Strategic Goals in U.S., Japan, and China Relations

A Conference Report

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Based in Honolulu, the Pacific Forum CSIS (www.pacforum.org) operates as the autonomous Asia-Pacific arm of the Center for Strategic and International Studies in Washington, D.C. The Forum's programs encompass current and emerging political, security, economic, business, and oceans policy issues through analysis and dialogue undertaken with the region's leaders in the academic, government, and corporate areas. Founded in 1975, it collaborates with a broad network of research institutes from around the Pacific Rim, drawing on Asian perspectives and disseminating project findings and recommendations to opinion leaders, governments, and members of the public throughout the region.

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Executive Summary

Relations among the United States, Japan, and China are good. The various bilateral relationships are moving in the right direction and there are no obstacles to them continuing on their current trajectories. Nonetheless, positive relations among the three countries have not translated into a solid *trilateral* relationship. "Strategic Goals in U.S., Japan, and China Relations" sought to remedy that shortcoming by focusing on the fundamental concerns of the three countries and exploring ways they could work together to realize shared interests.

The most significant change in the last year is the coming to power of the Abe government in Tokyo, and Prime Minister Abe's determination to mend relations with China and South Korea. Chinese see the shift as a result of Tokyo's concern about lost economic opportunities. Japanese see subtle changes from Beijing, too. Both sides consider important Chinese Prime Minister Wen Jiabao's April visit to Japan, especially his speech to the Diet, which acknowledged attempts by Japan to accept responsibility for the past and to express its remorse. The broadcast of the speech to China demonstrated to Japanese that the Chinese leadership wants to change public perceptions of their country. The upturn could be temporary, however: leaders in both countries have to demonstrate and affirm the importance of a strong bilateral relationship to their publics.

A table-top exercise conducted by U.S. think tanks in 2006 provided troubling food for thought about the failure to build better relations among the three countries. While all parties wanted to prevent a crisis, concerns about perceived weakness and a desire to protect national interests prompted escalation. Many of our participants dismissed the prospect of such a crisis.

The three countries' long-term visions could provide a basis for cooperation. The U.S. will continue its presence in the Asia Pacific, given the rising importance of the region to U.S. national interest and the global economy; Washington's desire for access to regional markets won't abate. China's pre-eminent goal is building a well-developed, harmonious society. Japan is uncertain about its place in the world, but all trends militate against aggressive nationalism. All three countries want and need a stable and benign external environment. The three countries should embrace "win-win-win" thinking. This will require formal and internal interaction on a range of global rather than bilateral solutions and deepening contacts among the three civil societies.

Energy security provides an, if not the best, opportunity for cooperation among the three countries. There have been many collaborative efforts on the bilateral and multilateral level; they should be built upon. Future work should focus on regional crisis planning, such as the development of a strategic petroleum reserve or information sharing about global markets. Joint efforts should be undertaken to develop resources elsewhere in the world and the countries should cooperate to strengthen transportation infrastructure, for example by working on navigational safety, developing routes and ports, and fighting piracy. As a guiding rule, "engineers should talk before security types jump in."

One vehicle for institutionalizing China-Japan cooperation is Asian integration more generally. A basic question hangs over the project: integration for what? Are institutions for economic, political, or security reasons? The answer will determine which

mechanisms can be best adapted for the future. While the European experience offers some lessons, the differences make comparisons problematic. And it is clear that integration is no cure-all for historical enmities. Political leadership is a necessity.

Effective trilateralism begins with mutual efforts to support each country's core strategic vision. China should back Japan's normalization process (or at least not hinder it), the U.S. and Japan should support China's peaceful rise, and China should help sustain U.S. predominance in the Asia Pacific. After embracing those general principles, there is a wide range of issues on which the three countries can pursue trilateralism, ranging from high-level strategic dialogues to search-and-rescue exercises. Ties between NGOs and the private sector should be encouraged. There should be a premium on creative thinking.

The recent improvement of relations notwithstanding, history is still a hurdle for stable and positive relations. This is unfortunate. The two countries' 2000-plus years of relations have been generally friendly; only during 1894-1945 were there real problems. Since then, Japan has pursued peaceful development and its record has been positive.

Improving relations among the U.S., Japan, and China provide an opportunity to move bilateral relationships and trilateral relations to new levels. Politicians are sending the right signals and should move forward with initiatives to seize the moment. While there is a long list of shared concerns upon which governments can act, it is vital that the three countries push other elements of their societies to join in and thicken the web of contacts that can insulate relations from another downturn. These relationships are far too important to leave to a small group of decision makers – politicians in particular.

Strategic Goals in U.S., Japan, and China Relations
Conference Report

Relations among the United States, Japan, and China have experienced profound swings throughout the decade of trilateral meetings that the Pacific Forum CSIS has hosted with partners from Japan and China. When we convened in Nanjing, China on April 25-27, 2007 for our 11th round of discussions, the various bilateral relationships were all on upswings. Japan and China were still celebrating the successful visit of Chinese Premier Wen Jiabao to Japan weeks before; relations between the U.S. and Japan were strong and both sides anticipated a productive visit by Japanese Prime Minister Abe Shinzo to Washington, which occurred during our meeting; and U.S.-China relations were solid, with high-level dialogues proceeding and cooperation continuing. Most important, there were no apparent obstacles to current solid bilateral relations.

Nonetheless, positive relations among the three countries have not translated into a solid *trilateral* relationship. The triangle is still composed of three distinct sets of relationships and there has been little effort – or at least there has not been much successful effort – at forging three-way discussions or cooperation. Our conference on "Strategic Goals in U.S., Japan, and China Relations" sought to remedy that shortcoming by focusing on the fundamental concerns of the three countries and exploring ways they could work together to realize shared interests. Equally important, the 22 scholars and 17 Pacific Forum Young Leaders wanted to ensure that conflicts among the three could be minimized and managed to prevent them from jeopardizing that cooperation.

Recent developments in China-Japan relations

The most significant change in the year since we last examined trilateral relations was the coming to power of a new government in Tokyo, and Prime Minister Abe's determination to mend relations with China and South Korea. Upon taking office, Abe visited Beijing and Seoul – itself a powerful statement; most Japanese prime ministers travel first to Washington to show that the alliance remains the cornerstone of Japanese foreign policy – to demonstrate his commitment to halting the slide in relations with neighbors that had occurred throughout the reign of his predecessor, Koizumi Junichiro. The single biggest problem in those two relationships was Koizumi's determination to visit Yasukuni Shrine. What he saw as a matter of personal and domestic politics and a side issue in Tokyo's relations with those countries, was considered by Japan's Asian neighbors to be an insult to their feelings and a signal of a revisionist outlook toward history. The two views failed to reconcile throughout Koizumi's tenure as prime minister. If sour relations was one of Koizumi's legacies, it nevertheless provided Abe with an opportunity for a quick foreign policy success, which he promptly grabbed.

Abe's visits to China and South Korea were followed up with diplomatic efforts to secure a visit to Japan by a Chinese leader; Premier Wen made that trip in April and it was widely applauded as a success. Jin Xide, of the Institute of Japanese Studies at the Chinese Academy of Social Studies (CASS), provided a Chinese perspective on the turnaround in Japan-China relations. He attributed the shift in Japanese thinking to

deteriorating bilateral economic relations. Throughout Koizumi's tenure, Japan was becoming more dependent on the Chinese economy, yet political tensions were eroding the foundation of that relationship: the rate of growth of bilateral trade between Japan and China was slowing compared to Chinese trade with the U.S., Europe, and other regions; it was increasingly difficult for Japanese companies to find and keep managers, given the ill feelings toward Japan in China; Japan was losing out on large-scale investment projects in China; and finally, business lobbies in Japan were demanding a shift in Japanese policies to protect their interests in the Chinese market. At the same time, Jin argued, Japan's policies and the tensions they created were generating criticism around the world.

Jin believes that the Beijing government had been searching for a chance to break the diplomatic deadlock; its concerns were amplified after anti-Japanese demonstrations in 2005 occurred throughout China. To help dampen tensions, the government embarked on a campaign to educate the Chinese public about the positive side of Japan-China relations and kept a close eye on developments in Tokyo to see if opportunities arose to fix the drift in the bilateral relationship. Beijing recognized that problems with Japan hampered realization of China's most important goal – development – by creating diplomatic tensions that risked conflict, by discouraging business relationships that created jobs and transferred technology and know-how, and by hindering Asian integration.

Abe's election as prime minister provided the opportunity to move forward. According to Jin, "Abe initiated the whole process" for reconciliation. Success depended on his consideration of Chinese views on visits to Yasukuni Shrine – i.e., not going – and accepting previous Cabinets' positions on history. That paved the way for Abe's October 2006 visit to Beijing, which, Jin argued, had three positive results for China-Japan relations: it broke the ice, making possible the resumption of top-level meetings; it had a positive influence on public opinion in both countries; and it promoted bilateral negotiations on various issues. The proof of the visit's success was evident in subsequent high-level meetings, high-level defense dialogue, military exchanges, and a range of bilateral contacts across issues and fields.

Jin rightly noted that initial success was not a cure-all for the relationship's problems. Chinese interpreted as "hostile" (or at least "unfriendly") Abe's call for European governments to maintain the arms embargo against China, his support for a "common values alliance" and Foreign Minister Aso Taro's endorsement of an "Arc of Freedom and Prosperity" (both of which are seen as targeting China), the joint security declaration between Japan and Australia, along with Abe's recent statements about comfort women. As a result, what was to have been a five-day visit by Wen was cut to three days.

Negotiations over a statement by the two leaders revealed new tensions. China did not get the clear statement on Taiwan that it wanted, nor did it get a promise concerning future visits to Yasukuni. For its part, Japan did not get a breakthrough on the East China Sea dispute, Beijing's commitment to support Tokyo's bid for a permanent seat on the United Nations Security Council (UNSC), or get China to press North Korea to take more seriously Japan's concern about abductees.

Those problems notwithstanding, Wen's visit was a success. It helped regularize high-level visits; it had a positive impact on *both* publics (especially in China, where Wen's positive speech to the Diet was broadcast); and it helped flesh out a framework for "Mutually Beneficial Relations based on Common Strategic Interests." The questions now, for Jin, are two-fold. First, how will the two countries build a framework for enduring relations when both nations are strong (a phenomenon that is unprecedented) and which accommodates both cooperation and competition? And second, how does the U.S. fit into this relationship?

Takagi Seiichiro, of Aoyama Gakuin University, echoed Jin's overall assessment: there has been substantial change in the Japan-China relationship, but he cautioned that recent steps forward are just initial steps. He agreed that fleshing out the "strategic relationship of mutual benefit" was an important development. The formula was developed at the Abe-Hu summit in October but it was abstract. The Wen visit added details, in particular concrete projects, such as defense minister exchanges, navy port calls, cooperation on the environment, energy, and at the regional and global levels (such as UNSC reform and ways to denuclearize North Korea). The summit made some progress on the East China Sea – the two sides agreed to joint development, without going into details – and on chemical weapons abandoned by the Imperial Japanese Army in China (they agreed to build a plant to neutralize them). New dialogue mechanisms – a high-level economic meeting and one on environmental protection – were agreed.

Takagi, like all participants, underlined the importance of Wen's Diet speech. Its tone was unmistakably positive, and Japanese appreciated his explicit acknowledgement that Japanese officials accept responsibility for the past and express their remorse. The broadcast of the speech to China demonstrated to Japanese that the Chinese leadership wants to change public perceptions of their country. Wen's activities – jogging, writing haiku, and practicing tai chi – showed a readiness to try to win the "hearts and minds" of Japanese.

Tensions remain. The East China Sea remains a sore spot, despite the two sides' commitment to joint development. There is no agreement on the boundaries for each country's exclusive economic zone (EEZ) and development in national waters has not slowed. While the two leaders agreed to naval visits, no dates were set. China backed Japan's attempts to play a bigger international political and security role, but noticeably failed to include endorsement for a permanent seat on the UNSC. In addition, agreement on denuclearization of the Korean Peninsula (as laid out in the Sept. 19, 2005 Joint Declaration at the Six-Party Talks and amplified in the Feb 13, 2007 declaration) did not mean that China endorsed Japan's concern about abductees.

While Takagi agreed that the most important change in the bilateral relationship is Abe's taking office, he did note that China had changed position, too – albeit subtly. Beijing no longer demands an explicit statement that the prime minister won't go to Yasukuni but calls it a "political obstacle to be overcome." He likens this approach to the U.S. policy of "don't ask and don't tell." Nonetheless, as Wen explained during his visit, the actions of Japanese leaders will be China's benchmark.

In fact, as Takagi explained, the growing interdependence of the two countries' economies is pushing their leadership toward accommodation. Japan's "green" and energy efficient technologies are key to China's future; cutting Chinese pollution and decreasing its energy demand are in Japan's interest as well. He also argued that it is not in China's interest to alienate Japan and push it closer to the U.S.; a warmer relationship with Tokyo could provide a cushion for Beijing against U.S. pressure. Moreover, better relations with Tokyo will diminish some anxieties in Washington about Chinese intentions. Most important, the two countries need a stable framework that will keep their relationship on an even keel as both governments navigate uncharted waters and try to resolve the thorny issues that dog their relationship.

Discussion focused on two questions. The first was the degree to which recent changes in the bilateral relationship differed from previous phases when relations improved. The visits by Abe and Wen were "ice breakers" but, asked one Chinese participant, "what is the ice?" A U.S. discussant suggested that "the ice" is the mistrust and suspicion that colors thinking about the other in both countries. Elite opinion in China about Japan has shifted, but most citizens continue to have a profoundly negative image of Japan; two visits cannot undo years of angry and ugly rhetoric or images calculated to inflame. An opinion poll taken on the eve of Wen's departure for Japan showed more than 80 percent of respondents in both countries thought the current state of Japan-China relations was "bad." Some 59 percent in China and 32 percent in Japan said they expected the visit to improve relations; worryingly, 39 percent of Chinese respondents and 59 percent of Japanese said it wouldn't. As one Chinese participant noted, both country's image of the other is outdated: Chinese see Japan as "militarist," while Japanese think China is "backward."

