Japan Risks of Economic Decline and War

Warwick Powell is an Adjunct Professor at the University of the Queensland University of Technology, and a Senior Fellow at the Teihe Institute. Powell discusses Japan's difficult readjustment from a US vassal in the unipolar system to a more independent state in a multipolar world. Follow Warwick Powell's Substack: https://warwickpowell.substack.com/ Follow Prof. Glenn Diesen: Substack: https://glenndiesen.substack.com/ X/Twitter: https://x.com/Glenn_Diesen Patreon: https://www.patreon.com/glenndiesen Support the research by Prof. Glenn Diesen: PayPal: https://www.paypal.com/paypalme/glenndiesen Buy me a Coffee: buymeacoffee.com/gdieseng Go Fund Me: https://gofund.me/09ea012f Books by Prof. Glenn Diesen: https://www.amazon.com/stores/author/B09FPQ4MDL

#Glenn

Welcome back to the Greater Eurasia Podcast. We're joined today by Warwick Powell, an adjunct professor at the University of Queensland and a senior fellow at the Taihe Institute. Thank you very much for coming back on the program. I really want to discuss the future of Japan because, much like its European counterpart—and to some extent its American counterpart—it's going through some deep structural economic problems. And, obviously, the crisis between Japan and China continues. That's after the new Japanese prime minister threatened to deploy missiles in Taiwan against China, and the Chinese response has been very fierce. It seems that the Japanese prime minister walked back those comments a little bit, but it's difficult to walk them back completely. I was wondering if you could flesh out how you see or understand this conflict and where it's all going.

#Warwick Powell

Look, it's great to be back with you, Glenn. The Japan–China situation, of course, has very immediate dimensions, but it's also set against a long, or at least medium-term, historical backdrop of over a hundred years. The issues that have emerged in the last few weeks concern the remarks from the new Japanese prime minister in relation to Taiwan. In response to questions—and, in fact, quite a bit of pressure in the Japanese Diet—she gave an answer indicating that, from her point of view, any issues involving Taiwan could trigger, or would trigger, a survival question for Japan, which would necessitate a military response.

Now, this is a significant departure from the historical settlement since the end of the Second World War, when Japan acceded to a whole range of arrangements regarding sovereignty issues in the region. It also, of course, adopted a pacifist constitution that limited the extent to which Japan, as a nation, could rebuild a military for aggressive or expansionist purposes. So the remarks set off a range of concerns—the most immediate one, of course, related to the question of Japanese intervention in Taiwan, which is a matter of Chinese sovereignty.

It goes back on agreements that the Japanese entered into in the 1970s and later with the People's Republic of China, but it also goes back on—or seeks to, so to speak, salami-slice—agreements that Japan was compelled to enter into under the Cairo and Potsdam declarations. Those related to a number of territories Japan had colonized in the late 1800s and into the early 1900s. So all of that thrown into the melting pot, of course, provoked a very, very strong reaction. As you say, Kishida has, under some pressure, begun some modest walkbacks. She's now talking about how the Japanese position has not changed. As far as the Chinese are concerned, of course, that's nowhere near good enough. And I think the pressure will continue to mount on her.

I think the other issue, of course, is that—and this is a double-edged sword problem, Glenn—is that Japanese prime ministers these days don't last very long. So making too much of an investment or a commitment of effort into sorting out arrangements with one doesn't necessarily lead to a long-term arrangement with the country as a whole. There's a lot of instability in Japan, largely because of domestic economic problems that have been around for decades, as well as, I think, the challenges Japan faces longer term. That goes not just to demographic questions, but also to its long-term security in relation to food security and energy security. All of these issues are starting to create immense pressure on the Japanese body politic as it seeks to find a way to develop Japan as a nation in a post–Pax Americana world.

#Glenn

Well, Japan's economy is facing a lot of problems. For one, it's very, very dependent on energy imports to drive its economy, and energy prices are going up. We see the Japanese currency struggling more and more, especially under this huge mountain of debt. So if your energy costs are rising and your currency is weakening, that can put you in a very dangerous trap. But what are the other main economic adjustments Japan is aiming to make?

