

The Need for Conflict Prevention and Management in Sino-Japanese Relations

Report from the
Central Asia-Caucasus Institute &
Silk Road Studies Program Conference,
Tokyo, Japan, March 8-9 2007

Sofia K. Ledberg



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Introduction

This report follows the conference "The Need for Conflict Prevention and Conflict Management in Sino-Japanese Relations" organized by the Silk Road Studies Program at the Department of Eurasian Studies, Uppsala University in cooperation with Keio University, Japan. The conference was held at Hotel New Otani in Tokyo on March 8-9, 2007 and addressed the relationship between China and Japan from a conflict prevention and management perspective. Its overarching aim was to identify methods, models and strategies for improving the bilateral relationship by the sharing of ideas and experience between leading academics, policy makers and high ranking military personnel from within and outside the region. The main sponsor of this event, as well as of the Silk Road Studies Program's overarching project on Conflict and Security in Asia, was the Swedish Ministry for Foreign Affairs (Utrikesdepartementet).¹

The conference in Tokyo was organized into five sessions, addressing both areas of ongoing cooperation, as well as contentious issues that strain the current relationship between China and Japan. Thematically, the sessions addressed the following topics: *The Role of Regional and Multilateral Forums for Improving Sino-Japanese Ties*; *The Modernization and Restructuring of the Military forces in Japan and China – the Increasing Need of Engaging the Military in Conflict Prevention and Management*; *The Conflict Preventative Impact of Sino-Japanese Economic Integration: A Model for Interaction in other Fields?*; *A Conflict Management and Conflict Prevention Perspective on History: from a politicized past to a healthy political relationship*; *From Crisis Management to Conflict Prevention and Management: The future security framework in Northeast Asia and the question of Taiwan*.

The purpose of this report is mainly to offer an account of the discussions that took place during questions and answers (Q & A) sessions following each round of presentations. Secondly, it gives a brief account of the presentations of the conference.

¹ Within the Conflict and Security in Asia project, the Silk Road Studies Program organizes a series of conferences and workshop on conflict prevention and management (CPM). The main aim of these events is to accumulate knowledge regarding CPM in Asia and to create a structured forum for the application of this knowledge. In order to broaden and advance the international research on regional CPM, invitations to these conferences and workshops are extended to prominent experts in Europe, Asia and the U.S.

To facilitate for the reader, this report has been organized into four parts. The first part discusses the current state of the bilateral relationship. The second section looks specifically at the role of the military in Sino-Japanese relations. Thereafter, in the third section, the broader regional security situation is discussed. The final session of this report identifies some concrete steps that could be taken on the bilateral and multilateral level in order to improve relations between China and Japan. Finally, this report should be seen as a complement to the conference papers, available at the Silk Road Studies Program's homepage (www.silkroadstudies.org), and other publications following this conference.

1. The Current Bilateral Relationship

On several occasions throughout the conference, participants from both China and Japan discussed how to correctly label the current relationship between China and Japan. Interestingly, the title of the conference "*The Need for Conflict Prevention and Conflict Management in Sino-Japanese Relations*" was interpreted by some as to imply that there is a conflict between these two states, a perception that gave raise to discussions. Indeed, none of the participants voiced any support for such an interpretation of reality. Although more than one analyst singled out the Sino-Japanese relationship as the most crucial and pressing bilateral relationship in East Asia, it was suggested that *debate* perhaps better would describe the current state of affairs. Following this line of reasoning, it was also suggested that the actual existence of a debate, although heated at time, is much preferred before silence, since no communication at all could mean preparation for war or an intensification of the conflict. Indeed, it was also stressed that conflicts can be transformed into something positive and that they are not inherently negative.

One participant also contested the often voiced perception that Northeast Asia has remained in the political climate of the Cold War, as illustrated by the state of interregional politics during former Japanese Prime Minister Junichoro Koizumi's last term in office. Indeed, this analyst highlighted the fact that even during Koizumi's time, there were bilateral talks between virtually all other ministers but the top leaders.

The History Issue

It is obvious that history still plays a great role in Northeast Asia. Needless to say, the time period of the Sino-Japanese War in the 1930-40s is a frequently reoccurring topic in this set of bilateral relations. In addition, the Cold War and its ideational split is often said to still be a reality in Northeast Asia.

It is thus difficult to imagine a conference on Sino-Japanese relations during which the issue of history is not being debated. Although history-related issues were raised in more than one of the Q & A sessions by a number of Chinese, Japanese and Western scholars, these did not dominate the debate.

There seemed to be a general agreement, at least among the non-Japanese scholars, that Japan indeed needs to address and analyze its 20th-century history in a more serious manner. It was also mentioned that this could be done bilaterally with China, or in a multilateral regional setting. To come to terms with the past was argued to be highly essential to Japan and other states wishing to assume a leadership position in the region. This implies that Japan needs to explain its position to the outside world. From the Chinese side, it was stated that China indeed could accept a greater role for Japan as regional and international stabilizer once this condition was fulfilled.

