U.S.-JAPAN RELATIONS
IN AN ERA OF GLOBALIZATION

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THE ELLIOTT SCHOOL OF INTERNATIONAL AFFAIRS
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Mike M. Mochizuki

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I want to join President Trachtenberg and Dean Harding in thanking President and Mrs. Elliott, Ambassador Matsunaga, Mr. Nasu, and the numerous Japanese institutions and corporations for their generous support to endow this chair in Japan-U.S. relations in memory of Gaston Sigur.

In particular, I would like to express my appreciation for both institutional and personal reasons.

Institutionally, George Washington University has had a superb tradition in Asian studies with the guidance of such scholars as Gaston Sigur and Young C. Kim. And in recent years, the university and the Elliott School under the leadership of President Trachtenberg and Dean Harding have built upon this tradition to make Asian studies even stronger. They have been especially successful in putting together an academic team in Chinese studies that is second to none.

In fact, they have been so successful that I’m sure some Japan watchers in Washington were beginning to worry that the Sigur Center for Asian Studies might be turning into the Sigur Center for Chinese and Other Asian Studies. With this endowment, however, the Japanese in this audience can be reassured that George Washington University will not be contributing to what some journalists have called “Japan passing.”

Personally, I am grateful to the donors and the university for giving me this honor and this opportunity to return to academic life after a six-year hiatus. Although I learned a great deal about the practice of foreign policy during my time at RAND and the Brookings Institution, I often found the need to keep up with breaking news dizzying. As exciting as my experience as a policy wonk has been, I am now eager to devote my energies to teaching and helping to train a new generation of scholars and practitioners and to taking a longer term view in my own research and writing.

So when Harry Harding asked me to give a lecture to inaugurate this chair, I decided to use this occasion to reflect on U.S.-Japan relations by putting the current era of globalization in the historical context of my own experience. Yes, I am sorry to say that I am old enough, middle-aged enough to have
my own personal historical perspective on U.S.-Japan relations.

Although it is hard to admit, I began my scholarly examination of this trans-Pacific relationship as a graduate student over twenty years ago. My most intense period of training in this subject took place in the early 1980s as a post-doctoral fellow in Harvard’s U.S.-Japan Relations program. I remember with fondness my meeting with Gaston Sigur when he came to Cambridge to give a seminar presentation. Professor Sigur, I believe, had just joined the National Security Council. His remarks stressing the importance of the bilateral defense alliance were comforting and inspirational for me since I had just embarked on a project to study Japanese security policy at a time when just about everybody else was focused on economic issues, not those related to security.

During those years, the two phrases that were heard over and over again in American discussions about Japan policy were “leveling the playing field” and “burden-sharing.”

“Leveling the playing field” referred to the notion that Japan was not playing by the “rules” in the trading game. The Japanese were unfair traders. While America had opened its markets to Japanese products and investments, the Japanese market remained too difficult to penetrate for American producers and investors. Therefore, the economic playing field had to be leveled by giving Americans reciprocal access.

The phrase “burden-sharing” referred to the security dimension of bilateral relations. Theoretically, this meant that Japan had to do more for its own defense so that U.S. and Japanese forces together could be more effective in deterring the Soviet military threat and in repelling that threat if deterrence were to fail. In reality, “burden-sharing” became almost synonymous with increases in Japanese host-nation support for the US military stationed in Japan – what the conservative politician Shin Kanemaru called “omolyari yosan” or Japan’s sympathy budget.

On the Japanese side, the catch phrases during the early 1980s were “kokusaika” translated as “internationalization” and “yakuwari buntan,” translated as “division of labor” or a “division of roles.”

“Kokusaika” was the Nakasone government’s slogan regarding the need to open up the Japanese economy and society to foreigners. As part of this campaign, Western brokerage houses finally gained seats in the Tokyo stock exchange, college graduates from the United States and other English-speaking countries were recruited to teach English in Japanese secondary schools, and the government established an ambitious goal of getting 100,000 foreign students to study in Japan by the year 2000. As significant as these initiatives were, in reality there was more “outward” kokusaika than “inward” kokusaika. Japanese companies dramatically expanded their overseas investments, and Japanese students
came to realize that an American Ph.D. would boost rather than hinder their academic careers.

“Yakuwari buntan” referred to the desirability of a division of labor or roles in the security arena. One prominent Japanese military specialist who was ahead of his time explained this division to me as one of the United States concentrating on power projection and Japan focused on rear-area support. But in reality, this “yakuwari buntan” was less a division of military roles and missions and more a division between America’s military power and Japan’s checkbook diplomacy.

