



THE MAUREEN AND MIKE MANSFIELD FOUNDATION
Promoting Understanding and Cooperation in U.S.-Asia Relations since 1983

**Re-examining the Importance of the
U.S.-JAPAN RELATIONSHIP
IN AN ERA OF CHANGE**

March 1, 2011



Introduction

Ten days prior to the Great Tohoku Earthquake that struck Japan, the Mansfield Foundation organized an off-the-record two-day program, “Re-examining the Importance of the U.S.-Japan Relationship in an Era of Change.” Ten specialists in East Asian affairs gathered at the Foundation’s Washington, D.C. offices on February 28, 2011, for a day-long working session on Japan-U.S. relations. Are the two economic powerhouses losing momentum to China? Are other priorities eroding six decades of cooperation and amicability? Is there “drift” between the two allies? These were some of the questions tackled by the group.

After a day of wide-ranging discussion, the ten met again at the U.S. Capitol on March 1, 2011, before an audience of invited congressional staffers, business leaders, and policymakers, as well as representatives of the Mansfield Foundation. There were opening remarks from Ambassador Rust Deming, an adjunct professor for the Japan Studies program at Johns Hopkins University and former Foreign Service officer who previously served as principal deputy assistant secretary of state for East Asian and Pacific affairs and was recently appointed to head the Office of Japan Affairs at the U.S. State Department. Then, in a series of focused panels, the group and Amb. Deming discussed regional security issues, Asian economic integration, and new factors affecting climate change and energy policies in the U.S. and Japan.

Program participants included members of two Mansfield Foundation programs -- the Mike Mansfield Fellowships and the U.S.-Japan Network for the Future -- and Japanese discussants from academic institutions, government agencies and think tanks in the U.S. and Japan. For purposes of this report, they chose to comment anonymously, so as to speak candidly as individuals rather than as representatives of the institutions where they work. Brief biographies of the participants are included at the end of this publication.

The idea of the conference arose following the landslide victory of the Democratic Party of Japan in national elections on August 30, 2009. With a new, unproven party suddenly assuming power, along with a fresh administration in Washington, D.C., under the leadership of President Barack Obama, it seemed an opportune time to reassess the longstanding relationship between the two countries.

Both President Obama and Prime Minister Yukio Hatoyama (soon to be followed by Prime Minister Naoto Kan) came into office with ambitious agendas. How would the longstanding tradition of friendship between the two nations fare in a context of change?

Though members predictably came down at different points along the optimism-skepticism spectrum, there was general agreement on a number of issues.

Participants generally agreed that Japan should move boldly to reenergize its economy, including opening Japan to daring new free trade initiatives; that Japan should continue its security arrangements with the United States, though on a more equal footing; and that Japan should continue its strong commitment to energy conservation and elimination of commercially produced greenhouse gases.

They also agreed, emphatically, that the two nations should continue to foster the spirit of bilateral amicability that has prevailed for six decades.

At the time of the discussion, one participant noted, the two powers appeared to be in danger of drifting apart for lack of proactive attention to the relationship. “There’s no automatic pilot,” he said. In all areas, he explained, even longstanding relationships like that between Japan and the U.S. have to be nurtured.

Because of a variety of factors, including the global recession, pro-democracy turmoil in the

Middle East, and more recently the devastating events of March 11, the need for the alliance continues to grow, participants agreed.

What follows here is a summary of the two-day program, including follow-up discussions after the disastrous events in Japan on March 11.

The Mansfield Foundation is grateful to the Toshiba International Foundation for its generous support and to the participants for their time and valuable input. We also appreciate the work of Mr. Edmund Newton, who served as rapporteur during the two-day program and summarized the meetings. We believe these discussions provided a timely assessment of the opportunities and challenges facing the U.S.-Japan relationship today and in the future, and we are pleased to be able to share the insights gained during the discussions through this publication.

