreign investors,” *The Bangkok Post*, January 7, 2012.

<sup>135</sup> Background briefing, senior Japanese Ministry of Economy, Trade, and Industry official, American Enterprise Institute, September 20, 2012.

<sup>136</sup> Sonu Trivedi, “A New Eastern axis,” *The Indian Express*, March 18, 2014.

<sup>137</sup> Briefing by Japan Ministry of Economy, Trade, and Industry official at the American Enterprise Institute, April 2012.

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its diplomatic and economic ties. Tokyo will continue to look for progress in political reform so that Myanmar can be a full diplomatic, economic, and strategic partner.

### ASEAN and Regional Institutions

Japan under both LDP and DPJ leadership has made a concerted effort to boost relations with ASEAN. Between 2000 and 2010, Japan-ASEAN ties experienced a remarkable transformation. In 2002, Prime Minister Koizumi proposed a Japan-ASEAN comprehensive economic partnership agreement to tie together Northeast and Southeast Asia.<sup>138</sup> The following year, Japan and ASEAN members issued the “Tokyo Declaration for the Dynamic and Enduring ASEAN-Japan Partnership in the New Millennium.”<sup>139</sup> In 2004, Japan acceded to the Treaty of Amity and Cooperation in Southeast Asia. Four years later, the Japan-ASEAN Comprehensive Economic Partnership Agreement entered into force. Not only did the trade and investment agreement deepen the interdependence of the Japanese and Southeast Asian economies; it also offset the countervailing pressures of a China-ASEAN economic agreement. Lastly, in 2010, Tokyo appointed an ambassador to ASEAN.

Japanese diplomacy since 2010 has sought to strengthen ASEAN’s integrity as a bulwark of regional stability, to promote political reform within ASEAN members such as Myanmar, to render the overall institution more capable, and to deepen economic interdependence in ways that advance ASEAN’s own ambition to strengthen its regional role.<sup>140</sup> In 2011, Tokyo announced a pledge of \$26 billion to support the construction of infrastructure knitting Southeast Asian states more closely together.<sup>141</sup> In 2012, Japan launched a program to provide security assistance to ASEAN members for purposes of counter-piracy, disaster relief, and humanitarian assistance. At the Japan-Mekong Summit that same year, Japan announced a further \$7.4 billion in assistance to support five Mekong states’ infrastructure requirements.<sup>142</sup>

During Abe’s current term as prime minister, Japan has turbocharged its engagement with ASEAN. Prime Minister Abe visited all ten ASEAN members within his first year in office, pledging some \$19 billion in aid and loans.<sup>143</sup> He hosted the ten leaders of ASEAN at a December 2013 summit in Tokyo in what Bloomberg News described as a “charm offensive for Southeast Asia” triggered by a “Japan-China rift.” At the summit, Japan announced a \$19.4 billion, five-year assistance package for ASEAN and announced plans to hold a Japan-ASEAN defense ministers’ meeting to discuss disaster relief. Japanese officials have openly noted the geopolitical motivation behind outreach to ASEAN.<sup>144</sup>

*During Abe’s current term as prime minister, Japan has turbocharged its engagement with ASEAN.*

<sup>138</sup> Junichiro Koizumi, “A Sincere and Open Partnership,” January 14, 2002.

<sup>139</sup> Japan Ministry of Foreign Affairs, “Tokyo Declaration for the Dynamic and Enduring ASEAN-Japan Partnership in the New Millennium,” December 12, 2003.

<sup>140</sup> Interview with Ambassador Takio Yamada, Tokyo, April 2014.

<sup>141</sup> Wallace, 2013.

<sup>142</sup> Ken Jimbo, “Japan and Southeast Asia: Three Pillars of a New Strategic Relationship,” *The Tokyo Foundation*, May 30, 2013.

<sup>143</sup> Nobuhiro Aizawa, “Japan’s Evolving Relationship with Southeast Asia: Prospects for U.S.-Japan Cooperation,” *East-West Center*, March 5, 2014.

<sup>144</sup> Chris Blake and Isabel Reynolds, “China-Japan Rift Triggers Charm Offensive for Southeast Asia,” *Bloomberg News*, December 13, 2013.

*Tokyo has worked skillfully to head off institutional outcomes that produce exclusive clubs tilted toward Beijing.*

In addition to forging closer relations with ASEAN, Japan has also worked vigorously within emerging regional institutions to ensure that they remain open and pluralistic. As early as 2002, Japan called for an East Asia grouping that incorporated powers like Australia and New Zealand, to preclude China's preferred ASEAN+3 format (ASEAN together with China, Japan, and South Korea).<sup>145</sup> Tokyo was instrumental in the founding debates over membership in the first East Asia Summit in 2005, working closely with Southeast Asian states including Singapore and Vietnam to generate support for the membership of Australia, India, and New Zealand to broaden out the grouping. Japan's preferred ASEAN+8 format (ASEAN together with China, Japan, South Korea, India, Australia, New Zealand, the United States, and Russia) increasingly structures important pan-Asian regional meetings, including not only the current East Asia Summit, but also institutions like the ASEAN Defense Ministerial Meeting-Plus.

