

Specialization in the Alliance

- Military and Non-military Contributions in the U.S.-Japan Alliance -

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Introduction

The Japanese government has sent the Japan Self-Defense Force (JSDF) to the Indian Ocean and Iraq under the authority of the Anti-Terrorism Special Measures Law and the Humanitarian Relief and Iraqi Reconstruction Special Measures Law. The U.S. has appraised the attitude of the Japanese Government and the activities of the JSDF as strengthening the relationship between the U.S. and Japan. Needless to say, this cooperation has not been done only for the sake of the U.S. but also to ensure peace and security in the international community as well as for Japanese national interests.

However, there is no gainsaying that Japan was conscious of the attitude of the U.S. before having enacted above laws. For about the last fifteen years, Japan has been criticized by the U.S. as a free rider in terms of security. The U.S. repeatedly asked Japan to increase the measure and scope of burden sharing, because Japanese contributions to the U.S.-Japan alliance was mainly economic in nature, with little military assistance. This time, in the current Iraq conflict, the dispatch of Japanese soldiers has been evaluated favorably by the U.S. while the financial contribution in the 1991 Gulf War had not been held so well at all, even though the current Japanese mission in Iraq is of a non-combat operation in the safe rear-area.

What does this mean for U.S.-Japan relations? Is the military contribution the best method to strengthen or solidify the alliance? In the case of Japan, it is a little complicated to answer this question. We must first determine whether the JSDF's activities are military or non-military. Constitutional interpretation of the SDF remains ambiguous in Japan and the activities and operation of the JSDF in the Indian Ocean and Iraq are a non-combat logistical support to the U.S. and Britain and humanitarian relief activities in Iraq in the rear-area. Obviously, the JSDF's activities are different from the military combat contributions, such as that by Britain.

Putting aside the domestic ramifications of the Japanese political discussions between ruling and opposition parties as beyond the concern of this paper, the U.S. government is satisfied with the current limited level of Japanese non-combat support—

nobody criticizes Japan as they did at the time of the Gulf War. What does this mean? What is the factor that solidifies the U.S.-Japanese alliance? It is the conclusion of this author that, whether the JSDF's mission in the Indian Ocean and Iraq is interpreted as military or non-military, it is the Japanese intention to agree with the U.S. foreign policy and to participate as an allied country that is the important factor. This is the dynamic that strengthens the relationship between the U.S. and Japan.

This conclusion generates a closely related second question—why is a contribution of even a limited military force,¹ such as in the current Iraq conflict, evaluated highly, while a contribution of money only, such as in the 1991 Gulf War, is not? This seems to be the case even though Japan had the same intention to contribute. For strengthening the relationship of the U.S.-Japanese alliance, is the military contribution necessary or not? The purpose of this paper is to answer these questions and to search for what is the efficient and optimum method for Japan to contribute to the U.S.-Japan alliance.

1. Specialization in U.S. and Japan Relations

The question we have to ask here is whether a military contribution is the best method to strengthen an alliance or not. The case of the Indian Ocean and Iraq illustrates that even limited military support is more effective than financial contributions in strengthening the U.S.-Japanese alliance. However, is it also the case that the use of military force would also solidify the alliance?

The specialization theory that Mark A. Boyer² proposed about fifteen years ago supplies a very interesting answer this question. Boyer put forward the specialization theory based on the comparative advantage theory of David Ricardo. In the case of the Western Alliance (the U.S., EU, Japan), Boyer suggested that each member of the

¹ Despite the debate surrounding the exact nature of the JSDF involvement, I would like to regard the JSDF as military force in this paper.

² Boyer puts forward his ideas in several books and articles. Boyer, A. Mark, *International cooperation and Public Goods*, The John Hopkins University Press, 1993. ; Boyer, A. Mark, "Trading Public Goods in the Western Alliance System" *The Journal of Conflict Resolution*, Vol.33, No.4, Dec., 1989.

alliance specialize in the labor of force that each was particularly best suited for. He insisted that Japan and EU nations should contribute to the Western Alliance through non-military power, such as economics, politics and culture, while the U.S. should do it through military power. Boyer's reasoning was that the U.S. has absolute advantage over Japan and the EU countries both in military and economically. However, within Japan and the EU, economics or other non-military power has comparative advantage over the military.³ Boyer's analysis concluded that it is more efficient and optimum for Western Alliance to have a division of labor for achieving the purpose of alliance on the base of trade theory. In his own words, Boyer wrote, "Small nations may well make contributions to the alliance effort that are commensurate to their size and in accordance with the comparative advantages they possess in the production of certain good."⁴

