28th ASIA-PACIFIC ROUNDTABLE

2-4 JUNE 2014, KUALA LUMPUR, MALAYSIA

PLENARY SESSION EIGHT
4 JUNE 2014

IS JAPAN BACK?

by

Prof. Dr. Richards J. SAMUELS
Ford International Professor of Political Science &
Director, Centre for International Studies
Massachusetts Institute of Technology (MIT)
USA

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Richard J. Samuels
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Paper prepared for the 28th Asia-Pacific Roundtable
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The assigned topic of this panel leverages off a 2012 campaign promise by Prime Minister Abe Shinzō who declared that he would "take back Japan" (*nippon wo torimodosu*). Since his election and the triumphant return of the Liberal Democratic Party, the idea that "Japan is back" has become a standard part of discussion about Japan. But the campaign promise and our writing assignment beg two important questions: First, where did Japan go? And, second, which Japan are we talking about? I will unbundle/answer each of these before tackling the larger question of Japan's path going forward.

Strictly speaking, Japan did not go anywhere-- it stagnated in place. Between 1992 and 2013, Japan's GDP growth averaged less than a lackluster 1% annually. Shockingly, GDP declined in per capita terms in nearly half these 22 years despite a falling population.[1] Japan was enmeshed in a vicious circle of contagion—stock and real estate prices plunged, banks found themselves loaded with bad debt, and deflation gripped the economy. Public debt soared to the highest level in the world. Risk averse Japanese investors responded by setting up shop abroad, "hollowing" domestic manufacturing. In 2013, after a decade in which Japanese firms abroad tripled their sales and doubled their employees, one third of Japanese industrial production—including more than half of all automobile manufacturing—was done elsewhere.[2] Income inequality at home rose above the OECD average, and the number of Japanese citizens receiving public assistance has approached early postwar levels. Meanwhile, after three decades of remarkable growth, China accelerated past Japan in 2010 to become the world's second largest economy.

[1] http://countryeconomy.com/gdp/japan
[2] "Yen's Slump Fails to Stem Corporate Exodus Overseas," *Bloomberg*, 15 June 2013.

Japan's economic malaise affected Japan's international standing in other realms as well. Anime, which had been the avatar of "Cool Japan," went into what one observer called its "long slide into irrelevance."[3] Rather than celebrated for blossoming into the epitome of cosmopolitanism, Japan was criticized for its persistent gender gap, its closed door to immigrants, its blind eye to asylum seekers, the reduction in its overseas development assistance (ODA), and what many Japanese themselves disparagingly refer to as its "Galapagos"-like isolation. Alarmist news reports of youth unwilling to study-- and of adults unwilling to work-- abroad seemed to edge out reports of engaged Japanese NGOs and Tokyo's global leadership by a wide margin.

The March 2011 triple catastrophe in Tohoku known simply as "3.11" riveted global sympathies and stimulated inflated expectations for widespread social, political and economic change. Japan would not only recover, but would be "reborn," revitalized," "reset," and "regenerated." For some, the silver lining in the dark 3.11 cloud was nothing short of the opportunity for "civilizational transformation."[4] But three years on, for most Japanese the disaster evokes government ineptness and citizen lethargy more often than the renovation that was widely promised. A record ten million voters stayed home as the remainder of the electorate responded in December 2012 to the promise that a renascent Liberal Democratic Party would bring their nation "back."

The three arrows of "Abenomics"-- monetary, fiscal, and structural reform-- were trumpeted as the economic policies that would return and reinvigorate Japan. And for a while, the economic indicators responded, tickling high hopes. In 2013 the Tokyo stock exchange rebounded and inflation targets were met. But by early 2014, the reform package already seemed to be flagging. Markets that had risen by 50% in Abe's first year began falling back to earth when exports did not expand and domestic investment stagnated. The solution, invoked ahead of a consumption tax rise designed to avert the economy's falling off one of the world's steepest fiscal cliffs, was additional fiscal stimulus-- and hence a steeper cliff. With growth transparently dependent on state spending-- and with public debt commensurately engorged, substantive reform was left cooling its heels. Investors were underwhelmed by "national strategic special zones," a transparently feeble attempt at deregulation that would relax floor area restrictions on new construction, provide credit guarantees to farmers, or make it easier for start-ups to hire. Reduced tariffs and membership in the Trans-Pacific Partnership (TPP), another pillar of structural reform, remained unrealized. Analyst David Pilling wondered if Abenomics will end in "Abefizzle" or in "Abegeddon," two unequally unattractive possibilities.[5]

