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BULLETIN

"Global Partnership for a New Era": Perspectives on Japan-U.S. Relations

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Japan plays a key role in the U.S. Indo-Pacific strategy, which is confirmed by Prime Minister Suga Yoshihide's visit to Washington in April. His government is ready to deepen cooperation with the U.S. on security issues, but while maintaining a stable relationship with China. Cooperation in the areas of the economy, technology, and climate will be of key importance to the global partnership between Japan and the U.S. This creates opportunities for deepening cooperation with Japan by the EU, including Poland, especially in the implementation of climate goals.

For more than 60 years, the alliance with Japan has been a cornerstone of the American presence in the Asia-Pacific region. Under the 1960 treaty, the U.S. guarantees Japan's security, manifested by the "nuclear umbrella" over its ally and the stationing on its territory of about 55,000 American troops. The U.S. and Japan are also important economic partners. In 2020, trade between them amounted to \$190.4 billion, with a deficit of \$58.4 billion on the U.S. side. Last year, the U.S. was the second-largest partner for Japan in terms of both exports (18.5%) and imports (11.3%); Japan, in turn, was the fourth export (4.5%) and import (4.9%) partner for the U.S.

From the beginning of Joe Biden's term of office, the U.S. and Japan have been striving for close cooperation. Prime Minister Suga continues to deepen the alliance with the U.S., <u>initiated by his predecessor Abe Shinzo</u>. In March, Biden and Suga spoke at a <u>virtual summit of the leaders of the Quad countries</u>, and then <u>the U.S. secretaries of state and defence paid their first foreign visit to Japan</u>. On 16 April, Suga was the first foreign leader to meet Biden in person. During the summit, the leaders announced a "U.S.– Japan Global Partnership for a New Era", which is intended to cover two main dimensions of cooperation: on security and shared values, and on the economy, technology, and climate.

Security and Shared Values. The outcomes of the Japanese and U.S. authorities' meetings confirmed that the American security guarantees—including the Senkaku/Diaoyu islands, claimed by both Japan and China-remain the pillar of the alliance. The factor that brings the U.S. and Japan closer is their shared vision of a "free and open Indo-Pacific". This is demonstrated by their cooperation within the Quad and commitment to values and principles such as respect for sovereignty, territorial integrity, peaceful settlement of disputes, and freedom of navigation and overflight in accordance with the 1982 United Nations Convention on the Law of the Sea. The allies also agree on the goal of the denuclearisation of North Korea. Further, the governments of both countries agree on the relocation of U.S. military bases in Okinawa, which has been planned for 25 years. However, the idea of relocating the Futenma air base to the nearby, less-populated Henoko Bay remains unfulfilled due to the opposition of the local population, which expects the U.S. base to be relocated outside Okinawa.

The most important issue in Japan-U.S. relations is the attitude of both countries to China. The allies oppose <u>China's violations of the regional status quo</u>, especially in the East and South China seas. The new element is the emphasis in this year's official statements—in the case of the U.S. and Japanese leaders' statements, for the first time since 1969—to the importance of peace and stability in the Taiwan Strait. This is a response to the increased Chinese military activity in the area. However, Japan does not specify whether and in what form it would support the U.S. over Taiwan in an emergency. Japan's stance results from, among other things, the <u>constitutional restrictions</u> and

Japanese society's reluctance to get involved in possible conflicts.

Although Japan treats China as a multifaceted challenge, it is interested in more stable bilateral relations. Japan, along with the U.S., expresses concerns regarding the human rights situations in Hong Kong and Xinjiang, but it does not impose sanctions on China over these conflicts. This is due somewhat to the context of the Japanese crimes committed during World War II in China and the region, but mainly because of economic interdependence. China is Japan's largest trading partner, accounting for 22.1% of its exports and 25.9% of its imports. Moreover, in the ruling Liberal Democratic Party, the faction pushing for stable relations with China is influential. This approach was confirmed by Suga's conciliatory words, spoken during the meeting with Biden, about readiness to cooperate with China in areas of mutual interest.

