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Under Prime Minister Suga, U.S.-Japan Relations Will Remain Strong

James Zumwalt

Ambassador (retired) Non-Resident Distinguished Senior Fellow
Sasakawa Peace Foundation USA

Introduction

On September 16, 2020, Yoshihide Suga became Japan's 64th Prime Minister replacing Shinzo Abe, who had led Japan for nearly eight years. In his first policy address, Prime Minister Suga stated that he would continue Prime Minister Abe's foreign policy, but what does this pledge mean for U.S.-Japan relations?

Mr. Suga certainly has big shoes to fill in replacing the effective and pragmatic Shinzo Abe. At the end of his nearly eight-year term, Abe could look back with satisfaction on his many foreign policy achievements. Foremost among Abe's accomplishments was strengthening the U.S.-Japan security alliance. During his October 6 visit to Tokyo, Secretary of State Pompeo had this to say about Prime Minister Abe's support for the U.S.-Japan partnership: "I want to thank him for everything he did to make the U.S.-Japan relationship stronger than

ever, to the benefit of both our peoples and our shared values of freedom and democracy.”¹ Pompeo appreciated that, under Abe’s leadership, the United States and Japan had worked together to address global challenges such as international terrorism and confronted regional threats including a belligerent North Korea and an increasingly aggressive China.

Prime Minister Abe’s proactive foreign policy transformed U.S. expectations of Japan as a strong and influential diplomatic partner. He also implemented domestic reforms and policy changes that strengthened Japan’s value to the United States as a reliable security partner. In 2013, Abe established Japan’s National Security Council – a move that consolidated government decision-making powers in the Prime Minister’s Office. One year later, his government officially reinterpreted the Japanese constitution to establish that Japan had the right as a sovereign state to use force alongside other countries in collective self-defense. This policy shift was codified by changes in Japanese defense legislation in 2015 to allow Japan to take a more proactive role in working together with the U.S. military. In 2016, Japan announced its National Security Strategy which sought to improve Japan’s security environment through strengthening the U.S.-Japan alliance. Its National Defense Program Guidelines sought to align Japanese and U.S. defense strategies more closely. Under Prime Minister Abe, Japan’s defense budget increased steadily, setting a new annual spending record for eight consecutive years. These changes greatly enhanced Japan’s ability to work together with the United States to protect the peace and stability of the region.

In reviewing the Abe government’s accomplishments, it is perhaps natural, therefore, that Americans might be concerned about a transition to a new leader. Will Japan remain a reliable and valuable security partner for the United States? Will the Suga government continue to engage actively in the world as a force for democratic values and respect for the rule of law in ways that advance our shared interests? The answer in my view to both questions is an unqualified “yes.”

Continuity in Japan’s Foreign Policy

The first reason to anticipate that the Suga government will continue Abe’s security and foreign policies is that Japan’s national interests have not changed.

¹ “Secretary of State Michael R. Pompeo - Remarks Prior to Meeting with Foreign Minister Motegi,” U.S. Embassy & Consulates in Japan, October 9, 2020, <https://jp.usembassy.gov/pompeo-before-meeting-motegi-20201006/>.

The U.S.-Japan partnership is based on our enduring shared values and common interests, not leadership personalities. Japan and the United States both enjoy durable democratic systems, we respect the rule of law, and we value universal human rights. Both nations have vibrant market economies and support a free and open international economic system. The United States and Japan also share common interests including our desire for global peace and stability, and for strong regional and global economic growth. Therefore, it is only natural that the partnership between Japan and the United States would endure even as the democratic process in both countries results in leadership changes.

Moreover, the Japanese public wants to see continuity in Japan's security and foreign policies. Prime Minister Suga's favorable public opinion polls should be interpreted as the Japanese public's desire for policy continuity and stability. The Japanese public strongly supports a close U.S.-Japan security alliance. The Japanese people also increasingly regard China as a security threat (along with North Korea) which reinforces public support for Japan's policy to rely on the United States as a security guarantor. This strong reservoir of Japanese public support for the security alliance will reinforce our ties as our two governments manage the inevitable challenges ahead.

The third reason to anticipate continuity in Japanese foreign and security policy is that Prime Minister Suga, in his former role as the Chief Cabinet Secretary, was one of the architects of Prime Minister Abe's policy to pursue an active and multifaceted foreign policy as it reinforced U.S.-Japan bilateral security ties. As one of the key decisionmakers in setting the policy direction of Prime Minister Abe, Mr. Suga can be expected to sustain this policy direction.

