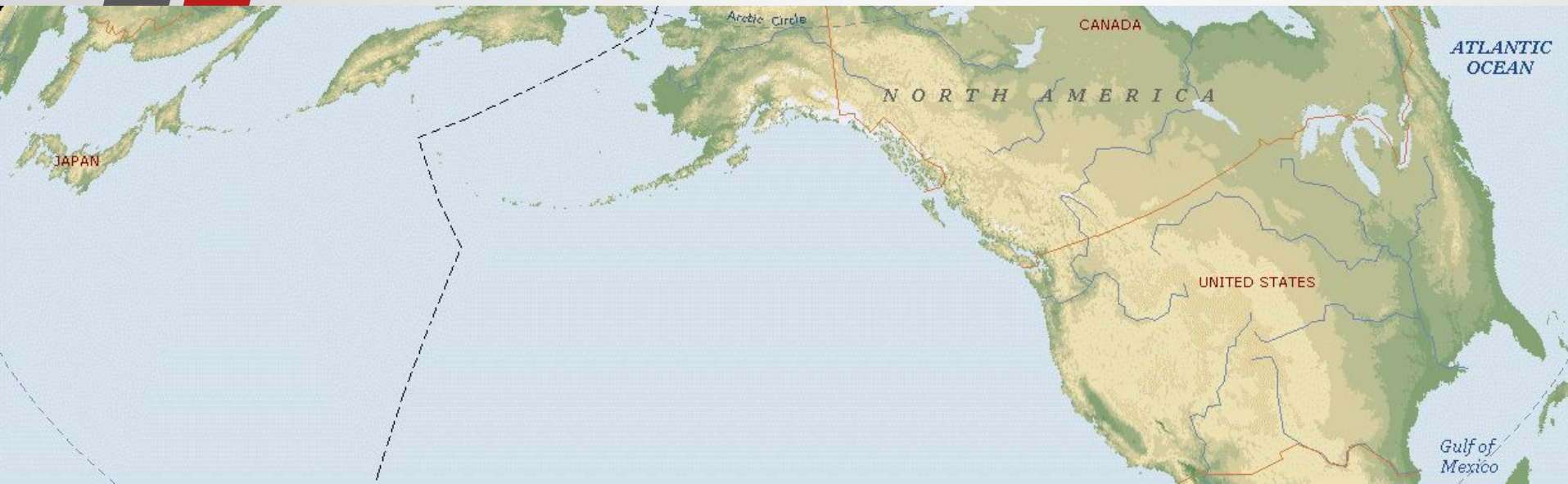


United States and Japan



Security and Economic Relations

Outline

- Security relationship
 - security treaty
 - divergent considerations
 - current issues
- Economic relationship
 - economic concerns
 - trade issues

U.S. Occupation of Japan

- August 1945 - April 1952
- Supreme Commander of the Allied Powers (SCAP) - General Douglas MacArthur
- General peace treaty in San Francisco in September 1951
 - China and Soviet Union were excluded
 - formally ended the Occupation in 1952

U.S.-Japan Alliance

- One of the most important components of U.S. security policy in Asia-Pacific region
- Bilateral versus multilateral security arrangement
- Japan's only security relationship

U.S.-Japan Alliance

- Historically unique alliance:
- Bilateral alliance between the victor and the vanquished in a major war
- Disparate historical & cultural background
- Without a substantive military structure
- Survived more than four decades thanks to the Cold War

U.S.-Japan Security Treaty

- U.S.-Japan Mutual Security Treaty (1951)
 - U.S. troops and military base in Japan
 - for regional security
 - against external military attacks
 - against internal riots
 - did not automatically oblige U.S. to protect Japan
 - function instead of obligation

U.S.-Japan Security Treaty

- Revision in 1960
 - removed ``internal riots'' clause
 - U.S. seek Japan's approval to re-deploy USFJ
 - unclear whether Tokyo has veto power
- Less automatic than NATO mechanism
- Wider in scope than US-ROK alliance
 - ``Far East'' clause

U.S.-Japan Alliance

- Guidelines for U.S.-Japan Defense Cooperation in 1978 and 1997
 - grant U.S. military greater use of Japanese installations in times of crisis
 - possible, limited Japanese military role in “situations in areas surrounding Japan”
 - Korea
 - Taiwan Strait (?)

