

STIMSON



# JAPAN'S

## Global Diplomacy

Views from the Next Generation

EDITED BY YUKI TATSUMI

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## Preface

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Let me present our latest publication from Stimson's Japan program. This volume, *Japan's Global Diplomacy: Views from the Next Generation*, is a collection of short, current analyses by leading policy experts from Japan. The four authors are scholars and advisors to the Japanese government, embodying the think tank tradition of building useful and effective bridges between independent experts and government decision makers.

The topics they cover in this volume—Japan's relations with Australia, Europe, India and Russia—are all issues of considerable policy interest and concern in Washington. I am confident that this volume will make an important contribution to the public conversation about Japan's increasingly robust diplomatic engagement with its important friends and partners in the world and can help prevent misunderstanding between the alliance partners in this time of turbulence.

I am grateful to Yuki Tatsumi, who leads Stimson's work on Japan and is herself a facilitator of US-Japan relations on several levels, for her leadership of this project, and for her own insights and analysis on these topics. I am also appreciative of the support and guidance from our friends at the Embassy of Japan.

Ellen Laipson  
President and CEO  
The Stimson Center



## Acknowledgments

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First, I would like to thank the contributors to this report. Takaaki Asano, Tomohiko Satake, Michito Tsuruoka and Yoko Hirose made time out of their busy schedules to travel to Washington, DC, for workshops and public seminars. They are all well respected for their scholarly work and therefore in high demand. I also cannot thank them enough for their commitment to complete these policy briefs. I am also grateful for the collaboration, support and encouragement of the Embassy of Japan. Without their support, this project would not have been possible.

In addition, I am very grateful for my Stimson colleagues. Ellen Laipson, Stimson's president, and Distinguished Fellow and East Asia Program Director Alan Romberg for their willingness to allow me freedom to develop projects that are focused on US-Japan relations. I would also like to thank many individuals, both inside and outside the government, on both sides of the Pacific who have provided me useful guidance and advice as I expand the scope of the projects that I undertake.

My gratitude also goes to Stimson's Communications team and other colleagues who made this publication possible. I have to single out Lita Ledesma for her wonderful cover design, and Hana Rudolph, Stimson's East Asia program research assistant, for her role in taking on the labor-intensive details to prepare this report for publication.

Finally, I would also like to make a collective disclaimer that each scholar represents his/herself in their own chapter. The content of their papers do not reflect the official position of the institutions and organizations of which they are a part.

Yuki Tatsumi  
Senior Associate  
East Asia program



## Abbreviations

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ACSA	Acquisition and Cross-Servicing Agreement
ADF	Australian Defence Force
ADIZ	Air Defense Identification Zone
ADMM	ASEAN Defence Ministers' Meeting
AICHR	ASEAN Intergovernmental Commission on Human Rights
AIIB	Asian Infrastructure Investment Bank
APEC	Asia-Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ASEM	Asia-Europe Meeting
ASW	Anti-Submarine Warfare
BDF	Bali Democracy Forum
BRICS	Brazil, Russia, India, China and South Africa
CoC	Code of Conduct
EAS	East Asian Summit
EU	European Union
FTA	Free Trade Agreement
FY	Fiscal Year
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
HA/DR	Humanitarian Assistance and Disaster Relief
IAEA	International Atomic Energy Agency

## Abbreviations

IPCP	Individual Partnership and Cooperation Programme
INF	Intermediate-Range Nuclear Forces
ISA	Information Security Agreement
ISAF	International Security Assistance Force
IMTFE	International Military Tribunal for the Far East
JDSC	Joint Declaration on Security Cooperation
JMSDF	Japan Maritime Self-Defense Force
JSDF	Japan Self-Defense Forces
MFN	Most-Favored Nation
MOFA	Ministry of Foreign Affairs
NATO	North Atlantic Treaty Organization
NDB	New Development Bank
NIDS	National Institute for Defense Studies
NPT	Nuclear Non-Proliferation Treaty
NSC	National Security Council
NSS	National Security Strategy
OEF	Operation Enduring Freedom
OSCE	Organization for Security and Cooperation in Europe
PKO	Peace-Keeping Operation
PPB	Pacific Patrol Boat
R&D	Research and Development
RCEP	Regional Comprehensive Economic Partnership
SCO	Shanghai Cooperation Organization
SPA	Strategic Partnership Agreement
SSA	Space Situational Awareness

TPP	Trans-Pacific Partnership
TTIP	Transatlantic Trade and Investment Partnership
UK	United Kingdom
US	United States
USSR	Union of Soviet Socialist Republics
VNC	Voluntary National Contribution
WGS	Wideband Global SATCOM
WTO	World Trade Organization



## Introduction

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Yuki Tatsumi

*“Fundamental to our diplomacy will be for us to develop a strategic diplomacy based on the fundamental values of freedom, democracy, basic human rights, and the rule of law, and we view the world as a whole, as if looking at a globe, rather than look only at bilateral relations with neighboring countries.”*

—Prime Minister Shinzo Abe, January 28, 2013

Restoring Japan's position in the international community as a global actor has been one of Prime Minister Shinzo Abe's top priorities. In the area of economic policy, this desire has made him a strong advocate for Japan's participation in the Trans-Pacific Partnership (TPP). In the area of foreign policy, this determination has been reflected in the “diplomacy that takes a panoramic view of the world map” (*chikyuugi wo fukan suru gaiko*) initiative. When Abe's administration issued Japan's first-ever National Security Strategy in December 2013, this strategy was further crystalized into a more concrete concept of “proactive contribution to peace” (*sekkyoku-teki heiwa-shugi*), which declared that Japan would play a “proactive role in achieving the peace, stability and prosperity of the international community.” Through this approach, Japan's National Security Strategy outlined, Japan would enhance its relationships with countries that shared its values, build relationships with countries that are strategically important to Japan, and buttress relationships with countries and regions outside the Asia-Pacific region.<sup>2</sup>

Abe has proven his commitment to this initiative and foreign policy concept by actively engaging in high-level diplomacy to foster Japan's relationships with countries and regions that have grown stagnant in recent years. For instance, he has leveraged his strong personal relationship with Australian Prime Minister Tony Abbott to elevate Japan-Australia relations to a “special strategic relationship.”<sup>3</sup> Abe also has elevated Japan's relations with India – the bilateral relationship he prioritized during his first tenure as the prime minister between 2006 and 2007 – to a “special strategic and global partnership” in 2014.<sup>4</sup>

Abe's efforts to revitalize Japan's diplomacy outside the Asia-Pacific region have been particularly noteworthy. For instance, Japan embarked on a two-tier effort to strengthen its relationship with Europe under Abe's watch. On the bilateral

level, Japan has held its first foreign and defense ministers (2 plus 2) meetings with France and England. On a multilateral level, efforts to strengthen Japan's relationship with the North Atlantic Treaty Organization (NATO) and its members culminated in the Individual Partnership and Cooperation Programme (IPCP) when Abe met with NATO Secretary-General Anders Fogh Rasmussen in May 2014.<sup>5</sup> Even with Russia, Japan held its first "2 plus 2" meeting in November 2013.<sup>6</sup> Although Japan's effort to reach out to Russia has been constrained due to developments in Ukraine, Abe continues to maintain the position articulated in the National Security Strategy that a positive relationship with Russia is critical not only for resolving Tokyo's longstanding territorial dispute with Moscow, but also for the peace and stability of the Asia-Pacific region.<sup>7</sup>

*Japan's Global Diplomacy: Views from the Next Generation* offers a collection of policy briefs on Japan's key strategic relationships. Building on last year's volume, *Japan's Foreign Policy Challenges in East Asia: Views from the Next Generation*, the volume expands its scope beyond East Asia and examines Japan's relationship with Australia, Europe, India and Russia. Similar to their predecessors, these briefs are written by four scholars who are among the leading experts in the issues identified. They have actively engaged in the foreign policy debates in their respective areas of expertise. They are often sought out by the Japanese government to provide expert opinions and are thereby very cognizant of how the Japanese government shapes and implements its policies in the areas identified in this volume. Each scholar was asked to write a policy brief that addresses the following five questions: (1) What are Japan's policy goals?; (2) In what context have these objectives been formed?; (3) What are Japan's challenges in accomplishing its goals?; (4) Can cooperation with the United States help Japan advance these goals?; and (5) What set of policy recommendations can be offered for consideration?

Tomohiko Satake, one of the leading experts on Japan-Australia relations at the National Institute of Defense Studies (NIDS), contributes a policy brief on Japan's relations with Australia, which is considered to be Japan's "quasi-ally." He argues that the acceleration of deepening Japan-Australia relations in recent years has been driven by the strategic reality in the Asia-Pacific region of a shifting power balance primarily characterized by the rise of China and the relative decline of the United States, as well as Australia's increasing appreciation of a more robust Japan's role in regional and global security. Satake suggests that Japan-Australia relations, a "quasi-alliance" between two of the United States' closest allies in the Asia-Pacific region, can be a vehicle for the two countries to collectively support regional frameworks in the Asia-Pacific region, such as the Association of Southeast Asian Nations (ASEAN), and preserve the existing norms and order in the broader international community.

Takaaki Asano, a research fellow at the Tokyo Foundation, provides a brief on Japan-India relations. Asano suggests that, although goodwill in Japan-India relations has been historically anchored by their positive perceptions of each other, today's Japan increasingly needs India as a critical strategic partner to defend the maritime commons. Asano squarely acknowledges that both Prime Ministers Shinzo Abe and Narendra Modi, while enjoying a strong personal relationship, need to focus on revitalizing their countries' economy, resulting in diverging policy priorities at times. He also points out the reality that India will not forsake its strategic autonomy. Still, Asano believes that Japan and India can develop a mutually beneficial partnership in the efforts to maintain good global governance and an open regional trade architecture in Asia.

Michito Tsuruoka, a senior research fellow at NIDS and a rising star in the field of European studies in Japan, focuses on Japan's relations with Europe. Making references to Japan's modernization efforts in the late 19<sup>th</sup> century and the Japan-UK alliance of 1902 to 1923, Tsuruoka reminds us that Europe is not a new partner for Japan. While witnessing a development of trade and economic relations, he argues that Europe has emerged as a critical partner for Japan in its quest for a diplomacy that upholds international norms and values. Tsuruoka also provides a detailed chronicle of recent developments in Japan's relationship with NATO as an institution as well as its individual member states, whose framework was codified in the May 2014 IPCP. He argues that, in order to build an enduring partnership, Japan and Europe should be able to answer these basic questions: "Why does Europe matter to Japan?" and "Why does Japan matter to Europe?" Moving forward, Tsuruoka suggests that Japan should take advantage of the current momentum in the relationship and establish a firm foundation for Japan-Europe relations.

Lastly, Yoko Hirose, an associate professor at Keio University who is quickly rising as a leading scholar in Japan-Russia relations and Caucasus affairs, offers her perspective on Japan-Russia relations. Hirose argues that Japan's policy toward Russia has been handicapped with its preoccupation toward resolving the Northern Territories dispute. She points out that, despite Abe's strong desire to expand Japan's relationship with Russia, as articulated in the National Security Strategy, Japan needs to strike a difficult balance between exploring a certain level of autonomy in its policy toward Russia and providing unconditional support for universal norms and values as a preserver of the international order.

It is my hope that these policy briefs will serve as a useful point of reference when examining Japan's "diplomacy that takes a panoramic view of the world map" (*chikyuugi wo fukan suru gaiko*) initiative. I also hope that, by reading these briefs, readers can come away with a greater appreciation of the rationales and factors that influence Japan's policy choices in these relationships.

## Notes

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## Japan-Australia Relations: Toward Regional Order-Building

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Tomohiko Satake

### Policy Objectives

*Strengthen and deepen security cooperation between Japan and Australia in order to build and maintain a liberal and inclusive order based on common interests and values and support the US “rebalancing” policy to Asia, which is critical to sustaining such an order.*

For many years, Japan and Australia have been major contributors in developing a liberal international order based on institutions, norms and values such as democracy, human rights and rule of law. Japan and Australia have also worked together toward building an open and inclusive regional security architecture based on the centrality of the Association of Southeast Asian Nations (ASEAN). This role for regional democracies has become especially important in recent years as the United States calls for greater “burden-sharing” among its regional allies and partners, which contributes to a more credible and sustainable US commitment to the Asia-Pacific.

