

# **Japan, China, and the Great Power Bargain in East Asia**

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## Japan, China, and the Great Power Bargain in East Asia

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The two decades since the end of the Cold War have been marked by uncertainties about triumphant unipolarity, the rapid rise of new great powers, and unprecedented globalised interdependence. The imperative at both the global and regional level is to create a new, stable international order. Since the end of World War II, East Asian order has been shaped most profoundly by external powers, especially the United States through its regional bilateral alliances, global strategic priorities, and military and political interventions. At the same time, the U.S. presence has been regarded as stabilising because it has deterred regional rivals from conflict. Yet, Kupchan was correct in his observation that “American might and diplomacy prevent conflict, but they do so by keeping apart the parties that must ultimately learn to live comfortably alongside each other if regional stability is to endure”.<sup>1</sup> The imperative for China and Japan to negotiate a *modus vivendi* for peaceful coexistence has grown with the end of the Cold War, U.S. preoccupation in the Middle East, China’s rapid rise, and Japan’s gradual steps towards ‘normalisation’. The recent exacerbation of Sino-Japan territorial and historical disputes, and their competition for leadership in key regional security and economic institutions highlight the urgency of this task.

In the existing literature, the shortcomings of regional efforts at conflict mediation, institution-building, and crisis resolution are increasingly attributed to geopolitical rivalry between Tokyo and Beijing, and calls for historical reconciliation between Japan and China are commonplace. But these works tend to focus either on balance of power politics, or on the domestic dynamics of these bilateral conflicts. In contrast, this paper argues that regional security in East Asia will increasingly depend on the successful negotiation of what I term a “great power bargain” between China and Japan. This bargain must encompass a range of fundamental geopolitical compromises, and must be based upon a basic understanding of power-*sharing*, not power competition. In so doing, I focus firmly on the roles of the two East Asian great powers in the changing regional security order.

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<sup>1</sup> Charles Kupchan, “After Pax Americana: Benign Power, Regional Integration, and the Sources of a Stable Multipolarity,” *International Security*, Vol. 23, No. 2 (Fall 1998), pp. 40-79, at p. 63



## Conceptual Framework

### Order and Great Power Bargains

The conceptual framework advanced in this project derives from ‘English School’ approaches that emphasise the social and normative underpinnings to international relations. From this perspective, even the anarchical international landscape exhibits social norms significant enough to constitute an ‘order’ rather than a ‘system’. International order may be defined basically as rule-governed interaction among states; it must involve limits on behaviour, the management of conflict, and the preservation of wider social goals. At base, it is premised upon a complex, contingent consensus about the basic goals and values of the international society, and means of conducting international affairs.<sup>2</sup> This consensus is difficult to achieve and maintain not just because of power politics but also normative competition.<sup>3</sup> Thus, as Alagappa put it, “the construction of order is a historical process in which inter-subjective understandings and their translations into institutions are reached through struggle, conflict, accommodation, and cooperation”.<sup>4</sup>

Great powers and the relationships and understandings between them significantly constitute international order. In Bull’s definitive conception, great power management is a central pillar of international order. Via collaborative management, great powers consolidate and sustain the privileges of their special position in international society by promoting the very order which produces for them these benefits. This management is aimed at preserving the society of states itself by regulating the boundaries within which great powers exercise their influence. Hence, great powers promote international order in two keys ways. First, by managing their relations with each other in order to ensure that their rivalries do not spill over into disrupting the society of states. This is achieved through maintaining the balance of power and by limiting the systemic impacts of their conflicts through crisis management and war limitation. Second, great powers manage international order by using their preponderance to impart “central direction” to international affairs, by means ranging from the imposition of their will to legitimate leadership.<sup>5</sup>

Yet, Bull’s somewhat realist conception is founded upon the more fundamental twin imperatives of unequal power in any functioning society: the drive of superior power to shape

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<sup>2</sup> The classic work is Hedley Bull, *The Anarchical Society: A Study of Order in World Politics* (Basingstoke: Palgrave, 2002, Third Edition), but see also Muthiah Alagappa, ed., *Asian Security Order: Instrumental and Normative Features* (Stanford: Stanford University Press, 2003), pp. 33-69; James N. Rosenau & Ernst-Otto Czempiel, eds., *Governance without Government: Order and Change in World Politics* (Cambridge: Cambridge University Press, 1992), pp. 10-18.

<sup>3</sup> After all it is, as Hurrell notes, “the very clash of meanings, ideologies, and claims to justice, interacting with patterns of unequal power, which makes stable cooperation so problematic” – Andrew Hurrell, *On Global Order: Power, Values, and the Constitution of International Society* (Oxford: Oxford University Press, 2007), p. 39

<sup>4</sup> Alagappa, *Asian Security Order*, p. 39

<sup>5</sup> Bull, *The Anarchical Society*, Chapter 6



disproportionately the shared order; and the need to tame the excesses of this unequal power by constraining it within agreed practices and norms. Hence, while the ascent of China and other great powers represent a significant redistribution of global power, the issue is not simply or even primarily the need to counter-veil rising power with similar opposing capabilities. Rather, the main challenge is how to harness great powers to some collective authority, or to embed them within stable structures of interstate cooperation – not just to prevent war between them, but more to protect the orderly functioning of international life along agreed rules and norms.<sup>6</sup> Another way to put this is that the position of great powers depends not only on material dominance, but crucially on their ability to negotiate a common understanding about the legitimate rights and duties associated with their special status, and the means by which their unequal power can be constrained.

As a social institution propagating unequal power, the privileged position of great powers is based not just on the structural logic of material superiority, but substantiated and sustained by a social compact implicit between them and with smaller states – great powers are conceded special rights in return for performing special duties that uphold international society. The specifics of these special rights and duties come under constant negotiation since “the legitimacy of the institution of the great powers depends upon how far their special privileges are made acceptable to others”.<sup>7</sup> Thus, this great power compact is what allows great management of international order to take place. I propose that the most useful lens through which to analyse this normative element is the *great power bargain*. Such a bargain consists of two levels: (1) the commitments and assurances that great powers extend to smaller states, in exchange for the latter’s adherence and deference to institutionalized great power leadership and dominance; and (2) the mutual assurances and agreement on terms that allow negotiated power sharing between the great powers themselves. My focus here is on the latter.

## East Asia’s Order Transition

The most significant disruptions to international order are wrought by major war, while the most significant opportunities for re-creating this order are presented by post-war peace-making settlements.<sup>8</sup> The ending of the Cold War was, of course, unusual in that it did not involve peace treaties. Instead, the new order was negotiated in piecemeal fashion between the superpowers

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<sup>6</sup> Hurrell, *On Global Order*, pp. 31-2

<sup>7</sup> Tim Dunne, *Inventing International Society: A History of the English School* (Basingstoke: Macmillan, 1998), p.147

<sup>8</sup> See especially G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order After Major Wars* (Princeton, NJ: Princeton University Press, 2001); and Ian Clark, *The Post-Cold War Order: The Spoils of Peace* (Oxford: Oxford University Press, 2001). For a broader treatment of what drives major order transformation, see Andrew Phillips, *War, Religion and Empire: The Transformation of International Orders* (Cambridge: Cambridge University Press, 2011).



themselves, and with others using a range of instruments and modalities and with varying degrees of effectiveness in fronts scattered across the globe. East Asia's post-Cold War order transition has been complicated further by the persistence of regional conflicts, China's changing role in the superpower conflict during the Cold War and its subsequent strategic ascendance in the 1990s, and the United State's continued strategic dominance of the region. As a result, re-creating regional order still requires the re-negotiation of the parties to, and nature of, the great power bargain in East Asia.