Divergent Considerations

- U.S.'s overall global strategy

- con
- stab
- dire



Divergent Considerations

- Japan's concerns
 - defense of Japan
 - economic growth
 - U.S. tendency toward unilateralism

Current Issues

- Burden sharing

- About

- Japa

- abou



Current Issue



- U.S. Bases on Okinawa



Aircraft noise is among the complaints of Okinawa residents (CNN)

by personnel

and land

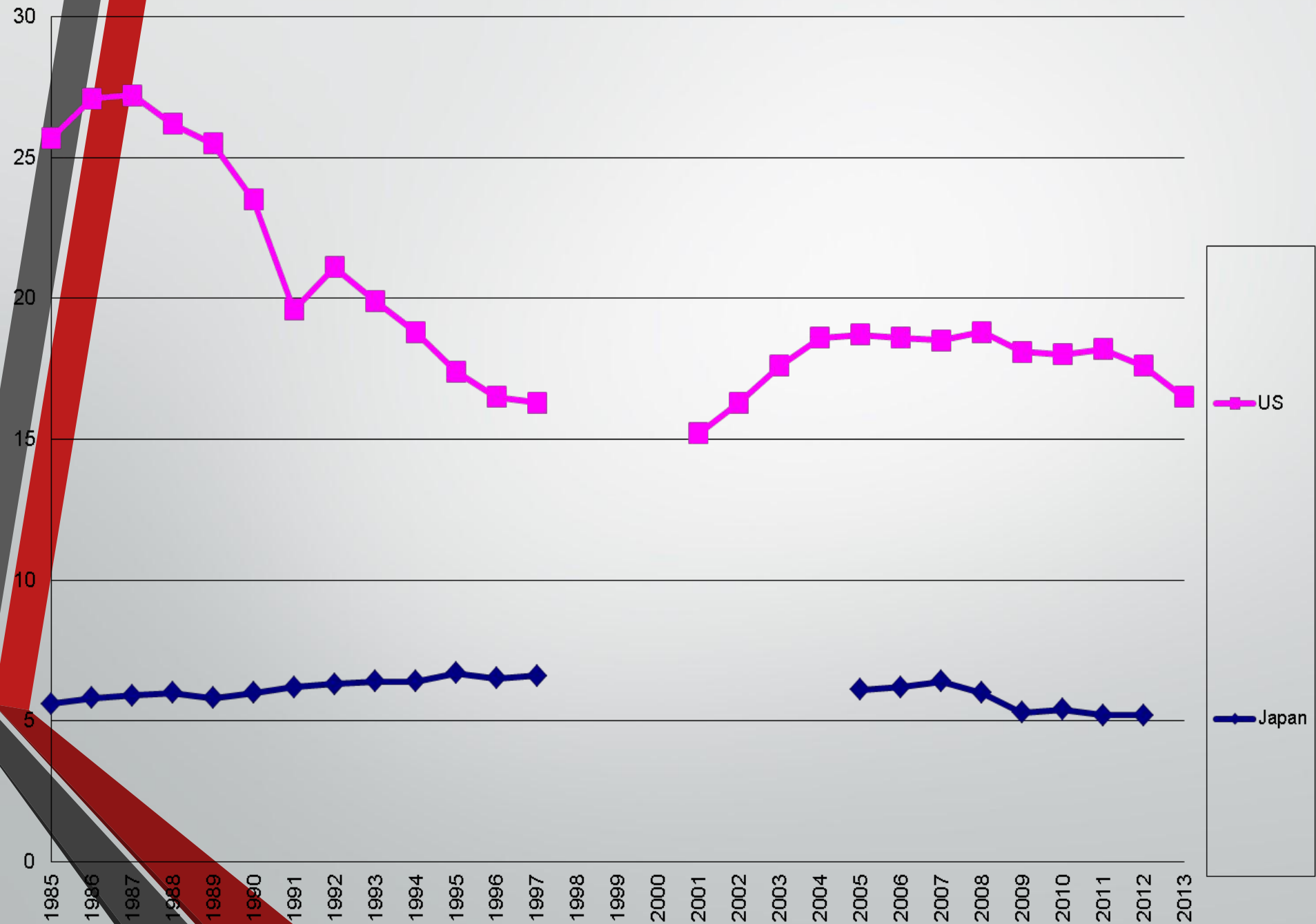


The U.S. military will return about one-fifth of the land it uses in Okinawa (CNN)

International Pressures

- U.S. demand
 - burden-sharing
 - economic sanctions
- Asian neighbors
 - welcome Japan's economic & financial leadership
 - wary of Japan's role in security issues

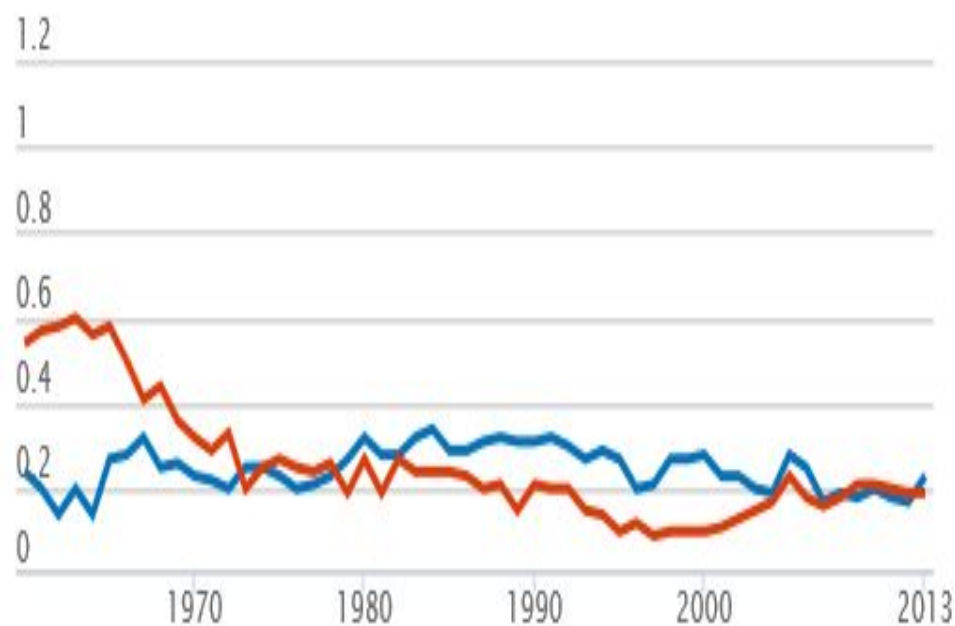
Military Expenditure as % of Central Government Expenditure