The Yasukuni shrine², one of the most controversial issues in Sino-Japanese relations, was claimed by one Japanese scholar to be an internal cultural affair that should be respected by the Chinese. However, one Chinese analyst replied that it is debatable whether the Yasukuni issue really is an internal Japanese affair, just as many non-Chinese people think it is debatable whether the Taiwan issue really is an internal Chinese affair. Although it was acknowledged by the Chinese side that Japanese culture differ from Chinese regarding its view of the dead, it still found it difficult to understand the repeated visits to the shrine despite the strong reaction in Japan's neighboring states.

However, as one Western scholar reiterated, the importance of coming to terms with history does indeed apply to *all* states wishing to play a greater role in regional affairs, i.e. also to China. If China wants the trust and respect of other states, it must also reflect upon its own recent history. Indeed, just as Chinese scholars and politicians urge Japan to reflect upon its history, similar analyses

² The Yasukuni is a Shinto shrine which commemorates Japan's war dead, including 14 convicted class-A war criminals and several other war criminals that were put to trial after the end of WWII.

should be encouraged in regard to the Chinese behavior during, for instance, the Cultural Revolution. This proposition was also repeated by one Chinese scholar. In addition, it was argued by one Western scholar that there may be more than one "correct" interpretation of history. Moreover, any attempts to look at history today will inevitably mirror the perspective of today and therefore not really be about history in the true sense. Seen from an outside perspective, both China and Japan seem to be covering up certain of their own contentious issues by blaming each other.

Anti-Japanese Sentiments in China

China's rising anti-Japanese nationalism, that has been put to show in fierce anti-Japanese riots over the past few years, was also subject to debate at the conference. One Chinese analyst argued that there were at least two main reasons for the rising Chinese national emotions since the early 1990s: China's isolation following the Tiananmen incident in 1989, and the strengthening of the alliance between Japan and the US.

In regard to the anti-Japanese demonstrations that took place in China in 2005, it was being questioned, from the Japanese side, whether the Chinese authorities wanted to hinder them or, indeed, welcomed them as a pretext to justify a tough policy line toward Japan. One Chinese participant agreed that the Chinese government may not have used all means available to stop the demonstrations, but pointed to the fact that the demonstrations not merely were directed against Japan, but also against the Chinese government. This could be noticed, it was argued, in the changing audience on the third day of the demonstrations when the participating students, white and blue color workers of the previous two days were replaced by unemployed "floaters".

Although demonstrations were eventually stopped, one Chinese analyst voiced fear that these anti-Japanese outpourings could have real negative implications for China's relations with Japan, especially in terms of trade. In this regard, it was highlighted that China certainly is not the only plausible production base for Japanese goods, and that Japan might turn to states like Vietnam and Indonesia if the anti-Japanese sentiments in China continue to grow.

The Role of the Chinese Media

The role of the Chinese media in propelling the anti-Japanese sentiments was also acknowledged. It was argued that China still has no free press, although the media evidently is freer today than previously. The governmental control over the media has thus been somewhat relaxed in recent years, which in fact has proved to be a double-edged sword with regard to China's relationship with Japan. It was acknowledged, from the Chinese side, that the Chinese media has exaggerated reports on Japan and Japan's responses to various incidents, but that it is becoming increasingly difficult for the Chinese government to control what is being published. Nevertheless, it was acknowledged that the Chinese media reports on Japan have become more nuanced since the riots of 2005.

Japanese Aid to China

The one-sided reporting on behalf of the Chinese media was also said to be one of the reasons behind the Chinese lack of awareness of the Japanese Overseas Development Assistance (ODA) to China. As one Japanese participant pointed out, Japan has granted extensive loans to China and thereby contributed to the constructions of railways and other types of important infrastructure. This practice was continued even at times when no other state was prepared to lend money to China. In addition, a Chinese participant added, fewer of these loans were earmarked in comparison to Japan's loans to Southeast Asia.

One of the Western scholars stressed that China should show more appreciation for this assistance. Although this was reiterated by a Chinese analyst, it was nevertheless questioned if this would silence the Chinese complaints about history. Moreover, the same analyst also argued that aid dependency is an unfavorable foundation for bilateral relations and proposed that co-funding may be a better model. This model is applied by the EU when granting aid to China and it was suggested that such a strategy may increase the responsibility on behalf of the Chinese. It was acknowledged that the present ODA will end in 2008, and that there could be room for joint undertakings thereafter.

Domestic Pressure within China and Japan

It was also acknowledged that both China and Japan is suffering from internal pressure, which complicates relations between the two states. In addition to the attributed pressure within the ruling parties of China and Japan, one Japanese

analyst also highlighted that China is facing a range of escalating domestic problems that may have far-reaching consequences. Thus, the situation was interpreted as being, at least according to one Japanese participant, much more pressing in China. This was deemed highly significant by one Western participant who argued that the internal stability of a state is equally important as a state's handling of history.

