



Updated September 24, 2020

Japanese Prime Minister Abe's Resignation and the U.S.-Japan Alliance

Introduction

On August 28, 2020, after weeks of rumors in the press, Japanese Prime Minister Shinzo Abe announced that he would resign due to the resurgence of a chronic health condition. The next month he was succeeded by his close advisor, Yoshihide Suga. Abe, the longest-serving premier in modern Japanese history, had been in power since 2012, bringing unusual stability to Japanese politics and foreign policy. During his tenure, he expanded Japan's military and diplomatic capabilities and championed the U.S.-Japan alliance by, among other steps, aligning bilateral security policy and integrating military operations more tightly.

Abe forged a personal relationship with President Trump to further Japan's interests, succeeding in convincing Trump to adopt Abe's vision of the Indo-Pacific strategy. He also avoided a contentious trade fight over autos while concluding a limited trade agreement that covers about 5% of bilateral trade flows. However, the warm rapport between the two leaders was insufficient to persuade Trump to remain in the proposed Trans-Pacific Partnership (TPP) trade agreement or support Japan's priorities in dealing with North Korea. While Abe received praise for strengthening the U.S.-Japan military partnership, some observers see indications of cracks that have developed, particularly in the areas of cost-sharing and joint weapons deployments that will almost immediately create challenges for Suga.

Suga Succeeds Abe

Following Abe's resignation, his ruling Liberal Democratic Party (LDP) overwhelmingly voted for Suga to serve out Abe's term as party president, which ends in September 2021. Japan's parliament, dominated by the LDP, elected Suga to serve as prime minister. Suga (born in 1948) served as Abe's Chief Cabinet Secretary, Japan's second-most powerful official, and was perhaps the most critical behind-the-scenes player in Abe's Cabinet.

Suga pledged to advance Abe's initiatives, including revitalizing Japan's economy and supporting the U.S.-Japan alliance. He announced a Cabinet that retained many of Abe's ministers in key positions, but drew some criticism for including only two women in Cabinet posts. Observers contend that Suga lacks Abe's deep experience in and passion for foreign affairs, which he used to bolster the U.S.-Japan alliance and raise Japan's global stature. Instead, Suga throughout his political career has been animated most by domestic reform issues; aside from combating COVID-19, he has identified his priorities as administrative and structural reforms such as creating a

digitization agency. In the week after becoming premier, Suga's poll numbers soared over the 60% mark, fueling speculation that he would dissolve the Diet's Lower House and call for elections—which do not have to be held until October 2021—in order to cement his mandate.

Abe's Legacy

Abe's longevity in office stabilized Japanese politics, which had been in turmoil in the years prior to his election with a string of short-lived prime ministers. He also had moderate success in lifting Japan's struggling economy through a series of reforms known as "Abenomics," although Japan's economy has contracted severely during the pandemic.

Abe raised Japan's international stature through new partnerships in Southeast Asia, South Asia, and Europe. The Abe Administration led the resurrection of the TPP after the United States pulled out, creating a successor agreement among the remaining 11 countries. In recent years, the Abe Administration successfully managed tensions with China that had threatened to become an active conflict over a set of disputed islands known as the Senkakus to Japan and the Diaoyutai to China. Although Tokyo assesses the Chinese military poses a growing threat to the Senkakus and Japan's security interests more broadly, day-to-day tensions have decreased.

Abe also arguably was a cornerstone, and in some ways the inspiration for, major elements of the Trump Administration's Indo-Pacific strategy, which seeks to compete better economically, diplomatically, and militarily with China. Abe ensured that Japan was a major partner in many of the Administration's initiatives, particularly involving Australia, key Southeast Asian countries, and India. It is unclear whether Abe's successor will continue, expand, or curtail this approach, particularly if U.S.-China relations continue to worsen.

Despite these achievements, Abe fell short on several of his chief goals. Domestically, he could not overcome structural obstacles and divided public opinion to amend Japan's pacifist constitution to explicitly reference Japan's military forces. In foreign policy, Abe was not able to conclude a deal with Russia to resolve a territorial dispute over islands north of Japan that Russia has occupied since World War II. Abe's goal of bringing home Japanese citizens abducted by North Korean agents decades ago also was not realized, and behind the scenes Abe cautioned against Trump's embrace of diplomacy with Pyongyang. Relations with South Korea worsened considerably, and bitter disputes over trade and

wartime legacy issues between Seoul and Tokyo harmed U.S. interests by blocking most trilateral security cooperation with these key U.S. allies.

