CHAPTER ONE

INTRODUCTION

0. Introduction

The year 2002 constitutes an important milestone in U.S.-Japan alliance relations, as it marks the fiftieth anniversary of the implementation of the Japan-U.S. Security Treaty. The Japan-U.S. alliance relationship is arguably one of the most important bilateral relationships, not just for Japan and the United States, but also for the Asia-Pacific region and the world as a whole. First, it is a bilateral alliance between (a) former bitter enemies; (b) the victor and the vanquished of a world war; and (c) two nations that do not share a common historical and cultural background. Thus, various psychological, economic and security issues encumber this relationship and sometimes exacerbate the difficulties that arise. Second, the alliance provides more than just security for both nations. It is the foundation of a broader U.S.-Japan

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3 Japan, Germany, and Italy were defeated in the World War II. Japan established a bilateral alliance with the U.S., while Germany and Italy joined the North Atlantic Treaty Organization, which is a multilateral alliance. In a multilateral framework, relations between former enemies are more relaxed than in a bilateral one. Although the United States formed bilateral alliances with Taiwan, South Korea, and the Philippines in postwar Asia, those countries were not the vanquished in the Pacific War.
relationship.\textsuperscript{4} The Security Treaty signed in 1951 stipulates that both countries shall cooperate in political and economic matters.\textsuperscript{5} Third, during the Cold War, the alliance served as a cornerstone for the U.S. global strategy and containment policy against the Soviet Union and it remains a regional stability power in the post-Cold War era. Fourth, unlike traditional alliances such as NATO, the alliance lacks a substantive military structure.\textsuperscript{6}

In spite of some drawbacks and potential sources of tension, which could have weakened or even undermined the alliance, it has been in effect since 1952.\textsuperscript{7} It is evident that the emergence of the alliance was a response to the Soviet threat and, therefore, the Cold War was an important impetus for the stability and durability of the alliance. But the end of the Cold War and the collapse of the Soviet Union have made great impact on international relations in general, and, in particular, have brought great pressure to bear on the wisdom of continuing the U.S.-Japan alliance. However, trade conflict, which had initially been a rather simple trade dispute during the Cold War, was transformed into a direct clash on many fronts, bringing about a period of economic confrontation between severe rivals and, more dangerously, threatening the persistence of the security alliance. Therefore, with the massive shifts in international relations and the growing role of economics in enhancing national and international security, the future of the alliance has been called into question by


\textsuperscript{5} See Article II of the U.S.-Japan Security Treaty of 1951.

\textsuperscript{6} Unlike NATO or the U.S.-Korean alliance, the U.S.-Japan alliance does not have organization or procedure in place for consultation and implementation of joint military actions.

\textsuperscript{7} The Japan-U.S. Security Treaty was signed in 1951 and implemented in 1952.
many observers on both sides of the Pacific. Moreover, various initiatives, particularly from the Japanese, to revive the idea of a Neo-Coprosperity Sphere and build an Asian community may require rethinking about the nature of the U.S.-Japan alliance.

This study is an attempt to explore links between security and nonsecurity issues in U.S.-Japan alliance relations. It examines how the institutionalized alliance facilitates intraalliance cooperative endeavors in economic and trade issues; and how the security and economic interdependence between both nations will continue to be an important impetus for the maintenance of the alliance. It seeks to answer why the U.S.-Japan alliance relationship continues, as before, even after the end of the Cold War; and what the raison d'etre of the alliance is in the post-Cold War era and in the 21st century.

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4 For example, Edward A. Olsen stated that "it may be time to recognize that the U.S. and Japan have few security interests in common. Therefore, the U.S.-Japan Security Treaty should be replaced by a new treaty designed to adapt to the post-Cold War era and the 21st century." See Edward Olsen, "Defending the Japanese Challenge: Target Japan as America's Economic Foe," *Orbis: A Journal of World Affairs*, Vol. 36, Fall 1992, p. 498.


1.1. The Problem of the Study

Anarchy and uncertainty are the main features of international relations. However, states—the key actors in international politics—continue to incur international obligations in their relations with each other. The strength of these obligations varies from time to time. This raises the question of why do states incur such commitments and under what conditions does the strength of these commitments vary? A broader understanding of the impact of alliances on interstate cooperation in security and nonsecurity issues would contribute to answering such important questions. Therefore, the central research problem of this study is to find out how interactions between security and nonsecurity issues affect the strength of the alliance; and discover how the institutional characteristics of alliances themselves affect their durability. It actually deals with the problematic dialectical coincidence between security and nonsecurity issues and how the institutionalized or formal alliance affects interstate cooperative efforts in security, territorial and economic issues as selected case studies.