Paige Cottingham-Streater

Deputy Executive Director

The Maureen and Mike Mansfield Foundation

The U.S.-Japan Alliance and Asian Regional Security

Sixty Years of Friendship

A strong spirit of cooperation and amicability between the United States and Japan has existed since 1952, when Japan regained its sovereignty. It continues still in the realm of national defense, though there are signs of wear and tear. On security issues, that spirit can be summed up historically by the so-called Yoshida Doctrine, named for former Prime Minister Shigeru Yoshida (1946 to 1947 and 1948 to 1954). The doctrine places economic development as Japan's highest national priority, while keeping a low diplomatic profile and ceding most of the burden of ensuring Japan's security to the U.S. With the 7th Fleet stationed permanently in Yokosuka and U.S. Marines at the ready on Okinawa, Japan was free to pursue its global interests.

In recent years, at the urging of a new generation of national policymakers and with support from Washington, Japan has moved incrementally toward a more engaged role in regional and global security scenarios. It sent a 600-strong military ground self-defense group to Iraq in 2004, the first time since World War II that Japanese troops had participated in a foreign military operation independent of an international peacekeeping mission. Japanese ships also conducted a refueling mission in the Indian Ocean for coalition forces in Afghanistan.

As, inevitably, world events continue to intrude and power alignments shift, Japan and the U.S. continue to have vital mutual interests in Northeast Asia. Across the Sea of Japan sits North Korea, a hostile nation armed with nuclear weapons and missiles. Beyond North Korea is China, a growing power whose huge economy exerts a gravitational pull on every nation in the region.

"Think about it," said one participant. "In 2000, Japan's GDP was four times that of China. In the past few months, China surpassed Japan. By 2025, it will be one and a half times as big."

Tensions have periodically been high between Japan and both North Korea and China. Can the nation still rely on the U.S. as a military deterrent in Northeast Asia? "There are growing doubts about the U.S. as a player in the region."

Among the challenges facing the U.S.-Japan alliance is a lack of leaders with the ability to come up with a "grand strategy" for Japan.

Many Japanese are restive with a security policy limited to a bilateral relationship with the U.S. "The Yoshida Doctrine seems obsolete," said one participant. "It's not based on a mature relationship." Japan's difficult task is to work out a healthier relationship with its longtime ally in the context of domestic controversy, particularly involving Okinawa and the U.S. military, as well as taking into account the fiscal uncertainties of the two countries.

A Political Readiness Level?

Politically, the nation appears to be ready for a more mature stance. The two parties that dominate Japan's political life, the Democratic Party of Japan (DPJ) and the Liberal Democratic Party (LDP), are much less ideologically split than they were in the cold war years. They may disagree on economic issues, but not on security. "There's no longer the cleavage that there used to be," one participant said.

"We have two catch-all parties," one participant said. "There's center-right and there's center-left, with most of the arguing about the middle."

The ruling DPJ, which took power in 2009, openly favors a policy that carries Japan past simple bilateralism. Recently, Japan released new National Defense Program Guidelines, which focus on maritime issues and a dynamic defense force that will respond to contingencies with fluency. This ostensibly demonstrates the national will for a grand strategy, with Japan stepping into a global role in promoting democracy.

There is talk among political leaders of returning to “value-based” foreign policy in support of global democracy, an approach that was initially proposed by former LDP prime ministers Shinzo Abe and Taro Aso, who gave the idea a high-toned new title, “Arc of Freedom.”

That agenda initially raised eyebrows, but it has been given new energy by the Kan administration.

Impediments to a New Direction

Despite the DPJ’s eagerness to make the nation a force in geopolitics, however, the nation’s political leadership has been unable to move ahead with unhindered defense alliances in the region. The Japanese Self-Defense Force is still hamstrung by Article 9 of the Japanese constitution, prohibiting “collective self-defense.” The consequence is a narrowly focused military, unable to act decisively in complex battle situations. For example, Japanese ships are barred from responding to enemy attacks on multinational fleets unless damage is done directly to a Japanese vessel.