Boyer's theory suggests that military collaboration is not necessarily the optimum contribution to an alliance and that allied countries should contribute to an alliance that which is the strongest factor or capability. More specifically, in the field of international peace cooperation the contribution of foreign aid might be the most efficient factor for a country to contribute to an alliance. Applying Boyer's theory helps show to Western allies that Japan was and is not a free rider as Japan has contributed to the specific alliances is useful methods other than military ones, such as economics, politics, and culture. Boyer wrote, "Different nations have different political and economic abilities in the pursuit of certain types of policies, nations specialize in their contributions to alliance security in the areas in which they possess political and economic advantages."⁵

David A. Lake has followed this same manner of argument when he wrote, "The more extensive the division of labor between polities, the greater the benefits from security cooperation....By specializing according to their comparative advantages, the polities re-deploy their efforts toward their most productive uses, increase the total

³ Ibid, *The Journal of Conflict Resolution*, pp.700-27.

⁴ Boyer, op. cit., p.712.

⁵ Boyer, *International cooperation and Public Goods*, op. cit., p.10.

defense effort obtained, and reap the gains from the other's comparatively less expensive (more efficient) defense efforts. Each polity increases its welfare by either enjoying more security for the same cost or, holding the quantity of security constant, freeing factors for use elsewhere in the economy....Likewise, after World War II, there was a division of labor between the United States and countries of Western Europe, embodied in the North Atlantic Treaty Organization: the United States provided generalized deterrence of the Soviet Union through its strategic arsenal, deep-water navy, and air power; the Europeans concentrated on the conventional labor-and land-intensive defense of the continent."⁶

Lake's argument is obviously more focused on various types of military specialization, but the core specialization idea of both Lake and Boyer may be used to show how it is good for the U.S.-Japanese alliance that the Japanese contribution has been non-military factors. In the next section of this paper I discuss Japanese contributions in Iraq.

2. The Japanese Contribution to the U.S.-Japan Alliance

Widely known, Japan has a pacifist constitution. Article 9 proscribes any military action by Japan apart from exercise of the right of collective defense. This provision has restricted the activities of the SDF to areas without Japan for a long time. In national politics, this is referred to as the "Yoshida doctrine," which established a national emphasis on economic development rather than national security after the end of the WWII. Moreover, during the Cold War, Japanese security inevitably depended on the nuclear deterrence of the U.S. Strictly speaking, the JSDF contributed to the U.S. deterrence strategy against the Soviet Union as well as the Japanese government offers military bases to the U.S. and an annual amount toward the cost of U.S. forces based in Japan. In this way, the U.S.-Japan alliance was undoubtedly cooperation with "men" and "materials" despite some misplaced and inaccurate criticism of Japanese participation as

⁶ Lake, A. David, *Entangling Relations: American Foreign Policy in Its Century*, Princeton University Press, 1999, pp.47-9.

“free-riding.” In addition to politics, law, and Cold War practice, the Japanese people have psychological trauma with regard to military things after the WWII.

The Japanese government has faced the dilemma that there is strong domestic opposition to military involvement in Iraq, but they feel pressure to fulfill a responsibility as a member of an alliance. Boyer wrote, “In a country where there is strong domestic opposition to military spending, but an equally strong commitment to alliance solidarity, policies relating to the alliance might gravitate toward economic contributions (foreign aid or trade concessions) or political contributions (accepting military deployment in the face of international pressure).”⁷ Japanese leaders face an “alliance dilemma,” that alliance commitments create pressure for involvement despite the domestic opposition to such involvement. In the Japanese mind, this dilemma takes on the additional fear of abandonment and entrapment. The Japanese people fear that Japan might become involved of the U.S. war and that the pacifist principles might be abandoned. However, the greatest abandonment fear that the Japanese people have is that they worry that Japan might be dropped from the U.S. alliance altogether if Japan does not contribute militarily.