One Japanese scholar also raised the issue of Chinese patriotic education that has seen an upswing since the mid-1980s and questioned whether this in fact has not fueled the growing anti-Japanese sentiments in China. However, another Chinese participant pointed out that the patriotic education is aimed at increasing domestic stability, although it was admitted that it could potentially affect foreign affairs as well. Overall, it was argued that the Japanese public seems more open to compromise than its Chinese counterpart, although this was not said to be a direct consequence of the patriotic education in China.

2. The Role of the Military

In the course of the discussions, different aspects of the role of the military were addressed, such as: the modernization of the armed forces in China and Japan; the two states' participation in peacekeeping operations (PKO); exchanges between the two militaries; and the challenge of transparency.

The Modernization of the People's Liberation Army (PLA)

Over the past decades, the PLA has been allocated an increasing share of the total Chinese state budget. This has, in turn, given rise to speculations about China's intentions and created a sense of insecurity among China's neighbors and other states with a stake in the region. Although this was acknowledged, one of the Chinese participants stressed the fact that the Chinese armed forces still are struggling with backward equipment and suggested that more attention should be paid to the status of the PLA at the beginning of the modernizations and China's peaceful intentions.

According to the same analyst, the reasons behind the military modernization in China are multifaceted and span from the geopolitical situation in East Asia to the Taiwan issue. In fact, the latter will be an especially crucial issue for the PLA the next few years, given its role as primary guardian of internal stability. Especially year 2008 was deemed to be highly dangerous year for cross-Strait

relations due to a number of forthcoming events in Taiwan and on the Mainland. Another reason behind the increased military expenditure was said to be the overall global development toward a revolution in military affairs (RMA). In addition, it was argued that a modernized PLA also would imply a more professional and peaceful PLA. Moreover, the modernization process was said to increase the confidence of the PLA and thus make it more confident in engaging and discussing with other militaries.

However, the same analyst also identified a number of obstacles and difficulties regarding the modernization of China's armed forces. For example, one of the most pressing problems facing the Chinese society is the widening societal gaps, which also has implications for the PLA. Previously, belonging to the army meant enjoying superiority and the right to certain privileges. Now, this has changed and the military personnel have been stripped of their status. Despite recent increases in payment, the wages of the PLA staff remain comparatively low, and many of the previous bonuses have been withdrawn. Consequently, young people are now leaving the army, especially the more open-minded and better educated soldiers. This was argued to be potentially dangerous for the region and a yet another factor justifying additional military spending.

Another Chinese participant also highlighted that the military modernization was the very last of late Chinese leader Deng Xiaoping's so-called four modernizations and that the military patiently has been awaiting its turn since the 1980s. From the Chinese side, it was also argued that China's military modernization should be seen in light of other developments within China. To focus on the increased military expenditure or the space military program without also acknowledging the improvements in Chinese diplomacy is unfair, it was argued.

However, one Western scholar criticized China for its continuous reference to statistics and comparisons with the military expenditure of the United States to illustrate its moderate military allocations. This is nevertheless not the matter, it was argued. Rather, it should be acknowledged that China now is building up a navy and a space capability, which of course has implications for the perspective of the other party.

The Changing Role of the Japanese Self Defense Forces (SDF)

Although the Chinese side argued that every state has the right to modernize its military, it seemed difficult for the Chinese to come to terms with what they perceive to be a changing role of the Japanese SDF. Indeed, one Chinese participant suggested that Japan appears to be moving toward a militarization. The following points were made to support this argument: the upgrading of the Japanese Defense Agency to a proper Defense Ministry; the prevailing debates on a revision of the so-called Japanese peace constitution; Japan's military involvement abroad. Taken together, the analyst concluded, this illustrates China's need to be prepared for a worst case scenario.

Another Chinese participant acknowledged that Japan and China are mutually concerned about each other's intentions. In the Chinese case, it was argued that the potential capability for Japan to project power and a possible Japanese interference in the Taiwan issue were China's main concerns.

Bilateral Military Exchanges

One Western participant called for increased communication between the two militaries and extended confidence building between the two militaries. It was also argued from the Chinese side that a normalization of relations between the two militaries is a precondition for an overall normalization of Sino-Japanese relations. Moreover, it was pointed out that there are fewer restrictions against such bilateral military exchanges in China than in Japan where men on duty are prohibited from speaking out in public.

One participant from Japan expressed support for bilateral defense exchanges and claimed that the perceived need for such exchanges is growing in both states. However, the Japanese SDF feel somewhat powerless due to the size of the PLA. It could therefore be useful with air force to air force talks and navy to navy talks. Nevertheless, China was described as highly cautious at present. In addition, a number of constraints regarding the Sino-Japanese defense exchanges were also highlighted: the Japanese forces are restrained by the non-existing arms trade between the two states and the lack of military advisory groups that could facilitate the exchange; China's concern about the mission and mandate of the Japanese SDF; the limited interest in such bilateral defense exchanges; the failure to implement a confidence building policy.

