

For Whom Japan's Last Dance Is Saved—China, the United States, or *Chimerica*?²

1. Japan-U.S. Security Treaty at 50

The year 2010 celebrates the 50th anniversary of the Japan-U.S. Security Treaty.³ Although the importance of geopolitics itself has hardly changed since 1960, East Asia's geopolitics has changed drastically. The Japan-U.S. alliance was established as East Asia's bulwark against communism during the Cold War era. But China's rise and other developments highlight a transformed environment. As partners, Japan and the United States have been loyal for decades and largely successful but the regional dance floor is more crowded than before, the music has changed, and the fashion is new. This essay explores competing perspectives for the Japan-U.S. alliance amidst these changing politico-economic circumstances. Against this backdrop, the authors ask ourselves for whom Japan's last dance is saved. Do policy makers in Tokyo believe that a choice between China and the United States might become necessary in the future? Should Japan seek a less exclusive relationship with the United States, and what are the key factors that will influence this decision?

China's rise is inevitable, undeniable, and unstoppable. Especially since the so-called Lehman Shock that rocked global financial markets in 2008, China has demonstrated a resilient economic performance, and its economic growth makes the U.S. and Japanese recovery look extremely lackluster.⁴ Last year China became the world's largest exporter by surpassing Germany, and this year China's GDP is expected to overtake Japan's. The Chinese economy, having taken full advantage of globalization, has become strong enough to forestall the negative aspects of globalization. China's rise is now riveting the attention of the world with a mixed sense of praise, envy, and fear.

The United States, the epicenter of the Lehman Shock, is still suffering from a protracted housing bubble overhang and facing burgeoning government deficits. U.S. policy makers are attempting a recovery strategy that includes efforts to reduce external imbalances, especially vis-à-vis China, and they are reluctant to cede ground on major political differences. Accordingly, little time passes without news of Sino-American bickering, ranging from Taiwan and Google to the Renminbi and the Dalai Lama. The United States, despite its status of the world's hyperpower, has an Achilles' heel—U.S. financial dependence on other nations spearheaded by China. This *Chimerica*

¹ Jun Kurihara is a Senior Fellow, Harvard Kennedy School (HKS). He also serves as a Research Director of the Canon Institute for Global Studies (CIGS) and a liaison officer of the Research Institute of Economy, Trade and Industry (RIETI) (Jun_Kurihara@hks.harvard.edu). James L. Schoff is Director of Asia-Pacific Studies, the Institute for Foreign Policy Analysis (IFPA) in Cambridge (JSchoff@ifpa.org). The views expressed in this essay are those of the authors and do not necessarily reflect those of the HKS, CIGS, RIETI, or IFPA. Both are Delegates of the U.S.-Japan Leadership Program (USJLP) (Year 2000). The authors wish to thank Henry R. Nau and Tatsuya Nishida for their helpful insights and comments.

² *Chimerica* is a neologism coined by Harvard Professor Niall Ferguson in his book entitled *The Ascent of Money*, New York, NY: Penguin Press, 2008. The word denotes a relationship of economic interdependence between China and America. See Ferguson (2008), pp. 335-339. In this connection, New York Times columnist Thomas Friedman makes an analogous argument on symbiotic but potentially hostile relationships between the two countries. See Friedman, "Joined at the Hip," *New York Times*, July 20, 2005, <http://www.nytimes.com/2005/07/20/opinion/20friedman.html>.

³ See, for example, George R. Packard, "The United States-Japan Security Treaty at 50," *Foreign Affairs*, Vol. 89, No. 2 (March/April 2010), pp. 92-103.

⁴ See, for example, Organization for Co-operation and Development, *OECD Country Survey of China*, Paris: OECD, February, 2010.

geo-economic situation has provided the United States with a geopolitical revelation that China is no longer a benign status quo power; rather a dissatisfied power. *Chimerica* has also presented Japan with a difficult geopolitical choice—Should Japan continue to be a loyal ally of the United States or try to be strategically closer to China? Does Japan want an equilateral triangular relationship among the three countries? Or will Japan prefer the current isosceles triangular relationship and remain closer to the United States?⁵

For its part, Japan has long been a junior partner of the United States since the end of World War II. It has also enjoyed a relatively smaller national security burden relying on the U.S. defense and nuclear umbrella and focused on its policy of economic primacy. Yet recent changes in transpacific geo-economics—an ascending China and an ailing America—have changed Japan’s attitude toward the Japan-U.S. alliance. In 2007, China replaced the United States as Japan’s largest trading partner. This milestone is a catalyst for broader geopolitical adjustments. Furthermore, a seismic change in Japan’s politics—the demise of the Liberal Democratic Party (LDP) dominance and the start of Democratic Party of Japan (DPJ) rule—has led to a government that wants tighter relations with China. During the last years of the LDP rule, Japan adopted a “dualistic strategy of engaging and balancing China.”⁶ In contrast, Prime Minister Yukio Hatoyama and DPJ Secretary General or “shadow shogun,”⁷ Ichiro Ozawa, immediately after they took office, paid courtesy visits to China in October and December respectively in 2009, and they have deemphasized the balancing component. Some Japanese feel frustration with the U.S. military presence on their soil and hope that a DPJ-ruled Japan might be closer to China than to the United States, thus reducing the need for U.S. troops.⁸ At the same time, other Japanese express anxiety about the DPJ’s inept handling of trilateral relations.⁹ This essay first examines briefly the strategic interplay between the United States and China, and then it explores Japan’s policy alternatives.

2. China’s Grand Strategy: Its Diplomatic Objectives and Its Problems

Japanese strategists as well as their Western counterparts have not fully grasped both the exact figures of military expenditures and China’s grand strategy. The Pentagon’s *Military Power of the People’s Republic of China 2008* looks to the cause of this difficulty in understanding Beijing’s intentions. China’s charismatic reformist leader Deng Xiaoping in the early 1990s provided guidance for foreign policy that is now known as the “24-character strategy,” i.e., “Observe calmly; Secure our position; Cope with affairs calmly; Hide our capacities and bide our time; Be good at maintaining a

⁵ See, for example, Kyodo News, “DPJ’s Yamaoka Calls for Stronger Japan-China Ties,” December 13, 2009. According to Kyoto News, DPJ Diet affairs chief Kenji Yamaoka said in Shanghai “Japan-U.S. ties are strained. It is a realistic approach to first strengthen Japan-China ties and then resolve the problems with the United States.” He also said “Ichiro Ozawa, secretary general of the ruling DPJ, and Chinese President Hu Jintao agreed in their Thursday [December 10] meeting in Beijing that the relationship among the three countries should be equally balanced like an equilateral triangle.” See also BBC Monitoring Asia Pacific, “Official Says Japan Should Strengthen Ties with China,” December 14, 2009.

⁶ See Mike M. Mochizuki, “Dealing with a Rising China,” in *Japan in International Politics: The Foreign Policies of an Adaptive State* edited by Thomas U. Berger, Mike M. Mochizuki, and Jitsuo Tsuchiyama, Boulder, CO: Lynne Rienner Publisher, 2007, p. 241.

⁷ See *The Economist*, “Ichiro Ozawa: the Shadow Shogun,” September 10, 2009.

⁸ As for Prime Minister Hatoyama’s political view, see Yukio Hatoyama, “A New Path for Japan,” *New York Times*, August 26, 2009, <http://www.nytimes.com/2009/08/27/opinion/27iht-edhatoyama.html>. As for a closer relationship between Japanese and Chinese leaders by the Japanese leaders’ visits to China, see, for example, *Le Figaro*, “Chine-Japon: le grande rapprochement,” January 4, 2010, <http://www.lefigaro.fr/international/2010/01/04/01003-20100104ARTFIG00310-chine-japon-le-grand-rapprochement-.php>.

⁹ See, for example, Akio Takahata, “A Shaky Start for Hatoyama’s Yuai Diplomacy,” November 13, 2009, <http://www.tokyofoundation.org/en/articles/2009/a-shaky-start-for-hatoyamas-yuai-diplomacy>.

low profile; and Never claim leadership (冷静观察、站稳脚跟、沉着应付、韬光养晦、善于守拙、决不当头).”¹⁰ Economic preeminence, however, has provided China with geopolitical advantages as well as purely geoeconomic ones. China’s military budget has increased at a double-digit pace over the past two decades.¹¹ The top echelon of the People’s Liberation Army (PLA) has begun to talk about the building of aircraft carriers and an expansion of China’s sphere of influence to the west of Hawaii.¹² Some even advocate setting aside Deng’s advice and “sprint to become world number one,” even if this risks war with the United States.¹³ The PLA’s hyperbole does not represent the Chinese government’s current policy, but the county will increasingly be able to pursue such a course if it chooses, and we simply do not know what China’s political leadership will decide in the future.¹⁴ Accordingly, Japanese and Western strategists feel they need a clearer view of China’s grand strategy.