The contemporary East Asian order is best understood against the context of a longer process of transition that began during the mid-19<sup>th</sup> century rupture between China and Japan with Japan's self-removal from the Sino-centric regional society and China's decline in the face of domestic dissent, and western technological competition and imperial encroachment.<sup>9</sup> The China-centred tributary order finally disappeared in the Sino-Japanese war, but Japan's ultimate defeat by the U.S. in the course of the wider Second World War, the Chinese civil war, and the onset of the Cold War conspired to keep China and Japan from a bilateral peace settlement. Instead, the main post-war settlement was struck between the U.S. and Japan, emasculating the latter strategically with a 'peace' constitution and security dependence on Washington. Communist China, meanwhile, was isolated from the non-communist world but free to pursue its strategic interest vis-à-vis its neighbours and superpower allies and enemies. The unresolved conflict and power transition between China and Japan left East Asia without indigenous great power leadership while the extraordinary penetration of and dependence upon external great powers during the Cold War grafted selected East Asia states onto their global strategic preoccupations.

During the Cold War, the East Asian order was underpinned by two sets of great power bargains. First, the alliance between the U.S and Japan, by which Washington extended its security umbrella over Tokyo in exchange for Japan's disarmament, pacification and guaranteed alignment with the 'free world'. In effect, this bargain saw the U.S. stepping into the breach between Japan and China as an "outside arbiter play[ing] a policing role"– by making Japanese defence dependent on itself, the U.S. extended a "dual reassurance", simultaneously guaranteeing China and Japan their security against each other, obviating the need for them to engage in direct security competition.<sup>10</sup> Second, China and the U.S. put aside their ideological differences from 1972 in return for a tacit coalition to contain Soviet influence in the region. By this bargain, Nixon and Mao extended each other bilateral security assurance in exchange for a tacit strategic alignment.<sup>11</sup>

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<sup>9</sup> See Shogo Suzuki, *Civilisation and Empire: China and Japan's Encounter with European International Society* (London: Routledge, 2009); Phillips, *War, Religion and Empire*, pp. 200-258

<sup>10</sup> Thomas J. Christensen, "China, the US-Japan Alliance, and the Security Dilemma in East Asia," *International Security* Vol. 23, No. 4 (Spring 1999), pp. 49-80, at p. 50; Hugh White, "Why War in Asia Remains Thinkable," *Survival* Vol. 50, No. 6 (December 2008-January 2009), pp. 85-104

<sup>11</sup> Indeed, one might argue that the Cold War thus ended in East Asia in 1972.



Both great power bargains disintegrated with the end of the Cold War and the rise of China. With the disappearance of the shared Soviet threat, the strategic imperative for Sino-American cooperation dissolved instead into a growing impetus for competition and containment. At the same time, the revitalisation of the U.S.-Japan alliance from 1995 based on the agreement that Japan would play a more active regional and global military role within this alliance, seemed to undermine Washington's ring-holding role between Japan and China. Beijing began to regard the U.S.-Japan alliance less as a means to constrain as to facilitate Japan's military remit, and its potential involvement in a U.S.-China conflict over Taiwan impinged upon Chinese security interests. Thus, China and Japan have now to face each other directly at the heart of the delayed order transition in East Asia.

In this context, there are at least four possible outcomes to the new great power dynamics in East Asia: (1) a revitalisation and continuation of the status quo ante with the U.S. as ring-holder between China and Japan; (2) balance of power competition between China on the one hand, and Japan and the U.S. on the other; (3) a new, China-led regional order with Japanese acquiescence and U.S. withdrawal; or (4) a Sino-Japanese condominium. In the ongoing order transition, each of these possible scenarios is debatable and finds its band of proponents. However, the more important observation is that, with the exception of (2), all of them – potentially the more stable ones – require Beijing and Tokyo to negotiate a great power bargain directly for the first time in 400 years.

## Analysing the Great Power Bargain

Obviously, numerous obstacles stand in the way of such an endeavour. Between China and Japan lie daunting conflicts over history, territory, trade and production, development paradigms, energy and military security. Yet, a great power bargain is not about settling laundry lists of conflicting interests; it is about reaching overarching agreement on mutual rights and duties, on ways to facilitate as well as constraint each others' power in a reciprocal manner. Means of analysing such a great power bargain are suggested by Bull's classic account of great power management, which stresses the unilateral exploitation of local preponderance, the establishment of mutually-respected spheres of influence, and joint action in the form of condominium or concert. By minding their own backyards, respecting each others' spheres and sometimes jointly imposing order on the recalcitrant, great powers discipline and regulate the social and physical boundaries where their interests and spheres meet.<sup>12</sup> Two more recent works on post-war peace settlements between great powers build on Bull's classical realist take: both John Ikenberry's liberal institutionalist approach and Ian Clark's English School approach begin with the material distribution of benefits or 'spoils of war' between the great powers (the "distributive peace" to Clark and the "substantive agreement" to Ikenberry). Ikenberry then identifies a further set of

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<sup>12</sup> Bull, *Anarchical Society*, pp. 199-222



“constitutional agreements”, institutions that specify the rules of the game within which great powers and other states settle disputes over specific distributional issues, while Clark focuses on what he calls the “regulative peace”, the normative instruments by which the peace settlement is “justified, defended, and possibly modified”.<sup>13</sup>

In this study, I draw from the above works to operationalise the concept of the great power bargain by disaggregating it into *distributive* and *regulative* elements. The distributive element of the bargain is what may be crudely referred to as the ‘division of the spoils of power’, but I differ from Ikenberry and Clark in that I examine the mutual distribution of both benefits and responsibilities between the great powers. The distributive bargain thus involves:

- (a) their identity and legitimate roles in regional security;
- (b) their respective legitimate spheres of influence; and
- (c) their respective right to arms.

The regulative element here refers to the modalities by which the great powers manage their relationship with each other and thereby regulate mutual conflict and cooperation. I take a more eclectic approach than Clark and Ikenberry in developing a more functional and classical analysis of the regulative bargain, recognising that regulative agreements may range from formal treaties like the U.S.-Japan alliance, to informal understandings such as the Carter administration’s acquiescence to China’s invasion of Vietnam in 1979, to “unspoken rules” of conduct akin to those between the U.S. and USSR during the Cold War.<sup>14</sup> The regulative bargain thus consists of:

- (a) modes of conflict management and resolution;
- (b) modes of security cooperation; and
- (c) the management of normative disagreements.

In the following analysis of China and Japan’s bilateral and regional interactions on the above issues, the aim is not so much to catalogue details but rather to assess the quality of progress made on shared understandings, expectations, and agreed norms of conduct.