#Warwick Powell

Well, I'm not sure it's aiming to do anything at the moment, and that's part of the challenge for Takeichi. She, I think, doesn't actually have a concrete economic strategy. Japan itself has really struggled for many years to devise a post–Plaza Accord economic strategy that addresses both the geopolitical realities—the context in which they entered into the Plaza Accord—but also its structural challenges within the region, and as an island nation with limited resources. So it's limited in terms of food, and it's limited in terms of energy, as you say.

And these issues are simply not going to go away. I mean, we know that in the last few years—since the Russian invasion of Ukraine in early 2022, and against the backdrop of all those Western and G7 sanctions on Russian oil—the Japanese actually had to seek special dispensation from their G7

colleagues to continue purchasing Russian energy without the full weight of the sanctions regime. Because, frankly, the Japanese economy can't afford to lose access to that energy. So Japan needs to find a pathway to address its long-term structural issues around food and energy.

In the context of some demographic challenges—it's an ageing society—it needs to address questions around a shrinking workforce, the demands that an ageing population places, the need for automation and technology, and those sorts of things. And ultimately, it also has to deal with a regional security environment that remains on tenterhooks, so to speak, because we're talking about North Asia, where not only do we have the Japan–China question, which I think, frankly, for 50 years has been largely stable, but you've also got the Korean Peninsula thrown into the mix. The greatest security challenge to Japan, frankly, is its relationship—or rather, its non-existent relationship—with the DPRK. Without China's good offices, the DPRK is a much greater risk for non-unfriendly nations than it would otherwise be. So these are the big-picture issues that I think are really pressing on Japan at the moment, and the Taiwan question is a bit of a distraction from those larger concerns.

#Glenn

What is the relevance or importance of the relationship, then, between Russia and Japan? You mentioned that the Japanese can't really afford to cut themselves off from Russia because of energy, but Russia has changed immensely over the years. I mean, in the '90s, the main objective in the West was more or less to organize Russia to orbit the West. They shouldn't have a seat at the table, but they should belong to or follow what the West does. So, of course, that has now failed. The idea was that Russia would go from being weak to even weaker—we would help to manage this decline. But now, according to the World Bank, Russia has for a while been the fourth-largest economy in the world in terms of purchasing power parity. And not only is the economy growing, it's also shifting toward the East.

That is, not some temporary measure, but a permanent pivot to Asia where, for many reasons, there are more economic giants, so it's less intimidating than Europe. It doesn't have the same historical baggage. And also, the Asian countries tend to be more dynamic—they're growing more and are much friendlier toward the Russians. So they want to go to Asia. Now, it's an interesting relationship because, for the Russians, the most difficult relationship to have in Northeast Asia is with Japan. But for Japan, it seems that of all the relationships there, the easiest one would be with the Russians, because it's not easy with China or North Korea, and even South Korea, to a large extent, is problematic. So how do you see the future between Japan and Russia—especially with Siberia being such a huge development focus for the Russians, who want to become a powerhouse and connect more closely with East Asia?

#Warwick Powell

Look, if there wasn't the baggage of history and you were just looking at geography and resource endowments, you could actually imagine a North Asian future in which Japan, the Korean Peninsula, northeast China, and far eastern Russia developed a heavily integrated economic system. The resources of Siberia—whether energy or food—would play a really central role in the vitality of that part of the world. On top of that, as a result of the melting ice caps, we're starting to see the opening of the Arctic transport route, which connects East Asia to Western Europe in ways that were unimaginable three or four decades ago. It's reducing transport times by about a week and a half, which is very significant.

And it can, in fact, open up new markets because of the ability to reduce transportation costs. So that part of the world—North Asia, you know, northeast China, far eastern Siberia, Japan, the Korean Peninsula—without all the baggage of geopolitical history, could actually be an incredibly dynamic and formidable economic region. There are, of course, the realities of history. But the challenge for countries is to work their way through these historical problems to face the realities of today. For Japan to have a sustainable and viable future, it needs to ensure access to secure, stable supplies of food and low-cost energy. There's really no better place to get all of that than from Russia. That's the reality of the situation.

