Japan’s ‘Pivot’ Perspective: Reassurance, Restructuring, and the Rebalance

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Japan has been a strong supporter of America’s ‘pivot’, or ‘rebalance’, to the Asia-Pacific. Why has it responded in such a way? Japan’s established position in the region naturally makes it a keen supporter of the status quo and thus of the US-led order. Yet this does not fully explain Japan’s support. This article contends that to understand Japan’s position, it is necessary to more closely consider how Japan views the rebalance’s probable strategic benefits and costs. In fact, increasingly difficult Sino-Japanese relations have led Japan to reassess such costs and benefits, with Japan becoming more anxious to ensure that the United States continues to provide strategic reassurance to the region, even if this means that Japan is required to restructure its own security role in return. In turn, Japan’s security restructuring has important implications not only for its national security but also for wider regional stability.

Japan has proved a key supporter of America’s ‘pivot’, or ‘rebalance’, to the Asia-Pacific. Of all America’s allies and partners in the region, Japan has arguably adopted the most proactive response to America’s strategic readjustment. Prime Minister Shinzō Abe, speaking in the United States in April 2015, stated that Japan’s policies would “complement” the US rebalance and that Japan supported America’s rebalancing efforts “first, last, and throughout”.1 More importantly, what Japan has done thus far in putting its promises into practice represents a major shift for the country’s security policy, and challenges many of the accepted norms of Japan’s defence politics. The country’s prohibition on collective self-defence and its self-image as a “peace state” with a restricted defence force are just two key examples.2

What has driven Japan’s response to the pivot? As an established great power, but one that is declining in relative position, Japan is a wholeheartedly status quo power. Its main security preference, therefore, is

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for the US-led ‘San Francisco’ order based on America’s alliances and partnerships, especially the US-Japan alliance, to be maintained throughout the region. Japan’s response to the rebalance stems from a basic assessment that the rebalance represents the most advantageous way for Japan to maintain its preferred regional order. Still, in preferring the San Francisco order, Japan is not unique. Many countries in the Asia-Pacific currently face the challenge of adapting to a more contested regional order.

In order to explain why Japan has been shifting its own security posture in conjunction with the rebalance, this article argues that it is also necessary to examine how Japan perceives the likely strategic benefits and costs of the rebalance in the context of its particular strategic challenges.

Japan faces an increasingly problematic relationship with the main challenger to the regional order, the People’s Republic of China. Because of this, Japan has come to view its security challenges as especially acute. This strategic apprehension has, in turn, reshaped how Japan views the costs and benefits of supporting the rebalance and pursuing a greater security role in the region. For Japan, the rebalance offers a new security compact with the United States: a reinvigorated US commitment to Japanese security (reassurance) in return for Japan assuming this more active security role in support of the American-led order. This compact represents a wider version of the ‘trade-off’ central to the realignment of the US–Japan alliance, especially since the 1990s, which is based around the United States updating its security guarantee to Japan (reassurance) in return for Japan upgrading its role in the alliance (greater burden-sharing).  

In making this argument, the article proceeds in three stages. First, it lays out the evolution of Japan’s strategic environment in the decade leading up to the rebalance, with an emphasis on how Japan has sought to adapt its own security posture to meet the uncertainties of this era. It then explains how the particulars of the rebalance have been perceived in Japan, especially in terms of the implications of the rebalance’s military dimension for Japan’s own security role. Finally, before concluding, it shows how Japan has responded in practice to the rebalance in terms of reforming its own foreign and defence policies.