## The Distributive Bargain

### Identity and Legitimacy

The basic requirement for negotiating a great power bargain is mutual recognition: Japan and China must recognise each other as major states of sufficiently comparable social and strategic

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<sup>13</sup> Ikenberry, *After Victory*; Clark, *Post-Cold War Order*, p. 61

<sup>14</sup> Paul Keal, *Unspoken Rules and Superpower Dominance* (London: Macmillan, 1983)





standing to exercise superior influence, and that may be expected to coordinate and take the lead in regional affairs. That is, they should recognise and agree on each other's identity as great powers and status as legitimate regional security providers. This is by no means an easy task, particularly since Japan and China have not quite engaged in what we would recognise as orthodox great power relations in recent centuries, with the exception perhaps of the practice of war. After Japan's failed invasions of Korea in the late 16<sup>th</sup> century, the Ming dynasty effectively expelled Japan from the Sinic world in 1621.<sup>15</sup> From the 17<sup>th</sup> to the mid-19<sup>th</sup> century, Tokugawa Japan denied China's position as the Middle Kingdom and promoted its own alternative regional hierarchy. In the face of nominal acceptance of its superiority in the Sino-centric order from the other states in the East Asian international society, China largely ignored Japan's indirect challenge as arising from unworthy savages.<sup>16</sup> Following Japan's failed attempt to impose a new regional order beginning with war with China over intervention in Korea and ending with Tokyo's surrender under atomic attack by the Americans, China could continue to ignore Japan for as long as the latter remained constrained and subordinated in its security dependence on the US.

However, as Japan activated and expanded its security persona after the Cold War, the two great powers have moved more actively towards what Yong Deng calls a "mutual denial of status recognition" in the international realm.<sup>17</sup> Essentially, China wants to be able to continue to ignore Japan in East Asia as far as possible. Basically, Chinese leaders' view is that because Japan flouted the rules of international (and Sinic) society in waging wars of aggression against its neighbours, it forfeited the right to any role in wider regional or international security. As set out in its post-war constitution, Japan would be entitled, like any other state, to self-defence and to military provision for the security of the Japanese isles, but no more. For Chinese critics, the only legitimate identity for Japan is a constrained pacifist one. Beijing denies Japan the status of a 'normal' great power in a number of ways – chiefly by opposing strenuously Tokyo's attempts at constitutional revision and the expansion of Japan's military role and the scope of the U.S.-Japan alliance, but also by blocking political moves that elevate Japan's status. Most notably, Beijing has led an international campaign against a permanent seat for Japan in the UN Security Council, and has opposed Japan's proposals for an Asian Monetary Fund.

Currently, the problem for China is that it simultaneously denies the utility of the U.S. alliance as the means of constraining Japan militarily role and ensuring Japan's continued 'non-normality'. China has condemned the strengthening of the U.S.-Japan alliance since the mid-1990s, arguing that rather than 'keeping Japan down', the alliance is now a Japanese-American

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<sup>15</sup> Key-Hiuk Kim, *The Last Phase of the East Asian World Order: Korea, Japan, and the Chinese Empire: 1830-1882* (Berkeley: University of California, 1980), p. 15

<sup>16</sup> Suzuki, *Civilisation and Empire*, pp. 46-50

<sup>17</sup> Yong Deng, *China's Struggle for Status: The Realignment of International Relations* (Cambridge: Cambridge University Press, 2008), p. 273



front for containing China.<sup>18</sup> This view ignores a second, related dilemma though: in order to ensure its continuity in the post-Cold War era, Japan has had to share more of the burden within the U.S. alliance even if it entails partial re-militarisation and raising regional threat perceptions. These two irreconcilable dilemmas require careful balancing, a great deal of mutual reassurance, continued dialogue and some strategic transparency. Both Japan and China have not managed this delicate process. For their part, Chinese strategists tend not to accord Japan recognition as an autonomous strategic actor, and proceed in the hope they can continue to do so. Meanwhile, some are inclined to challenge Japan to make a choice between “East and West” – equating Tokyo’s continuation of the U.S. alliance to Japan’s Meiji choice of the western order and war over the Chinese/Asian order and peace, they challenge Japanese politicians to give up the alliance and help create an ‘East Asian community’.<sup>19</sup> These suggestions, though, are not accompanied by discussion of how Japan’s identity and security are to be achieved.

For its part, Japan accepts more readily contemporary China’s identity as a great power and its legitimate role in influencing and managing regional security. Pekkanen observed in 2004 that “A wide range of Japanese academics, trade bureaucrats, lawyers, judges, and especially businessmen say with stunning pragmatism that [the] debate is over – China has already passed Japan politically and will pass Japan economically; Japan has always been number two, first globally vis-à-vis the United States and soon also regionally with respect to China.”<sup>20</sup>

Since 2010, when China officially overtook Japan as the second largest economy in the world, this observation has only gained in intensity. This recognition of China’s legitimate role is based on a combination of China’s trajectory of material development and the socio-historical basis of its regional position, as well as the regional reactions to China’s rise.

However, Japan does not easily accept China’s claims of benignity or ‘peaceful rise’, nor does it recognise the legitimacy of a putative Chinese hegemony in East Asia. Leaving aside public opinion, Japanese policy-makers share a healthy mutual threat perception with their Chinese counterparts. For Japan, China’s actions – passage of domestic legislation in 1992 laying claim to all of the East and South China Sea, nuclear tests in 1995, the Taiwan Straits crisis in 1996, numerous intrusion by Chinese vessels and aircraft into Japanese EEZ and air space, including most recently the standoff at the Senkaku Islands in autumn 2010 – along with its growing capabilities and confidence, inspire rising security concerns. At the same time, Tokyo has demonstrated clearly that it will act to deny rising China the luxury of unadulterated leadership

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<sup>18</sup> Paul Midford, “China Views the Revised US-Japan Defense Guidelines: Popping the Cork?” *International Relations of the Asia-Pacific* Vol. 4 (2004), pp. 113-45; Thomas J. Christensen, “China, the US-Japan Alliance, and the Security Dilemma in East Asia,” *International Security* Vol. 23, No. 4 (Spring 1999), pp. 49-80

<sup>19</sup> See, e.g., Liu Jianguo, *Zhongguo yu Riben: bianhuazhong de ‘zhengleng jingre’* [China and Japan: ‘Cold Politics, Hot Economics’ in Transition] (Beijing: Renmin chubanshe, 2007); Pang Zhongying, “Rebalancing Relations between East Asian and trans-Pacific Institutions: Evolving Regional Architectural Features,” in Lok Sang Ho and John Wong, eds., *APEC and the Rise of China* (Singapore: World Scientific, 2011), pp. 45-63

<sup>20</sup> Saadia Pekkanen, “Japan’s FTA Frenzy,” mimeo, 2004, cited in Kang, *China Rising*, p. 175



within East Asia. For instance, while it cooperates with China in regional institutions, Japan has engaged in competitive institutionalism, pushing for inclusive frameworks like the East Asian Summit – as opposed to China’s preference for the more exclusive ASEAN+3 – in which China’s influence can be diluted by the participation of India, Australia and now the U.S. and Russia alongside Japan. To deflect Beijing’s bid for regional economic leadership, Tokyo has also proposed a series of regional economic initiatives to rival China’s free trade agreements, and fought hard to be the joint-largest contributor to the Chiang Mai Initiative multilateral currency swap arrangements.<sup>21</sup>