[3] Matt Alt, "Will Cool Japan Finally Heat Up In 2014?" *Japan Times*, 9 January 2014.
[4] Richard J. Samuels, *3.11: Disaster and Change in Japan*. Ithaca: Cornell University Press, 2013.
[5] David Pilling, "Wages and Taxes will Decide the Fate of Abenomics," *Financial Times*, 26 March 2014.

But what about "Abepolitics?" The prime minister's political agenda is associated by most foreign observers with identity politics, though rarely in a positive way. Abe, who had been applauded for his pragmatism during his first term in 2007, was born into a brand of conservatism pioneered by his grandfather, Kishi Nobusuke, once a leading architect of Imperial Japan's industrial expansion. Whereas more pragmatic conservatives in the LDP followed Kishi's rival, Yoshida Shigeru, and tilted away from Japan's militarist past in the 1950s and 1960s to focus on generating wealth and technological autonomy, Kishi's revisionist agenda— openly embraced by Abe-- has had a larger rear view mirror. Since the Japanese left is largely in disarray, this division in the conservative mainstream, has enormous consequences for which Japan might be "back"-- and where it is headed.

Both pragmatists and revisionists are conservatives who embrace the alliance with Washington. But each has a different view of what Japan has been and of what a "normal nation" should be. The Abe wing seasons its pursuit of normalcy with a view of history that paints Japan's mid-20th century empire as more noble and as less aggressive than the pragmatists (or Washington) would accept. Some of its leading lights-- and occasionally Abe himself-- have extolled Tokyo's intention to liberate Asia from 'white colonial rule,' called for reintroduction of patriotism to the nation's schools, denied that the Imperial military trafficked in sex slavery, rejected the claim that hundreds of thousands of Chinese were murdered in Nanjing in 1937, and have resisted the demands of Japan's neighbors for demonstrations of remorse that go beyond payment of reparations and repeated apologies.

The pragmatists, on the other hand, are realists who would prefer to be normal without being provocative. While revisionists have been dedicated to revising Article 9 of the postwar constitution imposed by U.S. Occupation forces, pragmatists have found the constitution useful as a way to pacify Japan's neighbors and to justify mercantile policies without excessive defense spending. This division, born in the 1950s, remains part of the political landscape. This spring we watched an intra-LDP struggle between the scions of the Yoshida school-- what is left of the Kōchikai-- and the Abe-Kishi normal nationalists on the important issue of collective self-defense. Abe seems likely to prevail in this effort to reinterpret the constitution, but the larger revisionist project to revise the "imposed" constitution will be far more difficult—and likely beyond Abe's reach.

This is because these divisions are broader than just those within the conservative camp. Despite their fabled homogeneity, the Japanese clearly are not all on the same page when it comes to national identity. The majority of Japanese are not highly politicized; as elsewhere in the world, Japanese citizens and groups identify with a shifting range of national identities. At different times and to varying extents they have embraced notions of postwar Japan as a peace state, as a democratic state, as a technology-based nation, as a modern state, as a small island

trading nation, and as a divine nation, *inter alia*.[6] Japanese national identity is better understood as the product of the political agenda of one or another political group than as an organic essence.[7] It is a construction that undergoes constant reconstruction, and therefore takes many forms. Its engineers are ambitious political entrepreneurs with a range of preferences and a variety of mobilizing tools at their disposal.