At the same time, a widely-acknowledged political “paralysis” in Japan has led to an “obsessive” focus on the nation’s alliance with the U.S., to the detriment of reaching more globally significant goals, participants said. There has been a failure to come up with a grand strategy, or an inspiring national vision defining

Japan’s global leadership role. Participants blame this on Japan’s persistent insularity and on the divisiveness of domestic politics in recent years, with an absence of strong leadership. There have been five prime ministers in the past seven years, leaving little room for developing momentum behind a new defense strategy.

“Everything is globalized now,” complained one participant, “but the Japanese mindset is still confined to the ‘60s, ‘70s and ‘80s.”

One participant asked if the United States was the source of Japan’s lack of policies with a more global perspective. “Does the alliance stand in the way of the grand strategy?” A sometimes “obsessive” concern with the American alliance has interfered with bold new initiatives, participants said, though younger policymakers now appear to be ready to change that perspective.

While there have been many efforts to break out of Japan’s “bilateral cocoon,” progressive policymakers must also contend with pacifist sentiment left in the wake of World War II, which remains influential in Japan. For example, initiatives to amend Article 9 have been beaten back by anti-military sentiment.

As Japan hashes out its vision for the future, the U.S. has become consumed with other priorities, such as the Middle East, as well as budgetary problems and its own welter of divisive politics at home. “Some say there’s no great bubble now to protect Japan,” one participant said. Should Japan pursue regional alliances? Should it become a neutral nation, either armed or unarmed?

One participant suggested a program of “minilateralism,” with a series of limited treaties involving small groups of Pacific Rim nations. Neutrality, with Japan falling into a Chinese sphere of influence, seemed an unlikely option, participants said.

Futenma

Further complicating relations between the U.S. and Japan is the relocation of Marine Corps Air Station Futenma.

The base, located on Okinawa, which hosts 65 percent of the U.S. forces on Japan, continues to be an irritant for both allies. Okinawans, with support from the DPJ, have increasingly resisted the burden of having their land appropriated for military uses and their civil life kept in turmoil by a large military presence. An agreement to ameliorate the tense situation was negotiated, with a plan to relocate airstrips and to send some Marines to Guam, but it has yet to be implemented. Neither the U.S. nor Japan has the financial resources to pay for the realignment.

There have been “budgetary push-backs” from both sides, one panelist said. “There are congressmen from both side of the aisle [in the U.S. Congress] who are suggesting that our allies, including Japan, defend themselves,” he said.

Participants expressed serious doubts that the Futenma plan will be implemented in the immediate future. The next step in the complicated process of relocation is an environmental assessment agreement.

One participant said, “Getting it done this year is problematic, but it’s not the end of the alliance. It’s important not to abandon hope at this point.”

Participants were reluctant to predict how the Futenma controversy would end. “Ultimately, fiscal pressure may decide what happens,” one panelist said.

After the Earthquake

The silver lining of the disasters of March 11, participants said, may have been their palpable illustration of the value of the Japan-United States alliance. The U.S. was quick to respond to its distressed partner, immediately dispatching aid and rescue teams, offering a vivid demonstration of how the alliance could benefit Japan.

“The positive role of the United States military, which the Japanese could see right on their television screens, made people better appreciate their ally,” said one participant, who added that the rapid generosity of the U.S. may even have taken some of the sharp edge off of the Futenma debate. The Futenma base got a “great boost” in the eyes of Japanese citizens, who were able to see Futenma Marines carrying out search and rescue missions, the participant said.

The disasters have also served to place Japan’s own military in a more positive light, softening some of the tenacious pacifism with which a large segment of the population has traditionally viewed its own Self-Defense Force.

“The Self-Defense Force was given a really positive image because of their work after the earthquake,” the participant said. “They were the front-line responders, acting very quickly to help people, and they were often enduring conditions worse than those who were being evacuated.”

Economic Relations: Redefining the U.S.-Japan Relationship in the Aftermath of the Global Financial Crisis

Regional Groupings: A New Option

How can Japan tap into the economic dynamism of the 1980s, the golden era before the so-called “lost decade” of the 1990s, when many debts went bad and economic expansion came to a halt?