Since 2000, the defining strategic principle of Japan's approach to Asian architecture has been to promote an open regionalism linking East Asia to extra-regional powers like the United States and India. Tokyo has worked skillfully to head off institutional outcomes that produce exclusive clubs tilted toward Beijing. Even as their economic dependence on Chinese trade and investment has grown, many Southeast Asian nations have welcomed Japan's approach to regional institution-building because the inclusion of powers like the United States, Australia, and India gives them greater strategic autonomy. Japan's regional diplomacy might have advanced further still if not for ASEAN's institutional weaknesses stemming from its diversity of regime types and the ability of Beijing to use generous assistance packages to secure diplomatic support from weak states like Cambodia and Laos. Overall, though, Tokyo is closely aligned with ASEAN majorities anxious about Beijing's revisionism in the South China Sea and eager to continue to facilitate a U.S. regional presence.

<sup>145</sup> Koizumi, "A Sincere and Open Partnership."

# 5 Europe

The final target of Tokyo's democracy diplomacy is Europe. As one of the world's leading democratic centers of power, Europe constitutes an increasingly attractive partner in Japanese eyes. On the military side, individual European countries and NATO are major contributors to global security and significant repositories of advanced technology and operational expertise. Despite the debt crisis of recent years, the EU remains a bulwark of the global economy and a leader in international trade and investment. Europe also exercises a prominent voice in the contest to construct rules governing new areas of international relations such as the environment, Internet freedom, and cybersecurity. For these reasons, Europe has become a natural partner as Japan seeks to shape the global order of the 21<sup>st</sup> century by cooperating with a broader constellation of democracies.

*For Japan, Europe has become a new front in the geopolitical competition with China.*

Intensifying competition with China has further elevated Europe's importance to Japan. In the wake of Abe's December 2013 visit to the Yasukuni Shrine, the Chinese government launched a public relations campaign across Europe that aimed to portray Japan as an unrepentant warmonger.<sup>146</sup> In response, Tokyo ramped up its public diplomacy, pushing back via op-eds and official speaking tours.<sup>147</sup> China in turn upped the ante by trying — unsuccessfully — to use a head of state visit to Berlin's Holocaust Memorial as a platform for castigating Prime Minister Abe.<sup>148</sup> For Japan, Europe has become a new front in the geopolitical competition with China.

Tokyo's approach to Europe has evolved along multiple tracks: NATO, the EU, and bilateral cooperation with globally minded member states. Japanese outreach to Europe across these three tracks raises the possibility of a larger trilateral partnership involving the United States. However, a Japan-Europe-U.S. partnership remains today more aspirational than a reality.

## NATO

Closer contact between Japan and NATO commenced just after the end of the Cold War. This was not coincidental, as some Japanese policymakers had previously viewed the alliance as a competitor for U.S. attention and resources needed in East Asia. Japan and NATO launched a security seminar for officials and experts in 1990. The following year, NATO Secretary General Manfred Wörner made a historic visit to Tokyo and the JSDF's highest-ranking officer traveled to Brussels for the first time. Building on this momentum, Japan and NATO convened high-level consultations involving senior officials — talks that started in 1993 and continue today.<sup>149</sup> Yet the relationship between Japan and NATO remained thin outside this growing

<sup>146</sup> Liu Xiaoming, "China and Britain Won the War Together," *The Telegraph*, January 1, 2014.

<sup>147</sup> Keiichi Hayashi, "China Risks Becoming Asia's Voldemort," *The Telegraph*, January 5, 2014.

<sup>148</sup> Adam Taylor, "This is Why Germany Doesn't Want China Anywhere Near Berlin's Holocaust Memorial," *The Washington Post*, March 28, 2014.

<sup>149</sup> Benjamin Schreer, "Beyond Afghanistan: NATO's Partnerships in the Asia-Pacific," Research Division-NATO Defense College, Rome-No. 75, April 2012, 5; Masashi Nishihara, "Can Japan Be a Global Partner for NATO?," *Riga Papers*, 2006, 34; Michito Tsuruoka, "NATO and Japan: A View from Tokyo," *The RUSI Journal* 156, Issue 6 (2011): 62; Randy Schriver and Tiffany Ma, "The Next Steps in Japan-NATO Cooperation," Project 2049, 2010, 3.

series of dialogues. Even in NATO's backyard, the Western Balkans, Japanese efforts to provide educational and medical assistance occurred without direct collaboration.<sup>150</sup>

The international response to the September 11, 2001, attacks on New York and Washington qualitatively transformed Japanese engagement with NATO. As the United States and its allies moved to topple the Taliban regime that had harbored al Qaeda, Tokyo made an unprecedented decision to refuel naval vessels — many belonging to NATO members — involved in the operation.<sup>151</sup> After the fall of the Taliban, Japan contributed to the stabilization and reconstruction of Afghanistan, a mission that became a priority for NATO when the alliance assumed leadership of the International Security Assistance Force (ISAF) in August 2003. Japan indirectly supported NATO through offering development assistance to Afghanistan at a level second only to that of the United States. In 2007, the Japanese government weighed a further step: sending military personnel to Afghanistan. Ultimately, the deteriorating security situation in much of the country and a lack of domestic support induced Tokyo to donate funding and civilian expertise to non-governmental organizations and other local groups working with ISAF's provincial reconstruction teams.<sup>152</sup>