Today, the notions of “leveling the playing field” and “kokusaiaka” and of “burden-sharing” and “yakuwari buntan” sound terribly dated.

In this era of globalization with near instantaneous international capital flows and the emergence of global E-commerce, the image of American trade negotiators breaking down Japanese market barriers to “level the playing field” seems all too quaint. Rather than leveling the playing field, the economic game itself seems to have changed fundamentally. The tsunami of global financial markets seems much more effective than a Mickey Kantor pounding the table. What’s more Japanese corporations have come to recognize that they need to forge more transnational corporate alliances if they are to survive and thrive in the global marketplace.

When the security threat was clearly defined and singular for all practical purposes, it made sense to talk about “burden-sharing” or “yakuwari buntan.” But in this time of uncertainty from a multiplicity of security challenges and in this age when the definition of security itself has broadened, it is not at all clear what burdens ought be shared or what security roles ought to be divided.

A conversation I had a few years ago with a teenage son of a Japanese friend of mine jolted me into realizing how much the interaction between Japan and the United States was changing in the context of globalization. My friend is an officer in Japan’s Self-Defense Forces who was spending a couple of years at RAND to study strategic questions. So I was curious whether the public image of the Jieitai had changed sufficiently in Japan so that his son would be proud and eager to follow in his father’s footsteps by joining the Self-Defense Force and wearing a military uniform.

When I asked the boy what he wanted to do when he grew up, he quickly replied “I want to work for the MBA.” Although I noticed that his years of studying English in school had not prevented him from making simple errors in diction, I was more impressed by his wish to get an MBA. I thought to myself – hmmm Japan is indeed changing. The young people of today are no longer patient being life-long salaried employees whose promotion is based more on seniority than merit. Rather, armed with an MBA, they
A recent report on the status of the
confinement of individuals who have been
confirmed to have COVID-19 suggests that
relying solely on lockdowns and
masks may not be enough to control the
spread of the virus. The report highlights
the importance of increasing vaccination
rates and implementing widespread
testing programs. It also calls for
improved coordination between federal,
state, and local authorities to ensure a
deemed health care response to the
current outbreak.

Evidently, the current situation
requires a comprehensive approach to
mitigate the effects of the pandemic.
However, the challenge lies in balancing
the need for public health measures
with the economic impact of
shutdowns. The report concludes that
a phased approach, with gradual
reopening of businesses and activities,
while maintaining strict
health guidelines, may be the best
course of action.
would prefer to scale the heights of international business as individuals – so I thought.

Therefore, I congratulated my friend’s son for being so sophisticated in seeking an MBA. But in response, the boy looked at me quizzically and grimaced. He then blurted out: “I don’t want to get an MBA, I want to work for the NBA.”

Notwithstanding the savvy of my Japanese friend’s teenage son, the conventional wisdom is that Japan is ill-prepared to deal with economic globalization – and the current long period of economic stagnation is seen as proof of this wisdom.

Of course, there is no question that Japan made a number of economic mistakes in the recent past. During the economic boom of the late 1980s, many Japanese corporations and entrepreneurs squandered their wealth on dubious investments and conspicuous consumption. After the bubble economy burst, the Japanese government failed to deal decisively with the “bad loan” problem and allowed this problem to fester and drag down the national economy as a whole. Before the Japanese economic revival of 1996 was strong enough to be self-sustaining, the Hashimoto Cabinet prematurely launched a campaign to balance the national budget. And when the East Asian economic crisis was endangering Japan with a deflationary spiral, Tokyo acted too slowly and modestly in stimulating the economy.

And of course, Japan must push further reforms so it can better respond to the challenges and opportunities of globalization. It needs to encourage rather than discourage the entrepreneurial spirit by reducing regulatory barriers and by loosening cartelized business practices. It needs to incorporate greater flexibility in the labor market. It needs to reform its educational system to promote more creative thinking and critical analysis.

But despite the mistakes of the past and the necessity for more reform, it would be a mistake to write-off the Japanese economy.

Japan still has numerous strengths that should serve it well in the new world economy: (1) a disciplined and highly skilled workforce, (2) abundant household savings that can be tapped for public and private investment, (3) a manufacturing sector and a system for technological innovation that has few global rivals, and (4) social cohesion at home – the necessary precondition for a healthy market economy.

At this point in time, it is tempting to think that the United States may have discovered the best system to deal with globalization. Indeed the practice of buying and selling goods and services on the “spot market” with an emphasis on price and profits not only fits well with American individualism, but also thrives in an era when a lot of commercial transactions can and will be conducted on the internet.