Burden-Sharing Negotiations Loom

The timing of Abe's resignation allowed him to avoid one of the most fraught issues facing the alliance: the question of how Japan and the United States share the costs of hosting U.S. military troops in Japan. About 54,000 U.S. troops are stationed in Japan and are based in 85 facilities. Currently, Japan pays roughly \$2 billion per year to defray the cost of stationing U.S. military personnel in Japan. In addition, Japan pays compensation to localities hosting U.S. troops, rent for the bases, and the costs of new facilities to support the realignment of U.S. troops. Japan's current five-year cost-sharing agreement with the United States, known as the "Special Measures Agreement" or SMA, is due to be renegotiated before the end of 2020.

Given the United States' protracted and bitter SMA talks with South Korea, which are ongoing, Japanese officials expect the Trump Administration to demand steep increases in Japan's contributions. According to former National Security Advisor John Bolton's memoir, Trump demanded that Japan pay \$8 billion annually; press reports say the United States seeks \$5 billion. While such cost-sharing talks are always contentious, some analysts expect that a new U.S. Administration could make future negotiations easier. For decades, Trump has expressed doubts about the value of U.S. alliances, including the U.S.-Japan alliance.

Japan Suspends Aegis Ashore Plans

In an about-face that surprised many U.S. and Japanese observers, in June 2020, Japan suspended its planned purchase from the United States of two Aegis Ashore ballistic missile defense batteries. Cost overruns, technical challenges, and opposition from local communities near the planned deployment sites factored in the suspension. Japan's acquisition of Aegis Ashore had been announced in 2017, as North Korea ramped up nuclear and ballistic missile testing. Alliance officials had touted the move as a central component of Japan's defense against North Korea. In addition to Japan's seven Aegis-equipped naval ships and Patriot Advanced Capability 3 interceptors, Aegis Ashore would have provided a new layer of defense against incoming North Korean ballistic missiles for Japan and U.S. forces stationed there.

Whether Japan will pursue alternative ballistic missile defense options is unclear. According to U.S. defense officials, the deployment would have afforded the U.S. military the flexibility to deploy its own Aegis ships now defending Japan to other parts of the region, including the South China Sea, Philippine Sea, and Indian Ocean.

Toward a More Autonomous Defense?

The Aegis Ashore decision has intensified a decades-long debate over whether Japan should acquire strike capabilities. Although Japan is pursuing other missile systems for defensive purposes, it currently does not have the ability to conduct missile strikes on enemy territory. In

August 2020, shortly before Abe announced his resignation, the LDP called on the Japanese government to consider acquiring this capability; some observers expect the change could be reflected in Japan's National Security Strategy update, expected in late 2020. If adopted, it would represent a drastic shift in Japan's defense policy.

Movement toward adopting a strike mission—sometimes referred to as "counterattack" by Japanese strategists, who insist the capability would only be used in a defensive manner—has been driven in part by North Korea's increasingly capable missile forces and China's regional assertiveness. It also reflects aspirations by some Japanese to achieve greater strategic autonomy, as well as concerns that the U.S. commitment to the alliance is waning. Japan's adoption of a counterattack mission could mark a departure from the long-standing division of labor in the alliance with the United States as the "spear" and Japan as the "shield."

COVID-19 Outbreaks in U.S. Troops in Okinawa

Coronavirus Disease 2019 (COVID-19) outbreaks on U.S. bases in Japan—which appeared to peak in late summer and have since declined—have alarmed some Japanese communities, many of which are struggling to contain the virus spread, thereby introducing new complications into alliance relations. The outbreaks among U.S. troops in Okinawa—where the U.S. military presence has been a long-standing source of tension—have caused particular consternation. Part of Abe's focus on the alliance included reaffirming a U.S.-Japan plan to relocate a controversial U.S. Marine Corps base to a less-congested part of the prefecture. The plan is widely unpopular in Okinawa, and local sentiment toward the troops could turn more negative due to public health concerns.

Okinawan Governor Denny Tamaki requested that the U.S. military suspend rotations into the island in order to prevent the spread of the virus. By mid-August U.S. Forces Japan (USFJ) had reported more than 300 servicemembers based in Okinawa had tested positive. Japan has established safeguards preventing inbound travelers to Japan from spreading the virus, but the U.S.-Japan Status of Forces Agreement, or SOFA, which governs the legal treatment of USFJ personnel stationed in Japan, allows U.S. military personnel to fly directly into U.S. bases, rather than through commercial airports that implement testing procedures. This exception has led to some concern about U.S. personnel spreading the virus in Japan.

USFJ has been operating under a country-wide Public Health Emergency since April 2020 and has limited personnel movement. This includes a mandatory 14-day Restriction of Movement for all inbound USFJ personnel in addition to contact tracing and similar measures.

Emma Chanlett-Avery, Coordinator, Specialist in Asian Affairs

Caitlin Campbell, Analyst in Asian Affairs

Mark E. Manyin, Specialist in Asian Affairs

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.