Coordination in Afghanistan catalyzed a broader operational relationship between Japan and NATO. In the years after September 11, 2001, the JSDF and NATO expanded security cooperation to new arenas. Tokyo joined the Proliferation Security Initiative and regularly sent observers to exercises organized by the network's NATO members.<sup>153</sup> Following the earthquake that devastated Pakistan in 2005, Japanese relief teams worked alongside NATO troops to care for refugees.<sup>154</sup> Of particular note, Tokyo in 2009 dispatched two destroyers and two P-3C patrol aircraft to participate in international counter-piracy operations around the Horn of Africa. Although the Japanese flotilla constituted an independent mission, it coordinated with Operation Ocean Shield, the NATO task force in the area.<sup>155</sup>

The political side of Japan's relationship with NATO advanced in parallel with these developments. In 2004, NATO designated Japan as a "Contact Country" — a term applied to a select group of external partners.<sup>156</sup> Two years later, Foreign Minister Aso spoke at NATO and affirmed: "Let us begin by doing what is mutually doable, such as defense exchanges, and

<sup>150</sup> Schriver and Ma, "The Next Steps in Japan-NATO Cooperation"; Schreer, "Beyond Afghanistan"; Tsuruoka, "NATO and Japan"; Japan Ministry of Foreign Affairs, "Japan's Initiative in the Western Balkans," July 2004.

<sup>151</sup> Daniel Kliman, *Japan's Security Strategy in the Post-9/11 World* (Washington: Center for Strategic and International Studies, 2006); Nishihara, "Can Japan Be a Global Partner for NATO?"; "The MSDF Indian Ocean deployment — blue water militarization in a 'normal country,'" APSNet Policy Forum, March 30, 2006.

<sup>152</sup> Tsuruoka, "NATO and Japan: A View from Tokyo"; Schreer, "Beyond Afghanistan"; Schriver and Ma, "The Next Steps in Japan-NATO Cooperation."

<sup>153</sup> Nishihara, "Can Japan Be a Global Partner for NATO?"

<sup>154</sup> Schriver and Ma, "The Next Steps in Japan-NATO Cooperation"; Japan International Cooperation Agency, "Japan's Cooperation with Pakistan towards Rehabilitation/Reconstruction since the Earthquake on 8<sup>th</sup> October, 2005."

<sup>155</sup> Japan Ministry of Foreign Affairs, "Japan's Actions against Piracy off the Coast of Somalia," September 2012; NATO Parliamentary Assembly, Subcommittee on Future Security and Defence Capabilities, November 2012; Tsuruoka, "NATO and Japan: A View from Tokyo."

<sup>156</sup> NATO, "NATO cooperation with Japan," April 22, 2013.

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aim for big and more, over time.”<sup>157</sup> Escalating Japan’s bid for closer political ties with NATO, Prime Minister Abe in 2007 addressed the alliance’s primary decision-making body, the North Atlantic Council.<sup>158</sup> The Japanese government in May 2007 also inserted NATO into a joint statement with the United States issued at a defense and foreign ministers’ meeting. The statement framed “broader Japan-NATO cooperation” as a shared strategic objective of the U.S.-Japan alliance.<sup>159</sup> When Abe left office in September 2007, Japan’s relations with NATO lost a clear champion. Yet under his LDP successors, dialogue with NATO grew to incorporate a wider set of issues such as non-proliferation, counter-terrorism, maritime security, missile defense, and cybersecurity.<sup>160</sup>

Despite a rocky start, the DPJ charted an upward course for Japan’s relations with NATO. Upon coming to power, the DPJ abruptly ended the JMSDF’s refueling operations in the Indian Ocean. This shift reflected the desire of many DPJ lawmakers to break with what they regarded as a signature LDP initiative of dubious legality. Although terminating logistical support that had benefited the navies of many NATO members, the DPJ administration continued to backstop NATO in Afghanistan, even ramping up non-military assistance.<sup>161</sup> In the Gulf of Aden, the DPJ enlarged the counter-piracy mission initiated by the LDP. Japan signed a Status of Forces Agreement with Djibouti in 2010, paving the way for a permanent logistics facility — the first overseas Japanese base since World War II.<sup>162</sup> The DPJ presided over several other landmark developments in Japan-NATO relations. In 2010, the Japanese government concluded an information-sharing agreement with NATO and released National Defense Guidelines that referenced the alliance for the first time.<sup>163</sup>

With Abe’s political revival, Japan’s foremost champion of NATO once again occupies the prime minister’s office. Abe’s administration has already elevated ties with NATO by signing a Joint Political Declaration.<sup>164</sup> Moreover, Japan’s inaugural National Security Strategy has explicitly called for strengthening NATO cooperation.<sup>165</sup> Abe’s focus on NATO comes at an opportune time. As ISAF’s mission in Afghanistan draws down, there is a unique moment for Japan to define a forward-looking partnership with NATO.