The mutual threat perception and denial of recognition and legitimacy between China and Japan stem from their individual identity problems and domestic politics. Within China, growing economic power fuelled the recovery of national confidence alongside the long-standing sentiments of national humiliation and historical entitlement, which found voice more often than not against its most recent aggressor, Japan.<sup>22</sup> This is against the context of a Chinese imperative of identity reconstruction to overcome its own history of aggression in the region. As Suzuki suggests, this process entails partly creating “a ‘moral’ national identity by positing the PRC as an unjust ‘victim’” of Japan, the “bullying Other”. As such, China’s denial of Japan’s legitimate ‘normalization’ will continue for as long as China remains insecure of its acceptance within the international community.<sup>23</sup> For its part, Japan faces a long-drawn domestic identity crisis – what type of power Japan ought to be and how it ought to act in the region and the world is subject to a wide debate, ranging from a quiet ‘middle power’, to an autonomous, full-fledged re-militarised great power.<sup>24</sup> This is exacerbated by Japan’s declining economic power and the dissolution in the 1990s of the ‘1955 system’ dominance of the largely pragmatic Liberal Democratic Party inclined towards engaging with China. In the subsequent political transitions, first towards the conservative Prime Minister Koizumi Junichiro, then a Democratic Party of Japan government, Tokyo has maintained a working consensus around the core strategic imperative of maintaining the US alliance, at times at the expense of relations with China.<sup>25</sup>

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<sup>21</sup> Indeed, Hughes observes that Japan “seems bent on deliberately ‘over-supplying’ regionalism so as to diffuse China’s ability to concentrate its power in any one forum” – Christopher W. Hughes, “Japan’s Response to China’s Rise: Regional Engagement, Global Containment, Dangers of Collision,” *International Affairs* Vol. 85, No. 4 (2009), pp. 837-856, at p. 855.

<sup>22</sup> See e.g., William Callahan, *China: The Pessimist Nation* (Oxford: Oxford University Press, 2010); He Yinan, *The Search for Reconciliation: Sino-Japanese and German-Polish Relations since World War II* (New York: Cambridge University Press, 2009)

<sup>23</sup> Shogo Suzuki, “Ontological Security in Sino-Japanese Relations,” mimeo, April 2008, p. 1

<sup>24</sup> Yoshihide Soeya, “Japan’s ‘Middle Power’ Strategy and the US-Japan Alliance,” in Jonathan Pollack, ed., *Asia Eyes America* (Newport: Naval War College Press, 2007); Richard Samuels, *Securing Japan: Tokyo’s Grand Strategy and the Future of East Asia* (Ithaca: Cornell University Press, 2007)

<sup>25</sup> Hughes, “Japan’s Response”; Evelyn Goh, “How Japan is Crucial to Asian Security,” *International Affairs* Vol. 87, No. 4 (2011), pp. 887-902



## Spheres of Influence

A core element of great power management is the explicit acceptance of each power's respective sphere of influence, within which other powers are not expected to encroach. The East Asian order is somewhat complicated for a simple application of this ideal, but a stable mutual acceptance of each other's legitimate sphere of strategic interest as well as the boundaries of each other's sovereign claims is undoubtedly crucial for a viable great power bargain between Japan and China. In this regard, Japan's recovery and claims to a regional sphere of security interest and its activism in the international strategic sphere<sup>26</sup> since the end of the Cold War, has interacted with China's assertion of influence and leadership in East Asia to produce three areas of tension.

First, alongside its identity as a regional security actor, Japan's right to a regional sphere of influence is fundamentally disputed by China. Chinese critics want Japan to cleave to the tightest constraints imposed in its post-war constitution, which limit Japan's legitimate military concerns to direct military attacks on the home islands only. But the 1995-7 U.S.-Japan alliance revisions reoriented Japan's sphere of strategic interest and activity towards enhancing regional security more generally, and allowed Japan to play a role in providing non-combat support in contingencies in "situations in areas surrounding Japan". Chinese policy-makers' concerns have been alleviated neither by Japanese ambiguity about this expansion of the geographical and situational scope of Japan's potential military activity nor by subsequent Japanese support for U.S. military campaigns in the Middle East and Afghanistan.<sup>27</sup> Beijing's primary fear that these changes would warrant Japanese interference in the Taiwan Straits, viewed by China as firmly within its sphere of influence since it is the 'domestic' realm, were subsequently confirmed. In 2005, the U.S.-Japan Security Consultative Committee drew up for the first time a list of "common strategic objectives", prominent amongst which was the peaceful resolution of issues concerning the Taiwan Straits.<sup>28</sup> In the same year, a Japan-US joint military exercise involved simulating the defence of a Japanese island against external aggression; and from 2006, the SDF began battle planning for three China invasion scenarios involving a Taiwan Straits crisis, the Senkaku islands, and disputed gas fields in the East China Sea.<sup>29</sup>

Together with pre-existing territorial disputes and China's growing military capabilities, the above dynamics have contributed to growing tensions and conflict about China and Japan's overlapping spheres of influence, especially in the East China Sea. In these relatively narrow waters, the standard 200-nautical-mile exclusive economic zone (EEZ) principle cannot apply,

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<sup>26</sup> Japan's international activism and interactions with Chinese power globally is outside the scope of this paper but see Hughes, "Japan's Response", pp. 848-856

<sup>27</sup> See Bhubhinder Singh and Philip Shetler-Jones, "Japan's Reconceptualization of Security: The Impact of Globalization," *International Relations of the Asia-Pacific* Vol. 11, No. 3 (2011), pp. 491-530

<sup>28</sup> Joint Statement of the US-Japan Consultative Committee, 15 February 2005, at <http://www.mofa.go.jp/region/n-america/us/security/scc/joint0502.html>

<sup>29</sup> Samuels, *Securing Japan*, p. 169



but China and Japan have not been able to agree on an alternative way of demarcating their the boundaries.<sup>30</sup> This unresolved boundary problem affects resource exploitation as well as territorial claims. Notably, there is dispute over China's exploitation of the Chunxiao/Shirakaba gas fields in, and over their claims to the Senkaku/Diaoyu islands. Japan claims the latter based on effective control since the 19<sup>th</sup> century, while China refers to its historical record of ownership from the 15<sup>th</sup> century. These disputes have led to periods of frenzied maritime activity involving competitive oil and gas extraction, fishing, naval exercises and pursuits, and charges of EEZ intrusions by the other side's vessels and aircraft<sup>31</sup>, the latest being the standoff in October 2010 when Japan detained a Chinese trawler near the Senkaku islands.