Critical here is a strong and continuing commitment by leaders of both countries to improve relations. Only this will convince both publics of the desirability of changing views and the desire of the other to do so. Both countries need to demonstrate sincerity; Wen's "personalizing" of the trip – he said he wrote his Diet speech himself and had made its success a personal goal – is one example of this. Abe's willingness to stay away from Yasukuni is just as important.

The corollary of this position is that public opinion in both countries is "a wild card." An incident in either country could derail relations if it is viewed as revealing "the true feelings" one country has for the other. Indeed, one Chinese suggested that the change in Beijing's approach to Japan is intended for domestic consumption: it shows a readiness "to go the extra mile" to improve relations and deflect criticism of its policies.

The second discussion thread explored the implications of this shift for trilateral relations. While acknowledging that there is no single U.S. view on the improvement in ties between Tokyo and Beijing, U.S. participants insisted that the majority of informed opinion agrees that a China-Japan rivalry does not serve U.S. interests. The U.S. seeks stability; tension between the two biggest countries in the region is an impediment to that goal. Americans countered, asking whether China sought better ties with Japan to dilute U.S.-Japan cooperation (as had been advocated in the past). To their credit, some Chinese participants conceded that such zero-sum thinking still exists, but dismissed it as a minority view. Most Chinese accept that the U.S. is and will remain the regional leader

in security affairs and that no country can challenge that role. Within Asia, leadership will depend on the issue under consideration: some times, Tokyo will be best suited to lead; other times, Beijing will.

There could be a problem, however. As one Japanese explained, Tokyo seeks a more "respectable position" in global politics. While the content of this policy is not directed against China, attempts to formulate a framework for doing so, or at least one that stresses values as the basis for its diplomacy, is likely to have negative consequences for relations with China because of the nature of the regime in Beijing.

Review of Japan-China project

In 2006, the Pacific Forum CSIS, along with three Washington-based institutions – the Center for Naval Analysis, the Institute for Defense Analysis, and the Institute for National Security Studies – examined China-Japan relations and tried to develop U.S. policy recommendations to deal with the tensions that then dominated that bilateral relationship.[1] As part of that exercise, participants conducted several iterations of a political-military scenario that involved a naval incident in the East China Sea. The simulations raised important questions of preparedness for such an incident, effective communication in a crisis, and different perspectives on escalation control and crisis management. During our second session, Pacific Forum President Ralph Cossa discussed those results and asked our participants to provide answers to questions about national objectives, military advice, and best, worst, and expected outcomes. A summation of the scenario, questions, and responses is provided in Appendix B.

The original simulation results – in both attempts – were troubling. While all parties wanted to prevent escalation, neither Japan nor China wanted to appear weak in regard to the other. While the U.S. considered the incident to be an accident and handled it as such, Japan saw it as a test of the alliance. For its part, China wanted the U.S. to act as an honest broker. Both Beijing and Tokyo saw the other to be at fault – despite incomplete and conflicting information. In short, despite the best intentions of all three parties, the incident was quickly escalating into a crisis.

Curiously, both Chinese and Japanese participants agreed that the scenario was unlikely and would not cause a crisis. One Japanese noted that the Japanese and Chinese coast guards had agreed to improve communications. U.S. participants were not reassured.

Long-term visions

Having explored the recent shift in relations between Japan and China, we then tackled long-term visions among the three countries, to identify areas of convergence that might yield cooperation and differences that might create obstacles. Thomas Bickford, of the CNA Corporation (one of the meeting sponsors), started by identifying factors shaping U.S. engagement in Asia and their future influence. Bickford argued that U.S.

[1] See "Sino-Japan Rivalry: A CNA,IDA,NDU/INSS, Pacific Forum CSIS Project Report," March 2007, at www.csis.org/media/csis/pubs/issuesinsights_v07n02.pdf

policy for the last 150 years has been – and for the foreseeable future will be – driven by a desire for access to Asian markets. Part of that policy – if not its cornerstone – is the U.S. military presence in the region. (Bickford noted that the U.S. had a presence in the Pacific before it even had a Pacific coast.) That presence will continue: it helps guarantee that access, and the size of the Asia Pacific demands a "forward" presence to be credible.

The U.S. also wants regional stability. Given the increasingly prominent role the Asia Pacific region plays in global economics, instability would damage the U.S. economy; it would cripple the global supply chain and cut demand for U.S. goods and services. Moreover, instability requires a bigger military presence, which drains U.S. resources.

Bickford noted that U.S. policy has and will continue to put values and democracy at the center of its foreign policy. While the emphasis may vary, such values are an integral part of the U.S. self-image and will not be discarded.

Bickford anticipates that economic concerns will continue to dominate U.S. thinking about Asia. While the military will continue to play a role, it will focus on nontraditional concerns. (Nonetheless, the U.S. military will continue to modernize and keep pace with other Asian powers.) He is optimistic that festering issues such as Taiwan and the Korean Peninsula will be managed and dealt with. The rise of global challenges – climate change, avian flu, etc – will put a premium on trilateral cooperation. The question is the form that cooperation will take. This answer, however, depends not only on the three countries at our conference, but the roles played by "outside" powers, such as India, Australia, Russia, and the EU.

Ren Xiao of Fudan University explained that China's first and pre-eminent goal is building a well-developed, harmonious society. Given China's size and the many daunting problems it faces as it develops, that is a formidable challenge. This domestic focus requires a stable and benign external environment. Stable relations with the U.S. and Japan are critical to this effort.

Ren, like many Chinese, believes the U.S. seeks predominance in the Asia Pacific region and around the world. Given U.S. power and prominence, that is "natural and understandable." The central issue for Chinese strategists is whether the U.S. will give China the status it deserves. A policy that depicts China as a stakeholder – as was articulated by Deputy Secretary of State Robert Zoellick in 2005 – seems to answer that question in the affirmative. The problem, however, is in the definition of "responsible": who determines whether a government's actions are responsible or not? Chinese – and many others – worry that Washington is arrogating that decision to itself.

It is unclear where Japan fits into China's strategic worldview. Tokyo is still adapting to changing geoeconomic and geopolitical realities, in particular the rise of China and the new relationship with Beijing that is being created. Tokyo has never been especially articulate about its own strategy and that compounds China's uncertainty. Ren argued that China must be prepared to accept a Japanese political and military role in the region and the world, but the process must be mutual. Tokyo seems to have opted for a cooperative relationship with China, but there is a tension in Japan's foreign policy: it is

torn between its geographic roots in Asia and its alliance with the U.S. He noted that the new Armitage-Nye report calls on the U.S. and Japan to work together to shape Chinese choices; he hopes that they won't negatively affect Chinese interests, especially Taiwan.

If China is unclear about Japanese intentions, it could be because Japan itself is uncertain about its place in the world. Tamamoto Masaru of the World Policy Institute argued that Japanese are trying to forge a new social contract but they cannot agree on a national narrative that would create a consensus. Japan today is a rapidly aging society that is not reproducing. Its public debt is the highest in the industrial world, tax revenues are declining, and pensions are threatened. There is growing inequality in a society that prided itself on its egalitarianism and in which most people considered themselves middle class. The economy is recovering after a decade of stagnation, but most incomes are not.

Prime Minister Abe has vowed to create a "beautiful country," but many, if not most, Japanese do not share his vision. Tamamoto argued that the current leadership wants "to narrate a new country into being." It has not dealt well with defeat in World War II and seeks to go back to 1945 and start over again. The constitution is a symbol of their efforts; written by occupation forces, they desire to write a new document – and a new, homegrown blueprint for Japanese society.

Among strategists, Tamamoto senses a new energy and enthusiasm to talk about foreign policy in new ways. Balance of power calculations are this group's framework, but this type of thinking has resulted in Japan's isolation in Asia as a result of an over-emphasis on balancing and concern about a rising China. Some of these strategists also complain about the country's relationship with the U.S. – not because they prefer an independent security posture, but because they want more equality within the alliance.

A shrinking Japan will need its Asian neighbors more than ever, not only to do the labor that immigrants have traditionally provided, but for white-collar, middle-class work, too. Tamamoto argued that China is the most obvious source for this inflow since it has the largest pool of Japanese speakers and the most educated labor force. In his logic, these workers will stay, marry Japanese, produce families, and promote integration between Japan and China that renders state borders porous.

Tamamoto called for an "elite conspiracy" between Japan and China that copies the Franco-Germany "conspiracy" that built the European Union after World War II. Plainly, such intermingling requires rough income equality, but this too is in Japan's long-term interest as economic interdependence binds the two countries more tightly. If the global economy continues on its current trajectory, this outcome is possible; politics could derail it, however.

As at last year's conference, these experts' visions were challenged by those of the next generation of scholars. A Pacific Forum CSIS Young Leader[2] from each of the three countries provided a view of their country's long-term interests. Interestingly, each endorsed a change in his or her country's policy. Kotani Tetsuo of the Ocean Policy Research Foundation argued that Japan's new "value-oriented diplomacy" is a mistake.

[2] See www.pacforumyoungleaders.org for more information about the Young Leaders program.

Values have never figured strongly in Japan's foreign policy. China and Japan have different regimes; they don't share values. The promotion of an "Arc of Freedom and Prosperity" does not provide a basis for compromise with China on key issues. In fact, it is more likely to drive a wedge between the two. Worse, it could send the wrong message to Taiwan. Kotani favors a policy of "peace and prosperity," one that calls for the three countries to promote regional stability through peace building, economic assistance, and humanitarian relief. After establishing these collaborative efforts, Japan and China could turn to thorny issues close to home – such as disputes in the East China Sea.

Kotani also took aim at Japanese efforts to become a "normal country." As part of this journey, he believes Tokyo will within a decade change the interpretation of the exercise of the right of collective self-defense. This will facilitate Japan's contribution to international security activities when they are endorsed by international organizations. Unfortunately, this effort was tarred by Prime Minister Koizumi's stubborn commitment to visiting the Yasukuni Shrine, which created the image of a nationalistic and revisionist Japan. Given the centrality of images to the success of international diplomacy, this misapprehension of Japanese intentions must be corrected. A commitment to a policy of "peace and prosperity" would also serve this goal.

Kotani admits that some individuals do have a revisionist, nationalist agenda, but he believes, like Tamamoto, that they are a minority. Unfortunately, they are a vocal minority and Prime Minister Abe is not sufficiently powerful to have a "zero tolerance" policy against such statements. For Kotani, a second best solution is to promote joint studies of history, "not to establish a unified interpretation but to deepen understanding of respective interpretations." Most important, politicians should leave such studies to the historians.

Leif Eric Easley of Harvard University called on the three countries to embrace "win-win-win" thinking. This requires a broadening of trilateral relations beyond economic interdependence and the engagement of China by the U.S.-Japan alliance. It will require formal interaction on a full range of global rather than bilateral solutions; it will necessitate deepening contacts among the three civil societies. It will yield more stable relations and less hedging.

Achieving a "win-win-win" relationship requires the three countries to use "cooperation with teeth" – they have to bring their capabilities and political will to bear on real challenges and put global concerns ahead of national interests; such thinking may sound idealistic, but it means, for example, putting the viability of the global nonproliferation regime ahead of parochial concerns about protecting national interests vis-à-vis Pyongyang and Tehran.

Easley offered several suggestions on how to facilitate such cooperation. States should ensure that socialization is not a one-way process. For example, the U.S. could emphasize lessons it learns from other states. There should be competitive development of best practices – a race to the top. International institutions must be reformed; this includes alliances, which should be open to attract third parties and nested in multilateral institutions. Zero-sum thinking should be played down and emphasis placed on cooperation. New thinking should be embraced: state-centered notions of sovereignty

need to be reformed to deal with new problems and new international realities. At the same time, new thinking should not mistake hope for reality.

All three states must recognize the ability of the other two to contribute to problem solving. All three must recognize and accommodate the other's strategic interests: China wants strategic space; Japan wants international relevance; the U.S. wants a U.S.-led stable international order. Easley called on Washington, Tokyo, and Beijing to use the "three R's" to reform national trajectories. The U.S. should *respect* true partnerships and effective multilateralism. China should exercise *restraint* on defense spending, power projection, and create space for further development of domestic freedoms. Japan should manage historical issues *responsibly*.

Wang Fang of the Hopkins Nanjing Center acknowledged that the China-Japan relationship is dominated by suspicion and misunderstanding, with the mass media reinforcing negative images and stereotypes. Both governments need to do more to set the proper tone to their relations. Ultimately, however, the best remedy is face-to-face contacts that can help build more positive images; she suggested that Japan make it easier for Chinese to get visas to visit the country; Japanese can enter China without a visa.

History needs to be put into perspective. Wang endorsed a joint study and called on the Beijing government to help dampen irrational emotions among the public. An emphasis on shared interests such as economic cooperation, technology development, and environmental protection should help put the history issue in perspective.

Wang put Taiwan at the center of U.S.-China relations. She acknowledged that the U.S. cannot renounce its ties with the island completely, and China is unable to force a solution on its terms. In these circumstances the status quo – playing down the issue and pursuing U.S.-China cooperation on other issues – makes sense.

Discussion focused on three issues. The first was Japan's evolution and the meaning of "normalcy." That very question – what does Japan define as "normal"? – reflects Japan's own "abnormality": no other country has to answer that query. A Japanese Young Leader explained that that term is no longer used much; the current operative phrase is a "beautiful country." In either case, however, uncertainty about Japanese intentions is the real issue. As questions from Chinese participants made clear, there is concern about Tokyo's long-term foreign policy. Clearly, Japanese have to better articulate strategic objectives and the vision they have for their country in the world. Another Japanese emphasized that there is no single agreed answer to this question. The Japanese public is divided and the prime minister's vision – and that of many conservatives – of a more assertive foreign policy across a range of issues is his own, not that of the entire nation. Indeed, as one Japanese participant explained, the conservative agenda is really just an outline and lacks most details. Still, there appears to be growing support in Japan for participation in collective self-defense when authorized by legitimate international bodies.