Like the United States, Japan still faces daunting post-recessionary economic problems. Japan, with a national debt equivalent to double its GDP, has been especially hard-hit. In one effort to inject new energy into the economy, the DPJ has committed the traditionally conservative and protective Japan to considering whether to undertake an unprecedented opening up of international trade barriers.

“No other [Japanese] government has made such a commitment to free trade,” said one participant. “It’s the first time the government has taken such a bold action.”

Squarely on the front burner in the trade realm is the Trans-Pacific Partnership (TPP). Prime Minister Naoto Kan initially said that he would decide by June whether to go ahead with negotiations to gain Japan’s entry into the TPP, a burgeoning trade agreement among nations on the Pacific Rim, committing its members to open their doors to coalition trading partners.

Participation in the regional grouping, which so far includes New Zealand, Singapore, Chile and Brunei, could force sweeping changes in Japan’s trade policies. Raising the stakes even higher is the fact that the U.S. is negotiating to join the agreement, along with Australia, Malaysia, Peru and Vietnam.

Circumstances may force Prime Minister Kan to join the negotiations. He faces what one discussion participant called a “tipping point” situation. “Once you have a [sufficient] grouping of participants, there’s the fear of not participating.”

Japan has until now taken a go-slow tack, negotiating a series of bilateral free trade agreements, while steering clear of complicated multi-party pacts. But now it faces being “odd man out” in the increasingly globalized East Asian marketplace, and there is heavy pressure from Japanese exporters to make the move toward regional free trade.

“The U.S. has a very dynamic economy,” said one Japanese conference participant, “but Japan is lacking in dynamism. There’s a feeling that if we don’t get on this train, we’re going to lose.”

The big obstruction on the road to TPP is Japan’s agricultural sector, particularly its 40,000 rice farmers, who fear massive infusions of American-grown japonica rice. Agriculture in Japan is heavily subsidized and protected. Import tariffs on foreign rice entering Japan can now add up to more than 700 percent.

The government’s decision to consider TPP has prompted fierce lobbying by opponents of the move and protests by farmers.

To date, Japan’s network of fourteen bilateral free trade agreements has had only a minimal impact on trade. One participant noted that all of those agreements cover only about 16 percent of Japan’s exports. The World Trade Organization’s standard for regional trade agreements is that they cover 90 percent; the TPP is aiming for 98 percent. The TPP would require a much more rigorous commitment to

free trade than previous arrangements, such as the consensus-based twenty-one-member APEC (Asia-Pacific Economic Cooperation) group, which has been unable to establish clear-cut free trade guidelines.

Japanese farmers, though, contend that TPP is a program for putting them out of business, with the prospect of a flood of agricultural products from corporate farms in the U.S. and New Zealand landing in Japan. They have also claimed that the U.S. is pressuring Kan to move toward TPP membership.

So far, the U.S. has kept out of the discussion, assuming that any overt pressure from American government officials would be resented by Japanese voters. "The Japanese ought to be able to step up themselves," one participant said. "It would be much healthier."

It's unclear whether the atmosphere of controversy that has developed since Kan's pro-TPP statement will block government action, one participant said. "Is Japan going to marginalize itself?" he asked rhetorically. "At the moment, every political party is running from [the TPP]. Is it likely that anyone will step up and say it's time to take on the agricultural lobby?"

Another participant said that the TPP discussion has been lopsidedly focused on agriculture. "That's a small part of the economy. When you get to the larger part, you find sectors that have not been subjected to competition or that are overly regulated." The pay-off from initiatives like the TPP is not just a spur to exports but an increase in domestic competition, he said.

In some cases, Japanese businesses, impatient with the slow progress of trade talks, have outpaced the government in promoting international trade. Some are already working out their own deals across borders, establishing "privately-devised networks," with assembly plants, shipping arrangements and other forms of interactivity informally worked out business-to-business.