But these mutual challenges to spheres of influence look set to increase also because of China's growing military and economic power and therefore national security interests. Japan, along with some Southeast Asian countries, has noted Beijing's apparently expanding list of 'core national interests' since 2010, beyond issues like Tibet and Taiwan to include Chinese claims to the South China Seas.<sup>32</sup> Japanese defence analysts are particularly concerned that as China moves from an 'offshore' to a 'blue water' naval strategy in its bid to project power beyond its immediate neighbourhood, Beijing and the PLA will "step all over" Japan's legitimate sovereign sphere.<sup>33</sup> Part of their response has been to try to generate similarly expansive claims for Japan; for instance, trying to claim EEZ from its extreme southernmost territory, an atoll called Okinotorishima lying midway between Taiwan and Guam, by building a lighthouse and attempting to expand the islet by growing coral. In turn, PLAN ships have conducted training and survey exercises in the area and China asserts that Okinotorishima is technically a 'rock' from which no EEZ claim is valid.<sup>34</sup> More potentially significant though, is the Japanese military's emphasis on acquiring more air and naval projection capabilities that will enable it to conduct offensive operations within the region, and its re-positioning of ground forces in the remote south-western islands facing Taiwan.<sup>35</sup>

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<sup>30</sup> Japan wants to use the median line equidistant from each of their base lines, while China wants a demarcation based on the natural extension of the underwater continental shelf.

<sup>31</sup> E.g. Japanese military sources have regularly logged and complained about a growing number of incidents of Chinese intrusions into Japanese air and maritime space since the late 1990s -- NIDS, *East Asia Strategic Review 2001* (Tokyo: Japan Times, 2001), pp. 199-203; author interview with official at Japanese Ministry of Defence, November 2008

<sup>32</sup> E.g. Michael Richardson, "Changing tides to watch in the South China Sea," *The Straits Times*, 14 June 2010

<sup>33</sup> Author interview with defence analysts, Tokyo, March 2010

<sup>34</sup> NIDS, *East Asia Strategic Review 2010* (Tokyo: Japan Times, 2010), p. 127; Samuels, "New Fighting Power!" pp. 107-8

<sup>35</sup> These plans include the first increase of Japan's submarine fleet (from 16 to 22) since 1976, in addition to the deployment of two helicopter destroyers that may be converted to aircraft carriers, and the acquisition of F-22 fighter aircraft – "Patriot batteries to be expanded," *Japan Times*, 11 December 2010; "Hurdles to a Japanese F-22," *Japan Times*, 16 May 2009



## Right to Arms

An important and related area of contention between China and Japan is Japan's right to arms, stemming from the debated constraints posed by its constitution. The changing parameters of Japan's legitimate use of force from the U.S. alliance revisions and domestic legislative alterations since the late 1990s have led to disputes with China not only about the conditions under which Tokyo may use force, but also over the specific types of aggressive action and arms.

The default position – asserted by China and still enjoying significant domestic consensus within Japan – is that use of force is prohibited under Japan's constitution except when it is directly attacked. Hence, domestic controversy and Chinese opposition have dogged each move away from this norm, for instance the Japanese Coast Guard's sinking of a North Korean spy-ship in Japanese territorial waters in 2001. More notable is the series of new guidelines and laws allowing Japan to support U.S. operations internationally since 1999, especially the Anti-Terrorism Special Measures Law facilitating the historic dispatch in November 2001 of the Maritime SDF to the Indian Ocean to provide logistic support to coalition forces fighting in Afghanistan, and another Law Concerning Special Measures on Humanitarian and Reconstruction Assistance in 2003 to support the U.S. war in Iraq. The debates surrounding these moves within Japan suggested that domestic consensus could not be achieved in favour of shifting significantly the understanding about legitimate use of force by Japan. Indeed, the eventual constraints – ranging from not authorising the SDF to be able to fire warning shots, to confining it to logistical support operations in “rear areas” while banning the resupply or refuelling of U.S. and coalition forces preparing to go into combat – indicate clearly Japanese decision-makers' preoccupation with avoiding associations with the use of force altogether. Even without certain Japanese politicians' avowed efforts explicitly to change the constitutional ban on collective self-defence, this hope is becoming increasingly unrealistic given the fudging of the boundaries of Japanese involvement in overseas operations, and the nature of modern defence strategies and weapons systems.<sup>36</sup>

Of these developments, the most controversial has been Japan's participation in the U.S. global 'theatre missile defence' system, designed to intercept incoming ballistic missiles. As part of the revitalisation of the alliance, Tokyo and Washington announced joint development of BMD in 1998; and in 2003, the Koizumi government decided to buy from the Americans existing land- and sea-based systems. Since then, four of the MSDF's Aegis destroyers were fitted with BMD capabilities by 2008, while the ADSF was ordered to deploy its *Patriot*-armed units to the north of the mainland in response to North Korea's missile test in April 2009.<sup>37</sup> A large part of these procurements was motivated by the North Korean threat, but Japan's BMD capabilities have wider impacts. China has been particularly vocal in opposition for two reasons. First, Beijing has

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<sup>36</sup> Katzenstein and Okawara, “Japan and Asian-Pacific Security”, pp. 125-7

<sup>37</sup> <http://www.mod.go.jp/e/pressrele/2009/090327.html>; <http://www.defenseindustrydaily.com/up-to-387m-for-japanese-naval-abm-components-0807/>





asserted since the 1990s that BMD capability for Japan would alter the status quo across the Taiwan Straits, since Japan's BMD-equipped ships could be used to defend Taiwan, or to defend U.S. forces and assets in Japan and the region during a Taiwan contingency. Second, deployed together, U.S. strategic nuclear capability and Japanese BMD would undermine China's own nuclear deterrent. This led to a related dispute about right to arms with Japan when Japanese officials questioned the validity of China's nuclear doctrine of 'no first use' and 'no strikes against non-nuclear states' if Beijing apparently kept a nuclear strike option against Japan.<sup>38</sup> China has since refined its opposition on the grounds that BMD precisely compromises China's nuclear doctrine that is based on a small, second-strike capability.<sup>39</sup>

Sino-Japanese disagreements about right to arms also have a clearer nuclear dimension when it comes to Japan's constitutional constraints. There has been debate within Japan since the 1950s about whether the possession of purely defensive nuclear weapons is prohibited, but Japan's stance on nuclear weapons was formally expressed in Prime Minister Sato's 1967 Three Non-Nuclear Principles pledging that Japan would neither manufacture nor possess nor allow introduction into the country of nuclear weapons. However, as confirmed in declassified U.S. government documents in March 2010, during the Cold War, the Japanese government secretly allowed U.S. ships carrying nuclear weapons to transit through Japan. The U.S. had also based nuclear weapons on Okinawa during its occupation, which were removed after its reversion to Japan in 1972, but with an agreement that they could be re-introduced in emergency.<sup>40</sup> In 2005, Tokyo agreed to base a nuclear-powered aircraft carrier as the new command ship of the Seventh Fleet.