Needless to say, that's not going to happen tomorrow. But I think it is something that's going to, in a sense, create incredible pressure, if you will. It's the affordance to say, look, how can you ignore this opportunity forever on your doorstep—especially when it comes to your own national economic prosperity and survival? Similarly with food. I mean, before the war in Ukraine, there were, on and off, a lot of explorations of projects between the Japanese, the Chinese, even some Korean enterprises with Russia, looking at the development of agriculture and food production systems in Siberia. There's no reason why those projects couldn't be recommissioned and accelerated going forward. But we do need the world to calm down before any of that happens. As part of a post–Pax Americana settlement, these are the sorts of things that are conceivable.

The other issue that I think is worth noting, Glenn, is that almost two years ago now, the DPRK gave up its policy of reunification. And that, in my view, actually opens up a diplomatic space that has never existed before. Now, that diplomatic space has yet to be properly exploited. But when you've got a government in Pyongyang no longer having the ambition of reunifying with the South, it opens up the possibility of a whole set of new relationships based on state-to-state formalities that could actually stabilize the Korean Peninsula in ways it hasn't been stable before. That will, of course, require Seoul to reciprocate. It will require, ultimately, a reckoning with the big elephant in the room—and that is the presence of American forces both in Japan and in South Korea.

So all of these issues, I think, are going to become questions that will demand attention from governments over the next 10 to 20 years. We saw the release of the American defense paper, the defense policy statement, and one interpretation of that is that it's explicitly focusing on the Western Hemisphere. The pivot to Asia that came with Obama, I think, seems to have been, at least in a

direct sense, watered down from the Trump administration. They are, of course, wanting their allies to carry a greater burden. But it does indicate that the Americans themselves are starting to confront certain realities—the realities that the balance of power has shifted, the realities of the resource limitations of the American economy itself, the realities that you can't be the hegemon across an entire globe in an environment where other powers have reemerged.

You simply can't sustain that. And so we are now entering an incredibly fluid period. What Takahichi said about China, in some ways, Glenn, I think could be interpreted as a stressed reaction to these challenges on the one hand, but clearly she's also speaking to a domestic audience and a particular section of the Japanese body politic from which she comes and from which she draws substantial support. Nonetheless, in the longue durée, there's every likelihood that these remarks—despite the current intensity of reactions—will fade into the historical record as the greater forces work their way through the system.

#Glenn

Well, before the Russian invasion of Ukraine, there seemed to be some recognition in Japan that it was a good idea to connect more closely with Russia—not just for the obvious economic interests like food and energy, but also from the recognition that if Japan didn't build a closer relationship with Russia, and allow Russia to diversify its economic partnerships in Northeast Asia, then Russia would begin to lean excessively toward China. The consequence of that would be that, in any dispute or tension between China and Japan, the Russians would automatically side with China. So it would be better for Japan to work more with Russia, so that Russia would take a more neutral, balanced position in the region.

So again, this seemed like common sense before 2022. But then, America tells all its partners what they have to do, which is often to act against their own national interests. Just recently, we had a talk where Putin was in India, and he and Modi were both discussing economic development and cooperation. They kept talking about the Arctic. Of course, the port of Chennai is connected with Vladivostok, and the Indians want to join in on Arctic projects. Now, for people who aren't following it, it might seem geographically strange to see India working with Russia in the Arctic. But since the Russians are no longer working with the West there, they want to work with China. And because China is a very big economy, they also want to bring in other large powers. So the Chinese can have a leading role, but they can't be dominant.

This is the main idea, and it also applies to Japan. You even have some American interest in allowing Japan to work with Russia. But the Americans themselves, even a decade ago, had many think tanks arguing, "Why aren't we looking for a format where we can confront the Russians in Europe? We can continue this Cold War, trying to weaken them. But in Asia, we have to engage them, because we don't want to push the Chinese and Russians too close together." So it does seem like there's some

room for maneuver. As you said, if you throw North Korea into the mix as well, it's possible that opens up more diplomatic space now. Is there any movement in Japan in any of these directions to give itself, again, some more room for maneuver—to actually pursue what's in its national interest?

#Warwick Powell

Look, I'm not sure that there is at the moment. But, you know, as I mentioned before, prime ministerships in Japan lately have been very short-lived, which I think makes it very difficult not only for Japan itself to develop a sustained strategic focus, but also for everyone else to have a consistent view of Japan. They just keep chopping and changing prime ministers. You know, Ishiba before Takeuchi also had, arguably, quite interesting and perhaps slightly radical views about foreign relations, but basically sought to push an element of Japanese—or enhanced Japanese—strategic autonomy, to borrow a term that's often used in Europe, without necessarily ruffling too many feathers. And I think he actually managed to do that. He spoke forcefully.

