

Japan's Grand Strategy

G. John Ikenberry: Today, we are going to focus on, with the help of our main speaker and our discussants, Japanese grand strategy. And, the background is that a group of Japanese scholars and strategic thinkers supported by the U.S.-Japan Foundation is in the process of developing and issuing a report on Japanese grand strategy. And this is a step along the way, a presentation, a dissemination of early thoughts with the discussion that will follow today, hosted and supported by the Sasakawa Peace Foundation USA. The report will come later, I think in June or July, and it will be a long report, and it will benefit from the discussion today.

The focus, as I said, is on Japanese grand strategy. Japan often begins its discussion within the context of the U.S.-Japan alliance, and then all issues of grand strategy disappear. It really is not a set of choices that you would associate with a grand strategy; it's really about choices within the context of a security pact. What this group is doing, and what Professor Inoguchi is doing is really trying to step back and think more grandly about options in the context of the rise of China, Japan's own shifting national identity – some say normalization – regional transformations, the U.S. position as it evolves. Some people talk about the underlying return to multipolarity, such as the National Intelligence Council report on Global Trends 2025. So there's a lot of shifting sands, so to speak, and it's in that context that this report is being issued, and so we look forward to it.

So without further ado, Professor Inoguchi will speak for about twenty minutes, our discussants will follow, and then we will open it up to what I hope will be a lively discussion.

Takashi Inoguchi: Thank you. Good afternoon. I'm very pleased to be given this wonderful opportunity to share with you some of our thoughts on Japan's grand strategy.

Some of you, and many friends of mine, think that basically, given the state of affairs in Japanese politics, the subject is wrong. Most of the Japanese politicians are worried about, not crisis management, but chaos management. And talking about, discussing the long-term grand strategy is just wrong, is incorrect. Well, I kind of tend to agree, but one of my good friends from Jerusalem, Israel sent me a response to my op ed article and said, basically, in the forthcoming general election, whoever might become the new Prime Minister, he should choose Inoguchi as Foreign Minister, and then execute what you have written. But I am not quite sure. I am basically, you know, ninety-nine percent academic, in terms of career, training, instinct and many things. So this is very unlikely, but at least one person on this globe said that there is a link between long-term grand strategy and chaos management now prevailing in Japan.

Mongol and American Empires

So all jokes aside, I would like to talk about a Japanese grand strategy stretching over centuries, more or less. And then in my discussion, basically, I will ask this question, address this question: "What should Japan's grand strategy be like?" And then the scope is some thousand years, more or less, because I discuss the two big empires in the second millennium in human history. That is, the Mongolian empire in the thirteenth century and the American empire in the last century. And then, I will discuss post-Mongol world politics and the post-

American world as well. And then we will see how the situations may be different between the post-Mongol world and the post-American world, and then where Japan's grand strategy might fit with the post-American world as I define it, from now on.

Now, a very simple contrast between the Mongol empire and American empire, examined by Michael Mann's very simple scheme: political, economic, organizational, and ideological.

In terms of military superiority, both empires are really superb, extraordinary, and unprecedented in so many ways. The cavalry divisions in the Mongolian empire were superb, and the new military strategy worked well. And of course, not only the initial heavy use of wars of extermination, they used, collectively, a lot of quite skillful taxation schemes everywhere.

And the American side, we all know that America's military superiority is unprecedented, the strongest in human history. You never know how long this might continue, because eighty or eighty-five percent of the research and development on weapons is consumed, used, by Americans only. And that means, basically, in the next two decades or three, American superiority will not be challenged, because the rest, they cut the rest of the fifteen percent into pieces, and that would prevent the rise of any major challenger to the United States' superiority. And also, demographically speaking, the United States is the only major military power, besides India, that keeps growing, even in 2050. So, military superiority will continue.

Economically, some similarities exist between the Mongol empire and the American empire. The Mongolian empire

exclusively used a military draft, not Mongol currency. With regard to the American empire, this is, again, U.S. dollar, but this is complex, especially since 1971. There is no gold-dollar convertibility, which was an argument made in 1945, but then it was dropped, so since 1971, some elements remain which might be called military draft. But how long will this continue? We don't know.

Organizationally, the military regiments in the Mongolian empire were superb, and the American empire that is still running, is, again, extraordinary. Command, communications, control – all kinds of systems are the best-instituted and practiced amongst all the major armed forces.

Ideologically, well, again, quite a common feature does exist between the Mongol and American empires. Basically, the principle of free faith – that is, all kinds of religions are okay. Unlike Spanish Christendom in 14th and 15th centuries etc. - there, basically Jews and Muslims were wiped out - Mongols and Americans are open and generous on this matter. And then free trade - they let everyone travel freely. That's why Marco Polo was able to make his journey and a lot of things went both ways during the Mongol reign. And in the American empire there was free trade, free navigation - large scale pirates should be stopped in Somalia, off the coast of Somalia, et cetera. So there is some commonness.

But what differentiates the Mongol empire from the American empire is basically the sharing of norms, values, institutions and markets which were instituted, or inculcated or developed during the heydays of the empires. In the case of the Mongols, the post-Mongol world was divided into regionalized empires, because locals were stimulated by Mongol civilization, weapons,

goods, et cetera. So Russians started to build their own state, more or less, in the normal sense of the state. Before, it's was a kind of tributary to the Mongol empire, and the Turks also built an empire. And the Indians – because the Mughals invaded and conquered India, it became an empire. Chinese Mongols invaded and conquered China, and it became an empire.

And so regionalized empires flourished, but in the case of the post-American world, in the Fareed Zakaria sense, it still continues, because even if the United States may have more difficulties than some times before, still, the key sets of norms, values, institutions and markets remain more or less intact. I will go into a little more detail, especially focusing on military networks and currency arrangements in this matter.

I said only three minutes ago that the Mongol currency was just a military draft, but it lasted for eighty-five years in the 13th century. The nature of U.S. dollars since 1971 - it is difficult to say whether this is military draft or totally different from military draft, because it is not linked to gold, etc. And current difficulties in running a global currency may give some force to such an argument that the U.S. dollar is getting closer to military draft if military strengths are disappearing fast, but military strengths are not likely to disappear, even in the next two decades, three decades, or four decades, five decades? And also, the U.S. dollar is much more robust, given the last few months' exchange rates, vis-à-vis the Euro, or Japanese yen. The U.S. dollar has, not surprisingly, proved to be stronger than many people thought last autumn, when Lehman Brothers, you know, met its difficulties. This shows an amazing resiliency in the U.S. dollar, but of course, it does not say for the next three or four decades how the U.S. dollar might exhibit

its strengths. We don't know how the currency system, the global currency system, will evolve from now.

We don't know, but the most important is basically – these two dimensions, how these things evolve from now – has to be laid out a little more carefully than I do now. But what I'd like to stress is the continuity between the American empire and the post-American world, in the Fareed Zakaria sense. And then I have modified it in a very free way, so even if you look at the Zakaria book, you might not find my argument.

But at any rate, this is very simplistically saying that somehow, the post-American world is unique in many ways. It was founded in the last century of the last millennium. But into the 21st century this might remain, not necessarily in the institutional form, but in the shared norms, values, and in some of the institutions, in some of the market practices, et cetera.