Another problem that the study deals with is how to predict states' behavior and future events in international relations. It is clear that current theoretical paradigms are inadequate in forecasting previous major events.

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11 It is necessary to note that anarchy does not imply chaos, but the absence of political authority or any central government. See Richard Little, “International Regimes,” in John Baylis and Smith Steve (eds.), The Globalization of World Politics: An Introduction to International Relations, Oxford Oxford University Press, 1999, p. 245.

12 For example, international relations theories failed to predict the end of the Cold War
1.2 The Objectives of the Study

The purpose of this study is to examine, theoretically and practically, how the U.S.-Japan alliance facilitates interstate cooperative efforts in security and nonsecurity issues; and to explore whether or not the alliance will remain a central component of the U.S.-Japan bilateral relations as well as of the Asia-Pacific security system in the post-Cold War era. Therefore, this study aims at:

(a) Exploring the relationship between security and nonsecurity interests and how they are linked and have mutual impacts on each other.

(b) Identifying the growing role of economic interests in reshaping and redefining the security relations between the U.S. and Japan; and examining the economic interdependence or integration between both nations and its impact on the future of their alliance.

(c) Examining the impact of the security alliance on interstate cooperative efforts in nonsecurity issues and explaining how the alliance has served as a political framework to facilitate cooperation, and moderate/resolve bilateral frictions between the U.S. and Japan, which emerge from time to time.

(d) Analyzing the domestic politics and international political structure of both states and assessing their interactions. Here, the focus will be on important security and nonsecurity issues that have emerged in the post World War II period and in the post-Cold War era. Subsequently, the study explores the emerging patterns of the two state's interactions.

(e) Exploring the U.S.-Japan alliance relations as a regional stability power and its implications for regional security arrangements.
In sum, the study seeks to explore incentives for and obstacles to cooperation between the U.S. and Japan in the foreseeable future. A broad understanding of the impact of the alliance on interstate cooperation would make a significant contribution toward answering (a) why states incur international obligations and (b) under what condition they keep or change their commitments.

1.3. The Significance of the Study

This study focuses on the U.S.-Japan alliance relations during and beyond the Cold War. The main concerns of the study are the links between security and nonsecurity issues in the U.S.-Japan alliance relations and the changing role of the alliance. Practically, there are two main reasons to examine this subject. First, the end of the Cold War and the absence of the common threat after the collapse of the Soviet Union have led to new perspectives concerning the U.S.-Japan alliance. Although leaders on both sides still have positive perceptions of the alliance, many Japanese and Americans have begun to question the viability of the alliance in post-Cold War era. Second, bilateral economic frictions between the U.S. and Japan, particularly in 1980s and 1990s, have seriously affected the durability of the alliance in the post-Cold War period. Since the mid-1980s, for example, the U.S. has grown increasingly frustrated with Japan's rising trade surpluses in the textile, automobile, TVs, and

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13 The study of the U.S.-Japan alliance relations has also a significant theoretical relevance as well as practical importance to an understanding of international relations theory and the international system.

machine industries. Then, economic frictions have become political issues that have significantly affected U.S.-Japanese relations.

When the Cold War emerged, the U.S. extended a helping hand to the Japanese economy and opened its market to Japanese products. At the same time, the U.S. was committed to defending Japan against external threats. However, Japan had no obligation to defend or support the U.S. militarily. In turn, the U.S. received rights in the security treaty to maintain bases in Japan. This feature remains in force today. As a result, Japan emerged as a main economic power in the beginning of the 1960s and as an economic superpower at the end of 1970s. The situation became worse when Japan achieved huge surpluses in her trade relations with the U.S. By the second half of the 1980s, the "little brother" had become so prosperous that it rapidly acquired key symbols of America, thereby furthering the U.S. perception that Japan posed a serious economic threat. Inevitably, the economic frictions between the two countries have become national issues involving the entire U.S.-Japan relationship. Nonetheless, the two countries have managed to resolve their economic frictions while maintaining strong security alliance. This is mainly because the alliance itself has served as a political framework for interstate cooperation in nonsecurity issues. During the 1990s, Japan's economy fell into a 10-year slump. The U.S., meanwhile, experienced an unprecedented business expansion. Therefore, the economic confrontation between the two rivals dissipated

18 "Big brother-little brother" relationship is often used to describe the U.S.-Japan relations.
quickly, and the U.S. stood again as the global economic leader. As the U.S.-Japan relations fluctuate, it is important to explore how the alliance could serve as a political framework for intraalliance cooperation in security and nonsecurity issue areas.