But it would be misguided to think that the American style of individualistic, spot-
market capitalism is inherently superior to the Japanese brand of "network capitalism." Even in this era of globalization and rapid technological change, I can see advantages to the Japanese practice of nurturing long-term business ties and developing technologically advanced and efficient small subcontractors. The Japanese business style might not be the best approach if the primary concern is price. But it makes a lot of sense if you are placing priority on quality, stability of supply, and customized product specification.

Moreover, the Japanese emphasis on the interests of corporate stakeholders as opposed to shareholders, on economic equality, on investment in human resource development, and on the integration of residential neighborhoods and commercial space might represent a more humane form of capitalism than the American one – one in which workers are often treated as just another commodity and the sense of community is being dissolved into outlet malls, suburban sprawl, and cyberspace.

Beyond the relative merits of American and Japanese capitalism is the issue of how to manage globalization at the international level.

One of the most troubling times for me since my arrival in Washington, D.C. was the twelve-month period after the Thai baht crisis in July 1997. In meeting after meeting, I was put off by the self-righteousness of many Americans who dismissed without much reflection Japanese ideas for how to deal with the East Asian economic crisis. I don’t mean to imply that Japanese proposals and initiatives were without flaws.

But the argument of many Americans that Japan should just concentrate on reviving its own economy seemed to me to be woefully simplistic. Certainly, it made sense to urge Japan to expand demand at home to compensate for the deflationary crisis in the region. But emergency measures were also needed to deal with the "credit crunch" in East Asia so that factories could resume production as well as to provide a social safety net for those suffering most from the crisis.

Some Japanese have argued that officials in Tokyo made the mistake of not pushing harder for an Asian Monetary Fund irrespective of the resistance from Washington. But for me, the greater Japanese error was not doing more back in the late 1980s to temper the American and European enthusiasm for capital liberalization in such countries as South Korea and Thailand – countries that did not have the regulatory mechanisms in place to prevent the most dangerous consequences of short-term international capital flows.

There are many lessons one can draw from the East Asian economic crisis. But the one I would like to emphasize is this: be wary of "market fundamentalism." What is unfortunate, however, is that there isn't a stronger Japanese voice in the international community to moderate this "market fundamentalism." I find it just amazing that the only major Asian intellectual challenge to American "aggressive liberalism" has
have been brought to our attention.

The importance of communication cannot be overstated. There is a need to improve communication and understanding among the various stakeholders involved. This requires more than just verbal communication; it necessitates the use of various tools and techniques to ensure that information is conveyed effectively.

Communication is the backbone of any successful organization. It helps in building trust, fostering collaboration, and ensuring that all team members are aligned with the same goals and objectives. Therefore, it is crucial to invest in improving communication practices.

One of the most effective ways to improve communication is through the use of technology. With the advent of digital communication tools, it has become easier to share information in real-time. However, it is important to strike a balance between traditional and modern methods of communication. The combination of both ensures a comprehensive understanding of the message.

In conclusion, effective communication is essential for the success of any project. By focusing on improving communication practices, we can ensure that everyone is on the same page, working towards the same goal. This not only leads to better outcomes but also enhances the overall productivity of the organization.
come from people like Singapore’s Lee Kwan Yew and Malaysia’s Mahathir with their advocacy of so-called “Asian values.” Where are the Japanese in this debate? Japan as the largest democracy and economy in East Asia should be articulating a “third way” that seeks to minimize the ill effects of global marketization while maximizing its benefits.

With globalization, some people believe that traditional security concerns about geopolitics and territory have become less salient. But when one looks at East Asia, nothing could be further from the truth. The dangerous military face-off between North and South Korea demonstrates the continuing importance of traditional military deterrence. Tensions across the Taiwan strait show that territory is something that people are still willing to fight and die for. Given this regional environment, the recent Japanese legislation implementing the 1997 US-Japan defense cooperation guidelines is certainly a step – albeit a modest one – in the right direction.

But as the recent crises in Bosnia, Kosovo, and East Timor have demonstrated, the concept of international security itself has indeed begun to broaden. As many have said, “national sovereignty” is becoming conditional. Sovereignty should not give a state the right to commit or to allow massive atrocities against people within its borders. When such atrocities occur, the international community has a moral imperative to try to rescue and assist refugees and other displaced persons, to stop genocide, and to end ethnic cleansing.

This evolution in international norms from the sanctity of national sovereignty to support for humanitarian intervention reflects in part the so-called “CNN effect” and the loss of geopolitical discipline that existed during the Cold War. But beyond these factors, I believe that this shift in norms represents one aspect of globalization. Despite the diversity of nations and cultures, human beings are increasingly beginning to see themselves as part of a common international community. And that is a very good thing.

