

International Conference on China-Japan Relations and Role of the U.S.

China's relationship with Japan has reached a nadir in recent years with the continuing dispute over Diaoyu/Senkaku islands and with Prime Minister Abe's visit to Yasukuni Shrine in December 2013. Is conflict likely between the two countries? What is the implication of worsening China-Japan relations for the U.S. strategy in the region? How will the tri-lateral economic relationship be affected? How should we assess the influence of domestic political changes in China and Japan? On this critical moment, 21st Century China Program at IR/PS, UCSD, and Fudan-UC Center on Contemporary China organized an international conference entitled on "China-Japan Relations and Role of the US". In this a full-day workshop made up of 4 panels, we had over 14 experts on the Asia-Pacific region from China, Japan and the U.S. assembly with more than 50 audiences to discuss the history and current state of China-Japan relations and the role of the United States in light of the maritime dispute; economic demission of China-Japan relations; domestic drivers of Chinese and Japanese Foreign Policy, Assessing the Policies of Shinzo Abe and Xi Jinping.

In the first panel, Rumi AOYAMA presented her research on "China's Asia Policy in the post-Cold War Era", Go ITO discussed on "The U.S.-Japan Partnership for Maritime Security in Asia", GUO Dingping talked about "Retrospect and Prospect of Diaoyu/Senkaku Dispute Between China and Japan", Tom HOLLIHAN introduced the recent study finding of his team on "Press Coverage in the U.S. of the Diaoyu/Senkaku".

AOYAMA pointed out that the idea of China's Asian Policy – even China does not announce it publicly – by "surrounding countries" (周边国家) with three geopolitical definitions: the narrowest definition/ the broadest definition and between the narrowest and the broadest. The strategy of Chinese Asian regional policy very much emphasis the economic cooperation by developing New "Silk Roads"/BCIM corridor/China-Pakistan economic corridor, and also insist in NO compromise on sovereignty issue.

GUO discussed the historical origins of Diaoyu/Senkaku disputes through official documents both from China and Japan and affirmed that Diaoyu/Senkaku islands are part of Taiwan/China, Japan annexed the Diaoyu islands as the war booty during the first Sino-Japanese War. The recent disputes over Diaoyu islands were caused by the "purchase" decision by Japanese government in 2012. He suggested three scenarios of Diaoyu/Senkaku disputes between China and Japan taken into account during the short, mid and long term for gaining peace, stability and growth in the region: establish a crisis management mechanism between the military forces and maritime administrations jointly by China and Japan; wisdom and courage are needed from Chinese and Japanese leaders to put bilateral relations back on normal track and develop the mutually beneficial strategic partnership; the real and

ultimate resolution of the territorial dispute over Diaoyu/Senkaku islands will take a long time only after China, Japan and the US establish more balanced great triangular relations and substantial progress is made in regional cooperation and community-building in East Asia.

Go **ITO** presented his understanding on maritime security in the context of the US-Japan security alliance. He pointed that Article 5 of the U.S.-Japan Security Treaty could touch on the possibility of the U.S. government's intervention. The article says that "Each Party recognizes that an armed attack against either Party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes." ITO assumes that the U.S. government recognizes that Senkaku (Diaoyu) belongs to the Japanese territory, so Japan would seek American support to maintain Japan's territorial rights over the islands.

From his point that China seeks to broaden its maritime interests by claiming its territories, it is necessary for Japan (and the United States) to continue to argue the importance of "freedom of navigation" in the disputed area. That is, "freedom of navigation" has been one of significant rules of international law, and by making use of the international logic, we should avoid being entangled into China's claim on "territorial sovereignty." Regarding the South China Sea which the U.S.-Japan security treaty does not directly address, but China prefers not to have the U.S. intervened, the possible geographical enlargement beyond the U.S.-Japan security treaty will become important. It does not imply the alliance's military outreach, but rather seeks to disseminate universal aspects of the U.S.-Japan alliance toward the countries concerned about maritime security in the region. Such functional outreach could seek to include China as a significant member, but if China dislikes to join the joint settings (or institutions, if the functions of the U.S.-Japan alliance could be outreached more widely), the U.S.-Japan cooperation, together with neighboring countries, could present itself as a kind of stick against China's claim over the South China Sea.