Theoretically, the U.S.-Japan alliance relationship is also important, because it provides opportunities to test competing approaches to international relations, particularly realism/neorealism\(^\text{20}\) and liberalism/neoliberalism\(^\text{21}\) as dominant approaches to international relations. According to realism, a multipolar instability, and hegemonic conflict between Japan and the U.S. are expected in post-Cold War era.\(^\text{22}\) Liberalism, on the other hand, argues that both countries are prepared and willing to enhance nonmilitary forms of cooperation particularly in the economic sphere, which represents an important impetus for both countries to strengthen and maintain their alliance. Thus, mutual interests and relative gains concerns may continue to be mitigated by the alliance. However, contradictions created by the alliance during the Cold War may undermine such an optimistic prediction. Whether or not the alliance can be transformed into a more equal partnership lies at the heart of the future evolution of the international system. Although both countries

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\(^{20}\) Realism refers to a perspective on international relations that focuses on the state as unitary and rational actor and on the actions and interactions of states. Realists attempt to understand patterns of conflict and collaboration under conditions of anarchy or lack of common government. Security issues are usually the most important for realists. National interests, power, and balance of power are key concepts for most realists. See Paul R. Viotti and Mark V. Kauppi, *International Relations Theory: Realism, Pluralism, Globalism, and Beyond,* Allyn and Bacon: Boston, 1999, p. 492.

\(^{21}\) Liberalism refers to a political ideology that emphasizes individual liberty to be achieved through a minimal state. In domestic and international economy, classical liberalism implies commitment to free market principles and unconstrained commercial activities. In contemporary politics, liberalism means enhancing individual rights and well-being through governments actions or governments programs- a substantial departure from the laissez-faire of classical liberalism. Ibid., p. 485.

reciprocally benefit from their relations, the alliance also renders both allies vulnerable to mutual exploitation on particular issues, as pointed out in the sharp criticism by realists on both sides. In addition, an exploration of the impact of alliances on interstate and intraalliance relations is also theoretically important.

Finally, this study, which develops an institutionalist framework to the U.S.-Japan relations, represents an explicit challenge to traditional realist approach to alliance relations, and it attempts to contribute to the contemporary dialogue between neorealism and neoliberalism theories of international relations by testing the relative virtues of these contending approaches. A theoretical understanding of the impact of security alliance on economic cooperation is still undeveloped. Yet, no study has been conducted for East Asia that systematically employs neorealist and neoliberalist approaches to predict the future of the U.S.-Japan alliance relationship in the post-Cold War era.

1.4. The Argument of the Study

As neorealism assumes, the U.S.-Japan alliance has emerged as a response to the new distribution of power following World War II, and the emergence of the Soviet threat. According to this assumption, the strength of the alliance relations depends upon the presence of a common threat. Conversely, this study argues that though the common threat to both nations was the main impetus for the emergence of their alliance, the strength and persistence of the alliance in the post-Cold War era depend not only upon the distribution of power or the presence of a common threat, as neorealists emphasize, but also upon the value both states attach to roles that the
alliance performs in facilitating intraalliance cooperation in security and nonsecurity issues. During the Cold War period, the U.S.-Japan alliance has evidently been shaped by mutual economic interests. As a result, economic interdependence becomes a major component of the alliance relations. Meanwhile, economic frictions emerged between both countries. No doubt that these frictions have been not serious and, therefore, have not weakened the alliance. This is because the alliance itself has served as a political framework to facilitate bilateral cooperation in economic issues.

Alliance norms and rules have indeed established standards of conduct around which expectations of both countries converged during transactions. Therefore, the use of coercive measures or strategies was not an option for both allies, particularly in issue areas with important security dimensions—which could weaken or even undermine the alliance. The alliance thus enhances expectation of positive interactions over the long-run. This means that the alliance will continue to serve as a political framework to facilitate interstate cooperation in security and nonsecurity issues. As such, this role prevents both nations from defecting, even though they have experienced serious economic disputes that in fact might not have been resolved in the absence of the alliance.

Based on this argument, economic issues and other bilateral stresses such as the American military presence in Okinawa are likely to be peacefully resolved in the years to come, as long as both nations' mutual relative gains concerns are prominent. Therefore, the future of the U.S.-Japan alliance relations will be determined according to (a) their mutual security and economic interests and domestic preferences; and (b) the redistribution of power among regional states and
across the international system. If the alliance continues to serve as a political framework for interstate cooperation in security and nonsecurity issues, creating repeated patterns of behavior and cooperation, then it is expected that both nations will maintain and enhance their alliance.