Several Chinese participants voiced similar concerns about their own country's place in the regional and international order. While official Chinese policy stresses that Beijing will honor the five principles of peaceful coexistence and insists the country's

rise will be peaceful, several Chinese speakers conceded that there is no guarantee of this. They noted that finding common ground with other diplomatic partners on fundamental issues such as values will be difficult and depends on China's own domestic evolution. One Chinese speaker suggested that China contribute the value of "harmony" to the international discourse. The key is inculcating norms that support, rather than challenge, prevailing international standards and institutions. China should be included in multilateral institutions to help "socialize" it: a focal point of Chinese anxiety is the role of U.S. alliances in Asia. While Taiwan is a paramount Chinese concern, one Chinese took some solace in the fact that it has become a shared strategic interest of Washington and Beijing – and even Tokyo, as evidenced by the 2005 "2+2" Statement – and could serve as a foundation of cooperation. At the same time, another Chinese cautioned that too much emphasis on democracy and values in foreign policy risked sending the wrong signal to Taiwan's independence activists.

Generational differences in China could be troublesome. While senior Chinese participants counseled patience and focusing on internal development as a way of ensuring that China's rise is peaceful as well as helping to diminish foreign suspicions of its intentions, Chinese Young Leaders argued that their generation is eager to assert itself in decision-making. It is unclear how these tensions will play out, but demands for input will complicate foreign policy-making – even if this generation shares our Young Leaders' opinion that the history issue should be less of a factor in China's foreign policy.

A second focus was demographics: Chinese speakers noted that Japan is not the only country facing a severe demographic transition. China will get old before it gets rich, and Chinese participants bemoaned their country's lack of a social safety net. Moreover, the urbanization process and internal migration is leading to depopulation along many borders. One Chinese worried about the impact this would have on relations with land-based neighbors. Who will guard China's borders?

The third topic was the impact of globalization on trilateral relations. The trend over the last decade has been deepening economic interdependence among all three countries. Two-way trade in each bilateral relationship is in the hundreds of billions of dollars annually. On the first day of the conference, Japan released trade statistics showing that Japan's trade with mainland China in 2006 exceeded trade with the U.S. (Although combined mainland China-Hong Kong trade has exceeded that of the U.S. since 2004, this was the first time the mainland by itself claimed the top spot.)

Yet interdependence can have pernicious side effects. Globalization produces both winners and losers, and even "winners" can be troubled by the cultural impact of internationalization. The loss or dilution of indigenous values can spark a nationalist backlash; there is evidence of this phenomenon throughout Asia. This tension also increases the role of the state since it seeks to – or should, at least – dampen such forces of instability. One U.S. participant asked whether this could slow the "erosion" of the state that many of our speakers anticipated – and applauded as a welcome sign of increasing integration in Northeast Asia.

Energy issues and related concerns

Energy security has been repeatedly identified as an, if not the best, opportunity for cooperation among the three countries. Zha Daojiong of Renmin University, gave a Chinese perspective on regional energy concerns. He began with China's domestic energy policy. The 11th Five Year Energy Development Plan aims to hold total consumption to 2.7 billion TOE, with annual growth of 4 percent. Conservation is a priority; consumption per unit of GDP is supposed to decline by 20 percent. Zha worries those goals won't be met – total consumption rose 10 percent annually from 2000-2005 and per capita consumption is certain to rise when millions of rural Chinese gain greater access to electricity.

China relies on domestic supplies, primarily coal, for the majority of its energy. It is attempting to diversify its energy resource mix and sources; the list of Chinese energy suppliers rose from five countries in 1989 to 36 in 2006. Zha noted that attempts to promote a more rational energy policy – one that encourages better use and protects the environment – is encountering difficulties experienced by other countries: more rational pricing is seen as a "problem" rather than a "solution."

China's energy policy is increasingly an international issue. China has held 53 bilateral rounds of multilateral energy dialogues, and there are 20-plus years of cooperation with the U.S. and Japan on energy conservation that has focused on technology improvement; the Koizumi government championed this effort. There is a clear similarity in interests between the U.S. and China when it comes to energy. Both countries are big nations with expanding economies and a high dependence on energy imports, which exposes them to global/systemic risks; they are the two largest emitters of CO^2; both need rising real wages for social stability; and each has insecurity about the other's strategic intent when it comes to energy policy.

China and Japan share some of those same concerns, but Zha argued there is greater incentive for Tokyo and Beijing to cooperate. As he explained, "Japan has a more directly felt self-interest in promoting energy conservation and environmental protection in China." Both strands have been key components of Japanese aid to China since 1995 and he believes they are critical to stabilizing the bilateral relationship and helping it weather future ups and downs. In particular, China's desire to develop nuclear power should facilitate cooperation, not only on energy but in strategic matters such as fuel cycle management. Zha even suggested cooperation on energy asset acquisition in third countries.

Opportunities for trilateral cooperation abound. The three countries should focus on regional crisis planning, such as the development of a strategic petroleum reserve or information sharing regarding global markets. China's insatiable appetite means that all energy it saves effectively increases global supply. Joint efforts should be undertaken to develop resources elsewhere in the world and the countries should cooperate to strengthen transportation infrastructure, for example by working on navigational safety, developing routes and ports, and fighting piracy.

Fujii Hideaki of Mitsubishi Research Institute echoed many of Zha's points. The global demand for energy is increasing: net oil imports for China will rise from 1.2 mbd

in 2000 to 9.0 in 2020; Japanese consumption will fall from 5.3 mbd to 5.1 mbd over the same period, Korea's imports will climb from 2.1 mbd to 2.7 mbd, and Taiwan's will grow by one-third, from 0.7 mbd to 1.0. Oil and gas will continue to be the dominant sources for the next two or three decades. Fujii worries about uncertainty in the global market, especially as key suppliers and producers experience instability; a renewed emphasis on natural resource nationalism will compound many of those questions. Finally, there is increasing attention to the environmental side of the energy equation, even though it is unclear how governments will balance the two (sometimes competing) sets of priorities.

Cognizant of the rising interdependence of Asian economies and sensitive to the central role energy security has for the region, Japan will make "energy and the environment" priority items in its foreign policy. The fact that Northeast Asia is home to energy consumers with similar concerns should facilitate cooperation. At home, Japan seeks to improve energy efficiency by another 30 percent by 2030; oil dependence should be reduced by 40 percent during the same period; the share of nuclear power in the total domestic energy mix should increase by 30-40 percent as well. Here, Japan's aging may be a boon: energy consumption should peak in 2021 and decline thereafter.

Fujii argues for an Asian Energy Partnership that uses a two-pronged approach. Countries should embrace functional cooperation (from the bottom-up) along with an East Asian Energy Charter that provides a comprehensive legal framework to guide government action by all participants (i.e., top down). The Charter would articulate principles, norms, rules, and procedures for East Asia and ensure that national strategies are mutually beneficial.

Finally, Peter Beck of the International Crisis Group focused on the implications of China's thirst for energy, asking whether it fueled international conflict. The answer: no more than that of the U.S.

China's soaring demand for energy creates particular concerns for a government that increasingly bases its legitimacy on improving economic prospects for its citizens. Securing those resources poses dilemmas for China – as it does for all governments. It can harden positions on territorial disputes and can fuel nationalism when those issues erupt. Western critics, and especially those in the U.S., charge that "in some cases, energy issues trump China's foreign policy dealings with regimes that the U.S. finds reprehensible, most particularly in the cases of Iran and Sudan." Deals with some governments benefit individuals in corrupt regimes, raising charges of neocolonialism; other deals can fund militaries or militias. In short, Chinese authorities "need to take to heart the fact that their trade in resources in general and energy in particular has a dramatic effect on the peace and stability of the rest of the world."

Other complaints include deals that include "side benefits" that other companies must match; a willingness to ignore good governance concerns – in the name of "noninterference" in internal affairs – that contributes to the erosion of international norms; and finally, the prospect of endangering Chinese citizens. China's presence has made it a target of rebel groups in Africa; in a recent incident, Chinese employees were taken hostage in Ethiopia. As the 13th largest contributor to UN peacekeeping operations,

China should be especially sensitive about enabling conflicts into which its own citizens might be introduced, even in a peacekeeping capacity.

Conflicting outcomes are understandable: there is no single Chinese document articulating a national energy strategy. No single body coordinates the various dimensions of energy policy and reconciles competing interests. The creation of an energy ministry would help.

Beck argued that energy is a platform for China to demonstrate leadership on high-profile international issues. His recommendations include greater coordination and cooperation among the three countries on energy development and exploitation efforts, and a focus on clean and alternative energy sources, as well as putting a priority on conservation. Beijing should refrain from unilateral actions to resolve energy-related disputes and employ market mechanisms to make prices more rational.

Chinese participants took offense with the characterization of their country's foreign policy in Africa, challenging whether the events in Darfur could rightly be considered genocide and questioning whether China had any culpability for conflicts in Africa. One Chinese speaker conceded that China should contribute more to African social development.

Most participants urged all three countries to see energy policy as an opportunity for cooperation. In fact, such cooperation is, as was noted in the presentations, longstanding and ongoing. By one estimate there have been over 35,000 U.S.-China energy-related joint projects since 1979. China's plans to build 30 nuclear power plants should open the door to substantial investment from the U.S. and Japan, as does the need for energy efficient technologies. At the same time, one Chinese expert cautioned against using China as a laboratory for new technologies: in many cases, their side effects are not known and could exacerbate, rather than diminish, Chinese problems.

While spiraling energy demand and the environmental consequences of growth require action, patience is still needed. Energy markets are complex and we need to better understand how they work; as one Chinese specialist counseled, "let the engineers talk before the security types jump in." That advice is especially germane to the East China Sea dispute: there are few reliable reports on resources in the East China and South China seas. The hardening positions taken by governments on those territorial disputes may be inspired by faulty data.

Finally, as one U.S. participant explained, all parties would do well to remember the European experience: coal was one of the three functional concerns that provided a pillar of the European community: "Energy brought Europe together."

Trilateral relations and regional integration

Robert Dujarric of Temple University Japan developed that theme in his presentation on Europe's lessons for Asia. He identified structural differences between postwar Europe and Asia. All of Western Europe was either under U.S. occupation or depended on the U.S. for its security; that was not the case in Asia. The U.S and its

European allies shared an ideological perspective; that was not true in Asia. Western European leaders shared a vision of regional cooperation; that was not true in Asia. Japan, in fact, sought to distance itself from Asia, which was not even possible in Europe. Dujarric also highlighted the strength of transnational ideologies and religion in Europe, which provided a shared intellectual framework for engagement. Europe also had a history of integration, under various empires. Asia had neither.

Dujarric parsed the difference in responses to history. While Germany's postwar apologies are held up as an example of historical reckoning, it is important to remember that most states aren't as forthcoming about their mistakes. And since most countries' misbehavior has a largely domestic impact, it has little effect on foreign policy and therefore there is little strategic rationale for apologizing. Moreover, Japan *has* apologized – more than 20 times by some accounts. But here, too, the analogies are not exact. The U.S. pushed Germany to apologize to promote European integration; there was no regionwide project in Asia, and hence no need to get a similar statement from Tokyo. Dujarric speculates that expectations were higher from Germany – a Western country – than Japan.

Similarly, Germany had more reason to apologize – to promote reconciliation with its key neighbors – than did Japan. There were alternative heroes in Germany – members of the resistance – who fought Hitler and around whom a new national narrative could be constructed. No such individuals existed in Japan. Equally important, Hitler could be painted as a lower-class revolutionary; rejecting National Socialism could reconnect Germany with its past. In Japan, the criminals *were* the establishment and could only be disowned by breaking with the country's traditions.

Go Ito of Meiji University put Japanese thinking about integration within a balance of power framework. For him, Japanese foreign policy in many ways reflects the extension of Japanese domestic politics overseas. Pork-barrel construction politics that dominated Japanese internal politics was exported through ODA policies. The breakdown of the postwar structure of Japanese politics in the 1990s left Japan without a coherent foreign policy strategy. Economic stagnation and the breakdown of political dynamics left Tokyo unable to deal with a rapidly changing regional security environment.

The biggest challenge for Japan, argued Ito, was balancing China's rising influence. Using balance of power logic, Tokyo sought to create institutional mechanisms that would dilute China's influence in the region. This prompted Tokyo to embrace as many partners as possible, from the U.S. to Europe. Yet, Ito complained that Japan was usually reacting to Chinese moves; it rarely took the initiative itself.

Tokyo also took cues from Washington. This had damaging effects in the 1997 Asian financial crisis when U.S. opposition to the Asian Monetary Fund killed a proposal that the region as a whole supported. That incident shifted regional perceptions of the need for greater integration and badly damaged U.S. credibility by demonstrating Washington's lack of interest in regional concerns.

Japan remains sensitive to U.S. views of Asian integration. Some in Japan speculate that East Asian integration is a threat to U.S. regional dominance and political

divisions in the region work to the U.S. advantage. China's thinking is one reference point for the U.S., but Ito cautioned that Beijing's assessment of regional institutions tends to use the role they give Taiwan as a benchmark. It is essential that Japanese policy balance alliance with the U.S. with the need to engage Asia on its own terms. Japan cannot afford to be seen merely as the agent of the U.S. if it is to be a credible player in the region.

For Yu Tiejun of the Peking University School of International Studies, balance of power calculations are "old think." Instead, Asia needs a China-U.S.-Japan concert of powers to serve as the foundation for the regional order. While the world is composed of regions, Asia today has weak institutions and little coherent identity. ASEAN-centered mechanisms have little authority and while "democratic" in nature are largely considered ineffective. Leadership is needed.

For Yu, a concert is the only viable long-term option for Asia. While the U.S. is currently the regional hegemon, its primacy is unsustainable. A U.S.-Japan condominium would alienate China, and no other single power is likely to prevail over other claimants for regional leadership. Solid and improving bilateral relations among the three main powers provide the basis for East Asian security and integration. He noted that the second Armitage-Nye report concluded that "stability in East Asia depends on the quality of trilateral relations." But, argues Yu, this requires that each power accept other countries' interests. While the first goal is maintaining peace, there must be respect for diverse values and interests. To achieve that, he endorsed "2+2+2" talks among the three countries' foreign and defense ministers to share and articulate strategic concerns.

Participants agreed that expectations are critical to the success of any regional integration effort. Asia is different from Europe; it is only natural that its institutional architecture looks different. Moreover, reminded one Young Leader, integration does not mean the end of historical enmities. France and Germany may provide Europe's axis (and their leaders may have embraced that "elite conspiracy") but ordinary citizens have no great love for each other. A Japanese participant noted that European reconciliation rested on a German apology and the acceptance of that apology by its intended audience; history cannot be continually revived if a real partnership is to be created. A Chinese participant suggested China has its own problems with history and they may prevent the country from moving on.