Tom **HOLLIHAN**'s research focused on coverage of Diaoyu/Senkaku Dispute in US media (print and online) during 2011-2013. Ample coverage in New York Times, Los Angeles Times, Washington Post, Wall Street Journal, Christian Science Monitor, Time, Forbes, Bloomberg News and The Economist (UK publication but largest circulation is in US). The general findings are following:
US media says China gins up anti-Japanese sentiments: Chinas new wealth has created "arrogant," "aggressive," "expansionist" claims Tremendous expansion of investments in military capabilities create threats to region. Public opinion polls show hostile attitudes toward Japanese increase from 66% to 87% of Chinese citizens.

US media characterizes Japan as mostly pacifist, not seeking confrontation/deeply anxious about the “rise” of China/worried about its own shrinking role in the region and the world/largely favorable coverage that “Japan is a rational actor” /the government bought the land to keep it out of control of ultra-nationalists. Some criticisms against Japan are: failure to fully acknowledge war time guilt/Decision by leaders to continue visits honoring Japanese war dead/Shinzo Abe is characterized as a “hawk”/His party is seen as “nationalist” and fiercely patriotic/There is no questioning, however, of Japanese motives in military expansion.

Warnings about US being dragged into war: The US sought to preserve the status quo, “keep everyone in check” and send a message that “this is the line you don’t want to cross.”

The research notices that US coverage was skewed: US coverage was far more sympathetic to Japan/Issue shows that China was not very effective in creating a sympathetic understanding of its positions in US media/China is characterized as an aggressor and as overreaching, here and in other controversies with its neighbors/China is not cast as a partner of US.

In the 2nd Panel, scholars discussed about the China-Japan Relations through Economic Dimension. TJ **PEMPEL** talked about “The Economic-Security Disjuncture in Japan-China Relations”. It is very important to consider Structural Shifts happened in the Northeast Asia. The most important long term shift in the regional order involves the rapid alteration in power and perceptions of power among Japan, China, the U.S. and South Korea. In both relative and absolute terms China’s stunning thirty years of phenomenal economic growth have enhanced its ability to influence events both regionally and globally. Such structural changes in national power are long term and not likely to be reversed by any short-term measures taken by these countries’ policymakers. As a consequence of this developing power shift, *the central challenge for Northeast Asian leaders today is **managing this transition**, ideally in a way that will reduce dangerous confrontations and provide a smooth transition to a new regional order.* He pointed the once positive sum relationship between Northeast Asia’s economic and security order has been under challenge in recent years. Japan has long worried about the possibility of “abandonment” by its American ally. Recent events have reinforced fears that, in its efforts to accommodate China’s rise, the U.S. will resort to “Japan passing,” downplaying Japan and its interests in the rush to curry favor with the new regional power. He realized that the advice to China about how to manage the power transition is more difficult to issue with conviction since China is becoming the major beneficiary of the new power balance. And also recent Chinese actions on the military and geo-strategic front have triggered worries among leaders in many countries across the region. Certainly, there are numerous instances of short term tensions across NE Asia, but the intraregional economic linkages continue to deepen and that Japan, China and South Korea all have

collective incentives to continue them. Far better would be a reemphasis on domestic and regional economic enhancement; cooperation on common non-traditional security threats; and a recommitment to regional multilateral institutionalism as a means by which to process and manage the transition to the new regional order that is evolving.

Kiyoyuki **SEGUCHI** used figures to identify the increase numbers of Chinese customers for Japanese companies. Compared with other countries, FDI to China by Japan has been highest in recent years. The features of the current boom of Japan's FDI to China are: aiming at domestic Market; increase of service sector; increase of reinvestment of return in China. SEGUCHI expected perspective on the win-win development between Japan and China: China is lacking in advanced technology and sophisticated service. Japanese companies are expanding their sales and returns in the Chinese market.