**Japan’s Strategic Background**

Japan’s strategic thinking in the early 2000s was the product both of the global events in this period, notably the terrorist attacks on the United States on 11 September 2001, as well as Japan’s struggles in the 1990s to develop a new international role. The end of the Cold War had presented a number of strategic challenges to Japan. The country’s previous strategy—what came to be known as the Yoshida Doctrine—had been to focus on economic

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development and rely on the alliance with the United States for security.\textsuperscript{4} In the post-Cold War period, however, such a low-key approach seemed unsuited to Japan’s ambition of becoming a leading nation; it also failed to protect the country from American criticism of Japan as a security ‘free rider’, especially in the wake of the 1991 Gulf War and American criticism of Japan as only capable of “checkbook diplomacy”.\textsuperscript{5}

Japan’s response came in the form of its ambition to be a “normal nation” (\textit{futsû no kuni}). This meant taking on more great-power responsibilities and being more active in international institutions, especially through the United Nations (UN). Key proponents of this ‘new normal’ pushed for a globalist vision of Japan whereby past restrictions on action abroad would be loosened so long as Japan worked within the UN framework.\textsuperscript{6} This globalist vision was challenged, however, by security tension in Northeast Asia during the 1990s (e.g., by the 1993-94 North Korean nuclear crisis and the 1998 North Korean missile crisis), leading Japan to cooperate further with the United States to revitalise the alliance. This approach was also undermined by Japan’s diplomatic failures at the UN in the late 1990s, especially in pursuing sanctions against India and Pakistan over their 1998 nuclear tests.\textsuperscript{7}

The events of 9/11 further weakened the globalist approach. Japan now faced a security environment characterised by new asymmetrical, non-state threats. At the same time, the United States was engaged in conflicts in Afghanistan and Iraq and sought contributions from allies and partners. Accordingly, Japan shifted emphasis from multilateralism back to US-centric bilateralism and from a globalist vision of the nation’s security role to a revisionist one. Conservatives within the Liberal Democracy Party (LDP), led by Prime Minister Jun’ichirō Koizumi, began to revise Japan’s postwar security posture, beginning with its capacity to assist the United States and moving to a reform of Japan’s own institutions. Japan now became a player in the US ‘war on terror’, supporting the US military in the Indian Ocean and, eventually, providing Self Defense Forces for humanitarian operations in Iraq.\textsuperscript{8} Japan also became a more active player in the alliance, cooperating


\textsuperscript{5} Michael J. Green, \textit{Japan’s Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power} (New York: Palgrave, 2001), p. 17.


with the United States on ballistic missile defence and engaging in a broader integration and ‘realignment’ of alliance capabilities.9

This new revisionist approach to national security was shaped, therefore, both by ideology and the regional environment. Ideologically, Koizumi pursued a security agenda that sought to refashion the normative framework of Japan’s security politics to ensure that it became more open to a wider security transformation.10 Koizumi’s successor, Abe, was even more committed to this reorientation of the country’s security politics, as demonstrated by his wish for a “recovery of independence” for Japan and his pursuit of constitutional reform.11 In terms of the regional context, Japan’s relations with China came under increasing strain. Although the trade relationship prospered, on the political front Japan began adopting a more hardline stance on history issues and a strategic posture centred more on balancing China.12 In fact, the two sides had already begun to compete more for diplomatic influence around Asia, while also engaging in disputes over resource exploration in the area surrounding the disputed Senkaku (or Diaoyu) Islands.13

The nature of both factors—domestic ideology and regional security context—did shift in the late 2000s, however. In Japan, the electoral victory of the Democratic Party of Japan (DPJ) in 2009 meant that the ideological drive of Koizumi, which had already slowed after Abe stepped down in 2007, stalled entirely. The DPJ-led government under Yukio Hatoyama sought instead to adopt a strategy based around multilateral institutions: for example, it proposed an East Asian Community initiative to further regional

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10 Samuels, Securing Japan, pp. 74-77; Envall, ‘Transforming Security Politics’.
relations. Hatoyama’s key idea was the concept of yūai (fraternity) through which Japan would engage with the region “as a nation located in Asia” (Ajia ni ichi suru kokka toshite), and act “as a bridge between China and the US.” This represented a type of Asianism based in no small part on the globalist thinking of the 1990s. On the China front, Abe and his immediate successors in the LDP had already sought to improve the relationship; when the DPJ gained power, it too pursued improved relations with China. A delegation of more than 500 DPJ politicians and officials travelled to China in late 2009 in an attempt to improve relations and build closer ties between the DPJ and the Chinese Communist Party.