Post-American World

And then I'd like to make an argument about Japan's grand strategy on the basis of this kind of post-American world. You might say this is not too different from the American empire days of the last century, but things have been changing very fast and in many ways.

Only twenty years ago, thirty years ago, a kind of cozy rich man's club used to handle many difficult things. But these are getting more difficult, and even the creation of the G20 may seem to create more fuss, more chaos in the scene.

So I'd like to argue that at a time of great uncertainty, at a time of prevailing chaos, you have to have a certain kind of direction, vision and strategy in order to solidify your

strengths and alleviate your weaknesses. Japan has many strengths, but has not made the best use of them. Japan has many weaknesses, but they are getting worse, aggravated. And what I call Japan's grand strategy is to make things better in the expected post-American world.

Some might say, basically, the global environment may not have changed too much. America is there to say, especially in military superiority, and basically, fairly well-embedded monetary scheme that they have instituted and have been managing quite skillfully for so many years.

But Japan's grand strategy also needs some good discussion about domestic politics. This afternoon, I'd like to refrain from making comments on Japanese domestic politics. It's so distressing, so I don't know what to say, except my good friend from Jerusalem – you become Foreign Minister and execute your plan. That is the only link I found between domestic politics and grand strategy. But his suggestion is the least likely to get realized, I know. So my discussion about Japan's grand strategy will be devoid of discussion of, more or less, domestic politics. It's much more complex than global politics. Local politics are complex, much more complex and difficult to do, especially in Japanese society where academics have no say in domestic politics.

At least influence-wise, it's very difficult to exert any influence. You'll see that Mike has been in the government exerting a lot of influence, and John also was briefly in the government and did some things. But in the Japanese case – unlike, for instance, in the South Korean case, where many academics become politicians, legislators or bureaucrats, high-ranking positions. And, in fact, the South Korean Prime Minister has been a good friend of mine as well. And the

Foreign Minister is also someone I have known for some time, et cetera. But in the Japanese case, it's like a separation of professional positions – once you are in academia, you are in it forever, and that is my case. It's very difficult to do much. Knowing this, I'd like to do my best to share my view on grand strategy, because they are not worried. For long-term things, Japanese politicians don't worry about it. They are worried about chaos management, you know, this corruption, mishaps in making statements, etc.

First Half of the 21st Century

Now, my grand strategy focuses on basically the first half of the 21st century. What happens in the first half of the 21st century in relation to the military superiority of the United States and the currency and global economic system.

First of all, the United States dollar has had some difficulties since last year. I don't know how severe it might become from now, but so far, it seems it will be resilient, probably, given that there is no alternative. The Euro has shown that it's amazingly, surprisingly weak; the exchange rate vis-à-vis the dollar has been plummeting quickly, many thought it would not. And also, the Japanese Yen has been going down quickly vis-à-vis the U.S. dollar – of course initially, it went down, but now the Japanese Yen is fast losing its competitive strengths, in terms of the exchange rate. That is one thing.

And militarily we don't know how the United States armed forces will keep their unprecedented strength for the next two, three, four decades. We don't know how their wars in Afghanistan, Pakistan, etc. might end, with what result to the United States – we don't know, but probably not too negatively. Probably, both sides will

claim their victory, peace with victory in Afghanistan, etc.

And what about China's rise? We don't know how China might be able to cope with an arms race against the United States. We don't know, because I say demography matters in this respect in shaping long term strategy. The United States is the only country of the ten major military powers which will experience a continuous rise, demographically speaking, even in 2050. India, of course, keeps going up much faster, but militarily it still needs much more effort for many years to come.

What about China? China will start to decline demographically in 2020. What will be the consequence of this demographic decline? A demographic decline means, basically, government revenue will go down slowly, but fairly steadily. And then, the consequence of it: how much money should go to military spending? How much money should go to social policy spending? How much should go to research and development expenditures, et cetera? So a lot of uncertainties do exist in this broad area of the first half of the 21st century.

But still, my basic argument is based on a fairly benign post-American world, in the Zakaria sense, even if, militarily, it may be slightly less forward-looking. And currency-wise, economically, maybe less forward-looking, etc. But, on the whole, because of the shared norms, values, institutions and markets, a similar kind of post-American world will continue, at least until 2050, or something like that. And currency-wise, even if the Euro frequently remains very strong, at times of difficulties, the Euro can become extremely weak, like it is now. And the Asian Euro might be given birth to sometime in the 2030's and 40's, combining the Chinese yuan, Japanese yen and the

Korean won, etc. But still, this combination is not easily workable, because they are all moderately suspicious of each other, and they don't know the practices of global finance as well as the Americans or British, who have been very well-experienced for more than a century. So my arguments on Japanese grand strategy are based on this, and then I will have to start to wrap up.

Grand Strategy Commandments

Now, the main subject: Japan's grand strategy. My grand strategy consists of six commandments. Two are related to survival, two are related to duties as a global citizen, and two are related to self-strengthening.

Survival means basically defense and deterring capability. Even if Japan remains closely allied with the United States, it is essential to enhance self-defense and deterring capability, because the United States might be somewhat mildly weakened in the next half century. Japan must strengthen there, and there is China's rise and North Korea's difficult-to-respond-to behavior patterns, et cetera. So these have to be emphasized as key points.

And two duties abroad, well-known things, like peacekeeping, sending medical doctors, nurses, school teachers, agricultural workers, and also some engineering corps, and also some non-combat troops to Afghanistan, Pakistan, Somalia, et cetera. This has to be enhanced, and Dr. Sadako Ogata, Ambassador Oshima, have all written very vigorously that Japan should place utmost emphasis on implementing these two duties much more vigorously than before. So I trust them, and these will come more or less slowly, but somehow, they will come. In the case of Afghanistan, Pakistan, my sense or my estimate is that something like two thousand people, including school

teachers, nurses, medical doctors, agricultural leaders, etc. and then some troops, but it will not be as dramatic as some Americans like to think.

And in terms of self-strengthening, this has to be done because a weakened Japan means that a post-American world will not be easy to run. China does not sufficiently share the same set of norms, values, institutions and markets, so it's difficult to work with in many ways, and Japan is the only one that will be able to do so. But Japan does have some weaknesses. History is one thing, so regional cogency is not as strong as many would like it to be. Also, Japan's determination and leadership are very weak, very difficult to change. This has a lot to do with domestic politics, but it's distressingly difficult to elevate the leadership standard in this area.

So, I will only say that this strategy doesn't look that different from the strategy we have been pursuing, in the minds of leaders, but it is probably very different, because the environment changes fast. And like Fareed Zakaria has offered, the United States has not declined, but the rest of the world has gone up very, very dramatically. And in this kind of post-American world, you have to have good direction, good strategy - some of the strategy I have tried to lay out.

Of course, anyone can argue that without discussing a shape-up or shake-up of the domestic institutional structure, it will be very difficult to execute Japan's grand strategy in the long term, because the foundation cannot support such a good idea, as I think my strategy is. But, of course, that is why academics can do what they do without being able to exert any influence on the minds of politicians and bureaucrats in our system. Very difficult; even if I write in the *Asahi Shimbun's* op-ed pages in

English, nobody cares, nobody notices in Japan because the leaders only read Japanese. But these days, people don't read papers. Perhaps this is a universal phenomenon, but that is the state of affairs in Japan.