Hideichi **OKADA** pointed while tensions between Japan and China have increased politically, the two countries have remained close trade partners. The trade data (2013) displays that trade of Japan to China is 20.1%, trade of China to Japan is 7.5%. His research found that the integrated supply chains developed in certain industry sectors between Japan and China and the recent developments of the negotiations of FTAs, such as CEPIA, Japan-China-Korea trilateral FTA, and TPP.

Ulrike **SCHAEDE** analyzed Japan-China Relations through the Business Lens, concluded that nothing between China and Japan ever seems to be "easy". The nature of dependencies is very different for China and Japan

- China needs Japan for construction materials, supplies, parts; and imports from South Korea and Taiwan of upstream, processed electronic parts that originate in Japan
- Both of these are resource-critical
- Japan needs China for sales and local production in a few main industries (cars, machinery, electronics)
- These are big industries, and a loss of market would hurt
- In terms of resource-dependence, verdict less clear

In the 3rd Panel, scholars discussed about domestic drivers of Chinese and Japanese foreign policy. Susan **SHIRK** shared her observation on "Nationalist Protests and PRC Policies Toward Japan". She reviewed the anti-Japanese protests in 2005, 2010, and 2012 in China, and found the strategic interaction between leaders and students: protests are costly signals; could turn against the CCP; leaders can suppress protests (e.g. EP-3 crisis in 2001; never have allowed a Taiwan protest); leaders permit protests to generate international leverage; manufactured protests have no leverage.

Mong **CHEUNG** examined Japan's response toward Chinese pressure over the Yasukuni issue during the Koizumi (2001-2006) and the first term Abe administrations (2006-07). He demonstrated that Japan's policy to China has been driven by a by domestic political calculations rather than foreign strategic calculation; whether there is a consistent China strategy exist within Japan's foreign policy making is questionable.

HE Ping pointed that Sino-Japanese relations are currently going through their most difficult period since the normalization of diplomatic relations. While mutual perceptions between these two Asian powers have bottomed out as reflected by historical and territorial issues, it is noteworthy that assessments of the importance of bilateral relations and of one another in both countries are also undergoing profound and subtle changes. If the former is relatively subjective due to emotional sensitivities, the latter is relatively objective by virtue of rationalism and pragmatism, although the two are interactive and never value-free. Japan's status in the Chinese worldview is constantly declining. In political circles, the heartfelt appreciation and admiration for Japan held by Chinese leaders—as demonstrated by Deng Xiaoping's visit to Japan and his experience on the bullet train (Shinkansen)—are increasingly hard to find. Therefore, Japan's role to China's economic growth and social development as a “mirror” and/or a “ladder” since the reform and opening-up is gradually becoming a historical memory itself. From the perspective of ordinary people, the appreciation and will to learn from Japan is also shrinking. In addition to the role of mass media, China's own rapid development is probably one of the most important causal factors behind this increasing self-confidence. Judging from academic circles, Japan studies within China's social science domain have been marginalized in the past few years. If we look at IR/IP studies in China specifically, it is a fact that the field is shifting from traditional country- or region-specific research to issue-oriented studies. However, Japan studies as a whole are “losing ground” compared with other country-specific research and largely occupied by practical and “high politics” issues, whether in terms of research projects or publications.

If we put the debate of “politically cold but economically hot relations” in the Koizumi era into the above-mentioned perspective and current context, it is not difficult to tell that while the bilateral political relationship is getting even colder the relations in other issue areas are losing their momentum as well, which in turn renders less social backing for political warming, even if the political leadership has incentives to do so. Consequently, the role of Sino-Japanese cooperation and coordination in many functional areas for political reconciliation has witnessed an undeniable decline. First, functional cooperation itself, either in quantity or in quality, moves in a sluggish pace as perceived benefits of this cooperation decreases. Second, the spillover effect of functional cooperation is greatly reduced as cooperation is only able to stay in a niche field or sector, unqualified to rise or spread to a higher level and therefore limited to ministerial level at best. Third, cooperation in “low politics” is less and less regarded as “political glue”; meanwhile,

forecasts of “things cannot get worse” and a “there’s no turning back” mentality are gaining prominence.