*With Abe’s political revival, Japan’s foremost champion of NATO once again occupies the prime minister’s office.*

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<sup>157</sup> Japan Ministry of Foreign Affairs, “Japan and NATO in a New Security Environment,” May 4, 2006.

<sup>158</sup> Japan Ministry of Foreign Affairs, “Japan and NATO: Toward Further Collaboration,” January 12, 2007.

<sup>159</sup> Japan Ministry of Foreign Affairs, “Joint Statement of the Security Consultative Committee: Alliance Transformation: Advancing United States-Japan Security and Defense Cooperation,” May 1, 2007; Tsuruoka, “NATO and Japan.”

<sup>160</sup> Schreer, “Beyond Afghanistan,” 5.

<sup>161</sup> U.S. Department of State, “Fact Sheet: NATO Coalition Contributions to Operation Enduring Freedom,” October 24, 2002.

<sup>162</sup> Alex Martin, “First overseas military base since WWII to open in Djibouti,” *The Japan Times*, July 2, 2011.

<sup>163</sup> Michito Tsuruoka, “The U.K., Europe and Japan: Forging a New Security Partnership,” *RUSI Journal* 158, no. 6 (December 2013): 62; Tsuruoka, “NATO and Japan: A View from Tokyo”; Japan Ministry of Defense, “National Defense Program Guidelines,” December 17, 2010.

<sup>164</sup> Michael Paul, “NATO Goes East,” German Institute for International and Security Affairs, October 2013.

<sup>165</sup> Prime Minister of Japan and His Cabinet, “National Security Strategy,” December 17, 2013.

*What transformed  
Japanese perceptions  
was the EU's flirtation  
with arms sales to  
China.*

## European Union

As in the case of Japan-NATO relations, the end of the Cold War precipitated Japanese engagement with the EU. In 1991, Tokyo and Brussels released a Joint Declaration that committed both sides to intensifying dialogue and cooperation on major international issues.<sup>166</sup> During the decade that followed, Japan and the EU convened annual summits, but collaboration beyond these high-level meetings remained anemic. Tokyo and Brussels in 2001 came together to adopt a Japan-EU “Action Plan” that set forth broad objectives such as contributing to global peace and prosperity, promoting a closer economic partnership, and deepening people-to-people exchanges.<sup>167</sup> The “Action Plan,” though a milestone in the evolution of Japan-EU relations, nonetheless did little to raise the EU’s profile in Tokyo.

What transformed Japanese perceptions was the EU’s flirtation with arms sales to China. In 2004, France and Germany began to call on the EU to lift a military embargo on Beijing imposed after the 1989 Tiananmen crackdown. The prospect of Chinese access to advanced European weaponry alarmed the Japanese government, which alongside the United States, lobbied the EU to retain the ban on weapon sales. The EU ultimately acquiesced, in part because of China’s passage of an anti-secession law that promised military retaliation against Taiwan if it declared independence.<sup>168</sup> Rather than chilling Japan-EU relations, this period of tension elevated the EU’s status in Tokyo: it demonstrated that the EU could play a significant role — for good or for ill — on security issues vital to Japan.

As such, the Japanese government in 2005 initiated a strategic dialogue with the EU on East Asian security with the objective of promoting a convergence of perspectives. The foreign policy vision of the first Abe administration also manifested a growing awareness of the EU — the “Arc of Freedom and Prosperity” emphasized partnering not only with NATO but also with the EU. The counter-piracy mission around the Horn of Africa that Japan undertook in 2009 provided concrete reinforcement to Japan-EU ties. While operating autonomously, the JMSDF routinely shared information on flight schedules and patrol coverage with the EU’s Operation Atalanta.<sup>169</sup>

The EU held considerable appeal for the DPJ administration that took power in late 2009. Determined to correct what many DPJ lawmakers perceived as an unhealthy dependence on the United States, the new government in Tokyo viewed Brussels as an opportunity to diversify Japan’s democratic partnerships. Accordingly, Japan and the EU in 2011 announced preparations for talks on an FTA and a political framework agreement.<sup>170</sup> Throughout 2012, Tokyo

<sup>166</sup> European External Action Service, “Joint Declaration on Relations between the European Community and its Member States and Japan,” July 18, 1991.

<sup>167</sup> European External Action Service, “Shaping our Common Future,” 2001.

<sup>168</sup> Frans Paul van der Putten, “The EU Arms Embargo, Taiwan, and Security Interdependence Between China, Europe, and the United States,” *Indian Journal of Asian Affairs* 20, No. 1/2 (June-December 2007).

<sup>169</sup> Michito Tsuruoka, “The EU and Japan: making the most of each other,” European Union Institute for Security Studies, November 2013; Michito Tsuruoka, “Japan — Europe Security Cooperation: How to ‘Use’ NATO and the EU,” *NIDS Journal of Defense and Security*, December 2011.

<sup>170</sup> European Union, “A Free Trade Agreement between the EU and Japan,” June 17, 2013.