I mean, he advocated an Asian NATO, which, of course, died under his watch—it never went anywhere. But he pushed the Americans on questions of extraterritoriality. He pushed them, obviously with limited success, but was nonetheless willing to put on the table the idea that the relationship between America and Japan should be reformed into one between two normal nations—a normal relationship recognizing that, in fact, the current one is anything but normal. He spoke forcefully, and perhaps a little cheekily, but I think he was earnest in talking about Japan having its own military on Guam and other American territories, with extraterritorial rights as well, in the interest of creating a normal relationship, and so on.

So Ishiba, I think, managed to push the envelope quite a bit in terms of Japanese defense autonomy, and also stretch some of those issues around the peace constitution, and so on. One of the ways he was able to do that was by assiduously avoiding inflaming China—particularly in relation to the question of Taiwan, but not just Taiwan, also the Diaoyu Islands and so forth. Takeichi did not show that level of sophistication. So, you know, those remarks about Taiwan were a red rag to a bull, in some regards. You'd say they were actually quite foolish. Other people, you know—and I know there are people who express this view—say that she wouldn't have done so without the Americans' say-so, and perhaps even did it at America's instigation to test the waters.

But whatever the case may be, I think she overreached on this stuff, which has caused blowback, and now she's trying to find a way back without losing too much face. With the new American doctrine emerging, the question will be whether she can sustain a position where, in many regards, she's largely—or Japan's largely—going to be doing America's bidding, while at the same time trying to appeal to a domestic nationalist audience. And at the same time, there are these other big issues, right? I mean, I always come back to the broader strategic questions in the end. It's well and good to be worried about the day-to-day, but at some point, you need to actually think about how the big pieces eventually fit together again.

And if there is a certain degree of American retrenchment in the region, manifest as the Americans pushing their partners to take on more of the load, what does that do to the balance of power in the region? My own view is that the Americans lost the ascendancy sometime in the last decade, and this recent policy position from the White House affirms that. Now, that will rock Japan, of course, but it simply reinforces a view that's been evolving in Japan, and also in Seoul, that depending on the Americans for their future defense is probably not a wise thing to do. I think wise heads in these capitals have come to that view.

They ask themselves a simple question: what's the likelihood that Washington would sacrifice—or put at risk—Washington, New York, Boston, Los Angeles, San Francisco, Miami, and every other city in between, in the name of defending Tokyo, or Seoul, or Taipei, or Manila, for that matter? I don't think anyone serious in any of these capitals believes the Americans would do that. So, in a practical sense, there's really no ambiguity at all. The Americans won't be there. They may push others and lead from the rear, but they certainly won't be at the front.

#Glenn

Instead of defending Japan, I think it's more likely that Japan would have to take on the role of an Asian Ukraine—that is, to go and fight and die for America. But it's an interesting point, though, that Japan doesn't want to decouple from the U.S.; it wants to redefine the relationship—that is, to go from being, well, let's call it vassals, to becoming equals. And that's a reasonable path, or at least an aspiration. In Europe, we used to have the same aspiration. We talked about European independence, we talked about sovereign power. What was the word they used? Yeah, something like sovereign equality—something along those lines. A lot of words, code words really, that they used for having more independence from America, but at least to be equals.

But this has kind of gone out the window now. The main hope, of course, is just to keep the Americans here, and then we'll be happy being vassals, it seems. But yeah. Irrespective of how the Japanese want to redefine their relationship with the U.S., as you mentioned, the U.S. position in Asia is diminishing. That is, the U.S. might have to reduce its presence. It will have much less economic punching power—at least relative power—as you then have the rise of China and others. You also see the U.S., as it's in relative decline, predictably taking on a more extractive approach—more of a tributary economy—seeking to extract wealth from its allies.