For China, Japan is always an entity with plural and intertwined identities and images: a former invader and aggressor, a counterpart of long-time exchanges, an indispensable neighbor, an existing power in the same region, a model of success in many aspects, and a source of learning and assistance. Therefore, it is practically critical but mentally painstaking for Chinese to perceive Japan in a comprehensive and proper way.

During the public session, scholars made assessment toward the Policies of Shinzo Abe and Xi Jinping. Kevin **POLLPETER** discussed Chinese new leader’s national security policy and its implication for Japan. He pointed that before Xi, the nature of Chinese national security state was fragmented and lacking in centralized leadership, which allowed competing interests (military, state security) to jockey for influence.

Since coming to power in 2012, Xi Jinping has been actively engaged in securing his grip on power over national security affairs in China, especially dealing with military and defense industrial issues. He also is taking charge of a new national security coordination body that has a comprehensive mandate in national security matters. This presentation demonstrated that Xi’s political efforts and strategic vision in how he is shaping the national security state under his tenure in power and what are the implications of these developments for Japan.

YANG Bojiang traced back the main strategies of former leaders in China before discussion Xi Jinping Administration’s Foreign Strategy. He pointed the trend of Xi’s foreign policy as

- Taking the initiatives, making something different
- Emphasizing top down design of policy
- Strong but not tough diplomatic line

Regarding with the relationship with Japan, China still looks for a long-term, stable and healthy development of the China-Japan relations, because China-Japan is one of most important bilateral relations, with important mutual interests in the economic development.

Yang analyzed why China and Japan have failed to co-exist harmoniously by reviewing the history of bilateral relations and the confrontation of interests. In the short term, the dialogue between leaders from China and Japan is locked in a spiraling diplomatic standoff. Abe’s China-related policy aims to pursue “overall normalization” of Japan by taking China factors as a tool; China’s Japan related policy pursues equal status in international society and insists no tolerance to deny the history of WWII. For replying the question, how China will be satisfied with Japan’s apology. Yang’s answer was that Japan did apologize, unfortunately,

Japanese leaders repeatedly turn-down the apology, and paid visit to the Yasukuni war shrine --- a memorial site honoring convicted war criminals. Yang strongly suggests that Japanese should have sincerity to make apology, not strategically apologize for time being, and then overthrow it.; Japan should learn from Germany to have law passed, anything try to deny the war crimes even try to praise war actions would be illegal, should be punished.

Satoshi **AMAKO** presented his opinions on Xi Jinping Administration's foreign strategy and the situation of Sino-Japanese relations in critical time. He is very sensitive with Xi's foreign policy for the Great Reconstruction, which including international cooperation together with great power diplomacy⇒ Great reconstruction of the Chinese race, as a result, growing perception of the China threat. From his understanding, China tried to develop the Great Chinese Sphere (大中華圈), which is not equal with East Asian Community. He brought the discussion about the attitude against Japan in present China: 1, Japan opposes CAN foreign strategy → CNA adopts a confrontational line ⇒Because Japan does not belong to a two new type major nation and the Great Chinese Sphere. Furthermore, it is becoming an obstacle for those formations. 2, China aims to provoke through controversial issues such as the territorial problem, recognition of history, visits to Yasukuni Shrine, and comfort women, pulling out high-handed attitude of Japan, then counterattack and isolate it ⇒Rebuttal against the anti-Japanese enmity theory as unjust and harmful also for China. 3, Chinese government uses Japan for economic development and social problem solution. Regarding with Japan's current strategy to reconstruct Sino-Japan relations, his opinion is that Japan should stay calm and reasonable for sticking on equality and reciprocity, while suggesting new solutions based on the assumption that Senkaku is a Japanese territory

- Strengthen US-Japan alliance, cooperate w/ other countries ⇒ Not to confront China, but to construct equal relationship;
- Revive economic cooperation + strengthen economic ties with Chinese local players and private sectors;
- Build a broad network based on mutual understanding and respect;
- Further appeal to China about Japan's importance;
- Create Asia-Pacific Community with different approaches ⇒refrain from propositions that would isolate Japan, but instead, strengthen collaborations.