And today, as our conference organizers have anticipated, the Japan that some sense is "coming back" is being engineered by Mr. Abe and his allies. They want to put a punctuation mark at the end of the postwar era and, in the prime minister's words, "to escape the postwar regime." To do so, they would endeavor to build a more attractive, but also more muscular nation, one that is respected for its power-- both hard and soft-- at home and abroad. In an Abe locution laden with ambiguities, Japan would practice "proactive pacifism." Japan's return to "normalcy" has been long awaited-- and indeed has been welcomed by those of us who have hoped for Japan to step up in the security realm and punch at its real weight. No one, however, is cheering for Japan to throw the first punch. And many fear that the Abe program is likely to invite unnecessary ones.

Renewed attention to national security and hopes for a Japan that can provide security for its citizens is tempered by an appreciation of how Japan's history of bad behavior in Asia earned it a damaged reputation as a wolf in sheep's clothing.[8] Despite seventy years of non-aggression and multiple self-imposed restraints on its military, history and memory remain boulders in Japan's road to renewed prestige. The image of the wolf is more useful to leaders in Seoul and Beijing than that of the sheep; both find reports of Japanese revisionism useful and therefore carefully monitor Japan's national discourse to document how Japan's identity is being reengineered and, in their view, repurposed.

Efforts to renew Japanese pride and to "bring Japan back" can play directly into this. Whereas some Japanese argue that "bringing Japan back" is merely a matter of regaining national prestige, the question of whether and which Japan is "back" has ominous overtones for their continental neighbors. Watching Japanese narratives collide and morph, Seoul and Beijing are ever alert to the re-elevation of prewar signifiers, particularly those that deny history and evoke erstwhile militarist appeals. Occasionally, as in the case of Prime Minister Abe's December 2013 visit to the Yasukuni Shrine, their vigilance is rewarded and their own

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[6] Several of these narratives are examined at length in J. Patrick Boyd, "States of the Nation: Nationalism, Narratives and Normative Change in Postwar Japan," Unpublished doctoral dissertation, Department of Political Science, Massachusetts Institute of Technology. 2012.

[7] For analysis of how varying preferences and identities connect across the Pacific War, see Richard J. Samuels, *Securing Japan: Tokyo's Grand Strategy and East Asia*. Ithaca: Cornell University Press, 2007.

[8] This metaphor was introduced by Ohtomo, Takafumi, "Bandwagoning to Dampen Suspicion: NATO and the US-Japan Alliance after the Cold War," *International Relations of the Asia-Pacific*, Volume 3. pp.29-55, 2003.

nationalist canteens are refilled. Not that they really need more fuel for their fiery anti-Japanese campaigns. Patriotic education in China has been relentlessly critical of Japan for decades and, however much they are attracted to popular Japanese culture, many South Koreans have long harbored notions of an unreconstructed militarist Japan.[9] In one particularly provocative initiative, Beijing and Seoul jointly memorialized Ito Hirobumi's assassin, Ahn Jung-Geon, by building a museum to honor him in Harbin. They were characteristically quick to use the Yasukuni visit to feed their own national identity narratives and to deploy it as an instrument of their public diplomacy. And they were further rewarded when several senior executives from NHK, Japan's national broadcaster, denied the rape of Nanjing, defended the use of sex slaves to "comfort" Japanese troops abroad, and insisted that the United States fabricated Japanese war crimes in order to cover up American atrocities. Even without that last highly offensive flourish, the revisionist brush was broadened and extended to alienate Japan's allies in Canberra and Washington as well. The problem, it seems, is that one nation's return to "normalcy" can be its neighbor's (and ally's) return to "militarism." This does not have to be.

Understanding the disconnect between the national history told by Japanese revisionists and the one told by Japan's neighbors, and appreciating the uses to which each side's narratives are put, are fundamental to understanding regional security and the prospects for instability in Asia. It is, at the end of the day, central to figuring out which Japan should be welcomed "back." Prime Minister Abe may have revived the Japanese economy for a brief moment, but the larger question is whether or not a tilt toward revisionism would capture mainstream Japanese opinion and redefine Japanese national identity-- its history, morality, national pride, and military. In "taking Japan back" would he be taking Japan back to the future and creating problems for Japan and its allies, or would he be leading it in a more positive direction? Does his repositioning of national identity portend a Japan that will become increasingly problematic for its neighbors in Northeast Asia (and perhaps the United States as well)? Or will it ultimately be reined in by a more pragmatic and moderate mainstream in the nation's "identity politics?"