Also, the U.S. interest in forming geoeconomic blocs—that is, having allies cut themselves off from important centers of power like China and commit themselves solely to the U.S.—often leaves countries in a position where they have less prosperity and less political autonomy. So a lot of this... what everyone thinks of as the partnership with the U.S., and subordination to a large extent from World War II until now, under which many of its partners were able to prosper, this time appears to be coming to an end. So if Japan recognizes that the world is changing irrespective of what it wants, wouldn't the main thing it could do be to reach out to China—not to join some Chinese-led bloc, but just to diversify its economic ties?

#Warwick Powell

I'll give you an interesting context for all of this. You've got the Regional Comprehensive Economic Partnership, which is the free trade agreement facilitated—and in fact initiated—by ASEAN. It took eight years to pull together, and it covers 15 nations in the region: the 10, now 11, members of ASEAN, plus China, Japan, the Republic of Korea, Australia, and New Zealand. Within that context, the Chinese economy accounts for about 54 or 55 percent of the RCEP population, and Japan is the second largest at 19 percent.

Japan is a very significant player in the region, and it has a whole bunch of economic interests tied up with China—not only in terms of Australian investment, but also with the Republic of Korea and China. As you'll remember, after the Asian financial crisis, they built a whole range of institutions with currency swaps designed to protect their respective financial systems from future liquidity crises. Those institutions are actually quite significant within the context of the developing countries of Asia as a whole, because currency swaps between those three nations act as the ballast for the financial system across Asia.

So Japan is deeply embedded, economically speaking, within Asia, and of course is deeply intertwined with the Chinese economy. It has many enterprises in China that have been there for more than 20 years, generating significant revenues and employing many Japanese in Japan as well as some in China, but certainly creating a lot of value for shareholders. These things aren't easily untied without really significant downstream losses. Now, the European experience, which you've covered incredibly over the last three years, is actually really telling. It's something that people across Asia really need to take a close look at.

Not for all the so-called lessons that so many people talk about—like, you know, "oh, so-and-so will invade this country if we don't do that," or "so-and-so will do this if we don't do that." It's really about understanding the ways in which economic interests are at risk of being undermined if you let other factors take hold of your body politic. In fact, you've got to put in more effort to sort out your security and diplomatic relationships so you don't jeopardize your economic relationships. The idea that a gas pipeline could be blown up by an allied country is a case in point. Countries in Asia really need to understand that they have to work very hard at consolidating their economic relationships as the foundation for regional stability and peace. That's the real foundational lesson.

The second lesson, of course, is that the Americans are more than happy to lead from the rear and point everyone down the dead end of the primrose path—and just as happy to abandon you the closer you get to the end. We're seeing that play out right now. The Americans are trying to find a way to abandon their allies, walk away, save face, and pretend nothing happened, right? And with a bit of luck, take a bit of bounty on the way as well. So these are some of the critical lessons. Is

Tokyo able to learn them? It needs to confront these questions. It needs a national discussion about them. You would have seen Seoul has reacted to Takeuchi's comments by saying, "Well, look, we're not buying into this, because that'll actually make things worse."

And they're very mindful of the fact that Tokyo inflaming tensions within Asia, given what's happened in Europe, is incredibly counterproductive to all of their national interests. So I guess the hope is that the Japanese body politic—and I say this as hope without necessarily too much optimism, Len—but the hope is that the debates taking place in Japanese society around these questions will lead to a longer-term reflection, or a strategic reflection, on Japan's longer-term positioning. You know, we've had 80 years since the end of the Second World War. Japan's prospered in many respects. It's had a difficult 20 years, but its living standards aren't poor by any stretch of the imagination. It's one of the most expensive countries in the world.

But it is facing some really big challenges, and it can't solve those challenges without establishing a stable and secure set of arrangements within its region. Right? It needs to solve food issues—it can't do that without addressing regional questions. It needs energy, and it must deal with the question of energy from, um, Siberia. This is just sensible stuff for nation-building. And it needs to have a good relationship with China—not only because of the economic side of things, but because that relationship will help stabilize the North Korean peninsula. Now, the other point to remember—and people often forget this—is that when you look at this little part of the world, you've got China, Russia, the DPRK, the ROK, and Japan. There are three nuclear powers among them.