Ellis **KRAUSS**'s presentation explored Abe's deviance and their implications for the US. Krauss's question is what is going on in Japan. How to understand Japan changed from pacifist, guilt-ridden apologizer aiming to integrate peacefully with Asia again to nationalist, more militarist, rearming, unapologetic, dangerous state under Abe's administration. Krauss tried to understand Abe's foreign policies—from perspective of Japan's own interests. He pointed that the Yoshida Doctrine provided Japan with a solution to the "alliance dilemma" of avoiding entrapment or abandonment by the US for many years since 1950s. With the rise of China

economically and militarily, the Yoshida Doctrine no longer seems as viable as it once was. The question is without Yoshida Doctrine, how can Japan keep the U.S. protecting it, but still have some autonomy from U.S.? Regarding with Japan's position in the regional East Asian system and therefore the national interest strategy it should be pursuing are clear, he adopted Eric Heginbotham and Richard Samuels' pithy phrase, "Japan's Dual Hedge," namely integrate more closely with China and Asia economically and more closely with the U.S. militarily, giving Japan a degree of autonomy from both China and the U.S. and hedging against the disadvantages of over-dependence on either. Up until Abe, Japan more or less seemed to be following this strategy. He described Abe's rational side:

- Restore economic confidence with "Abenomics"
But will it work long-term?
- Bring Japan into TPP to force structural reforms
- Continue military hedge with U.S. and gradually increase Japan's defense posture and alliance role w/o sacrificing defense only Article IX
- Firm stand on island dispute but don't provoke further
"historical memories" push him
- Yasukuni visits
- Comfort women, Nanjing Massacre statements by him and his appointees and supporters

Irrational:

- Unnecessary side show
- Equivalent of holocaust denial in Germany
- Makes better economic and political relationships with China and ROK impossible

He questioned whether Abe's administration makes Japan loses the "dual hedge," becomes more militarily and economically (TPP) dependent on U.S.? The consequence including increasingly will lose ability to say "no" to U.S. based on Article IX -Japan becomes entrapped in the alliance; Entraps U.S. into Japan's territorial and historical disputes with Asian neighbors; Will become a closer but more difficult ally of U.S.

Krauss predicted that next decade will be very dangerous in NE Asia.

Speakers

From United States:

Kevin Pollpeter, Deputy Director, Study on Innovation and Technology in China and Institute on Global Conflict and Cooperation, School of IR/PS, UC San Diego

Thomas HOLLIHAN, Professor of Communication, Annenberg School for Communication & Journalism, University of Southern California

Ellis KRAUSS, Professor of Japanese Politics and Policy-making, School of IR/PS, UC San Diego

T. J. PEMPEL, Jack M. Forcey Professor of Political Science, UC Berkeley

Ulrike Schaede, Professor of Japanese Business and Executive Director, Center on Emerging and Pacific Economies, School of IR/PS, UC San Diego

Susan SHIRK, Ho Miu Lam Endowed Chair in China and Pacific Relations and Chair of the 21st Century China Program, School of IR/PS, UC San Diego

From China:

GUO Dingping (郭定平), professor of political science, School of International Relations and Public Affairs, Fudan University

HE Ping (贺平), Associate Professor of International Politics, Institute of International Studies, Fudan University

YANG Bojiang (杨伯江), Professor and Director, Institute of Japan Studies, Chinese Academy of Social Sciences

From Japan:

Satoshi AMAKO (天児慧), Professor, Graduate School of Asia-Pacific Studies, Waseda University

Rumi AOYAMA (青山瑠妙), Professor, Research Institute of Current Chinese Affairs, Waseda University

Mong CHEUNG (張望), Lecturer, Waseda Institute of Contemporary Chinese Studies, Waseda University

Go ITO (伊藤剛), Professor of International Relations, Meiji University

Kiyoyuki SEGUCHI (瀬口清之), Research Director of the Canon Institute for the Global Studies

Hideichi OKADA (□□田秀), NTT Data Institute of Management and Consulting