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THE TROUBLED TRIANGLE

**Economic and Security Concerns for
the United States, Japan, and China**

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Introduction

The Troubled Triangle: Economic and Security Concerns for the United States, Japan, and China

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The United States, Japan, and China constitute an important geopolitical triangle. Over the decades, in East Asia, these three states have taken turns as the dominant state. Today, they are the region's leading great powers. They are ranked as the first, second, and third largest economies in the world. The United States is the world's leading military power and China is the fastest growing economic and military power. China and the United States are increasingly interdependent in trade and finance, yet the power transition underway in East Asia also makes them rivals. China is Japan's major trade partner but the United States is its longstanding security partner. For decades, Japan has championed its role as a "civilian" great power, offering leadership through foreign aid and the United Nations. But the growth of Chinese power and the return of old territorial disputes in the East China Sea with Beijing have reignited Japan's debates about its peace constitutional ban on fully fledged armed forces and the need to expand its military capabilities. China is seeking to translate its growing economic and military capabilities into influence and leadership, whereas the United States is seeking to reaffirm its security commitments and hold onto its position as regional hegemonic leader.

In these various ways, the United States, Japan, and China are positioned as a triangle at the geopolitical center of East Asia. If the region is to evolve and take on a more cooperative multilateral character,

these three countries should move forward together. In case the region moves in the opposite direction, erupting into a spiral of militaristic nationalism, arms competition, and threats of war, that would be because these three countries were unable to work together to manage great power relations. This geopolitical triangle could become the site for bold new efforts at multilateral economic and security cooperation that could transform Asia and set the world on a stable path of growth and peace. Or this geopolitical triangle could become the site for escalating distrust and military mobilization that pushes Asia into a dangerous new Cold War.

Indeed, Deng Xiaoping once said that if China and Japan collided in war, then half of the heaven would fall. Today, if he were alive, he would no doubt say that if China and the United States collided in war, then the whole of heaven would fall. After Deng's return to power in late 1978, his first mission was (1) to visit the United States and Japan to strongly assure them that his return to power meant something critically important internally and externally and (2) to militarily intervene in Vietnam "to teach the lesson to Vietnam for occupying Cambodia."¹ What ensued thereafter is called "East Asian peace."² Since 1946 East Asia has experienced two large military conflicts with a huge number of battle fatalities. Since 1979 the world has witnessed the evolution of the norm for state sovereignty and the practice of respect for this concept. Within this evolving geopolitical triangle, there are, clearly, both dangers and opportunities.

The triangular relations between the United States, Japan, and China are rendered particularly complex by the crosscutting forces of economics and security. What makes the triangle distinctive is that economic considerations and security calculations do not move in the same direction. The United States is the leading security provider for the region and China is increasingly the provider of markets and investment. If one country—China or the United States—were the singular center of regional security and economics, relations might be less complicated. It would be easier to see a single hierarchy—or hegemonic order—in the region.³ But it is the emergence of "two hierarchies" that is a defining feature of East Asia, and the triangular relationship between the United States, Japan, and China sits at the center of this complex and shifting regional order.⁴

This book seeks to explore the character of this geopolitical triangle and how it has evolved over the past 20 years. In this introduction, we start our inquiry by identifying the key economic and security concerns of these three key powers. Together with the chapters that

follow, this book offers a portrait of how the dynamics of this “troubled triangle” might evolve to shape stability and conflict in the region in the future.

Security and Economic Hierarchies

In terms of security, the United States seeks to remain in the region, holding on to its position as its hegemonic leader. After all, for half a century, it has been the leading great power in East Asia. It has built a system of alliances, and Asia-Pacific is an economic highway that is both wide and deep. The United States has exported security to East Asia, and it has long established commercial ties with all the states in the region. It is doubtful whether Japan, South Korea, or any of the countries in Southeast Asia would have experienced such rapid economic growth and undertaken political transition without their participation in this US-led liberal hegemonic order. In the shadow of the US-Japan alliance, Japan has been able to grow and modernize without reverting to its older great power identity, and this has made the region more stable and peaceful over the decades. After the Cold War ended, the United States and Japan renegotiated their alliance and concentrated on the preservation of an open and stable East Asian order. Many governments in the region view the larger hub-and-spoke system of alliances as contributing to this same objective.⁵