Central to the entire discussion is a basic question: integration for what? Are institutions being designed for economic, political, or security reasons? The answer will determine which mechanisms can be best adapted for the future. If security is the core concern, then the Six-Party Talks or the ASEAN Regional Forum might be the appropriate focus. If political identity is the chief issue, then the ASEAN Plus Three may be the best mechanism. APEC is the best forum to tackle economic issues.

"Integration for what?" can be examined on another level: the realization of national strategic interests. For example, integration can be seen as a means to promote reconciliation between Japan and China. Or it could be intended to "lock" the U.S. in to Asia or – perhaps simultaneously – to "tie the U.S. down" in Asia (or perhaps to tie Beijing down). Of course, there will be several agendas at work. How those agendas

intersect and overlap will dictate the eventual outcome. But, as several participants cautioned, it is important not to be overly reliant on state-centered efforts. Attention should be given to civil society efforts. Integration has been driven by private sector efforts and the interaction of nongovernmental groups will be just as important in the future.

Building blocks for strengthening trilateral relations

Our final session examined ways the three countries could build better trilateral relations. For Wang Yiwei of Fudan University, effective trilateralism begins with mutual efforts to support each country's core strategic vision. That means China should back Japan's normalization process (or at least not hinder it), the U.S. and Japan should support China's peaceful rise, and China should help sustain U.S. predominance in the Asia Pacific.

Wang identified three sets of obstacles to effective trilateral relations. The first concerns the failure of two of the three bilateral relationships (the U.S.-Japan bilateral is the exception) to forge a constructive identity and purpose. In fact, those two relationships are defined by a clash of interests rather than a sense of mutual purpose. That must be overcome.

The second obstacle is ideology, and the way that a focus on "values" hinders rather than encourages cooperation. The classic dichotomy here is between democratic and Leninist politics, but Wang also faulted civilizational distinctions (the West vs. Asia). Finally, there are concrete issues that bedevil international relations, such as Taiwan, the East China Sea, the Senkakus/Daiyotais, etc. These inflame national politics when tied to domestic debates about identity and history.

China, Wang argued, should be prepared to assist Japan's normalization and recognize its international status, for example, by backing its UNSC bid. This requires abandoning a long-held image of Japan as a "small" power – when its EEZ is included, Japan is the fourth largest country in the world – and acknowledging Japan's influence and concerns. In return, Japan should recognize China's interests – this includes its re-emergence, but also Beijing's interests in the world beyond its borders, in particular on the high seas. (China is typically seen as a land power.) Most significantly, China – along with the U.S. and Japan – should abandon zero-sum thinking. China should also try to turn the Six-Party Talks into a permanent security mechanism that can serve as the cornerstone of a new regional – and international – order. Beijing should work with Tokyo and Washington to complete this effort and ensure that their concerns are met and that they have leading roles in the project.

That is an ambitious idea; the three countries can begin with a trilateral economic dialogue. Rising economic interdependence and the range of shared concerns make this fertile ground for cooperation and confidence building. Cooperation on nontraditional security concerns would yield similar benefits. Washington and Tokyo should try to bring China into alliance discussions; in return Beijing should invite Washington to be an observer at the Shanghai Cooperation Organization.

Yoshifumi Nakai of Gakushuin University argued that it is time for the three countries to abandon old approaches to problem-solving and test new solutions. Rather than arguing endlessly at the state level about the past, he suggested that Japan adopt a compensation-based scheme that deals with specific problems one by one. So, for example, the decision to give ownership of a dormitory in Kyoto that is disputed by both Taipei and Beijing to China is one step forward. Japanese courts will play a critical role in this effort as they decide cases arguing over forced labor compensation, the rights of war orphans, or damage caused by weapons abandoned in China by the Imperial Army, etc. This will require a rethinking of the San Francisco Peace Treaty – or at least the argument that it forecloses individual suits – but refocusing on individual grievances – and actually doing something about them – can help change the history dynamic.

On economic issues, Nakai suggested that Japan and the U.S. work with China to strengthen intellectual property rights, rather than litigate to protect domestic industries. He noted that Chinese thinking is shifting as Beijing tries to protect its intellectual property in the run-up to the 2008 Olympics. This opportunity should be seized.

More controversially, he suggested broader cooperation in the mass media to alter the images that the countries have of each other. Nakai noted that NHK, the Japanese national broadcaster, has a reputation for objective – if not boring – programming. He proposed a public media network that links key players and could ameliorate negative images that predominate in the media.

Bonnie Glaser, a senior associate at the Pacific Forum CSIS, outlined a long list of programs the three countries could embrace to push trilateralism. She began, however, by explaining the U.S. debate over the appropriate role it should play in China-Japan relations.[3] Ultimately, the U.S. did little to insert itself into the effort to promote better Japan-China relations; the upturn in relations that followed Abe's election as prime minister seems to have vindicated that strategy.

Washington did provide private and public encouragement for better China-Japan relations and should continue to send that message. It can confirm that its alliance with Japan is firm and serves Chinese interests, noting that the U.S. nuclear umbrella eases Japanese doubts and is therefore good for China. To ease concerns, the U.S. should propose a high-level three-way dialogue, perhaps among deputy foreign ministers, that would focus on new issues, rather than longstanding concerns, and would aim to develop habits of cooperation, not necessarily solving tough issues. Unilaterally, the U.S. should set an example by promoting transparency on security issues such as missile defense and the new nuclear triad, keeping its economy open, responding to other countries' concerns, and paying more attention to the region.

Bilaterally, the U.S. should work with Japan to ease Chinese fears that the alliance aims to contain China; Taiwan is an especially sensitive topic and deserves more attention. China could be invited to observe U.S.-Japan military exercises. And the three countries could hold trilateral search and rescue exercises. China might be invited to three-way meetings with the U.S., Japan, and the ROK to see how that coordination process works.

[3] Some of this debate is available at "Sino-Japan Rivalry," op cit. (note 1).

There is a long list of issues the three countries can work together on. Glaser included: IPR, mutual trade issues, energy, maritime safety, military communication links, fighting proliferation of weapons of mass destruction, foreign assistance, dealing with aging, and disaster planning.

Glaser also highlighted the risks of not cooperating. Increasing suspicion heightens the chance of miscalculation, especially on the question of Taiwan. Fears about each other's intentions could yield military spending spirals – there is already Chinese concern about Japan's possible purchase of F-22s, while China's construction of an aircraft carrier has alarm bells ringing in Tokyo and Washington (and elsewhere). Finally, cooperation is vital to the successful conclusion of the Six-Party Talks that aim to denuclearize the Korean Peninsula. A failure would have profound effects on the regional security landscape.

Participants focused on ways to advance trilateral cooperation. A Chinese speaker suggested that foreign aid would be an especially fruitful ground for cooperation. The U.S. and China have a dialogue on global issues that includes health care in Afghanistan and ways to improve agricultural output in Ethiopia. He suggested that Beijing better publicize Chinese foreign aid statistics, a starting point for any collaborative effort. He argued that China has a lot to learn from Japanese experience – particularly negative ones – in this field. He also suggested that joint teams of experts study relations with "rogue states" to find mutually acceptable ways to deal with them.

A U.S. participant argued that the history of relations in Northeast Asia is one of missed opportunities. He urged the three countries to seize the opportunities presented by the rare moment of good relations among all three governments and initiate a flood of initiatives. These would help build the habits of cooperation that are needed and create a network of contacts that would be in place – and have bureaucratic momentum – in the event that relations again turn sour. They could act as shock absorbers.

Again, several participants stressed the need to think beyond official, state to state interaction. Efforts should be made to promote for-profit, nonprofit, nongovernmental, and individual initiatives. Making it easier for Chinese to visit Japan – altering visa requirements – is difficult, but would make a huge contribution, not least because of the signal it would send.

Some Japanese cautioned that the shift in relations at the summit-level is balanced by diminishing interest in China among the Japanese public, a result of anger and distrust created by the 2005 demonstrations and slowing bilateral trade. This shift in public sentiment must be addressed. An American reminded the group that China has been wary of three-way dialogues because of a fear that the U.S. and Japan would gang up on it. Another U.S. participant noted that China has been reluctant to embrace Japan as an "equal" in discussions with the U.S. While all these sentiments have historically been true, moving forward with trilateral discussions would demonstrate the will to shift diplomatic ground and would send a signal, regardless of the outcome of any meeting.

Final thought

While the history issue hung over the entire conference, it was not addressed directly until the wrap-up session. Tao Wenzhao of CASS provided concluding thoughts to frame Chinese thinking about history. He began by noting that the recent improvement of relations notwithstanding, history is still a hurdle for stable and positive relations. Tao explained that China recognizes that the two countries' 2000-plus years of relations have been generally friendly; only during "an unfortunate period" (1894-1945) were there real problems. Since then, Japan has pursued peaceful development and its record has been positive. Furthermore, China has distinguished between Japanese policy makers and the mass of Japanese people; the current generation of Japanese do not bear responsibility for the war. It is important, however, "that they know the truth." Thus, China worries about textbook revisions and visits to Yasukuni Shrine by officials that would suggest a revisionist view of history. History should not be an obstacle, but "guidance for the future." Chinese also recognize that only a sliver of conservatives deny that Japan fought a war of aggression and refuse Japan's responsibility for that war; nonetheless, they are a very vocal minority.

Another Chinese added that history has two sides and when one country can take responsibility for its actions, other countries must be willing to accept those statements and move forward in reconciliation. It is up to China to figure out what the Chinese can do to be perceived as a nation that can forgive. That same speaker asked Japanese – with some consternation – what the Japanese interest was in doing things that are so offensive to diplomatic partners.

U.S. participants had questions of their own. One noted that Chinese history texts raise as many questions as do those of Japan, China's treatment of its history is as spotty as Japan's and the implications of that education are just as troubling over the long term; Chinese Young Leaders raised the same concerns. Another U.S. participant framed the problem differently. He noted that history didn't stop in 1945; Japan is angered that its postwar record is largely ignored (although Tao's comments suggest otherwise) and that blemishes on China's history during that period are brushed over. The same standards must be applied for critics to have any credibility – or for trust to be established.

Improving relations among the U.S., Japan, and China provide an opportunity to move bilateral relationships and trilateral relations to new levels. Politicians are sending the right signals and should move forward with new initiatives to seize the moment. While there is a long list of shared concerns upon which governments can act, it is vital that the three countries push other elements of their societies to join in and thicken the web of contacts that can insulate relations from another downturn. These relationships are far too important to leave to a small group of decision makers – politicians in particular.

A Japanese Perspective on Japan-U.S.-China Relations in the Future

By Tetsuo Kotani

There are two points in this paper. One concerns Japanese new diplomacy based on values. The other is the image of Japan as a "normal country."

The second "Armitage-Nye report" states that regional stability in Asia depends on the "quality" of Japan-U.S.-China trilateral relations and calls for "good relations" among the three. At the same time, the report argues that the United States and Japan should strengthen their partnership with other countries that share values such as democracy, market economy, and the rule of law, to "get Asia right." In other words, the report calls for an open and inclusive Japan-U.S. alliance based upon common values rather than an exclusive alliance against a common threat.

Japan is also promoting its own value-oriented diplomacy. The typical example is the "arc of freedom and prosperity" concept set forth by Foreign Minister Aso Taro. This is something new: traditionally, values did not matter in Japan's diplomacy. Actually, Japan separated politics from economics for decades. The freedom-oriented diplomacy is inclusive for like-minded countries but looks exclusive to others. It may be able to shape the behavior of different regimes, but it is the wrong vision for Japanese diplomacy if it alienates outsiders.

For example, how can we apply this value-oriented approach to China? Japan and China have different regimes. They do not share values. By promoting "the arc of freedom and prosperity," Japan may be able to differentiate itself from China in the international community, but that does not promote substantial policy for China. The value-oriented diplomacy will not solve the disputes over territories, offshore resources, or delimitation. In addition, should it be applied to Taiwan? If yes, should Japan support Taiwanese independence for whatever reasons? The value-oriented diplomacy may send a wrong message to Taipei. Tokyo and Washington should oppose any unilateral movement from either side of the Taiwan Strait.

Instead of "freedom and prosperity," Japan should work for "peace and prosperity." These are the values that postwar Japan has embraced. They provide a more appropriate vision for Japan's diplomacy, leading to an appropriate division of labor between Japan and the United States along the "arc of instability." Also, since Japan, China, and the United States put significance on regional stability, it is in the national interest of the three countries to cooperate on regional and global issues. Because it is easier to cooperate on global issues than regional issues, the three countries should begin cooperation in peace building, foreign assistance, and humanitarian/disaster relief. Also they should cooperate in securing stable supplies of energy while promoting scientific collaboration to produce efficient and clean energy. Then they can go back to regional and bilateral issues such as disputes in the East China Sea. Japan and China should

promote a median line settlement of exclusive economic zones and joint development of oil and gas fields along the median line, if necessary, by bringing the case to the International Court of Justice or International Tribunal for the Law of the Seas.

Now, let's move to the second point. There is a growing concern about the future of Japan as a "normal country." Within 10 years, Japan will change its interpretation on collective self-defense as a step toward constitutional revision. Also, Japan, hopefully as a permanent member of the UN Security Council, will more actively participate in international cooperation activities under a permanent law. Unfortunately, Prime Minister Koizumi Junichiro's stubborn commitment to visit the Yasukuni Shrine created an image of "nationalistic and revisionist" Japan.

This is a wrong image of Japan. Koizumi is a nationalist to some extent, but he is also an internationalist. The Yasukuni Shrine has revisionist views on history, but he is not a revisionist. He pledged to visit Yasukuni because his political rival, Hashimoto Ryutaro, stopped visiting Yasukuni when Beijing complained. He continued to visit Yasukuni because Beijing (and Seoul) told him to stop. In some sense, his visits to Yasukuni made Japan-China relations healthier because he showed Beijing that sometimes history does not work as a diplomatic card. At the same time, the Japanese side realized the sensitivity of the issue for the Chinese.