1.5. Review of Literature

The U.S.-Japan alliance relationship has been one of the most important contemporary relationships in the field of international relations for the past 50 years. No bilateral relationship in the world has been examined or given such attention as the U.S.-Japan relationship. Therefore, there are many studies of the U.S.-Japan alliance relations and a growing number of studies of the U.S. and Japan in the global economy. Most studies emphasize on the importance of the alliance for both nations. However, only a few scholarly studies have approached this case study from the direct perspective of international relations theory. In addition, none of the reviewed literature has employed a holistic approach that integrates the merits of all international relations theories in a cohesive manner, or even attempt to develop a macro-theoretical framework of analysis that can be applied to the U.S.-Japan alliance relations in particular, or to the study of international relations in general. As such, the review of literature covers the most recent and related studies that have been conducted on the U.S.-Japan alliance relations, particularly those approaching this relationship through employing international relations theory. But a comprehensive review of International Relations literature is conducted in the second chapter. The literature on U.S.-Japan alliance was chronologically reviewed.
Adopting a zero sum game theory, Tsuyoshi Kawasaki (1992)\textsuperscript{23} sees a zero-sum political struggle between Japan and the U.S. For him, the question of the U.S.-Japanese trade imbalance is less a trade policy issue and more a profound issue of restructuring the entire U.S.-Japan alliance relationship through trade payments. It is a political and economic problem of adjustment, with the U.S. asserting its economic sovereignty. He also sees an erosion of the alliance relationship under pressure from economic forces. Although Kawasaki succeeded in linking the economic frictions and the durability of the alliance relations, he completely ignores the impact of the Cold War period and the importance of the structural change in the international system on the strength or maintenance of the alliance relations.

Also applying a realist view of alliances, Hidekazu Sakai (1993) examines the characteristics and role of the Japan-U.S. alliance after the Cold War. He argued that the collapse of the Soviet Union forced both countries to reevaluate their security alliance. At the same time, he explores several factors that necessitate the maintenance of the alliance. Among these factors are China’s military build-up, North Korea’s nuclear program and economic interdependence. Although Sakai emphasizes that the alliance function has changed in the post-Cold War era, he has not explained how this function has altered. Although Sakai has developed a theoretical framework of analysis that is based on both realist and liberalist theories (particularly interdependence theory)\textsuperscript{24} he has, however, employed only realist assumptions while he completely ignored liberalist explanations. Employing virtues of both theories would contribute to developing a better understanding of the U.S.-


\textsuperscript{24} Hidekazu Sakai, Ibid., p. 6-14.
Japan alliance relations, particularly when examining or exploring links between security and nonsecurity issues.

Among the most significant studies that have been conducted on the U.S.-Japan security alliance after the Cold War is Courtney Purrington’s work of (1993). Purrington examines the impact of the U.S.-Japan security alliance on cooperation between the U.S. and Japan. Using a neoliberalist approach to international relations, Purrington concludes that alliances influence domestic preferences and positively contribute to resolving conflicts in issues where cooperation is important to maintain alliance commitments. He also concludes that both the U.S. and Japan have mutual interests in maintaining the alliance because first, it reduces uncertainty in an anarchic international system and, second, it enables both states to overcome their conflicts. Although this comprehensive work employs a neoliberalist explanations in most selective issues, it, however, underestimates the importance of neorealist approaches, which focus on the salience of a common threat in creating and maintaining alliances, and on relative gains motivations and power in explaining international bargaining outcomes. Moreover, Purrington fails to show how the international structures of power and the overall environment of the Cold War had influenced the U.S.-Japan alliance relations and interstate cooperation in economic and other nonmilitary issue areas.

Christine B. Wing (1996) explores the relationship between economic and security interests in the U.S.-Japan relations. In contrast to Purrington, Wing attempts to assess the usefulness of the realist and Marxist approaches for

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26 Ibid., pp. 583-595.
understanding the U.S.-Japan relations. Analytical approaches that are based in either the realist or Marxist tradition prove inadequate to understanding the reality of postwar U.S. policy toward Japan. In part this is because the relationship between economic and security issues changed in early postwar period. Moreover, with the shift in U.S. policy toward Japan, conceptions of security interests and policy became intimately connected to conceptions of U.S. economic interests. While U.S. policy was based upon perceptions about the danger posed by possible Soviet control over Asia's industrial potential, U.S. economic interests defined what constituted a desirable political economy for East Asia. Although Wing emphasizes the importance of economic interests for the maintenance of the alliance, he completely ignores the significance of liberalist assumptions in explaining interstate interactions in the U.S.-Japan relations. This may be justifiable because Wing's study covers the occupational period and the conditions that led to the emergence of the U.S.-Japan alliance. Filling this gap, Warren Homer Switzer (1997) covers the period from 1945 to 1983. Switzer examines how Japan becomes an economic superpower while avoiding military entanglements. At its core, Japan's national strategy was deeply integrated with the U.S. global strategy; each was part of and dependent upon the other for success. Examination of this relationship is significant because it reveals a pattern indicating that both countries had a precise understanding of the asymmetries of their relationship, and recognized the potential of extraordinary benefits, particularly from Japanese side. The importance of understanding this basic relationship of the asymmetries goes beyond the two partners since the relationship might be applicable to other situations.