*Deter China’s provocations while enmeshing China in a web of regional institutions, rules and norms as a long-term strategic goal.*

Although Tokyo and Canberra hold different perceptions of Beijing, they share a common interest in successfully integrating China into a liberal and inclusive regional order as a long-term strategic goal. It is important for Japan and Australia to accelerate their efforts to enhance the “resiliency” of a liberal and inclusive order through capacity-building, institution-building and norm-setting, so that the region can successfully accommodate the rise of China.

*Expand cooperation for regional order-building to other regional middle-powers, such as South Korea and India.*

Regional order-building cannot be done by the United States, Japan and Australia alone. Other regional democracies, such as South Korea and India, have much to gain from a stable and inclusive regional order, so there is no reason for such countries to hesitate about regional order-building with like-minded countries. Establishing a coalition of middle-power countries can better realize coordination among these countries by utilizing resources more efficiently.

## Context

Since the announcement of the Japan-Australia Joint Declaration on Security Cooperation in March 2007, security cooperation between Japan and Australia has rapidly developed. In addition to frequent exchanges of high-level visits, Japan and Australia have conducted bilateral military exercises near regularly, improving interoperability between the Japan Self-Defense Force (SDF) and Australian Defence Force (ADF). There has also been increased information-sharing, defense technology cooperation and cyber/space cooperation between the two countries. In July 2014, Prime Ministers Shinzo Abe and Tony Abbott confirmed to upgrade the security partnership to a “special strategic partnership,” elevating the already-strong bilateral security and defense cooperation to a “new level.” Meanwhile, it became increasingly common, both in Japan and Australia, to describe the security partnership as a “quasi-alliance” or “alliance” with a lowercase “a,” while not a formal “Alliance” with a mutual security treaty.<sup>1</sup>

Closer security ties between Japan and Australia in recent years were to a large extent a response to power shifts in the region – the rise of newly emerging states relative to the decline of US power. Although the United States has maintained its preponderance in military capabilities, other regional powers, especially China, have rapidly developed economic and military influence, which has already undermined the US-led liberal and inclusive regional order. Facing these challenges, the United States has strengthened its military, economic and diplomatic commitments to regional allies and partners under its rebalancing policy. Due to an escalation of crises in both the Middle East and Europe, however, the future of the US rebalance to Asia is now the subject of increased scrutiny in the Asia-Pacific. Naturally, Japan and Australia – the two most important US regional allies with enormous interests in protecting the existing order – are expected to assume greater burden-sharing in terms of both traditional and nontraditional security issues by further enhancing their long-standing security partnership.

Another important factor is Australia’s changing perceptions of Japan’s regional security role. Even during the Cold War, especially since the late 1960s, Australia had occasionally discussed the need to engage with Japan as a means of encouraging Japan to adopt a greater regional role, including in the defense and security fields. Yet such policies were always controversial, as some Australian policymakers were concerned for the potential negative impacts of greater Japanese influence in the region, including the possibility of Japan’s “remilitarization.”<sup>2</sup> After the Cold War, however, such concerns have almost disappeared, especially as Australia has accumulated records of practical cooperation with Japan in regional and global fields, such as peacekeeping

operations (PKOs), humanitarian assistance and disaster relief (HA/DR), and other humanitarian missions, including the reconstruction effort in Iraq. Through these experiences, Australia has increasingly recognized Japan as a trustworthy partner and expected Japan to take on greater security roles for the stability of the Asia-Pacific. Today, encouraging Japan's security "normalization" is one of the most important objectives for Australia to actively promote security cooperation with Japan, through bilateral and trilateral security arrangements with the United States.<sup>3</sup>

The current level of close security ties between Japan and Australia is also reinforced by the leadership of two conservative prime ministers in both countries. Japan's Prime Minister Abe has enthusiastically supported the Tokyo-Canberra security partnership since his first administration in 2006 to 2007 as a key regional partner in "Asia's Democratic Security Diamond," along with India and the United States.<sup>4</sup> Abe became Japan's first prime minister to address the Australian Parliament during his visit to Canberra in July 2014. Likewise, since he came to power in September 2013, Australia's Prime Minister Abbott has clearly pushed pro-Japan policies, declaring Japan Australia's "closest friend in Asia."<sup>5</sup> Abbott also endorsed Japan's increasingly active security policy by saying that Japan, which has been an "an exemplary international citizen" since 1945, "should be judged on its actions today, not on its actions 70-odd years ago."<sup>6</sup> These initiatives have reflected the two leaders' close personal relationship, accelerating the development of Japan-Australia security cooperation.

Nevertheless, the importance of this "individual factor" should not be overstated. Since well before these two leaders came to power, Japan-Australia security cooperation has enjoyed almost bipartisan support in both countries. Several important agreements, such as the Acquisition and Cross-Servicing Agreement and Information Security Agreement, were concluded under nonconservative governments in both countries from 2010 to 2012. Practical military-to-military cooperation, including joint military exercises and human exchanges between the SDF and ADF, also developed during the same period. Even cooperation on defense technologies – namely, Australia's next-generation submarines – was first discussed between the Democratic Party of Japan and the Australian Labor Party. Because closer cooperation between Japan and Australia is by and large driven by changes in the international system and security environment, not just the domestic and individual factors, an intimate Japan-Australia partnership is likely to continue regardless of future leadership changes in both countries.

## Challenges for Achieving Policy Objectives

### *The China Gap*

Tokyo and Canberra share a common view on important principles, such as the need for peaceful resolution of international conflicts and freedom of navigation in the maritime and air domains. However, there are differences between the two countries, especially in terms of their threat perceptions of China.<sup>7</sup> Compared to Japan, which increasingly sees China as a threat to its territory and sovereignty, Australia faces fewer tangible threats from the Chinese military and holds a largely divergent view from Japan on the rise of China. According to recently conducted surveys in both countries, 93 percent of Japanese respondents had a negative impression of China – the highest result since the survey began in 2006 – whereas 65 percent of Australian respondents understand the growth of China as a positive development to their country. While 64.3 percent of Japanese respondents view China as a “military threat” – almost equivalent to those who perceive North Korea as a military threat – only 30 percent of Australians think of China as a military threat.<sup>8</sup>

This is reflected in the different states of Japan and Australia’s bilateral relationships with China. Australia has maintained close diplomatic and defense relations with China, holding strategic dialogues between military and civilian officers as well as regular defense ministers meetings. Defense exchanges between Japan and China, on the other hand, were abruptly terminated after Japan’s decision to purchase some of the Senkaku islands in September 2012. Although Abe and President Xi Jinping agreed to resume dialogue – including the early implementation of a maritime communication mechanism between the two countries – at the Asia-Pacific Economic Cooperation (APEC) meeting in November 2014, whether both governments can stabilize the bilateral relationship remains to be seen. Japan’s long-standing history of issues with China further complicates the bilateral relationship.

This China gap not only exists between Japan and Australia, but also pertains to Japan’s relations with other regional actors, such as South Korea, India and ASEAN countries.<sup>9</sup> Unless carefully managed, such a China gap between regional countries could become a major obstacle preventing Japan from establishing a network of cooperation with other regional like-minded states, including Australia. In fact, there are a number of experts, politicians and former policy-makers both within and outside the Australian security community who have expressed concern about the risks and costs – especially the possibility of entanglement in a potential Sino-Japanese conflict – of increased security ties with Japan. According to Australian National University Professor Hugh White, a leading scholar of this school of thought, closer security relations with Japan, whose security policies have become increasingly “assertive” facing the

rise of China, could not only worsen Australia's relations with China but also "divide Asia into mutually-hostile armed blocs," forcing Australia to "choose" between US and China camps.<sup>10</sup> Kurt Campbell, former assistant secretary of the US Department of State, has warned that it is not US-China relations, but the Japan-China rivalry that has "all the trappings of an enduring competition" in which regional middle powers are expected to take sides in the future.<sup>11</sup>

So far, mainstream Australian policy-thinking has maintained that Canberra can pursue close security ties with Tokyo without sacrificing its relationship with Beijing.<sup>12</sup> Nevertheless, if Sino-Japanese relations deteriorate in the future, concerns may deepen regarding an Australian "entrapment" in a Sino-Japanese rivalry. In fact, two recently conducted polls suggest that, while a majority of Australians support forging closer military ties with Japan, there is little support for going to Japan's aid in the event of an attack by China, and the majority (more than 70 percent) prefers a policy of neutrality between the two East Asian giants.<sup>13</sup> It is unlikely that the Australian public would endorse upgrading the current "special relationship" to a legally binding alliance relationship, at least in the foreseeable future.

#### *Resource Constraints*

Although both the Abe and Abbott governments have attempted to boost their defense budgets, neither country is likely to be able to achieve large-scale defense buildups because of budgetary restrictions in national defense under austerity policies. Japan's defense budget plan for fiscal year (FY) 2015, for instance, remains only a 2.4 percent increase from the FY 2014 budget, despite being the largest-ever amount since 1945. To make matters worse, Japan's economy has been shrinking since an increase of the consumption tax in April 2014, which could further decrease already-weak support for a defense budget increase from the Japanese public.<sup>14</sup> Likewise in Australia, some analysts are skeptical of the Abbott government's target to increase Australian defense spending to two percent of its gross domestic product (GDP) by FY 2023. Because Australia's GDP is projected to grow, in order to achieve this goal, Australia's defense budget will have to start growing at an annual rate of 5.3 percent beginning in FY 2017.<sup>15</sup> Such a sustained growth in the defense budget can be only possible during "wartime or [an] acute international crisis, and even then not for such an extended period."<sup>16</sup> It is quite unlikely that such a defense budget increase can gain wider public support, especially if it imposes cuts in social services or higher taxes.<sup>17</sup>

Meanwhile, Chinese military buildup, with a continuing double-digit increase in its military budget, has progressed at a rate much faster than that of Japan and Australia. China's current military budget – at least 808 billion yuan (\$132 billion) – is by its lowest estimate three times bigger than Japanese defense

expenditures (\$45.2 billion) and five times that of Australia's (\$25.6 billion). The gap between these defense expenditures is likely to continue expanding, based on the economic growth trajectories of the three countries. Even if Japan and Australia attempt to supplement some of the United States' activity in the region, it would be difficult to meaningfully alter the regional military balance. In order to effectively hedge against the rise of China, Japan and Australia must continue to rely upon US military presence in the region.

## Cooperation with the US

It is within this context that Japan and Australia have strengthened their bilateral defense cooperation, as well as their trilateral defense cooperation with the United States. Since 2007, Japan, Australia and the United States have regularly conducted the trilateral maritime exercise "Pacific Bond" in various parts of the region. The three countries have also conducted air force exercises since 2011 and ground troop exercises since 2013. These exercises are designed not only for low-intensity contingencies such as HA/DR missions and PKOs, but also for relatively high-intensity operations such as anti-submarine warfare (ASW), maritime interdiction and tactical maneuvers. Notably, some of these exercises were conducted in areas near Okinawa, the South China Sea and the vicinity of the Marianas Island chain where the Chinese Navy has been increasing its influence.

The three countries have also strengthened their cooperation in relatively new security fields, such as the cyber and space domains. Since 2010, Japan has joined the biennial multilateral cybersecurity exercise "Cyber Storm," led by the US Department of Homeland Security, in which Australia has participated since 2008. Regarding space security, both Japan and Australia have improved cooperation in space situational awareness (SSA) with the US, and there has been a trilateral space security dialogue since December 2012. In addition to the SSA, the United States recently called for greater burden-sharing by allies such as Japan and Australia regarding military and commercial satellite communications in the Asia-Pacific region. Australia's participation in the US-led Wideband Global SATCOM (WGS) system – a high-capacity satellite communications system that can improve the military communications capabilities of member countries – as well as its funding of the sixth satellite of the WGS are good examples of such burden-sharing in space security.