But I'll not end my presentation with a negative tone. Instead, I would like to repeat what a good friend, Ben-Ami Shillony said: "There is some work you can do, if you have fifty years to go, to ensure a good implementation of Japan's grand strategy." Thank you very much.

Debating Grand Strategy

Michael Green: Thank you. I have had an opportunity over the past, I guess, six months, as Inoguchi-sensei has worked on his grand strategy, to see various iterations over email and occasionally comment. I agree with most of it, but not all of it - I think that's why John invited me.

In some ways, what you may see on the panel today is sort of a classic replay of a center-right, center-left debate about grand strategy, which could be done in Australia, or Canada, or Taiwan, or Korea, or most of the Pacific Rim. The differences aren't actually that big. It's a matter of emphasis. It's how much you emphasize maintaining a balance of power versus your concerns about a security dilemma; how much faith you have in institutions, versus how much importance you put on the actual provision of public goods, regardless of whether it's through institutions or through ad hoc coalitions. These are sort of classic left-right, center-left, center-right debates.

John Ikenberry in some ways is my hero, because he's cleverly, in one of the most impressive acts of intellectual and academic jujitsu, tricked the right into agreeing with

him by arguing that institutions – you know, in his book “After Victory,” and so forth – that institutions are how you sustain American hegemony and preeminence. So, all my friends on the right say “that’s right,” and so, all my friends find themselves agreeing with John Ikenberry. But he’s right. And the reality is that you need a comprehensive toolkit in today’s world that combines all of your sources of national strength.

Grand strategy, as it’s taught, usually at the National War College or the military academies, is described as “leveraging your asymmetrical capabilities over your adversary,” which is a useful way to think about it, except that in the case of China, for example, our adversary holds all of our debt and is Japan’s largest trading partner. So traditional ways of thinking about strategy, which are more zero sum, don’t work in today’s interdependent world. You really need to sort of merge the liberal idealist in yourself with the realist. And so the differences we have, I think, are not fundamental, and I’ll mention those.

But first, I want to give Takashi some encouragement, because, actually, Japan right now is engaged in a very rich debate about grand strategy. In addition to his project, the Tokyo Foundation just put out a very impressive report on grand strategy, maybe a bit more center-right. The Matsushita Seikeijuku group just put out a grand strategy on the U.S.-Japan alliance. Katsumata-san, the President of Tokyo Electric Power is now heading a government commission on defense strategy that will come out. Keizai Doyukai has also done a report. So there’s a lot of ferment, in fact, there’s a more creative and interesting debate about grand strategy in Japan today than there is in Washington, or in a lot of

other capitals in the world, and I think it’s because of the political chaos.

If you think about it, who are the great strategic thinkers in history? Thucydides: Thucydides was writing as Athens was falling apart; political leaders were fighting among themselves. Machiavelli: Machiavelli wrote as the princes of northern Italy were warring among themselves and being overrun by the French. Even, I suppose in our own context, Nixon’s grand strategy came amidst total political chaos at home. So, actually, I would be encouraged by Japan’s political chaos. It’s a sure sign that, sooner or later, great strategic concepts will come out – maybe because the politicians are too busy to do strategy, and leave it to people like you.

Japan’s Strengths

I think the idea that strategy or good grand strategy leverages your asymmetrical advantages, even if you don’t think of it in adversarial terms, is the right way, and I like Takashi’s deep thinking about where Japan’s natural strengths are. In terms of American interests, but also, I think, Japan’s interests, I think that the goal of Japan’s grand strategy, of course, is national defense. But it’s to maintain and enhance Japan’s influence on the strategic environment in Asia and globally, and that especially means Japan’s influence in Washington, because the regional and global strategic environment is shaped primarily by decisions made here. So it’s important for Japan’s national strategy for Tokyo to be credible in Washington. I think that’s a critical element of this. It’s not just about alliance management, it’s about skillful alliance manipulation, and that’s an important aspect of it.

Soft Power

As I think through some of the assets or strengths Japan has that Takashi mentioned in his talk, and also in his writing, one thing he says – which I agree with – is that Japan has to strengthen its soft power. To the extent you can measure soft power, actually, Japan is doing very well. The BBC has done these polls for the past few years about which country is most respected in the world, and Japan has either won or tied with Canada every year. So in some ways you're the ultimate winner, Yoshi, because you're both Japanese and Canadian. That's pretty impressive. The Gallup and Yomiuri polls on Japan's standing in southeast Asia put Japan way ahead of China, the U.S., Australia, or any other major power in terms of positive sentiment in southeast Asia.

The Chicago Council on Global Affairs did a very interesting survey of soft power in the U.S. and four Asian countries – the U.S., Japan, Korea, Indonesia and China. The U.S. came out across the board number one in terms of diplomatic, cultural, and economic influence in soft power, which I think surprised the Chicago Council, because they hired a China expert to write the report, probably expecting China would be number one, and that this person would explain the secrets of Chinese soft power. China wasn't even second; they were third. Second across the board was Japan.

And we did our own poll at CSIS, as John mentioned, of strategic elites in nine Asian countries about how they see regional architecture over the next ten years. And one of the questions we asked was, "What country will be the greatest threat to peace and stability in ten years?" China was at the top, followed by North Korea, followed further down by the U.S. Japan came in sixth as a threat, behind China, North Korea,

the U.S., India and Russia. And in Korea, no strategic elites listed Japan as a major threat. Most of those who did were in China. So in terms of what we in Washington tend to think of Japan's problem in Asia – that everyone's afraid of Japan – at least in our survey of elites, it doesn't show. Now, I was in Tokyo last week, and I mentioned this to some politicians who were actually upset that Japan wasn't scarier, and thought maybe that was a problem, too. Maybe there is something to that, a sort of "Japan passing" problem – or as some would say, a "Japan nothing" problem, but the idea that Japan is a threat, outside of China, does not appear to be broadly shared in Asia.

So there's this huge depth of goodwill towards Japan, and there's relatively little threat perception of Japan – at least certainly in our poll, less than you might expect. But the question is why doesn't Japan get more influence out of it? How does Japan, you know, capitalize on that? How does Japan use it? And therein lies a real tough series of decisions. I think former Foreign Minister and now Prime Minister Aso had the right idea when he said Japan should be a "thought leader" in Asia; Japan should make a key intellectual contribution to the challenges. And Takashi talks about some of these – human security, development, for example, the financial crisis, and regional financial architecture. Japan can certainly play a leading role in defining the solutions to these problems.

As a general rule, I think Japan is most influential as a "thought leader" when it has good ideas, when it has money behind them, and when it has people behind them. And putting people on the ground, putting people on the line, whether it's diplomatically or in peace-keeping operations, is critical. Japan was influential in the Cambodian peace process because Japan had good ideas, Japan

put money behind it, and Japan deployed police and JSDF to put their people on the line to support their policy. So that mix, I think, is important for Japan's credibility.