According to Evans S. Medeiros, Director for China, Taiwan, and Mongolia Affairs at the National Security Council (NSC) at the White House, China has five specific foreign policy objectives—(1) Economic growth and development—In order to facilitate continued reform and development at home, China needs a stable international environment, (2) Reassurance—China seeks to reassure that a rising China does not undermine the security and economic interests of other countries, (3) Countering constraints—China tries to reduce the ability or willingness of other states to contain, constrain, or otherwise hinder China’s revitalization, (4) Resource diversification—China tries to diversify energy and other natural resources that are required to continue economic development, and (5) Reducing Taiwan’s international space.¹⁵ To date, China has successfully achieved two objectives out of the five—economic growth and development and resource diversification, which has boosted China’s self-confidence.¹⁶ However, progress in the remaining three objectives—reassurance, countering constraints, and reducing Taiwan’s international space—has been limited despite China’s great efforts.

China’s spectacular rise has generated praise, envy, and fear among neighboring states. As a result, no matter

¹⁰ United States Government, Department of Defense, *Annual Report to Congress: Military Power of the People’s Republic of China 2008*, March 2008, p. 8. As for a detailed discussion on China’s grand strategy, see, for example, Robert G. Sutter, *Chinese Foreign Relations: Power and Policy Since the Cold War*, Lanham, MD: Rowman & Littlefield Publishers, 2008, and Avery Goldstein, *Rising to the Challenge: China’s Grand Strategy and International Security*, Stanford, CA: Stanford University Press, 2005.

¹¹ On March 4, 2010, at the news conference on the Third Session of the 11th National People’s Congress (NPC), the Chinese government announced the military expenditure will register at 7.5% in 2010, a single-digit increase the first time in 22 years. See, for example, Xinhua, “China’s Defense Budget to Grow 7.5% in 2010,” <http://english.people.com.cn/90001/90776/90785/6908724.html>.

¹² As for the building of aircraft carriers, see, for example Nan Li and Christer Weuve, “China’s Aircraft Carrier Ambitions: An Update,” *Naval War College Review*, Vol. 63, No. 1 (Winter 2010), pp. 13-32. As for an expansion of China’s sphere of influence, see, for example, “China Requires Close Eye as It Expands Influence, Capability,” *Department of Defense Documents*, March 12, 2008.

¹³ Chris Buckley, “China PLA officer Urges Challenging U.S. Dominance,” *Reuter.com*, March 1, 2010, <http://www.reuters.com/article/idUSTRE6200P620100301>.

¹⁴ As for Western countries’ recent responses against an assertive China, see, for example, Geoff Dyer, “Sabre-rattling at Washington Risks Opening Pandora’s Box,” *Financial Times*, February 9, 2010, <http://www.ft.com/cms/s/0/450c670a-151a-11df-ad58-00144feab49a.html>, and Drew Thompson, “Think Again: China’s Military. It’s Not Time to Panic. Yet,” *Foreign Policy*, No. 178 (March/April 2010), http://www.foreignpolicy.com/articles/2010/02/22/think_again_chinas_military?page=0,0.

¹⁵ Evans S. Medeiros, *China’s International Behavior: Activism, Opportunism, and Diversification*, Santa Monica, CA: RAND Corporation, 2009, p. xviii.

¹⁶ As for China’s economic miracle, see, for example, Justin Yifu Lin, *Economic Development and Transition: Thought, Strategy, and Viability*, Cambridge: Cambridge University Press, 2009. As for China’s resource diversification, see, for example, Elspeth Thomson and Nobuhiro Horii, “China’s Energy Security: Challenges and Priorities,” *Eurasian Geography and Economics*, Vol. 50, No. 6 (November/December 2009), pp. 643-664. As for solid self-confidence among China’s leadership, see for example, Sebastian Heilmann, “Policy Experimentation in China’s Economic Rise,” *Studies in Comparative International Development*, Vol. 43, No. 1 (Spring 2008), pp. 1-26.

how peacefully China tries to rise, the world will not perceive China's rise benignly.¹⁷ In Asia, China has adopted the policy of "building good-neighborly relationships and partnership with our neighbors (与邻为善, 以邻为伴)" since 2002.¹⁸ It developed the formation of Free Trade Agreements (FTAs) with Asian countries—especially, the ASEAN-China FTA (ACFTA) became effective on January 1, 2010. Despite China's successful "great peripheral diplomacy (大周边外交)," smaller states have mixed feelings.¹⁹ In principle, Asian countries accept favorably China's economic rise. At the same time, however, they have become nervous, to a varying extent in every country, about an overwhelming dominance of China's economic power as well as a looming Chinese military threat. For example, Singapore, despite its close ethnic links with China, seeks closer and strategic ties with the United States. Thailand, on the other hand, has a long tradition of accommodating strong powers since the time of Western colonialism and World War II. Currently, Thailand enjoys the benefit of regional competition among powers—China, the United States, and Japan—to seek its own economic development. Kishor Mahbubani of the National University of Singapore (NUS) says ASEAN "could be a battlefield if the competition is military, but if it is economic it will be wonderful for south-east Asia." He also notes "ASEAN is going through one of its sweetest moments in its history because it has four suitors (the United States, China, Japan, and India) interested in it."²⁰

The main obstacles in China's way to achieving its remaining goals—countering constraints and reducing Taiwan's international space—stem primarily from the United States, followed by Japan in the Pacific and India in the Indian Ocean. For this reason, China's approach is to seek "to constrain the U.S. ability to constrain China."²¹ On balance, when China seeks to enhance its status as a global power and complete its foreign policy objectives, it finds itself confronted by the United States. Like other countries, China's leaders approach foreign policy through the lens of domestic affairs. On top of domestic issues, the most sensitive and closely diplomacy-connected ones are those of Taiwan Independence (台独),²² Tibet Independence (藏独),²³ and the East Turkestan Islamic Movement (东突),²⁴ all

¹⁷ As for China's "peaceful rise," see, for example, Zheng Bijian, «L'émergence pacifique de la Chine», *Le Figaro*, March 20, 2004, and Zheng Bijian, "China's Peaceful Rise to Great Power," *Foreign Affairs*, Vol. 84, No. 5 (September/October, 2005), pp. 18-24.

¹⁸ Medeiros, *China's International Behavior*, pp. 126-127. See also Wang Yi, "Strengthen Mutual Trust and Cooperation, Promote Collective Security," Speech at the Conference on East Asian Security, Beijing, December 15, 2003. (王毅副部长在东亚安全合作研讨会上的发言 "加强互信合作, 促进共同安全" <http://www.chinaembassy-fi.org/chn//xwdt/t104960.htm>).

¹⁹ See, for example, Tim Johnston, "South-east Asia: A Wider Radius," *Financial Times*, January 27, 2010, <http://www.ft.com/cms/s/0/0aaed988-0b7b-11df-8232-00144feabdc0.html>, and Evans S. Medeiros, "The New Security Drama in East Asia: The Responses of U.S. Allies and Security Partners to China's Rise," *Naval War College Review*, Vol. 62, No. 4 (Autumn 2009), pp. 37-52. See also Bronson Percival, *The Dragon Looks South: China and Southeast Asia in the New Century*, Westport, CT: Praeger, 2007.

²⁰ Johnston, *op. cit.*, See also, Kishor Mahbubani, *The New Asian Hemisphere: The Irresistible Shift of Global Power in the East*, New York, NY: PublicAffairs, 2008, and Evelyn Goh, "Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies," *International Security*, Vol. 32, Nov. 3 (Winter 2007), pp. 113-157.

²¹ Medeiros, *China's International Behavior*, p. xxii.

²² See, for example, David A. Shlapak, *et al.*, "A Question of Balance: Political Context and Military Aspects of the China-Taiwan Dispute," Santa Monica, CA: RAND Corporation, 2009, Yijiang Ding, "Beijing's New Approach and the Rapprochement in the Taiwan Strait," *Asian Affairs: An American Review*, Vol. 36, No. 4 (December 2009), pp. 179-199, Scott L. Kastner, "Bridge over Troubled Water? Envisioning a China-Taiwan Peace Agreement," *International Security*, Vol. 33, No. 4 (Spring 2009), pp. 87-144, and William J. Perry, *et al.*, Report of the Strategic Security Issues Delegation to Taiwan and the People's Republic of China (PRC) June 22-July 1, 2008, http://belfercenter.ksg.harvard.edu/publication/18450/report_of_the_strategic_security_issues_delegation_to_taiwan_and_the_peoples_republic_of_china_prc.html?breadcrumb=%2FExperts%2F128%2FDr_ashton_b_carter, and Phillip C. Saunders and Scott L. Kastner, "Bridge over Troubled Water? Envisioning a China-Taiwan Peace Agreement," *International Security*, Vol. 33, No. 4 (Spring 2009), pp. 87-114..