The three countries have also been increasingly vocal regarding China's provocations in the East and South China Seas. When China suddenly announced its air defense identification zone (ADIZ) in the East China Sea in

November 2013, Australian Foreign Minister Julie Bishop expressed concerns toward “the timing and the manner” of China’s unilateral establishment of an ADIZ, supporting Japan and the US by stating, “Australia has made clear its opposition to any coercive or unilateral actions to change the status quo in the East China Sea.”<sup>18</sup> At the 2014 Shangri-La Dialogue, Australian Defence Minister David Johnston joined the US and Japan in criticizing China’s “destabilizing” behavior in the South China Sea.<sup>19</sup>

All of these actions may help check or even prevent Chinese provocative behavior by demonstrating cohesion and solidarity among regional democracies and imposing nonmilitary costs to China’s coercive behavior.<sup>20</sup> At the same time, policymakers of the three countries are well aware that too much inclination toward a “hedging” strategy could act as a self-fulfilling prophecy by inviting an undesirable scenario: destroying the inclusive regional order by consolidating rivalry between revisionist and status-quo states. For this reason, the United States, Australia and even Japan continue to emphasize their engagement with China through diplomatic, economic and military means that are focused on preserving the existing international norms and order, while also strengthening trilateral defense cooperation. The monumental meeting between Abe and Xi at APEC was partly a result of Japan’s continued policy of engagement.

## Policy Recommendations

### *Closely consult and coordinate policies toward China.*

As already pointed out, the deterioration of Japan-China relations is undesirable, as it pushes Australia (and perhaps other regional partners) into a difficult strategic position. Similarly, it is not desirable for Japan if Australia or the United States were to unilaterally change its policy toward China without prior consultation with Japan. Because of this, Japan, Australia and the United States should closely consult and coordinate their policies toward China. For example, the three countries could jointly seek the possibility of engagement with China through diplomatic or military means. The US-Australia-China joint military exercise “KOWARI 14,” which was conducted in the northern part of Australia in October 2014, is a good example of such “collective engagement.”

### *Work with Australia to enhance defense engagement with Southeast Asia and the South Pacific, especially through maritime capacity-building in surveillance and law enforcement.*

With regards to protecting freedom of navigation and maritime safety, it is imperative that Japan and Australia strengthen regional countries’ capacity to respond to unexpected incidents at sea. For instance, Japan and Australia can

coordinate policies toward maritime capacity-building in Southeast Asia by jointly assisting training in maritime law enforcement and strengthening maritime surveillance and coast guard capabilities. In the South Pacific, Japan could contribute to Australia's Pacific Patrol Boat (PPB) program – supporting maritime surveillance and law-enforcement capabilities in Pacific countries by providing patrol boats – in terms of training, funding and infrastructure development with other concerned partners, such as the US, New Zealand and France.<sup>21</sup>

*Support ASEAN and revitalize ASEAN-led security mechanisms, which are the foundation for an open and inclusive regional security architecture.*

It is increasingly important for Japan and Australia to support ASEAN's unity and centrality as a driving force for an open and inclusive regional security architecture. Japan and Australia should engage with both maritime and continental ASEAN countries to solidify relations with the institution. Japan and Australia can further encourage the establishment of ASEAN Community in 2015 by actively engaging with ASEAN-led institutional mechanisms, such as ASEAN Regional Forum (ARF), ASEAN Defense Ministers' Meeting (ADMM) Plus and East Asia Summit.

*Promote rules-based international order by strengthening norms, such as the peaceful resolution of territorial disputes and rejection of unilateral changes of the status quo by force, respect for Law of the Sea and the right to secure freedom of navigation.*

Japan and Australia can encourage the establishment of a Code of Conduct in the South China Sea by encouraging norms, such as the peaceful resolution of territorial disputes, respect for Law of the Sea and the right to secure freedom of navigation. Multilateral security dialogues, such as the Expanded ASEAN Maritime Forum, ADMM Plus and the Shangri-La dialogue, could be useful venues for discussing strategies to shape international rules and norms. One idea could be to exchange draft speeches of defense ministers to share opinions and coordinate remarks prior to these dialogues between Japan and Australia.

*Spread universal values such as human rights, democracy and rule of law in the Asia-Pacific.*

In the long term, it is important for Japan and Australia to promote fundamental values such as human rights, democracy and rule of law and ensure that these values take firm roots in the region. To do so, Japan and Australia can encourage good governance, institution-building and rule of law to developing countries in Southeast Asia and the South Pacific. They can also jointly support regional cooperative efforts such as the Bali Democracy Forum, the ASEAN Intergovernmental Commission on Human Rights and the Asia-Pacific Forum

of National Human Rights Institutions. Supporting the growth of the network of civil society organizations among ASEAN countries is also important.<sup>22</sup>

*Seek a realistic way to achieve a “middle-power coalition.”*

It is worth considering the concept of a “middle power coalition,” in which Japan and Australia could develop and expand their cooperation with countries such as South Korea and India.<sup>23</sup> Such a coalition, however, must avoid being viewed as anti-China by excessively focusing on the hedging/balancing element of their cooperation. In fact, the more a middle power coalition becomes China-focused, the less likely such coalition-building can be realized, due to the “China gap” among regional middle powers. Thus, instead of focusing on hedging or balancing against a particular country, middle-power cooperation should start with regional cooperation efforts, such as encouraging capacity-building and development, countering nontraditional security threats and promoting values such as human rights, democracy and rule of law.

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## Japan-India Relations: Toward a Special Strategic Partnership

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Takaaki Asano

### Policy Objectives

*Develop and strengthen security cooperation between Japan and India.*

In order to improve the security environment in the Asia-Pacific region, Japan seeks to cultivate and strengthen its security relations with Asian countries such as India. The Japanese economy is heavily dependent on maritime transport and oil from the Persian Gulf; therefore, it is crucial for Japan to strengthen its security ties with India, which is an emerging maritime power positioned in the center of the sea lanes of communication.

*Expand economic interactions with India.*

India is projected to become the world's most populous country, and despite the slowdown in economic growth, with the advent of the Modi government in India, further economic growth is expected. For Japanese businesses seeking to expand their overseas presence, India's growing market and abundant human resources make it an attractive destination for direct investment.

*Strengthen cooperation on regional and global issues based on universal values.*

In Japan's efforts to actively become involved in improving the global security environment and building a peaceful, stable and prosperous global community, close cooperation with countries such as India, based on shared universal values and strategic interests, will grow increasingly important.

### Context

Japanese Prime Minister Shinzo Abe has been expanding Japan's strategic horizon by cultivating ties with regional powers. In his *Project Syndicate* article, "Asia's Democratic Security Diamond," Prime Minister Abe wrote that he will strengthen security ties with the US, Australia and India to protect the maritime commons.<sup>1</sup> Japan's first National Security Strategy, adopted in December 2013, further outlined that Japan will strengthen security ties with partner countries such as India, South Korea, Australia and Association of

Southeast Asian Nations (ASEAN) countries, with which Japan shares universal values and strategic interests.<sup>2</sup>

Since the end of the Cold War, reluctant to be perceived as insisting on international rules and norms that were formed by Western industrialized countries, Japan has shied away from emphasizing universal values as the guiding principles of its foreign policy. However, since his first tenure in 2006-07, Abe has promoted the notion of “Arc of Freedom and Prosperity,” stressing the importance of cooperation among market democracies in East Asia, Southeast Asia, India, Eastern Europe and Central Europe.<sup>3</sup> Abe’s second tenure began in December 2012, and this theme is again the base for his government’s foreign policy. The developments in Japan-India bilateral relations fit within the broader themes of Japan’s foreign policy toward a new strategic environment in Asia.

In May 2014, Indian Prime Minister Narendra Modi assumed the nation’s premiership and chose Japan as his second overseas destination. Modi and Abe met Sept. 1, 2014, in Tokyo and jointly released the Tokyo Declaration.<sup>4</sup> The two leaders pledged to maximize the potential of the bilateral relationship in order to advance peace, stability and prosperity in Asia and the world. Modi and Abe also upgraded the relationship to a “special strategic and global partnership” to mark the dawn of a new era in Japan-India relations.

While the personal chemistry between Modi and Abe is a major factor in bringing the two democratic Asian nations closer together, the foundation of the bilateral friendship has been laid out through a long history of political, economic and cultural interaction between the two countries.

Despite the geographic distance and different historical paths to their current status as Asia’s major democracies, Japan and India have mutual positive perceptions of each other. Japanese support for Suhas Chandra Bose, a key nationalist leader in India’s independence movement, is the basis for popular perceptions of Japan in India, and Japanese military actions against Western powers during the 1940s are regarded as anticolonial contributions in India.

On the Japanese side, Justice Radha Binod Pal’s dissent at the Military Tribunal for the Far East after Japan’s defeat in World War II is very positively regarded, as is the fact that India waived war reparations and signed a separate Japan-India Peace Treaty in 1952. Furthermore, India was one of the first countries to retract the discriminatory Article 35 of the General Agreement on Trade and Tariffs against Japan.<sup>5</sup> These experiences facilitated Japan’s positive perception in Tokyo.

Yet positive perceptions did not lead Japan and India to participate immediately in substantial political engagement. Strategic pressures of the Cold War era prevented Japan, a US ally, and the “nonaligned” pro-Soviet India from engaging with each other in a meaningful manner. As such, the strengthening

of bilateral relations had to wait until the 1990s to 2000s. The end of the Cold War finally enabled Japan and India to repair the relationship and seek closer political ties with each other. India's economic reforms at the time also opened new opportunities for Japan, and major Japanese firms started building a presence in India. However, Pokhran-II, India's 1998 nuclear test, led to the souring of bilateral relations at the political, economic and societal levels.<sup>6</sup> The Japanese government condemned the nuclear test as a grave affront to the global nuclear nonproliferation regime and imposed economic sanctions against India. Tokyo cut off official communication with New Delhi just as bilateral ties were warming.

Japan-India relations reached a turning point when US President Bill Clinton visited India in March 2000. Japanese Prime Minister Yoshiro Mori followed suit and met with Indian Prime Minister Atal Bihari Vajpayee in August of the same year.<sup>7</sup> The two leaders agreed to establish a global partnership, revealing a mutual interest in strengthening the bilateral relationship.

In 2005, Prime Ministers Junichiro Koizumi and Manmohan Singh agreed to reinforce the strategic focus of the relationship. Since then, the Japanese and Indian prime ministers have held summit meetings almost annually. When Singh visited Tokyo in 2006, the two nations agreed to transform the bilateral relationship into a strategic partnership, and in 2008, Singh and Prime Minister Taro Aso agreed on the "Joint Declaration on Security Cooperation between Japan and India."<sup>8</sup> The Japanese Maritime Self-Defense Force (JMSDF) joined the Malabar naval exercise with the US and Indian Navies in 2007, and the first bilateral naval exercise with India, JIMEX 12, was held in 2012.

In late 2013, Japanese Emperor Akihito and Empress Michiko visited India, followed by Abe in January 2014 as the chief guest for India's Republic Day ceremony. Modi, who had visited Japan twice as the Chief Minister of Gujarat in 2007 and 2012, assumed the Indian premiership in May 2014 and was immediately invited by Abe to visit Japan.

## Challenges for Achieving Policy Objectives

### *Discrepancy in terms of policy priorities*

For the Abe administration, geopolitical calculus comes first for Japan-India relations. Abe's active global diplomacy since reentering office in December 2012 to develop new partners is widely understood as counterbalancing the power shift in East Asia – namely, the rise of China. Also, possible American retrenchment and the need for updated security and economic governance structures in Asia constitute the backdrops for Tokyo's enthusiasm for closer Japan-India ties.

The new Modi administration, however, foremost needs tangible success in the economy. His election campaign promised to restore growth to the Indian economy, and by strengthening the manufacturing sector, Modi seeks to materialize 8 percent growth. The single objective of the Modi administration is based on the awareness that only a strong economy will enable India to conduct an effective foreign policy. Therefore, under the Modi government, economic consideration will drive the diplomatic agenda.

Modi's political situation is very similar to the one Abe faced when he returned to office in December 2012. As was the case with Abe, Modi will need to stabilize the fragile Indian economy, and in order to achieve this goal, he is counting on Japanese direct investments and technology assistance, just like during his tenure as chief minister of Gujarat.

Abe and Modi are both committed toward strengthening the relationship. However, differences in policy priorities in Tokyo and New Delhi may prevent their vision.

*India's strong desire for achieving "strategic autonomy"*

Even if Japan and India were to develop strong economic relations, India's strong desire for strategic autonomy and its tradition of nonalignment could frustrate Tokyo, which strongly feels the need to balance against China's rise.

India has consistently sought to avoid depending on any one country or political bloc to secure its peaceful existence, believing that maximizing its foreign policy choices is critical. Despite dramatic changes in India's political, economic and military capacity and its surrounding global environment, India is unlikely to abandon its long-honored foreign policy tradition.