Yet these shifts proved transient, with two factors in particular shaping their demise. On the one hand, Hatoyama and the DPJ’s Asianist-style vision of a more autonomous Japan and a more equal alliance combined with the new government’s inexperience to damage relations with the United States. At times during early 2010 it seemed that the alliance might be about to fall apart. On the other hand, the DPJ’s attempts to improve relations with China were undermined by the security crises that occurred in the region during 2010. In particular, the ramming of a Japanese Coast Guard vessel by a Chinese fishing boat in September led to diplomatic tensions and China restricted the export of rare earth metal exports to Japan. The chances of improving relations with China were significantly diminished. The Japanese government’s hope to act as a regional bridge

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disappeared. Instead, Japan quickly returned to the traditional bedrock of its strategic approach—the bilateralism of the US alliance.

**Japan's Perception of the Rebalance**

Japan’s strategic context at the time that President Barack Obama announced America’s ‘pivot’ to the Asia-Pacific in November 2011 was therefore one of considerable uncertainty, in terms of both the regional security environment and the alliance itself. The United States announced the rebalance even as Japan was already reorienting its strategic outlook in response to changing regional challenges. In particular, Japan had foreshadowed a major strategic readjustment in its ‘National Defense Program Guidelines’ (NDPG) released in December 2010. From Tokyo’s perspective, as Tomohiko Satake and Yusuke Ishihara note, these policies fitted with, and automatically contributed to, the US rebalance strategy.

The major factor shaping Japan’s strategic rethinking at this time was the deterioration in Sino-Japanese relations. Japanese policymakers and analysts now saw China as engaged in a “form of creeping expansionism”; its tactics were “intended to intimidate” and constituted overbearing or “coercive behavior” (iatsuteki na furumai). Obtaining a higher level of security reassurance from the United States had become a policy priority. Japan itself had in part contributed to this problem. The former nationalist Governor of Tokyo Shintarō Ishihara had played a prominent role by campaigning to purchase islands in the Senkaku chain. This prompted the DPJ-led government to nationalise the islands, which in turn caused further diplomatic problems with Beijing. China had become increasingly assertive on the territory issue and further incidents, such as when Chinese frigates attached their radar onto Japanese ships near the disputed islands, intensified Japan’s perceptions of China as a threat.

However, the decline in Sino-Japanese relations cannot simply be attributed to individual incidents or issues, such as the tensions surrounding the Senkakus. First, Sino-Japanese relations had already deteriorated before the events of 2010. Second, China’s post-2010 assertiveness has not been

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20 Envall, ‘Clashing Expectations’, p. 73.
limited to its relations with Japan, but included disputes with Vietnam, the Philippines, and others.  

Third, Sino-Japanese strategic rivalry has not been limited to the East China Sea: increased competition between the two powers has now existed around the Indo-Pacific for some time. Overall, this shift has resulted in a hardening of Japan’s negative perceptions of China. Japanese analysts increasingly focus on China’s “new assertiveness” and believe that it shows “little room for compromise”. Indeed, the view of the Japanese Ministry of Defense is that China is attempting to change the regional status quo “by coercion based on its own assertions incompatible with the existing order of international law”. In this context, the US rebalance has offered reassurance to Japan across political, economic, and military dimensions. As President Obama explained in November 2011, the United States, “as a Pacific nation”, would play a “long-term role” in shaping the region in “close partnership” with friends and allies. Similarly, US Secretary of State Hillary Clinton argued that a key task for US foreign policy was to “lock in a substantially increased investment … in the Asia-Pacific region”. This initial ‘pivot’ would become a ‘rebalance’ as it became clear that the pivot concept raised questions as to where the United States was pivoting from and criticism that it implied the United States had at some earlier point disengaged from Asia. Nevertheless, as Georg Löfflmann explains, the rebalance remains, in essence, a “geopolitical refocusing” intended to fortify American engagement

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with, and protect American leadership in, the Asia-Pacific. Reassurance, therefore, sits at its core.

