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Sasakawa Peace Foundation USA

The Biden Administration's Indo-Pacific Policy

American and Japanese Perspectives

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Abstract

On Tuesday, April 13, 2021, Sasakawa Peace Foundation USA hosted a virtual event titled, "The Biden Administration's Indo-Pacific Policy: American and Japanese Perspectives." This event featured The Honorable Randall G. Schriver, former Assistant Secretary of Defense, Indo-Pacific Affairs at the U.S. Department of Defense; Ambassador Kurt Tong, Partner at The Asia Group; and The Honorable Masashi Adachi, Member of the House of Councillors for the National Diet of Japan. Together, these distinguished speakers discussed how the Biden administration will tackle key issues in Asia, including competition with China, management of alliances, and reestablishment of leadership in this critical region.

This talk was presented through Sasakawa USA's Policy Briefing Series and held virtually via Zoom. Attendees included distinguished guests from the Washington D.C. policy community, academia, think tanks, along with former and current leaders of both the U.S. and Japanese government and military. Dr. Satohiro Akimoto, Chairman and President of Sasakawa USA, moderated the discussion.

Prime Minister Yoshihide Suga's Visit to the United States

The timely nature of this event occurred prior to Japanese Prime Minister Yoshihide Suga's visit to the United States. He will be the first foreign head of state to meet with U.S. President Joe Biden in-person since Biden took office in January. Accordingly, Dr. Akimoto opened the event by stating that the upcoming visit is the confirmation of the U.S.-Japan alliance operating within the framework of the Free and Open Indo-Pacific strategy. He then thanked Mr. Adachi for joining as he will accompany Prime Minister Suga to the United States and asked him to express his expectations for the upcoming U.S.-Japan bilateral meeting. In response, Mr. Adachi noted that the U.S. decision to conduct bilateral meetings in person must have been difficult given the current COVID-19 pandemic; however, Japan is very appreciative that Prime Minister Suga was chosen for the first face-to-face meeting with President Biden. Mr. Adachi added that this decision demonstrates the importance of the U.S.-Japan alliance to the United States and the importance of building relations with Asia. Consequently, the bilateral meeting sends a strong message of support to Japan.

U.S. President Joe Biden's First 85 Days in Office

Next, Dr. Akimoto asked the speakers to discuss the major takeaways from the first 85 days of the Biden administration's Asia policy. First, Sec. Schriver responded that his biggest takeaway is the continuity of the Trump administration's Indo-Pacific policy, such as the characterization of China as a strategic competitor. However, he noted that President Biden has recalibrated foreign policy by enhancing cooperation with allies as demonstrated by U.S.-Japan and U.S.-South Korea burden-sharing conversations. While Sec. Schriver praised the Biden administration's continuity and recalibration, he also highlighted the challenges that remain concerning climate change, human rights concerns, trade liberalization, the denuclearization of North Korea, and supply chain integrity. Next, Amb. Tong added that addressing the challenge of China is at the center of Biden's Asia policy. The United States' goal is to achieve a balance of "competitive coexistence," encompassing confrontation, cooperation, and negotiation. The main emphasis so far has been on establishing a position of strength by focusing on issues of confrontation, such as technology access, military positioning in the Western Pacific, and issues related to governance such as democracy and human rights. Cooperation is also needed, however, and should be possible – without trade-offs – on the issues such as climate change, infectious diseases, North Korea, and Iran. Amb. Tong concluded that Japan is the most important partner for the United States in addressing China-related foreign policy issues, and he expects the

discussion to focus on alliance cooperation, Taiwan, and technology during the upcoming visit by Prime Minister Suga.

Lastly, Mr. Adachi mirrored Sec. Schriver's comments on the continuity of Asia foreign policy. After the U.S.-China meeting in Alaska last month, he stated that China is attempting to change the international order. Mr. Adachi believes that it is important that the United States, Japan, and allies send a clear message against China's stance. He concluded that the Biden administration's decision to focus on Asia for its first 85 days has been the correct choice.