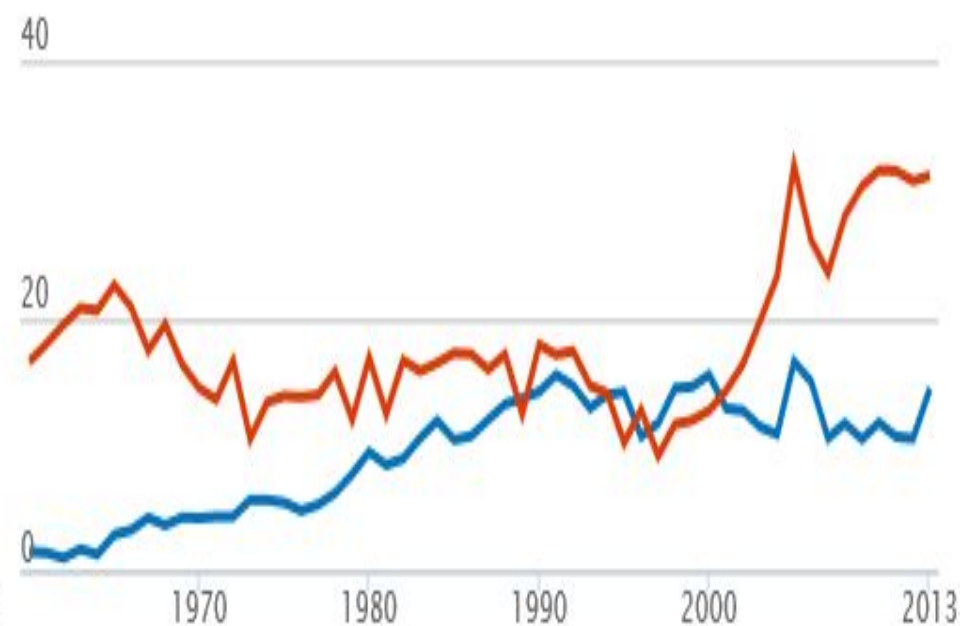
Economic Influence

- Japan's economic position is not matched by political influence
 - third largest economy in the world
 - model of development emulated by others
 - "flying geese" pattern
- Limited success in turning economic power into political influence
 - Official Development Assistance

ODA as per cent of GNI (2013)



ODA - USD billion (2012 prices & exchange rates)