The China Factor

China's reaction to TPP remains unclear, though it has signaled that it prefers less comprehensive agreements, such as those which it has negotiated with the ten-member Association of South East Asian Nations (ASEAN). The ASEAN nations and China have worked out tariff reductions on thousands of products, with accompanying price reductions, though the agreements come without the kinds of World Trade Organization-endorsed regulations that codify labor standards, restrictions on protectionism in government procurement, environmental regulations or other issues not directly related to tariffs.

As regional countries weigh the costs and benefits of signing on to the TPP agreement, though, they remain keenly aware of the importance of China's economy on the region and the world. As the world's second largest economy, China will eventually play an important role in any trade agreement that may take shape in the region.

To date, China has not been overtly disruptive in the region. "They've been playing our game," one participant said.

China's emphasis on strong regional ties can be seen in its response to the 2008 financial crisis. It played a salutary role in the financial crisis, with its increasing fiscal expenditures helping to compensate for the precipitous fall in private demand. China also participated in bilateral currency swaps with some regional partners to keep trade flows moving, indicating a desire to play a greater role in global financial markets. Japan, on the other hand, limited its participation in the stabilization process to offering large contributions to the International Monetary Fund.

When it comes to regional integration, more has been done on the financial front than on the trade front, one participant contended. After the 1997-98 Asian financial crisis, ten nations from the region joined in a system of offering members currency swaps to help manage short-

term liquidity crises. This is a standing agreement among ASEAN members along with China, Japan and South Korea, dubbed the “Chiang Mai Initiative.” When the “Lehman Shock” struck world financial markets in September 2008, the Chiang Mai Initiative was available as part of an Asian protective response.

Ultimately, though, other factors, including currency swaps between the U.S. Federal Reserve and the Bank of Japan and the Bank of Korea, had a more telling effect in stabilizing the system, and the Chiang Mai Initiative remains to be put to the test.

There is still some enthusiasm in Asia for a regional currency and an Asian central bank, despite the cautionary experience in the European Union of the PIGS (Portugal, Ireland, Greece, and Spain) nations during the recent financial crisis. Having given up control of monetary policy in joining the EU, those nations exposed themselves to wrenching fiscal distress without having the option of maneuvering currency as an antidote.

In Asia, regional disparities in per capita income, financial sector development, fiscal monetary policies and banking institutions, are just a few challenges standing in the way of a regional currency agreement. Overcoming these challenges and finding an answer to the question of which country (or countries) could lead such an effort remains unknown.

The TPP discussion reflects the new shape of international relations. As with regional security, the shift in the East Asian trade balance reflects both the powerful presence of China and new factors in the Japan-U.S. alliance.

The Effects of Disaster

The March 11 earthquake and tsunami, inflicting estimated losses on Japan of between \$200 and \$300 billion, has dealt a body blow to the Japanese economy. Yet, if anything, it should eventually demonstrate not Japan’s vulnerability,

but its basic soundness, participants said. The nation is already rebounding, with much of the damaged infrastructure in the north, like roads, railroad tracks, and landing strips, restored to usable levels and with factories and commercial establishments beginning to get back to business.

Economists expect the first two quarters of 2011 to reflect a precipitous downturn, but the last half of the year, when the reconstruction effect starts to kick in, should show an upswing.

“The disasters have been devastating on a local level,” one participant said, “but on a macro level they are not.”

The big question, some participants say, is what psychological effect the experience of disaster will have.

“The real concern is whether the growing sense of vulnerability will undermine plans for agricultural reform, take away the momentum of the TPP decision, and make Japan drift further inward,” one participant said.

Both sides in the TPP debate have already used the disasters in the service of their arguments, with opponents saying that it is the wrong time to inflict additional suffering on Japanese farmers by eliminating protections against foreign competitors and proponents saying now is the time for an aggressive growth strategy bolstered by strong incentives for exporters.

Prime Minister Kan, who had set a June deadline, has postponed a decision on whether Japan will seek to participate in TPP talks.