²³ See, for example, Jonathan Weisman and Sky Canaves, "Obama Meets Dalai Lama Despite China's Ire—Human Rights and Religious Freedom for Tibet Dominate 70-Minute Chat," *Wall Street Journal*, Feb. 19, 2010, p. A8.

²⁴ See, for example, Colin Mackerras, "Some Issues of Ethnic and Religious Identity among China's Islamic Peoples," *Asian Ethnicity*, Vol. 6, No. 1 (February 2005), pp. 3-18.

of which are closely intertwined with support from Western countries spearheaded by the United States.

However frustrated China feels against the meddling United States regarding external Chinese affairs (e.g., China's relations with Iran, Sudan, and Venezuela) and within China (e.g., freedom of speech and intellectual property rights), there are many reasons why China refrains from breaking its ties with the United States.²⁵ First, the United States is still a predominant source of trade, investment, and technology that China needs for economic development. Accordingly, China has tried strenuously to diversify its sources toward Europe and other regions to lessen its dependence on the United States. Despite this effort, China cannot continue its development without extensive engagement with the United States. Second, the United States has been the most influential supplier of public goods in Asia from which China benefits. The U.S. military presence has long been a "cap in the bottle" that prevents Japan's militarism from resurging.²⁶ The safety of sea lanes, guaranteed by U.S. maritime power both in the Pacific and Indian Oceans, have benefited China's stable transportation of traded goods. U.S.-led international organizations including the United Nations (UN) and the World Trade Organization (WTO) provide an institutional framework for China to learn how global norms and regulations are created. These kinds of institutions help foster growth and mitigate crises. Third, China is now wholeheartedly devoting itself to domestic economic development to achieve the goal of a "well-off society in an all around way (全面建设小康社会)" and to secure China's societal cohesion under the banner of "social harmony (社会和谐)."²⁷ For these reasons, China should at any cost avoid serious conflict with the United States.

At the same time, China has its own internal problems. First, the government has limited ability to manage domestic problems including the Taiwan and Tibet issues, along with social anxieties caused by widening income disparities, disturbing environmental accidents, and local government corruption to name a few. Second, China's compartmentalized and secretive decision-making system prevents transparent governance and efficient cooperation among civilian and military bureaucracies.²⁸ Third, China cannot have a cool-headed approach to the Taiwan issue and inadvertently invites an impression among the United States and neighboring Asian countries that China might pose an assertive and aggressive threat in the region. This outside suspicion is accentuated by the lack of information. The newly published U.S. *Quadrennial Defense Review* (QDR) states that "China has shared only limited information about the pace, scope, and the ultimate aims of its military modernization programs, raising a lot of legitimate questions regarding its long-term intentions."²⁹

²⁵ As for a perspective that China will not challenge the U.S.-led status quo, see, for example, Edward S. Steinfeld, *Playing Our Game: Why China's Rise Doesn't Threaten the West*, New York, NY: Oxford University Press, 2010 (forthcoming).

²⁶ An expression stated by Maj. Gen. Henry C. Stackpole, commander of Marine Corps bases in Japan, quoted in Fred Hiatt, "Marine General: U.S. Troops Must Stay in Japan," *Washington Post*, March 27, 1990, pp. A14 and 20.

²⁷ See, for example, the material regarding Communist Party of China Central Committee of the 17th session of the fourth plenary session, September 15-18, 2009, (In Chinese, "中国共产党第十七届中央委员会第四次全体会议公报" <http://cpc.people.com.cn/GB/64093/64094/10080626.html>) and Xing Guoxin, "Hu Jintao's Political Thinking and Legitimacy Building: A Post-Marxist Perspective," *Asian Affairs: An American Review*, Vol. 36, No. 4 (December 2009), pp. 213-226.

²⁸ As for China's internal problems, See, for example, Medeiros, *China's International Behavior*, p. xix.

²⁹ United States Government, Department of Defense, *Quadrennial Defense Review*, February 2010, p. 31.

3. America's Strategic Response and the U.S.-China Dynamic

In principle, the United States, as the world's hyperpower, does not worry excessively about rising powers as long as they do not challenge the status quo. Rather Washington welcomes cooperation with other powers to help provide public goods. "The United States," the QDR says, "welcomes a strong, prosperous, and successful China that plays a greater global role."³⁰ For its part, China also tries to be a responsible major power (负责任的大国), though the two countries might differ on how they define public goods and what they think about the status quo.³¹ After all, the U.S. concept of "responsible stakeholder" suggests an arrangement for which the rules have already been determined and to which one must conform (or be excluded).

The two powers have many common objectives, ranging from peace and prosperity to cooperation on the global warming issues and the prevention of terrorism and piracy.³² Nonetheless, they are suspicious of each other in part due to a lack of cultural connections. "China and the United States speak different languages and exist in regions remote from one another. Their historical development has differed," as Graham Allison states.³³ Furthermore, "[i]n the past, rising Great Powers often warred with established states," as Jia Qingguo and Richard Rosecrance point out.³⁴ Accordingly, deft handling of China's rising is needed to prevent it from challenging vehemently the status quo and recruiting other countries as part of an intensified U.S.-China rivalry. Otherwise, between the two states, suspicion might beget suspicion and lead to a state of security dilemma.³⁵ A Japanese diplomat confessed his concern about China by telling to one of the authors that "China today is like Japan in the 1920s . . . spending twice as much as Japan on military forces, yet many frailties persist inside its borders . . . so much is unknown. China could repeat the mistakes that Japan made in the 1930s and 1940s, through bad judgment and distorted perspectives about how the world works . . . Bad things happen on miscalculations."³⁶

Under such circumstances, pessimists abound. They juxtapose a rising totalitarian China and a declining democratic America.³⁷ Their views seem justified when it comes to China's growing financial influence over other

³⁰ *Ibid.*, p. 60.

³¹ See, for example, Lake Wang, "The Good Neighbor: Why China Cooperates," *Harvard International Review*, Vol. 29, No. 3 (Fall, 2007), pp. 38-41. As for the "responsible stakeholder" arguments, see Robert B. Zoellick, "Whither China: From Membership to Responsibility?" The Remarks to the National Committee on the United States and China Relations, presented in New York City, September 21, 2005, <http://www.state.gov/s/d/former/zoellick/rem/53682.htm>. (Chinese version: "副国务卿泽奥克利克呼吁加强美中合作," September 21), <http://usinfo.state.gov/mgck/Archive/2005/Sep/22-769678.html>).

³² As for China's military tasks other than war (MOOTW), see, for example, Daniel Alderman, "The PLA at Home and Abroad: Assessing the Operational capabilities of China's Military," *Colloquium Brief*, U.S. Army College Strategic Studies Institute, January 2010, <http://www.strategicstudiesinstitute.army.mil/pdffiles/PUB959.pdf>, and Bates Gill and Chin-hao Huang, "China's Expanding Role in Peacekeeping: Prospects and Policy Implications," Policy Paper No. 25, Stockholm: Stockholm International Peace Research Institute (SIPRI), November 2009.

³³ Graham Allison, "Keeping China and the United States Together," in *Power and Restraint: A Shared Vision for the U.S.-China Relationship* edited by Richard Rosecrance and Gu Guoliang, New York, NY: PublicAffairs, 2009, p. xv.

³⁴ Jia Qingguo and Richard Rosecrance, "The United States and China Together?" in *Power and Restraint*, p. 203.

³⁵ As for the evaluation of China policy during the first year of the Obama administration, see, for example, Thomas J. Christensen, "Shaping the Choices of a Rising China: Recent Lessons for the Obama Administration," *Washington Quarterly*, Vol. 32, No. 3 (July 2009), pp. 89-104. As for the current situation regarding Asia's security dilemma, see, for example, Ben Blanchard, "China Fears Containment as Defense Spending Rises," January 20, 2009, Reuter, <http://www.reuters.com/article/idUSTRE50J0DH20090120>. See also June Teufel Dreyer, "US-China Relations: Engagement or Talking Past Each Other?" *Journal of Contemporary China*, No. 57 (November 2008), pp. 591-609.

³⁶ James L. Schoff, "Realigning Priorities: The U.S.-Japan Alliance and the Future of Extended Deterrence," Cambridge, MA: Institute for Foreign Policy Analysis (IFPA), March 2009, p. 10.