A more systematic study of the U.S.-Japan alliance relations comes from Youl T. Paek (1997). Paek examines the U.S.-Japan relationship from 1945 to 1990 as an example of influence politics. He seeks to analyze the interactions of demand and concession between the two nations, dividing the period into three sub-periods. In the first period, 1945-1952, the U.S. enjoyed an overwhelming control over Japan. In the second period, 1953-1973, however, Japan began gaining strength in technology and economy, which enabled it to effectively influence the U.S. in certain issues, for example, in the case of the revision of the Security Treaty and the reversion of Okinawa to Japan. During the third period 1973-1990, the U.S. realized that many parts of the Japanese market had been closed and demanded that they be opened. This demand was obvious in most trade issues. This study is important because it explores and analyzes the politics of demand and compliance in the relations between the two nations through employing an analytical approach that is based on a framework of influence theory, which usually concentrates on unit and interaction levels while it ignores the other (regional or structural level), which is important to understand factors behind the strength of the U.S.-Japan alliance.

Recognizing the significant impact of regional structure on alliance relations, David L. Asher (1997) states that the definition of the U.S.-Japan alliance was grounded in recognition of external and internal threat to Japan’s security and stability. The external threat to Japan and American interests in the region was that of territorial and power-projection expansion by the Soviet Union. As this threat is gone, it is not likely, Asher argues, to be replaced by any other threat such as the much-touted “Chinese menace” anytime soon. This is because no power including

China has the capabilities to ensure regional stability or even the will to do so. Thus, according to him, it is essential that the bilateral alliance and the treaty framework upon which it is based be redefined to cope with the current and emerging external and internal threats. However, Asher was unable to show the most important external and internal issues that the alliance has to cope with.

Applying a more realistic approach to the Japan-U.S. alliance, Matake Kamiye also addresses the above question. Kamiye argues that the U.S.-Japan alliance is not outdated with the end of the Cold War because it serves as a basis of stable bilateral economic and security relations between the U.S. and Japan. Externally, it is a security framework that fits very well with the actual security setup of the post-Cold War Asia-Pacific. In addition to its role in facilitating economic cooperation, the alliance prevents Japanese re-militarism, which could undermine Japanese economic interests in the Asia Pacific region. In another article, Kamiya (2002) addresses the issue of nuclear option in Japanese thinking. He contests realist predictions and international suspicion that Japan might choose to pursue nuclear proliferation. Kamiya argues, instead, that Japan is not willing, interested, or able to become a nuclear power.²⁹

Although Matake provides us with very important insights of the U.S.-Japan security alliance, and Japan’s foreign policy in post-Cold War era, he, however, underestimates the significance of the realist assumption that any country will seek to acquire a strong military capability to achieve security autonomy once it achieves

economic affluence.\textsuperscript{30} It is true that Japan has maintained the remarkably self-restrained military posture of defense—even after becoming an economic superpower. But, adopting autonomous security policy through gradual military build-up is still a real option for Japan,\textsuperscript{31} particularly if the U.S. reduces its military presence in Japan, which seems to be possible under the growing public pressure against the American presence in Okinawa. Furthermore, the nuclear choice will remain an option for Japan “when and if the country feels its survival is threatened by a foreign military power, or if international tension is intensified.”\textsuperscript{32} Therefore, with the anarchic nature of the evolving international system and the diffusion of uncertainty in international relations, all options, including nuclear choice or/and autonomous policy, are open.

Likewise, Frank Umbach (2000)\textsuperscript{33} argues that the U.S.-Japanese security alliance played an important role, not only for economic and security reasons, but also for its contribution to regional and international stability.\textsuperscript{34} Also adopting a realist view of international relations, Umbach emphasizes that the raison d’etre of the U.S.-Japan security alliance began to weaken with the collapse of the former Soviet Union. He therefore concludes that both the U.S. and Japan have to demonstrate that the maintenance of their alliance is to enhance regional stability and boost economic cooperation, and not to contain China. Although recent events indicate that the Japanese role is growing within the alliance, he expects that Japan


\textsuperscript{31} Diplomatic Bluebook 2002, Ibid., pp 91-96.