At the time of the Gulf War in 1991, Japan was criticized strongly for contributing only financially, some dubbed this “check diplomacy.” Japan has since become not only a rich country economically but also has developed a strong military in spite of having merely a one percent of GDP defense budget. Thus, Japan has been open to criticism that Japan essentially profited from the situation while U.S. soldiers took the brunt of casualties in the war. This sentiment has caused irritation in the Japanese government for a long time. In the current conflict against Iraq, Deputy Secretary of State Richard Armitage intimidated Japan saying, “Show the flag” before sending the JSDF to Indian Ocean and Iraq. In October 2001, the Koizumi government gained parliamentary passage of legislation permitting the dispatch of ships and transport aircraft of the SDF to the Indian Ocean to provide non-combat logistical support to U.S. forces. A small flotilla of

⁷ Boyer, op. cit, p.707.

the SDF has supplied the majority of the fuel needs of U.S., British and other allied warships. Japan also has been sending some 600 non-combat soldiers and reconstruction support to Iraq in spite of considerable public and political opposition. Japan responded to Armitage's skepticism and, in its mind, completely removed the mark on its reputation due to the nature of its contribution in the 1991 Gulf War. Now, 68 percent of the American public people and 89 percent of the American intelligentsia think that Japan is a reliable and friendly country. And 80 percent of American people realize that the U.S. has common value with Japan. An analysis by the Japanese Ministry of Foreign Affairs (MOFA) found that the reason there is such good will toward Japan is a direct result of the JSDF contribution in Iraq and the Indian Ocean.⁸ Undoubtedly, this good will is indicative of a stronger and more solid U.S.-Japan alliance. In this way, Japan can overcome its Gulf War-caused problem.

In conclusion, Japanese "free riding" and "burden sharing" problems seem to be entirely in the past despite remaining problems such as the exact nature of the right of collective defense. Mancur Olson defines "free-riding" as "the exploitation of the great by the small."⁹ However, even though its constitution limits the nature of its military power, it is certain that Japan has continued to contribute the U.S.-Japan alliance with non-military power according to the principles of the specialization theory.

3. The Efficiency of Specialization

After the end of the Cold War and now, after 9.11, the international security environment has changed dramatically. The character of the U.S.-Japan alliance is also changing. It has changed from the defense of Japan to ensuring the peace and order in

⁸ Sankei Shinbun, July 15, 2004.

⁹ In Olson and Zeckhauser's model, the small nations of an alliance do not have an incentive to contribute to the production of the alliance public good because the larger nations value the production of the public good more highly than do the smaller ones. As a result, a larger nation will produce the public good for the alliance by itself, regardless of the level of public good production by the smaller nations. For the large nations, the benefits of producing the good on its own outweigh the costs of production, even when other alliance nations free ride on its efforts. (Boyer, p711).

the East Asia, and now includes a contribution to global peace and stability. It is a matter of course that the role and mission of the military force that will pursue this goal ought also to be changed. Different from the era of the nuclear deterrence, the JSDF must take an active part role in the international arena. We can say with fair certainty that sending Japanese troops to Iraq and the Indian Ocean has strengthened the U.S.-Japanese alliance. Collaboration with the U.S. has had the additional affect of enhancing the value of deterrence against neighbor countries like China and North Korea indirectly. A number of Japanese commentators and political leaders have suggested that the government's main motive for sending troops was to strengthen the U.S.-Japan alliance cooperation in the face of perceived security threats from North Korea and rising China, not because of strong agreement with U.S. policy in Iraq.¹⁰

According to the Boyer's theory, it is not efficient for both the U.S. and Japan to contribute in the same military ways—specialization is more efficient and therefore optimum. But perhaps this idea deserves a deeper look. We must go deeper into Boyer's theory and apply it to the current situation if we are to see exactly how the U.S.-Japan alliance has been enhanced by Japanese involvement in Iraq.

a. Comparative Advantages

First, we must determine whether the military and economic conditions of the U.S. and Japan satisfy the conditions of the specialization theory. The U.S. has an absolute advantage both in military and economics and the Japanese economy has a comparative advantage as against the Japanese military capability. Despite a variety of missions and roles, the budget of the Japanese defense has been keeping a one percent limit of the Japanese GDP as usual. In Japan, power of the economy has been much stronger than that of the military. Boyer writes, "As for nations on the lower end of the alliance military expenditure spectrum, Japan is the most notable because of its economic size. This low

¹⁰ Cronin, P. Richard, *CRS report for Congress, RS21816*, April 30, 2004.

spending level can be explained in two ways. First, there is the one percent of GDP defense spending ceiling and, second, the notion that the Japanese public seems to prefer the use of nonmilitary tools in pursuit of security. In addition to Japan and the other low-end nations mentioned above, Denmark and Italy also show relatively low military shares overall.”¹¹ As Table 1 shows, a number of large nations allied with the U.S. do not devote a large amount of budget to the military.