Our hosts posit "profound shifts" in Japan's domestic and foreign policies. And indeed there have been shifts, not the least of which have been deteriorating relations with Seoul and Beijing, friction with Washington, and (of all things) reconnection with Pyongyang. But if we focus narrowly on the issue of Japan's enhanced muscularity, it is worth noting that Tokyo has been engaged for decades in a process of carefully engineered, realist salami slices-- all directed toward normalcy, not militarism: In the 1980s, the first tentative steps were defense of sea lanes to 1,000 nautical miles and transfer of dual use technology to the United States. In the

[9] See the results of a 2013 poll in which more than half the South Koreans view Japan as "militaristic" at: http://www.genron-npo.net/english/index.php?option=com_content&view=article&id=50:the-1st-japan-south-korea-common-opinion-poll-&catid=2:research&Itemid=4

1990s, Japan dispatched minesweepers to the Persian Gulf, passed a PKO Law and shifted from homeland to regional security. By the 2000s, when it dispatched destroyers to Diego Garcia, put boots on Iraqi Ground, and jumped feet first into BMD cooperation with Washington, Tokyo was engaged in de facto collective self-defense. The slicing away at Japan's self-imposed constraints continued into the current decade in the form of participation in the multinational anti-piracy mission in the Gulf of Aden, establishment of a naval base in Djibouti, relaxation of the arms export ban, creation of an amphibious force, a shift to Southern defense, the rapid buildup of the JCG, and a 50% increase in its submarine fleet. Throughout this process, Tokyo's defense spending has been highly circumscribed. Even the increases in Mr. Abe's defense budgets bring Japan back only to levels of a decade earlier. They pale in comparison to the sustained double digit increases in China's defense spending.

So, Japan's shift toward muscularity remains limited and, in any event, predates Prime Minister Abe's "bringing Japan back." More importantly, it neither has required nor benefitted from revisionist identity politics. Indeed, it has had many parents across the conservative spectrum, most of whom are pragmatic realists seeking to hedge against U.S. decline and abandonment. It has been catalyzed by Chinese and North Korean provocations and abetted by U.S. exhortations. As noted, even Prime Minister Abe has found it helpful to label his focus on defense "proactive pacifism."

The real issue is not the label. Japan can frame this security posture "actively pacifist," but its effectiveness will depend on whether Tokyo's strategy is actively realist and pragmatic rather than actively revisionist and ideological. Becoming normal-- i.e., able to use force to defend one's nation and one's allies-- is important for Japan and regional stability. Building and maintaining a legitimate military, a long term project that has largely succeeded, is difficult enough. It is not helped when accompanied by a strategy that is looking (even if not going) backwards. There is no reason why Japan must provide excuses for neighbors-- especially those with shared democratic values and a shared ally, such as the Republic of Korea-- to align with Chinese anti-Japanism and to undercut the alliance.

This was recognized in late April during President Obama's state visit to Asia, a trip designed in part to gloss over Washington's open "disappointment" with Mr. Abe's revisionism and to underscore its much ballyhooed plans to shift naval and air force assets from a 50-50 balance in the Atlantic and Pacific to a 60-40 balance in favor of the Pacific by 2020-- the so called "pivot" or "rebalance" to Asia. Before the president arrived in Tokyo, U.S. diplomats pressed Abe to dispel rumors he would support official revision of government's position on the "comfort women" issue. When he did so, Washington declared victory and, after considerable arm twisting, engineered an uncomfortable (and very short) trilateral meeting with ROK President Park Geun-hye on the sidelines of the nuclear disarmament summit in The Hague.