India's growing willingness to engage with Japan in security cooperation indicates that India may be gradually warming up – even if only temporarily – to the idea of forming a cooperative security network with other countries. Still, while India is willing to consider some changes to its foreign policy approach to China, its commitment to nonalignment makes it difficult for Abe to engage India in security efforts. For Japan and other nations interested in increasing security cooperation with India, there must be a new, practical narrative other than "balancing against an assertive China" to incentivize the relationship.

This relates to the considerable threat perception gap between Tokyo and New Delhi regarding their respective security environments. The security framework within which Japan and India pursue their national security interests is also different. Japan's foreign policy is firmly anchored in the Japan-US alliance, and recent security policy developments in Tokyo suggest that bilateral security ties between Japan and the US will continue to grow stronger and more effective

to counter any potential threats to regional stability. Yet India does not want to be entangled in international conflicts, instead seeking to achieve strategic autonomy through its nonalignment foreign policy. India will likely hesitate to be a part of the US alliance network in Asia.

## Cooperation with the US

Japan's India policy post-World War II has always been affected by US foreign policy toward India. Given the centrality of the Japan-US alliance for Japan's national security policy, the linkage between Japan and the US's India policy is natural. Furthermore, US presence and commitment to the region is critical for securing and strengthening a free, open and rules-based regional order. However, considering India's ambivalence toward the US, it would be easier for Japan and India to strengthen bilateral rather than trilateral cooperation, especially in security affairs.<sup>9</sup>

It is in Japan's interest to pull both the US and India into the regional governance structure. One realistic option for Japan and the US is to establish habits of cooperation among Japan, the US and India. In the long run, a prosperous and stable India will benefit both Japan and the US, and the two nations' foreign policy toward India should not be short-sighted in their strategic calculations.

With regards to Japan-US-India cooperation, so far, maritime security cooperation is the only area where visible results have been achieved. In 2014, the JMSDF took part in the Malabar naval exercise for the third time. While the naval maneuver is a US-India exercise, Japan has participated in the exercise in 2007, 2009 and 2014. To broaden the area of trilateral security cooperation beyond maritime affairs, the cyber and space domains have a high potential for success. Since all three countries are trying to accumulate their knowledge and expertise in these areas, trilateral cooperation should not overly cause India to fear that it is being drawn into the US's global strategy.

At the economic level, Japan and the US must seriously consider how to further integrate the Indian economy into the Asia-Pacific region. While multilateral fora, such as the East Asian Summit and ASEAN Defense Minister's Meeting Plus, engage India on politico-military affairs, it is important that India be a part of the economic architecture in the region. Bilateral tools for economic dialogue with India, such as the US-India Civil Nuclear Agreement and the Japan-India Comprehensive Economic Partnership Agreement, do exist; however, Japan and the US should coordinate their policies to urge India to join multilateral economic institutions in Asia Pacific. There may be concerns toward bringing India into multilateral economic frameworks, given the recent World Trade Organization (WTO) trade facilitation agreement disarray. Yet this is precisely

why there needs to be multiple communication mechanisms with India, as exclusion or neglect only worsens disagreement among nations.

## Policy Recommendations

*Place Japan's India policy within the greater vision for global governance.*

To simply use India as a security partner for encircling the rising China would trivialize the Japan-India relationship and the long history of political, economic and cultural interactions between the two countries. Japan must cultivate and strengthen the bilateral ties with a long-term perspective by gradually developing habits of cooperation to materialize the potential in the relationship.

India should not and would not be a “card” to play against any nation for Japanese foreign policy. It would be unrealistic, for instance, to expect India to become Japan's quasi-ally or a partner that can stand with Japan to counter countries that are hostile to Japan in the short term. The bilateral relationship must integrate India's preference toward independence and nonalignment, to work together toward establishing a new political and economic global governance structure. The global community is at a critical juncture in terms of designing a new governance structure for the future, and it is essential that India be a part of the decision-making processes.

*Revise the Japan-India EPA and increase coordination at RCEP negotiations.*

Since the signing of the Japan-India Comprehensive Economic Partnership Agreement (EPA) in February 2011, trade between Japan and India has grown. The tariff reduction rate on the Indian side is close to 90 percent, which is much higher than the agreements India signed with South Korea and ASEAN.

The Japan-India EPA is still in development, though. The standard of the rule of origin that Japan must meet to export to India is very strict, and products such as auto parts and flat panel displays are excluded from India's liberalization obligation.<sup>10</sup> Japanese firms in India have complained that excessive bureaucratic regulations and complex taxation processes are major obstacles for deepening bilateral economic ties.

These issues must be addressed by updating the current Japan-India FTA. Already, a social security agreement has been signed. Hopefully such efforts will continue under the Modi government, which is committed to restoring growth to the Indian economy. A favorable business environment would compel the Japanese manufacturing industry to utilize India as a production base, as well as a gateway to markets in the Middle East and Africa.

Ongoing negotiations to materialize the Regional Comprehensive Economic Partnership (RCEP), an ASEAN+6 free-trade framework, is critical for Japanese trade policy. If successfully signed and ratified, RCEP would function as an institutional framework to integrate India into East Asia. Increased coordination between Japan and India could help to successfully realize this mega-FTA deal in Asia.

*Improve cooperation in defense equipment procurement and development.*

Japan-India relations can benefit from closer cooperation in defense equipment. Japan has recently lifted a blanket ban on defense equipment exports and has adopted a new guideline on defense trade that is much more realistic and flexible.

Under the new principles, there are already two cases moving forward. In 2014, the Japanese National Security Council allowed Mitsubishi Heavy Industries to export component parts for the Patriot missile system to the US. PAC-2 systems using Japanese manufactured parts will be exported from the US to Qatar. Japan will also conduct joint research with the United Kingdom on air-to-air missiles for the F-35.

Between Japan and India, while exporting Japanese amphibious aircraft US-2 has been a major topic of negotiation for the past few years, it has yet to materialize. In order to open doors for further Japan-India collaboration, any such deal must take into consideration the need to strengthen the manufacturing base in India.

*Strengthen civil nuclear cooperation.*

For years, Japan and India have tried to reconcile their divergent positions on the Nuclear Non-Proliferation Treaty (NPT). Japan strongly supports the NPT as a way toward realizing a nuclear-zero world, while India perceives the treaty as a discriminatory regime.

A civil nuclear cooperation agreement between India and the United States was signed in 2007; however, there has been limited progress in terms of specific nuclear power developments in India. One reason for the delay is the Japan-US corporate alliances in the nuclear energy sector. US firms such as Westinghouse Electric and General Electric would prefer to engage India with their Japanese partners, but without a civil nuclear deal between Japan and India, it is impossible for Japanese companies like Toshiba and Hitachi to be players in the Indian market. In July 2014, as part of the US-India nuclear deal, India ratified an International Atomic Energy Agency (IAEA) additional protocol. This expanded the range of information about India's civil nuclear activities that India would report to the IAEA. Japan should similarly strengthen efforts to negotiate with India and sign a Japan-India civil nuclear cooperation agreement.

*Increase information exchange on emerging economic governance structures in Asia.*

Recent initiatives to establish multilateral development institutions, such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB, BRICS Development Bank), to provide financial support to emerging economies, and that complement existing financial institutions, are a critical development in upgrading the current global economic governance institutions.

Japan should utilize the close political ties that India has as a founding member of both the AIIB and the NDB to gain an accurate picture of the recent initiatives and discuss possible roles for Japan to bring about a positive outcome.

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## Japan-Europe Relations: Toward a Full Political and Security Partnership

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Michito Tsuruoka

### Policy Objectives

*Ensure that Europe supports the international norms, values and principles that are critical for stability in Asia.*

Tokyo does not expect Europe to play a direct military role in Asia. However, strong support for respecting international maritime laws and norms – particularly freedom of navigation – and firm opposition to any change of status quo by force or coercion in Europe's approach to Asia are important for Japan. This is not only in Japan's interest, but also in Europe's.

*Leverage the partnerships with the European Union (EU) and individual European countries in international rule- and norm-making.*

Given Europe's considerable expertise and influence in shaping international rules and norms, Japan needs to cooperate more with Europe in leading the process of international rule- and norm-making. This is particularly important in the case of new areas in which such rules and norms have yet to be established, such as cyber security and outer space.

*Continue to develop operational cooperation between Japan Self-Defense Forces (JSDF) and European forces.*

Some necessary steps include the following: (1) holding regular political/strategic dialogues to share perceptions on evolving issues in the world, including Asia; (2) enhancing military interoperability through joint exercises; and (3) putting in place necessary legal or institutional frameworks as a basis for operational cooperation, such as information security agreements and acquisition and cross-servicing agreements (ACSAs).

### Context

#### *The Cold War context and beyond*

Europe is not a new political and security partner for Japan. Japan chose Europe as a model for modernization in the late 19th century, and in 1902, the United Kingdom (UK) was the first country with which modern Japan formed an

alliance. After World War II, however, Europe's profile in Japan's foreign and security policy declined sharply as the United States became the dominant actor as Japan's sole alliance partner.

Nonetheless, trade and economic relations between Japan and (Western) Europe developed rapidly from the late 1960s. While the relationship soon became characterized by trade conflicts, it is inaccurate to describe the postwar Japan-Europe relationship as dominated by trade conflicts, as such periods of intense and often acrimonious economic relations lasted only about 20 years from the mid-1970s to the mid-1990s, representing less than a third of the whole postwar period. Still, Europe-Japan relations continue to be perceived by many as almost exclusively about trade and economy, with memories of the trade conflicts between the two sides still affecting the general perceptions of the relationship. Trade and economic ties constitute the strongest pillar in the overall Japan-Europe relationship, and this is not likely to change in the foreseeable future. Yet, even during this period, Japan and Europe had opportunities to cooperate on political and security issues, with the Cold War acting as a catalyst. The Iranian hostage crisis beginning in 1979 and the Euro-missile crisis in the 1980s, for instance, were examples in which Japan and Europe interacted and cooperated on important political and security issues.<sup>1</sup> Still, political and security cooperation remained largely *ad hoc* in Japan's foreign and security policy, despite such Cold War cases and some efforts in the 1990s to upgrade the relationship. The Hague Declaration between Japan and the European Community in July 1991 was the first attempt to institutionalize Japan-Europe political relations.<sup>2</sup>

In the 1990s, although Japan and Europe – particularly the EU – sought to expand their political and security activities, their respective areas of interest were more or less limited to their own geographic regions. Japan remained focused on Asia, and Europe was preoccupied with Central and Eastern Europe. The tools for political and security cooperation between Japan and the EU also remained limited.

The situation began to change in the early 2000s, following the 9/11 terrorist attacks in the United States. The period coincided with the EU's efforts to increase its global political and security influence. Japan, under the leadership of Prime Minister Junichiro Koizumi, also began to expand its security activity abroad. JSDF troops were sent for a refueling operation in the Indian Ocean and the reconstruction mission in Iraq, followed by counter-piracy activities in the Gulf of Aden and off the coast of Somalia in the 2000s.<sup>3</sup> Japan's and Europe's areas of activity have begun to converge as a result.

*Europe as a partner in Japan's value-based diplomacy*

Europe's significance for Japan as a new political and security partner increased as the security environment surrounding Japan deteriorated, and Tokyo sought to highlight the value aspects of its foreign policy.<sup>4</sup> As long as Japan seeks to strengthen cooperation with countries that share fundamental values such as the respect for rule of law and human rights, reaching out to Europe seems logical, as the majority of such countries can be found in Europe.

Japan's first-ever National Security Strategy, released in December 2013, highlighted the significance of Europe:

Europe possesses substantial influence to formulate international public opinions, the capacity to develop norms in major international frameworks and a large economic power. ... They are partners for Japan in taking a leading role in ensuring the peace, stability and prosperity of the international community. As the power balance in the international community shifts, Japan will strengthen cooperation with Europe, including through the EU, NATO and the OSCE to establish an international order based on universal values and rules, address global challenges effectively, and pursue Japan's initiatives for a peaceful and prosperous international community.<sup>5</sup>

Europe is firmly situated in Abe's "*chikyuugi wo fukan suru gaiko*" (diplomacy that takes a panoramic view of the world map) initiative. It emphasizes the significance of shared values and Tokyo's willingness to expand Japan's diplomatic outreach beyond its immediate neighbors – including Europe. Abe also seeks to develop political and security relations with Central and Eastern European countries such as Poland, in addition to more established partners such as Britain and France.