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and Brussels engaged in a scoping exercise to evaluate the economic ramifications of an FTA. This impact assessment yielded positive results, but the DPJ experienced an electoral rout before it could move on the study.

Abe's administration has capitalized on the work of the previous government. In 2013, Japan and the EU formally launched trade negotiations.<sup>171</sup> Talks on a Strategic Partnership Agreement commenced at the same time.<sup>172</sup> Today, Tokyo and Brussels continue to work toward the conclusion of both agreements. If realized, the two accords promise to advance Japan-EU relations to a new level and to open up new areas of economic and security cooperation.

### United Kingdom and France

Japan's engagement with Europe has expanded to include a third track: enhancing strategic ties with the United Kingdom and France. Trade and investment traditionally dominated Japan's relations with these two globally minded European powers. During the first decade of the 21<sup>st</sup> century, Tokyo began to move away from the largely commercial relations of the past. The Japanese and French governments in 2003 agreed to cooperate on water availability projects overseas, while in Iraq, U.K. troops protected JSDF personnel.<sup>173</sup> Yet such initiatives failed to generate broader momentum due to the lack of a high-level, sustained commitment in Tokyo to building out larger strategic partnerships.

That commitment ultimately came from the DPJ, which inaugurated a concerted effort to forge closer security ties with the U.K. and France. While the DPJ held power in Tokyo, Japan and France signed an information security agreement.<sup>174</sup> Japanese outreach to the U.K. advanced more swiftly, with the two sides proclaiming a "leading strategic partnership" at an April 2012 summit and pledging to undertake new defense industrial cooperation.<sup>175</sup> As a response to the March 2011 tsunami disaster and nuclear accident, Tokyo and London launched a new nuclear safety dialogue the year after.<sup>176</sup>

Prime Minister Abe came to power focused on Japan's relations with the U.K. and France. In an op-ed published during his first week in office, Abe called on the two European powers to "stage a comeback in terms of participating in strengthening Asia's security."<sup>177</sup> His administration has backed rhetoric with action. In June 2013, the Japanese and French governments announced their intent to develop "an exceptional partnership," agreed to hold a regular foreign and defense ministers' meeting, and vowed to deepen cooperation on nuclear reactor

*Prime Minister Abe came to power focused on Japan's relations with the U.K. and France.*

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<sup>171</sup> European Commission, "EU-Japan Summit: MEMO/13/268," March 25, 2013.

<sup>172</sup> Delegation of the European Union to Japan, "EU-Japan Political Relations," last modified July 30, 2013.

<sup>173</sup> Japan Ministry of Foreign Affairs, "Japan-France Water Sector Cooperation," March 23, 2003; "Japan to pull troops out of Iraq," *BBC News*, June 20, 2006.

<sup>174</sup> Japan Ministry of Defense, "Defense of Japan 2013."

<sup>175</sup> Japan Ministry of Foreign Affairs, "The 1st Annual Japan-U.K. Nuclear Dialogue," October 3, 2012; Japan Ministry of Foreign Affairs, "Joint Statement by the Prime Ministers of The U.K. and Japan: A Leading Strategic Partnership for Global Prosperity and Security," April 10, 2012; Tsuruoka, "The U.K., Europe, and Japan," 61.

<sup>176</sup> Japan Ministry of Foreign Affairs, "The 1st Annual Japan-U.K. Nuclear Dialogue," October 3, 2012.

<sup>177</sup> Abe, "Asia's Democratic Security Diamond"; Pajon, 35.

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exports.<sup>178</sup> A month later, Tokyo and London concluded a “Defense Equipment Cooperation Framework” and an intelligence sharing agreement.<sup>179</sup> Since then, both sides have finalized an initial area of defense industrial cooperation — testing the performance of chemical weapon suits. This makes the U.K. the first country to partner with Japan on a defense industrial project other than the United States. France may be a close second: Tokyo and Paris set up a committee to identify future projects for defense industrial cooperation at their first foreign and defense ministers’ meeting in January 2014.<sup>180</sup> On the Japanese side, there is now a clear commitment to building up strategic partnerships with the U.K. and France. Less certain is whether future leaders in London and Paris will necessarily reciprocate.

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<sup>178</sup> Japan Ministry of Foreign Affairs, “State Visit to Japan by French President François Hollande,” June 11, 2013; Japan Ministry of Foreign Affairs, “Japan-France Summit Meeting,” June 7, 2013.

<sup>179</sup> Tsuruoka, “The U.K., Europe, and Japan,” 61; Philip Shetler-Jones, “U.K.-Japan Defense Cooperation: Britain Pivots and Japan Branches Out,” East West Center Asia-Pacific Bulletin Number 164, May 10, 2012; U.K. Foreign and Commonwealth Office, “Foreign Secretary signs groundbreaking defence and security agreements with Japan,” July 4, 2013.

<sup>180</sup> “Japan, France agree on development, exports of weapons,” *The Asahi Shimbun*, January 10, 2014.