\textsuperscript{32} Matake, 2002, Ibid. p. 63.


\textsuperscript{34} Ibid p. 112.
will continue to remain a reluctant power.\textsuperscript{35} No explanation is given to how Japan will become a more equal partner for the U.S.

While Umbach emphasizes that Japan has benefited more from its alliance with the U.S., Murata Koji (2000), however, contends that the U.S.-Japan alliance has equally been beneficial for both nations and neither side has been able to find a realistic alternative to it.\textsuperscript{36} He argues that under U.S. military protection, Japan has enjoyed great economic prosperity. Due to its economic strength and financial sharing in regional and global American policies, Japan, he adds, should take a more active role in the alliance. This can be done within the framework of the new guidelines of 1997.\textsuperscript{37} A more recent study on the U.S.-Japan alliance relations comes from Akio Watanabe. Using a historical approach, Watanabe sees that the alliance has been, and remains, a bilateral relationship but in substance it possesses strong multilateral characteristics going beyond the defense of Japan and the U.S. to encompass functions of regional security and economic cooperation.\textsuperscript{38} According to him, the alliance enhances Japanese and American economic and security interests and can be more beneficial for both nations if the U.S. and Japan are willing to bring China and other regional states as "insiders" in the U.S.-Japan grouping. In this way, the alliance will be the starting point of the formation of a new regional security arrangement.\textsuperscript{39} Focusing more on U.S.-Japan economic relations during the last 50 years, Mitoji Yabunaka (2001) sees that the overlapping economic interests between the U.S. and Japan, which have influenced the alliance during the Cold War, will be

\textsuperscript{35} Ibid. pp. 148-149.
\textsuperscript{37} Ibid. p. 35.
\textsuperscript{38} Akio, Ibid. p. 187.
\textsuperscript{39} Ibid. p. 186-187.
an important impetus for the strength of the alliance in the post-Cold War era.\textsuperscript{40} Just like Akio, Yabunake emphasizes the importance of China as a huge market for the U.S. economy, which represents a strong incentive for the U.S. to strengthen its relations with China and think seriously about bringing China to a regional security arrangement, which of course is likely to affect U.S.-Japan alliance relations.\textsuperscript{41} However, Yabunake did not explain how Japan would respond if China becomes number one American partner in the region. This perception is expected to force Japan to focus more on its relations with other Asian countries including China. However, Ezra F. Vogel (1998, 2000)\textsuperscript{42} concludes that although Japan is likely to emphasize strengthening relations with Asia, it is aware that its major economic and security interests lie with the U.S.

These are the most recent and related works that have been conducted on the U.S.-Japan alliance relations. It would be useful to ask what the existing approaches and the existing case studies have failed to achieve. First of all, they fail to explain how a number of important changes in the international systems of politics and economics have brought about changes at other levels of analysis, including nation-state level, which could bring about changes in American and Japanese policies concerning their alliance. On the other hand, the existing literature in many cases turn out to be more successful in explaining how a number of distinct factors, internally and externally, had direct impacts on behavior of the U.S. and Japanese

\textsuperscript{40} Mitoji, Ib. ldp. pp. 189-191.
\textsuperscript{41} Ibid. p. 201.
governments when dealing with security and nonsecurity issues. A few studies have been able to demonstrate how these distinct and direct factors will be related to any broader changes in the U.S.-Japan alliance in the future. Generally, the literature has also been slow to keep up with actual events on the global stage. For example, before the 1990s, trade problems were treated as simply a problem that could generally be left to trade experts or officials, but since then, trade frictions have become inextricably interwoven into almost all of the other major issues of international politics, including nationalism, national security, and development issues.

In addition, the existing literature has tended to emphasize either external factors or internal factors but has failed to draw the important linkages between external and internal factors. Basically, in the field of IR theory and in writing about cases such as the U.S.-Japan alliance, researchers have had great difficulty in addressing what appear to be various competing angles of inquiry—external/internal, systemic/unit-based, and so forth.

To illustrate the dilemmas that this field faces, one might start off by taking an inventory of distinct factors that have significantly influenced the U.S.-Japan alliance relations, either directly/indirectly, internally/externally, at the micro-level or macro-level, and so forth. A large list of factors could readily be produced from existing studies and existing information. The listings below illustrate some of the more obvious factors that affect the U.S.-Japan alliance relations. They are organized according to the levels of analysis used in international relations and adopted as levels of analysis for the organic systems approach. They can be also organized according to other categories, such as political and economic, among others:
Nation-State/Unit Level

1. Change of government perceptions and strategies.
2. Change in foreign policy goals and strategies
3. Change in economic interests, strategies and conditions
4. Public opinion.