Thus, the Japanese military power is at comparative disadvantage while the Japanese economy has a comparative advantage over the U.S. if one applies the theory of Ricardo. A division of labor in the security system thereby produces a more efficient U.S.-Japanese alliance.

b. The U.S. Burden of Military Spending

Second, Table 2 shows that the U.S. places a high premium on military spending, over other policy choices. The U.S. deserves to be compensated for this by other nations that do not have a comparative advantage in the area of this policy choice, at least to the extent that other countries benefit from this amount of spending. Japanese economic power could be used to compensate for this amount of military burden the U.S. assumes. Since September 11, 2001, the U.S. government has approved over \$110 billion in increased military spending and military aid. Spending on national defense is expected to reach \$399 billion in the fiscal year 2004 budget, and to rise to over \$500 billion annually by the end of this decade.”¹² The Fourth Freedom Forum has reported “If the administration’s strategy of using force and the threat of force as its primary tools for dealing with terrorists and tyrants is fully implemented, these new expenditures may be just the down payment on a long-term buildup that will push U.S. military spending to the Cold War levels and beyond. Based on current Pentagon spending projections, U.S. military spending will total \$4.3 trillion during this decade, with annual spending on

¹¹ Boyer, op. cit., p.720.

¹² Hartung, D. William, *The Hidden Cost of War*, The Fourth Freedom Forum.

national defense topping \$500 billion per year by 2009.” Table 3 is a graphical representation of this expected U.S. military spending trend.

Boyer writes “Military expenditures continue to account for a larger portion of American GDP than is the case for most other allies, even though much rhetorical effort has been spent over the past 40 years trying to shift the burden of alliance defense onto the allies.”¹³ Under a host nation support agreement, Japan has provided about \$2.5 billion annually in direct financial support of U.S. forces in Japan, which is about 77 percent of the total estimated cost of stationing U.S. troops.¹⁴

In addition to the cost of stationing troops in Japan, traditionally large U.S.-Japan trade deficit has been a perennial source of friction. The deficit reached a record \$81.3 billion in 2000, though it fell to \$69 billion in 2001 and \$70 billion in 2002 because of the moribund Japanese economy and the current U.S. economic slowdown.¹⁵ A greater Japanese economic contribution could help offset this tension.

c. The Superiority of the U.S Military Forces

The third factor to why specialization is a good thing is that the capability of the U.S. to project military force is second to none in the world. Not only is it impossible that another country can match the U.S. in spending, it is also impossible that another country can catch up to the capability of the U.S. military. Additionally, the overwhelming superiority makes it very difficult for other military powers to collaborate militarily with the United States. For this reason, it is very difficult for Japan to collaborate with the U.S. in a combat mission. This means that a small amount of military collaboration of JSDF can produce only a moderately favorable result compared with an economic contribution. It is more efficient that the Japanese military contribution is restricted in the non-combat rear area for the purpose of supporting the U.S. combat operation.

¹³ Boyer, op.cit., p.702.

¹⁴ Japan-U.S. relations, loc.cit.

¹⁵ Ibid.

Concurrent with sending the JSDF to Iraq, Japan has provided some \$5 billion in assistance to Iraq over the next four years, with \$1.5 billion in grant aid to be provided in 2004. Japan also has been the leading donor country in Afghan relief and reconstruction after the United States.¹⁶ At the Berlin conference for Reconstruction Assistance to Afghanistan, Japan pledged some \$400 million in aid to Afghanistan for 2004. Japan played a major role along with the United States, Saudi Arabia, and the Asian Development Bank in accelerating reconstruction of the critical highway linking Kabul with Kandahar, in the heartland of the Pushtun ethnic group.

Boyer wrote, “The nations devoting larger amounts of GDP to ODA [oversees development assistance] are not the same nations that exhibited high military shares. In Europe, it is divided two groups with military donor countries and foreign donor countries. The primary bearers of military burdens are Turkey, Greece, the United States, at times Portugal, and to a lesser extent the United Kingdom. But with foreign aid, France, Denmark, the Netherlands, and Norway are bearing large burdens.”¹⁷ The United States consistently registers high contributions to military and low contributions to ODA, as shown in Table 4. This shows that the United States specializes in the production of military alliance goods but leaves the production of ODA to others. Boyer continued, “If we follow the logic of trade, specialization (Japan contributes economically and the US militarily) will lead to more efficient production of both commodities. Thus, because alliances produce more than one good or product, allies should specialize in how they contribute. In reality, though, no allies fully specialize, thus production is still not optimal. Nonetheless, it’s closer to an optimal outcome than might be expected.”¹⁸

¹⁶ *Japan-U.S. relation: Issue for Congress CRS Issue Brief, Order Code IB97004*, Congressional Research Service, April 16, 2004.

¹⁷ Boyer, *op.cit.*, p.722.