*Recent developments*

Japan's relationship with the North Atlantic Treaty Organization (NATO), which dates back to the early 1990s, is the longest among nonmembers. The relationship became more substantial in the 2000s as Japan and NATO members cooperated in Afghanistan: while Tokyo did not send troops to Afghanistan, Japan-NATO relations grew through civilian cooperation. Abe was the first Japanese prime minister to visit NATO in January 2006 during his first premiership, and he has since remained committed to the development of Japan-NATO cooperation. Japan and NATO signed a Joint Political Declaration in April 2013 and an Individual Partnership and Cooperation Programme (IPCP) in May 2014.<sup>6</sup>

One recent development includes the dispatch of the first-ever voluntary national contribution (VNC) to NATO Headquarters: a JSDF officer working as an advisor to the NATO Secretary General's special representative on women,

peace and security.<sup>7</sup> Japan and NATO have also conducted joint naval exercises for counter-piracy in the Gulf of Aden, as part of Abe's commitment during his visit to NATO in May 2014.<sup>8</sup> Cyber security, counter-piracy, and humanitarian assistance and disaster relief (HA/DR) so far have been identified as potential areas for Japan-NATO cooperation. While political dialogue remains important for generating shared perceptions of the regional security environment, enhancing interoperability between JSDF and NATO forces is one of the most substantial areas for Japan and NATO to explore. This is also relevant to future defense equipment cooperation, as Japan needs to pay more attention to NATO's standardization efforts.<sup>9</sup>

Japan also has been developing political and security cooperation with the EU. The Strategic Partnership Agreement (SPA), a comprehensive agreement "covering political, global, and other sectoral cooperation,"<sup>10</sup> has now been under negotiation since 2013, alongside a free trade agreement (FTA). While the SPA is under negotiation, cooperation on the ground continues to progress, such as through joint exercises in counter-piracy, even without an institutional basis. The Japanese and EU missions coordinate maritime patrol flights and exchange information. The two conducted their first-ever formal joint exercise in October 2014, based on Japan's proposal earlier in 2014 to do so.<sup>11</sup>

Political, security and defense cooperation with individual European countries also has deepened, foremost with the UK and France. In addition to political dialogue and cooperation on the ground, two new pillars are information-/intelligence-sharing and defense equipment cooperation.<sup>12</sup> Britain and France have considerable expertise on Africa and the Middle East, which Japan badly needs in order to safeguard its own interest in those areas. The need for more Africa intelligence was highlighted with the hostage crisis at the In Amenas gas plant in Algeria, when ten Japanese businessmen were killed. Also, in the wake of Tokyo's decision to revise the "three arms exports principles" – which had effectively banned all arms exports, as well as international joint research and development (R&D) and production – European countries and companies can now collaborate with Japan. Britain was the first to do so, with Tokyo and London signing a Defence Equipment Cooperation Framework in July 2013.<sup>13</sup> France is also looking to begin defense equipment cooperation with Japan, and France is the first Western European country to hold foreign and defense ministerial "two-plus-two" talks with Japan, taking place in Paris in January 2014.<sup>14</sup>

Operational cooperation between Japanese and European forces has already taken place on a number of occasions. In the refueling operation in the Indian Ocean for Operation Enduring Freedom (OEF), Japan Maritime Self-Defense Force (JMSDF) vessels provided fuel and water to vessels from several European countries, including Germany, Italy and the UK. In Iraq, the Japanese contingent

was deployed in an area under the UK's charge, subsequently taken over by the Dutch forces, leading to extensive operational cooperation with British and Dutch forces. In counter-piracy efforts, Japanese vessels and maritime patrol aircraft (P-3C) have cooperated with the EU mission EU NAVFOR Atalanta.

Japan has learned from its experience in the past decade that whenever and wherever Tokyo sends JSDF troops abroad, European forces are in the same theatre, if not under the same command. This is not a coincidence; there is a substantial gap between what the US forces can do and what JSDF and European forces are likely to engage in. This reality is unlikely to change in the foreseeable future, thus likely to prompt further cooperation between JSDF and European forces.<sup>15</sup>

### Challenges for Achieving Policy Objectives

Despite these recent developments, there remain a number of challenges for the Japan-Europe political and security partnership moving forward.

First, the Japan-Europe relationship still faces mutual indifference and the lack of a strong sense of purpose. The situation can be called an “expectations deficit,” where the level of mutual expectations remains low.<sup>16</sup> The result is that the parties seem to pursue “cooperation for the sake of cooperation.” For the relationship to become substantial and sustainable, Japan and Europe must consider how they can use and make the most of each other.<sup>17</sup>

Second, Japan-Europe relations continue to suffer from a lack of knowledge about their past achievements, particularly in the areas of security and defense. Few outside the small circle of officials dealing with Japan-Europe relations are aware of the level of cooperation taking place in security and defense. Operational cooperation on the ground between Japanese and European troops has already been taking place, and defense equipment cooperation is becoming a new pillar of Japan-Europe security cooperation. Moving forward, the challenge is for authorities and experts on both sides to raise awareness about the progress of Japan-Europe political, security and defense relations. Otherwise, many people will continue to dismiss or simply overlook the significance and the potential of the Japan-Europe relationship.

Third, given the increasing importance of Asia for Europe, one area for Japan-Europe cooperation would inevitably be stability in Asia. Yet the very idea that Europe has security stakes in Asia is still new; Europe is only beginning to realize that its security, as well as its economy, is directly affected by Asia. While this forces Europe to pay attention to Asian political and security matters, Europe (particularly the EU) has yet to establish a firm political and security profile in the region. Europe's capability and willingness to involve itself in Asia's political and security affairs remain far from clear.<sup>18</sup>

Fourth, given that Japan-NATO cooperation has developed mainly through cooperation in Afghanistan since the mid-2000s, it is now time to think beyond Afghanistan, as the NATO-led International Security Assistance Force (ISAF) came to an end at the end of 2014.<sup>19</sup> NATO is seeking to establish a new set of post-Afghanistan rationales and means for cooperation with its partners, particularly those beyond the Euro-Atlantic region, such as Japan and Australia.<sup>20</sup>

Fifth, it is also a challenge for Japan to ensure synergy between its various channels with Europe: the EU, NATO and individual European countries. The variety of channels should not be seen as a zero-sum game. On the contrary, given the underdeveloped nature of political and security relations between Japan and Europe, any initiative is likely to make a net contribution to the development of the overall relationship and should be welcomed as such. Still, for example, the possibility of Britain leaving the EU – the “Brexit” – would inevitably complicate the overall Japan-Europe relationship. If Britain’s relationship with the EU sours further, even short of leaving the EU, Japan’s preference toward the UK as a primary partner in Europe would be viewed negatively by the rest of the EU.<sup>21</sup>

## Cooperation with the US

A large majority of the existing and potential European partners for Japan are also US allies through NATO. This reinforces the rationale for trilateral Japan-Europe-US cooperation. Japan-NATO cooperation can take place in the context of Japan-US cooperation (and vice versa). Japan-Europe cooperation can also be framed as intra-US allies cooperation in different regions. This falls within burden-sharing in global governance, which the United States encourages among its allies.

On the other hand, as one of the strategic purposes for Japan to strengthen relations with Europe has been to expand its diplomatic horizons, emphasizing the US factor in Japan-Europe cooperation does not directly align with this rationale.<sup>22</sup> Though the US-Japan alliance remains central to Japan’s foreign and security policy, Japan-Europe relations are intended to expand beyond or complement the alliance through relations with other like-minded countries. Therefore, relying too much on the US as a facilitator in developing political and security relations with Europe could undermine the strategic purpose of the relationship for Japan.

Still, involving the United States in Japan-Europe cooperation makes sense in at least four major respects. First, the Japan-NATO relationship inevitably incorporates the US, despite the fact that Japan’s NATO policy is usually conceived as part of Japan’s Europe policy.<sup>23</sup> The US still plays a major role

when it comes to sending JSDF troops abroad; even if the JSDF works more closely with European forces on the ground, it is much easier politically to justify such a dispatch in the context of the US-Japan alliance rather than Japan-NATO relations. Washington has recognized the significance of bringing Japan closer to NATO and has been a strong advocate of Japan-NATO cooperation since the mid-2000s, as the vision of “global NATO” developed.<sup>24</sup> In the bilateral context as well, the US-Japan “two-plus-two” ministerial meeting in May 2007 recognized broader Japan-NATO cooperation as a common strategic objective.<sup>25</sup>

Second, US-Japan-Europe cooperation means greater possibilities for US-Japan-UK security and defense cooperation, and perhaps also US-UK-Australia-Japan efforts. For example, the UK recently sent a liaison officer to the US 7th Fleet in Yokosuka, Japan, to concurrently serve as a liaison officer to JMSDF, representing another sign of Britain's growing interest in East Asia.<sup>26</sup> As London becomes more engaged in the Persian Gulf and beyond in the Indo-Pacific region, especially through more frequent Royal Navy vessel presence in Darwin, Australia, in the coming years, the prospect for Japan-UK-US as well as Japan-UK-US-Australia cooperation continues to grow.<sup>27</sup> The UK has grown increasingly interested in East Asia and can leverage the US-Japan alliance as well as its own bilateral alliance with the US in its effort to increase ties with Japan.

Third, Japan, Europe and the United States could conduct more trilateral dialogues on Asia's political and security issues, especially with regards to Europe's engagement in Asia. The EU has conducted strategic dialogues on East Asia's security environment separately with Tokyo and Washington since the mid-2000s, and the EU and the US adopted a “Statement on the Asia-Pacific Region” in July 2012.<sup>28</sup> What remains unclear is the extent to which Japan, as well as the United States, is serious about involving Europe in addressing Asia's political and security problems. Many in Japan and the US seem to consider Europe as relevant only when it can potentially undermine the security environment in Asia. Europe's lifting of the arms embargo on China is one such example. Yet this sort of damage limitation mindset is not conducive to the development of substantial Japan-Europe bilateral or US-Japan-Europe trilateral cooperation.

Fourth, there is also a need to link the Japan-EU FTA/Economic Partnership Agreement (EPA), the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP), as the significance of these agreements goes beyond the trade and investment domains to also hold strategic implications. What is at stake is whether the advanced market democracies of Europe, North America and Asia can continue to lead international rule and

norm-making even as emerging economies continue to grow.<sup>29</sup> TPP negotiations inevitably affect Japan-EU FTA negotiations and vice versa.

## Policy Recommendations

*Build a solid intellectual foundation for Japan-Europe cooperation.*

This needs to begin by asking basic questions like, “Why does Europe matter to Japan/Asia?” and “Why does Japan/Asia matter to Europe?” Both Japan and Europe need to conduct more public diplomacy efforts to inform people about what is already taking place between Japan and Europe, particularly in the domains of security and defense.

*Enhance interoperability between Japanese and European forces through joint exercises.*

Since Japanese and European forces have already worked together on the ground and are likely to continue doing so in the coming years, enhancing interoperability is beneficial to both sides. Japan and Europe – the EU, NATO and individual European nations – have begun to conduct joint exercises, and while the scale of these exercises remains modest, these could be extended and conducted more frequently in the future.

*Ensure synergies between Japan’s relationship with NATO and with the EU, as well as with individual countries.*

Tokyo has taken a multiple-track approach to Europe, involving NATO, the EU and individual countries. This is a logical approach, given the various foreign policy and security actors on the European side. Tokyo needs to identify multiple potential partners that best suit Japan’s needs at each occasion. In order for Japan to do so, an accurate understanding about the dynamics among various actors in Europe is indispensable. This should not be seen as a tactic of divide and rule in Japan’s policy toward Europe – choosing an appropriate framework for each policy item is exactly something that EU and NATO members do.

## Notes

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## Japan-Russia Relations: Toward a Peace Treaty and Beyond

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Yoko Hirose

### Policy Objectives

*Resolve the Northern Territories dispute and conclude a peace treaty with Russia.*

While this is Japan's most important objective, Russia has yet to recognize the territorial dispute. Conducting dialogues between leaders, encouraging mutual confidence-building and deepening all aspects of the relationship are key for resolution.