Structural Level:

1. Change in the structure of the international system or in geopolitical arrangement. (Cold War bipolarity to multipolarity)\(^{43}\)
2. Change of international economic conditions (greater levels of interaction).
3. Change in political/economic priorities of foreign powers (containment to cooperation).
4. Change in levels of technology (increasing communications and the like).
5. Change in global economic conditions.
6. Change in relations with neighbors or regional states (increased cooperation, for example with China and ASEAN).

Deciphering which ones are most important is a difficult task. An even more difficult task is to decipher how these different factors interact with each other and what the implications of these interactions are, specifically with respect to the behavior of the nation-state. For example, how important was the geopolitical shift from Cold War bipolarity to multipolarity? How did this shift influence changes in both countries' perceptions of the alliance?

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\(^{43}\) Bipolarity indicates the condition of having two poles as when the distribution of power or capabilities in international relation is said to be bipolar.
Likewise, traditional realist theory of international relations and new theories of international cooperation yield only partial explanations. As of yet, no studies have successfully synthesized the broad array of influences and their interconnections in order to further the understanding of the interaction dynamics of U.S.-Japan alliance. A more comprehensive, macro-theoretical approach (including a framework and a methodology) is needed to gain a more insightful understanding.

1.6. Institutional Framework of the U.S.-Japan Alliance Relations

The basis of Japan-U.S. relations is the alliance based on the Treaty of Mutual Cooperation and Security between Japan and the U.S. (the Japan-U.S. Security Treaty).44 Accordingly, the U.S.-Japan relationship is a formal alliance because it is based upon treaty commitments, which define the circumstances under which a promise of security assistance is expected to enter into force. Formal treaty obligations in fact prescribe certain patterns of behavior and actions.

The Japan-U.S. Security Treaty was signed on September 8, 1951 in San Francisco. On January 19, 1960, this treaty was revised as “The Treaty of Mutual Cooperation and Security between Japan and the United States”. This treaty represents the core of the U.S.-Japan alliance relations. It was a major component of the U.S.-Japan alliance in the Cold War and it is still valid today. The importance of this treaty is that it represents an institutional framework for cooperation between the U.S. and Japan in security and nonsecurity issues. Therefore, it is essential to briefly review it here.

Article V of the Mutual Security Treaty established the U.S. obligation to defend Japan against external threats:

Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes. Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of Article 51 of the Charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security. (Article V)

Articles III and IV serve as the basis for a highly institutionalized alliance relations as it sets apart the U.S.-Japan alliance from even most formal alliance in history. In such alliance relations, institutionalized alliance can facilitate cooperation on high politics issues such as the exchange of military technologies and sharing of military information:

The Parties, individually and in cooperation with each other, by means of continuous and effective self-help and mutual aid will maintain and develop, subject to their constitutional provisions, their capacities to resist armed attack. (Article III)

The parties will consult together from time to time regarding the implementation of this Treaty, and, at the request of either Party, whenever the security of Japan or international peace and security in the Far East is threatened. (Article IV)

These normative elements actually routinize certain transactions and bargaining between both countries and allow them to respond more quickly to crisis threatening their alliance relationship.
Article XXIV of the attached agreement creates the structure for financing the maintenance of U.S. military forces deployed in Japan. According to this article, Japan must finance the military functions and the U.S. must pay for all other military expenses.

The basic political framework for cooperation for the U.S.-Japan alliance is based upon the preamble and Article II of the Mutual Security Treaty. It was designed to promote ideological solidarity and economic interdependence between both parties:

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between them.\(^4\text{5}\) (Article II)

This clause is very important for both parties as it promotes economic cooperation and limits different types of conflicts that could pose a threat to the maintenance of the alliance. Therefore, the clause reflects a recognition of the synergistic effect between security and nonsecurity bonds, and the shadow for future peaceful cooperation between both countries.

1.7. The Methodology of the Study

The need for a suitable methodology requires understanding theory as an intellectual construct that helps the researcher to select facts and interpret them in such a way as

to facilitate explanation and prediction regarding a particular phenomenon. Thus, the best theories are those that lead researchers to ask new questions. International relations in general and interstate security and economic interactions in particular are usually reviewed by examining realist and liberalist theories.  

Both perspectives provide a theoretical framework for understanding the security and economic policies of the two countries in the post World War II era as well as in the post-Cold War period. They also offer different assumptions to understand how states act and behave in their relations with each other, and why they incur, keep and change their international obligations.