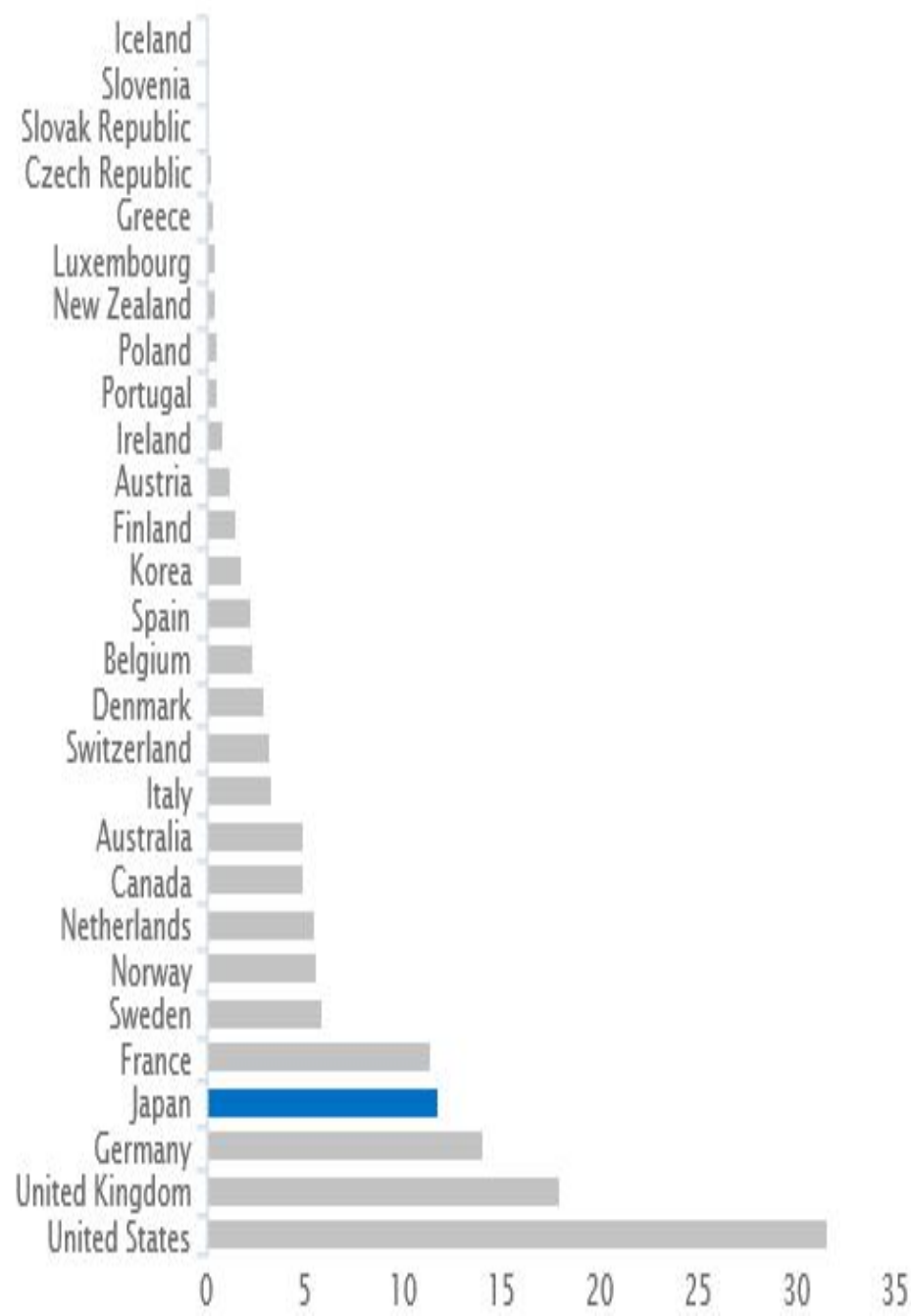
definitions

DAC Total	Denmark	Ireland	New Zealand	Spain
Australia	Finland	Italy	Norway	Sweden
Austria	France	Japan	Poland	Switzerland
Belgium	Germany	Korea	Portugal	United Kingdom
Canada	Greece	Luxembourg	Slovak Republic	United States

ODA as per cent of GNI



ODA - USD billion (2013)



International Organizations

- Japan increased role in
 - IMF
 - Japan gained No. 2 voting weight in 1980s
 - World Bank
 - Japan gained No. 2 voting weight in 1980s
 - United Nations
 - attempt at permanent membership in Security Council

Failure of a Proposal

- Asian financial crisis (1997-1998)
- Japan proposed a regional monetary fund
 - Asian Monetary Fund (AMF)
 - exclude U.S.
 - less neo-liberal economic agenda
- Opposed and rejected by U.S., some Asian economies, and IMF

Japan's Dilemma

- Domestic political debates
 - Leftists' opposition to military involvement
 - "Peace Clause" in the Constitution
 - Conservatives' nationalistic agenda
 - Japan's military involvement overseas
 - visit Yasukuni Shrine (which honors Class A war criminals of World War II)