The military dimension of the rebalance has received much attention and been particularly important to Japan. Yet each of the three broad military goals outlined by the United States—revising its own strategic posture towards the region; strengthening its key security partnerships in the region, especially its alliances; and building up its security capabilities in the region—has presented Japan with challenges as well as opportunities. The act of juggling not always consistent goals has led to Japanese concerns that this goal of reassurance may be diluted. How would the United States be able to diversify its strategic posture without undermining its commitment to key partnerships? Japanese analysts have understood this challenge from the outset. Satake observed in 2012 that US defence cutbacks, in that they could lead to a decrease in US deployments in the region, might send the message that the rebalance was targeted at burden-sharing—having allies and partners do more for their own security—as well as, or rather than, reassurance.

This has in turn created policy dilemmas for Japan. On the one hand, Japan wants reassurance that the rebalance would not affect America’s security guarantee as part of the alliance. This has played out in the form of repeated calls for the United States to publicly confirm that the Senkakus did indeed come under the provisions of the US–Japan Security Treaty. On the other hand, Japan has hopes for further realignments to the US–Japan alliance, especially on the issue of America’s military presence in Japan. The transfer of US Marines from Okinawa to Guam and elsewhere contributes to a force posture “more geographically distributed, operationally resilient and politically sustainable”. But it also implies a drawdown in America’s presence, which could leave a ‘power vacuum’ in Northeast Asia.

34 For instance, see Michael Green, Kathleen Hicks, Mark Cancian, Zack Cooper and John Schaus, Asia-Pacific Rebalance 2025: Capabilities, Presence, and Partnerships (Washington, DC: Center for Strategic and International Studies, January 2016).
To fill this vacuum, Japan would have to continue developing its own island defence (tōsho bōei) policy for the country’s south-west islands (e.g., the Senkakus).\(^{40}\)

Decisions made with respect to one area of the rebalance, therefore, can easily intrude into and even undermine other areas. For Japan, developing policies to offset such problems has become a priority. Japan's perspective of the rebalance, therefore, is that while the United States is indispensable, Japan is also integral to its success. As Minister of Defense Itsunori Onodera noted in 2013, “the rebalance cannot be realized without cooperation by its allies and partners”.\(^{41}\) Indeed, US officials may also be coming to the view that Japan has become America’s “most trustworthy” ally in the region.\(^{42}\)

Japan’s ambition to offset weaknesses in the rebalance has been present from its inception. In 2012, for example, as the United States and Japan made their Marines relocation announcement, they also stated that the “deterrence capabilities of the Alliance would be strengthened through Japan’s efforts” as well as through bilateral efforts aimed at “dynamic defense cooperation”.\(^{43}\) Dynamic defence cooperation would encompass bilateral cooperation across a number of key areas, including: joint training; joint intelligence, surveillance and reconnaissance activities; and the shared use of defence facilities.\(^{44}\) Japan has also subsequently raised questions about America’s capacity to allocate sufficient resources to the rebalance in order to boost its capabilities in the region.\(^{45}\) As Ken Jimbo observes, America’s dual commitments to reducing the role of nuclear weapons while also maintaining extended nuclear deterrence inevitably worries allies such as Japan. Japan’s opposition to any move on America’s part to a “no first use” policy can be understood in this light.\(^{46}\)

Finally, although the military dimension of the rebalance has been a central concern to Japanese policymakers, the economic and diplomatic dimensions have also had some impact. Undoubtedly, the Trans-Pacific Partnership (TPP) is a key piece in the economic dimension of the rebalance, with US

\(^{40}\) Satake and Ishihara, ‘America’s Rebalance to Asia’, p. 13.