¹⁸ Interview to Boyer via E-mail, July 15, 2004 (on file with author).

d. The Japanese Special Strategic Environment

The fourth factor is the uniqueness of the Japanese security environment problem. Japan is surrounded by the geographical threats of China and North Korea. Not only is this situation different from other countries, the threat from both countries against Japan has not been minimized. Therefore, Japan can't completely abandon a traditional defense. The Japanese security policy will inevitably be different from that pursued by the U.S. or by other major industrialized nations of the West. Furthermore, the JSDF has several roles and missions as well as other countries. Japan decided to deploy a Missile Defense (MD) system in 2003. Although Japan is not alone in the need to respond to terrorism, this mission adds to the diversity of missions that the JSDF must shoulder. Moreover, Peace Keeping Operation might be included main mission of the JSDF. The mission and role of the JSDF is nearly over-stretched now.

To make matters worse, since the end of the Cold War the Japanese Ground Self Defense Force(JGSDF) has been reducing from some heavy divisions to light brigades. The Japanese government is also reviewing the basic policy concept of what constitutes a standard defense force now. Would it be efficient for both Japan and the U.S. for the JSDF to station troops outside of Japan instead of to have Japan focus its force on Japanese defense under such conditions? The character of the U.S. military is best suited for extended campaigns into foreign lands but the JSDF is exclusively situated for homeland defense. Dispatching troops to the Indian Ocean and Iraq is a heavy burden for the JGSDF. The JGSDF consists of five Armies. One in five Armies dispatches troops to Iraq every six months. During this half a year period, it is not easy to defend and patrol the area that this Army is responsible for. For the U.S. and Japan it is more beneficial for the JSDF to defend Japan and for the U.S. military to send its troops abroad, including stationing them in Japan.

The Japanese opinion survey conducted in 2002 indicated that 21.1 percent of Japanese people regard the international terrorism response as the mission of the JSDF, while 68.6 percent expect homeland defense.¹⁹

Considering all above mentioned factors, the strengths and weaknesses of the U.S. and Japan seems to be a prime example of Boyer's theory. Specialization is not only valid but a source of strength for the U.S. Japan alliance. Both countries should make full use of each nation's strengths and thus each can contribute to the alliance more efficiently.

4. Inefficiency of the Specialization

It is likely that the objection will be raised that Boyer's theory is not appropriate for current situation, because the sending of the SDF has been appraised favorably. And, why is the dispatch of small numbers of non-combat SDF troops so different from an economic contribution? Does it mean that specialization is not an appropriate model for the current situation? Is it that a military contribution would be the best form of contribution to strengthen the U.S.-Japanese alliance?

These criticisms are easily countered. First, the contribution of the JSDF is visible. Different from money, humanitarian activities are more impressive to human minds, making better pictures in the media. Even though the JSDF mission is not combat operation as a per se military force, it is nonetheless nearly as dangerous as the archetypical activities of a military force. For Japan, the lesson of the Gulf War was that the blood of soldiers is weighty. Emotion is an important facet in ensuring mutual reliability. On the other hand, foreign aid and the activities of NGO are virtually invisible. Though money and non-military (i.e. humanitarian) activities are actually useful for the countries receiving aid, such aid does not enhance the mutual reliability of the U.S. and Japan. The perception remains that the militarily active country, such as the U.S., is

¹⁹ Japan Defense Agency, *Defense of Japan 2003*.

strong while the non-militarily active country, such as Japan, is weak. Perception remains important.

Second, global cooperation in military force projection is needed in this century. A number of countries, particularly the western powers, are devising new roles for military force and implementing reforms to ensure they have the military capabilities needed to cooperate in addressing a diversity of situations.²⁰ Therefore, use of the military forces not only represents an outward expression of a nation's intention but also appeals to that country's domestic public. A dispatch of the SDF is a kind of symbol that Japan agrees with the U.S. policy and it can participate diplomacy and politics effectively with a range of activities: military, humanitarian, economic aid, and diplomacy.

Third, problems such as terrorism and proliferation of weapons of mass destruction cannot be resolved by the U.S. alone, and the U.S. does recognize the importance of cooperation with other countries and the need for international coordination in resolving international problems. In light of the overwhelming national strength of the U.S., the international community continues moving toward a new order centered on the U.S., a trend only accelerated by the military operations conducted against Iraq this year.²¹

Fourth, dispatch of the JSDF is beneficial for Japan to compensate for the decreasing economic power it wields. The ratio of the Japanese defense budget to GDP is only one percent but the amount of ODA is not so large when compared to other Western Allied countries. We see from Table 4 that the Japanese expenditure of ODA is the second in the world but the nineteenth when one examines the ratio of GNI. It shows that Japan's financial contribution to international peace is not necessarily as fair as one might assume. The expenditure of ODA is smaller in Japan but the ratio of GNI is very large in Netherlands, Norway, Denmark and Luxembourg. Comparative advantage theory and the prospects of focusing on economic rather than military aid could be more suitable for

²⁰ Japan Defense Agency, *Defense of Japan 2004 (Summary)*.