Prime Minister Suga's recent proposal for an eight percent increase in Japan's fiscal year 2021 Defense Budget is one early indication that he intends to continue to strengthen Japan's defense capabilities and sustain its efforts to take a more active role in promoting regional peace and security. In his October 26 policy address to the 203rd Extraordinary Diet Session, Prime Minister Suga stated that, "The Japan-U.S. alliance, which is the cornerstone of Japan's foreign and security policies, will continue to be the foundation for peace, prosperity, and freedom in the Indo-Pacific region and the world."² This statement received barely a comment in the Japanese media or pushback from Japan's opposition parties, showing how accepted the U.S.-Japan security relationship has become in Japan.

² "Prime Minister Suga's Policy Address to the 203rd Extraordinary Diet Session," Prime Minister's Office of Japan, Author's Translation, October 26, 2020, http://www.kantei.go.jp/jp/99_suga/statement/2020/1026shoshinhyomei.html.

A fourth reason for optimism about prospects for U.S.-Japan relations under the Suga government is the new Prime Minister's track record of working closely with U.S. counterparts to manage our mutually beneficial relationship. As Chief Cabinet Secretary, Mr. Suga met frequently with Ambassador Caroline Kennedy and then with Ambassador William Hagerty to manage irritants and constraints that could have undermined our alliance. Both Ambassadors valued their close relationships with Mr. Suga, and they respected his ability to manage the Japanese bureaucracy in order to resolve issues related to hosting U.S. bases in Japan.

Prospects for U.S.-Japan Relations Under the Suga Government

Japan, under Prime Minister Suga, will be eager to see the United States play a more active role in the region. Our security, diplomatic, and economic partnership will continue to be broad in scope; a few examples of ways in which our two countries can work together more closely include: 1) managing our relationship with China, 2) promoting regional growth through financing of quality infrastructure; and 3) strengthening the Indo-Pacific region's rules-based economic architecture.

Relations with China

Like the United States, Japan does not want to see China become the dominant power in the region. China's excessive claims in the South and East China Seas, its coercive behavior toward Taiwan, its bullying of Australia, South Korea, and others, its quashing of dissent in Hong Kong, its arbitrary arrests of Japanese businessmen, and its human rights abuses in Xinjiang all give Japan pause.

Japan has taken steps to protect its technology and reduce China's influence in the country. For example, Japan declined to use Chinese telecommunications equipment to build its 5G network and has tightened its screening criteria for foreign direct investment to make it harder for China to acquire critical technology. The Japanese government has provided a modest amount of financing to companies seeking to diversify their supply chains by bringing production back to Japan or by investing in supply chains in South and Southeast Asia. Under Prime Minister Suga, Japan will work to secure its supply chains and lessen its strategic dependence on China's economy.

Mr. Suga will likely continue Mr. Abe's pragmatic approach toward China, standing up for Japan's interests while seeking ways to sustain beneficial economic relations. However, Japan cannot afford to engage in a "China decoupling" strategy due to its extensive economic and commercial ties with the country. Japan is concerned by unilateral U.S. actions such as sanctions on Chinese individuals or companies because these measures might ensnare Japanese companies.

The Suga government will seek to work closely with the United States and other like-minded partners to blunt Chinese diplomatic gains in the region, to protect its technology, and to promote a "Free and Open Indo-Pacific" vision. This will provide opportunities for the United States to work together with Japan and leverage our partnership to advance shared interests. It will be important for the United States to communicate closely with the Suga government to coordinate our approach in a way that maximizes our joint influence.

Moreover, Japan (and the United States) will need to elicit cooperation from China to make progress on important regional issues such as North Korea's nuclear weapons and missile programs, and global issues such as climate change. Therefore, Japan will want to see the United States pursue a balanced approach that takes its ally's security interests into account but also preserves the options for cooperation when U.S., Japanese, and Chinese interests align.

Promoting Regional Growth with Infrastructure Investment

Nobody disputes that Southeast Asia and South Asia require massive amounts of infrastructure investment in order to sustain economic growth. With its Belt and Road Initiative, China has offered massive amounts of infrastructure financing, but it is becoming clear that at least some of these projects are ill-conceived and come with expensive strings attached. The United States and Japan are both interested in providing alternatives to developing countries seeking foreign capital to finance needed investment.