³⁷ See, for example, Martin Jacques, *When China Rules the World: The End of the Western World and the Birth of a New Global Order*, London: Penguin

countries ranging from the United States to African countries.³⁸ Military strategists are concerned about China’s maritime ambition coupled with a blue-sea navy.³⁹ Some look to a growing concern about China’s cyber attack capabilities.⁴⁰ Others are suspicious against China’s expanding sphere of influence.⁴¹ Finally, some space experts are worried about a fierce Sino-U.S. rivalry in space technologies. On January 11, 2007, China destroyed one of its aging weather satellites, Feng-Yun (风云) 1C, with a ground-based, modified medium-range ballistic missile (generally called an ASAT (anti-satellite) missile system), leaving a debris cloud traveling at 18,000 miles per hour, capable of causing catastrophic damage to orbiting spacecraft. As a result, the U.S. Air Force is currently tracking about 2,000 ten-centimeter or larger particles from Feng-Yun 1C, with an estimated 35,000 particles less than ten centimeters that are not being tracked. An U.S. expert, Theresa Hitchens, director of the Center for Defense Information, does not conceal her frustration by saying that “This incident highlights the irresponsible nature of the Chinese test.”⁴²

Amidst a cauldron of competing pessimist and optimist discussions, Aaron L. Friedberg aptly classifies these views in the following way (See Table 1).⁴³ International relations (IR) theorists tend to view this secular world in three ways, each of which is sometimes contradictory or complementary—realist, liberal, and constructivist.

Table 1. U.S. Views toward a Rising China

International Relations Theorists		Views
Realist	Optimists	China’s Power: Limited, and Likely to Remain So; China’s Aims: Limited; Security Dilemma: Muted
	Pessimists	China’s Power: Intense; China’s Aims: Expanding; The Security Dilemma: Intense
Liberal	Optimists	Economic Interdependence; International Institutions; Democratization
	Pessimists	China: An Authoritarian Regime in Transition; The U.S.: A Crusading Liberal Democracy?; Interactive Effects (a vicious cycle of suspicion and threat)
Constructivist	Optimists	Identities, Strategic Cultures, Norms: Flexible; “Softening” via “Institutional Contact”
	Pessimists	Rigid and “Hardening” via Shocks and Crises

(Source: Authors’ rearrangement based on the table of Friedberg (2005), p. 39.)

Press, 2009, and Denny Roy, “China’s Democratised Foreign Policy,” *Survival*, Vol. 51, No. 2 (April/May 2009), pp. 25-40.

³⁸ See, for example, Daniel W. Drezner, “Bad Debts: Assessing China’s Financial Influence in Great Power Politics,” *International Security*, Vol. 34, No. 2 (Fall 2009), pp. 7-45, Guonan Ma and Zhou Haiwen, “China’s Evolving External Wealth and Rising Creditor Position,” Working Paper No. 286, Basel: Bank for International Settlements (BIS), July, 2009, and Brad W. Setser and Arpana Pandey, “China’s \$1.5 Trillion Bet: Understanding China’s External Portfolio,” Council on Foreign Relations (CFR), Center for Geoeconomics Studies (CGS) Working Paper, Washington, D.C., May, 2009.

³⁹ See, for example, James Kraska, “How the United States Lost the Naval War of 2015,” *Orbis*, Vol. 54 No. 1 (Winter 2010), pp. 35-45, and Robert S. Ross, “China’s Naval Nationalism: Sources, Prospects, and the U.S. Response,” *International Security*, Vol. 34, No. 2 (Fall 2009), pp. 46-81. As for the so-called China’s “String of Pearls” strategy, see, for example, China Briefing, March 18, 2009, <http://www.china-briefing.com/news/2009/03/18/china%E2%80%99s-string-of-pearls-strategy.html>.

⁴⁰ See, for example, Bryan Krekel, “Capability of the People’s Republic of China to Conduct Cyber Warfare and Computer Network Exploitation,” Report prepared for the U.S.-China Economic and Security Review Commission (USCC), McLean, VA: Northrop Grumman Corporation, October 9, 2009, and Stéphane Lefebvre, “The PRC’s Compromise of U.S. Government Information and Technologies,” *International Journal of Intelligence and Counterintelligence*, Vol. 22, No. 4 (December 2009), pp. 652-666.

⁴¹ See, for example, Todd A. Hofstedt, “China in Africa: An AFRICOM Response,” *Naval War College Review*, Vol. 62, No. 3 (Summer 2009), pp. 79-100, Sarah Raine, *China’s African Challenges*, London: Routledge, 2009, and Michel Serge and Michel Beuret, *China Safari: On the Trail of Beijing’s Expansion in Africa*, New York, NY: Nation Books, 2009.

⁴² Quoted in Joan Johnson-Frees, *Heavenly Ambitions: America’s Quest to Dominate Space*, Philadelphia, PA: University of Pennsylvania Press, P. 10. See also Graham Allison, *op. cit.*, p. xiv.

⁴³ Aaron L. Friedberg, “The Future of U.S.-China Relations: Is Conflict Inevitable?” *International Security*, Vol. 30, No. 2 (Fall 2005), pp. 7-45. See also Jeffrey W. Legro, “What China Will Want: The Future Intentions of a Rising Power,” *Perspectives on Politics*, Vol.5, No. 3 (September 2007), pp. 515-534.

Realists regard the state as a dominant player in world politics, while liberals tend to include international organizations and multinational corporations (MNCs) as key players. Constructivists extend their analytic scopes, beyond power and wealth, toward subjective factors including norms and identity.⁴⁴ For example, pessimistic realists think that China’s power is rising unstoppably and its military power will expand such that it leads to security dilemma. On the other hand, liberal optimists embrace an idea that globalization has made both China and the United States economically interdependent and created a web of global institutional networks, which would lead to a more democratic China.

Given a wide varieties of perspective, there are competing grand strategies being proposed for the United States when it comes to analyzing China’s rise. In order to understand a whole gamut of strategies, Randall L. Schweller provides a conceptual framework of U.S. prospective grand strategies (See Table 2).⁴⁵

Table 2. U.S. Prospective Grand Strategies

U.S. Strategic Options	Explanations
Preventive War	War is inevitable; threat is a long-term one; better to fight now than later
Hedging/Balancing/ Containment	Internal: mobilize internal resources; External: establish formal or informal alliances; join to the weaker coalition
(Bandwagoning)	Join to the stronger coalition (Unthinkable because the United States is the strongest state)
Binding	Control over the rival by allying the source of threat
Engagement	Minimize conflict and avoid war without compromising the integrity of the status quo Appeasement policy Socialize a power into acceptance of the status quo
Buckpassing/Distancing	The buckpasser assumes that it can safely “bystand” while weaker states suffers the blow of a rising state; Acceptance of a pax Sinica in Asia

(Source: Authors’ modified table based on the description of Schweller (1999), pp. 7-17.)

Realist thinkers like John J. Mearscheimer and Robert Kagan advocate “containment” while Aaron Friedberg advises “hard balancing.” Evans S. Medeiros and Robert G. Sutter propose “hedging” or “soft balancing,” while David M. Lampton and David Shambaugh devise an idea of “soft engagement.”⁴⁶ In the meantime, liberal theorist G. John Ikenberry raises a neo-Rawlsian question—First, Washington should try to embed the Western-oriented international system so deeply that China has overwhelming incentives to integrate rather than to oppose and overturn it, and second, the United States should accommodate a rising China by offering it status and position within East Asia in return for Beijing’s accepting and accommodating Washington’s core strategic interests.⁴⁷ Currently, no one takes seriously “preventive war” like Japan’s miscalculated decision to opt for war against the United States in 1941. At the same time, only a few Americans would excogitate “buckpassing” like Chamberlain-led Britain that adopted a distancing policy

⁴⁴ As for the classification of realist, liberal, and constructivist perspectives, specifically in the Asian context, see, for example, Amitav Acharya, “Theoretical Perspectives on International Relations in Asia,” in *International Relations of Asia*, edited by David Shambaugh and Michael Yahuda, 2008.

⁴⁵ Randall L. Schweller, “Managing the Rise of Great Powers: History and Theory,” in *Engaging China: The Management of an Emerging Power* edited by Alastair Iain Johnston and Robert S. Ross, New York, NY: Routledge, 1999.

⁴⁶ David Shambaugh, “International Relations in Asia: The Two-Level Game,” in *International Relations of Asia*, p. 12. See also David Shambaugh, “China’s Military Views the World,” *International Security*, Vol. 24, No. 3 (Winter 1999), p. 64.