\(^{42}\) Michael J. Green, Peter J. Dean, Brendan Taylor and Zack Cooper, ‘The ANZUS Alliance in an Ascending Asia’, Centre of Gravity Series, no. 23 (Canberra: Strategic and Defence Studies Centre, Australian National University, July 2015), p. 7.


officials viewing it as another pillar to strengthen the integration of the United States with its allies and partners in the region. 47 Economically, Japan has come to understand the rebalance chiefly in the context of the TPP and its geoeconomic and geostrategic implications. Although initially reluctant to join the TPP, Japan views it as a means to constrain China’s emerging economic leadership in the region, maintain America’s leading role, and potentially even restore somewhat Japan’s own position as a regional economic leader. 48 Diplomatically, Japan has viewed the rebalance as complementary to its own ideas of engaging more actively across the Indo-Pacific region, but especially in Southeast Asia. Jimbo argues that maintaining the sea lanes through East Asia, and over the East and South China Seas, is particularly important for Japan, both commercially and strategically. 49 Consequently, the role of the Association of Southeast Asian Nations (ASEAN) as a key player in cooperating on mutual interests in Southeast Asia is also vital.

Japan’s Response to the Rebalance

How has Japan sought to resolve these challenges as it responds to the rebalance? Japan’s strategic restructuring began almost immediately following the downturn in relations with China in 2010 and were carried out by the DPJ-led government. These early changes were incremental rather than transformational and were intended to build on previous policy developments, such as the changes outlined in the 2004 NDPG. The DPJ did not mean to take on controversial reforms to Japanese security institutions, such as revising Article 9 (the peace clause) of the Constitution. 50

The importance of the 2010 NDPG centred on its introduction of the “Dynamic Defense Force” (DDF) and “gray-zone” concepts along with its emphasis on increasing cooperation with the United States and responding to attacks on “offshore islands”. 51 The DDF concept planned to restructure the Self Defense Forces to ensure their future capabilities were focused around greater versatility, flexibility and mobility. The idea of ‘grey-zone’ disputes referred to those conflicts that did not necessarily meet the traditional definition of war but which involved substantial conflict beneath this level and which could easily escalate into a war-like conflict. Also significant was the ambition laid out in the 2010 NDPG to restructure the Self Defense Forces in order to strengthen its functions with a view to dealing

with threats emerging to the south-west of Japan (as opposed to the Cold War threats seen as coming from the north). Indeed, this policy pre-empted part of what Japan would need to do in order to engage with the rebalance shortly thereafter, especially in terms of filling the ‘power vacuum’ left by the drawdown in the US presence in Okinawa.

The DPJ loss in the December 2012 elections to the LDP-led coalition meant the return to the prime ministership of Abe. This in turn hastened the return of the revisionist, more transformational approach to security policy, but one that was still aligned with the rebalance. Abe’s government substituted the DDF idea with a new concept based around the idea that Japan would make a “proactive contribution to peace”. A key plank in the Japanese government’s subsequent security plans, this ambition of proactively contributing to peace was outlined in the 2013 National Security Strategy (NSS). The key objectives would be: to increase the country’s deterrence capabilities, to deepen the US–Japan alliance, and to strengthen the country’s diplomacy around the Indo-Pacific region. These objectives obviously closely match America’s rebalance objectives of capability building, partnership strengthening and strategic diversification.

In pursuing these similar goals, the Japanese government introduced an array of institutional and policy changes in order to restructure the country’s overall security posture. A key reform was to establish a National Security Council (NSC) in late 2013. The NSC, in addition to developing the 2013 NSS, was also tasked with setting out a five-year plan for defence procurements and given responsibility for coordinating overall Japanese security policy as well as acting as a central crisis management agency. The agency has been led by Shōtarō Yachi, a close advisor to Abe. Under the Abe government, Japan also reversed previous declines in defence spending, albeit cautiously, and loosened restrictions on weapons exports. The shift in defence spending included a 2.9 per cent increase for 2014, a 2.8 per cent increase for 2015, and a 1.5 per cent increase for 2016. Abe also committed to plans to buy F-35 fighters, Osprey tilt-rotor aircraft, new destroyers, more amphibious assault vehicles and new maritime patrol aircraft. In late 2015, Japan launched its second Izumo-class helicopter carrier, the Kaga, to follow the launch of the Izumo in 2013. As part of the shift of forces towards the south-west, the Abe government sought to increase its troop presence on Japanese islands in the East China Sea.