*Build a relationship with Russia as a suitable partner in the Asia-Pacific region.*

Russia is a major actor in the region with significant influence over the security environment. If Russia, which can influence Chinese (and even North Korean) behavior, remains a peaceful and stable actor, it can contribute to the peace and stability of the region. As the Asia-Pacific's strategic environment shifts, Japan's Ministry of Foreign Affairs (MOFA) has described a good partnership with Russia to be in the national interest of Japan as well as countries across the Asia-Pacific. This has been the basis for active negotiations between high officials in recent years.<sup>1</sup>

*Hedge against closer China-Russia relations.*

The Japan-China relationship has worsened in recent years, not only because of historical issues, but also because of the Senkaku Islands dispute, coral poaching around the Ogasawara Islands and so forth. In contrast, the Russia-China relationship has grown closer in recent years, albeit superficially – deep-rooted distrust remains, as both struggle for regional hegemony. Closer relations with Russia will benefit Japan in the face of an increasingly assertive China.

*Develop relations through political, economic and cultural cooperation in the areas beyond the Asia-Pacific region.*

As the regional strategic environment continues to change, because Russia is one of Japan's neighbors and also a major regional power, the Japanese government believes that the improving Japan-Russia relations will benefit both Japan and Russia.

## Context

In the 18<sup>th</sup> and 19<sup>th</sup> centuries, relations between the Russian Empire and Japan were generally positive. However, Russian expansionism threatened Japan's security, and conflicts of interest over the Korean Peninsula and Manchukuo caused the Russo-Japanese War. Japan's victory in 1905 solidified its position as a major modern state in East Asia; however, the relationship between Japan and the Union of Soviet Socialist Republics (USSR, later Russia) was further strained by World War II. At the conclusion of the war, (1) the USSR broke the Soviet–Japanese Neutrality Pact, (2) Japan allied with the United States during the following Cold War and (3) the Northern Territories became disputed territory between Japan and the USSR.<sup>2</sup>

Upon collapse of the USSR in 1991, Russia was torn in multiple directions economically and politically, and its attitude toward foreign countries outside of the former USSR countries was often confused and disjointed. Then-President Boris Yeltsin agreed to discuss the territorial dispute over all four islands. The Tokyo Declaration, signed by Yeltsin and then-Prime Minister Morihiro Hosokawa in October 1993, recognized the Soviet-Japanese Joint Declaration of 1956, which noted “prior returning of 2 islands,” and agreed that both sides would negotiate the territorial dispute in accordance with the prior agreement.<sup>3</sup> This suggested that two of the four islands, Habomai and Shikotan, might be returned. The Tokyo Declaration laid a foundation for the Irkutsk Statement signed between then-President Vladimir Putin and then-Prime Minister Yoshiro Mori in March 2001, in which the two leaders agreed to continue negotiations based on the 1993 Tokyo Declaration.<sup>4</sup>

For many years, Japan's Russia policy has focused on negotiations regarding the Northern Territories, keeping distance from issues such as Russia's internal affairs. This limited the Japanese government's policy options for negotiating the territorial dispute: Japan could only demand the return of “all four islands,” because the Japanese government maintains that the Northern Territories are illegally occupied by Russia and remain the inherent territory of Japan.<sup>5</sup>

Putin was and continues to seem favorable toward a resolution of the territorial dispute. Though resolutions involving the reduction of territory would be controversial, Putin has enough political capital to ensure consensus for such an action. Putin has suggested that the territorial resolution should be done on a fifty-fifty basis – split the disputed territory such that both sides gain equally. Russia has resolved other territorial disputes with neighboring countries in this way, such as China and Norway. The Japanese government thus hoped that Putin's leadership may offer an opportunity for recovering the Northern Territories.

On November 14, 2004, while Putin and Foreign Minister Sergei Lavrov were visiting Japan, Lavrov stated that Russia, as state-successor of the Soviet Union, recognized the Declaration of 1956 and was ready to negotiate with Japan on this basis. This statement further fueled domestic Japanese expectations that the Northern Territories may be recovered.

The economy and trade is one area in which Japan-Russia relations have been growing (as shown in Figure 1). Specifically, Japan-Russia relations began to shift qualitatively in 2010. The Japanese government revised its basic diplomatic policy toward Russia and suspended efforts toward the resolution of the territorial dispute. Instead, Japanese policy focused on expanding and deepening relations with Russia in all aspects, including the political, security, economic, energy, technical and environmental domains. Trade relations between Russia and Japan hit \$32 billion in 2013 – a 5.3 percent increase compared to 2012, and the volume of trade was largely expected to continue to increase in 2014. Figures from January and February 2014 show a 6 percent increase from the same period in 2013. Mineral resources accounted for 60 percent of Russia's exports to Japan, and cars accounted for 80 percent of Japan's exports to Russia. Although the trade structure is still simple (as shown in Figure 2), Tokyo and Moscow have been trying to diversify the bilateral trade. Economic relations continued to progress positively until 2014, when the Ukraine crisis became serious.

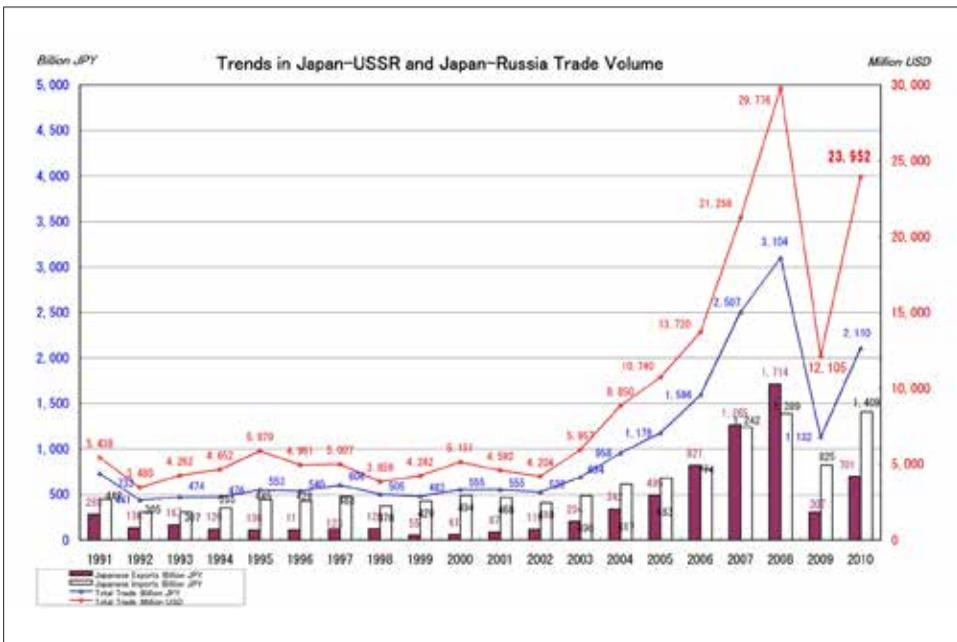


FIGURE 1. Trends in Japan-USSR and Japan-Russia Trade Volume. Source: MOFA of Japan. [http://www.mofa.go.jp/region/europe/russia/pdfs/trade\\_volume.pdf](http://www.mofa.go.jp/region/europe/russia/pdfs/trade_volume.pdf), accessed on December 5, 2014.

Since returning to office in December 2012, Prime Minister Shinzo Abe has intensified his efforts to build a personal relationship with Putin. Between December 2012 through December 2014, Abe and Putin have met seven times. Abe even attended the opening ceremony of the Sochi Olympics, when many Western leaders refused to attend in protest of the Russian human rights issues. It appears that Abe had hoped to strengthen his relationship with Putin enough to leverage it to possibly resolve the Northern Territories issue during his time in office. At a minimum, Abe is interested in moving Japan's policy toward Russia beyond its exclusive focus on the Northern Territories issue.

Both Japan and Russia have softened their attitudes toward the territorial dispute, agreeing upon a policy for accelerating negotiations of the Northern Territories at a summit meeting in April 2013. The Japanese government demonstrated its willingness to accept the "return of the two islands of Habomai and Shikotan before the other islands in the territories" if Russia recognized all four islands to be part of Japanese territory. Putin favored a fifty-fifty, or "hikiwake" (draw), resolution.<sup>6</sup> He explained, "A Judo-ka (Judo player) must take a brave step forward not only to win, but also to avoid losing. We don't have to achieve victory. In this situation, we have to reach an acceptable compromise."<sup>7</sup>

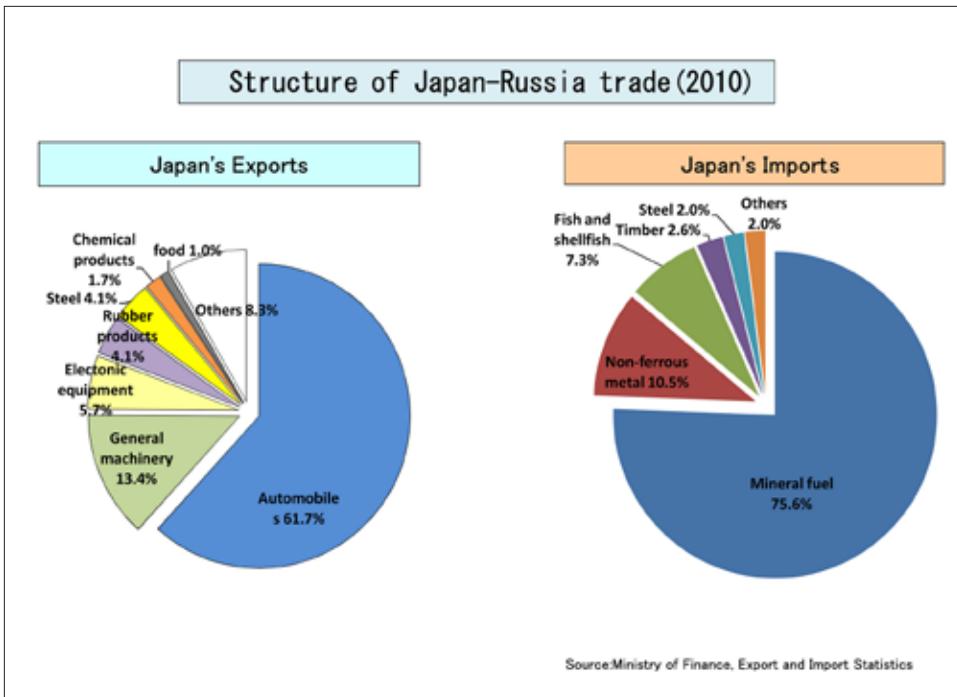


Figure 2. Structure of Japan-Russia Trade. Source: MOFA of Japan. [http://www.mofa.go.jp/region/europe/russia/pdfs/trade\\_items.pdf](http://www.mofa.go.jp/region/europe/russia/pdfs/trade_items.pdf), accessed on December 5, 2014.

In November 2013, in their first-ever “two-plus-two (foreign and defense)” ministerial meeting, Russia and Japan agreed upon a framework for a comprehensive partnership on security affairs. This framework is significant, because Russia is only the third country with which Japan has created such a framework, even though Russia has never had such relations with other US allies. This framework is expected to expand the agenda for potential cooperation between Japan and Russia and effectively deepen the relationship.

However, the China factor is one of the barriers preventing Japan from deepening its relations with Russia, because China maintains a tough stance on Japan, while China and Russia share an “anti-America” and “anti-unipolar world” point of view, as well as their perception of post-World War II history. They insist that as big powers in Asia, they made the peace in the Asia-Pacific region after the war. Their plans to hold a joint ceremony in 2015 on the 70<sup>th</sup> anniversary of the end of World War II imply that Russia and China maintain a stance against Japan.

In addition, poor US-Russia relations have created a dilemma for Japan. Japan is expected by the US to support its ally, while Russia appeals for Japan to act independently. This dilemma has been played out throughout the Ukraine crisis in three stages: the Euro-Maidan movement (November 2013 to February 2014); the Crimea Annexation by Russia (February to March 2014) and the crisis in Eastern Ukraine (March 2014 to present).<sup>8</sup>

Since the Ukraine crisis became serious in 2014, the US and the European Union (EU) have activated sanctions against Russia, gradually increasing pressure over time. The Japanese government has been reluctant to follow suit, in the hopes of maintaining positive relations with Russia; however, as a G7 member, the Japanese government could not entirely avoid activating some sanctions. In the first stage, immediately following Russia's annexation of Crimea, Japan only activated very light sanctions upon Russia, such that Putin even noted his admiration for Japan's actions.