⁴⁷ G. John Ikenberry, “The Rise of China and the Future of the West: Can the Liberal System Survive?” *Foreign Affairs*, Vol. 87, No. 1 (January/February 2008), pp. 23-37 and G. John Ikenberry, “Liberal Order Building,” in *To Lead the World: American Strategy after the Bush Doctrine* edited by Melvyn P. Leffler and Jeffrey W. Legro, New York, NY: Oxford University Press, 2008, Chapter 4.

against Nazi Germany.⁴⁸ Accordingly, the United States would chose a mixed strategy among a continuum of options—(1) hedging, balancing, and containment, (2) binding, and (3) engagement.

Schweller also looks at strategies from the perspective of a dissatisfied power and he highlights the potential danger if the United States regards China as a limited revisionist and risk-adverse power despite the fact that China is actually revolutionary revisionist and risk-acceptant (See Table 3).⁴⁹ Conversely, another danger stems from the United States regarding China as a revolutionary revisionist and risk-acceptant power, while it is actually a limited revisionist and risk-adverse state. Schweller points out three reasons for a dangerous relationship between the United States and China. First, history and scholarship show that countries undergoing economic transitions tend to pursue assertive and expansionist foreign policies. Second, in the midst of this dynamic politico-economic transition, China is ruled by a regime trying to maintain its own legitimacy. Third, Chinese politics is so opaque that it is difficult to predict China’s internal political and social cohesion.⁵⁰

Table 3. U.S. Prospective Grand Strategies against a Dissatisfied China

		China’s Risk-propensity	
		Risk-averse	Risk-acceptant
China’s revisionist Aims	Limited	Engagement, Binding	Hedging/Balancing/Containment
	Revolutionary	Hedging/Balancing/Containment	Preventive War

(Source: Authors’ modification based on the table of Schweller (1999), p. 24.)

The paramount task for U.S. and Chinese leaders, therefore, is to reduce the risk of misinterpreting each other’s intention and capabilities. This task requires painstaking and continuous efforts to exchange views both in the civilian and in military arenas. In particular, U.S. military ties with China are, according to Kurt Campbell, now Assistant Secretary of State for East Asian and Pacific Affairs, a “proverbial canary in the coalmine.”⁵¹ The Pentagon has proposed various confidence building measures (CBMs), in part modeled after the 1972 U.S.-Soviet Incidents at Sea Agreement and the 1989 U.S.-Soviet Prevention of Dangerous Military Incidents Agreement. In December 1997, the Pentagon initiated annual bilateral defense meetings, the Defense Consultative Talks (DCT), and in January 1998, it reached the Military Maritime Consultative Agreement (MMCA) with China to avoid misunderstandings. Campbell, however, records the vicissitudes of CBM efforts by pointing out (1) lack of reciprocity, (2) military asymmetries, (3) mutual suspicion, and (4) the volatile state of political relations. Campbell also notes that some Chinese leaders express in their writings and speeches an image of the United States as a hegemon in invariable decline or lacking the will or capacity to counter China’s adventurism, and that U.S. leaders vigorously attempt to disabuse their Chinese

⁴⁸ As for advocates of buckpassing strategy, see, for example, Samuel P. Huntington, *The Clash of Civilization and the Remaking of World Order*, New York, NY: Simon & Schuster, 1996, p. 234. Huntington says that “East Asian international relations were Sinocentric with other societies arranged in varying degrees of subordination to, cooperation with, or autonomy from Beijing.”

⁴⁹ In this connection, recent change in China’s attitude attracted the attention of prominent sinologists in the United States. See, for example, David Shambaugh, “The Year China Showed its Claws,” *Financial Times*, February 16, 2010, <http://www.ft.com/cms/s/0/7503a600-1b30-11df-953f-00144feab49a.html>.

⁵⁰ Schweller, *op. cit.*, pp. 25-26.

⁵¹ Kurt Campbell and Richard Weitz, “The Limits of U.S.-China Military Cooperation: Lessons from 1995-1999,” *Washington Quarterly*, Vol. 29, No. 1 (Winter 2005), p. 180.

counterparts.⁵² He concludes that due to these structural impediments, military-to-military CBM efforts will likely “follow, not lead,” improvements in other aspects of the bilateral relationship.

Current U.S. grand strategy is a bifurcated mixture of engagement and hedging. “Engagement, when successful,” says Schweller, “is the most efficient and sensible solution to the rise of a dissatisfied power.”⁵³ He continues to say that “Engagement is most likely to succeed when the established powers are strong enough to mix concessions with credible threats, to use sticks and well as carrots, in their attempts to satisfy the rising power. Otherwise, concessions will signal weakness that emboldens the aggressor to demand more. For this reason, engagement should not be viewed as an alternative to balancing but rather as a complement to it—one that seeks peaceful end to the rivalry and the balancing costs that accompany it.” At the same time, Schweller adds another danger of engagement strategy—“the two sides’ expectations often diverge in accordance with their discrepant motivations for negotiation: the status quo power desires changes in the revisionist power’s behavior, while the latter desires changes in the status quo order. Consequently, to the status quo power, engagement involves the use of rewards and threats to influence the revisionist state such that it behaves more in accordance with the rules of the established order. The dissatisfied power, in contrast, sees engagement as a tool for peaceful change of the existing order.”

On balance, the United States, in the middle of economic difficulties, feels more uneasy and suspicious about a rising China that demonstrates its more robust economic might than any other state. Resultant strategies for the United States would lean toward (1) internal balancing—revitalizing its politico-economic power, and (2) external balancing—strengthen ties with U.S. allies spearheaded by Japan, South Korea, Australia, India, and Singapore.

As noted earlier, however, the preferable strategy is an engagement policy especially adopted by a politically and economically healthy United States. Accordingly, U.S. external balancing strategies should not be directed at China *per se*, but instead should emerge from the inside-out. In other words, the United States should revitalize itself in cooperation with its allies in order to engage China more effectively. This is no simple task, not only because of America’s political partisanship and its weak economy, but also because major U.S. allies, especially Japan and Germany, also suffer serious internal ailments. They achieved *wirtschaftswunder* (economic miracle) during the Cold War era and prior to the globalization age, but in the post-Cold War era they have lagged behind China as well as the United States. Thus, U.S. strategists need a better mixture of engagement and balancing toward China that will bring about a “positive-sum” result for the United States and its allies even while the U.S. economy is expected to experience lackluster economic performance for several years.⁵⁴ The United States should convince its allies that the real problems lie within their economies and that there are a profusion of opportunities in which they can reap benefits through coordinated engagement with China based on consistent principles. Doing so will help us walk that fine line between balancing against China and integrating it into the global political economy.

⁵² *Ibid.*, p. 182.

⁵³ Schweller, *op. cit.*, p. 15.

⁵⁴ See, for example, Ben S. Bernanke, “Semiannual Monetary Policy Report to the Congress” Before the Committee on Financial Services, U.S. House of Representatives, Washington, D.C., <http://www.federalreserve.gov/newsevents/testimony/bernanke20100224a.htm>, February 24, 2010, and Joseph E. Stiglitz, “Death Cometh for the Greenback,” *The National Interest*, No. 104 (November/December 2009), pp. 50-59.

4. Japan's Responses: To Be Closer Toward China or Not, That Is the Question

Seismic changes at home—the demise of a more-than-five-decade rule by the Liberal Democratic Party (LDP) since its establishment in 1955, and abroad—a shifting regional center of gravity toward China, have provided an opportunity for Japan's grand strategy debate.⁵⁵ Amidst a growing Sino-American tension, some Japanese strategists have begun to sit on the fence. As noted at the outset, the current Japanese government prefers an equilateral triangular relationship among the three countries to the current isosceles triangular relationship. It would be understandable that Japan's geographical proximity to a rising China undoubtedly raises the possibilities of reassessing the Japan-U.S. alliance and of drifting toward a closer Japan-China relationship, if people could agree on what "closer" actually means. For their part, U.S. senior experts are trying to show "respect" and "patience" by socializing their Japanese counterparts.⁵⁶ However, some Americans have already raised their concerns about Japan's changing attitude.⁵⁷ Accordingly, between the United States and Japan, a "delicate dance" is likely to continue.⁵⁸

This drastic change in transpacific geopolitics has forced Japan to face a new reality. On the one hand, Japan benefits from greater economic opportunities offered by growing Chinese domestic markets and Chinese tourists' spending spree in Japan. Japan's economy would be in far worse shape after the bursting of its economic bubble in 1990s, were it not for growing exports to China from the mid-1990s on. For example, Japan's exports to China accounted for 2.1% of its total exports in 1990, and the share rose rapidly to 18.9% in 2009, and this is during a period of explosive growth in the Chinese economy. That translates into 109.4 billion dollars in 2009 for Japanese firms, while their exports to the United States recorded 93.7 billion dollars. On the other hand, Japan has begun looking askance at China's greater presence in Asia. In March 2009, Yasukazu Hamada, as Defense Minister who visited China for the first time in the past six years, was told by China's Defense Minister Liang Guanglie that China intends to build an aircraft carrier.⁵⁹ This would follow an already steady increase in Chinese submarine activity in Japan's exclusive economic zone (EEZ) and China's construction of an underground nuclear submarine base on Hainan Island.