There is no consensus among the Japanese public with regard to the definition of a "normal country." While its notion originally reflected internationalism or the necessity of an international "contribution" after the Gulf War, the nationalist aspect cannot be denied given the North Korean nuclear program and the Taiwan Strait crisis of 1996. It is not clear which aspect Prime Minister Abe's notion of a "beautiful country" reflects, but Japan is not moving in a dangerous direction. Japan is trying to revise the constitution to permit more contributions to international peace and prosperity. The Japanese public is cautious about active involvement in international security affairs. According to a recent *Yomiuri* poll, fewer Japanese people now support constitutional revision. Even if it revises the constitution, Japan will remain cautious.

However, images matter in international relations because reality is complicated. There is always a gap between reality and images. While Beijing pushes the "peaceful rise of China," submarine activities in and around Japanese waters or the ASAT test promote the image of a "China threat." What is done is more important than what is said. Both Japan and China need to narrow the gap, while promoting good images; otherwise Japan (with the U.S.) and China will fall into a security dilemma. Cooperation for "peace and prosperity" as a confidence building measure is a good solution.

In order to improve Japan's image, something has to be done for historical issues. The simplest solution is shut up the revisionists. That is impossible because Japan is a free country. That's a dilemma of democracy. As some people recommend, a zero tolerance policy – removing a Cabinet minister if he/she makes a statement contrary to the government's interpretation on history – is one answer. But that requires a strong prime minister. In the end, we have to continue joint studies not to establish a unified

interpretation but to deepen understanding of respective interpretations. History is complicated enough; let historians discuss it.

Envisioning U.S.-Japan-China Cooperation

By Leif-Eric Easley

Reciprocal visits by Japanese Prime Minister Abe Shinzo and Chinese Premier Wen Jiabao have lifted Sino-Japan relations out of a difficult period. U.S.-China relations are of growing international importance and now better managed with high-level dialogues on economic and security issues. The U.S.-Japan alliance is increasingly operative and forward-looking. The demonstrated political will for improving these international ties suggests that Tokyo, Beijing and Washington all want to see "win-win-win" trilateral relations. It is yet unclear, however, what exactly win-win-win relations would look like or how to achieve them. This article articulates the characteristics of win-win-win relations, suggests discarding old thinking about international relations, and recommends steps for strategic coordination with high standards for state behavior.

What would win-win-win relations look like?

Win-win-win relations would be *broader* than U.S.-Japan-China relations today, to include formal interaction on a full range of global – not just bilateral – issues. Win-win-win relations would also be *deeper*: all three countries would reach further into each other's societies. Moreover, win-win-win relations would be notably *more stable*. The alleviation of uncertainty and mistrust would decrease hedging behavior and associated opportunity costs, and better insulate relations from crises. Most important in terms of policy, win-win-win relations would exhibit *greater international cooperation*. Japan, China, and the U.S. would bring combined capabilities to bear on myriad international challenges including nuclear proliferation, terrorism, and environmental degradation. In addition to responding to crises and disasters, the three countries would together engage in preventive diplomacy, address demographic change, and deal with chronic transnational problems.

Discarding old thinking about international relations

To realize win-win-win relations, China, Japan, and the U.S. can gradually do away with outmoded concepts of Westphalian and postwar international relations. First, *the international socialization of states is not one-way*. The U.S. is not the sole rule-maker or promulgator of international norms. While offering particular political and economic models, the U.S. also takes lessons from others. The international marketplace of ideas and practices is interactive and competitive, and should be a race to the top.

Second, *institutions should be open and purposeful* rather than closed and used for posturing. Transforming bilateral alliances should attract third parties and become nested in multilateral cooperation. Bilateral FTAs and regional blocks are less efficient than global trade liberalization under the World Trade Organization (WTO). And while focused diplomatic mechanisms such as the Six-Party Talks can yield results, excluding stakeholders from regional fora can be counterproductive.

Third, states should *move away from zero-sum assumptions*. Improved U.S.-China relations need not involve trade offs for U.S.-Japan relations. Increasing Chinese

influence in Southeast Asia and elsewhere need not push out Japan. Improving China-South Korea relations need not come at the expense of the U.S.-South Korea alliance.

Fourth, governments need to *update old concepts of sovereignty*. Increasing global interdependence means certain domestic problems are international problems. States, particularly at the United Nations, need to begin to discuss new rules and means of intervention to address transnational problems such as terrorism, trafficking and the environment. More flexible concepts of sovereignty would also allow joint development of resources in disputed waters and territories, transforming security threats into economic opportunities.

In addition to new thinking on these points, all sides should *beware popular theories that may not hold*. The ideas that interdependence begets cooperation, economic development leads to democracy, democracy produces peace, power transition invites conflict, and multi-polarity yields effective international compromise, can help inform policy, but should not be assumptions on which leaders base decisions.

Strategic coordination with high standards for state behavior

Tokyo, Beijing, and Washington need to calibrate strategic roles so trilateral interaction pursues greater cooperation rather than suffering from misperception, nationalist miscalculation, or self-fulfilling prophesies of conflict. There is plenty of work to go around on transnational issues. The key for reaching productive win-win-win relations is navigating primary strategic interests while demanding high standards for state behavior.

China, Japan, and the U.S. have yet to recognize fully each other's primary interests. China's primary interest is strategic space for its overall development. Beijing seeks to be not contained, not territorially divided, and not discriminated against by the international system. Japan's primary interest is its continued international relevance. Tokyo seeks to be not "passed," not isolated, and not silenced. The United States' primary interest is U.S.-led stability. Stability is of course a shared interest, but Washington wants to retain leadership because the U.S. and other countries do not yet see another willing, able and trusted stabilizer.

Successfully navigating primary interests will allow the three countries to avoid conflict, but win-win-win cooperation also requires high standards for state behavior. These standards include "three R's": respect, restraint, and responsibility. Each principle applies to the U.S., China and Japan, but it is useful to emphasize the most relevant policy adjustments for each country.

The United States needs to *respect* other governments and effective multilateralism. The U.S. stabilizing role must clearly account for the interests of other countries. Washington should avoid acting as a lone superpower and demonstrate it is a trustworthy partner. China meanwhile should exercise military *restraint* in terms of coercive diplomacy, defense spending transparency, and power projection capabilities. Beijing can also show restraint domestically by allowing the continued growth of Chinese civil society. For its part, Japan can deal with historical issues *responsibly* as it takes a

more active role in international politics and security. The region can better recognize Tokyo's international contributions and avoid security dilemmas if diplomatic efforts to build trust accompany Japanese normalization.

Japan's expanding security role and Japan-U.S. alliance transformation focus on increasingly global cooperation. Tokyo and Washington can show these efforts are not directed at China by doing more outside the region in terms of disaster relief and post-conflict stabilization, while inviting China's participation. Within the region, the three countries can coordinate search-and-rescue exercises, humanitarian assistance, and efforts to combat piracy.

Complex processes of globalization are transforming international relations. Multi-directional socialization is underway among states, international institutions, and increasingly intertwined societies. In this dynamic context, it is essential to specify what win-win-win trilateral relations would look like. Those relations would be broader, deeper, and more stable than today, and better able to address pressing international problems.

The goal is distant but far from impossible. Realizing win-win-win relations requires new strategic thinking, questioning old assumptions and adjusting to new realities. Japan, China, and the United States would navigate each other's primary interests and adhere to high standards for state behavior involving mutual respect, restraint and responsibility. On this basis, multi-directional socialization would gradually produce shared strategic visions and even a sense of common identity. Only then will U.S.-Japan-China relations truly be win-win-win.

Comments and Suggestions

By Wang Fang

For U.S.-China relations, Taiwan is a sensitive issue. It is mentioned less in recent meetings between Chinese and U.S. leaders, but it is powerful enough to destroy the relationship.

It is impossible for the U.S. to renounce relations with Taiwan, even if China pressures the U.S. This is the bottom line for U.S. cross-Strait policy. Besides, it is impractical for China to push the U.S. given the sharp contrast in power between these two countries. Since China is incapable of challenging the U.S., maintaining the current situation is the best choice. Setting aside this sensitive issue and maintaining cooperation on other fields is most feasible.

The U.S. will probably maintain the current policy. It will not support Taiwan independence because this is the bottom line of China.

Keeping silent on this issue is the best strategy for both countries.

China lags Taiwan in lobbying. As a democratic country, the U.S. Congress plays an important role in making decisions. However, Congress is famous for its hostile attitude toward China compared to the White House. Although China is starting to use the Congress to handle conflicts on Taiwan and on economic fields, it is not satisfied. Setting up more organizations and cooperating with lobbyists are helpful.

In Asia, relations between China and Japan are striking. Sino-Japan relations are affected by suspicion and misunderstanding. The bad memory of the conflicts between China and Japan is reinforced by the negative role of the mass media in both countries. New communications such as the internet and cellphones strengthen the hostility toward each country. Passionate teenagers exchange views among similar groups that fortify their beliefs.

Face to face communications are valuable in bilateral relations. Up to now, it is difficult for Chinese to get visas to Japan, which impedes communication between the two countries.

The historical issue remains a big concern for China. A joint panel is needed to study this topic. Governments also play a critical part. For China the textbook revisions are destructive to Sino-Japan relations. Without intensive reports by official media, how can such a topic come to the attention of ordinary Chinese? If government turns a blind eye to irrational patriotism, destructive results are certain. Government leaders first should have a big picture of Sino-Japan relations. Besides historical concerns, shared interests such as economic cooperation, technology development and environmental protection should have more weight than historical issues. Put aside historical disputes and cooperate on realistic benefits!

Does Europe hold lessons for Asia?

By Robert Dujarric

European integration has been a two-step process. The first step followed the defeat of Nazi totalitarianism and the Soviet occupation of Central Europe. The second one was initiated by the unification of Germany, the liberation of Central Europe from communism, and the breakup of the USSR. I will focus on the first stage, which laid the foundations of today's Europe.

Asians often ask if European integration can serve as a model for their region. As we shall see, the European experience is rooted in unique circumstances which, with a few exceptions, do not apply to Asia.

U.S. role

First, practically all Western European nations in 1945 were either U.S. allies or under U.S. occupation. They were all dependent on American economic assistance to survive. This gave the U.S. enormous leverage. Obviously, this is not, and has never been the case, in East Asia.

Second, American officials reached the conclusion that only a U.S.-allied integrated Europe could create the necessary conditions to avoid a return of the "German problem" and provide for a Western Europe that could face up to the foreign threat from the USSR and the domestic dangers from Moscow-controlled communist parties. The geopolitics of Asia in the decades following World War II were totally different. The U.S. also perceived a communist menace, but geopolitics dictated a response that was not the same as the one Washington adopted in Europe.

In Asia, until the Korean War, Washington paid no attention to the peninsula, and therefore was oblivious to the relevance of Korea-Japan ties to American interests. After the conclusion of the Korean War armistice (1953), for a variety of reasons, U.S. political-military ties in the region developed along separate bilateral lines (Japan-U.S., ROK-U.S., Taiwan-U.S.) rather than along the multilateral path of the Atlantic Alliance/NATO.

Third, the U.S. and its main European allies shared comparable, though not identical philosophies, which gave the U.S. an ideological stake in the success of western European integration. In East Asia, the ruling Japanese conservatives (what became the LDP in 1955) included in their ranks many whose commitment to liberal democracy was rooted in pragmatism rather than conviction. Many Japanese socialists were dogmatic anti-Americans. Therefore, Japanese politics did not generate the same sort of shared trans-Atlantic philosophical community that existed among West Germany's Christian Democrats and Social Democrats.

European factors

Push for integration

First, many leaders of Western Europe shared this U.S. vision of a (semi) united western Europe; in fact, men like Jean Monnet (Europe's senior Founding Father) played a role in convincing Americans that this was the policy to pursue. This is not the case in East Asia, where there was no significant political movement that favored regional integration.

Moreover, the fundamental goals were different. From the start, many – though by no means all – Europeans wanted a supra-national entity which to which the member states would transfer some of their sovereignty. In post-1945 China, Korea, and Japan, there has never been any serious interest in giving up a large fraction of the state's sovereign prerogative to a supra-national body comparable to the European Commission.

Second, even Europeans who were ardent nationalists realized in the 1945-1955 period that there could be no economic recovery unless they cooperated. By making the Marshall Plan contingent on Europeans working together, the U.S. reinforced the economic incentives to integration. In East Asia, intra-Asian trade is now important but in the immediate post-World War II period it could not save the region for the simple reason that China was in the midst of a civil war (to be followed by over two decades of self-destruction, i.e., the Great Leap Forward and the Cultural Revolution) and Korea was wrecked by the 1950-53 war. Therefore, while West Germany and its neighbors had to trade to survive and grow after 1945, for Japan the road to economic recovery involved exports to more distant markets outside Northeast Asia.

Europeans have always had to live with each other, though such cohabitation could as easily involve war and invasions as cooperation and peaceful coexistence. In Japan, however, there was an alternative. When the great Japanese thinker Fukuzawa Yukichi (1835-1901), who founded Keio University, called on Japan to "leave Asia, and join the West/Europe" (脱亞入歐 in the ideographs then in use) he expressed a view that still has some relevance to contemporary Japan. No European state, Britain included, has ever been able to think of "leaving Europe." (For Fukuzawa, Asia was a state of underdevelopment and Europe meant modernity. He did not seek to take Japan out of Asia geographically but rather to move the country intellectually and philosophically closer to Western ideas. But for many Japanese, "leaving Asia" meant seeing themselves as honorary Europeans who shared Westerners' contempt for the mainland[4]).

Transnational institutions

-Religion

[4] I am grateful to Masaru Tamamoto for pointing out to me that Asia was not, in Fukuzawa's analysis, a place but a state of mind.

Several of Europe's Founding Fathers, including Konrad Adenauer (West Germany, chancellor 1949-63), Robert Schuman (French, premier, then foreign minister, 1947-52), Alcide De Gasperi (Italian, premier, 1945-52) were Roman Catholic Christian Democrats whose politics could not be separated from their attachment to the same transnational political-religious movement to which they belonged (Monnet, however, was not a Christian Democrat). Jacques Delors (president of the European Commission, 1985-95) and Helmut Kohl (German chancellor, 1982-1998), two men who played a key role in furthering European integration in the 1980s and 1990s, were respectively a social-democratic Catholic and a Catholic Christian Democrat. John Paul II (Pope, 1978-2005) actively sought to re-integrate Central Europe, in particular his native Poland, into the community of free European societies.