While public sentiment in Japan is strongly against nuclear weapons, and a stable consensus appears to hold within the Japanese security elite that "there is no imaginable scenario in which developing nuclear weapons could be advantageous to the defence of Japan"<sup>41</sup>, these revelations and developments fuel worries that Japan's nuclear strictures might change under certain conditions. These include a further escalation of the North Korean nuclear threat, and growing Japanese alarm over China's military modernisation and growth. Indeed, while Japan does not fundamentally challenge China's right to a greater military capability, Tokyo does question Beijing's intentions because of widespread suspicions about the reliability of available information regarding Chinese military expenditure, acquisitions and strategy. Thus, Japan's latest defence

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<sup>38</sup> Michael J. Green, *Japan's Reluctant Realism* (New York: Palgrave, 2001), p. 93

<sup>39</sup> E.g. John Warden and He Yun, "US Missile Defense and China: An Exchange," Pacnet #50, 6 September 2011

<sup>40</sup> See Robert Wampler, "Nuclear Noh Drama: Tokyo, Washington and the Case of the Missing Nuclear Documents," 13 October 2009, National Security Archive, <http://www.gwu.edu/~nsarchiv/nukevault/ebb291/index.htm#1>; "Secret Pacts Existed," *Japan Times*, 10 March 2010

<sup>41</sup> Gregory Kulacki, "Japan and America's Nuclear Posture," Report to the Union of Concerned Scientists, March 2010, p. 1



planning document states that Beijing's "insufficient transparency over its military forces and its security policy are of concern for the regional and global community".<sup>42</sup>

## The Regulative Bargain

### Conflict Management

Armed conflict between China and Japan may arise from three issues: a crisis across the Taiwan Straits, and territorial and resource disputes in the East China Sea. The Taiwan issue is not subject to bilateral negotiation between China and Japan, but incidents like the November 2004 intrusion of a Chinese submarine into Japanese waters and the October 2010 standoff when the JCG detained a Chinese trawler near the disputed Senkaku islands, highlight the urgent need for some crisis management mechanism and bilateral agreement about maritime security. Yet, China and Japan have relatively low levels of direct bilateral channels of strategic dealings compared with what they each have, for instance, with the U.S. Tokyo and Beijing did start a defence ministers' dialogue in 2003 and a high-level strategic dialogue in 2005, which included the exchange of views about their territorial disputes in the East China Sea. Even at the bilateral relationship's most recent nadir during the Koizumi administration that culminated in anti-Japanese riots in China in 2004-5, these mid- and high-level exchanges continued between Japanese and Chinese officials. The two sides also established a dialogue mechanism between concurrent ruling parties from 2006 onwards. And since Koizumi's departure from office in 2005, each subsequent Prime Minister has held summit meetings with their Chinese counterpart.

However, with conflict management in mind, Japan and China still lack reliable and regular military-to-military channels of communication. Since 2000, in a series of bilateral visits, the heads of states, military top brass and defence officials have talked about a range of 'confidence building measures' including military exchanges, ship visits, maritime security dialogue, information sharing, and joint exercises and patrols. However, this has been a punctuated process – for instance, in spite of an agreement to exchange ship visits in end-2000, the exchange did not take place until the Chinese destroyer *Shenzhen's* port call in Yokosuka in end-2007, followed by a Japanese destroyer's visit to China in June 2008. Similarly, there has been no progress since a November 2009 agreement between their defence ministers to conduct the first Sino-Japanese joint search and rescue exercise at sea, followed by further discussion of joint training in humanitarian assistance and disaster rescue.<sup>43</sup> During the China-Japan-South Korea trilateral summit in May 2011, Japanese Minister Naoto Kan continued to express hope that a search and rescue agreement might be reached between Japan and China soon.

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<sup>42</sup> Adam Liff, "Japan's 2010 National Defense Program Guidelines: Reading the Leaves," *Asia-Pacific Bulletin* Vol. 89, 22 December 2010

<sup>43</sup> "China, Japan plan first joint military exercise," *Reuters* 27 November 2009





Notably, it was only in June 2010 that both sides agreed to set up a hotline between the heads of state. In spite of increasing maritime tensions, there is no maritime communication mechanism between the two defence departments, nor have the two sides managed to reach conclusion in talks about a search and rescue agreement.<sup>44</sup> Japan and China have a long way to go in developing conflict management measures especially at sea. Ultimately, as many have suggested, they will need to negotiate something akin to the 1972 U.S.-Soviet Incidents at Sea Agreement to regulate the interaction of their fleets in high seas. Such an agreement would oblige the two sides to consult regularly on safety, develop more predictable standard operating procedures at sea, and eventually provide notification, limitation and regulation of naval exercises and weapons tests.<sup>45</sup>

Similarly, Sino-Japanese attempts to manage their conflicting claims in the East China Sea have suffered a 'start-stop' fate. Two notable initiatives are the 1997 agreement to establish a 200-nautical mile 'joint management zone' around the Senkaku/Diaoyutai Islands, and the 2008 agreement for some Japanese participation in developing the disputed East China Sea gas fields.<sup>46</sup> Both have either been ignored in practice or are still awaiting the negotiation of details, but these remain existing channels of communication and negotiation. For instance, in June 2008, Beijing and Tokyo agreed in principle to explore joint development during the 'transitional period' until they could agree on a border demarcation in the East China Sea. They would create a joint development district straddling the maritime median line, and Japanese companies could participate in the ongoing Chinese development of the Chunxiao/Shirakaba gas field if they would abide by Chinese law. Since then, discussions on executing the agreement have continued, but have not resulted in any implementation because domestic opposition domestically. The heads of state agreed to begin formal negotiations on an exchange of notes in the May 2010 summit, but this once again fell by the wayside with the fishing boat incident in October that year.

## Security Cooperation

Over the last two decades, China and Japan have both established a record of participation in numerous multilateral regional attempts at security cooperation, such as the ASEAN Regional Forum, the East Asia Summit, and various tracks within the ASEAN+3 and APEC economic institutions. However, many of these efforts relate to 'non-traditional' security issues, and such multilateral regional settings may indeed contribute to the avoidance of developing bilateral

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<sup>44</sup> Indeed, in their first conversation using the hotline, Prime Minister Naoto Kan and Premier Wen Jiabao amiably discussed the need for early implementation of these two items – MOFA, telephone conversation, 13 June 2010, [http://www.mofa.go.jp/announce/announce/2010/6/0613\\_01.html](http://www.mofa.go.jp/announce/announce/2010/6/0613_01.html)

<sup>45</sup> See e.g. Mark Valencia and Yoshihisa Amae, "Regime Building in the East China Sea," *Ocean Development and International Law* 34, 2003, pp. 189-208, at p. 204-5

<sup>46</sup> "Japan, China strike deal on gas fields," *Japan Times*, 19 June 2008



security cooperation between these two regional great powers themselves.<sup>47</sup> ‘Security cooperation’ is understood in diverse ways in East Asia, ranging from CBMs to combating piracy and pandemics, to bilateral alliances and multilateral peacekeeping. Here, my focus is on China and Japan’s cooperation with each other and other states for enhancing the regional provision of security public goods.