In the second stage, the Japanese government strengthened the level of sanctions following US President Barack Obama's visit to Japan in April. Russia angrily responded that the Japanese action was proof that Japan's foreign policy simply followed the US. Then-Foreign Minister Fumio Kishida's scheduled visit to Russia was postponed, as was Putin's scheduled visit to Japan for autumn 2014. Yet even at this dire level of relations between the two countries, the personal relationship between Abe and Putin has remained positive and hopeful. The two leaders exchanged phone calls on each other's birthdays in September and October 2014, discussing birthday celebrations, the Ukraine crisis and potential meetings. They sat together for about 10 minutes at the Asia-Europe Meeting (ASEM) in Milan in October 2014 and conducted a meeting on the

sidelines of the Asia-Pacific Economic Cooperation (APEC) Summit in Beijing in November 2014. The two have agreed to improve ties despite the sanctions, as well as reschedule Putin's visit to Japan for 2015.

At the end of 2014, Russia faced an economic crisis as a result of the rapid decline of the Russian ruble, a fall in the price of oil, the economic sanctions imposed following the Ukraine crisis, illegal monopoly of wealth by a small number of persons, speculative actions, capital flights and so on. During this time, Abe's Liberal Democratic Party (LDP) won the parliamentary elections, and Abe was reelected as prime minister. The Russian government welcomed this result in the hopes that a stable Japanese government could enable further improvement in the bilateral relations.

Moving forward, Japan will continue to formulate its Russia policy independent of the Northern Territories dispute as China, which maintains a strong anti-Japan stance, deepens its own relationship with Russia.

### Challenges for Achieving Policy Objectives

At the fundamental level, without a peace treaty, it is difficult for Japan to have positive relations with Russia in a sustainable manner. Moreover, Russia's domestic and international actions have isolated it from the rest of the world. In this context, Putin's good will toward Abe demonstrates the potential for the Japan-Russia relationship to overcome the potential challenges, which include the following:

#### *The Northern Territories*

For Japan, the resolution of the Northern Territories dispute is necessary to complete a Japan-Russia Peace Treaty and improve relations between the two countries. However, their stances on the issue are vastly divergent – Japan demands all four islands, while Russia's position is that “there is no territorial dispute” or Japan should “negotiate for two islands to seek a compromise” – with little prospect of their respective positions getting closer.

#### *Russia's contempt for the Japan-US alliance*

Although the Japan-US alliance is the foremost relationship within Japan's diplomatic policy, Russia has often criticized the alliance, calling Japan a vassal state of the US. Japan finds itself in an impossible bind. On one hand, the Japan-US alliance is at the core of Japan's foreign and security policy. On the other hand, as long as Japan remains a US ally, Russia may not take Japan seriously enough to engage with it on any issues.

*Ukraine crisis and sanctions on Russia*

The Ukraine crisis has been a serious obstacle for Japan-Russia relations, as Japan, as a G7 member and US ally, could not avoid activating sanctions on Russia. Many important bilateral events have been canceled, including Putin's visit to Japan. Although Putin and Abe maintain positive relations, Japan-Russia relations are unlikely to move forward as long as Russia does not improve its actions concerning Ukraine.

Cooperation with the US

For Japan, cooperation with the US is important in overcoming its challenges with Russia. The following are areas for cooperation with the US for 2015 and beyond:

*Preserve the world order.*

Japan and the US must cooperate to ensure continued peace and stability for the world by supporting democratization, liberalization and economic development. There are many nondemocratic regimes among the former USSR, including Russia, so Japan and the US should support Russian democratization and development efforts.

*Maintain credible deterrence.*

Russia's international actions have dangerously defied international law. Therefore, Japan and the US should jointly maintain deterrence against Russia on the basis of the Japan-US Security Treaty. In this context, Japan and the US should not allow Russia's actions concerning the Ukraine crisis to pass without consequence.

*Restrain the alliance between Russia and China.*

In recent years, Russia and China have deepened their relationship in various aspects. For example, they agreed on a large-scale natural gas trade agreement in 2014, and they are using regional frameworks for economic cooperation such as BRICS (Brazil, Russia, India, China and South Africa) and the Shanghai Cooperation Organization (SCO) to nurture relations. In addition, they share the same stance on international events, often against Western values. However, mutual distrust between Russia and China is deep-rooted, out of a struggle for a sphere of influence in Central Asia. The strongest political aim shared between them is to create a multipolar world against the United States' unipolar dominance, not only economically but also politically.<sup>9</sup> Japan and the US should cooperate to restrain any joint actions of Russia and China.

## Policy Recommendations

### *Create a flexible policy toward Russia.*

Japan's policy toward Russia has been too preoccupied by the Northern Territories dispute. This preoccupation has caused Japan to expand its economic relations with and assistance to Russia in the hopes of drawing out concession on the Northern Territories issue from Russia, to no avail. Japan needs a more flexible policy toward Russia that allows Tokyo to remain firm on the territorial issues while taking advantage of the potential opportunities for cooperation.

### *Encourage international norms, such as democracy, rule of law and so forth.*

Japan must conduct its diplomacy with a firm attitude as a peaceful sovereign state, to avoid double standards and criticisms of its independence. For example, Japan's soft approach regarding Russia's annexation of Crimea was inconsistent with the Japanese policy to recover the entire Northern Territories.<sup>10</sup> A set of policies that is consistent with the international norms that Japan upholds would enable Japan to negotiate the Northern Territories on an equal footing with Russia.

### *Develop Japan-Russia relations.*

Japan should seek to explore opportunities for cooperation with Russia. Potential areas include the following: security cooperation through confidence-building measures such as joint military exercises and activities outside East Asia such as prevention of drug trafficking from Afghanistan, reconstruction in Afghanistan, and responses to crises in the Middle East; economic cooperation through the development of the Russian Far East and East Siberia and energy initiatives for oil, gas, coal and nuclear power, as well as Japan providing technical and financial support in areas such as transportation, medical care, urban environmental systems and ecology; cultural exchange through sports and personnel exchange, such as increasing the number of Russian students in Japan; and enhancement of practical business relationships in fields such as medicine, technical support, fishing and crime control.

### *Seek regional cooperation with Russia.*

Alongside Japan and China, Russia is a major power in the Asia-Pacific. Regional cooperation benefits the entire Asia-Pacific with peace and prosperity. Japan should seek to improve not only bilateral relations with Russia, but also regional and global cooperation with Russia. Following the Ukraine Crisis, Russia shifted its diplomatic focus from the West to Asia.<sup>11</sup> This has implications beyond Russia-China relations; as an Asian state, Japan should take advantage of this opportunity.

*Avoid Russia's isolation while limiting its policy options.*

Russian leaders consider themselves to be the victim of betrayal by Western countries, especially after the Perestroika period.<sup>12</sup> Russian leaders often criticize the US and the North Atlantic Treaty Organization (NATO) as attempting to constrain Russia's power by citing many incidents in which Russia felt betrayed by the West.<sup>13</sup> Most recently, for example, Russia perceived the Obama administration as insincere in its pledge to "reset" bilateral relations and repair US-Russia relations from the damage done during the Bush administration.<sup>14</sup> Similarly, Russia regards NATO's eastern expansion as breaking its promise of not expanding east of integrated Germany.<sup>15</sup> Japan must be careful in its relationship with Russia so that Russia is not isolated by the world, creating opportunities for when Russia chooses to observe the international norms. This would build mutual confidence-building and perhaps encourage the resolution of the Northern Territories dispute.

## Notes

1. Japan. Ministry of Foreign Affairs (MOFA). *Gaiko-Seisho 2014* (Diplomatic Blue Book). Chapter 2, Clause 5: “Russia, Central Asia and the Caucasus.” April 2014. Accessed January 2, 2015. [http://www.mofa.go.jp/mofaj/gaiko/bluebook/2014/html/chapter2\\_05\\_00.html](http://www.mofa.go.jp/mofaj/gaiko/bluebook/2014/html/chapter2_05_00.html).
2. The Northern Territories consist of four islands located off the northeast coast of the Nemuro Peninsula of Hokkaido. They are: Habomai, Shikotan, Kunashiri and Etorofu islands. Russia has kept effective control on the Northern Territories, arguing that they are included in the Kurile Islands.
3. Japan. MOFA. “*Nichiro Kankei ni Kansuru Tōkyōsengen* (The Tokyo Declaration on Japan-Russia relations).” October 13, 1993. Accessed January 2, 2015. <http://www8.cao.go.jp/hoppo/shiryou/pdf/gaikou46.pdf>.
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5. The demand for the return of all four islands is not old but has been shared by Japanese people in the process of negotiations for the territorial dispute. It is not clear when the Japanese government made its decision on its official position; however, the idea first appeared officially when then-mayor of Nemuro city Ando Sekiten mentioned it in 1945. Japan. MOFA. “Northern Territory Issues.” March 1, 2011. Accessed January 2, 2015. <http://www.mofa.go.jp/region/europe/russia/territory/overview.html>.
6. The “prior returning of two islands,” which is based on the “Soviet–Japanese Joint Declaration” of 1956, was also considered during the Yoshiro Mori administration (e.g. Russo-Japanese summit meeting in 2000, etc.); however, this is not considered to be the same as the fifty-fifty resolution to the Japanese government, because the two islands are much smaller than fifty percent of the size of the Northern Territory. Some people argue the “returning of three islands” is the best option from the perspective of a fifty-fifty resolution. Akihiro Iwashita. *Hoppou Ryodo Mondai* (The Northern Territory Problem), (Tokyo: Chuokoron-Shinsha, 2005). Foreign Minister Taro Aso supported this idea in 2006.
7. “Putin proposes starting over in negotiations over Northern Territories.” *Asahi Shimbun*, March 2, 2012. Accessed February 4, 2015. [http://ajw.asahi.com/article/behind\\_news/politics/AJ201203020054](http://ajw.asahi.com/article/behind_news/politics/AJ201203020054).
8. The three stages have been the following: (1) Euro-maidan movement to “revolution”; (2) Crimea annexation by Russia; (3) Crisis in Eastern Ukraine including Donetsk and Lugansk separatist movements, elections and declaration of independence, civil war with Ukrainian army, Malaysia Airlines flight MH17 crash, Russian intervention and so forth. To succeed on efforts (2) and (3), Russia made use of the new strategy “Hybrid War.”
9. Rachman, Gideon. “China and Russia push back against the US.” *Financial Times*. November 19 2014. Accessed January 15, 2015. <http://blogs.ft.com/the-world/2014/11/china-and-russia-push-back-against-the-us>.
10. For example, see Nishikawa, Megumi. “Crimea closer to Japan than we might think.” *Mainichi Shinbun*, March 22, 2014. Accessed January 14, 2014. <http://mainichi.jp/english/english/perspectives/news/20140322p2a00monao0400oc.html>.

11. Kucera, Joshua. "Putin Signals Russia's Shift to Asia." *The Diplomat*. October 31, 2014. Accessed December 5, 2014. <http://thediplomat.com/2014/10/putin-signals-russian-shift-to-asia>.
12. Perestroika means "restructuring" and is a program of political and economic reforms carried out in the USSR in 1986 under the leadership of Mikhail Gorbachev. He had never anticipated the collapse of the USSR, and it was not successful due to economic and national problems, opposition from conservatives and so forth, which ultimately led to the collapse of USSR at the end of 1991.
13. Such ideas have been considered by many Russian leaders, and there are many papers and books about it. For example, see *Russia and the West: The 21st Century Security Environment*. Arbatov, Aleksei Georgievich, Karl Kaiser, and Robert Legvold, eds. (M.E. Sharpe, 1999).
14. The Reset policy had some achievements in the beginning. See White House. "U.S.-Russia Relations: 'Reset' Fact Sheet." June 24, 2010. Accessed January 4, 2015. <http://www.whitehouse.gov/the-press-office/us-russia-relations-reset-fact-sheet>. However, the good mood did not last for long and Russia soon grew suspicious of US ambitions. See Weber, Peter. "Obama's 'reset' with Russia: What went wrong?" *The Week*. September 3, 2013. Accessed January 4, 2015. <http://theweek.com/article/index/249046/obamas-reset-with-russia-what-went-wrong> and Shuster, Simon. "A Failed Russia 'Reset' Haunts Obama in Europe." *Time*, June 3, 2014. Accessed January 4, 2015. <http://time.com/2819889/obama-russia-europe-poland>.
15. It was not easy for the USSR leaders, or even Gorbachev who started Perestroika, to accept the East-West Germany integration; however, Gorbachev allowed it because the continued existence of West Germany meant NATO expansion. Gorbachev has remained very suspicious of the West's policy on Russia and recently warned about the Western stance towards Russia on the occasion of the 25<sup>th</sup> Anniversary of the fall of the Berlin Wall. Oltermann, Philip. "As Germany Marks Fall of the Berlin Wall, Gorbachev Warns of New Cold War." *The Observer*. November 9, 2014. Accessed December 7, 2014. <http://www.theguardian.com/world/2014/nov/08/gorbachev-cold-war-threat-berlin-wall-25th-anniversary>.