And then the two that aren't are dependent on the Americans. And this is why I asked the question earlier: are the Americans actually going to provide a nuclear shield? They're not. They're not going to come anywhere near doing any of that. So, the DPRK and Russia have a strategic defense relationship. The DPRK and China have had a mutual defense arrangement since the 1950s. These things have been in place a long, long time. Japan and the Republic of Korea, while historically hosting American bases, have been the counterweight. But if the Americans are starting to look a bit questionable—their dependability being deeply questioned, and it is—then the Japanese and the Koreans are going to have to find a pathway to independently resolve these dynamics.

They can no longer depend on the Americans to be there, because let's not forget—the Americans are there for the Americans. They're not there for Japan, and they're not there for Korea, just as they've been in Europe for the Americans. It's quite clear they're not there for the Ukrainians. We've had half a million Ukrainians or more die in the name of America's war. They're not there for the Ukrainians or anyone else; they're there for America. I get that. We can be dispassionate about it, but let's not beat around the bush. Japan and others really need to understand that and realize their own interests are unlikely to be aligned with those of America, particularly as America articulates its interests in the way it is doing at the moment.

#Glenn

This has been one of my great frustrations here in Europe—that when you hear different journalists and politicians speak, their point of departure is the assumption that, well, America and NATO have to help defend democracy and sovereignty in Ukraine, as if that's the main mission. That we're just—America is just Amnesty International with nuclear weapons. That it's all about protecting democracies around the world. I mean, the U.S. has a security strategy built around the notion that security depends on the preservation of hegemony. And that requires you to weaken or knock out rising great powers.

It doesn't mean you're walking around defending democracy. And it's kind of frightening, because I hear our own political leaders speak in this language that, well, America's our friend, so we can outsource our security and give them some military bases. And the friend is assuming that our interests are completely overlapping. I think in this multipolar world, where interests diverge more and more, it's going to be a very tough lesson in the future—that no, our interests are not always the same. And it should be common sense that Americans should, and will, put their own interests ahead of ours.

#Warwick Powell

Look, it's a great observation—this question of how countries arrive at a view of what their interests are. Often, it's assumed that there are these fixed interests out there that countries just have. But of course, countries go through processes of deliberation about what actually constitutes their interests. And the frustration arises when one particular view of the national interest clashes with alternative views—especially when that second view subordinates the national interest to the interests of a third-party nation.

And I think that as multipolarity continues to unfold, many countries that had, in some respects, taken for granted this idea of what constituted their national interests will be confronted with the need to revisit all of these issues. You know, Australia is another case in point—where, as a sub-imperial nation for the best part of, well, many, many decades, arguably since the days of its founding, the Australian political class has automatically viewed Australia's interests as being 100% aligned with the interests of its colonial protector, or its great protector from across the Pacific.

In other words, what's good for the UK or the British Empire, and what's good for the United States, is ipso facto good for Australia. But of course, that's not necessarily the case. And that's a really difficult question to confront, because for decades that's just been part and parcel of how the institutions have thought about things. Suddenly, things you took as home truths are being ripped up, and it's very destabilizing, because these are the foundation stones upon which everything else had been built. And yet you now realize that those foundation stones are fragile, and it's not you who's necessarily pulling them away—it's the partner you'd invested so much in that's literally no longer there.

And that's a difficult psychological and strategic policy issue to confront. But Japan will need to confront that. The Republic of Korea will need to confront that. People on the island of Taiwan are actually now confronting this issue. We've had the election of a new chairwoman of the KMT, who is now talking very directly about the need for détente across the straits and for a recognition that Taiwan is part of the Chinese world. This hasn't been part of the frame for a decade, and yet, partly courtesy of the disruptions from Washington, and partly as a reality of what's happening in Europe—the reality of China's emergence as both an economic and a military power.

I mean, that display in Beijing, you know, what, two months ago—it was... anybody who's serious will have paid attention. And so these questions are now being confronted. People who were once diehard independence advocates are now having second thoughts, because they know it's not going to happen. It's no longer reality. No one's going to help them, and they need to confront the world as it is. They need to deal with the world as it is, preserve what they treasure and believe in to the extent that they can, and ultimately pursue policies that will promote prosperity and stability—and ultimately life—as opposed to policies that lead to death and destruction.

