

How to Reboot Sagging Japan

Japanese strategist and researcher Narushige Michishita is pessimistic about Japan's future.

He's concerned about country's aging population, its high tax debt, the relentless ascent of

China, and the menace posed by a nuclear North Korea. • At the time, he calls pessimism

a form of optimism, in that it can help the

Japanese focus on what the country needs to

do to regain its Asian preeminence. •

by Stefania Viti Kawachi

For more than a century, Japan was the most advanced country in Asia.

It many respects, despite setbacks, it maintains that title.

A special postwar relationship with the United States

and unprecedented economic growth in the 1970s and 1980s saw Japan emerge as the second largest economy in the world, a position it held until last year when it was surpassed by China.

But Japan's decline began long before China's boom days. Just as Tokyo peaked, the slippage began. After the bursting of the 1980s economic bubble, Japan chose to live the 1990s in the past, refusing to acknowledge the immanence of a serious downturn. The prospect of new opportunities became missed ones, so much so that the 1990s were eventually labeled "the lost decade."

Hand in hand with economic expansion, the Japanese social fabric began changing. In a predominantly male society, women produced a silent revolution. Marriages and relationships dropped off, with an emphasis on education and greater economic independence becoming pre-eminent. As a result, and in common with other devel-



oped countries, Japan soon faced a drastic drop in births and a simultaneously increase in its elderly population. The situation is not expected to change much in the near future, nor has its full force been felt, since the presence of fewer young people in the work force will mean a drop-offs in production and competitiveness.

Despite these drawbacks, Japan was bullish on its millennium prospects. The 2000s might have heralded a Japanese comeback had half the world not fallen into deep economic and a financial crisis, from which it has yet to emerge fully. Meanwhile, the international landscape has also changed radically. The Pan-Asian trade balance has been altered, along with all its models, paced by the exponential growth of China, which has become a global leader industry and commerce, while also increasing its military capabilities.

Japan's problems with North Korea, which has been frozen for decades in an anachronistic and risky position of near-total isolation, are as yet resolved. Insult to injury, the second decade of the new millennium opened with catastrophe, as Japan was hit with its most devastating natural disaster in modern times, an earthquake and resulting tsunami that crippled parts of the country and drove a stake into the country's nuclear industry.

Potentially, Japan might use the catastrophe to reinvent itself, choosing to finally enact long-delayed reform. But whatever decisions it ultimately makes, it seems fair to characterize Japan as at a crossroads.

In an effort to understand where the country stands as well as its economic, political and cultural options, east spoke to Narushige Michishita, an associate professor at Japan's National Graduate Institute for Policy Studies (GRIPS) and the Institute's Director of Security and Inter-

national Studies Program (SISP). Michishita was recently in Italy where he gave a lecture at the Paul H. Nitze School of Advanced International Studies (SAIS) in Bologna and at the Istituto Affari Internazionali (IAI) in Rome. He has written extensively on North Korean and Japanese defense policy.

What kinds of strategies that Japan can adopt to cope with China's soaring economic and military growth?

Japan, like many other Asian countries, has can only gain from the economic growth of China. The Japanese government has pushed ahead a strategy of collaboration rather than challenge. Reinvigorate the economy means working to improve relations with other Asian countries both through existing institutions, such as ASEAN, as well

Minamisoma, Japan: The post-tsunami holocaust.



as the forging of bilateral relations.

From the military standpoint, China is strengthening its capacity and is expanding its influence. It spends about \$90 billion (up 12 percent from last year) on its defense capability, while Japan's budget is about \$50 billion. In effect, China is spending twice as much as Japan. The Japanese strategy is to protect against possible emergence of an aggressive and irresponsible China, while at the same time maintain friendly relations.

Last year, during the Senkaku Islands incident [EDITOR'S NOTE: On September 7, 2010, a Chinese fishing boat collided with Japan Coast Guard patrol boats. The trawler was escorted to Japan, but the vessel and its crew later released], Japan acted very cautiously. The Japanese Coast Guard arrested a drunken sailor, but when the Chinese Prime Minister Wen Jiabao has called for his release, the Japanese government complied. It didn't want tension to

escalate. Japanese ground troops are moving north to south and there's been an increase in the number of submarines from 16 to 22 (based on National Defense Program Guidelines). We're also trying to forge closer links with countries such as South Korea, Vietnam, India, Australia and Indonesia for enhanced military cooperation.

The Chinese were among the first to send equipment and personnel to help those affected by the March tsunami.

Japan did the same for China three years ago after the Sichuan quake.

Also, Chinese residents in Japan raised funds for those affected, which was a first. Both governments recognized the symbolic value of these actions. Trade is strong and still growing.

Do you think that domestic and international changes could affect Japan's immigration policies?

The Japanese population is aging and is shrinking rapidly. Our over 65 population now stands at more than 20 percent of the total and is expected to increase to 30 percent by 2023. From today's 127 million, the Japanese population by 2050 is expected to drop to 95 million.