Rule-Making

Takashi argues Japan should have aggressive legalism. As the son of a lawyer, that makes me wince. But I think he's onto something, which is that Japan can play, and does play, an important role in rule-making, in the WTO process, in the Chiang Mai Initiative. I think with greater discussion and transparency between the U.S. and Japan we should be quite comfortable with this, and in fact, we were – at least in the Bush Administration – with Japan's role in the Chiang Mai Initiative, because Japan was pushing levels of governance and transparency that were consistent with the IMF. And from my perspective, the fact that Japan and Korea reached a 30 billion dollar debt swap arrangement is good news, because it's consistent with IMF principles, it was briefed and transparent to the U.S., and it shares the burden. So I think in this rule-making legalism, Japan can play a very important role. It's not enough in my view, to just do that through international institutions though.

Public Goods

I think that Japan needs to also think about how it provides public goods. And that's why it's so important to have people on the ground. And peacekeeping – you know, you can debate whether Japan should do all of its deployment through peacekeeping or not, I think a UN Security Council mandate is far too narrow a constraint for the Self-Defense Forces to play a role in international peace, stability and recovery operations. But even if you just accept that Japan should do all of its deployments through the UN, the reality

is that Japan has about, what, three dozen Self-Defense Forces uniformed people abroad right now for peacekeeping, and China has two or three thousand? So more uniforms abroad, I think, is a critical part of the demonstration that Japan providing public goods, and I think it's welcome in places like the Indian Ocean, southwest Asia, precisely because Japan has so much soft power. And there's not any evidence at all that Japan's deployments to Afghanistan or Iraq hurt their soft power. In fact, if you travel to the gulf and talk about Japan, or go to India or Pakistan, the presence of the Self-Defense Forces has enhanced Japan's visibility and strategic weight in those regions. So I think that's an important part of it.

Institutions

In our poll, when we asked across nine Asian countries about how important regional and global institutions would be in ten years, what came across was that Asian elites – these are intellectuals and think tank people and so forth – despite the rhetoric – because eighty percent said they support an East Asian community – despite the rhetoric, when we asked what institutions they relied on for security, overwhelmingly the answer was “our own military” or “our alliance with the United States,” which in Japan and Korea was the number one answer. Regional institutions get some credit, but not a lot. Global institutions get more credit than regional institutions, in terms of what guarantees security, and what people think will guarantee security in ten years.

Balancing

It's important for Japan to play a leading role in building regional and global institutions, but I think not losing sight of

the basic fundamentals of the balance of power needs to be part of Japan's strategic toolkit as well. I, for one, am an enthusiastic supporter of Japan's security cooperation agreements with Australia and India. I think Japan diversifying its security partnerships is a healthy thing. I'm a realist at heart, and China's military power is rising rapidly. And as John I'm sure teaches, you can respond to that in a number of ways – but countries will either engage in internal balancing, increasing their own capabilities militarily, or external balancing, which is getting together with the neighborhood. I think it's much healthier, given the choice, for Japanese security policy to focus on external balancing. Of course Japan, in my view, needs to spend more on defense, and needs to have capabilities. But if China's growing naval capabilities are a concern to Japan, a concern to Australia and a concern to India, I think it's a healthy thing for these countries to demonstrate that they can cooperate together and are like-minded. And it imposes a kind of cost on China if it is too aggressive in its military expansion, in that it reminds the Chinese side that they're going to provoke counterbalancing. And mind you, of course, this is in the context of a very diverse array of forums and institutions, so the U.S.-Japan-Australia trilateral security dialogue, and Japan's security agreement with India and Australia, has to be put in the larger garden of plants that include the ARF, APEC, the six-party talks, etc.

So there is a diversification of forums and cooperation – some are with like-minded states, some are not. But for Japan's foreign policy and national security strategy, I think this diverse toolkit should also include what might be called external balancing with like-minded states. It's very soft, but I think it's a healthy direction. I'd much prefer that than unilateral counterstrike capabilities to deal

with North Korea and China, and I think it's in U.S. interests.

Trade Liberalization

There are a few other things, I think, for Japan's toolkit, if Japan is going to be credible and proactive. I think that Japan could play more of a leading role in regional and global trade in the Doha Round, in ASEAN Plus Three or ASEAN Plus Six trade negotiations, if it were based on more than just rule-making and aggressive legalism. I think it also requires – and it's in Japan's interest – to have aggressive liberalization, and I'm sure Takashi agrees that liberalizing the agricultural market in Japan would be a huge boon to Japan's trade diplomacy and overall influence. So, I'll put that on the table. I know, given the politics, it's almost impossible right now, but I think that has to be part of any serious strategic toolkit. I wish it were for us – I don't think in the U.S. we're in the mode right now to think about trade liberalization as a tool in U.S. foreign policy, even though for half a century it has been.

Intelligence

And then one more thing that I think bears mentioning is intelligence. I mean, serious grand strategy has to be based on strong intelligence collection, protection of intelligence and secrets, and sharing with allies. Japan's credibility and the strength of Japan's strategy is, really, going to rest on a much stronger intelligence system. Japan's a democracy, so you have to couple this with freedom of information and transparency, without compromising national security. This is a debate we have all the time and I think this is a debate Japan really needs to engage in as well, because intelligence really is the life blood of strategy.

So, those are some, sort of, center-right, slightly more neo-realist – with slight touches of neocon – enhancement to what is I think a very strong – if I may say this – liberal idealist international strategy for Japan. At the end of the day, as I said, I don't think you should be choosing one or the other. You need a toolkit that uses, in Japan's case, its strengths in all these areas.

Tsuyoshi Kawasaki: Thank you. My remarks will overlap with much of what Mike says, but let me start with a disclaimer. I am a “marginal man,” in two ways. As Michael noted, I live in Canada, so I am not part of the ongoing debate in Tokyo or in Washington, for that matter. I'm also an overseas Japanese, and again, I try to distance myself from the debate in Tokyo. My perspective, as well, is an academic perspective, rather than a policy expert's perspective.

Let me proceed with two steps. First, let me recapture the essence of Inoguchi-sensei's six commandments. Then, let me throw at you an alternative vision of Japanese grand strategy, which is more heavily oriented toward geopolitics.

Liberal Internationalist Mainstream

Inoguchi-Sensei pointed out the six principles, and I agree with Mike: these are tenants of liberal internationalism. The first commandment is that a priority has to be placed on home defense - no massive deployment of troops abroad or far from home. Second, however, Inoguchi-sensei recommends the use of military force under UN-sanctioned command. Number three: he advocates what he calls human developmentalism on a global scale – a fancier word for this would be human security. Number four: he has presented a plea for Tokyo to exercise more "soft

power," in particular, better negotiation skills in multilateral settings. Number five: he points out the need for technological and organizational innovations, including educational innovations. For example, he advocates measures to increase the number of English speakers in Japan. And the final point: waving the banner of the non-nuclear world. He claims that Japan should lead the way to achieve a non-nuclear world. So these are his six points, which he had published in the op-ed page, dated January 1st, 2009. My comments, then, are as follows.

The Inoguchi vision is a liberal internationalist grand strategy. It focuses on international public goods, such as international security, global human development, a nuclear free world, or you can even add environment – an environmentally friendly world, although he himself doesn't add the environment factor to his vision. His underlying question is: What can Japan do in supplying these international public goods?