Similarly, in the meantime a growing number of Chinese tourists to Japan have brought about anxieties as well as economic opportunities. According to Japan's Ministry of Justice, crimes committed by foreign travelers have increased and remained at a high level since the beginning of this century. The Ministry's *White Paper on Crime* says that, as of 2008, Chinese tourists (including those from Hong Kong and Taiwan) account for 32% of the total crimes

⁵⁵ See, for example, Yoichi Funabashi, "Forget Bretton Woods II: the Role for U.S.-China-Japan Trilateralism," *Washington Quarterly*, Vol. 32, No. 2 (April 2009), pp. 7-25. See also, Jitsuro Terashima, "In the US-China Bipolarization/Between the U.S. and China: A Road Japan's Foreign Policy Should Take (「米中二極化「日本外交」のとりべき道: 「米国追従」から決別し、真に「自立」するための大原則」)," *Bungei Shunju*, October, 2009, pp. 114-120, and Leif-Eric Leasley, Tetsuo Kotani, and Aki Mori, "On the Foreign Policy of the Democratic Party of Japan," *Asia Policy*, No. 9 (January 2010), pp. 45-66.

⁵⁶ See, for example, Joseph S. Nye, Jr., "An Alliance Larger Than One Issue," *New York Times*, January 7, 2010. See also Transcript of U.S. Congress hearing. Subcommittee on Asia, the Pacific and the Global Environment of the Committee on Foreign Affairs, House of Representatives, June 25, 2009. <http://www.internationalrelations.house.gov/111/50632.pdf>.

⁵⁷ See, for example, Stephen Walt, "A Silent Revolution in Japan?" *Foreign Policy*, September 1, 2009, http://walt.foreignpolicy.com/posts/2009/09/01/a_silent_revolution_in_japan. See also Michael Finnegan, Managing Unmet Expectations in the U.S.-Japan Alliance, NBR Special Report #17, Seattle, WA: National Bureau of Asian Research, November 2009.

⁵⁸ Michael J. Green, "Japan's Confused Revolution," *Washington Quarterly*, Vol. 33, No. 1 (January 2010), p. 4.

⁵⁹ See, for example, Wang Jianfen and Nie Ligao, "Japan Defense Minister's China Visit a Sign of Warming Relations," *China Daily*, March 23, http://www.chinadaily.com.cn/china/2009-03/23/content_7607571.htm.

committed by foreign travelers.⁶⁰ As a result, the Japanese popular image of China is extremely precarious. Furthermore, the historical issues including the problems of Yasukuni Shrine and textbook descriptions on Japan’s past militarism exacerbate the two countries’ relationship.

Mike M. Mochizuki had already grasped early signs of this situation by stating that “Sino-Japanese relations now manifest a combination of centrifugal and centripetal forces.”⁶¹ Japan’s engaging element has been observed in the field of foreign direct investment (FDI) and trade.⁶² China replaced the United States as Japan’s largest trading partner in 2007 according to the Japanese government. Japan’s balancing element is largely political and diplomatic, focused on the Japan-U.S. alliance and regional diplomatic initiatives.

Table 4 shows Japan’s strategic alternatives in response to the balance of power between the United States and China’s risk propensity.

Table 4. Japan’s Strategic Alternatives in Response to Power Distribution between the United States and China

		China’s Risk-propensity	
		Risk-averse	Risk-acceptant
Power Balance	U.S. > China (Status quo)	Engagement and hedging along with the U.S.(Status quo)	(2) Balancing along with the U.S. against China (?) (v) Armed junior partnership (vi) Normal nationalist strategy
	(a) A U.S.-China rivalry	(1) An equilateral triangular relationship (?) (i) Dual hedge/“Goldilocks” strategy (ii) “Middle Power” internationalist strategy (iii) Active diplomatic bridging strategy (iv) UN-centered internationalist strategy	
	(b) U.S. < China	(3) Bandwagoning toward China (?)	

(Source: Authors)

The status quo can be described as U.S. supremacy coupled with a risk adverse China. When China becomes more assertive and shows any sign of its risk-acceptant behavior, Japan will adopt the strategy of balancing along with the United States. Heated discussions are expected, however, if (a) an economic U.S.-China rivalry is intensified, or (b) China appears or tries to supplant the United States in East Asia. Under these circumstances, some Japanese strategists would consider (1) an equilateral triangular relationship among the three countries, or (2) a balancing policy along with the United States with a stronger military including the possession of nuclear arms, or (3) bandwagoning with China.⁶³

Since the end of World War II, Japan’s foreign policy has been stable except for some emotional eruptions at the time of the conclusion of the Japan-U.S. Security Treaty fifty years ago. This Security Treaty brought about the longest

⁶⁰ Government of Japan, Ministry of Justice, *Hanzai Hauksho* (White Paper on Crime 『犯罪白書』), November 2009, p. 18.

⁶¹ Mike M. Mochizuki, “Dealing with a Rising China,” in *Japan in International Politics: The Foreign Policies of an Adaptive State* edited by Thomas U. Berger, Mike Mochizuki, and Jitsuo Tsuchiyama, (2007), p. 251.

⁶² Although China replaced the United States as Japan’s largest trading partner in 2007, the United States remains the largest destination of Japan’s FDI. Japan’s FDI in the United States was 226.6 billion dollars on a stock base at the end of 2008, while 49.0 billion in China.

⁶³ See, for example, Toshi Yoshihara and James R. Homes, “Thinking about the Unthinkable: Tokyo’s Nuclear Option,” *Naval War College Review*, Vol. 62, No. 3 (Summer, 2009), pp. 59-78, and Emma Chanlett-Avery and Mary Beth Nikitin, “Japan’s Nuclear Future: Policy Debate, Prospects, and U.S. Interests,” CRS Report for Congress, RL34487, Washington, D.C.: Congressional Research Service (CRS), February 19, 2010.

alliance between two major powers since the 1648 Peace of Westphalia.⁶⁴ William H. Overholt, a leading Asia expert in the United States, states that “Japan’s postwar diplomacy was audacious and successful. Japan’s success, along with its adherence to the alliance with United States, provided the foundation on which the U.S. victory in the Cold War in Asia was built.”⁶⁵ He also says that “Japan has been one of America’s most loyal military allies, surpassed in loyalty only by Britain and Australia.” Furthermore, it should be noted that a careful study conducted by prominent Japan experts, J. Patrick Boyd and Richard J. Samuels, confirms that a stable Japan-U.S. relationship is likely to continue by stating that “Because the range of economic and security preferences is less extreme than is sometimes presumed, U.S. policy makers should not overreact when Japanese leaders question U.S. policies.”⁶⁶

Nonetheless, it would be useful to think of the possibility for “big change” in Japan’s foreign policy and a potential courting of different dance partners. First, new paradigms for Japan’s politics might put pressure on the alliance and current U.S. strategies in East Asia. These include more emphatic distancing from the United States (but not separation) to better balancing of Japan’s relations between China and the United States (represented to different extents by Samuels’ “Dual Hedge” or “Goldilocks Strategy” arguments and Terashima’s “Between the United States and China” approach).⁶⁷ Samuels describes that “Japan’s junior partnership with the United States may be slipping into history.”⁶⁸ He also suggests Japan could be finally consolidating its fourth major foreign policy consensus since the end of the Tokugawa era (the “dual hedge” between China and the United States in an attempt to preserve autonomy and prestige).⁶⁹ A slightly different version of “big change” is Yoshihide Soeya’s “middle power” strategy that would see Japan behave in tandem with other regional and global middle powers (particularly Australia, South Korea, and the ASEAN countries) to create a tight-knit caucus of middle powers and carve out its own (more independent) niche in an evolving Sino-U.S. rivalry.⁷⁰ Tanaka Hitoshi would instead advocate Japan working as an active bridge binding together the United States and China as part of a set of stronger regional institutions.⁷¹ Ichiro Ozawa himself has long emphasized a UN-centered foreign policy approach. These are all variations on a theme of fundamental realignment of Japan’s strategic diplomacy that deemphasizes bilateralism in tangible and lasting ways. Ozawa has been pushing UN-authorized “collective security (集団的安全保障),” ever since he was LDP Secretary General in the Kaifu administration (August 1989–November 1991) pressing for a more robust Japanese contribution to the Gulf War in 1990. He argued then that the Self-Defense Forces (SDF) should be permitted to use arms under UN command. Key

⁶⁴ Packard, *op. cit.*, p. 92.