Without having to make concessions on trade and without having to address some of the more incendiary elements of the revisionist agenda-- indeed his Internal Affairs Minister and more than one hundred Diet members paid homage at the Yasukuni Shrine just days before President Obama arrived-- Abe was rewarded with what, from Tokyo's perspective, was a very successful state visit. Trying to thread the moral hazard needle by not giving Japan carte blanche in the East China Sea, President Obama reiterated the U.S. commitment under Article 5 of the Japan US security treaty to defend the Japanese administered Senkaku Islands. He also "welcomed" Japanese acceptance of collective self-defense. Both statements were unprecedented at the presidential level.

Washington claimed to be satisfied with the summit and insisted it had improved relations with Tokyo. But doubts about how much was actually achieved appeared instantaneously in both countries.[10] Correctly perceiving the difficulties President Obama is facing at home on the trade front in an election year without fast track authority, Japan provided little beyond discussion of its so-called "sanctuary products" in the TPP negotiations-- beef, pork, dairy, wheat, rice, and sugar.[11] Deputy Prime Minister Aso Taro was matter of fact about Japan's stonewalling: "Obama doesn't have the clout to form (a national) consensus (on trade) in his country… So it's only natural they agreed to continue talks,"[12] And so bilateral talks on trade concessions concluded without agreement, and Prime Minister Abe even defended his visit to the Yasukuni Shrine at a press conference with President Obama standing mutely by his side.

In a sense, the Japan that is "back" is the one from the 1980s-1990s that could use its sophisticated understanding of U.S. political dynamics to hold the line on trade liberalization while simultaneously gaining renewed assurances from Washington that the alliance is sound and enduring. Indeed, in response to open and sustained questioning of U.S. commitments and capabilities by many Japanese strategists and editorialists, Japan has acquired new tactical advantages vis-à-vis China and North Korea from Washington. In addition to a presidential clarification of its treaty commitments and an agreement to redefine and reinforce the U.S.-Japan defense guidelines, Washington has deployed P-8 surveillance aircraft, Global Hawk UAV's, F-22s, and V-22 Ospreys to Japan, as well as enhancing joint anti-missile capabilities. These are positive, if somewhat unrequited, developments.

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[10] Mark Landler and Jodi Rudoren, "Obama Suffers Setbacks in Japan and the Mideast," *New York Times*, 25 April 2014. Peter Ennis, "Obama and Abe: US Taken for a Ride?" http://www.dispatchjapan.com/blog/2014/05/obama-and-abe-us-taken-for-a-ride.html

[11] See Banyan Asia, "Japan and the Trans-Pacific Partnership: Sacred Cows, Rice and the Rest of Them," *The Economist*, 9 October 2013 and White House Press Office, "Background Press Briefing on Trade Talks with Japan" by Senior Administration Official aboard Air Force One en Route to Seoul, Republic of Korea, 25 April 2014.

[12] Reiji Yoshida, "Abe Sought to Boast Better US Ties," *Japan Times*, 25 April 2014.

But we have to step back from tactics and ask about the larger strategic environment in East Asia. The future of Japanese national security strategy clearly depends above all on the relative power and postures of the United States and China in the region. Tokyo is asking big questions about both superpowers. Of a China that has unsettled its neighbors by expanding its navy and improving missile and surveillance capabilities, it asks: Will China's rise be stable or disjunctive? Will it be democratic or authoritarian? Will Beijing be aggressive or accommodating? Of a United States that has been openly "leading from behind" and cutting its budget to pre-WWII levels, it asks: Will the US cut budgets and pivot, or will it cut budgets and run? Will Washington be "inward looking"? And, of course, Tokyo asks the two evergreen questions of any alliance partner: What of the US capability and what of its commitment going forward? Doubts about both have intensified Japan's strategic debate and sharpened its choice between hugging the United States and hedging against abandonment. The nature of Japan's "return" will depend on who is in power to ask and answer these questions. Having a realist Japan "back" could mean that the region will welcome Tokyo as a confident and prosperous leader. Or, if being "back" entails a nationalist identity shift, it could mean greater regional instability and mistrust. One must hope that Japan will not allow itself to be painted as a wolf in sheep's clothing fueling nationalist competition across the region, but understood instead as a muscular, non-predatory ram that is comfortable in its own skin.