Climate Change and Energy Policy

The Challenges of Doing the Right Thing

Even before his September 2009 swearing in, former Prime Minister Yukio Hatoyama was committing Japan to an aggressive program to eliminate greenhouse gases. He told a United Nations climate change conference that month that his nation would cut carbon emissions by 25 percent by 2020, a promise he may soon have regretted. “After the regime change, Hatayama had the sense that ‘we can do everything,’” said one Japanese participant in the conference. Reality quickly set in.

The new administration appointed a group of experts to advise Hatoyama on how to achieve the goal. “The committee came out with a paper that said that it would cost a lot of money,” said one participant. “They never called another meeting.”

The prime minister’s failure to take action on greenhouse gases became one of a list of alleged failures that forced Hatoyama from office.

But Hatoyama’s ill-starred call to action may be emblematic of the choppy seas in which even developed nations like Japan must now launch their climate change and energy initiatives. In 2009, a compliant industrial sector and a public that was supportive of green policies couldn’t outweigh Japan’s fiscal troubles or the inconsistency of other major industrial nations – and many of the same factors are at work today.

Comparative Efforts

Any conversation about Japan’s efforts to reduce greenhouse gases inevitably reaches comparisons with the world’s two leading industrial powers. Though Japan is the fifth largest emitter of greenhouse gases, its national carbon footprint is much smaller than that of either the U.S. or

China. Japan accounts for about 5 percent of the greenhouse gases in the world, while the United States and China account for about 40 percent between them. China, as a developing country, is not obliged to meet goals imposed by the Kyoto Protocol, which has committed nations to long-range carbon reduction goals; the U.S. dropped out of the Kyoto framework during the George W. Bush administration.

The failure of those two economic powers to take a leadership role in the global effort to reduce greenhouse gases weakens the resolve of the Japanese industrial sector, participants said.

Japanese manufacturers are themselves comparatively energy efficient, though heavy industry is still reliant on coal for much of its energy needs. But, responding to pressure to be more efficient, business groups and pro-business politicians often point to a lack of an official climate policy in the U.S.

U.S. Policy Bends to the Right

The impasse on measures to reduce greenhouse gases in the United States has had consequences far beyond its own borders.

For now, there is no clear U.S. policy to reduce global warming that has been approved by Congress and signed by a sitting president. Any proposed American action on domestic climate controls is, despite strong support from the Obama administration, unlikely to be approved by Congress in the present political atmosphere, said one participant. “Anything that smacks of climate change on Capital Hill gets swatted down,” he said. “There’s a group of politicians who don’t believe in it.”

In the interim, one participant added, the U.S. Environmental Protection Agency (EPA)

has been given the mandate by the Obama administration to enforce regulations. The political opposition, in turn, has challenged the EPA's authority to do so.

The EPA has been a reluctant participant in the regulation of greenhouse gases, the participant said. The regulatory agency was the defendant in a suit brought by the state of Massachusetts and eleven other states, as well as some local governments and non-governmental organizations, who argued that the EPA should regulate greenhouse gas emissions, including carbon dioxide, because they were causing adverse environmental effects. The case reached the U.S. Supreme Court, which ruled, 5-to-4, in April 2007, that EPA had the authority to regulate greenhouse gases.

Since then, the agency has begun to draw up regulatory guidelines, with resistance from industry groups and conservative members of Congress. At the same time, the U.S. military has taken steps to reduce its carbon footprint, a measure that may have a direct effect on Japan, with its plethora of American military outposts. The Obama administration recently issued a directive calling on the Department of Defense to draw 20 percent of its power from renewable sources by 2020.

Still, climate policy has not gained traction in the U.S. Congress, leaving EPA to act without congressional authority.

The situation in the U.S. leaves Japanese businesses – and those from other nations – with little enthusiasm for an aggressive program to reduce greenhouse gases. There is not only no hope now for Hatoyama's promise of a 25 percent reduction, but Japan may not even meet its Kyoto Protocol goal of reducing its emissions by 6 percent from 1990 levels.