²¹ *Ibid.*

these countries than Japan. In response to this development, the JSDF is sent to Iraq as compensation for the weakening economic ability to contribute with money.

A final reason of why Japan has begun to contribute militarily as opposed to economically is that the dispatch of the SDF is the best way to reconstruct collapsed nations. The SDF is the only organization in Japan capable of supporting the people of Iraq in developing self rule capability and public safety—more so than any Japanese civilian organization. Even though the contribution of the JSDF is small, Iraq and other countries working in Iraq have been grateful for the Japanese contribution in medical-related activities, restoration and upgrading of public facilities, water supply activities, transport activities, transport of media people, and so on.

Considering all those facts which have been mentioned above, the contribution of the JSDF meets with both the Japanese national interests and the responsibilities of the U.S.-Japan alliance. Using a military force is important not only for the alliance but also the international trend for countries whose economic contribution is diminishing. It is fortunate that the JSDF has had no experience in real combat during the 50 years since it had established. It had been called “unusual military force.” Being sent abroad and collaborating with the U.S. makes for a good opportunity for the JSDF to become the “usual military force,” the more typical military force.

Conclusion

In conclusion, specialization is reasonable and appropriate for the international peace cooperation. On the other hand, it has been shown that some form of military contribution of is very effective and influence to strengthen the alliance. In some circumstances such as the current conflict in Iraq, a human contribution is more acceptable than economic contribution. Ultimately, it is not only the U.S.-Japanese alliance but also international politics that might be moved not by logic but by emotion. So, it may be that human contributions will become more important. As trust among allied countries increases, the more cooperation is strengthened. Since it is a time for us

to respond with the global problems such as terrorism and proliferation of weapons of mass destruction, military participation might be the most desirable method to contribute to the alliance. However, one legitimate question we have to ask here is whether solidifying the trust of the alliance is the best way to resolve the current international problems such as terrorism and proliferation. For example, perhaps one way to stamp out terrorism is to reduce global disparity in wealth. For achieving this purpose, a military contribution alone cannot do this. Non-military contributions such as foreign aid, the activities of NGOs and the influence of democratic politics is indispensable for countries receiving aid. Even so, military contribution could strengthen the U.S.-Japan alliance, as cooperation between Japan and the U.S. would not get tied up with the slow resolution of the international problems by international institutions such as the UN. However, military collaboration is not always the optimum contribution for countries that receive aid or for international peace. Specialization theory allows a mechanism for determining the most efficient way to achieve global stability and peace, by looking at each country's strong product.

Boyer's specialization theory is logical and remains valid in the current Iraqi situation. Specialization is efficient if we regard the U.S.-Japan alliance as an international public good and we use it to achieve international peace cooperation. The JSDF is a military force but its overseas missions should remain non-military. Therefore, we could say that it is a "specialization" contribution to compensate for U.S. actions, a contribution that is likely to be more effective to reinforce the relationship between the U.S. and Japan.

We are apt to think national or international security depends on only military capability but threats must be confronted with a diversity of solutions, ranging from military to non-military. A comprehensive security package is indispensable against today's threats. Japan should be proud of its ability to contribute as well as its contributions—not only its military but also other non-military potentialities such as economics, technology, politics, democracy, and culture. Japan has contributed to the

U.S.-Japan alliance through all of these channels. Though there is a vast difference between the capabilities of the U.S. and Japan, Japan has done what it could do. What is more, Japan has changed its contribution to match the contingencies of the moment.

In so far as alliances produce more than one good or product, allies should specialize in how they contribute to the alliance. In current practice, however, no allies completely specialize and thus production remains sub-optimal. Nonetheless, it's closer to an optimal outcome than might be expected.

Most people simplify the complexities of military and economic contributions to alliances and hold that military contribution is good while money is bad. This is too simplistic because it ignores the fact that Japanese economic power is generated by the sweat and efforts of Japanese laborers. It nearly has same value of JSDF soldiers in the dangerous battle area of Iraq. We should have the spirit to overcome emotion and look to the most rational method to contribute to the world peace.