I think that his vision is what I would call the mainstream view in Tokyo at the moment. And, in fact, it jibes quite well with current *Gaimusho* thinking. Maybe some of you disagree with me. I live in Canada, so all I see is the published documents. In any event, *Gaiko Forum* in March 2009 carried Mr. Yabunaka's article. He is now Vice Minister of *Gaimusho*. If you read that piece, you can really see that Inoguchi-sensei's six principles jibe quite well with Yabunaka's thinking. I'm not going to quote it, as it is a long piece, but he basically says that Japan should re-brand itself. A new Japan would be what he calls the *chukibo kohinshitsu kokka* – that's a middle-rank, high-quality state. In his vision, Japan should be branded as an environmentally conscious country, dedicated to peace-

building and disarmament. Furthermore, Japan should be seen as a country willing to lend a hand to developing countries. Another dimension of this new Japan is "Japan as a country of high technology and rich culture." So in this rebranding exercise, what he proposes to us is the very similar vision of Japan and Japanese grand strategy – what Japan should do, vis-à-vis the world – to what we have heard from Professor Inoguchi.

Now, an alternative view that an academic like me would think about, is as follows. I would call it a more geopolitical, if not neorealist, grand strategy toward 2025 and beyond. I'm not thinking within 5 or 10-year terms. I'm thinking about 15 or 30-year terms. This kind of thinking is what Henry Kissinger called geopolitical thinking.

Geopolitics: Six Great Powers

It has six elements, just like Professor Inoguchi's six commandments, but my starting point is very different. My starting point is about the global distribution of power around 2025. Basically, we will have a multi-polar system, composed of six great powers: the United States, Japan, the EU, China, India, and Russia. Here the U.S., Japan and the EU are the three winners of the last great war – that's the Cold War – and are basically status quo in orientation. Russia, as you know, was a loser of the Cold War. And finally, China and India were more or less neutral between the two camps during the Cold War.

The general picture we have here is the status quo camp facing rising powers – in particular China, followed by India, perhaps. And these rising powers are trying to seek change, a change in the political order, which now favors the status quo powers. It follows that the challenge for the status quo

camp, including Japan, is to figure out how to manage such a pressure for change. We can resist, channel, or accommodate this pressure in a way to maintain the current balance of power. It is not about how to provide or supply international public goods. Rather, it is about how to maintain and sustain – and strengthen – the international order on the basis of the balance of power.

My second point is that the overall objective of Japan is to help maintain the current global balance of power in favor of the status quo camp, while avoiding a major war with the rising powers – China in particular.

How about Japan's status in this game? That's point number three. Japan is the only non-nuclear great power among the six, and will likely remain non-nuclear, because of its lack of strategic depth. It just cannot stand on its own feet in the world of ballistic missiles with nuclear warheads. Let me repeat my third point: Japan will remain the weakest military power among the six.

Number four: as far as political diplomacy is concerned, the basic principle for Japan, and perhaps for the Japan-U.S. alliance, should be to maintain and increase the solidarity of the status quo power group – that's the U.S., Japan and EU. On the other hand, Japan should help prevent the rest – that is, China, India and Russia – from uniting against the status quo power group. This is basically a game of "divide and conquer." I think that's what each side – the status quo side and the challenger side – will try to do. The worst-case scenario for the status quo powers is a division of their own camp—a scenario of a "wedge" stuck in the U.S.-Japan alliance, for example. And that's the scenario or strategy that the other side will very likely seek. Such is the basic nature of the game in this six-power, multi-polar world that we will face in 2025.

Of course, status quo powers can keep adding like-minded countries like Australia and Canada on their side. A while ago, the conservatives in Tokyo argued that Japan should bring India, along with Australia, closer to the U.S.-Japan side. This was a similar idea.

Now, point five. In the East Asian theater, which is a part of this global-level "chess game," as Brzezinski would put it, Japan is the weakest member of the status quo camp, in terms of military power. Yet, it is located in a pivotal position geographically, or geopolitically, because it is located right next to China, a rising power.

In this context, Japan needs at least four broad, diplomatic strategies. We are looking at larger diplomatic strategies in addressing the rise of China.

Number one, Japan should consolidate and increase the power of the status quo camp in the Asia-Pacific region, which is very similar to what Michael has just suggested.

Number two, Japan should take preventative measures against any division, breakup, or weakening of the Japan-U.S. alliance. This may sound very straightforward, but this has to be a general principle, whatever the specific means may be.

Third, Japan should pursue alignment measures discreetly, that is, getting closer with India and/or even Russia, when possible. Again, the idea is to keep the other side broken at all times. Finally, Japan should implement preventative measures against an accidental military crisis with Beijing. Such crises may happen as a result of misperception and miscommunication. To minimize such a risk, Beijing, Tokyo and Washington will need to establish some consultation or communication mechanisms.

Bad Scenarios

Let us think briefly about three "bad scenarios" for Japan. In the first bad scenario, Japan gets closer to China at the expense of the United States.

The second bad scenario would take place if the United States approaches China at the expense of Japan—for example, in an attempt to confront India and/or Russia. That is, the U.S.-China alignment may face India or Russia. It could happen, or it may not happen, but we have to think about this kind of potential alignment pattern in our strategic thinking.

The final bad scenario is an unexpected or accidental appearance of a power vacuum in East Asia – the collapse of North Korea, for example. When we have such a power vacuum, the neighboring big countries will get quite nervous and start playing the "strategic dance." That, in turn, may lead to a military crisis that we have to avoid, particularly with China.

Chinese Dream Scenario

I have been discussing a basic set of strategies and principles from a geopolitical perspective. I have mentioned five major points. Let me finally address the sixth point. In the field of military affairs, the rise of China manifests itself in the form of naval expansion, as Michael has pointed out. And I think it is in Japan's interest to maintain the current Japan-U.S. superiority of air and maritime power in the Western Pacific, to balance against Chinese naval expansion.

The "dream scenario" for China looks like this: First, it establishes naval dominance in the Western Pacific. Here, Taiwan is geopolitically situated in a key position. In fact, it is in a very key position to choke off

any massive movement of the Chinese fleet out of Chinese ports and into the Western Pacific, beyond the first island chain. Where Taiwan is situated is quite important, so China would have to control that island to get free access to the Pacific.

Another part of the "dream scenario" for China is that American air bases and influence in Japan would be withdrawn, all the way to Hawaii, so that Japan may become neutral, or even on the Chinese side in the U.S.-China rivalry over the Asia-Pacific. Okinawa in this ideal scenario would be under Chinese influence – again, to gain secure access to the Pacific.

Moreover, in this dream scenario, the Pacific will be divided into two parts, the western half under Chinese leadership and the eastern half under U.S. leadership. Incidentally, this kind of arrangement is not unprecedented, if you look at the inter-war period. In the Washington Conference System of 1922, Japan and the United States, as well as the United Kingdom, agreed upon one another's sphere of influence in the Pacific.

I am not certain if such a Chinese dream scenario will benefit Japan's political interest. Japan could then take four measures.

Number one: Japan should raise Americans' stakes in keeping their military commitment to Japan. It is a policy of holding the United States firmly on its side.