⁶⁵ William H. Overholt, *Asia, America, and the Transformation of Geopolitics*, New York, NY: Cambridge University Press, 2008, pp. 78-79.

⁶⁶ J. Patrick Boyd and Richard J. Samuels, “Prosperity’s Children: Generational Change and Japan’s Future Leadership,” *Asia Policy*, No. 6 (July 2008), p. 16.

⁶⁷ Richard J. Samuels, “Japan’s Goldilocks Strategy,” *Washington Quarterly*, Vol. 29, No. 4 (Autumn 2006), pp. 111-127, and Jitsuro Terashima, *op. cit.*

⁶⁸ Richard J. Samuels, *Securing Japan: Tokyo’s Grand Strategy and the Future of East Asia*, Ithaca, NY: Cornell University, 2007, p. 208.

⁶⁹ *Ibid.*, pp. 13-37 and pp. 207-208. The first consensus was Meiji Japan’s “Rich Nation, Strong Army,” the second was Konoye’s “New Order and the Greater East Asia Co-Prosperity Sphere,” the third was Democratic Japan’s cheap ride and the “Yoshida Doctrine,” and the fourth could be this dual hedge between the United States and China.

⁷⁰ Yoshihide Soeya, “Diplomacy for Japan as a Middle Power (「日本外交を構想する: ミドルパワー連携による秩序のインフラ作りを」),” *Ronza*, February 2008. As for the English version, see *Japan Echo*, Vol. 35, No. 2 (April 2008). As for efforts to collectively realize Asia’s regionalism, see, for example, Ellen L. Frost, *Asia’s New Regionalism*, Boulder, CO: Lynne Rienner Publisher, 2008, and John S. Duffield, “Asia-Pacific Security Institutions in Comparative Perspective,” in *International Relations Theory and the Asia-Pacific* edited by G. John Ikenberry and Michael Mastanduno, New York, NY: Columbia University Press, 2003, Chapter 7.

⁷¹ Hitoshi Tanaka, *Gaiko no Chikara* (The Power of Diplomacy 『外交の力』), Tokyo: Nihon Keizai Shimbunsha, 2009.

DPJ leaders continue to push for renegotiating current base realignment agreements including moving the U.S. Marine Air Base Futenma completely off Okinawa (possibly out of Japan), revising the Japan-U.S. Status of Forces Agreement (SOFA), and possibly legislating the country's three non-nuclear principles (including non-introduction). Earlier this year, then-DPJ president Ozawa mused openly that the U.S. Navy's Seventh Fleet should be enough U.S. military presence in the Far East to satisfy Japan.⁷²

Alternatively, if a growing China unveils its risk-acceptant attitude, Japan would balance more clearly with the United States and probably strengthen its military capability either within the current Constitution (armed junior partnership with the U.S.) or by revising the Constitution to clarify its scope of the use of force (normal nationalist strategy).⁷³

Even if China maintains a risk-averse attitude as it grows more powerful, Japan could find it difficult to bandwagon with China. It seems that the more effort Japanese strategists make to further Japan-China rapprochement, the more difficulties they would face. America's eminent sinologist Susan L. Shirk aptly points out—"Of the three foreign policy relationships that China's leaders consider the most 'sensitive' in domestic politics—Japan, Taiwan, and the United States—Japan is the one that is the most difficult for them to handle." She continues, "Chinese politicians use Japan-related issues to mobilize support for themselves as strong leaders or to divert attention from difficult domestic problems. The less confident the leaders, the more they fan the fires of anti-Japanese nationalism." She also warns that "People in China see every Japanese act through the lens of history and fail to recognize the impact of China's own actions on Japan."⁷⁴ In this connection, Jennifer Lind provides her pessimistic perspectives regarding Japan-China reconciliation by saying that it requires "major compromises on both sides, leaders in both countries will need to have a strong mandate for bilateral reconciliation if they are to survive potentially. On the victim's side, imagine the potential domestic political vulnerability of a leader holding out the olive branch to a hated enemy. . . . Thus this approach is only likely to be feasible in countries facing a strong imperative to reconcile, such as West Germany and France in 1945. It will be unlikely to succeed in countries such as contemporary China and Japan."⁷⁵ It would be safe to say that bandwagoning with China is the least sensible policy choice for Japan, at least for the years to come.

5. Conclusions For Whom Japan's Last Dance Is Saved?

On balance, both the United States and China try to draw Japan closer to its own side as if each were singing "But don't forget who's taking you home. And in whose arms you're gonna be. So darlin', save the last dance for me." Their motivations are different. Washington is looking for a true partner, while Beijing simply wants a less exclusive

⁷² See, for example, Tobias Harris, "Japan—Ozawa: Japan's Least Bad Option?" *Far Eastern Economic Review*, April 3, p. 28.

⁷³ See, for example, Institute for International Policy Studies (IIPS), "A New Phase in the Japan-US Alliance: 'The Japan US Alliance toward 2020,'" September 2009, See also Richard J. Samuels, "'New Fighting Power!' Japan's Growing Maritime Capabilities and East Asian Security," *International Security*, Vol. 32, No. 3 (Winter 2007), pp. 84-112.

⁷⁴ Susan L. Shirk, *China: Fragile Superpower*, New York, NY: Oxford University Press, 2007, pp. 144 and 146.

⁷⁵ Jennifer Lind, *Sorry States: Apologies in International Politics*, Ithaca, NY: Cornell University Press, 2008, p. 193. See also Frost, *op. cit.*, p. 221.

Japan-U.S. arrangement, and perhaps a stronger Asia block in the world. Nonetheless they both seek that last dance with Tokyo. As long as the ailing United States tolerates China's rise, Japan's strategic option of "dual hedging" might be accepted. However, if the Sino-U.S. relationship is plunged into a state of flux, Japan's strategists might have to face a difficult choice among the aforementioned strategic alternatives.

One of the greatest challenges for the 21st century world community is how Japan and the United States cooperatively elaborate advice and constructive criticism toward a rapidly developing China and ensure the three countries can make a coordinated contribution to peace and prosperity of the world. China's strategists are currently busy maneuvering day-to-day policies to achieve main goals, i.e., maintaining economic development and domestic stability. Since Japan adopted a junior partnership with the United States after World War II, its grand strategy has been dubbed as "karaoke diplomacy,"—background music and lyrics are determined by the United States, and all that Japanese diplomats have to decide is what to wear and how to sing the songs.⁷⁶ However, Japanese strategists now have an opportunity to work out policy options for a new transpacific framework including Asia's multilateralism as well as the current U.S.-orchestrated hubs-and-spokes.⁷⁷ Japan's diplomats and politicians are expected to devise penetrating and sometimes astute policies based on smart diplomatic calculations. Yet, they are under heavy pressure from domestic politics as well.⁷⁸ For this reason, Japan's foreign policy strategists might be extremely busy both negotiating with their U.S. and Chinese counterparts, and devising public diplomacy to create an environment where their policy advice could be accepted by public opinion.

As realist political scientists argue, Japan could have adopted a more independent and normal nationalist strategy when it was experiencing high economic growth, as it did in the 1970s and 1980s when Ezra F. Vogel wrote his book entitled *Japan as Number One: Lessons for America*.⁷⁹ Today's Japan, however, looks totally different from before, and the global politico-economic climate has also changed dramatically. In short, Japan has become an aging and less populous country that desperately needs its economic revitalization.⁸⁰ Today's Japan lacks the economic and human resources to materialize a normal nationalist strategy to sufficiently replace its aging aircraft for air defense or to aggressively develop its own outer space defense.⁸¹ What today's Japan can do at best is to improve the interoperability between Japanese and U.S. forces and seek co-development and co-deployment in research and

⁷⁶ Takashi Inoguchi and Jain Purnendra Chandra, eds., *Japanese Foreign Policy Today: Reader*, New York, NY: Palgrave, 2000, pp. xv., See also, Samuels (2007), p. 2.

⁷⁷ As for competing options for transpacific framework including Asian-style Concert of Europe and a Sino-Japanese rivalry vying for imperial dominance, see, for example, Henry R. Nau, "Identity and the Balance of Power in Asia," in *International Relations Theory and the Asia-Pacific* edited by G. John Ikenberry and Michael Mastanduno, Chapter 6. As for Asia's multilateralism from the viewpoint of U.S. interests, see, for example, Samuels (2007), p. 207.