A major function of great power management in international order is the provision of public goods in the security realm, but in East Asia the main provider is often the U.S. It is a principal in managing the two main regional crisis points, the Korean peninsula and the Taiwan Straits; equally importantly – even though all too often it is Washington that trumpets this itself – the U.S. forward deployment in the region also keeps open sea lines of communications. Indeed, one might argue that the U.S. over-supplies this public good to the extent that it precludes Japan and China’s contributions as regional great powers. China especially is cautious about limiting its current naval modernisation only to defending maritime sovereignty in disputes not involving the U.S. and to contributing in ‘non-traditional’ security public goods provision such as disaster relief.<sup>48</sup> It is notable that China’s first contribution to an international anti-piracy effort was in the Gulf of Aden and not some of the pirate-infested waters within East Asia. Bilaterally, Japan and China have only recently contributed visibly to mutual disaster relief – Tokyo sent a search and rescue team to Sichuan after the 2008 earthquake, while China’s Maritime Safety Administration sent its largest cutter to help after the 2011 earthquake and tsunami in East Japan. Towards the region, both countries have had difficulty finding acceptance for unilateral offers such as sending their Coast Guard or navy to help patrol the Malacca Straits.

Thus, both seek recourse in multilateral endeavours for security cooperation. To take a crucial security realm, maritime security, Japan has been more active. Tokyo has been instrumental proposing various initiatives, including the Heads of Asian Coast Guard Agencies (HACGA) meetings and from 2000, the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) process. The latter is aimed mainly at sharing information about incidents and suspected incidents of piracy and armed robbery in international waters (for which jurisdiction under the Law of the Sea belongs to the flag nation) and in territorial waters (for which jurisdiction traditionally belonged to the littoral state).<sup>49</sup> While the latter has met with reservations from important littoral states like Malaysia and Indonesia, the agreement came into effect in September 2006 with 14 countries signing and ratifying it. China subsequently signed and ratified it in October 2006. Chinese analysts suggest that Beijing recognised that China’s reliance on SLOCs for energy and other shipping entailed its active

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<sup>47</sup> See Evelyn Goh, “Institutions and the Great Power Bargain in East Asia: ASEAN’s Limited ‘Brokerage’ Role,” *International Relations of the Asia-Pacific* 11:3, September 2011, pp. 373-401

<sup>48</sup> Michael Glosny and Philip C. Saunders, “Correspondence: Debating China’s Naval Nationalism,” *International Security* 35:2, 2010, pp. 161-169

<sup>49</sup> Sam Bateman, “Piracy and Maritime Security in East Asia,” *East Asia Forum*, 10 February 2011, <http://www.eastasiaforum.org/2011/02/10/piracy-and-maritime-security-in-east-asia-2/>



cooperation with other states to ensure SLOC security, and that it had no choice but to work with Japan through channels like ReCAAP. But there remain Chinese concerns that Japan is using anti-piracy as yet another means to ‘normalize’ its military. At the same time, there has been little development of more focused bilateral or trilateral (with the U.S.) cooperation between Japan and China in regional maritime security.<sup>50</sup> This mirrors the lack of specific bilateral coordination between Japan and China in other conflict management groupings like the Six Party Talks.

## Normative Dispute Management

Their fierce periodic dispute over history and memory is the one area in which Sino-Japanese relations appears to need urgent moderation and regulation. Japan and China have a number of other normative disagreements, such as their different interpretations of democracy and human rights, and their divergent emphases in models of economic development. However, it is this ‘history problem’ – centred most controversially on Japan’s apparent reluctance to admit responsibility and make amends for atrocities committed during the Second World War – that encapsulates the deep social, psychological and political gulf over which China and Japan’s clashing values and beliefs impede any great power bargain between them. Sino-Japanese disagreements about history range from visceral disputes about wartime events including the Nanjing massacre and the use of comfort women, to partial accounts of history in certain Japanese textbooks, to forms of apology and compensation. Since the 1990s, patriotic education in China and resurgent domestic political contestation about war memory within Japan have combined to spill over into periodic public protests and riots as well as high-level political rupture.

Scholars are divided about whether disputes over history are intrinsic (in that collective memory constitutes significantly political identity and culture within a nation) or instrumental (in that collective memory is constructed and can be used to legitimise political choices made for contemporary geopolitical reasons). In either case, history disputes between China and Japan require urgent management as much as the material and strategic issues above. Thus far, both sides have managed restraint in the sense of not allowing outbreaks of public sentiment about history to damage bilateral relations irretrievably. Yet, managing these deep normative disagreements must go beyond pulling back from the brink of repeated crises. First, some mode of interaction between the two national historical narratives about World War II needs to develop. Because of the Cold War division, China and Japan (and also Korea) largely created separate national accounts of the war, but the post-Cold War head-to-head normative encounters between them have highlighted the disjunctures in these separate memories of shared history. The challenge then, was to create “a new public space in which China... [could] be integrated into the

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<sup>50</sup> See Gaye Christoffersen, “Japan and the East Asian Maritime Security Order: Prospects for Trilateral and Multilateral Cooperation,” *Asian Perspective* Vol. 33, No.3 (2009), pp. 107-149



new story of the war”.<sup>51</sup> An optimistic view of this process suggests that the search for such a meeting point, while contentious, is essentially dialogical. Such dialogues and arguments can help to clarify mutual intentions and create focal points for “normal diplomatic negotiations”. Suh emphasises, for instance, the ways in which Chinese and Japanese heads of state have repeatedly framed their history disputes in the context of needing to resolve them to provide a basis for working together for regional peace and stability. Thus, dialogical disputes over history may provide a buffer for power disputes, since the former can be negotiated without resorting to war.<sup>52</sup>

Yet, dialogical disputation cannot be the ends in itself, and the management of the history problem must eventually also involve some movement towards reconciliation. China and Japan face negotiations over new norms of collective memory, which include how to establish an agreed record of shared history, how and how much to make restitution for historical wrongs, how to mourn and learn from history, and in doing so, how to ‘move on’. (see Rose) Yet, there is little evidence of progress on direct bilateral efforts to agree on issues such as compensation for ex-comfort women and other war victims, or on the acceptable means of Japanese commemoration of war dead. In contrast, more progress has been made in the area of history textbooks. There have been state-level and non-state attempts at developing joint history textbooks between Japan and China and also Korea. To date, the most advanced result has come out of a non-governmental project of trilateral history-writing amongst Chinese, Japanese and Korean historians, teachers and activists, which published a joint history reader, *The Modern and Contemporary History of Three East Asian Countries*, in May 2005. This text is notable as a reflective account of shared history that seeks to balance out gaps in each country’s dominant understanding of its own and others’ experiences of the war.<sup>53</sup> At the state level, a Joint History Research Committee made up of prominent Japanese and Chinese historians was established in 2006. After three years, the Committee was unable to agree on a shared version particularly of WWII history, and produced a set of papers that essentially set out parallel histories.<sup>54</sup>

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<sup>51</sup> Sheila Miyoshi Jager and Rana Mitter, “Introduction,” in Jager and Mitter, eds, *Ruptured Histories: War, Memory, and the Post-Cold War in Asia* (Cambridge, MA: Harvard University Press, 2007), p. 9

<sup>52</sup> J. J. Suh, “War-like History or Diplomatic History? Contentions over the Past and Regional Orders in Northeast Asia,” *Australian Journal of International Affairs* Vol. 61, No. 3, September 2007, pp. 382-402, at pp. 386-7

<sup>53</sup> See Zheng Wang, “Old Wounds, New Narratives: Joint History Textbook Writing and Peacebuilding in East Asia,” *History & Memory* Vol. 21, No. 1 (Spring/Summer 2009), pp. 101-126

<sup>54</sup> Peter J. Brown, “China, Japan still fighting over history,” *Asia Times*, 11 February 2010; Ko Hirano, “Japan-China history report to break new ground,” *Japan Times*, 21 January 2010; Shinichi Kitaoka, ‘A Look Back on the Work of the Joint Japanese-Chinese History Research Committee’, *Asia-Pacific Review* Vol. 17, No. 1 (2010), pp. 6-20



## Conclusion

Since the decline of China at the end of the 19<sup>th</sup> century and the eventual defeat of Japan during the Second World War, East Asia has been dominated by external great power dynamics. The indigenous regional order has only been reconstituted over the last two decades. While there is common agreement that China and Japan will be the key actors determining East Asian security in the long term, we are still lacking innovative scholarly analysis of the roles that these two great powers together play in determining regional order. This paper has presented a framework and first-cut analysis of the development of a great power bargain between China and Japan, working out of a regional focus.