The second measure involves cooperation with other like-minded naval powers, such as Australia and potentially India, and perhaps Canada.

Number three: Japan should help maintain the current status quo on the Taiwan question.

And the fourth measure is, again, to keep the communication channels always open to Chinese military leadership to avoid any accidental military crisis.

In conclusion, let me stress the scheme of six-power global politics that I started with. The rest of my remarks are logical extensions or ramifications of this scheme. Thank you.

Different Visions

Ikenberry: Thank you for all three of those presentations. Very interesting, and I think we do have a debate on the table here. There are two or three different visions here.

There isn't really a dispute about the alliance or the future of the alliance, and I think it's important in all three renderings. But I think there are differences. Two are more realist or more geopolitically oriented, with the focus on balance with China in the background.

Takashi is more liberal internationalist, focusing on a more active Japan, but on global issues and public goods. Both, I think, have serious arguments to make about how to deal with China. I think Takashi is basically saying that the assets that exist in the kind of liberal democratic world can be leveraged, but not so much as an alliance against China, but simply letting those countries prosper and integrate. I think the other position is that you need a more explicit strategy for dealing with China.

One issue that we didn't really hear about as much is how does Japan avoid the kind of "Japan passing" issue? How do these two

different visions address that problem in the next several decades? All the forces are leading to a Washington-Beijing kind of strategic nexus. And which of these strategies – one focused on UN-oriented public goods, human security, environment and energy, or a more traditional geopolitical strategy – which of those will strengthen Japan’s hand and prevent it from slipping out, so to speak, and becoming less important in the context of a growing dialogue between the two superpowers, shall we say. All those issues are on the table.

Takashi, rather than asking you to respond, although you’ve been challenged, I thought I’d let things open up and we’ll kind of weave things back as we go forward.

Q&A

Questioner: Takashi, I really want to thank you. That was a very interesting presentation. Initially, you were seeing the connection between the earlier Mongol empire and the American empire. But my question really is, if I read you correctly, then you are saying the world is changing – a post-American world – and Japan has to reposition itself for that particular world. So I don’t really read you as completely liberal-idealist or internationalist, because I think there is a strong element of realism in what you portray. What you basically argue is for Japan to become much stronger in its own right, in terms of self-defense and deterrence, as well as strengthening its assets, whatever it has in terms of shaping the international environment. So, which in a sense, is not completely a sort of left-right divide; there is a strong element of realist content in what you are saying. But my question is, is my reading right of what you are implying? That’s the first point.

And second, a grand strategy always has to be tailored to some kind of a political end, and I found that missing in terms, I mean – John was trying to fill that in, to some degree – but what is Japan’s preferred view of the world, and Japan’s role in that world? Only then, I think, the grand strategy would make sense. So can you sort of amplify that as well? Thank you.

Inoguchi: Well, I think you are right in interpreting what I said in the way you have just summarized it. I categorize myself normally in the camp of center-right when discussing security policy. When discussing domestic social policy, I am a little bit center-left. On the whole, I am center-right on the Japanese ideological continuum.

Green: That makes me far-right, then.

Inoguchi: On the whole, I think Mike and I do not differ too much. On the second question, yes, this is the preferred role in the world. I mean, that is what brings me to what Professor Kawasaki has just said, in terms of a middle-rank, high-quality state. I have such things in mind, although this kind of phrasing is a little self-flattering, so I didn’t use that. And also, middle-rank is kind of demeaning, I don’t like that. A middle-rank, high-quality state is clean, helping others in need, and that sort of thing. But you have to punish injustice, etc. So, that’s the kind of world, and it’s not that different from what Japan has been pursuing, but with not quite a good strategy or good domestic institutional foundations.

Domestic Leadership

But the thing is, domestic institutional foundations are very difficult to do; if Barack Obama was born in Japan, he might be able to change things a little bit, like Koizumi has done a little bit, you know. At

the time of globalization, little things, with a little imagination, the ability to mobilize and stimulate other peoples' minds, can sometimes change the scene dramatically, and we have seen that - things changed in 2005, amazingly, with just one man's speech, one after another, like President Obama's speech, one after another, changed the American electorate's mind so sweepingly. So, that kind of thing is more likely to take place at the time of globalization, because all the vested interests have catalyzed themselves, and then this structure has been crumbling slowly but steadily in Japan, as well.

So what I see is domestic change – someone will come up to play a big leadership role and change the whole thing. But, of course, it will not last for fifty years. It will last five years or so, but during that period, you can change quite a lot. And we have seen that in the mid-1990's, but the change was insufficient. For instance, the recent political money law charge against the major opposition party leader, but he himself was in the government, and he was kind of a drafter of the bill itself, and inserted an escape clause in the law, so he knows it. He's the smartest man.

Economic and Environmental Crises

Questioner: I was very happy to hear about the thirteenth century, but here in the United States, I think, many of us are thinking about the 1930's. We're kind of fixated on the Depression and the economic crisis. Dennis Blair has said that the economic crisis is, perhaps, the leading security threat at the moment. And I didn't hear that reflected in your vision, or really anybody's discussion of Japan's grand strategy, and how Japan can deal with this crisis and, perhaps, leverage it – if you're thinking positively – or at least react to it in a positive way. And

I'll just throw in another crisis to deal with – I didn't hear much about the environmental crisis, either, and how that impacts Japan's grand strategy.

Ikenberry: I want to kind of distribute this a little bit. Are there any comments on the financial crisis – how that effects Japan's strategic position going forward? Is there an opportunity there for it to turn this into something that will advantage it as it positions itself?

Green: Japan has actually been quite proactive, in some ways the most proactive country, in dealing with this internationally, with a hundred billion dollar commitment to the IMF. Japan is also positioned in any configuration, whether it's G7, G8, G15, G20, no matter what configuration, architecturally, you come up with to deal with this financial crisis, Bretton Woods II, whatever you call it, Japan's going to be there. So Japan should be getting a lot more credit for a hundred billion dollar commitment to the IMF, and isn't, which gets back to the branding issue and leadership. But also, Japan can leverage that, really, to play a leading role. The problem is, the political leadership now is distracted and weak, but there is potential there, enormous potential. Japan is, after all, still, and will be for at least a few more years, the second largest economy in the world.

On the 1930's, I think the number one lesson is that the system – you know, China is not a revisionist power fundamentally, basically, in my view. It's a problematic power, but it's not yet a revisionist power. In some ways, it kind of still is in the status quo camp, because it benefits so much from the public goods that the U.S. provides. So you don't want the international economic crisis to be so bad that China becomes a revisionist power the way Japan shifted, in

my view, from being a status quo power to a revisionist power in the context of the Great Depression. And that was over the course of ten years. So in terms of national security, the most important thing is U.S. economic growth coming back, Japanese economic growth coming back, so maybe it was so obvious to us all that we didn't mention it. Von Clausewitz would have said it this way, the most important thing is to grow your economy. But even as you're trying to do that, you have to shape the strategic environment, and that's where we're focused, perhaps. One of the lessons from the 1930's is that you do that through maintaining a balance of power, you do that through transparency and engagement with rising powers. There are a lot of lessons we can go into. I would argue that pushing for free trade is another one. So, anyway, that would be my two cents.