⁷⁸ As for the DPJ's neophytic and domestic-oriented characteristic traits, see, for example, Jun Kurihara, "Japan's General Election: A Political "Zugzwang"?" *Cambridge Gazette*: Politico-Economic Commentaries, No. 1 (August 31, 2009).

⁷⁹ Ezra V. Vogel, *Japan as Number One: Lessons for America*, Cambridge, MA: Harvard University Press.

⁸⁰ See, for example, Jun Kurihara, "Revisiting the Vogelien Japan as Number One," *Cambridge Gazette*: Politico-Economic Commentaries No. 2 (November 6, 2009). See also, Kenneth S. Rogoff, "Japan's Slow-motion Crisis," Project Syndicate, March 2, 2010, <http://www.project-syndicate.org/commentary/rogoff66/English>.

⁸¹ As for the fiscal difficulties for air defense, see, for example, Schoff, *op. cit.*, p. 52. As for the development of Japan's outer space defense, see, for example, Christopher W. Hughes, *Japan's Remilitarization*, London: Routledge, 2009, pp. 48-59.

capabilities.⁸² It can continue to shed its junior partner status, but remain a partner nonetheless.

For their part, U.S. strategists should focus on policies to turn the tide against the decay and decline in U.S. global leadership.⁸³ This begins with revitalizing its own economic and political health, which will be a great challenge. At the same time, they should be reminded of a warning against the inherent tendency of U.S. foreign policy that George F. Kennan preached 60 years ago—“The tendency to achieve our foreign policy objectives by inducing other governments to sign up to professions of high moral and legal principle appears to have a great and enduring vitality in our diplomatic practice. It is linked, certainly, with the strong American belief in the power of public opinion to overrule government.”⁸⁴ U.S. policy, especially under the influence of Wilsonian idealist and Jacksonian populist traditions, might run the risk of putting didactically detrimental pressures on other countries including China that puts emphasis on its international and domestic “reputation (面子)”.⁸⁵ In other words, pragmatism and flexibility regarding foreign policy objectives will serve the United States and its allies better than ideology.

On the other side of the Pacific, Chinese strategists should understand that China needs a healthier United States and a healthier Japan. In order to achieve its economic development and secure domestic stability, China needs peace and prosperity that can be guaranteed by a better trilateral relationship with the United States and Japan. Some Chinese scholars claim that Chinese civilization has its own advantage to correct an unbalanced situation through smooth mediation.⁸⁶ Today’s China should realize the mediation ability in its historical origins and begin to assume such a role for the world community as a responsible power. Accordingly, Chinese strategists should prioritize long-term mutual interests by overcoming short-term conflicts both with the United States and with Japan. In this connection, Wang Jisi stresses a cooperative approach toward the United States by quoting Deng Xiaoping’s words—“things will be all right when Sino-U.S. relations eventually improve,” which was a cool judgment based on China’s long-term interests.⁸⁷

On balance, cool-headed strategists of the three countries now realize that a cooperative interplay in the trilateral relationship, rather than a confrontational one, would bring about security and prosperity both at home and abroad. This cooperative trilateral relationship can provide them with the luxury to fight against the common enemies including the creeping global warming crisis and energy security, the spread of pandemics (e.g., SARS and bird flu), nefarious

⁸² See, for example, Schoff, *op. cit.*, pp. 31 and 50.

⁸³ See, for example, Joseph E. Stiglitz, *Freefall: America, Free Markets, and the Sinking of the World Economy*, W.W. Norton, 2010, J. Bradford DeLong and Stephen Cohen, *The End of Influence: What Happens When Other Countries Have the Money*, New York, NY: Basic Books, 2010, and Fareed Zakaria, *The Post-American World*. W.W. Norton, 2008.

⁸⁴ George F. Kennan, *American Diplomacy 1900-1950*, Expanded ed., Chicago, IL: University of Chicago Press, 1984 (originally published in 1951), p. 46.

⁸⁵ As for Wilsonian and Jacksonian traditions in U.S. foreign policy, see Walter Russell Mead, *Special Providence: American Foreign Policy and How It Changed the World*, New York, NY: Routledge, 2002.

⁸⁶ Wu, Xiaohui (Anne) and Cheng (Jason) Qian, “Culture of China’s Mediation in Regional and International Affairs,” *Conflict Resolution Quarterly*, Vol. 28, No. 1 (Forthcoming October 2010). In this connection, it is worth noting that Joseph S. Nye, Jr. refers to the words of Lao Tzu at the beginning of his book entitled *Power to Lead* (New York, NY: Oxford University Press, 2008), p. ix., See also President Hu Jintao’s remarks on the need to enhance Chinese culture as the country’s “soft power” in his keynote speech to the 17th National Congress of the Communist Party of China (CPC), October 15, 2007, Xinhua, “Hu Jintao Calls for Enhancing “Soft Power” of Chinese culture, <http://english.peopledaily.com.cn/90002/92169/92187/6283148.html> (In Chinese, 快讯: 十七大 9 时开幕 胡锦涛作报告, <http://cpc.people.com.cn/GB/104019/104098/6377519.html>.)

⁸⁷ Wang Jisi, “China’s Search for Stability with America.” *Foreign Affairs*, Vol. 84, No. 5 (September/October, 2005), pp. 39-48. (Originally published as an article 王辑思: “中美关系: 寻求稳定的新框架” 《中国党政干部论坛》(2005 年第 1 期)).

terrorist attacks, and the denuclearization of the Korean peninsula to name a few. It can also supply collectively global public goods including building a freer trade system and developing international cooperation for natural disaster management.⁸⁸ In short, an aging and less populous Japan that desperately needs its economic revitalization should get access to buoyant foreign markets and stable material resources from abroad. For this reason, Japan should have both the United States and China as its dancing partners. China, embracing a risk of becoming gray before becoming rich, should keep stable access to world markets and state-of-the-art technologies in a peaceful world. Accordingly, China needs both the United States and Japan as indispensable dancing partners. Finally, an economically ailing United States that require a balance sheet correction in every sector (i.e., households, the corporate and government sectors, and external transactions) should aggressively explore opportunities in the global marketplace with multiple partners. This situation will force the United States to have a delicate dance both with Japan and with China, and we could be entering an era where exclusive couple dancing gives way to coordinated group dancing. This is harder to choreograph, but it invites less suspicion and malicious gossip, and it can be a productive use of various talents.

The problem, however, is that the uncertain future of the *Chimerica* phenomena—this uneasy co-dependence between the U.S. and Chinese economies and their geopolitical power—which could force Japan to make a difficult choice when the sweet music of mutual prosperity ends. Without a clear understanding of *Chimerica*, Japan cannot predict when the last dance might come. The Eastern Chimericans in the West (Americans) take pride in being the nation of the world’s hyperpower, whereas the Western Chimericans in the East (Chinese) vacillates between a victim mentality of “one hundred years of shame and humiliation (百年国耻)” and a great power mentality (大国心态).⁸⁹

Accordingly, Japan might be forced to choose its last dancing partner at an unexpected time when *Chimerica* turn into a chimera. In order to stave off such a chimerical and horrific situation, Japanese strategists should warn their Chimerican counterparts against the “impostures of pretended patriotism” forewarned by George Washington in his “Farewell Address” in 1796. In this connection, all cool-headed strategists should take to heart the warning of prominent political scientist Jack L. Snyder after studying the attractiveness and danger of nationalism during the French Revolution—“What made militant nationalism so attractive and persuasive in this era of burgeoning mass politics? . . . The lack of effective institutions to channel the explosion of mass politics forced elites into an intense ideological competition for authority.” Aaron L. Friedberg echoes Snyder’s warning by stating that “the resort to nationalism has often been accompanied by militarism and by ‘scapegoating of enemies of the nation at home and abroad.’”⁹⁰ Our future lies in cooperating and compromising in pursuit of common good and mutual interest. We need to strengthen ourselves internally, but not at the expense of outsiders. Our goal should be to never let the music stop playing.

⁸⁸ As for Sino-U.S. economic cooperation, see, for example, C. Fred Bergsten, *et al.*, *China’s Rise: Challenges and Opportunities*, Washington, D.C.: Peterson Institute for International Economics, 2009. As for global warming issues, see, for example, “Memorandum of Understanding to Enhance Cooperation on Climate Change, Energy and the Environment between the Government of the United States of America and the Government of the People’s Republic of China,” July 28, 2009, <http://www.state.gov/r/pa/prs/ps/2009/july/126592.htm>.

⁸⁹ See, for example, Medeiros, *China’s International Behavior*, pp. 10-11.

⁹⁰ Jack L. Snyder, *From Voting to Violence: Democratization and Nationalist Conflict*, New York: W. W. Norton, 2000, p. 158; Friedberg, (2005), p. 30.