Moreover, the Japanese side argued that China does not regard defense exchanges as highly beneficial. Rather, by only attaching limited importance to such exchanges, they can easily be cancelled as a protest against, for instance, visits to the Yasukuni shrine. As such, they seem to be viewed as a security bulwark that can be sacrificed in order to save the rest of the relationship.

Peacekeeping Operations

During the conference, the participants engaged in discussions on military cooperation between China and Japan within the field of peacekeeping. There were said to be both possibilities and challenges in this regard. On the one hand, it was suggested that the field of peacekeeping operations could function as mutual confidence building between China and Japan. It was argued that it may be easier to achieve this in a multilateral rather than a bilateral setting. On the other hand, potential risks involved, due to the different strategic interests of the two states, were also identified.

In regard to the intentions of the two states, important strategic differences were highlighted. China has clearly stated its post-Cold War discontent with the unipolar world order and would prefer an international system based on power-sharing between several middle powers. Consequently, its support for the U.N. peacekeeping missions is grounded in long term strategic thinking and seen as a means of working toward a multipolar international system. Japan, on the other hand, is participating in peacekeeping operations as a way of supporting the U.S.-led world order. Thus multilateral cooperation does not necessarily enhance the strategic trust between the two states. On the contrary, it may increase distrust and bring about a security dilemma. These differences in strategic intentions may, it was argued, pose serious obstacles to Sino-Japanese cooperation within this field.

A few important characteristics in both the Chinese and Japanese approach to peacekeeping operations were pointed out. China's increasing participation in U.N. peacekeeping operations was used to illustrate China's changing view on these matters. In terms of Japan's support for such missions, there has been a move from U.N. missions to missions not sanctioned by the United Nations. The changing nature, from peacekeeping to peace enforcement, of several of the U.N. missions makes it impossible for Japan to participate due to restrictions in

its constitution. It will also, it was argued, be difficult for Japan to extend any such undertakings in the future due to budget cuts.

One Chinese participant pointed to the perceived contradiction that Japan, like other U.S. allies, seems to turn its back on the U.N. peacekeeping operations in favor of non-U.N. sanctioned missions, although Japan seeks a permanent membership in the U.N. Security Council. However, from the Japanese side it was stressed that the two types of missions in fact can complement each other and that Japan backs U.N. missions as well, for example by sending military observers to Nepal.

It was also said that new peacekeeping or peace building missions under the auspices of the U.N. may pose problems to the PLA. Since such missions often include promoting and facilitating a democratic transmission within the targeted states, a basic norm of democracy will be required by the involved peacekeepers. Being a party army, however, the PLA is inherently unable to fulfill the democratic requirements for such tasks, one Japanese participant argued.

Other questions that were raised but failed to be answered included if China would be more favorable toward Japan's participation in U.N. sanctioned missions and if China would be willing to undertake missions together with Japan.

Transparency

One obstacle to improved military relations between China and Japan was argued to be the low levels of transparency within the Chinese military forces. It was argued by one Western analyst that China tends to see the lack of transparency as "the weapon of the weak". Thus, as China grows stronger, higher levels of transparency can be expected.

One Chinese analyst stressed that China has made real progress in this field, but that transparency is a new, and somewhat challenging, concept for the PLA. It was also argued that the PLA is lacking the experts in this regard and need to learn further tactics.

The lack of transparency in the PLA was also regarded a problem when it comes to the potential establishment of a hotline between Japan and China. Although Japan has positive experiences with South Korea in this regard, it was argued

that it would be hard to establish such a hotline with China since the lack of transparency makes it impossible to know whom to contact.

3. The Regional Security Perspective

Role of USA

There seemed to be a general agreement among the participants that the U.S. is a crucial actor in East Asia and that its presence in history has had several positive effects on peace and stability. However, in regard to how well the current U.S. administration is using this leverage, and to what purpose, was subject to debate. Although no voices were raised for an American withdrawal from the region, another type of policy was called for by some participants.

It was pointed out that the Clinton Administration's description of China as a partner has not been reiterated during the presidency of George W. Bush. Lately, China has been called a responsible stakeholder, which was argued to be rather offensive since the notion of responsibility implies support of the U.S. policy and, thereby, inequality. In this regard, it was emphasized that a U.S.-Chinese partnership is not, per se, in opposition with the U.S.-Japanese alliance.

One American analyst argued that the U.S. in fact has been an obstacle to Sino-Japanese reconciliation, for example by dragging Japan into the Taiwan issue. In addition, it was argued that the security situation in East Asia would benefit from a more balanced U.S. policy, since the present imbalance is perceived by China as a containment strategy directed toward itself. Indeed, one Chinese analyst claimed that the U.S., together with Japan, has applied a convergent guard strategy against China. Thus, it was argued that the U.S. policy should try to strike better balance between China and Japan, and also be more responsible regarding China. It was, however, not suggested that the alliance should be abandoned. Rather, it should be utilized in a way that does not make China feel contained.

