Summary

Significance of the War in Kosovo for Chinese and Russian Defense Policies

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China and Russia considered NATO's air campaign against Yugoslavia a war of aggression perpetrated by the military alliance led by the United States. The fact that NATO, led by the U.S., justified bombing a sovereign state for the purposes of "out of area" humanitarian intervention made these two countries realize the serious military threat from the U.S. and NATO.

China and Russia learned from the war in Kosovo between NATO and Yugoslavia and began to review their own defense policies. The two countries considered very important three aspects of the war in Kosovo. First, they carefully noted that the war in Kosovo was an asymmetrical war between a very powerful military alliance with an abundance of advanced weapons and a much weaker sovereign state with few such weapons. They realized that they had to modernize their militaries post haste in order to deal with potential asymmetrical wars in the future. Second, China and Russia learned that air power would become in creasingly important in the future. NATO claimed it succeeded in achieving its aim in the war in Kosovo by simply through bombing. So the two countries realized anew that strengthening air power was one of the most important themes of military reform. Third, China and Russia paid close attention to Yugoslavia's operations during the war in Kosovo. They estimated highly Yugoslavia's ability to put up a fight despite its dearth of advanced weapons. The two countries understood the weaknesses of advanced weapons, and China realized again the usefulness of older weapons.

From the perspective of East Asian security, it is very important for Japan to

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recognize that NATO's bombing of Yugoslavia brought relations between China and Russia closer. What influence will a stronger strategic partnership between China and Russia have on security in East Asia? Frankly speaking, China's military buildup through the import of Russian-made advanced weapons, in particular increases in its naval power, will become a threat for other East Asian countries. In consideration of this fact, we believe that it is very important for Japan to enhance its military cooperation (including military-technical cooperation) with Russia. This view is partly based on the thinking that such a move would enable Japan to obtain accurate information about Chinese military strength through Russia, and partly on the idea that the importance of the Chinese market for the Russian defense industry would be reduced by an opening of Japan's market.

EU and NATO Creation of an EU-led Rapid Reaction Force and the United States

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December 1998 may be remembered at some point in the future as a watershed moment in post-Cold War US-European security relations.

Despite the mutual agreement between the United States and the Europeans on the Combined and Joint Task Force (CJTF) concept for crisis management operations, Europeans seem to have strayed from it, since the turning point of the Saint-Malo joint declaration of Britain and Farance of December 1998. In fact, since then, Europeans have accelerated moves to build an EU-led rapid reaction force in expectation of their autonomy, and have begun strengthening the Western European Armaments Group (WEAG), which is to become an independent body for European arms procurement.

On the other hand, at the North Atlantic Council held a few days after the Anglo-French summit, U.S. Secretary of State, Madeleine Albright, advocated positioning crisis management operations as core missions. The U.S., which places its hopes in a continuing, active NATO that will enable it to keep engaging in post-Cold War European politics and, therefore, in confining the European military roles to NATO (that is, to the European Security

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and Defence Identity (ESDI)), has tried to expand NATO's missions in accordance with its own national interests.

EU has broached the idea of creating the force by 2003, but it is not certain whether or not EU can attain sufficient strength by then and to operate the force properly and promptly. As long as today's strategic environment continues in Europe, an environment in which both surprise and massive attack is remote, and in which Europeans have no great need to depend on U.S. extended deterrence, it will be rather difficult for the two sides of the Atlantic to reconcile their views. As a result, since it takes too much time for coordination between them when emergency measures are needed, a Gulf-War type *ad hoc* coalition will probably be organized among like-minded countries.

The process of European integration is now irreversible, and the idea of an EU-led rapid reaction force will never disappear in spite of the difficulties it poses. Paradoxically enough, if the U.S. withdraws its forces stationed in Europe or reduces the number drastically, the idea of creating a non-standing force will certainly result in the construction of a standing multilateral force in EU, which would remind us of the "European Army" of the 1950s. For the future of U.S.-European security relations, this is the real problem concealed in the idea of an EU-led rapid reaction force.

A Divided Government in a Divided Country? The Foreign and Security Policy Agenda of the George W. Bush Administration

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The George W. Bush administration started its term facing difficult domestic conditions. First, as the world witnessed in the Florida recount battle between the Democrats and Republicans, the Bush administration had to deal with a divided domestic political atmosphere. Such a partisan battle in the American political system is nothing unique, given the philosophical background of the two major parties. However, the 2000 presidential election showed how deep the mutual divide in the thinking of the two parties is, and how

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broadly it cuts through over various sectors of U.S. society, including race, geography, and social class. It will be a difficult task for the new administration to reconcile the social and partisan divisions and pursue President Bush's policy. Second, since the people of the United States are accustomed to the sense of being a world leader in terms of moral and social superiority, the Bush administration must act cautiously, taking great pains not to disillusion the American public of its self-image when making policy based on the national interest of the United States.