52 Ibid., p. 13. See also Shinoda, Contemporary Japanese Politics, pp. 197-201; as well as Envall and Ng, ‘The Okinawa “Effect”’, p. 229.
On the alliance, Japan has continued the process of reform pursued since 2010, especially by jointly developing a new set of ‘Guidelines for US‒Japan Defense Cooperation’ in 2015. Under these new Guidelines, Japan and the United States aim to focus their cooperation on achieving seamless joint responses, creating synergies between their national policies, approaching the alliance through a ‘whole-of-government’ framework, cooperating together with other partners, and developing a global outlook for the alliance.\(^56\) The Guidelines focus heavily on the defence of Japan, identify space and cyber as two key areas for cooperation, and include provisions on cooperation over equipment acquisitions and management.\(^57\) An alliance coordination mechanism is intended to underpin this cooperation between the two countries’ military forces across these areas of cooperation, including for gray zone contingencies, with a view to achieving even greater ittaika (integration). Significantly, as Satake argues, the Guidelines represent an update of the US-Japan alliance ‘trade-off’ involving reassurance in return for burden-sharing.\(^58\)

Perhaps the most important change within this restructuring process, however, has been the government’s decision to carry out a ‘reinterpretation’ of the Constitution. In particular, the Abe government has been able to shift the previous interpretation of the Constitution’s Article 9, which prohibited Japan from exercising its right to collective self-defence (i.e., to come to the defence of an ally or partner if they are under attack), to a new interpretation which allows this right, if only under certain circumstances. The government issued this reinterpretation in July 2014 after negotiations between the LDP and its coalition party, Kōmeitō.\(^59\) These negotiations led to a set of restrictions on when force could be used in the defence of an ally or partner. These included Japan’s survival being threatened, its people’s right to liberty and happiness endangered, no other means being available, and the use of force being restricted to a minimum. Nonetheless, the agreement between the ruling parties meant that the necessary legislation had sufficient support in the Diet and was enacted in September 2015.\(^60\)

Outside the military dimension, Japan has also responded to the economic and diplomatic parts of the rebalance. The TPP has come to form a crucial plank in Abe’s ambitions for achieving economic reform at home; it has also come to represent an important mechanism by which to ensure America’s ongoing engagement in the region beyond simply the military. In April 2013, the government shifted the emphasis of its economic diplomacy from the Regional Comprehensive Economic Partnership (RCEP) to the TPP. For Japan, the influence of China in the RCEP and its flavour as an Asia-focused rather than more Asia-Pacific grouping (in terms of the absence of the United States from the RCEP) have also made the TPP more appealing. According to Saori Katada, this shift represents a major turning point in Japanese foreign policy and, indeed, is an attempt by Japan to continue as a “pivotal state” in the region.

Diplomatically, Japan has adopted a different approach under Abe to engaging with the Asia-Pacific region. Tokyo now views the region more in the context of the US rebalance. As Ryo Sahashi argues, policymakers in Tokyo have increasingly seen the country’s relations in Southeast Asia “through the prism of the US alliance.” Accordingly, this bilateral perspective that has crept into Tokyo’s regionalism under Abe has had a strongly minilateral flavour, as opposed to the more multilateral focus adopted by the previous DPJ-led government. Japan now seeks to take a more active role in ‘intra-spoke’ collaboration with America’s allies and partners around the Indo-Pacific, including countries such as Vietnam, the aim being to create ‘capacity building’ around the region.