However, the promoted balancing between Japan and China in U.S. policy met with opposition from several Japanese analysts. It was emphasized, for instance, that Japan felt abandoned by the U.S., especially during the Clinton Administration. So to encourage a changing U.S. position was deemed potentially dangerous since this could upset the current regional power balance.

Other scholars disagreed with this picture of American policy and its potentially negative impact on Sino-Japanese reconciliation. One of the positive aspects of the American presence was said to be its ability to "keep a lid on things", for example regarding the cross-Strait relations. In the same way, the U.S. policy today was argued to limit the risk of an accelerating Sino-Japanese rivalry. For instance, it was pointed out that the U.S. wants a mechanism put in place. Given the suspicion regarding military matters on each sides of the East China Sea, such a mechanism, under the leadership of the U.S., could help mitigate the situation. It was said that the U.S. indeed has the capability to do so, but that its focus is elsewhere at present.

One scholar suggested that the somewhat unclear U.S. policy in East Asia may be intentional and applied for strategic reasons. Another scholar added that the reason for this could be that the Japanese card is the only card the U.S. can play in East Asia, since domestic politics on Taiwan prevents it from playing the Taiwan card.

The Japan-U.S. Alliance

The potential problems and merits of the U.S.-Japan security alliance were discussed throughout the conference. Not surprisingly, the Chinese and Japanese participants made different interpretations in this regard and had, in general, conflicting views on the matter.

The Chinese side argued that the alliance should be strictly limited to bilateral matters, thereby excluding other issues and regions (i.e. Taiwan). Another Chinese participant argued that the U.S. military alliances with South Korea and Japan are remnants of the Cold War and thus unsuitable for the current time. The same analyst also described the military alliance between the U.S. and Japan as one of the three most pressing issues for China. Furthermore, the so-called two-plus-two statement was described as a turning point for China and brought about a Chinese reinterpretation of the alliance.³ In this context, it was also pointed out that, for the first time, cooperation between NATO and the

³ This refers to the Joint Statement U.S.-Japan Security Consultative Committee, February 19, 2005. In this statement "the peaceful resolution of issues concerning the Taiwan Strait through dialogue" is listed as one of the two states' "common strategic objectives". For a complete version of the statement, see <<http://www.mofa.go.jp/region/n-america/us/security/scc/joint0502.html>> (May 3, 2007).

U.S. alliances in the Pacific has been proposed, which was perceived by the Chinese as two arms intending to embrace China.

In response, one Japanese analyst emphasized that the U.S.-Japan alliance is not a traditional military alliance anymore. Today, the arrangement is more about collective security than collective defense. Another Japanese participant pointed out that Russia has reevaluated its perception of the U.S.-Japanese relationship and asked whether China could do the same. It was also highlighted, from the Japanese side, that it seems much easier for the Chinese to criticize the U.S.-Japan military alliance than to acknowledge its own contribution to Japan's perceived need for such an alliance. Indeed, to disregard China's growing military expenditure as a direct cause for Japan's support for the alliance was deemed unfair and highly subjective.

One Chinese analyst pointed to the ambiguity in the trilateral relationship China-U.S.-Japan. This poses a challenge to China as of what to prioritize: to check the US through possible help from Japan, or to overcome Japan through improved relations with the U.S.

Japan's Relationship with Taiwan

One of the security matters of greatest concern for China is clearly the cross-Strait issue. Needless to say, the United States, following a policy based on strategic ambiguity, is a crucial actor in cross-Strait relations. Given the prevailing image of Japan as a loyal follower of the U.S., without its own foreign policy, there was an outspoken interest among, particularly the Chinese, analysts regarding the Japanese position in this matter. Although one Japanese analyst agreed with the picture of Japan as a loyal follower of U.S. policy, it was stressed that this has been beneficial for Japan due to overlapping values and the reduced costs. One Chinese analyst commented that this lack of an independent Japanese foreign policy would explain why China regards its relations with the U.S. much higher.

Nevertheless, in regard to the Taiwan issue, one Japanese participant offered some clear insights into the Japanese position. In response to the question of what Japan would do in case of a Chinese attack on Taiwan, it was argued that it, of course, would be depending on the situation. However, Japan would use a strategy based on: 1. engagement, and 2. deterrence. In addition, it was said that Japan definitely would evacuate its citizens from Taiwan and south China in

case of a military clash. Japan would also allow the U.S. to use bases in Japan, although it theoretically could say no to such a request. In this context, it was also stressed that Okinawa, where the U.S. has bases, is part of Japan's territory. Moreover, it was emphasized that the expression "areas surrounding Japan", that is used in *The Guidelines for Japan-U.S. Defense Cooperation* from 1997 does not refer to geography. Indeed, Japan never would defend Taiwan, only Japan in case this would become necessary.