# 6 Recommendations

The ultimate aim of Japan's democratic diversification is to create a network of cooperation among democracies in the Indo-Pacific and beyond that will reinforce a rules-based international order. Measured against this benchmark, Tokyo's outreach to South Korea, Australia, India, Southeast Asia, and Europe remains a work in progress. Japan has generally put in place the political structures needed to underpin these growing relationships. To realize the potential of these new ties and reduce obstacles to deeper cooperation, Japan should focus on building out partnerships around specific issue areas. Five hold significant potential: maritime security, cybersecurity, military preparedness, human rights, and economic development. The constellation of countries and collaborative mechanisms will differ across these areas, but all will require leadership not only from Japan but also from its democratic partners.

## Maritime Security

Maintaining a free and open maritime commons is an objective that Japan shares with other democracies. Thus, Japan's project of democratic outreach has from the outset included a maritime component. To more fully realize this area's potential as a focal point for cooperation, Tokyo in concert with its democratic partners should take the following actions:

- **Launch an initiative with Australia and the United States to develop a trilateral intelligence, surveillance, and reconnaissance (ISR) capability.** The disappearance of Malaysia Flight 370 underscored the need for a more effective network to monitor the air and maritime domains of the Indo-Pacific. Better ISR coverage of this vast geographic expanse would also help to combat piracy, curb illegal fishing, and monitor activities around disputed islands. A next step in Japan's trilateral cooperation with Australia and the United States is to knit together existing ISR capabilities to provide a shared picture of the Indo-Pacific.<sup>181</sup> Over time, the trilateral network could expand to include other partners such as India.
- **Develop a joint concept of operations to uphold freedom of the Indian Ocean and Western Pacific sea lanes.** As an economy almost entirely reliant on energy imports carried on the sea lanes linking the Persian Gulf and East Asia, Japan has a substantial stake in maintaining freedom of the maritime commons that underwrite Asian and global economic prosperity. Tokyo should work with the United States, India, Australia, and other maritime powers to share responsibility for maritime patrols in the Indo-Pacific. Joint naval exercises are not enough; like-minded regional powers need to develop a common concept of operations, including a division of labor for sea and air patrols, to upgrade security of the maritime commons that are their economic lifelines.
- **Establish an "Indian Ocean Submarine Center of Excellence" at the Royal Australian Navy's base in Perth.** Japan, Australia, and the United States should jointly found a submarine school at HMAS Stirling, an Australian naval base near Perth that features unique submarine facilities. The school would bring together Indian Ocean navies that possess or plan to acquire submarines, and offer classes, tabletop simulations, and live exercises. In

*Tokyo should work with the United States, India, Australia, and other maritime powers to share responsibility for maritime patrols in the Indo-Pacific.*

<sup>181</sup> A related recommendation can be found in Patrick M. Cronin and Paul S. Giarra, "Robotic Skies: Intelligence, Surveillance, Reconnaissance, and the Strategic Defense of Japan," Center for a New American Security, December 2010.

*The Japanese government should propose the creation of an annual Asian Archipelago Coast Guard Summit.*

recent years, navies across the Indian Ocean have ramped up their acquisition of submarines, and this trend shows no sign of abating.<sup>182</sup> With more submarines deployed in the Indian Ocean, often by nations with little experience of undersea operations, there is a need to share best practices and develop common rules of the road. Beyond reducing future accidents in a crowded undersea environment, the Indian Ocean Submarine Center of Excellence would carry the added benefit of enhancing interoperability among Japan, the United States, Australia, and other participating nations.

- **Integrate Japan and EU counter-piracy missions in Djibouti.** By officially joining the international task force combating piracy around the Horn of Africa in December 2013, Japan has created new opportunities for cooperation with the EU's Naval Forces Somalia (EUNAVFOR). JSDF units not only exchange flight plans and schedules with EUNAVFOR; they now also communicate real-time information on potential incidents of piracy to European navies conducting interdiction operations.<sup>183</sup> Yet deeper integration between the two counter-piracy missions is possible, particularly now that the Abe administration has succeeded in lifting Japan's self-imposed ban on collective defense.<sup>184</sup> Given that the JSDF and EUNAVFOR each maintain bases adjacent to the Djibouti airport, the two should look to merge their respective logistical supply chains and explore the feasibility of combining operations centers. In addition, Japanese and EU naval officers should jointly develop and co-teach courses at the Djibouti Regional Training Center, a school dedicated to educating maritime professionals.<sup>185</sup>
- **Upgrade maritime partnerships with the Philippines and Indonesia.** Japan's maritime cooperation with both Southeast Asian democracies has expanded to include the sale of patrol boats and training for coast guard personnel. But concerns about piracy, illegal foreign fishing, and China's growing maritime presence have rendered both nations receptive to still further collaboration with Tokyo. Beyond ramping up existing cooperation mechanisms — the provision of equipment and technical instruction — the Japanese government should propose the creation of an annual Asian Archipelago Coast Guard Summit. This meeting would bring together coast guard heads from Indonesia, Japan, and the Philippines — Asia's three largest archipelagic nations. It would serve as a platform for high-level consultation and coordination on shared areas of concern.