This fits with the view that the region is increasingly subject to strategic rivalry, which in turn requires Japan to bolster America’s alliance system. Accordingly, Japan has pursued closer relations with countries such as

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Australia through strategic partnerships. It has also participated actively in developing new US-centred partnerships such as the Trilateral Strategic Dialogue between the United States, Japan and Australia. Abe’s own preference, outlined in 2012, has been to create a security “diamond” covering the Indo-Pacific region with the aim of safeguarding “the maritime commons” of this area. The growth of such partnerships can be uncertain, however, as demonstrated by the backward steps in the relationship between Japan and Australia following a failed deal for Japan to sell submarines to Australia.

Conclusion

This article has examined Japan’s response to the US policy of pivoting, or rebalancing, to the Asia-Pacific. In particular, it has sought to explain why Japan has given such strong support to the rebalance. The primary drivers of Japan’s response have been its role as a status quo power in Asia and its preference for the US system of alliances to remain at the heart of the region’s international order. Yet, as this article has shown, to understand why Japan has transformed elements of its own grand strategy to work more closely within the rebalance, it is necessary to understand how Japan’s changing strategic situation interacts with its perceptions of the rebalance. The argument presented here has been that Japan has responded to the compact implicit in the rebalance, which is to offer strategic reassurance in return for security restructuring, in a different way now that the country’s strategic circumstances are becoming more challenging. Japan now faces immediate territorial and wider systemic challenges by China. Indeed, these have increased substantially since 2010.

As such, Japan has come to attach particular importance to the extent to which the rebalance will deliver strategic reassurance. Where there are contradictions in the rebalance that throw the level of this reassurance into doubt, Japan has sought to develop reinforcement policies of its own. In some ways, it might be argued that Japan views the rebalance as not going far enough in reinforcing the US presence in the Asia-Pacific. As outlined earlier, Japan has sought greater clarity on the US commitment to defend the Senkakus, fretted about the possible emergence of a ‘power vacuum’ in Northeast Asia in the wake of a dispersal of US forces, and proposed closer cooperation amongst like-minded regional partners. Japan’s proactive response has been most apparent, however, in its response to the other side

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68 In terms of the failed submarine deal, see Nick Bisley and H. D. P. Envall, ‘The Morning After: Australia, Japan, and the Submarine Deal that Wasn’t’, *Asia Pacific Bulletin*, no. 346 (7 June 2016).
of the rebalance compact—Japan’s own strategic restructuring. The focus here has been on reforming Japan’s defence decision-making bodies, reversing the downward trend in capability development, boosting Japan’s strategically focused diplomacy, increasing Japan’s role in the alliance with the United States, and loosening the self-imposed restriction on its freedom to act militarily abroad. Taken together, these constitute a significant transformation of Japan’s grand strategy which well illustrates Japan’s commitment to the US-led order.

The potential longer-term implications of these changes are significant for both Japan and the Asia-Pacific region. Japan has obtained a greater level of reassurance regarding America’s security guarantee. Yet its commitment to becoming a more active security player exposes it to a level of strategic risk that it has not experienced in the postwar period. Even as it builds up its independent security capabilities, it may find that it has less bargaining power in terms of withstanding US demands to take a more active security role. In other words, it now enjoys less strategic autonomy. At the same time, its capacity to manage its relationship with China may be further diminished. Japan may find returning to a hedging strategy based around engagement and soft balancing more difficult now that it is viewed as such a key supporter of the rebalance in the region. For the Asia-Pacific more widely, a stronger Japan underpinning an accepted US-led order may have a stabilising effect and encourage China to return to a more consultative approach to the region’s security flashpoints. Conversely, greater Sino-Japanese and Sino-American rivalry, both of which may emerge out of the containment inherent in the rebalance, could exacerbate mutual threat perceptions, heighten the risk of conflict escalation, and leave the Asia-Pacific more unstable overall. Japan is being transformed through its response to the rebalance; in the coming years, Japan’s strategic reorientation may transform Asia-Pacific security as well.

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