The legal document that stipulates the Japanese position in regard to Taiwan is *The China-Japan Peace and Friendship Treaty* from 1978, which is the legal completion of the Joint Statement of 1972. According to this regime, Japan stance is rather clear. It fully understands and observes China's position and the one-China policy. Consequently, Japan does not support Taiwanese independence. According to one Japanese participant, the 1972 agreement still works well and there have not been any contacts between Japan and Taiwan in violation of this agreement. However, more than one Chinese participant argued that the "two-plus-two statement" in fact indicates that Japan now is meddling in the Taiwan issue, in breach of the agreement and in opposition of the one-China policy.

Calls for a review and improvement of the 1972 agreement were made by both Japanese and Chinese scholars. One Japanese analyst argued that there have been so many unexpected developments, such as the democratization of Taiwan, since 1972 which underlines the need for a revision. From the Chinese side, it was replied that it is correct that Taiwan was not a democracy in 1972, but that there also have been other changes of equal importance, such as the economic interdependence between Japan and China, the rise of China, and the collapse of the Soviet Union. China has been going through major changes since 1972 and was argued to be less frightened of Taiwanese democracy today. In addition, China shows a greater acceptance of the will of the Taiwanese people, a trend that has been growing stronger since 2004. Overall, in terms of changing the structure of the 1972 regime, one Chinese analyst questioned Beijing's wish to do so, noting that the agreement is favorable to China.

Several analysts identified a need for improved relations between the Mainland and Taiwan. According to one Japanese analyst, the only possible way to improve the cross-Strait relations would be for China to change. Nevertheless, the same participant was somewhat favorable of the idea of a hotline between

China and Taiwan, but stressed that the exchanged information inevitably would have to be channeled to the U.S. and Japan as well. Such an arrangement, it was argued, could possibly work as a confidence building measure, although the lack of transparency was deemed to be an obstacle to such an undertaking.

In regard to whether a future security framework for Northeast Asia should be open to Taiwan, the participants disagreed. One Chinese analyst argued that this was unthinkable and that the Taiwan issue and the future security framework should be seen as two completely different issues. Yet another Chinese participant was confident that China would, at least, allow discussions about Taiwan also in multilateral settings in the future and that there is no need for such absolute views today. From the Japanese side it was stressed that the future of Taiwan must follow the will of the Taiwanese people. Therefore, a security framework in East Asia without Taiwanese membership was deemed unlikely.

The Korean Peninsula

From the Chinese side it was stressed that the situation in East Asia is getting more and more dangerous. The most pressing issue was identified to be North Korea and the current situation on the Korean peninsula. The Chinese analyst argued that there are several aspects to this matter that are troublesome to China. First, a collapse of the North Korean regime would prove destabilizing to China. Second, its nuclear ambitions are clearly a threat to China as well. Third, China also fears a speed-up globalization that could bring about normalization between North Korea, Japan and the U.S., which could affect China negatively. Fourth, a Korean unification, depending on under what premises such a decision is taken, could also be a potential source of instability in the view of China.

Abduction Issue

One of the Japanese participants stressed the importance of the abduction issue. Indeed, whereas the nuclear danger was said to be highly abstract, the abduction issue is concrete and concerns human rights, and should therefore be given top-priority. Moreover, it was argued that small issues can be more important than large and their resolution may prepare the road for resolving larger issues. However, one Chinese analyst stressed that the abduction issue is a bilateral issue between Japan and North Korea and not a multilateral issue that should be

addressed by all the countries participating in the six-party talks. It was also pointed out that Japan is not the only state with pressing bilateral issues in this context.

The Six Party Talks (SPT)

There was a general agreement on the importance of the multilateral six-party talks, although the participants had varying views on their prospects and expected results.

One analyst pointed out that the SPT is the only institution in which both the U.S. and China play crucial roles and since the region is in need of a security framework in which both China and the U.S. can take part, the SPT seems like a favorable starting point.

Some analysts argued that the SPT should be turned into a regular security undertaking – new security mechanism – in Northeast Asia. Although North Korea is a crucial actor, some participants argued that such a mechanism could be created without its participation in case Pyongyang is disinclined to join at this stage. One of the benefits with such a security mechanism was argued to be its ability to reduce tension elsewhere in East Asia. Furthermore, it was emphasized that if the states in Northeast Asia fail to establish a regular security dialogue, there could be a new arms race and a new division, which is in nobody's interest. In terms of the U.S., it was said to be favorable to an institutionalizing of the SPT, even without the participation of North Korea. However, Washington wants the SPT to function as a supplement to its alliances. Russia, on the other hand, was said only to care about its ability to participate, not about the content.

Other analysts were more skeptical to the idea of transforming the SPT into a new security mechanism. It was questioned, for instance, how the SPT could be extended to other issues, when it, so far, has proved unsuccessful in resolving the nuclear issue. It was suggested that the nuclear issue should be resolved first, and then discussions on a possible extension of the mandate could be discussed. One participant even questioned whether the SPT in fact better would be described as *conference building measures*, as opposed to confidence building measures.