Soldiering On

Nevertheless, Prime Minister Kan and his administration are proceeding with a vigorous climate program. The government has proposed, among other things, a carbon tax and a reverse tariff to promote renewable energy initiatives

Already, the Japanese government is offering tax credits to companies that export energy-saving technology and products to the developing world, such as energy-efficient light bulbs to Mexico, forestry management expertise to Indonesia, and energy efficient housing to China.

Manufacturers like that program, said one participant, because it gives them "an opportunity to export."

The government is also encouraging new research and pilot programs in the environmental field, such as a program of "carbon-capture sequestration," in which carbon dioxide emissions from power plants are sequestered either underground or under the sea. But the technology, which promises to be expensive, has not yet been perfected.

Prime Minister Kan is more realistic than Hatoyama about what can be accomplished, but he may not be in a strong enough position to start a major new climate initiative. Among other things, he must contend with a residue of ill feeling in Japan, along with charges of "unfairness" from the business sector, participants noted.

Private sector interests and environmentalists, however, are still hopeful that climate change and energy policy could, despite political resistance from the American right, be an area where the United States and Japan can both benefit from further cooperation. "Efforts at collaboration bilaterally and in the multilateral context continue against this challenging backdrop," one participant said.

There have been some modest achievements in cooperative Japan-U.S. efforts on nuclear energy and joint initiatives on clean energy, one participant said.

As demand for clean and efficient power sources continues to grow in both developed and developing countries, and as competition among governments and businesses to enter the market has increased, there may be new opportunities for joint U.S.-Japan approaches to meeting that demand.

In the face of the stalemate in climate policy in the U.S., however, some participants suggested pushing for modest but attainable goals, like international standards of energy efficiency for home appliances. One participant suggested using APEC as a forum to hash out energy standards for products that are marketed regionally.

Still, there's little taste in Japan either for heroic efforts on the home front to set the carbon reduction bar very high or for cooperative programs with the U.S., several experts said.

In fact, there are so few areas of cooperation on climate change or energy policy at the moment, one participant contended, that one has to dig deep to find them. "Focusing on areas of cooperation," he joked, "is there a there there?"

He added that it may take world events to prompt new action in areas of common interest, such as renewable energy. "If oil goes to \$150 a barrel, we'll have a new dynamic," he said.

Post-Earthquake

Even as he leads a national crisis response effort, Prime Minister Kan has reiterated his administration's resolve to "squarely tackle a two-pronged challenge: responding to rising global energy demand and striving to reduce greenhouse gas emissions to combat global warming."

In the short term, however, climate policy has taken a backseat to disaster response, one participant said. "It's understandable that addressing global warming on a public level has declined," she said. "It's not a short-term crisis."

While Japan's climate policy may be on hold in the face of the recent disasters, energy policy is still a lively topic of conversation, she added. With the fate of the Fukushima Daiichi nuclear plant still in doubt, Japan's strong commitment to nuclear energy remains in the balance. "Whether Japan decides to shift away from nuclear energy, I'm hesitant to make a prediction," this participant said. The energy sector may be too deeply invested to make "a hard shift" away from nuclear energy, she added.

One possibility is for a move to safer nuclear reactors or "using the more expensive options that power companies did not originally choose."

There are also moves underway to give the general public more of a say in energy policy, which could lead to a heightened interest in renewable energy sources.

Hope for the Future of Japan-U.S. Relations

Even with all of the crosswinds buffeting the two allies, there are clear cut reasons to nurture the alliance, panelists said. They are “natural partners,” each with a strong history of democratic governance and free-market capitalism, and there are strong affinities between the two.

“Both countries are rich,” said one federal policymaker. “China won’t be as rich on a per capita basis for a long time.”

Clearly, both need each other.

“Any rational calculation dictates that [the] alliance continues to flourish,” said one

participant “Japan provides foreign basing for a U.S. battle group. There’s nowhere else to go.” At the same time, Japan needs the U.S. as a countervailing force to China. “It’s hard [to] imagine Japan in China’s orbit or strategically independent.”