## Conclusion

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Yuki Tatsumi

Since first launching the “diplomacy that takes a panoramic view of the world map” (*chikyūgi wo fukan suru gaiko*) initiative in his policy speech to the Diet in January 2013, Prime Minister Shinzo Abe has demonstrated his strong personal commitment to translate this conceptual framework into a greater Japanese diplomatic presence around the world. In this endeavor, he has been playing the role of “diplomat-in-chief,” visiting more than 50 countries and meeting more than 200 foreign leaders. Abe also made the decision to keep Foreign Minister Fumio Kishida, whom he appointed at the beginning of his administration, in place through the cabinet reshuffle in September 2014, illustrating his desire to maintain consistency in his government’s foreign policy approach.

Indeed, Abe’s approach to the countries and regions addressed in this volume has been remarkably consistent since he first served as prime minister in 2006 to 2007. As Tomohiko Satake illustrates, it was during Abe’s first term in office that the deepening of Japan-Australia security relations began to accelerate. Similarly, although there has always been a mutual sense of affinity and friendship between Japan and India as Takaaki Asano chronicles, it was Abe’s personal commitment to Japan-India relations that set the relationship between the two countries on today’s path toward a strategic partnership. In Japan’s relationships with Europe also, Abe has maintained the commitments and relationships he established eight years ago. As Michito Tsuruoka describes, Abe attended the North Atlantic Council (NAC) meeting for the first time as Japanese prime minister in January 2007, and it was during this visit that he first described Japan and NATO as partners that “share such fundamental values as freedom, democracy, human rights and the rule of law.”<sup>1</sup>

Driving Abe’s foreign policy, including the relationships with the countries and regions identified in this volume, is his strong desire to re-establish Japan’s position as a key player in the international community. In the report *The U.S.-Japan Alliance: Anchoring Stability in Asia* (often referred to as “the third Armitage-Nye Report”) in 2012, a bipartisan group of longtime US experts on the US-Japan alliance questioned whether Japan seeks to “remain as a tier-one nation, or ... [is] content to drift into tier-two status.”<sup>2</sup> Abe responded to this question in his speech “Japan Is Back” at the Center for Strategic and International Studies in Washington, DC, in February 2013. Abe declared that Japan “is not, and never will be, a tier-two country. ... I am back and so Japan shall be.”<sup>3</sup> It is in this speech that Abe articulated his

vision of Japan as “a rules-promoter, a commons’ guardian and an effective ally and partner to the US and other democracies” in front of a foreign audience for the first time since taking office in December 2012.<sup>4</sup> In Japan’s National Security Strategy, released ten months later in December 2013, these key concepts remain clear.<sup>5</sup>

This vision of Japan that Abe promotes is admirable. It has allowed Japan to justify diplomatic outreach beyond the Asia-Pacific region and to provide key organizing principles for Japan’s foreign policy. As can be seen in Japan’s relations with Australia and India, Japan’s aspirations to play a key role in promoting and enforcing the existing international norms has revitalized Japan’s efforts to enhance its relations with key US allies and strategic partners such as Australia, Europe and India.

However, there are factors that complicate Japan’s foreign policy approaches. First is how to strike a balance between upholding the basic position of Japan as a promoter of international rules and norms, and its need to forge relationships with countries that Japan may not share such values with, in order to promote Tokyo’s diplomatic interests. Japan’s approach to Russia under Abe greatly illustrates Japan’s dilemma in this regard. In this volume, Russia is the one country that Abe did not say much about during his first term as prime minister but has been paying greater attention to since returning to office. Since returning to office in December 2012, Abe has devoted considerable energy toward developing a personal relationship with Russian President Vladimir Putin. During his first two years in office, Abe met with Putin seven times for summit meetings. Russia was the third country, only after the United States and Australia, with which Japan held “two-plus-two” foreign and defense minister meetings. Abe even attended the Sochi Olympics opening ceremony, despite that many Western leaders boycotted it in protest of Russia’s human rights violations. As Yoko Hirose argues, Abe has been caught between the standard he set for himself and Japan as a “rules promoter” and his own personal desire to achieve a diplomatic breakthrough with Russia by leveraging his personal relationship with Putin to conclude a final resolution to the Northern Territories dispute.

Second, rising tensions between Japan and China loom large as an often unspoken but still major factor in many of Japan’s foreign policy decisions. In all the policy briefs in this volume, the authors discuss China either as a driver for closer cooperation or as a source of concern for the sustainability of the successes in Japan’s current approaches. Specifically, as Asano and Satake argue in their respective briefs, Japan may be placing too much emphasis on its concerns regarding China’s behavior as one of the enduring shared security concerns. As Asano and Satake’s pieces on Japan-India and Japan-Australia relations both suggest, too much focus on China

has the risk of backfiring if these countries, whether due to leadership change or differing perceptions of Chinese behavior, begin to shift in their approach toward China, away from the one that is shared with Japan.

Finally, the tragic killing of two Japanese citizens who were held hostage in Syria by the Islamic State may result in greater scrutiny on Japan's "diplomacy that takes a panoramic view of the world map" (*chikyuugi wo fukan suru gaiko*) initiative, of which "proactive contribution to international peace" is a critical component. Although not chosen as a topic for this volume, the Middle East is one major region, along with Southeast Asia, with which Japan has intensified its diplomatic engagement under Abe's watch. In addition, counterterrorism is among the high-priority policy issues for Japan's relationships with all the countries and regions identified in this volume.

Furthermore, the tragedy poses fundamental questions not only to the Japanese government but also to the Japanese public on their commitment to Japan's diplomatic agenda around the world. How does Japan want to engage the Middle East? How does Japan plan to respond to the threat of terrorism by violent nonstate actors, such as the Islamic State? How does Japan plan to leverage the partnerships it forges with key countries and regions, such as the ones described in this volume, to participate in global efforts to eradicate terrorism? Will Japan continue to pursue a meaningful role as a promoter of international rules and norms despite the potential risks, or will it cave in to the fears and turn inward? Japan's answers to these questions in the days and months ahead will have a profound impact on not only Japan's diplomatic relationships with its friends and partners but also its identity in the international community at large.

## Notes

1. Japan. Ministry of Foreign Affairs. Speech by Prime Minister Shinzo Abe at the North Atlantic Council: "Japan and NATO: Toward Further Collaboration" January 12, 2007. Accessed January 30, 2015. <http://www.mofa.go.jp/region/europe/pmvo701/nato.html>.
2. Richard L. Armitage and Joseph S. Nye, Jr. The U.S.-Japan Alliance: Anchoring Stability in Asia. Center for Strategic and International Studies. August 2012. Accessed January 30, 2015. [http://csis.org/files/publication/120810\\_Armitage\\_USJapanAlliance\\_Web.pdf](http://csis.org/files/publication/120810_Armitage_USJapanAlliance_Web.pdf).
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4. Ibid.
5. Japan. Kantei. National Security Strategy.



## About

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### About the Contributors



**Michito Tsuruoka, PhD**, is a senior research fellow at the National Institute for Defense Studies (NIDS), Ministry of Defense, Japan. He is concurrently a research fellow (nonresident) at The Tokyo Foundation. Before joining NIDS in 2009, he was a resident fellow at the German Marshall Fund of the United States and served as a special advisor for NATO at the Embassy of Japan in Belgium from 2005 to 2008. From April 2012 to April 2013, Dr. Tsuruoka was seconded to the Ministry of Defense as a deputy director of the International Policy Division, Bureau of Defense Policy, where he was in charge of multilateral security and defense cooperation in the Asia-Pacific region, mainly the ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus) and ASEAN Regional Forum (ARF). Following this until March 2014, he was based in London as a visiting fellow at Royal United Services Institute for Defence and Security Studies. Dr. Tsuruoka studied politics and international relations at Keio University and Georgetown University, and received a PhD in War Studies from King's College London. His areas of expertise include European security, NATO, European integration, European foreign policy (particularly Europe-Japan/Asia relations), defense diplomacy, nuclear policy and Japan's foreign, security and defense policy.



**Yoko Hirose, PhD**, is an associate professor at Keio University. Her area of research is the countries in the former Soviet Union, with particular focus on the Caucasus region. Between 2013 and 2014, she was a visiting fellow at Harriman Center of Columbia University. She was awarded the Special Award for the 21st Asia-Pacific Award with her book *Caucasus—Kokusai Kankei no Juujiro* (Caucasus—Crossroad of International Relations) (Shuei-sha, 2008). Dr. Hirose earned her BA from Keio University, MA from University of Tokyo and PhD from Keio University.



**Takaaki Asano** is research fellow with the Tokyo Foundation. His general area of expertise is Japanese foreign/national security policy and international trade policy. Previously, he was policy research manager at Japan Association of Corporate Executives (JACE or Keizai Doyukai), an influential business organization in Japan, where he was responsible for JACE's international programs and edited various policy proposals. Prior to joining JACE, he was the senior research analyst at the Washington, DC, Representative Office of the Development Bank of Japan, where he authored policy reports on a wide range of issues, from politics to financial/economic policy. He earned his BA in sociology from University of Tokyo and received his MA in international relations from New York University.



**Tomohiko Satake, PhD**, is a fellow at the National Institute for Defense Studies (NIDS) located in Tokyo. He specializes in alliance studies, Asia-Pacific security and Japanese security policies. Between 2013 and 2014, he worked for the International Policy Division of the Defense Policy Bureau of the Japan Ministry of Defense, where he worked as a deputy director for international security. He earned his BA and MA from Keio University and PhD in international relations from the Australian National University. His publications include the following: "Japan, Australia and International Security Burden-sharing with the United States," in William Tow and Rikki Kersten (eds.), *Bilateral Perspectives on Regional Security: Australia, Japan and the Asia-pacific Region* (Palgrave Macmillan, 2012); "The Origin of Trilateralism? The US-Japan-Australia Security Relations during the 1990s," *The International Relations of the Asia-Pacific* 11, no. 1 (2011); and "Japan's Nuclear Policy: Between Non-nuclear Identity and US Extended Deterrence," *Austral Policy Forum*, 09 12-A (2009).

## About the Editor



**Yuki Tatsumi** is senior associate of the East Asia program at the Stimson Center. Previously, Tatsumi worked as a research associate at the Center for Strategic and International Studies and as the special assistant for political affairs at the Embassy of Japan in Washington. In September 2006, Tatsumi testified before the House Committee on International Relations. She is a recipient of the 2009 Yasuhiro Nakasone Incentive Award. In 2012, she was awarded the Letter of Appreciation from the Ministry of National Policy of Japan for her contribution in advancing mutual understanding between the United States and Japan. A native of Tokyo, Tatsumi holds a BA in liberal arts from the International Christian University in Tokyo, Japan and an MA in international economics and Asian studies from the Paul H. Nitze School of Advanced International Studies (SAIS) at Johns Hopkins University in Washington, DC.

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# JAPAN'S Global Diplomacy

Views from the Next Generation

EDITED BY YUKI TATSUMI

Since his inauguration, Prime Minister Shinzo Abe has made it clear that bringing back Japan as a global actor is one of his top priorities. In economic and trade policy, he has put forth a forward-leaning “Abenomics” policy agenda and encouraged Japanese participation in the Trans-Pacific Partnership. In foreign policy, he has expanded Japan’s diplomatic presence around the world through his “diplomacy that takes panoramic view of the world map” (*chikyuugi wo fukan suru gaiko*) initiative, which he launched in his first policy speech to the Diet following his inauguration in January 2013. Under Prime Minister Abe, Japan has particularly intensified its diplomatic efforts with Australia, India, Europe, and Russia. *Japan’s Global Diplomacy: Views from the Next Generation* is a collection of policy briefs on these relationships, addressing questions of Japan’s national interests and policy goals; the background and context of the relationships; the challenges and obstacles towards implementing these policy goals; and opportunities for U.S. engagement with Japan in these relationships. These briefs provide policy recommendations for issues of key importance for both Tokyo and Washington.

MARCH 2015

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