One American participant analyzed the prospects of a future co-management of the nuclear issue between Japan and China. Several common interests between

the two states were highlighted in this regard: both states prefer a stable international environment; both insist on a nuclear-free Korean peninsula; both see the SPT as a good means for increasing regional status; both understand the special role of the U.S. However, the differences between the two were argued to be just as many: the two governments have different views on the strategic gains of the situation; Tokyo and Beijing view regime change differently; both states have dissimilar concerns about the implications of a regime change in North Korea; there are also different preferences in terms of carrots or sticks, with China favoring carrots and Japan sticks; finally, there is a discrepancy in influence with China being more influential.

4. Venues for Sino-Japanese Cooperation

The conference participants generally agreed on the need for increased cooperation between China and Japan, both on a bilateral and multilateral level. Several participants singled out year 2008 as a crucial year for Sino-Japanese political relations, and for intrastate relations in Northeast Asia as a whole. Important events in 2008 include, but are not limited to, the Olympic Games in Beijing, the end of the Japanese ODA to China, and presidential elections on Taiwan. In addition, China is rising from year to year, which will bring about more equality in its relationship with Japan.

One scholar stressed that the focus must shift from the issues, since these are well-known, to measures of how deal with them. Indeed, more than one scholar called for measures to ameliorate tension on all levels, i.e. track 1, 2, and 3. Since track 1 sometimes seems dysfunctional, there is a need for track 2 and 3 undertakings, even if this may seem somewhat idealistic. One Japanese scholar added to this that it is important to find the appropriate measures for each specific conflict. For example, it was argued that there are two sources of conflict: power struggle and misunderstanding. Track 2 and track 3 processes were only said to be useful for conflicts deriving from the latter of the two categories.

Whereas one analyst argued for a set framework for conflict preventative measures, following a fixed timeline, others argued for a multitude of measures, concurrently and on all levels, since constant changes and the unpredictability arguably make a planned strategy impossible.

Bilateral Measures to Improve Sino-Japanese Relations

Increased and Improved Communication

Several analysts acknowledged the need for increased communication between the two sides. Indeed, there seemed to be a general consensus on the need to institutionalize high-level diplomacy between China and Japan. The recent visit to China by Japanese Prime Minister Abe, and the scheduled visit to Japan by Chinese Premier Wen Jiabao, was taken as positive signs in this direction. Nevertheless, it was added that these recent improvements would be reversed immediately in case Japanese Prime Minister Shinzo Abe would visit the Yasukuni shrine and Sino-Japanese relations would return to the "ice-age" of the Koizumi era.

It was also acknowledged that messages of good will sometimes are not carried through or are misinterpreted or misunderstood, which illustrates the importance of improved channels for communication.

Moreover, several participants suggested that the *Joint Sino-Japanese Communiqué*, and other documents regulating the bilateral relationship between China and Japan, should be redrafted, and/or a new declaration be issued to bring about a real normalization between the two states.

One Chinese participant stressed the importance of the construction of common norms, for both short term crisis management and conflict prevention, and for long term normalization. In addition, the current goal for the two governments should, according to this analyst, not be to solve the dispute but to quite the tensions. To do so, a much more comprehensive strategic dialogue is needed. This would also facilitate the development of common rules and norms. It was thus perceived as important that neither Japan nor China take unilateral action to change the status-quo in any of the contentious issues.

Measures in the Military Field

From the Chinese side, it was proposed that Japan and China establish military confidence building measures and a security dialogue with a regular exchange of views. As mentioned earlier, the Japanese side expressed cautious support for a hotline between Japan and China, even though the difficulties of such an undertaking were acknowledged. At the same time, it was also suggested from

the Japanese side that the two states should embrace the principle of early notification of the movements of vessels.

Joint History Undertaking

In regard to the proposal of a joint study of history, one Japanese analyst emphasized that such initiatives have been taken previously. Yet it could be politically positive as a symbolic move, possibly by removing the history issue from the sphere of high politics. However, there were doubts that such an undertaking would produce any tangible results.

One Chinese participant argued that the history dispute between China and Japan, to some extent, should be shelved. In this context, the relationship between the U.S. and Japan was used as an example of how two states with a highly complicated history can cooperate.

Changing the Mind-Set

One analyst stressed the importance of shifting focus from why, for instance, a bilateral relationship is complicated and what consequences this will have, to a focus on conflict resolution. An improvement of the situation requires thinking about positive developments and the costs of non-reconciliation. Since the cost of conflict is tremendous, it is in each state's interest to seek to avoid it. This, it was suggested, should be a starting point for the development of positive measures.

In the case of China and Japan, this analyst stressed the need of transforming the conflict. The states involved should acknowledge the security of the other and see it as their own success. Consequently, it should be in Japan's interest that China develops. However, one Japanese analyst pointed out that the rise of China means the rise of a non-democratic and non-transparent China, which is difficult for Japan to support. In this context, it was argued that a change of social attitudes is necessary, especially in China. However, according to one of the Chinese participants, such changes are expected in conjunction with the developments of the Chinese economy. Thus, as China rises it will also undergo changes.