[Table 1]

Defense Expenditure

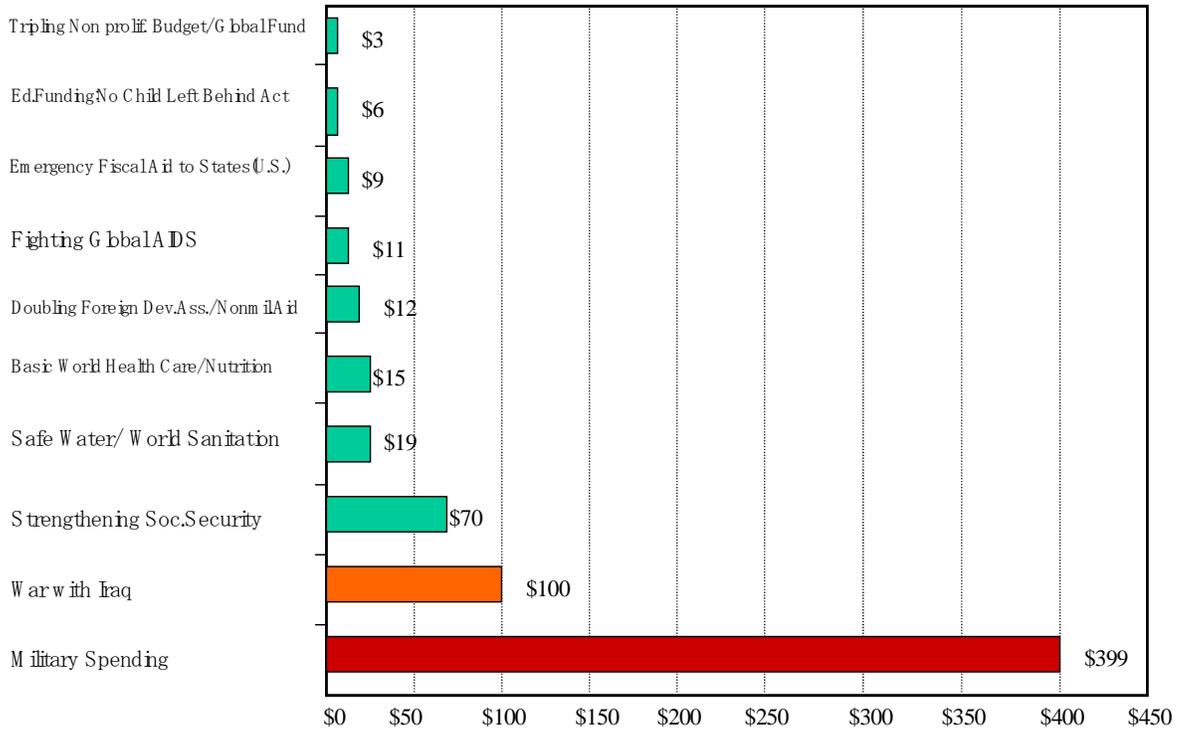
	US\$m			US\$m per capita			% of GDP		
	1985	1999	2000	1985	1999	2000	1985	1999	2000
U.S.A.	382,548	292,147	294,695	1,599	1,061	1,059	6.5	3.2	3.0
Japan	31,847	40,383	44,417	264	319	351	1.0	0.9	1.0
France	48,399	37,811	34,292	877	642	580	4.0	2.8	2.6
Germany	52,246	31,182	28,229	688	380	343	3.2	1.6	1.6
England	47,240	36,368	33,894	835	619	576	5.2	2.5	2.4
Netherlands	8,812	6,193	6,392	608	394	405	3.1	1.6	1.9
Italy	25,459	22,664	20,561	446	395	359	2.3	2.0	1.9
Canada	11,597	8,395	7,456	457	275	239	2.2	1.3	1.2
Sweden	4,730	5,245	5,190	566	590	583	3.3	2.3	2.2
Norway	3,067	3,241	2,856	738	730	640	3.1	2.2	1.8
Spain	11,164	7,227	7,053	289	183	178	2.4	1.3	1.3
Belgium	6,100	3,442	3,335	619	339	328	3.0	1.4	1.4
Denmark	3,098	2,661	2,401	606	504	454	2.2	1.6	1.5
Switzerland	2,860	3,108	2,900	443	439	393	2.1	1.3	1.2
Australia	8,068	7,775	6,952	512	415	368	3.4	1.9	1.9
Finland	2,226	1,644	1,522	453	318	294	2.8	1.3	1.3
Ireland	474	745	684	133	201	183	1.8	0.9	0.7
Greece	3,451	5,206	5,457	347	491	513	7.0	4.8	4.9
Portugal	1,816	2,302	2,197	178	233	222	3.1	2.1	2.2
Luxembourg	95	135	126	258	316	291	0.9	0.8	0.8
New Zealand	957	824	788	294	217	204	2.9	1.6	1.5

Source: The International Institute for Strategic Studies, *The Military Balance 2001-2002*, Table 37, Oxford University Press.