U.S.-Taiwan Strategic Ambiguity

The conversation then turned to security-related matters as Dr. Akimoto asked the speakers to elaborate on the current U.S. position on Taiwan. First, Sec. Schriver and Amb. Tong spoke from the U.S. perspective. Sec. Schriver began his remarks by stating that the Biden administration has supported Washington's longstanding commitment to Taiwan and that it would be a mistake for China to assume it can change the status quo unilaterally by force; the United States has always responded when Taiwan has been threatened. He added that he supports strategic clarity with tactical ambiguity; however, there will never be an administration that will say with great specificity how the United States would respond to a Taiwan contingency. Nonetheless, the United States must continue to make clear its interests in Taiwan's existence and survival. Next, Amb. Tong agreed with Sec. Schriver that balancing between strategic ambiguity and strategic clarity is necessary, but the United States has a strong interest in Taiwan's integrity and separate well-being, and that must be made clear to China. He commented that perceptions that either side is attempting to change the status quo is a threat for Taiwan, and, while the Biden administration is balancing ambiguity and clarity quite well, Amb. Tong was concerned that recent escalations could still turn into a tit-for-tat cycle. Regarding Japan, Amb. Tong stated that Japan needs significant defensive military capabilities in its southwestern islands to ensure the protection of those territories close to Taiwan and added that Japan's interest in Taiwan should be better clarified within the framework of the U.S.-Japan alliance.

On the topic of U.S.-Taiwan strategic ambiguity, Mr. Adachi spoke to the similarities between Taiwan and Japan-China territorial disputes. Taiwan is very close to the Senkaku Islands and Okinawa, and likewise, Japan is very concerned about China's activity in the area, especially in regard to China's new coast guard law. However, Mr. Adachi highlighted that the Biden administration has made clear that Article 5 of the U.S.-Japan Security Treaty covers the Senkaku Islands,

and the United States and Japan together must make this message clear to China to maintain the status quo in the East China Sea. He added that the interpretation of the United Nations Convention on the Law of the Sea is vital and that Japan is very concerned about how China has interpreted this law based on its recent activities in territorial disputes. Overall, Mr. Adachi expressed his hopes to discuss these issues in the upcoming Biden-Suga summit.

U.S.-Japan Economic Cooperation in Asia

Although the U.S.-Japan relationship is strong and relations between Quad countries, an informal strategic grouping of the United States, Japan, India, and Australia, are strengthening, Dr. Akimoto noted that the Biden administration is unlikely to start a conversation on The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) any time soon. As a result, the economic aspect of the U.S.-Japan relationship is unclear. In that vein, he asked Mr. Adachi about what Japan is looking for in terms of economic cooperation from the Biden administration. The first point Mr. Adachi spoke about was his hope to discuss with the administration whether or not China is operating fairly within the international economy. As it stands, Mr. Adachi stated that China has the status of a developing country; they are not a member of The Organisation for Economic Co-operation and Development (OECD). Therefore, they do not comply with OECD guidelines for international competition. Secondly, Mr. Adachi discussed China's climate change response as they are taking the position of a developing country despite their large economy. It is necessary to question the responsibility of large states, such as China, in regard to climate change and international competition. These two points are what Mr. Adachi expressed as the main economic cooperation and strategy questions Japan has for the Biden administration.

U.S. Economic Strategy in Asia

Continuing the conversation on the topic of economics, Dr. Akimoto asked Amb. Tong to discuss the administration's plans for its economic policy strategy in Asia. Amb. Tong first stated that U.S. strategy will be centered around China as that country's increasingly revisionist participation in the international order is a challenge to East Asian countries' economies. In response to this challenge, Amb. Tong expects dialogues within the next year to take place that emphasize greater cooperation between the United States and Japan for four areas in Asia. The first