Catholicism did not prevent Catholic statesmen from defending their national interests, but it made them part of a fellowship that was politically significant. There is nothing similar in Asia, where Confucian tradition provides a set of common concepts but without the organizational infrastructure of the Roman Church. Protestantism and Judaism have played a much less significant role in European integration but they too have created networks that transcend national borders, and one day European Islam may also contribute to European integration.

-*Politics*

Social democracy is another international political force that pushed for European integration. Though the Christian Democrats played a more visible role, one should not forget the contribution of moderate Socialists and labor unions to the construction of what is now the European Union. In Asia, the divisions of the left between Maoists, pro-Soviet communists, Kim Il-sungists, doctrinaire socialists, and moderate socialists, and the absence of democracy outside Japan until the 1990s, prevented the emergence of a Socialist International on the European model.

-*Demography*

Europe has been far more open to intra-European immigration than Asia has been to the movement of population between Asian countries. In Western Europe, a far larger percentage of the citizenry, including members of the elite, are immigrants or the children and grandchildren of individuals who arrived from other European states. Michael Howard, who rose to head the British conservative party in 2003, was the son of a Romanian refugee; the father of Elio di Rupo, president of the Belgian (francophone) Socialist party, was the child of an Italian mine worker, and Nicolas Sarkozy, chairman of the ruling French UMP party and a winner of the 2007 presidential race, has only one French grandparent. In East Asia, such population flows have been much smaller, and even rarer in the upper strata of society.

-*Language*

In Europe, national and linguistic borders do not follow the same demarcation lines. German is spoken in Germany, Austria, most of Switzerland, small parts of Belgium and Italy, and widely understood in Alsace (eastern France), Luxembourg, the Netherlands and Central Europe. French is also the mother tongue of many Belgians,

of about a quarter of Switzerland's population, the official language of Luxembourg, and was historically the main foreign language of numerous European countries until several decades ago. English, also spoken in Ireland, is almost the second language of the Netherlands and Scandinavia, and widely used on the continent. These linguistic networks, which straddle borders, have played a much greater role than in East Asia.

Political and economic similarities

The core states of Western Europe have not developed in lockstep, but compared to East Asia their economies and politics have been, and remain, far more homogenous. Even limiting ourselves to Northeast Asia, and excluding North Korea, Japan, South Korea, Taiwan, and China have far less in common when it comes to their political systems and economies than do the 15 nations of the pre-21st century enlargement EU.

Ease of travel

In the past 10 years, border controls have gradually been abolished in most of Western Europe. In the immediate postwar era, currency restrictions limited travel opportunities, but as soon as Europe recovered, Western Europeans could easily travel to other European nations. In the 1990s, some Central Europeans and Eastern Europeans had difficulties getting visas, but the entry of Central Europe into the European Union has solved this problem. In East Asia, however, it can take months for a Chinese scholar to get a visa to Japan (or to the U.S.), creating a major obstacle to contacts between Chinese and Japanese.

Historical background

Western Europe, unlike Northeast Asia, is an historical entity with a long pedigree. The shared links inherited from Greece, Jerusalem, Rome, Western Christianity, Charlemagne, the Renaissance, and the Enlightenment are a far stronger glue than the Sinic Confucian civilization of Northeast Asia. This did not prevent them from slaughtering each other during World War I and World War II, but unlike the Sino-Japanese wars and the invasion of Korea by Japan, Europe's conflicts were, to a considerable extent, civil wars. A Western European who travels to another nation in Western Europe will feel much more at home than an East Asian will in another East Asian polity.

Integration in Europe is partially a return to the past. Western Europe was integrated politically during the Roman Empire, the heart of the western mainland formed the Carolingian realm, and the Habsburg reined over a multinational realm for centuries while the papacy provided a supranational institution unknown in Asia. In Asia, however, there is no unified past to return to (in fact the word "Asia" or ["a" 亞 in Chinese] is a European invention that is not native to any East Asian language). Korea and Vietnam were – at least formally – vassals of China, which is not a state of affairs that appeals to them. Japan was never incorporated into the Chinese political sphere, and its only

contribution to Asian integration was imperialism, which does not provide a roadmap for the future.

EU enlargement to Central Europe

The enlargement of the EU to states recently freed from communism (and to Cyprus and Malta) has made the Union more heterogeneous. Yet, the vast majority of the new citizens, those from eastern Germany (integrated earlier through unification), Poland, the Czech Republic, Slovakia, Hungary, Slovenia, and the Baltic Republics live in countries that belong, admittedly with differences, to the Western European tradition. The challenge is to help them overcome the legacy of their Soviet-imposed systems and the disastrous decades that followed World War I.

The history issue: Germany, Japan

We will now touch on the one similarity which almost all commentators mention, namely the contrast between (West) Germany's successful management of its history and Japan's failure to deal effectively with the crimes of the Showa Era. In many ways, (West) Germany's predicament and Japan's were similar. But even there, there are important differences.

Before going into the differences between Germany and Japan, one should note that not apologizing, or doing very little, is the norm, be it in Turkey with regards to the Armenian genocide, in China concerning the Communist Party and the Great Leap Forward and the Cultural Revolution, or in the New World when it comes to the fate of native peoples. In the Japanese case, however, what is critical is that the history issue affects directly its relations with China, Korea, and the U.S., and therefore its national interest.

Role of the U.S.

The U.S. approached the German and Japanese cases differently. It was obvious for Americans that if they were to bring about a new Europe, Germans had to make peace with their neighbors, and therefore deal with their Nazi past. In the Japanese case, the U.S. occupation regime paid little attention to Japan's relations with the mainland of Asia, which were of far less importance to Washington than Germany's ties with the rest of Western Europe.

Moreover, the attitude of Americans toward German and Japanese atrocities was different. Germany and America are European Christian societies. For the 50 years preceding Hitler's regime, Germany was the leading intellectual and scientific power in the West. Its culture, its music, its philosophy, captivated Americans. To see this great Christian European nation fall into barbarism on European soil (as opposed to brutalizing Africans or Asians overseas) was shocking for Americans, and called for both punishment and redemption. Germany was held by the U.S. and Europe to a higher moral standard than was expected of Asian "pagans." There is little doubt that no American

would ever have tolerated the appointment of a former Hitler Cabinet member as West German chancellor, but the United States government did not hesitate to welcome Prime Minister Kishi, a minister in Tojo's government, in Washington D.C.

In addition, it was possible in West Germany to find senior political figures who were both politically acceptable to U.S. and Western interests, i.e., moderate conservatives, liberals, or social democrats, and relatively untainted by the Nazi era. In Japan, however, there were far fewer men (almost no women were in important positions) who could simultaneously serve American goals and had not been associated with the wartime regime.

Different geopolitical and cultural environments

As noted earlier, the (West) German leadership was well aware that something had to be done to about the past. Germany needed good relations with Western Europe far more than Japan required better ties with China and Korea. Fundamentally, Japan's reintegration into world affairs was a bilateral Japan-U.S. story, whereas from the start West Germany's was multilateral, involving the U.S., but also France, Britain, the EU, the Atlantic Alliance, East Germany, Poland, and the Soviet Union. Sorting out Germany's relations with Israel, and through Israel with Jews throughout the world, was essential for Germany's image in the West.

Europeans and Israelis realized that they had to establish a working relationship with West Germany, for economic and/or strategic reasons, regardless of how they felt about Germans. For China and South Korea, however, Japan was not a priority in the decades following 1945. Therefore, unlike China and Korea, where to this day Japan-bashing can be a national sport supported by the government, most of Germany's partners have played a positive role in reaching out the Germans. As a German diplomat told me, we extended a hand of friendship, and our victims reached out to us.

In addition, the much stronger transnational civil society linkages that exist in Europe, including churches, facilitated this process. One of the first acts of Polish-German reconciliation was a letter of Polish bishops to the German episcopate in 1965. The weakness of East Asian civil society made it more difficult to manage the process of healing the wounds of the past

The legacy of Soviet crimes has also helped Germany. In former communist countries, in particular Poland, it is Russia, rather than Germany, that is the focus of national hatred. Therefore, Germany becomes a more acceptable partner simply because it is not Russia.

Dissimilar experiences: Nazi regime and Showa Era

Showa Era atrocities were perpetrated almost exclusively against foreigners. Nazi Germany, however, also slaughtered many of its own citizens and forced countless others, often the country's best and brightest (Einstein is but one example), to find refuge in foreign lands. Even excluding the victims of anti-Semitism, many Germans were tortured

or murdered by the Gestapo and the SS or forced into exile, whereas far fewer Japanese suffered from persecution by their own regime during the 1931-45 war. Furthermore, many of the Jews murdered in Central Europe, though not German, were part of the German cultural sphere (men like Arthur Koestler, who survived, come to mind). In addition, there were death factories on German soil, whereas Japan's massacres occurred overseas. This allowed many Western military commanders to force local residents to visit these camps to see for themselves what Germany had done, something that was not feasible in Japan.

Consequently, it is difficult for a German to be unaware of the crimes of Hitler – they are etched on German soil in Dachau, Buchenwald, and railroad stations. They are found in the biographies of great Germans killed our forced to flee, and in the histories of families who lost relatives or friends to the Nazis. For Japanese, however, there is little at home to remind him of the crimes of the Showa War, making it easier to focus on the bombing of Japanese cities by the U.S. Army Air Force and to forget the pain the Japanese military inflicted on enemy civilians and POWs.

One should also take into account a country needs heroes, especially when it must come to terms with a shameful past. In Germany, there were men of honor who rebelled against the Nazis. Col. Count von Stauffenberg, the aristocrat who attempted to kill Hitler and several of his co-conspirators come to mind. Willy Brandt, later the first Social Democratic chancellor of West Germany, who fled to Scandinavia to join the struggle against the Nazis, is another example. They were surely too few men and women who stood up to Hitler, but enough to find figures Germans could be proud of.

Japan has no counterparts to Stauffenberg or Brandt whose bravery could be held as proof that there was another Japan that stood up for decency. When Brandt fell to his knees in front of the memorial to the Warsaw Ghetto, all knew that the West German premier himself had an irreproachable past as an anti-Nazi. It is noticeable that when Chancellor Schroeder attended the 60th anniversary of the Normandy landings in 2004, he came with an old man, who as a young army officer had helped plan to the operation to kill Hitler. There is no one comparable in Japan with whom the Japanese emperor or the prime minister could visit Nanjing.

In addition, Hitler was a lower-class outcast surrounded by misfits of humble background and little education. They led a revolutionary movement, dedicated to crushing the old conservative order. They were open about their contempt for the aristocracy, the officer corps, and the capitalists. It was thus possible after the war to separate the evil Nazis from the rest of the nation, especially the bureaucratic and military elite, even though its great majority had served Hitler faithfully. The 13-year Reich could be portrayed as an abnormal psychotic parenthesis in German history.

In Japan, there was no Nazi revolution. The top criminals were generals and bureaucrats, operating under the Meiji constitution. The Showa emperor himself, whose role during the war years remains unclear, stood at the apex of the state. Thus, unlike Germany, when Japan apologizes, it does so on behalf of venerable institutions. In

Germany one can refer to atrocities perpetrated "in the name of Germany," implying that gangsters hijacked the state. In Japan, it is harder to paint the emperor, the court aristocrats, and the graduates of the service academies and Tokyo University as pirates who temporarily took the helm of the empire.

Conclusion

Therefore, the history of Europe tells us how different Asia is from Europe. Understanding the nature of the European integration and reconciliation processes demonstrates that East Asia will have to come up with its own version, rather than seek to adopt, or adapt, European experiences. If there is one lesson that Asia can learn from Europe, however, it is that complete and unreserved apologies, accompanied by generous compensation, pay. Today, German soldiers are stationed on Polish soil, German troops can parade in France, the German Army can deploy units to the Balkans, and when Israel needed to get one of its citizens freed from Hezbollah captivity it asked German intelligence to negotiate his liberation. The past is still a burden for Germany, but it has not prevented it from establishing productive ties with its former victims. Japan's road will have to be different, and the challenges it faces are not the same, but the German experience, and the behavior of Germany's neighbors, deserves to be studied in both Japan and the rest of Asia.

Let's Get the Numbers Right

By Yoshifumi Nakai

In this paper, I would like to examine the potential of cooperation among three countries in an area, statistics. So far, the experts pay much attention to three big E's, namely the energy, environment, and ecology. These sectors are important and deserve much attention. But there can be other areas for cooperation, where the cost is reasonable, if not low, and the result is steady, if not spectacular.

China needs better statistics. Japan and the U.S. can help China in a different manner and in a different area. China can dictate both the pace and the priority of the improvement. In the end, every party will benefit from better statistics.

National census

Historically speaking, the U.S. was the initiator of the national census. It conducted its first national census in 1790 to determine the number of representatives for the national assembly. Since then, the national census had become an integral part of domestic politics in the U.S.

Japan tried to implement its first national census in 1900. But it failed to do so because it engaged in two wars in a row, one with China and the other with Russia. National census needed a commitment of the national government, lots of money, and peace.

Since its inauguration in 1920, Japan has been conducting a national census every five years for 60 years. An exception is the census planned in 1945, the year of Japan's surrender. Under the U.S. occupation, Japan resumed its census in 1947.

During the postwar years, Japan changed the purpose of the census from wartime mobilization to peacetime utilization. The U.S. planners at the General Headquarters of the Occupational Army helped this transformation. One of the advisors, Mr. Deming, proposed the civilian use of statistical data. His idea, statistical quality control, became the norm of the postwar Japanese industry, and eventually became the symbol of the Japanese industrial management, the Total Quality Control.

Although its population is exceptionally large, China also shares problems with Japan and the U.S. How to justify the cost of the census? How to attain accuracy? How to protect the data from abuse? China can learn from Japan and the U.S. on these questions and choose the best combination.