The United States can best preserve our interests in a free and open region that is not subject to undue Chinese influence by coordinating our economic diplomacy with Japan. Over the last two decades, Japan has been much more adept than the United States at using economic engagement to promote its interests in Asia. Japanese official development assistance and private sector investment in Southeast Asia have generated a reservoir of goodwill in that region. The United States can leverage these positive feelings by working closely with its diplomatic partner to promote more quality infrastructure investments.

Given constraints on both countries' foreign assistance budgets, it makes sense for the United States and Japan to work together, perhaps with others as well, to finance needed infrastructure in the region. Japan, the United States, and Australia recently announced that the three nations would jointly finance a \$30 million undersea fiber optic cable to link Palau to a trans-Pacific communications network. This project will enhance Palau's digital connectivity and elevate its business environment to attract new investment. This joint project, the first under the three countries' infrastructure investment partnership in the Indo-Pacific, is an example of ways our partnership can provide alternatives for countries seeking high-quality infrastructure investments.

Another example of such a trilateral effort is the Blue Dot Network which was announced by the United States, Japan, and Australia at the Indo-Pacific Business Forum in Thailand in November 2019. This initiative aims to "certify infrastructure projects around the world that meet high standards of transparency, sustainability, and developmental impact."³ This initiative built upon the Abe government's \$200 billion Partnership for Quality Infrastructure, which offered transparent financing to promote long-term development without creating debt traps for recipients. We should build upon this foundation and invest more in quality infrastructure to promote economic growth in the region.

In his first overseas visit as Japan's leader, Prime Minister Suga visited Vietnam and Indonesia to signal Japan's continued interest in Southeast Asia. He sent important signals about the emphasis he will continue to place on the region. Among his efforts to strengthen Japan's linkages with these two important countries, Mr. Suga promised Indonesia a \$473 million coronavirus relief package. While no nation in Southeast Asia wants to "choose" between China and the United States, all are interested in preserving their room to maneuver by enhancing economic ties with Japan and the United States. Prime Minister Suga has gotten off to a strong start in sustaining Japan's regional diplomacy by providing quality development finance alternatives.

Promoting a Free and Open Indo Pacific Vision

The United States has adopted, with gusto, Japan's vision for a "Free and Open Indo-Pacific" region. In some ways, this vision represents a continuation of U.S. efforts to strengthen linkages among U.S. allies and security partners in the region.

³ Matthew P. Goodman, Daniel F. Runde, and Jonathan E. Hillman, "Connecting the Blue Dots" (Center for Strategic and International Studies, February 26, 2020), <https://www.csis.org/analysis/connecting-blue-dots>.

Since 1992, the Indian Navy has hosted an annual naval exercise with the United States called Malabar. In 2015, Japan joined these annual exercises and in 2020, the Australian Navy was invited to India's multilateral exercise. These multilateral exercises are key to enhancing our maritime capabilities, building interoperability, and demonstrating collective resolve to promote a rules-based order in the region.

Another sign of continuity in Prime Minister Suga's foreign policy occurred when Foreign Minister Motegi hosted Secretary of State Mike Pompeo as well as the Indian and Australian Foreign Ministers at a Ministerial meeting in Tokyo in October. The four ministers discussed ways in which they could advance their shared interest in sustaining a Free and Open Indo-Pacific region. The Suga government will undoubtedly seek to strengthen cooperation among these four democratic partners.

The Suga government would also like to see the United States match its regional security commitments with a return to the region as an engaged participant in strengthening the regional economic architecture. After an initial period of shock and dismay over the abrupt withdrawal of the United States from the Trans-Pacific Partnership free trade agreement in 2016, Japan took the lead (along with Australia) in salvaging this regional agreement which has since entered into force. However, the U.S. withdrawal from the rules-making process left Japan feeling exposed and more vulnerable to Chinese economic pressure.

While Japan would welcome a U.S. return to a regional free trade agreement, Prime Minister Suga would likely also welcome a more modest U.S. reengagement strategy. For example, Mr. Suga would likely support U.S. proposals for regional sectoral trade liberalizing agreements as a first step toward strengthening the regional economic architecture. Promising sectors for trade liberalization include digital trade (where the two countries might seek to add additional participants to our own bilateral deal on digital trade), trade in medical products, and trade in green technology and carbon credits.