[Table 2]

Military Spending and the Costs of War with Iraq Compared with Alternative Expenditures

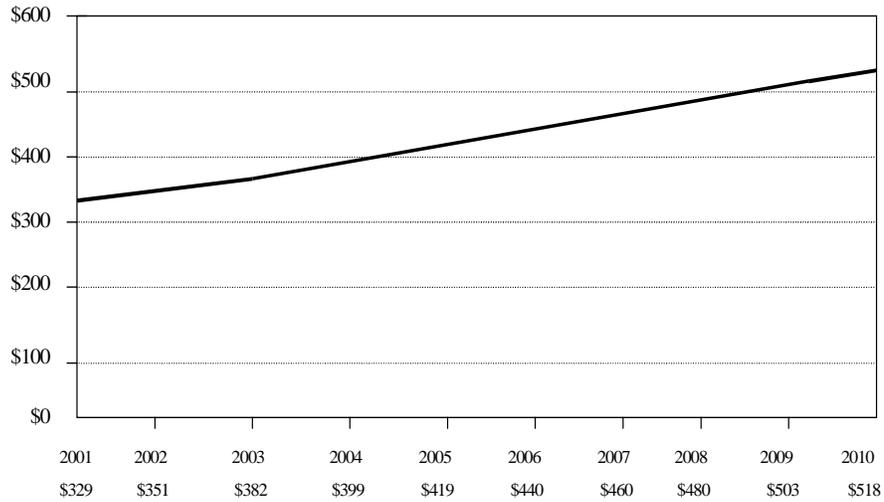
(figures for alternatives are annual cost rounded to the nearest billion dollars)



Source: William D. Hartung, The Hidden Costs of War

[Table 3]

**U.S. Military Spending, Actual and Projected,
Fiscal Year 2001 to Fiscal Year 2010**
(in billions of U.S. dollars)



Source: William D. Hartung, *The Hidden Costs of War*
U.S. Department of Defense, Fiscal Year 2004 Budget Request, February 2003, as analyzed by Christopher Hellman, Center for Defense Information, available at Center for Defense Information (February 12, 2003). Figures are for budget category 050, National Defense, which includes spending on the Pentagon and military activities of the Department of Energy. The figure for 2010 is a projection based on the assumption of a 3 percent growth rate per year for each of those three years. (http://www.fourthfreedom.org/Applications/cms.php?page_id=5)

[Table 4]

ODA Expenditure

	Expenditure (million)	Share (%)	to GNI (%)	Order	GDP	GDP Order
U.S.A.	15,791	23.1	0.14	22	10,881,609	1
Japan	8,911	13.0	0.20	19	4,326,444	2
France	7,337	10.7	0.41	7	1,747,973	5
Germany	6,694	9.8	0.28	12	2,400,655	3
England	6,166	9.0	0.34	10	1,794,858	4
Netherlands	4,059	5.9	0.81	3	511,556	10
Italy	2,393	3.5	0.16	21	1,465,895	6
Canada	2,209	3.2	0.26	13	834,390	8
Sweden	2,100	3.1	0.70	5	300,795	13
Norway	2,043	3.0	0.92	1	221,579	15
Spain	2,030	3.0	0.25	14	836,100	7
Belgium	1,887	2.8	0.61	16	302,217	12
Denmark	1,747	2.6	0.84	2	212,404	16
Switzerland	1,297	1.9	0.38	9	300,795	11
Australia	1,237	1.8	0.25	14	518,382	9
Finland	556	0.8	0.34	10	159,886	18
Ireland	510	0.7	0.41	7	148,553	20
Greece	356	0.5	0.21	17	173,045	17
Portugal	298	0.4	0.21	17	149,454	19
Luxembourg	189	0.3	0.80	4	26,228	22
New Zealand	169	0.2	0.23	16	76,256	21

ODA expenditure, 2003 (Japan Ministry of Foreign Affairs, <http://www.mofa.go.jp>)

GDP: World Development Indicators database, World Bank, July 2004,
(<http://www.worldbank.org/data/databytopic/GDP.pdf>)