area will be technology; determining the benchmarks for proper and improper technological cooperation with countries such as China is vital. Second, digital economy rules will be a major area of focus. Already, Japan is a leading country in introducing digital free flow ideas to the G7 and G20. Amb. Tong remarked that there is a great opportunity to build this out further in the form of a digital services agreement in Asia, and potentially even including Europe. Next, the treatment of subsidies will be important. Amb. Tong noted that this issue may be more of a World Trade Organization issue than an Asia regional issue; however, the CPTPP has a stance on the proper rule of state-owned enterprises and competition which can be leveraged in the regional context. Lastly, the area of infrastructure will be key. Japan has been more active in responding to China's Belt and Road Initiative than the United States. Amb. Tong stated that the United States will become more involved in infrastructure as it reorganizes the Development Finance Cooperation. Amb. Tong concluded that Japan is a central part of the Biden administration's economic strategy in Asia.

Beijing's Perspective of the U.S.-Japan Relationship

Next, a member of the audience asked the speakers to discuss what Beijing's perspective on the U.S.-Japan relationship might be and how it will evaluate the upcoming visit of Prime Minister Suga to the United States. Speaking to the Japanese perspective on the topic, Mr. Adachi responded that for Japan-China relations, China has chosen to take a decoupling approach of separating politics and economics and wants to continue this approach. However, following the recent U.S.-Japan "2+2" talks, China harshly rebuked the meeting but days later offered to discuss the Regional Comprehensive Economic Partnership with Japan. Mr. Adachi commented that this demonstrated the decoupling of economics and politics within the China-Japan relationship. In addition, Mr. Adachi questioned whether or not this approach is the correct one for Japan as the borders between politics, security, and economics have become more and more blurred. He concluded that China is still trying to separate Japan from the United States using this decoupling approach.

Amb. Tong and Sec. Schriver spoke about the U.S. perspective. Amb. Tong first agreed with Mr. Adachi's statements and added that, in response to the upcoming visit, China will likely feel concern. The meeting demonstrates that China's decoupling approach is not working and that the United States has strong allies, discrediting China's attempt to portray the United States as an isolated country in the recent U.S.-China meeting in Alaska. Amb. Tong concluded that recalibration for China's policies is unlikely in the near future. However, if the U.S.

continues to maintain its allied relationships, China may eventually return to accommodating the expectations of the international system. Lastly, Sec. Schriver discussed Beijing's perspective on U.S.-Japan relations by beginning that, historically, People's Republic of China founder Mao Zedong was not particularly anti-Japanese. However, in the 1990s, China began to criticize the U.S.-Japan alliance and has continued to do so ever since. In this continuity, the upcoming visit has distressed China as it demonstrates strong efforts to enhance U.S. alliances instead of a U.S. reset to a less competitive relationship with China. Sec. Schriver closed his remarks by stating that this upcoming meeting is an important signal to China about the strength of the U.S.-Japan alliance.

Japanese Business Community's Stance on China

The last discussion of the event centered on the Japanese business community's stance on China and Dr. Akimoto asked Mr. Adachi to speak on this topic. In response, Mr. Adachi stated that most Japanese business leaders think that China is a large and growing market. Today, many Japanese companies continue to invest in China. However, recent U.S.-China tensions and human rights concerns in the region have led many in the Japanese business community to reconsider the maintenance of global supply chains. Mr. Adachi noted that already, many Japanese companies have shifted manufacturing from China to other countries or have added additional manufacturing locations outside of China. Nonetheless, he remarked that many in the Japanese business community still consider China a large market for their products. However, the biggest consideration for this community is whether or not the China market is a fair one for foreign companies. Closing his remarks, Mr. Adachi affirmed that Japanese business interests in China are markedly smaller than U.S. business interests in China. Japan must consider this reality if forced to choose between China or the United States. Mr. Adachi concluded that the bottom line is that Japan must choose the United States if confronted with that situation.

Sasakawa USA is grateful to The Honorable Randall G. Schriver, Ambassador Kurt Tong, The Honorable Masashi Adachi, and attendees for their thoughtful discussion on the Biden administration's Indo-Pacific policy.

The summarized views of the speakers expressed herein are entirely the work of Sasakawa Peace Foundation USA and do not represent the official positions of any of the speakers.

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