The Japanese census relies on interviews by trained staff. It is accurate. Despite the growing mobility and indifference among the younger generation, the census misses only around 1 million among a total population of 120 million. Every resident, including those who stay in Japan illegally, is supposed to respond to the census interview. There is a penalty, although never activated, for intentional refusal.

National census by interview is outrageously costly, however. Moreover, the original interview data is "closed" to the public in order to avoid criminal abuse and to protect personal information. Business circles complain that they cannot make use of the data. Politicians, on the other hand, resist redistricting electoral seats according to the census results. Candidates in the big cities need 3-5 times more votes than in rural districts to be elected. Despite 60 years of national census, the Japanese electoral system remains unequal.

The U.S. census uses the mail for data collection. Lacking the household registration system, the U.S. census has limited accuracy and coverage. In order to compensate for these problems, the government uses various statistical methods and techniques to compile national data. IBM devised punch cards for the census. The need for fast and exact accumulation and calculation of huge amounts of data led to the development of this electric calculator, then eventually, to the computer. The U.S. census system also excels in handling racial and cultural diversity of its residents. The U.S. by now has a considerable accumulation of historical data. Those data are, after necessary modifications, available to the public.

In China, the rural population poses a serious problem. They may not find any incentive to cooperate with the census. The local governments also may not have enough financial and human resources to conduct the census. China, therefore, needs to conduct a census economically. China needs to balance between accuracy and continuity. In these two aspects, Japan and the U.S. can become good partners of China.

China may be able to make use of its party network, if the government is willing to guarantee the legal protection against abuse. It is also imperative for the government to guarantee the secrecy of information. The government must, for example, tolerate illegally born children and illegal residents. Otherwise, people will not cooperate and the population data will remain inaccurate.

China can innovate the survey method. Both Japan and the U.S. have not used the internet for census. Japan is only gradually moving away from paper-based data. Without much accumulation, China can enjoy the benefit of catching-up. China can be an ideal test ground for multi-lingual, multi-cultural, and multi-diversity social surveys. Random telephone, including ever-present cellular phones, surveys can be a possibility. An advanced sampling technique using GPS may improve geographical coverage, and may dramatically decrease costs.

Economic data

China's economic data is notorious for its unreliability. China took pains to improve its economic data since the early 1980s. Today's Statistical Yearbooks represent a quantum leap from the past. GDP figures, however, do not necessarily reflect reality. Thomas Rawski doubted the official GDP figures a few years ago. Former Prime Minister Zhu Rongji also doubted them. When he compiled the national GDP target for the year 2000, he discounted the GDP figures reported by the local governments.

There are two sources of unreliability. One is political, the other is bureaucratic. Chinese local leaders, like their counterparts in any country, tend to inflate their accomplishments. The temptation for distortion is great in China because promotion hinges on attaining economic goals. Judging from the history of systematic distortion since the Great Leap Forward, this problem may not disappear overnight.

The other source of trouble, bureaucratic distortions, has better prospects for improvement. Japan has a similar problem and China can learn from the Japanese experience. In Japan, each ministry compiles its own economic data. The Statistics Bureau of the General Administration Offices simply assembles this data. There is no central authority. Although each ministry uses the most sophisticated method for compilation, there is always room for different categorization and classifications. As a result, the Japanese government produces several kinds of GDP figures, all with statistical qualifications and practical limitations. The picture is confusing.

The U.S. offers other alternatives. The government is responsible for the most general level of statistical information. Private institutions, such as Reuters, Bloomberg, and the Dow Jones, provide day-to-day economic data for most practical uses. The government does not dictate nor dominate economic information. The market does.

It is up to China which system it adopts. In terms of familiarity and practicality, the Japanese system seems to have an advantage. But it needs further improvement and it also needs organizational foundations. Japan's Ministry of Finance, for example, has more than 3,000 local tax offices, which have the tax records of most residents. Japan's Ministry of Economy and Industry also has local branch offices, which most local enterprises associate themselves with voluntarily. All Japanese companies must submit financial reports every year. A falsification of the financial report constitutes a crime.

Public opinion polls

The Chinese leaders are likely to come to decide when, not if, they should conduct public opinion polls. Two factors may generate such a need. First, urban residents, especially young city dwellers who have money and time, are likely to demand that their voices heard. If official channels fail to listen, their voices may find more direct ways of expressing their sentiments. That was what happened in April 2005 on the streets of Xian, Beijing, and Shanghai.

To the Chinese government, public opinion polls are attractive in their cost and low political risk. The other ways for the general public to release their sentiments, such

as street demonstrations, political campaigns, and elections, may jeopardize social stability.

Second, the Chinese leaders may realize the utility of public polls. There are two success cases in Japan and the U.S. Former Prime Minister Koizumi, who had no strong factional backing within the Liberal Democratic Party, maintained a high support rate throughout his five-year tenure. As most observers agreed, Koizumi won the battle for public support. Former President Bill Clinton was less successful. But he showed remarkable tenacity and could have won a third term if it was possible.

When Chinese leaders decide to take up some form of public opinion polls, two contrasting models would be available. The one is U.S.-style polls, the other the Japanese style. In the U.S. style, private poll companies, like Gallup and Pew which are independent from the government, conduct the opinion survey and sell the results to the market. Consumers are free to choose and believe. Public opinion polls have close associations with elections. The association was often too close to remain independent. Public polls have their limitations. In a close campaign, like the presidential election in 2000, the public polls were irrelevant.

Japan emulated the U.S. system but kept the giant broadcasting company under government control. Just like the U.S., Japan has quite a few companies, mostly the large newspaper companies, that conduct public opinion surveys. But *Nihon Hoso Kyokai (NHK)* stands out in the field. NHK monopolizes public broadcasting, including radio waves, local television channels, and satellite channels. NHK does not rely on commercials. NHK is the only channel that broadcasts National Diet proceedings and political candidates' campaign speeches.

NHK is facing increasing criticism for its financial inefficiency. It may have to open some of its operations to private companies. The fundamental function of NHK, however, is likely to remain. It is the voice of the bureaucrats, if not the government or the political parties.

The Chinese leaders may wonder if their *Xinhua News Agency* could substitute for a semi-governmental corporation, NHK. The comparison is fruitful because such an effort must reveal the strength and weakness of each system.

Building Successful Trilateral Cooperation

By Bonnie Glaser

As friction between China and Japan intensified in 2004-5, a debate emerged in the United States about the appropriate role for the U.S. in Sino-Japanese relations.

Two Views (in the Bush administration and think tank community):

1. China and Japan can and should solve their own problems. "They are adults."
    a. U.S. intervention of any kind is risky and might backfire.
    b. President Bush could put his relationship with Koizumi in jeopardy (especially if he raises shrine visits).
    c. Trilateral talks could put the U.S. in an awkward position. On many issues, we would be compelled to side with the Japanese against China. The U.S. and Japan are allies. The U.S. shouldn't be neutral.
    d. Trilateral talks could damage the alliance and U.S.-China relations.

2. The U.S. can and should play a role in promoting better Sino-Japanese relations
    a. Sino-Japanese rivalry could be harmful to U.S. interests.
    b. For the first time Japan and China are strong powers simultaneously. Given the historical legacies and deep mistrust, the U.S should help to mitigate tension and promote cooperation.
    c. Tense relations between Japan and China (and South Korea) will inhibit Japan from playing a bigger role politically in Asia. If Japan is marginalized, this would reduce the role of the US-Japan alliance in the region.
    d. Trilateral dialogue could ease Chinese worries about the alliance, help promote Sino-Japanese trust.
    e. An East China Sea skirmish could escalate. If the Diaoyu/Senkaku Islands are involved, the U.S. would be forced to get involved militarily.
    f. U.S.-Japan relations are strong. The Bush administration has further strengthened the alliance. Rather than fear damaging Bush-Koizumi relations, the U.S. should take advantage of their close personal friendship and trust, and have Bush convey his concerns privately, including views on shrine visits.

Apart from public and private statements by the U.S. that we hope to see relations between China improve, the Bush administration did little to actively promote better Sino-Japanese relations and has not sought to initiate a trilateral dialogue or trilateral cooperation.

Developments in the past six months have reduced the urgency of the issue in Washington. Abe's assumption to power, visit to China, Wen's visit to Tokyo – Sino-Japanese relations seem to have stabilized and are on the track toward improvement.

Those who advocated that the U.S. not intervene see developments as vindication.

3. Is this the best policy for the U.S.? Several questions have been posed for this panel that challenges us to define the U.S. role in Sino-Japanese relations and U.S. interests in trilateral cooperation.

What should the U.S. do unilaterally to improve prospects for trilateral cooperation?

a. More private and public encouragement of better relations between China and Japan. Suspicions persist that the U.S. sees benefits in Sino-Japanese rivalry. These should be dispelled. U.S. officials in pre-Abe visit briefing: support for Abe visit to China (before going to D.C.) "There was a need for fence-mending." Praised renewal of Sino-Japanese military exchanges. "We think it is good for all of us if Japan and China can sort through some of the issues that have kept them a bit divided."
b. At the same time, the U.S. should be clear that our alliance with Japan is firm and in many ways serves Chinese interests. e.g. Rice visit to Tokyo after North Korea nuclear test, message that U.S. nuclear umbrella is reliable and secure. Easing Japanese doubts is essential to forestall Japanese decision that it needs to develop independent means to defend itself, including a possible nuclear deterrent.
c. U.S. should initiate a three-way dialogue. Doesn't have to be at the highest level. Last year Brad G. proposed a session of three-way policy planning talks. Could have deputy secretary of state talks.
    i. Agenda should not include problems that can't be resolved. It wouldn't be helpful to discuss history.
    ii. The three countries should develop an agenda of non-traditional security issues that are aimed at developing habits of cooperation, not solving tough security problems.
d. U.S. should consider greater transparency
    i. Missile defense, New Triad
e. U.S. should set a good example (Brad Glosserman recommendation from last year's trilat)
    i. Keep its economy open
    ii. Respond to other countries' concerns about our trading practices
f. Pay more attention to the region. U.S. needs to do more to counter the view that it is focused on the Middle East and lacks the time, energy, and resources to engage actively in Asian issues.

What bilateral measures can the U.S. take to foster trilateral cooperation?

a. Seek to ease China's concerns that China is the target of the alliance. Most difficult is the Taiwan issue. U.S.-Japanese shared interest in a peaceful solution of the Taiwan issue is not against Chinese interests. Beijing also has an interest in the peaceful solution of the Taiwan issue. The U.S. and Japan don't support Taiwan independence.
b. invite China to observe U.S.-Japan military exercise
c. hold trilateral search and rescue exercise

d. How can the alliance be more transparent about the capabilities of missile defense systems?
e. Invite China to TCOG meeting – important to include South Korea in efforts. This was rejected once by China due to concerns about North Korea.

What can be done trilaterally to promote cooperation among the three countries?

a. IPR – promote progress. Need constructive proposals. Piracy doesn't serve any country's interests.
b. Trade dialogue – exchange rates, discuss ways of ensuring macroeconomic stability
c. Energy – examine what efforts are already underway internationally and determine if there is a niche for trilateral cooperation – energy conservation, development of new technologies
d. Maritime safety. Most important is Sino-Japanese bilateral INCSEA
e. Need for military communication links (China-Japan, US-Japan and China-South Korea exist or are being established – most useful if operational, between naval commanders.
f. Proliferation – how to strengthen the NPT, reduce incentives to acquire nuclear weapons regionally and globally
g. Foreign assistance – what should be criteria, objectives of foreign aid? Promote good governance, sustainable development. Share U.S. and Japanese experiences (mistakes included) with China. Could include EU
h. Dialogue on aging – all three societies face the challenge associated with aging societies. Less critical for U.S. than for China and Japan. Health care, pension plans, establishing programs that ensure seniors play useful role in society.
i. Disaster planning – pandemics, WMD attack, oil spills, terrorist attack

Risks of not cooperating

List could be very long. Just mention a few.

a. Increasing suspicion could result in miscalculation – biggest danger involves Taiwan
b. Suspicion could also lead to more weapons procurement (Chinese now worried about possible sale of F-22s to Japan). Missile defense will cause China to deploy more IRBMs, some with nuclear warheads.
c. negative impact on Six-Party Talks, efforts to achieve denuclearization of Korean peninsula

Finally, how to overcome resistance in the U.S. to trilateral dialogue mechanism?

a. will take an administration with a Cabinet that sees that the benefits of such a dialogue outweigh the risks; and
b. a president with courage and conviction in the value of such a dialogue

About the Authors

Robert DUJARRIC is director for the Institute of Contemporary Japanese Studies at Temple University. He is an expert on defense, North Korea and U.S.-Japan security. He was a Visiting Research Fellow at the Japan Institute of International Affairs and a Senior Associate at the National Institute for Public Policy. He was also a Council on Foreign Relations Hitachi Fellow Research Institute for Economy Trade and Industry. His publications include *America's Inadvertent Empire* (with W. Odom, Yale University Press, 2004), *Korean Unification and After* (2000), *Korea Security Pivot of Notheast Asia* (principal author and editor), and articles on Asian affairs. He is a graduate of Harvard University and holds an MBA from Yale University.

Bonnie S. GLASER has served as a consultant on Asian affairs since 1982 for the Department of Defense, the Department of State, Sandia National Laboratories, and other agencies of the U.S. government. She is concurrently a senior associate with CSIS in Washington, D.C., and Pacific Forum CSIS in Honolulu. Ms. Glaser has written extensively on China's foreign and security policy, U.S.-China relations and military ties, cross-Strait relations, and other topics related to Asian security. She has published extensively in leading scholarly journals, newsweeklies, and newspapers. She is currently a board member of the U.S. Committee of the Council for Security Cooperation in the Asia Pacific and a member of the Council on Foreign Relations, and she served as a member of the Defense Department's Defense Policy Board China Panel in 1997. Ms. Glaser received her B.A. in Political Science from Boston University and her M.A. from the Johns Hopkins School of Advanced International Studies.

Brad GLOSSERMAN is executive director at Pacific Forum CSIS in Honolulu. He is editor of *Comparative Connections*, the Pacific Forum's quarterly electronic journal, and writes the chapter on U.S.-Japan relations. He directs the Pacific Forum's Young Leaders program. He is co-author of many monographs and articles on U.S. foreign policy and Asian security relations, including most recently the editor (with Tae-hyo Kim) of *The Future of U.S.-Korea-Japan Relations: Balancing Values and Interests* (CSIS Press 2004). His opinion articles and commentary appear in media throughout the world.