Realist theory is argued to be the most relevant in analyzing the strategic importance of the U.S.-Japan alliance. Liberalist theory, on the other hand, is the most appropriate to examine issues in economic relations, which also affect security policies. Thus, to understand the reality of the U.S.-Japan alliance relations, both theories are applied. Though both approaches offer important explanations for interstate interactions, they are, however, insufficient to effectively help accomplish the broader objective of this study. Therefore, the study develops a macro-theoretical framework of international relations that is directly derived from the existing theoretical approaches. Using this approach as a basis of inquiry, the researcher develops an institutional framework that may be the best theoretical framework to

understand the U.S.-Japan alliance relations and achieve what was previously not achieved with the existing theoretical approaches.

In order to establish the argument developed from an institutionalist approach to alliance relations, the study examines how the U.S.-Japan alliance facilitates interstate cooperation in security and nonsecurity issue areas. The phenomenon to be explained is therefore variations in bilateral cooperation between the U.S. and Japan in various issue areas. Thus, cases of cooperation in security and nonsecurity issues are examined to identify the conditions and factors that account for the variation in the outcome. International relations theories adopted by the study—neorealism and neoliberalism—are evaluated and subjected to refinement and elaboration. In order to assess the impact of the alliance on U.S.-Japan relations and establish the argument drawn from neoliberal institutionalist theory, the study employs a focused approach of neorealist and neoliberalist assumptions which (a) deals with certain aspects of historical events and issues and (b) employs a set of questions to guide data collection and analysis. Actually, the main issues examined in this study provide opportunity to assess and elaborate on theories of international cooperation.

1.8. The Scope of the Study

In order to examine the relationship between security and economic interests in U.S.-Japan relations and assess the impact of the alliance on interstate cooperative efforts in security and nonsecurity issue areas, this study examines two issue areas in U.S.-Japan alliance relations since 1945 till 1997. This mainly involves territorial and economic issues, ranging from high politics to low politics issues during and after
the Cold War.\textsuperscript{47} (1) territorial, defense and burdensharing issues as high politics issue areas, 1945-1985; and (2) economic and trade frictions, 1985-1997. These issues are traced according to their dates in order to explore how security and economic interests have shaped the alliance and, therefore, demonstrate variations in the influence of the alliance on interstate relations during the Cold War period and in the post-Cold War era.

1.9. The Organization of the Thesis

This study is divided into six chapters:

Chapter I is a comprehensive introduction to the study. Chapter II is an overview of the existing theoretical approaches in the field of international relations. In this chapter, all examined approaches are shown to be only partial explanations that are incapable of drawing together the complexities of the study at hand. Subsequently, an attempt is made to establish a more cohesive approach of inquiry in international relations and its various levels are examined in detail. At the same time, an attempt is made to develop an institutionalist theoretical framework to alliances, from which the institutional framework of the U.S.-Japan alliance was explored.

Chapter III examines the origins of the U.S.-Japan alliance relationship and how the interactions between economic and security interests have shaped the alliance during the Cold War period. It examines the impact of the alliance on the main issue areas during the Cold War, with special attention to the territorial issue, which was the major conflict between the U.S. and Japan during the Cold War. It

\textsuperscript{47} High politics refers to matters of security, particularly the strategic interests of states. Realists have tended traditionally to draw a distinction between such high political concerns and those dealing with socioeconomic or welfare issues of lesser interest to statesmen, the so-called low politics.
discusses, primarily, the U.S.-Japan relations before the emergence of their alliance in 1951, the U.S. policy toward Japan after the World War II, the 1951 Security Treaty, the 1960 Mutual Security Treaty, the Okinawa reversion, the Vietnam War and its impact on the alliance relations, and the burdensharing concept. It also analyzes the intertwined economic and security interests in the U.S.-Japan alliance relations. Chapter IV explores the structural transformation in the U.S.-Japan economic relations and addresses the most significant economic and trade issues which have emerged after the end of the Cold War. It also analyzes, theoretically and practically, the intertwined economic and security national interests and assesses the impact of the alliance on facilitating cooperation in economic and trade issues.

Chapter IV applies the analytical framework described in Chapter II to interstate interactions of the U.S. and Japan, and explores the future of the U.S.-Japan alliance relations. It also explores various roles both countries attach to their alliance and examines the most significant stresses and frictions that need to be addressed between the U.S. and Japan. In Chapter V, both neorealism and neoliberal assumptions and expectations are applied to the implications of the U.S.-Japan alliance in the Asia Pacific region. It explores the possibility of creating a multilateral cooperation framework in the Asia Pacific region.

In the conclusion, a summary of the study’s findings is provided on the U.S.-Japan alliance relations and some thoughts are offered on what might be expected in the future.