Economy, Technology, and Climate. While <u>under the</u> <u>Trump administration economic issues were primarily</u> <u>limited to bilateral relations</u>, Japanese and U.S. leaders have returned to advocating cooperation to solve global problems and to respond to the increasing competition from China. From the Japanese and American perspective, the global economic recovery from the COVID-19 pandemic must be based on sustainable development, green technologies, improved health security, transparent and effective trade rules, and high labour and environmental standards.

To achieve these goals, the countries established two partnerships during the Biden-Suga summit. The first concerns competitiveness and innovation, focused primarily on the digital economy. Japan and the U.S. intend to allocate \$4.5 billion for research and development (R&D) into 5G and future wireless networks (6G). Underlining the importance of digital security, they intend to develop the Open-RAN architecture, allowing countries to become independent from one supplier by using hardware and software from different companies. Japan and the U.S. also want to develop key sectors of the future economy, including biotechnology, artificial intelligence, space and quantum technologies. They also declare strengthening the resistance of supply chains, especially semiconductors, to economic and political disturbances. The second partnership is about climate and covers three main issues: Paris Agreement implementation and achievement of national 2030 targets, developing innovative clean energy technologies, and supporting decarbonisation in other countries, especially in the Indo-Pacific.

Japan and the U.S. may face challenges in achieving the ambitious goals. Trade barriers, for example, to U.S. food and services exports to Japan can be an obstacle to economic cooperation. Opportunities for collaboration are limited by the U.S. remaining outside two important regional trade groups—the CPTPP and the RCEP—both of which Japan is a member. Meeting Japan's ambitious climate goals will also be a challenge. The plan announced by Suga before the <u>April climate summit</u> to reduce greenhouse gas emissions by 46% (previously 26%) by 2030 compared to 2013 will require a significant increase in the share of renewable energy sources, withdrawal from the planned construction of a dozen coal-fired power plants, and technological and organisational changes in Japanese companies, which, compared to the European ones, take into account environmental requirements to a lesser extent. To cope with Chinese technological competition, the U.S. and Japan's declared investment in R&D in the field of wireless networks will have to be accompanied by increased private-sector spending from both countries. However, cooperation in the field of R&D will be difficult due to competition between technology companies from the U.S. and Japan.

Conclusions. Comprehensive cooperation between Japan and the U.S. is a response to both global challenges and the growing influence of China. Despite the U.S. urging its ally to take a firm stance on China, Japan's approach remains nuanced. The declaration on Taiwan suggests Japan's readiness to raise regional security issues more frequently. However, Japan will be persuading the U.S. to focus on a positive cooperation agenda in the region, including economic and technological issues. For this purpose, it will be urging deeper multilateral cooperation in the region, especially with ASEAN, Australia, and India.

The EU's interest in the Indo-Pacific may encourage it to deepen cooperation with Japan, for example, in the area of maritime security. For years, the EU and Japan have been cooperating in the *Atalanta* counter-piracy operation off the coast of Somalia. In April this year, France initiated naval exercises with the Quad countries in the Bay of Bengal. Moreover, in May this year, French, Japanese, and American troops will hold the first-ever joint military drill in Japan's Kyushu region.

The convergence of the ambitious emissions reduction targets by the U.S. and Japan with <u>the European Green Deal</u> makes them potential partners for the EU in this area. The change in Japan's approach to climate issues facilitates deepening the already initiated cooperation with Poland in the field of hydrogen technologies and renewable energy sources. Under the condition of increasing private expenditures, American-Japanese cooperation in the field of digital technologies may be an alternative to Chinese solutions, but it also increases the competitiveness of the U.S. and Japan with the EU. A chance to intensify trilateral U.S.–Japan–EU cooperation would be the resumption of the WTO reform initiative, including in the area of counteracting unfair trade practices, such as subsidies, launched by the three in 2017.