Kawasaki: My sense is that when there is a crisis, let's say an economic crisis or environmental crisis, we will face the question of "Who are you going to ally with in solving the problem?" And then it becomes a political question, rather than a technical question of how to solve economic or environmental problems. My framework that I put forward to you is, in fact, long term in its nature and structural in orientation. Maybe I could talk about the potential impact of the demographical change, as Professor Inoguchi hinted, the effect of that factor on the balance of power.

Inoguchi: On the environmental crisis, Japan has been one of the leading powers contributing a lot, not only in terms of financial resources, but also the technological schemes, and also in terms of the process of the negotiations. Japan has been doing quite a lot in this.

And in relation to the thirteenth century, the Mongol conquest started as one of the consequences of global freezing at that time. And now it's kind of ironic that global warming has been going deeper and deeper and the crisis has been aggravating, and Japan has been doing a lot in order to – together with the United States and other similar-minded nations – act on this very important issue, very promptly. So that's my comment.

Green: I think that's absolutely right, I mean, Japan is the leading nation in the world in environmental technology and reducing – and in energy efficiency – and can leverage that technology. In polls that are taken on "Why do you like Japan so much?" whether it's in the U.S. or Asia, the number one reason is almost always technology. It's so impressive. That can be part of Japan's brand, and it can be real hard power, so I think that's right.

Idealism and *Realpolitik*

I have to say, and this will sound quite cynical, I think part of Japan's problem in terms of grand strategy is that it is trapped between an idealistic vision and very *realpolitik*, hard-headed goals. For example, the Foreign Ministry can advocate complete nuclear disarmament under Article 6 of the NPT in one half, while the other half of the Foreign Ministry is coming to the U.S. and saying, "For God's sake, don't cut nuclear weapons under 1,000, and we actually would like tests, if it makes your nuclear weapons more credible." So that traps Japan's foreign policy because the brand and the reality don't always match.

The same is true for Kyoto, where Japan sort of has the Kyoto brand and climate change, but the reality is, Keidanren, METI, the government, have been doing everything

they can to slow down the Europeans, and are kind of hoping that Obama isn't too ambitious. One of the challenges, I think, is whether Japan can narrow that gap between the *honno* and *tatema*, the idealistic and the realistic in nuclear policy and in climate change, and maybe you need a Koizumi-type figure to do that, or to fake it better.

Demographics, Structural Rigidities, Infrastructure, China

Questioner: I have two questions. First, I'm wondering, Mike and Kawasaki-sensei, if you could address the whole idea of demography as destiny as it pertains to Japan.

And then secondly, sort of following on what you were just saying Mike, about 30 years ago or so there was a book about "structural rigidities" that was used to explain Japan's economic success. But I think if you look at the last couple of decades, a lot of those rigidities have gotten in the way of Japan's geopolitical power. You've all talked about how Japan punches below its weight and how Japan should try to take steps that would increase its power to match its potential. So I'm wondering if you could – what are some of the rigidities that are in the way here, and what steps should Japan be taking to eliminate some of those.

Questioner: Dr. Inoguchi, I'm wondering, there was something of a grand strategy in Japan in the late 70's and early 80's where there was a policy of trying to develop truly industrial nations in the third world, Latin America and Asia. Not just auto plants, but industrialization, great projects and infrastructure. You remember the Mitsubishi global investment or global infrastructure fund – the GIF – truly great projects which some strongly supported at the time. That was largely crushed by the Plaza Accords

and the onset of globalization, where free trade, rather than nation-building, became the core. The key now is – I'd like to know what you think about that, but also if you think such a vision now, here in the U.S. and in Japan – which would require freezing this derivative bubble and getting back to a Roosevelt-style approach – I'd like to know your view on that.

Questioner: Thank you for your very interesting presentations. Professor Kawasaki, I'm really addressing this to you on your scheme of a sort of six-power, balance of power geopolitical scheme for the next 25 years. What I heard you say, really, is that this sort of evolves into a "contain China" strategy, with the three status quo powers trying to attract India and Russia, and the only contact with China is really a hotline to prevent accidental war. But at the same time, the prospect of China's continued economic growth, inter-dependence and Japan's increasing dependence economically – how do these two planes come together to form any kind of coherent grand strategy?

Inoguchi: Demography, of course, is not entirely destiny. It's something more. This structural rigidity, there are two weaknesses that Japanese society exhibits, basically. The very slow mobility between sectors, you know, academics are forever academics and bureaucrats are forever bureaucrats; these kinds of things are very difficult – engineers forever engineers – this slow mobility or bad mobility is one thing. And the second is, of course, migration. Inward migration from abroad is not easy; trying to change by huge – three-hundred thousand foreign students brought to Japan in ten years – this kind of problem. That's one. And then also, by 2030, the in-migrants should become some 10 million in total, this kind of vision does exist, but the actual pace, the reality, will be much slower. These are real weaknesses.

Now, moving on to the Global Infrastructure Fund. The spirit is alive and well on a smaller scale because of the financial difficulties, and the new Japan International Cooperation Agency, under Dr. Ogata, has been reviving some of it, especially in the context of African development. So, I'm not terribly pessimistic about that either, because Japan's strengths are in locally based endogenous development in each place, not just setting up assembly lines here and there, and also, not relying too much on financial flows, et cetera. You keep training people so that they can do things on their own feet. So it's alive, though on a much smaller scale.

Green: Demography probably isn't destiny, but it's definitely an early warning. It seems to me that Japan, in some ways, is better positioned for its demographic challenges than other countries – China, or even South Korea. We have a pretty sophisticated program on aging and demography at CSIS, and generally they, looking at this, give Japan pretty good marks because it's been obvious for longer that it's going to be a problem – not yet solved, but at least some more policies are being debated.

I think that the answer for Japan is going to be marrying a realism, sort of neorealist balance of power in the world externally, with a progressive vision of social policy at home. Because to me the perfect marriage would be an ambitious Japan, in terms of its role in the world, recognizing it has these demographic problems. Reform is often most effective when it is based on nationalism, using this impulse to have a more liberal immigration policy, more women's empowerment, and more progressive social policy at home. Teddy Roosevelt: Progressivism at home for an ambitious foreign policy abroad.

Ikenberry: Also Woodrow Wilson.

Green: Who was he?

Ikenberry: He was the most acclaimed progressive President. He passed more legislation, the federal trade commission, interstate commerce, the income tax – which allowed for trade liberalization – so...

Green: Named some minor school after himself.

Ikenberry: He was also a racist, and, you know, there was a lot of good and bad. But when people say Teddy Roosevelt, I always want to get his rival in there to balance things out.

Green: See, that's the advantage of having your school named after someone that no one's ever heard of.

People like Nakagawa, or Koizumi even – people on the right in Japan are in some ways the most vocal advocates for a more liberal immigration policy, and so forth, because they frame it in terms of Japan's national interest in competing with China.

One thing I don't really like so much about this middle-power thesis or a small but shining Japan, or a medium, but high-quality Japan is that I think it's very easy, conceptually, for people to slip into what is now called "Paradise *Sakoku*." *Sakoku* is the closed-state period. It's so nice, and why should we take risks, why should we open up; let's be very content to be an NGO, to be small middle power. That, I think, I so alluring for some, but I don't like it, and some of you don't like it either. I would much prefer an ambitious Japan internationally that harnesses that instinct for a more progressive policy at home.