Tetsuo KOTANI is a Ph.D. candidate in the Department of Political Science at Doshisha University, and is concurrently a research fellow at the Ocean Policy Research Foundation. He was a Visiting Fellow at the Center for U.S.-Japan Studies and Cooperation at Vanderbilt University. His dissertation focus is on the home porting of the *USS Midway* at Yokosuka and implications for regional security. He has co-authored a chapter, with Dr. James Auer, on "Reaffirming the Taiwan Clause: Japan's National Interest in the Taiwan Strait and the US-Japan Alliance" for a project at the National Bureau of Asian Research. He received an M.A. from the Graduate School of American Studies at Doshisha University and the B.A. from Osaka Kyoiku University.

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Pacific Forum CSIS
Hopkins-Nanjing Center, Nanjing University
Strategic Goals in U.S., Japan, and China Relations
Nanjing, China, April 25-27, 2007

AGENDA

April 25, 2007

6:30 PM Opening Dinner *(Jingli Hotel; Hosted by Vice President of Nanjing University; Room to be announced)*

April 26, 2007
(All sessions will be held in the Hopkins-Nanjing Center first floor conference room)

9:00 AM Opening Remarks by Conference Chairs

9:15 AM Session I: Recent Developments in China-Japan Relations
Speakers: China: Jin Xide, Intstitute of Japanese Studies, CASS
Japan: Seiichiro Takagi, Aoyama Gakuin University

Since October 2006, bilateral relations between Japan and China have improved. Prime Minister Abe visited China and Premier Wen Jiabao just visited Japan. Contacts between the two countries, both official and unofficial, have warmed. Are these improvements substantial or superficial? What has changed and why? What is the motivation behind these improvements? What policies should China and Japan adopt to ensure that the current rapprochement is not reversed or undermined? Is there a role for the U.S. in this process? If so, what? The issues should be viewed from various aspects – political, strategic, economic, bilateral, regional, etc.

10:45 AM Break

11:00AM Session II: Review of China-Japan Project
Speaker: Ralph Cossa, Pacific Forum CSIS

In 2006, a task force composed of four U.S. institutes examined the state of Japan-China relations. This session will review recommendations and observations emanating from a series of four workshops to include an assessment of task force findings.

12:00-1:30PM Lunch *(Hopkins-Nanjing Center)*

1:30-3:30PM **Session III: Examining Long-Term Visions**
Speakers: Japan: Masaru Tamamoto, Essayist
U.S.: Thomas Bickford, The CNA Corporation
China: Ren Xiao, Fudan University
YL Discussants: Japan: Tetsuo Kotani, Ocean Policy Research Foundation
U.S.: Leif-Eric Easley, Harvard University
China: Wang Fang, Hopkins-Nanjing Center

Relations between the United States, Japan, and China are critical to regional and global peace and prosperity. All three need a clearer understanding of each other's (and their own) long-term interests; it is especially important to understand divergences among priorities and how they can be reconciled. Participants should consider their country's vision of itself in 20 years, its role in East Asia, and its relationship with the other two countries. What are key long-term concerns? What factors are most important in shaping the regional political, security, and economic environment? How will relations among the three and within the region evolve? What sort of institutional structure is best for the region? Discussion will focus on areas of overlap and on differences, with attention given to ways to reconcile those differences. A Young Leader from each country will be a discussant for this session.

3:30PM Break

3:45PM **Session IV: Energy Issues and Related Concerns**
Speakers: China: Zha Daojiong, Renmin University of China
Japan: Hideaki Fujii, Mitsubishi Research Institute
U.S.: Peter Beck, International Crisis Group

Energy security is a vital concern for all nations, but the policies of the U.S., Japan, and China have a disproportionate impact on global markets. How do the three countries see energy markets developing and future supply and demand? What can be done to ensure that there are sufficient supplies for all countries and that conflicts and competition do not emerge? Energy policies raise a number of issues in addition to security of supply (nonproliferation, territorial disputes, climate change, pollution) that must be addressed: how is each government dealing with these other issues?

5:30PM Session adjourns

6:30PM Reception and Dinner *(Location to be announced)*

April 27, 2007

9:00AM **Session V: Trilateral Relations and Regional Integration**
Speakers: U.S.: Robert Dujarric, Temple University (Japan)
China: Yu Tiejun, PekingUniversity
Japan: Go Ito, Meiji University

What is the experience of European integration? What has been the ASEAN experience? What is the implication of the ASEAN+3 process? The East Asia Summit? How do

China, Japan, and the U.S. think about integration? What are obstacles to integration? What role can each country play in the integration process? How should they cooperate?

10:30AM Break

10:45AM **Session VI: Building Blocks for Strengthening Trilateral Relations**
Speakers: China: Wang Yiwei, Fudan University
Japan: Yoshifumi Nakai, Gakushuin University
U.S.: Bonnie Glaser, CSIS/Pacific Forum CSIS

What can each country do on its own to improve prospects for trilateral cooperation? What bilateral measures could be undertaken to foster trilateral cooperation? What policy issues are best undertaken at the trilateral level? What are the costs and risks of not cooperating? Are there obstacles in mainstream views to achieving new modes of cooperation? How can they be overcome? The goal is to identify specific building blocks that can be pursued unilaterally, bilaterally, and trilaterally to improve the three-way relationship.

12:30PM Lunch *(Hopkins-Nanjing Center)*

2:00PM Wrap-up Session: Next Steps

3:00PM Young Leaders Session

5:00PM Adjourn

6:30 PM Dinner *(Location to be announced)*

Pacific Forum CSIS
Hopkins-Nanjing Center, Nanjing University
Strategic Goals in U.S., Japan, and China Relations
Nanjing, China, 25-27 April 2007

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PACIFIC FORUM CSIS
Report on Incident at Sea Scenario
Strategic Goals in U.S., Japan, and China Relations
Hopkins-Nanjing Center, April 25-27, 2007

In 2006, the Center for Naval Analysis, the Institute for Defense Analysis, the Institute for National Security Studies, and the Pacific Forum CSIS conducted several iterations of a political-military scenario involving a naval crisis in the East China Sea. These simulations raised important questions of preparedness for such an incident, effective communication in a crisis, and differing perspectives on escalation control and crisis management.

An abbreviated version of the simulation was conducted at the April 2007 U.S.-China-Japan trilateral meeting in Nanjing. The basic content of the purely hypothetical scenario is as follows. In August 2007, Japanese Prime Minister Shinzo Abe visits Yasukuni Shrine, which is followed by a downturn in Sino-Japan relations. North Korea, meanwhile, remains uncooperative in the Six Party talks for denuclearization of the Korean Peninsula. Dialogues between Tokyo and Beijing to resolve territorial issues in disputed waters in the East China Sea show no progress. Internet criticism in China about the government's handling of Japanese issues is on the rise and Japanese media appears tougher on China. U.S. presidential candidates remain focused on Iraq, but also begin taking up contentious economic issues vis-B-vis China.

It is now January 2008. An oil slick appears in the East China Sea, in international waters but in an area of China-Japan disputed exclusive economic zones (EEZ). Chinese PLA Navy is on the scene; Japan sends Maritime SDF and coast guard units. A collision occurs between a Japanese Coast guard frigate and a Chinese destroyer. The Japanese vessel is on fire with 11 sailors reported dead. The Chinese destroyer is seriously damaged and immobile. Each side claims the other is at fault. Both dispatch aircraft to render aid and assistance and in "defense of national sovereignty."

Japan is presently sending P3 aircraft, 2 destroyers and a frigate to the scene. China is sending 4 patrol aircraft, 2 additional destroyers and a frigate. Moreover, additional Chinese military assets (submarines and destroyers) are ready to set sail in 12 hours. The United States has three destroyers, 18 hours away. Numerous U.S. aircraft are also available for dispatch.

Given this scenario, conference participants (identified only by nationality) were asked to list the following:

top three objectives of the U.S., China and Japan;
top three recommendations from military advisors of the U.S., China and Japan;
best expected outcome of the incident;
worst expected outcome of the incident;
most likely outcome of the incident.

A rough summary of responses from conference participants follows.

STATEMENT OF OBJECTIVES:

U.S. Objectives

U.S. View of U.S. Objectives

1. Non-escalation, peaceful resolution
2. Search and rescue
3. Reassure Japan

Others: stay out of the crisis

Chinese View of U.S. Objectives

1. Avoid military conflict
2. Contact respective governments
3. Alert U.S. military

Others: contain China with its Southeast Asian allies; dispatch forces into the area of the incident; use the incident as an excuse to increase U.S. interference in the Taiwan Strait

Japanese View of U.S. Objectives

1. Non-escalation, peaceful resolution
2. Search, rescue and recovery
3. Reaffirm U.S.-Japan alliance

Others: defend Japanese territory

Chinese Objectives

Chinese View of Chinese Objectives

1. Prevent further escalation (military conflict)
2. Protect Chinese assets
3. Seek diplomatic solution

Others: prepare for larger conflicts with the U.S. and Japan; save China-Japan relations; control nationalism; control the media; set a tough image as lesson to Taiwan

U.S. View of Chinese Objectives

1. Non-escalation, peaceful resolution
2. Avoid appearance of weakness; demonstrate resolve
3. Protect sovereign claims, EEZ

Others: Search, rescue and recovery; manage domestic response; elicit balanced U.S. response (not entirely pro-Japan)

Japanese View of Chinese Objectives

1. Protect Chinese claims
2. Preserve Chinese image (peaceful rise, upcoming Olympic games)
3. Minimize U.S. involvement

Others: manage Chinese domestic opinion; communicate with Tokyo

Japanese Objectives

Japanese View of Japanese Objectives

1. Non-escalation, peaceful resolution
2. Ensure U.S. support of Japan
3. Search, rescue and recovery

Others: effective communication with China and calm reporting to Japanese people; defend Japanese claims

U.S. View of Japanese Objectives

1. Non-escalation, peaceful resolution
2. Secure U.S. support
3. Rescue and recovery; protect Japanese assets

Others: manage domestic response; protect sovereign claims

Chinese View of Japanese Objectives

1. Prevent further escalation (military conflict)
2. Seek U.S. assistance
3. Use opportunity to exercise Japanese military

Others: occupy the disputed area; increase calls to revise constitution

MILITARY MOVES

U.S. Military Action

U.S. View of U.S. Military Advice

1. Dispatch assets for information gathering, coordination and rescue assistance
2. Engage in coordination of assets with Japan and China
3. Encourage issuance of public statements of calm and restraint

Others: send aircraft carrier; send destroyers but not at full speed; put USFJ on alert

Chinese View of U.S. Military Advice

1. Alert the military and be ready to deploy forces
2. Contact the respective governments
3. Coordinate with Japanese SDF

Others: take no action

Japanese View of U.S. Military Advice

1. Immediately dispatch air force assets to area
2. Employ assets for information gathering and coordination in the area
3. Ready aircraft carrier battle group including submarines

Others: do not engage

Chinese Military Action

Chinese View of Chinese Military Action

1. Alert its military and be ready to deploy more forces
2. Contact Japanese military to prevent further escalation
3. Contact Washington

Others: ensure that no individuals fire without an order

U.S. View of Chinese Military Action

1. Engage in rescue and recovery operation
2. Keep non-rescue ships at a distance, non-provocative stance
3. Do not send submarines or additional destroyers to area

Others: Keep additional ships ready for dispatch; show overwhelming military presence in area of incident

Japanese View of Chinese Military Action

1. Deploy assets for purposes of search, rescue and recovery
2. Keep diplomatic channels open
3. Deploy submarines, strong show of force without firing a shot

Others: Enhance military threat to Taiwan

Japanese Military Action

Japanese View of Japanese Military Action

1. Deploy assets for purposes of search, rescue and recovery
2. Close coordination with USFJ
3. Ready further naval assets for dispatch if necessary

Others: MSDF fire back if fired upon

U.S. View of Japanese Military Action

1. Engage in rescue and recovery operation
2. Request U.S. dispatch of assets to area of incident
3. Ready further MSDF in case China deploys submarines and destroyers

Others: open direct channel with China to coordinate

Chinese View of Japanese Military Action

1. Seek U.S. assistance
2. Alert SDF
3. Deploy additional naval forces

Others: revise Japanese constitution; contact China

BEST OUTCOME:

U.S. View of Best expected outcome of the incident
Successful rescue and recovery; withdraw ships without firing a shot; sign incident at sea agreement; incident motivates resolution of EEZ dispute; mutual apology; increase Japan-China mil-mil contacts; U.S. seen as reliable ally by Japan, reasonable actor by China.

Chinese View of Best expected outcome of the incident
No escalation of conflict; diplomacy to prevent future incidents; possible establishment of regime for incidents at sea.

Japanese View of Best expected outcome of the incident
Sailors and ships rescued and recovered; PLA Navy pulls back; perception of successful diplomacy and coordination; Japan compensated if Chinese vessel found at fault for collision; post-crisis effort to improve communications.

WORST CASE OUTCOME:

U.S. View of Worst expected outcome of the incident
Shots fired, both sides suffer casualties, withdraw under U.S. pressure; deterioration of Japan-China relations; escalation to war over disputed EEZ and islands.

Chinese View of Worst expected outcome of the incident
Escalation to regional conflict with U.S. involvement; China-Japan economic and diplomatic relations broken.

Japanese View of Worst expected outcome of the incident
Exchange of fire with casualties; escalation to all-out war.

MOST LIKELY OUTCOME:

U.S. View of Most likely outcome of the incident
No shots fired, but increasing military posturing and tense rhetoric; rescue and recovery problematic but completed, forces withdraw; neither Japan nor China satisfied with U.S. response.

Chinese View of Most likely outcome of the incident
Both sides compensate each other for losses; diplomatic solution and compromise reached, but both governments face difficult domestic political pressures.

Japanese View of Most likely outcome of the incident

Sides complete rescue operations and withdraw; U.S.-Japan coordination successful; only short-term negative impact on Japan-China relations, but militaries increase preparations for future contingencies.