A look back at the 2000 presidential election reveals that many of the speeches and papers of President Bush and his supporters regarding foreign and security policy centered on the stance of restraining Clintonesque internationalism and getting back to a more realistic approach. It is true, however, that the United States can-not return to the isolationist era, when her interest was limited to the issues of the Western hemisphere. President Bush understands the global roles and responsibilities of the United States, but differently than the Clinton administration. He seems bent on the idea of total force, which utilizes, allied cooperation with countries that have common interests.

Given the difficult domestic conditions, it is doubtful that the Bush administration can pursue purely his version of internationalism. He must forge some compromise with the Democrats and other opposition political groups. However, we should not see this as failure or defeat for the administration. In today's political situation in the United States, even a Democrat president would have been compelled to do the same thing. Therefore, we can argue that the division of American society will influence the policy of the administration, unless some crisis occurs that brings about a consensus in foreign and security policy within American society.

Rethinking the Concept of Low-intensity Conflict

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The word "low-intensity conflict" is often used to describe various military-related activities, for example, foreign internal defense, pro-insurgency, peacetime contingency

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operations, counter-terrorism activities, anti-drug operations or peacekeeping operations. It may seem difficult to identify what these have in common other than that none is conventional warfare. In as much as we regard the level of violence, namely the intensity, as the key factor in low-intensity conflict, we lose sight of its essence. In order to rework the concept of lowintensity conflict as a more effective analytical framework, it must be rethought.

Low-intensity conflict is not merely a type of warfare or military operation, such as guerrilla warfare or counter-terrorism. Neither does the level of violence, the intensity, represent its most representative attribute. If this is true, it is quite natural to ask the question of why it is called low-intensity conflict. This is because weapons available to insurgents are limited to light weapons and government response is also limited to meet the challenge efficiently. Overreaction could turn public opinion in favor of the insurgents, or at least make them more anti-government. Furthermore, overreaction obstructs democratic values. In other words, the level of violence is tactical and "low-intensity" is a secondary matter.

It should be stressed that low-intensity conflict is political conflict, competing for legitimacy and popular support. Its ultimate goal is a settlement of confrontation. It is waged by a combination of complex means, political, diplomatic, economic, social, judicial, informational, religious, cultural and so on. In this sense, it is a new type of "total war." However, unlike traditional total war, military instruments are not dominant and in fact, are rather restricted. Other instruments are not subject to military considerations and are often more important. In a low-intensity conflict, physical superiority does not guarantee victory. Far from that, physical superiority could be ruined by political failure. Therefore, it could be a fatal mistake to confuse low-intensity conflict with military operations other than war.

Information Technology and Military Manpower A Transaction-Cost Approach to the Internal Labor Market in the JSDF

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The military manpower and human resource dimension of defense economics has been called an unexplored field of research. So, it is a puzzling challenge to predict the

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effects of information technology on military manpower. In this paper, I explore establishment and transformation of an internal labor market in which military manpower is operated to examine the effect the Information Technology Revolution has on military manpower. This paper focuses on the employment institutions of JSDF personnel.

In this paper, I adopt transaction-cost theories and model an internalization of transactions in military labor services in the armed forces. In section 1, I discuss the theoretical propriety of the basic features of this simplest model. In section 2, I empirically examine JSDF history within a framework shaped by theoretical analyses of this model. The evidence I uncover is broadly consistent with the model's explanations. Thus, my theoretical and empirical findings can be considered a formal explanation for the historical establishment and transformation of the internal labor market of the JSDF. In fact, an internal labor market is established as an institution for reducing transaction cost, and that of the JSDF was established as an efficient institution. Furthermore, the various employment institutions of the JSDF have evolved while adapting to the defense environment.

In section 3, on the basis of the previous arguments, I predict the effect of information technology on the employment institutions of the JSDF, taking into account the impact on capital and labor markets of the development of the information society. The results from a transaction-cost model can be summarized for Japan in two points:

- 1) An expansion of military duties performed under terminal employment contracts would be efficient in developing the information revolution in military affairs.
- 2) More flexible operation of reserve forces that is to say, their substitution for regular forces would be efficient in an information society.