But the problem lies in the fact that we don’t have good international institutions to legitimate and operationalize such interventions. The United Nations as is currently constituted is poorly organized and equipped to decide and handle such missions. Europe may have NATO, but what about the rest of the world? Simply relying upon a “coalition of the willing” with the United States as its core raises questions about legitimacy, not to mention questions about the American public’s willingness to assume such a burden. Furthermore, many countries do not support this shift in norms; some are even adamant in their opposition.

International security norms are most problematic during a transitional phase. We should remember the lessons of the last time that international security norms were undergoing substantial revision.
After the end of World War I, the great powers at the urging of the United States (in particular President Woodrow Wilson) were beginning to consider the end of imperial expansion and embrace the concepts of national self-determination and national sovereignty for non-Western as well as Western peoples. This effort culminated in the League of Nations and the Washington Treaty system.

One fatal flaw in this new regime was, of course, the fact that the United States did not join the international institution that its president helped to establish.

But the other terrible mistakes were the Western world’s unwillingness to codify the concept of racial equality and Washington’s passage of anti-emigration legislation that was clearly discriminatory.

At least in Japan, but probably elsewhere as well, this hypocrisy poisoned popular support for this emergent new order.

Therefore, in trying to forge a new international consensus on humanitarian intervention, we should be careful not to be hypocritical and self-righteous. Otherwise, I fear that this effort to forge a new consensus could degenerate into a conflict between the West and the rest.

Here Japan can play a critical role in urging prudence, balance, and moderation while being constructive and activist both to prevent and to stop mass atrocities. But to be a persuasive voice in this international dialogue, Japan must also become more willing to fulfill its collective security obligations as a member of the United Nations. In order to do so, this will ultimately require a clarification, reinterpretation or even revision of Japan’s postwar constitution. In this vein, I wholeheartedly support the move afoot in Japan today to address the constitutional question.

After observing the interaction between Japan and the United States over the last two decades, what has impressed me most despite all the changes is how much these two countries are still the mirror images of each other.

As Walter MacDougall and Kent Calder have aptly put it, the United States is a crusader state while Japan is a reactive state.

The United States is a country that is eager to tell other countries what to do, yet so hostile to the idea of having other countries tell it what to do.

By contrast, Japan is a country that on the surface seems so willing to bend to foreign pressure, especially American pressure; but paradoxically, even as it accommodates to this pressure, Japan effectively pursues its own interests with a surprising degree of autonomy.

The difference between America and Japan extends to how Americans and Japanese try to communicate.
One of the most enlightening recent works on Japan and the United States that I have read is a book written by my dear friend Haru Yamada, entitled *Different Games, Different Rules: Why Americans and Japanese Misunderstand Each Other*. Haru Yamada is a sociolinguist and a student of Deborah Tannen.

In this book, she argues that Americans practice “explicit communication” in which independence and an equal opportunity to express one’s own viewpoint are highly valued.

By contrast, the Japanese practice “implicit communication” in which interdependence and the consideration of others are highly valued.

To put it succinctly, Americans engage in “speaker talk,” while the Japanese engage in “listener talk.”

This divergence can cause problems when Americans and Japanese talk to each other.

While “Americans blame the Japanese speaker for being unable to articulate his point of view, … the Japanese blame their American audience for being unable to interpret what the speaker meant.”

In frustration, the American practicing “speaker talk” will ask the Japanese “How can you be so vague?”

Equally frustrated, the Japanese engaging in “listener talk” will answer “But you weren’t listening!”

At a time when the world is undergoing a revolutionary transformation and when there are no clear and easy solutions to the challenges this transformation has raised, I believe that the world’s two most economically and technologically advanced nations must talk seriously with each other on how to manage globalization.

It would be a shame if this conversation just deteriorated into the mutual cry of frustration: “You Just Don’t Understand!”

Therefore, what US-Japan relations needs most in this era of globalization is an America that listens and a Japan that speaks up.
One of the main challenges faced in America today is the imbalance in the economic system. Many Americans struggle to make ends meet, while a few enjoy significant wealth. This disparity is not only economically unsustainable but also socially unjust. It's crucial to address these issues and work towards a more equitable society.

In conclusion, America's future hangs in the balance. We must take decisive action to ensure that everyone has a fair chance to succeed and that our country thrives for all its citizens. The path towards this goal is not easy, but the rewards are immense. Let us work together to build a America that is truly inclusive and equitable for all.