Economic Interdependence and Integration

In general terms, the economic relationship between China and Japan is much less complicated than the political. One of the questions posed at the conference was whether this economic integration could be used as a model for integration in other fields. There are different takes on this within the scholarly literature, which were outlined by one of the panelists. The liberal school of thought argues that interdependence will decrease the risk of war. Others argue that interdependence may resolve some conflicts, while keeping others on a low burner. The realist tradition argues that economic interdependence can increase the possibility of war. Finally, there are analysts who claim that there is no relationship at all between economic interdependence and conflict.

When looking at the economic relationship between China and Japan, some important points were made: China seems to function as a procurement base for Japan, just like South Korea did in the 1950s; there are low levels of overlap in the production structure, and they are neither asymmetrical, nor equal; Japan and China are both dependent on the performance of the European and North American markets.

In terms of efforts to further the regional integration in East Asia, it was noted that China now is negotiating a Free Trade Agreement (FTA) with the Association of Southeast Asian States (ASEAN), seemingly in conflict with similar Japanese undertakings. However, the low levels of overlap in China's and Japan's economies mean that these agreements need not be conflicting. However, one Chinese analyst questioned the decision to "put the ASEAN in the driver seat" and argued that this only will limit the speed of integration.

It was acknowledged that in the case of China and Japan, the economic and social interaction has not decreased the mutual distrust. This was identified as a real problem and, therefore, further efforts must be taken in these two fields. No one argued that economic interdependence was enough by itself, but since it already exist to some extent, its potential should nevertheless be utilized.

Multilateral Approaches

It was questioned whether Northeast Asia should apply strategies developed in other regions to further cooperation. One Japanese analyst suggested that Northeast Asia should adopt a similar structure for regional integration as

Europe did after WWII. However, the same analyst admitted that many researchers within the region question East Asia's readiness for such a strategy. Another Chinese participant argued that China acknowledges the unique features of the region and that it would be impossible to copy the frameworks of other regions. The same analyst pointed to a number of multilateral regimes and mechanisms that could work to ameliorate tension in Sino-Japanese relations, although bilateral relationships were thought to remain the backbone for cooperation in this region. Such measures could, for example, include: the SPT, with a strict focus on the Korean peninsula; the Shanghai Security Cooperation (SCO) + Japan; a dialogue between the ministers for education in South Korea, China and Japan. It was stressed that all these could exist concurrently and be seen as supplementary to each other, as opposed to competing.

Energy Cooperation

Energy was one of the fields that were singled out as a possible venue for cooperation between China and Japan. However, as one Japanese analyst stressed, energy is a regional, or even global, matter and not really a bilateral issue between China and Japan.

In this context, it was stressed that food and energy security have been the priority for Japan and that China only has played a minor role in securing these resources. China has never been a large food supplier to Japan, and although it exported oil, coal and gas to Japan after WWII, these resources are now used for domestic use in China. Moreover, Japan and China compete for the same resources in Australia, Indonesia and other places.

In general, it was argued that the pursuit of energy security by one state can enhance regional and global energy security, given that the measures are not applied too exclusively. In terms of energy cooperation in Northeast Asia, the analyst thus identified both risks and opportunities. The risks were identified as: growing oil demand and competition for access; and growing geopolitical risks due to emerging resource nationalism. In terms of venues of cooperation, the analyst suggested: promotion of energy conservation; cooperation in the development of alternative energy sources; joint efforts to increase energy supply capacity; cooperation in emergency preparedness; and cooperation in the protection of the environment. However, it was pointed out that problematic

political relations and the low levels of mutual trust in Northeast Asia need to be overcome before some of these suggestions can be put into practice.

One European participant pointed to the fact that there may well be shared interests and venues of cooperation, but that China does not act very cooperative in this matter at the moment. Rather, it was argued that China pursues a "national interest" driven energy policy.

Another analyst made a reference to Europe to illustrate the difficulty in agreeing on joint undertakings in the energy field. Indeed, the process toward energy cooperation was initiated in Europe in 1955, but it took until 2006 before a united European policy on this matter could be agreed upon.

It was also acknowledged that several platforms for international energy cooperation on the bilateral, regional and global level exist today. In this context, the *Five-Party Energy Dialogue* was brought up.⁴ This undertaking was argued to be highly important in the fostering of a common understanding among the involved states. Nevertheless, in order to institutionalize such a state to state dialogue, it was argued that the discussions would have to be developed and perhaps an action plan be written. Another participant pointed out that a second round of this dialogue seemed implausible since it has met with some opposition from the Organization of Petroleum Exporting Countries (OPEC).

One researcher expressed mixed feelings in regard to energy cooperation. Although cooperation surely is something good, the other side of the coin – environmental security, human rights, and the search for alternative energy sources – tend to be pushed into the background during such discussions.

⁴ On December 16, 2006, energy ministers from Asia-Pacific's major oil importing countries – China, Japan, the United States, South Korea, and India – met in Beijing to discuss and decide upon joint initiatives to enhance their mutual energy security.