#Glenn

Well, in the academic literature on the U.S. empire after the Cold War, you have people like Peter Katzenstein who write about the nodes in the U.S. empire. The idea is that the U.S. can't just dominate everything from Washington, so it set up key partnerships. On the western side of Eurasia, you have the Europeans—especially Germany or Britain—and in the East, you have Japan, and you give them a privileged status within the empire. In this framework, Japan as well as the Europeans would have almost completely overlapping interests with the United States. But as this imperial model dissolves—meaning the hegemonic order is over—assuming that the relationship would remain the same is quite a dangerous delusion.

And just another lesson from Europe, though, which might help Japan, is that when tensions rise, the dependence on the security provider—the United States—will increase. The U.S. will then be in a position to extract a lot of political and economic concessions, to the extent that countries will have to act against their own national interests. This is how we ended up with a situation where the United States could essentially blow up the Nord Stream pipelines—that is, destroy Europe’s economic and energy architecture. And, well, our politicians and journalists have to pretend as if it never happened and don’t ask any questions, because we really don’t want to hear the answers to this. I mean, it’s worth keeping in mind.

I know countries like India should be careful, because if there’s too much tension with China, they’re going to end up being captured by the Americans as well. And I think the same applies to the Japanese. If they end up in real tension with the Chinese, it’s not just that they might face the fury of the Chinese, but they’ll then be completely owned by the United States—at a time when the U.S. has to start rescuing its own economy from problems. You know, they can do what they like to do

with the Europeans: when they destroyed our economic—sorry, our energy—architecture and the industries no longer perform, they come over to the continent and offer subsidies to relocate to the United States. So it’s not this—our allies aren’t our friends. Our interests aren’t the same. But—

#Warwick Powell

You're dead right. Picking fights in your region or stirring the pot actually leaves you more vulnerable on all fronts. In Japan's case, it obviously opens up a front with China. China's not happy—they’ve taken certain actions that will have some short-term economic repercussions. So that’s one part. But of course, it also leaves them, as you say, far more vulnerable to the great protector, who can then extract a lot more from them. And I think that’s largely what the new American strategic doctrine is about: saying, look, you’re going to have to pay your way.

You're going to have to do the heavy lifting. You're going to have to take on greater risks. But we're the backstop—we're right behind you. So what will we provide? Well, we'll give you what we've provided elsewhere: we'll sell you weapons. You pay us, and we'll sell you weapons. We'll give you access to intelligence. You'll need our satellite system, so we'll provide that. But don't expect us to have any real skin in the game in a literal sense. Off you go. And they'll control the vassals that way. So the vassals leave themselves actually vulnerable on both fronts. This is the lesson also for the Philippines.

It's a lesson for the Republic of Korea, and I think increasingly for the folks on the island of Taiwan as well. Their best strategy is to find an autonomous way of resolving the issues in their region, right? Their neighbours. Geography isn't amenable to change—you've got to deal with it. The lesson of Europe is, you know, 300 years of not resolving this question of Russia and Europe ultimately has led to the problems today, right? Geography matters, and you've just got to deal with it. Is China going to invade Japan? Well, I doubt it, right? There's nothing much about Japan that I think would make it endearing as an invasion target.

Is Japan going to invade China? Japan doesn't have the means to, even if it wanted to. Of course, it did it three times in the last hundred or so years, but it no longer has the means to. Is China going to invade the Philippines? No. Why would it? It has no ambitions in that regard. Yes, it has conflicting claims over parts of the South China Sea, and that will, of course, resolve itself over time, I would expect. It won't be quick, by the way. But China has no need to overreact to those things, because the truth is it's the biggest power in the region. It could bully its way around like the Americans have done historically, but that's pretty counterproductive. So, in a sense, the biggest player also needs to be the most patient player.

But it also can't be seen as too weak either. So that's the balancing act. The region ultimately is going to need to find a way to a post-America future. Now, Japan is in a very interesting position. Obviously, it's a vulnerable one, but it's also in a position where it has a lot of, dare we say, agency—if it chose to exercise it. That's because its economy within the region is an important player. It has

a lot of technology; it contributes a lot of know-how, education, research, and development. And it really needs to, I think, think a lot more strategically about that North Asia configuration, in a way that gives it a path forward. It can't depend on the United States forever, because the United States doesn't have the ability to back it up anyway.