Based on these numbers, the acceptance of immigrants represents a very promising opportunity for Japan. The number of foreign workers in Japan has already made a leap forward. We've moved from 630,000 in 1996 to 925,000 in 2006. Our unemployment rate still continues to be high (at least by Japanese standards), about 4.6 percent this year, and the employment rate of graduates is at its negative peak, 91 percent. Again, based on these numbers and observations, accepting large number of immigrants is no longer an option but a necessity.

Article 9 of the Japan constitution rejects war and Japan has no troops in the formal sense of the word. It does have SDF, or Self Defense Force).



Does this make Japan a pacifist nation?

I don't think peace is the best word to describe the Japanese approach to international security policy. I prefer to say that Japan's policy practices "isolationist exceptionalism," which is very similar to the behavior of the United States before the outbreak of World War II. Pacifists do not support or fund wars. We do. In 1991, our contribution to the war effort in Iraq amounted to \$13 billion. We also supported the war in Iraq in 2003. Japanese politicians and people

don't want their troops harm's way in the name of a vaguely defined international peace. Personally I'd like to see a more dynamic Japan, engaged in international security. But old and comfortable habits die hard.

Relations between Japan and the United States have seen new momentum of late. The U.S. has helped out Japan following the tsunami with "Operation Tomodachi." On the other hand, bilateral ties between the U.S. and China seem to be getting stronger. What's your take?

There's good and bad news terms of ties between the U.S. and Japan. The good news is that we worked closely together for tsunami relief, which proves that ours is an alliance that works.

In addition, with China growing rapidly and becoming more assertive regionally, the U.S. and Japan have been encouraged to strengthen their strategic alliance.

The bad news comes from the fact that China is truly becoming a potent force and is trying hard to create a strategic partnership with the U.S. Worst case scenario, Washington will replace Japan with Beijing as its leading strategic partner in Asia.

This won't happen easily or overnight, but at the same time Japan must work to develop a strategic partnership with China, reinforcing its worth as America's most important regional ally.



ABOVE Members of Japan Self-Defense Forces patrol the "no entry zone" near nuclear facilities.

FACING PAGE Doraemon was named the "anime ambassador" in 2008 by the Japanese foreign affairs ministry.

What role does "soft power" play in Japanese foreign policy?

So-called "soft power," which essentially means winning friends and influencing people through nonmilitary influence, is a vital component for Japanese foreign policy. It can help create consensus within the international community and positive feelings between civil societies.

That's why "Doraemon," the central character of the famous manga, has been named Japan's first "Anime Ambassador" [EDITOR'S NOTE: Anime is Japan's animation industry and manga is a Japanese-language comic strip]. Japan is considered to be very "cool," and its lifestyle can be used to enhance positive feelings and increase its visibility in other civil societies.

But we can't let ourselves get complacent. Starting from the positive effects that soft power has produced, Japan needs to go out and create partnerships with the most substantial and important countries in the world, including Italy. Italy possesses very strong soft power in Japan. Peo-

ple like Italian fashion, food, and many other things. Personally, I love Italian opera and Ferrari.

What's next with North Korea, in your view?

North Korea's nuclear missile arsenal is growing slowly but steadily. It has, we think, between four to eight nuclear bombs, and a certain number of ballistic missiles that can reach Japan within in 10 minutes. Based on this, it's fair to say that North Korea is in a position to attack Japan with missiles or nuclear devices.

The North Korea is to Asia what Iran is to Europe. It can be very dangerous to the planet because it produces weapons that it systematically exports to any number of countries. To address the menace posed by North Korean ballistic systems we have strengthened civil defense measures and we consulted with the United States to maintain the credibility of the extension of Japan's so-called "nuclear umbrella."

Germany has just announced that it intends to give up on nuclear energy and close down its facilities by 2022.

Switzerland says it will do so by 2034.

How do you see the future of Japan's energy policy?

Prime Minister Naoto Kan has announced that the Japanese government will continue to promote the peaceful use of nuclear energy. However the construction of new nuclear plants has become a politically difficult issue. Probably we'll have to start looking more closely at the potential offered by renewable energy source, while at the same time maintaining the nuclear energy option in the event that renewable sources fail to fully satisfy our needs.

In March, Japan was hit with the most severe natural calamity in its modern history. Some say that despite the destruction and death, the disaster might serve as an opportunity for rebirth and change.

How do you see the future of Japan?

I'm rather pessimistic. We face a number of difficulties at once. You have the aging population and the major demographic changes that suggest. You also have a large tax debt. Then there's North Korea and its nuclear weapons and China's growth. Add to that the fact that a weak and unstable political class governs Japan. But I think that sometimes pessimism is more useful than optimistic. That's why even pessimist won't miss a beat in finding ways of again making Japan a great nation, and an attractive one. ●