He added: “In my view, the U.S.-Japan relationship will succeed – but it will require a lot of hands-on management.”

The experience of the March 11 disasters, participants added, has shown the continuing strength of the Japan-United States alliance and prompted new resolve to keep it strong.

Participant Bios

Ambassador Rust Deming is an adjunct professor of Japan studies at the Paul H. Nitze School of Advanced International Studies of the Johns Hopkins University and currently heads the Office of Japan Affairs at the U.S. Department of State. This follows a thirty-eight-year career in the Foreign Service. Ambassador Deming's last overseas post was as ambassador to Tunisia from 2000 to 2003. Prior to that, he served as principal deputy assistant secretary of state for East Asian and Pacific affairs (June 1998 to August 2000). He was senior advisor to the assistant secretary for East Asian and Pacific affairs from December 1997. From October 1997 to December 1997, he was the East Asian and Pacific Affairs Bureau's senior advisor to the United Nations General Assembly in New York.

Ambassador Deming has spent much of his career dealing with Japanese affairs. He has held several positions at the U.S. Embassy in Tokyo, including charge d'affaires and deputy chief of mission. Ambassador Deming also served as director of the Office of Japan Affairs in Washington from 1991-1993.

Ambassador Deming has been the recipient of numerous awards, including: Senior Performance Awards, Superior Honor Awards, the Defense Department's Civilian Meritorious Award in 1995 and 1997, and the Secretary of State's Career Achievement Award in 2003. He is a member of the Council on Foreign Relations, the American Foreign Service Association, and the Stanford Alumni Association. Ambassador Deming received his BA from Rollins College, and received his MA in East Asian Studies from Stanford University.

Kiyooki Aburaki is the U.S. representative of Keidanren (Japan Business Federation) and a part of the 21st Century Public Policy Institute (21PPI), a think tank affiliated with Keidanren. Aburaki is conducting research activities and projects as a visiting fellow of the Center for Strategic and International Studies (CSIS) in Washington, D.C. Aburaki obtained a BA in economics from Keio University Tokyo and an MS in political science from the Massachusetts Institute of Technology.

Kuniko Ashizawa is a senior lecturer in international relations at Oxford Brookes University, School of Social Sciences and Law, the UK. Ashizawa's interests include Japan's foreign and security policy, U.S.-Japan relations, regional institution-building in Asia, and the role of the concept of state identity in foreign policymaking. She has published a number of book chapters and academic journal articles in publications including *International Studies Review*, *Pacific Affairs*, and the *Pacific Review*. She is currently working on two research projects about Japan's approach toward peacebuilding in Afghanistan and security unilateralism in the Asia-Pacific. She was a visiting fellow at the Woodrow Wilson International Center for Scholar in 2010 and the East-West Center in Washington in 2009. She received her PhD in international relations at the Fletcher School of Law and Diplomacy, Tufts University.

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He has also participated in an international collaboration project at the OECD to examine the effectiveness of corporate voluntary environmental actions. He received his BA from Tokyo University, MS in environmental sciences from Tsukuba University, and PhD in economics from the University of Minnesota. He has served as a board member for the Society for Environmental Economics and Policy Studies since 2006 and for Sustainable Management Forum of Japan since 2009. Currently, he serves as an advisory member of the domestic emission trading subcommittee, the Central Environment Council under the Japanese Ministry of the Environment.

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The Maureen and Mike Mansfield Foundation was created in 1983 to advance the life-long efforts of Mike Mansfield and his wife Maureen to promote understanding and cooperation among the nations and peoples of Asia and the United States. The Foundation sponsors exchanges, dialogues and publications that create networks among U.S. and Asian leaders, explore important policy issues, and increase awareness of Asia in the U.S. The Mansfield Foundation's geographic focus is Northeast Asia and India as it relates to that region. The Foundation receives support from individuals, corporations and philanthropic organizations. It also provides support to The Maureen and Mike Mansfield Center at The University of Montana.