### Cybersecurity

Japan and its democratic partners confront an array of cyber threats emanating from governments, criminal syndicates, and individual hackers. Yet until now, Japan's project of democratic outreach has largely neglected this area of shared interest. The Abe administration's passage

<sup>182</sup> Established Indian Ocean powers — India and Australia — alongside new arrivals — Vietnam, Indonesia, Malaysia, and Singapore — all field undersea capabilities. Kyle Mizokami, "Asia's Submarine Race," *USNI News*, November 13, 2013.

<sup>183</sup> Shinzo Abe, "Rejuvenating U.K.-Japan Relations for the 21<sup>st</sup> Century," keynote at the Royal United Services Institute, London, September 30, 2013; "Japan Enhances CMF," *Maritime Security Review*, February 14, 2014.

<sup>184</sup> Martin Fackler, "Japan Moves to Permit Greater Use of Its Military," *The New York Times*, July 1, 2014.

<sup>185</sup> At the November 2013 Japan-EU summit, both sides raised the Djibouti Regional Training Center as a potential area of cooperation. European Commission, "21<sup>st</sup> Japan-EU Summit Tokyo 19 November 2013 Joint Press Statement," November 19, 2013.

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of a secrecy law in December 2013 has put in place the legal safeguards needed to underpin closer cybersecurity cooperation between Japan and other nations.<sup>186</sup> Tokyo, in concert with its democratic partners, should take the following actions:

- **Establish an annual cyber forum among computer emergency response teams (CERTs) from Australia, New Zealand, Canada, the United Kingdom, the United States, Japan, and South Korea.** This forum would bring together premier cyber response teams from the “Five Eyes” — an intelligence-sharing consortium of the world’s leading English-speaking nations<sup>187</sup> — and the two primary U.S. allies in East Asia. Participating CERTs would exchange best practices for maintaining secure networks and share cyber threat assessments.
- **Convene a dialogue among advanced economy representatives to the new United Nations Group of Governmental Experts (GGE) on cyberspace.** The UN General Assembly has authorized a 20-member GGE to examine issues related to the use of information technology during armed conflict between states.<sup>188</sup> On the sidelines of the GGE, Japan should spearhead a dialogue that encompasses the other industrialized democracies, as all confront similar vulnerabilities to cyber-attacks. The dialogue would serve to harmonize a common position at meetings of the GGE and also provide a more comfortable venue for sensitive discussions on how to legally define “gray area” cyber incidents that fall short of massive disruption but go well beyond espionage and the theft of intellectual property.

*New types of bilateral and trilateral military cooperation will enable Japan to prepare for potential contingencies, deter aggression, and maintain a favorable balance of power.*

### **Military Preparedness**

As part of its strategy of democratic diversification, Tokyo has expanded security ties with other U.S. allies in the Asia-Pacific region. However, the lingering shadow of pre-1945 history and self-imposed military restraints have limited the scope of Japan’s outreach. New types of bilateral and trilateral military cooperation will enable Japan to prepare for potential contingencies, deter aggression, and maintain a favorable balance of power. Tokyo, Washington, and allied capitals should take the following actions:

- **Initiate regular tabletop exercises incorporating U.S., Japanese, and South Korean defense officials.** Although the United States, Japan, and South Korea hold regular Defense Trilateral Talks, they have yet to engage in trilateral planning for potential contingencies triggered by a nuclear-armed and erratic regime in Pyongyang. Political tensions rooted in Japan’s history of invasion and occupation of the Korean Peninsula make trilateral contingency planning a domestically fraught issue in Seoul. For this reason, contingency planning should involve representatives from Combined Forces Command — the U.S.-South Korea staff headquarters — and military planners from U.S. Forces Japan and the JSDF. This format as opposed to a three-government meeting would embed contingency planning in the framework of the U.S.-South Korea alliance, giving elected leaders in Seoul political

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<sup>186</sup> Isabel Reynolds and Takashi Hirokawa, “Japan’s Abe Secures Passage of Secrecy Law as Opposition Revolts,” *Bloomberg*, December 6, 2013.

<sup>187</sup> Margaret Warner, “An exclusive club: The five countries that don’t spy on each other,” *PBS NewsHour*, October 25, 2013.

<sup>188</sup> Timothy Farnsworth, “UN Creates New Group on Cyberspace Issues,” *Arms Control Today*, December 2013.

*Training drills in the United States are geographically distant from East Asia and therefore constitute an effective platform for advancing military cooperation between Japan and South Korea.*

coverage. Although trilateral contingency planning of any type may prove infeasible due to South Korea's current estrangement from Japan, future North Korean provocations may create new windows of opportunity.

- **Integrate Japanese and South Korean troops into U.S.-based multinational military exercises.** Training drills in the United States are geographically distant from East Asia and therefore constitute an effective platform for advancing military cooperation between Japan and South Korea at a time of political tensions between the two. This was demonstrated in August 2013 when South Korea for the first time joined the Red Flag exercise over Alaska, which included aircraft from Japan as well as Australia and the United States.<sup>189</sup> Going forward, military units from Japan and South Korea should also participate in Bold Alligator and Dawn Blitz, amphibious assault exercises respectively held off the coasts of North Carolina and Southern California.<sup>190</sup>
- **Support Australia's and India's development of next-generation diesel electric submarines.** The Australian government has requested access to the advanced propulsion technology used by Japan's Soryu-class submarines.<sup>191</sup> Tokyo should expeditiously decide in favor of transferring this technology and modify military export restrictions where necessary. India, which confronts both conventional naval and waterborne-terrorism threats, could also benefit from Japanese diesel-electric submarine technology, especially as New Delhi works to diversify its defense procurement beyond traditional suppliers in Russia and Europe.