Japan's Contributions

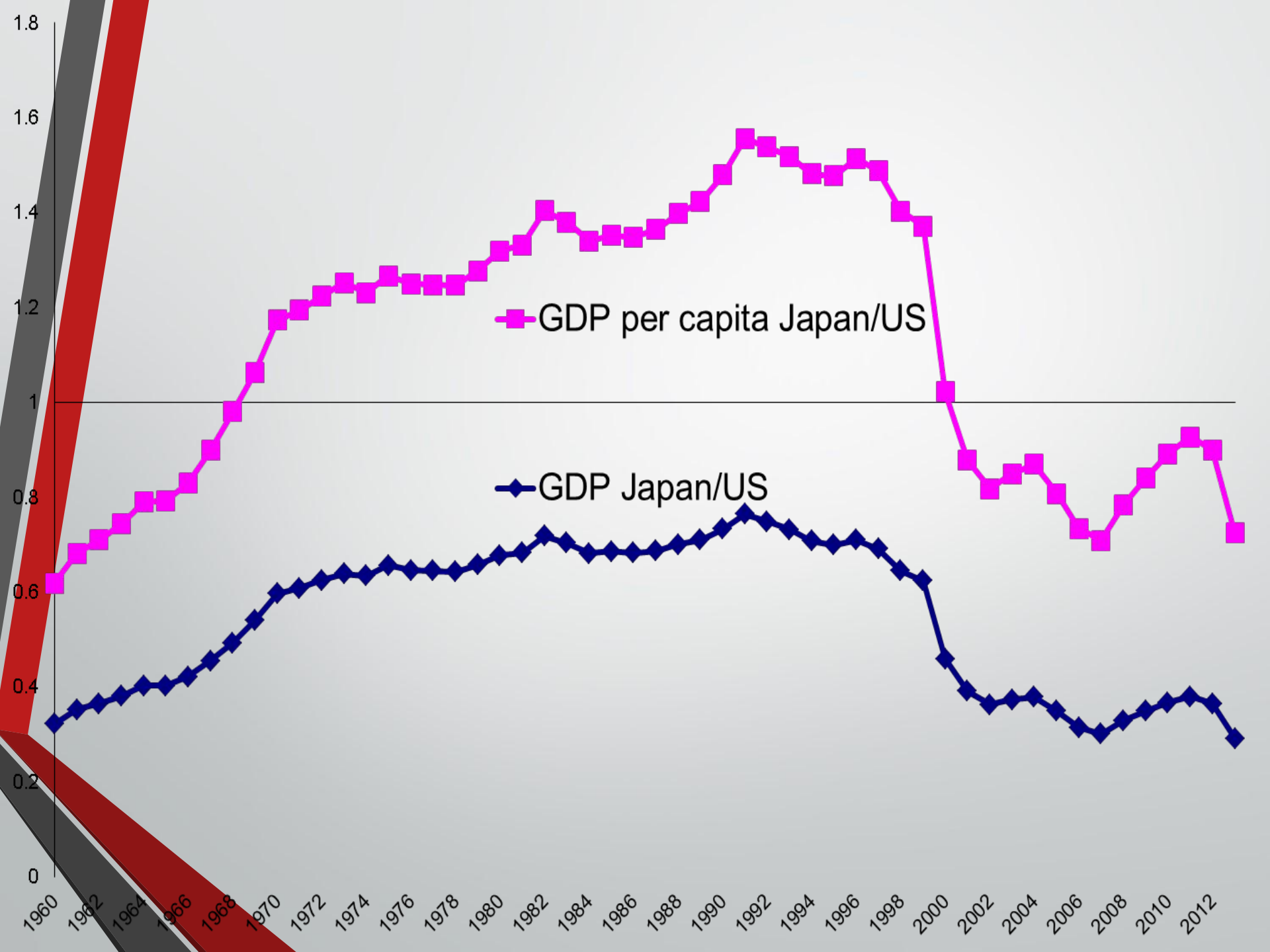
- Economic strategies are financially and politically less costly
- First Gulf War of 1991
 - Japan contributed \$10.8 billion
- Anti-terrorist campaign in 2002
 - Japan hosted an Afghan aid conference
 - Japan pledged large scale aid to the reconstruction of Afghanistan

US-Japan Economic Issues

- The world's two largest economies
 - US+Japan produce nearly 30% of world GDP
 - mutual economic relations impact the world
- Japan is the United States' 4th largest merchandise export market
- Japan is the United States' 4th largest merchandise import source

U.S. concerns over Japan

- Japan's economic recession
- depreciation of yen
 - U.S. exports to Japan more expensive
 - U.S. imports from Japan cheaper
- U.S.-Japan trade disputes
 - U.S. trade deficit with Japan
 - U.S. and Japan trade barriers



Monthly Japanese Yen-US Dollar Exchange Rates since 1971