So it's going to have to, at some point, confront the reality that the United States simply isn't going to be there if and when it matters. Now, planning for that today is, of course, a double-edged sword, because the more you begin to plan for it, Glenn, the more inevitable it becomes. So by not preparing for it, you kind of want to hold the Americans in—a bit like what happens in Europe. But the day you plan for a world without the Americans is the day the Americans go. But that's what needs to happen. Same in Europe. And, you know, in part it will happen because the Americans will retreat. But the Americans will retreat, in my view—and this is just hypothesizing more than anything else—in a messy kind of way.

It will retreat in terms of its conventional military presence, but it's going to leave behind its grey disruption capabilities in all these parts of the world, because it's still in America's interest—at least in terms of how Washington views the world—to disrupt and weaken everybody else. If it can't do that by having explicit forces on the ground, it'll do it through grey channels. So we'll see more regime-change operations, more attempts to destabilize countries through information and all that sort of stuff. This is what we're going to see over the next ten years as the empire unfolds, because the empire is not going to pack up and go away quietly.

#Glenn

Oh, that's a great point. Well, I suspect the Americans weren't unhappy when the Japanese prime minister made those statements and fueled this conflict. I mean, if you're a hegemon, you depend on alliance systems. That is, you need some conflicts to perpetuate if you want your adversary to be balanced and your ally to be obedient. So I think this is the main problem where interests also diverge—this fear that if peace ever broke out, the alliance system and the hegemon would be weakened permanently. But just one last brief question before we run out of time: doesn't Japan face a dilemma, though? If it wants to break free of the American empire, it has to sort out its own security. However, Japanese remilitarization is something that won't go down well in China, South Korea, or North Korea. I mean, you can go through all of East Asia—there’s a lot of concern. History is not forgotten. So how do you interpret this dilemma?

#Warwick Powell

Well, it is a dilemma unless you can reframe the security question as a regional, indivisible security problem. And we've been there before—whether it was Helsinki or the Non-Aligned Movement. In fact, I think President Putin and President Xi Jinping talked last year about this idea of a security club. So I think we're going to need to reframe this question of security to understand it as an indivisible one. What one country does obviously can't be done at the expense of others, which

means Japanese security—important for the region and for the people of Japan—needs to be treated as legitimate. This is the lesson learned from Europe: you can't dismiss the security concerns of others; you've got to respect them and incorporate them into your own thinking.

Otherwise, you'll never get anywhere near a stable security architecture. So I think it's incumbent upon others in the region to respect Japan's legitimate security interests, just as it's important for Japan to have its own national debate—to put to bed some of those legacies from 80 years ago that still give others in the region cause for concern. That way, others can be confident that Japan's participation in a future architecture of regional, indivisible security will actually be dependable—that it won't open a can of worms or the Pandora's box of Japanese nationalism or neo-militarization. So there are elements that Japan, I think, is going to need to deal with in order to effectively address the concerns of the region. And countries around the region also need to, of course, be open to candid discussions about Japan's security concerns.

If you don't do that, then you'll end up with a situation in Europe where you dismiss one of the main players and eventually push them to a point where they feel they have no choice. That's crazy, of course, and it's an important lesson to learn. I hope that strategic thinkers and leaders across these countries actually understand that this is the big conversation they're going to have to have over the next five to ten years.

#Glenn

Yeah, actually, I would very much agree. I think that's the main lesson to learn in Asia from Europe—that is, avoid this zero-sum framework for security, where security depends on hegemony, bloc politics, or excessive reliance on deterrence. Instead, embrace indivisible security—that is, an inclusive security architecture. I mean, this used to be common sense. And, well, just to finish, I think in 2023 the focus was on your country and, in Australia, the former prime minister Paul Keating. He said that Asia needed a security institution like NATO as much as it needed a plague—that this would be the worst thing that could happen, the kind of thing that would bring Europe down. So, by all means, look for other solutions. I think that very much applies to Japan as well. So, yeah, anyway, thank you for taking all this time. I think there will be more focus on all the massive things happening in Asia. There are a lot of opportunities coming, but also a lot of threats if we continue to make these missteps.

#Warwick Powell

Yes, indeed. Thanks very much for having me again, Glenn Diesen.