Strengthening our Security Alliance

Much work lies ahead to continue to strengthen our bilateral security partnership and sustain this alliance. We must continue working to reduce the impact of the U.S. military presence in Okinawa in order to lessen political pressures on the Suga government for more drastic force reductions. Although the Abe government made tremendous progress in realignment efforts on the populated Kanto plain and at the Iwakuni Marine Corps Air Station, much work remains in Okinawa. As Chief Cabinet Secretary, Mr. Suga worked diligently to manage the political

opposition in order to continue progress on construction of the Futenma Replacement Facility in Okinawa. In its first month, the Suga government has sustained this effort by sending new Defense Minister Kishi to Okinawa for discussions with the local government.

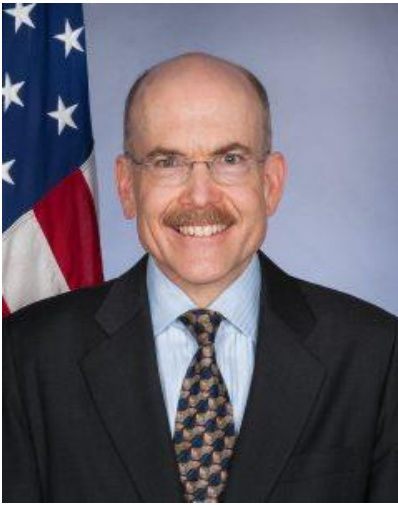
Through a Special Measures Agreement, Japan has agreed to pay about 200 billion yen (\$1.89 billion) annually to offset the cost of stationing U.S. forces on Japanese soil. This contribution pays for salaries of Japanese base workers, utility costs, and training relocation expenses. Under another agreement, Japan pays for construction costs of some facilities on U.S. bases in Japan. Thanks to these Japanese financial contributions, it would cost the U.S. taxpayer more money to bring U.S. troops home than it would to leave them forward deployed in Japan. This Special Measures Agreement expires in March 2021, so we do not have much time to conclude a replacement deal. It is important for the United States to avoid a short-sighted tactical effort by not forcing Japan to shoulder an increasing share of these costs at the expense of sustaining the alliance.

Conclusion

While these are difficult issues, the U.S.-Japan security alliance has continued for 60 years because both nations have adapted flexibly to changes over time. I am confident that the Suga government will continue to work assiduously with U.S. partners to address such challenges in order to preserve and strengthen our bilateral security alliance.

Over time, the U.S.-Japan security alliance has endured because our shared values help us overcome the great cultural, historical, and geographic distance between us. For this reason, I am also confident that the U.S.-Japan partnership will remain strong under a Biden administration. Simply put, the U.S.-Japan alliance is in the United States' interest. President Biden's foreign policy will seek to strengthen U.S. alliances in pursuit of our interests. These shared interests serve to remind us that the U.S.-Japan alliance remains important to both sides. Japan and the United States have each benefitted from our security alliance and each country has a stake in its continued success. This is why our alliance enjoys such strong public support in both countries. These factors that draw us together have not changed. I am confident that our mutually beneficial partnership will continue under the new Suga government, and for that matter under a Biden administration.

Ambassador James Zumwalt became Chief Executive Officer of the Sasakawa Peace Foundation USA in February 2017. In September 2019, he transitioned to the role of



Distinguished Senior Fellow (Non-Resident). Ambassador Zumwalt was the United States Ambassador to the Republic of Senegal and the Republic of Guinea Bissau from 2015 to January 2017. Previously, he was responsible for policy toward Japan and Korea as Deputy Assistant Secretary in the Bureau of East Asia Affairs. When the Great East Japan Earthquake and Tsunami struck Japan in 2011, Ambassador Zumwalt was serving as Deputy Chief of Mission at the U.S. Embassy in Tokyo, where he coordinated the United States' support for the Japanese Government's response to that crisis. During his 36-year Foreign Service career, Ambassador

Zumwalt has served in a variety of assignments with a focus on Asia and international economics in Washington, Tokyo, Beijing, Kinshasa, Dakar, and Bissau. In Washington, D.C., he worked in the Bureau of East Asian and Pacific Affairs Japan, Korea, and Philippines desks and also at the Bureau of Economic and Business Affairs and the United States Trade Representative's Office.