Inoguchi: I wholeheartedly agree.

Kawasaki: Actually, I'll echo Mike. The scheme I presented assumes a healthy Japanese civil society, qualitatively and quantitatively. Quantitatively, the aging issue he just mentioned, but qualitatively, the phenomenon I really am concerned with is what I would call parochial nationalism, as seen in the debate about history. It is not expressed in a universal language, and is basically a navel-gazing exercise. This is a version of the "*Sakoku*" mentality. In addition, when I hear about the quality of Japanese students nowadays – here I am talking about not only high school students but also college students – sometimes I wonder to what extent we can really have a healthy civil society in Japan in the future.

Now, let me respond to the question of how to combine a rise of China containment policy on the one hand, with maintaining the reality of economic independence with China on the other. I don't think they actually contradict each other. Economic independence works as, if you will, the cap on a future crisis. In fact, a containment policy should not be announced or branded as containment. My point is, the logic of power politics would tell us this kind of scenario would emerge, and Japan cannot ignore this scenario, whether it likes it or not. If it doesn't follow the imperatives of international politics of this nature, then it will simply get punished.

Ikenberry: I just want to make a couple of points and then open it up. I know we're coming to the end. One of the things that I think all three of the panelists are saying is that Japan needs to be active and not hide as a middle power and be content. I think the differences are in the components of that activism, and I think Takashi is giving us a slightly, sort of third way kind of vision, and

I think Mike and Yoshi are saying that activism should be a more traditional, great power kind of role, versus this other kind of activism, which celebrates Japanese difference and distinctiveness: the peace constitution, the no nuclear weapons and the emphasis on human security. And the question is, is that enough to kind of leverage Japan up and be the kind of regional and global power that it wants to be, and for me that's a big question. But the third way, where you aren't simply exerting yourself through the kind of boots on the ground capabilities of a more traditional great power, but this kind of agenda-setting, doing things that address, maybe, 21st century security questions that have to do with development, environment and state-building, and all the rest. So it seems like that's where a lot of this discussion is going.

Mechanisms and Leadership

Questioner: Thank you for the stimulating presentations. There was some flirtation with the implications of this vision of grand strategy, specifically implications about immigration and some other things, but I wonder if any of you would care to comment a little bit more on the practical implications of what it will take to reach that vision, or to have this kind of grand strategy. Are the pieces all in place, or is there something in education, in the infrastructure, or in other things that really need a lot of work in order to move ahead, as you've envisioned? Particularly, in the last part here, you were summarizing very well something that I would completely agree with, what we don't want is a "*Sakoku*" policy going into the next twenty or thirty years.

Questioner: If I remember and understand correctly, Professor Inoguchi explained that someone in Japan can change Japan as

President Obama may in the United States. I was very impressed and encouraged by this comment, but at the same time, I cannot help asking you who will be this someone? And how can she or he change Japan?

Kawasaki: So the question is: Do we have mechanisms already for operationalizing the grand strategy vision I was talking about? I think it's a very interesting question. I could discuss the international institutions out there in the Asia-Pacific region that Japan can tap into, but I think that the most important issue for me, in responding to your question, is whether we have any visionary in Japan who can think as "strategically" as I presented. I don't know. I don't live there – maybe people here can help me sort it out. Mike has mentioned that there is a lot of discussion going on now. I described Professor Inoguchi's stance as the mainstream, implying that mine was in the minority position. To what extent mine is in the minority position in Tokyo, I do not know, but I think it *is* a minority view. Unless some visionary person appears in Tokyo, this geopolitical vision will not be implemented.

Ikenberry: Mike, perhaps you can add to this. Is the domestic problem so hopeless for leadership and kind of strategic – whichever brand of strategy that is adopted, is there any hope in the next cycle of history for something that would be a kind of leverage in Japan.

Green: There is hope. I mean, the political situation now is the final turn of the wheel in political realignment that began when the Cold War ended, and the East-West structural collapse was accompanied by the collapse of the LDP in the 1993. That largely led to the collapse of the Socialists in Japan, and the redistribution of center-left, center, center-right politicians across

political parties with no logic at all. I tell my students that Japan's political parties are like a Picasso. You've got the nose up here and the ear down here; you look at the Democratic Party of Japan, you want to move the nose to the right place and the ear to the right place. You want to take Maehara and forty people and pull them out. I mean, it doesn't make any sense in terms of ideology or policy. It's that we've – to mix my metaphors – we've turned the wheel of political realignment, and it's not done. It's going to probably take another two lower house election cycles and at least one upper house election cycle, so a year and a half, at least, I think, before you start to see some coherence. It'll be ugly. It's an opportunity for a lot of strategic thinking in the midst of this political chaos, if Machiavelli and Thucydides are any precedent.

In terms of leadership styles, I teach a course now on Asian leadership at Georgetown and, you know, Koizumi – people think of Koizumi, but Japan has had strong visionary leaders who hardly talked at all, like Ohira. And Ohira barely said a word, but was very consistent and coherent. You have many younger, 40-something, early 50-something politicians on both sides of the aisle who are very impressive. Their time will come, I think, but no one's going to be able to do anything without a mandate and a longer time in office than one year.

And so the political realignment will have to sort itself out, and a new generation of politicians will come in. It won't necessarily be a Koizumi, it may not be an Ohira, but there will be a leadership style that works, because the Japanese people are yearning for it. It's just not there yet.

Koizumi, in the 1990's, was not considered a very serious candidate for Prime Minister. Even in 2001, when he ran, people thought it

was a long shot. So I think it will happen, the Japanese people yearn for it, but it's just not happening yet.

In terms of the question about what needs to happen. I think that institutional reforms of various kinds are necessary. I think Japan needs an NSC – National Security Council – it's on the books, but nothing happened. I was involved a little bit, helping, when I left our NSC, designing it, that would help. Australia has just introduced one – it's a useful model.

I think reform of the intelligence process, as I mentioned. Reform of agriculture, immigration policy, and defense policy especially – this may be where we differ – collective self-defense. All of these things will strengthen the strategic process in turning strategy into policy and implementation, but also will broaden the toolkit in ways that I think are consistent with Japan's traditions. I think Japan can lead with a lot of its strong traditions. And I also think Japan – I totally endorse the agenda on climate change and other things, if Japan can play a role, and it can, it should. I think that at a time of relative decline, vis-à-vis China or other countries, Japan needs to broaden its toolkit, which is why collective self-defense and things like that are, I think, really important.

Ikenberry: Takashi, you get the last word.

Inoguchi: I think in terms of leadership capabilities, potential, I think we have something, and it will come sometime. Don't worry too much. And in terms of the mechanism to improve our performance, I think again, we are not so bad at the innovation of our schemes – organizational, technical, or otherwise – so it will come. I am very optimistic, but I don't know; I cannot wait fifty years. I hope things will

come, because it's almost at the nadir of things, in terms of domestic politics. The future is brighter, at least, so we can be very optimistic. Thank you.

Ikenberry: On that note, would you please join me in thanking our panelists.