### Human Rights

Under the current Abe administration, advancing democracy and freedom has become a central tenet of Japanese foreign policy.<sup>192</sup> As Tokyo looks to deepen linkages with other like-minded capitals, a values-based international agenda should constitute a key area of cooperation. Japan, in concert with its democratic partners, should take the following actions:

- **Establish a "Friends of the Bali Democracy Forum" caucus.** Japan should invite governments, civil society groups, and companies affiliated with the Community of Democracies to come together to increase the technical capacity and resources of the Bali Democracy Forum, an annual conclave organized by Indonesia to promote "political development through dialogue and sharing of experience, aiming at strengthening democratic institutions."<sup>193</sup> Members of the caucus would work with the Indonesian government to actively assist countries participating in the Bali Democracy Forum that are looking to improve domestic governance. The caucus would serve as a hub of democracy assistance funding and as a clearing-house for expertise on democratic transitions.

<sup>189</sup> Matthew Pennington, "Uneasy partners Japan, S. Korea join U.S. air drills," *The Associated Press*, August 22, 2013.

<sup>190</sup> Neither Japan nor South Korea participated in Bold Alligator in 2013; Dawn Blitz included Japan in 2013.

<sup>191</sup> Brendan Nicholson, "Japan asked to share submarine technology," *The Australian*, December 7, 2013.

<sup>192</sup> Maiko Ichihara, "Japan's Strategic Approach to Democracy Support," Carnegie Endowment for International Peace, March 7, 2014.

<sup>193</sup> Republic of Indonesia, Ministry of Foreign Affairs, "Information Sheet: Bali Democracy Forum," October 7, 2010.

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- **Launch an Asia Internet Freedom Caucus.** Japan should partner with South Korea and Australia to initiate a caucus of Indo-Pacific countries committed to a free and open vision of cyberspace. The primary target of the caucus should be emerging democracies in South and Southeast Asia that remain ambivalent about the future of Internet governance and will command an increasing share of the world's online population in the coming decades. The caucus would convene on the sidelines of major forums on cyberspace and also advocate Internet freedom at major regional meetings such as the East Asia Summit and the Asia Pacific Economic Cooperation forum.

### Development

Official development assistance remains an essential component of Japan's democratic outreach, particularly in the Indo-Pacific. To support democracies in the region that are traversing the difficult path to economic prosperity and to coordinate foreign aid with other major donors, Tokyo should take the following actions:

- **Expand financial support for infrastructure projects connecting Myanmar to the rest of Southeast Asia and India.** To spur economic growth in Myanmar, Japan should allocate ODA to building ports, roads, and rails. To ensure that Myanmar can use ODA funds effectively, Japan should train local officials to manage large-scale infrastructure projects.
- **Create a Japan-India Infrastructure Investment Fund.** India has the world's largest infrastructure requirements over the coming decade. But Chinese investment in India remains politically controversial and is constrained by an array of national-security exceptions to Chinese direct investment. A recent poll of Japanese investors showed they identify India as the largest long-term market for Japanese foreign direct investment. Given its companies' comparative advantage as well as its national interest in boosting India's development trajectory, Japan should create a new facility to organize public-private partnerships to support India's requirement of nearly \$1 trillion in new infrastructure investment.
- **Create a Japan-Australia Pacific Islands Fund.** Tokyo and Canberra, as two significant donors to island nations in the South Pacific, should launch a joint fund. This initiative would not only disburse ODA for specific projects but also regularly bring together aid officials from Japan and Australia to coordinate their approach to the Pacific Islands.<sup>194</sup>

*Japan should create a new facility to organize public-private partnerships to support India's requirement of nearly \$1 trillion in new infrastructure investment.*

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<sup>194</sup> This recommendation builds on ideas from a Lowy Institute report that is no longer available online.

# 6 Conclusion

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**A**s Japan looks to diversify its democratic partnerships in the Indo-Pacific and beyond, the stakes are high. If Tokyo can leverage its bilateral diplomacy and the U.S.-Japan alliance to construct a network of democratic cooperation, the rules-based order in Asia will endure even as China's ascent continues. Failure to build on the past decade of democratic outreach, however, will jeopardize Japan's future position in Asia, as well as the future of U.S. leadership in the region.

To succeed in its strategy of democratic diversification, Tokyo will need to supply much of the policy vision, diplomatic energy, and financial resources. Yet democratic cooperation is not a one-way street. It is incumbent on Japan's democratic partners to support these efforts, which advance larger — and shared — goals of peace, prosperity, and freedom. Together, Japan, the United States, and a constellation of other democracies can knit together a network that will contribute to international security and economic growth in the decades ahead.

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