Liberal scholars like Ikenberry and Kupchan draw a parallel between Japan and Germany, and the U.S. and France after World War II, arguing that U.S. alliances formed the linchpins of regional reintegration in Europe. In the post-Cold War period, the implication is that China should behave like post-unification Germany and seek enmeshment within regional institutions. Unfortunately, East Asia lacks the type of mature institutions that Western Europe has, with a distributive bargain at its heart: because the U.S. interposed itself in Japan's place after the war, the necessary reconciliation has not yet occurred between the core regional powers, unlike in the case of France and Germany. Between China and Japan, there is still no distributive settlement: the distribution of authority and mutual constraint of unequal power is unresolved between them. Driven by bilateral crises and caught in the wider regional web of multilateral cooperation, Tokyo and Beijing have made some progress in achieving a regulative bargain, but ultimately, the latter will be stymied by irresolution at the distributive level – for instance, their opposition on 'exclusive' or 'inclusive' regionalism is a reflection of their distributive conflict and has blocked progress on security regionalism.

Of course, the simple starting point is to regard this as a growing security dilemma between China and Japan. However, this need not lead us to a stark balance of power analysis. Their growing mutual threat perception is destabilising; for instance, the Chinese view tends to be that Japan's alleged perception of threat from rising China is used instrumentally to warrant a range of crucial changes to Japan's security identity, from justifying a new alliance with the U.S. to contain China, to interference in Taiwan affairs, and a revisionist attitude to history and abandonment of pacifism. (Deng 190) At the heart of this spiral is the fact that since the end of the Cold War, Tokyo and Washington had changed significantly their security compact: in return for the wider defence umbrella provided by U.S. global hegemony against a range of traditional and non-traditional threats to its national security, Japan now plays a more substantive role within the alliance in both regional and global contingencies. It is this altered bargain that increasingly exerts untenable pressure on the Sino-Japanese relationship and necessitates a new great power bargain between them. This process must begin with re-consideration on both sides.

As the US-Japan alliance risks tipping over into becoming an overt front for containing China, Tokyo needs to reassess this perhaps unintentional entrapment, especially since domestic and external political pressures are unlikely to ease in the foreseeable future. On the home front,



in spite of the DPJ government's rhetoric critical of over-reliance on the US and in favour of closer ties with China<sup>55</sup>, it proved quick to fall back on the alliance during the October 2010 Senkaku islands stand-off. At the same time, U.S. demands on Japan for greater alliance burden-sharing will increase in the face of the ongoing global realignment of U.S. forces and expanding U.S. military interventions overseas. In this regard, it is instructive to bear in mind that American expectations of the alliance since the late 1950s have favoured fewer constraints on Japan than the Yoshida doctrine imposed. As much, if not all, of Japan's force modernization is taking place within the constraints of the U.S. alliance – for instance, the joint development of ballistic missile defence systems – this may significantly exacerbate Japan's security dependency on the U.S. and thus limit Tokyo's future ability to hedge against entrapment within the alliance.

On the other side of the renewed security dilemma though, China also needs to rethink its expectation that Japan ought to be kept indefinitely subordinate to the U.S., and that any divergence from this state of affairs abrogates Chinese security interests. Socializing China into accepting a more 'normal' Japan and/or the legitimate place of the U.S.-Japan alliance in the regional security order may be the ultimate challenge. China must get to grips with this dilemma: the strengthening of the U.S.-Japan alliance may indicate containment, but the weakening of the alliance may well cause an insecure Japan to re-militarize even faster. Essentially, Beijing has two options: it can face up to and engage in blatant military balancing against Japan, either along with or separated from the U.S.; or it can try to find some way to come to terms with the evolving alliance as its own power grows. Within East Asia more broadly, the gathering momentum towards creating some sort of 'regional community' and building 'regional security architecture' suggests that many other states aspire towards the latter.

The parameters of a putative great power bargain between China and Japan outlined here presents a somewhat maximalist version of what is required. But it highlights the urgent need to address deeper issues of developing a distributive bargain. Regional observers are merely skirting around this fundamental problem when they lament China's unwillingness and Japan's inability to lead regional community-building, or when they assert the imperative for China and Japan cooperatively to push forward regionalism. Within the region, there is clearly growing high-level recognition of the lacuna in the type of great power-to-great power negotiation so necessary to forging such a bargain. A number of tri- and quadri-lateral meetings have been mooted and are taking place among the great powers, notably the U.S.-Japan-Australia trilateral security dialogue and the China-Japan-South Korea trilateral summits. The crucial U.S.-China-Japan triangle receives relatively less attention. In spite of the fears of any great power condominium by smaller East Asian states, it is clear that equal, if not more, political effort must now be put into forging a workable new great power bargain between them. ■

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<sup>55</sup> The formation of the first Democratic Party of Japan (DPJ) government in September 2009 broke the Liberal Democratic Party's (LDP) grip on power and promised a shift to more centrist domestic and foreign policies, including a more equal alliance partnership with the US and deeper multilateral cooperation with neighbouring states and international institutions.





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Dr. Evelyn Goh joined Royal Holloway on 1 September 2008. From January 2006 to August 2008, she was University Lecturer in International Relations and Fellow of St. Anne's College, Oxford. Before that, she was Assistant Professor at the Institute of Defence and Strategic Studies (now the Rajaratnam School of International Studies) in Singapore from 2002 to 2005.

Dr. Goh has held various visiting positions: Public Policy Scholar in the Woodrow Wilson International Center for Scholars in Washington DC September-October 2008; Visiting Fellow at the Research School of Pacific and Asian Studies at the Australian National University September 2007; and Southeast Asian Fellow at the East-West Center Washington September-December 2004.

She was trained initially as a geographer at the undergraduate level in Oxford, going on to complete an M.Phil. in Environment & Development at Cambridge in 1997. After that, she studied International Relations at Nuffield College, Oxford, earning an M.Phil. before completing her D.Phil. in 2001.

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- *The Struggle for Order: Hegemony, Resistance, and Transition in East Asia*, 1989-2010 (Oxford University Press, contracted)
- *Developing the Mekong: Regionalism and Regional Security in China-Southeast Asian Relations*, Adelphi Paper No. 387 (London: IISS, June 2007).
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