This old American-hegemonic order is clearly in transition. The United States might like to retain its primacy as the leading state in the region, but that is not to be without difficulties. Lurking in the background are questions about whether the United States can continue to pay the costs and shoulder the burdens to sustain its political and security commitments to allies in the region. And even if it could, there are questions about whether a world-weary American public will want the country to continue to play this global and regional hegemonic role. Contrary to these, it cannot be denied that US withdrawal from its hegemonic role could trigger a great unraveling of order. The alternatives to an American-led order—in East Asia or the wider global system—are not clear or necessarily attractive.⁶

Also, Japan wants to maintain its alliance partnership with the United States. Many Japanese view the alliance as a destiny. The government regards the US-Japan alliance as the key foundation of Japanese foreign and security policy. Differences arise only with regard to how much should be sacrificed or compromised for the alliance. Some Japanese, like former prime minister Yoshihiko Noda, place

utmost priority on the alliance. Still others, like former prime minister Yukio Hatoyama, place more importance on Japan-China relations, envisaging the triangular relations as possessing two equal sides. However, all Japanese realize that the alliance poses two risks: entrapment and abandonment.⁷ When the United States wants Japan to send Self-Defense Forces to places such as Iraq, Afghanistan, or Sudan, the likelihood of entrapment of Japanese soldiers and sailors under attack without sufficient and timely US help comes to mind immediately. When the United States visits China without visiting Japan, Japanese are panicked by what they may think is a precursor to abandonment.

China has its own vision of security relations in the region. At a minimum, China wants to preserve a certain measure of autonomy. It is reluctant to enter into wider regional security arrangements or pursue arms control agendas. Chinese leaders believe that their regime legitimacy is based on an unflinching defense and an aggressive assertion of what the Chinese populace regard as their inherent territories and spheres of influence similar to that enjoyed by the larger Qing Empire (1644–1911) in its heyday. The national memory of being humiliated and exploited by the West and Japan is so strong that security vulnerability must be minimized and relentless arms buildup sustained. After the peaceful resolutions of land border disputes with Russia, Mongolia, and Vietnam, China has turned its attention to maritime affairs with Vietnam, the Philippines, Japan, Korea, and above all, the United States especially with regard to freedom of navigation. Beyond this, China has growing ambitions.⁸ It wants to be recognized and respected as a great power and the future regional leader of Asia. China is focused inward. Economic growth—its rise and fall—and leadership succession are fundamental challenges to the state. More than anything, the maintenance of the political integrity of the state and party control of China remains the focal point. Nonetheless, as China's power grows, opportunities open up for the expansion of China's regional and global influence along with the dangers of backlash. Japan and the United States—together with other countries in the region—worry about growing Chinese military ambitions and capabilities. China wants to expand its ability to project power and influence, but doing so is difficult when other countries feel increasingly threatened by a future in which China is powerful and dominant.⁹

In economic terms, the United States has a strategic interest in maintaining influence over the world economy. It wants to keep the dollar as the global currency.¹⁰ Doing so enables it to hold global

rules and norms broadly in its hand. It wants to see the preservation of liberal internationalist rules and institutions that support the world economy. Japan's interest is to sharpen and deepen its technological edge. Although Japan's comparative advantage with regard to labor-intensive, assembly-line manufactured products such as home appliances, smart phones, automobiles, has been lost, Japan's new products such as lithium ion battery (indispensable to electric vehicles with the top manufacturer being Japanese Carbon Orient) and special steel aircraft wings (indispensable to the manufacturing of FX35, a new US fighter aircraft, the top manufacturer being Mitsubishi Heavy Industry) have been on the steady rise. To preserve many of Japan's niches in science and technology, a stable and peaceful regional and global order is necessary. How does the maintenance of a market niche relate to world order? The reasoning is simple. The widespread use of electric vehicles reduces CO₂ emissions, thereby contributing to the alleviation of global warming. Using robust aircraft wings that allow for complex movements and maneuverings further enhances US airspace hegemony. China's concentration is to retain its capacity to pursue economic-oriented growth, while developing a deeper and more advanced domestic economy. It also seeks to secure access to the world's resources—water, energy, and raw materials. This entails pursuing diplomatic and development assistance strategies that are far-flung in Asia, Africa, and the Americas. China views its own massive economic gains as an engine that would bring wealth and happiness to China and to the world.

In the 1990s and 2000s, the United States was preoccupied with the broader Middle East, fighting the Afghan and Iraq wars and global antiterrorist wars. In the past few years, however, it has “returned” to the Asia-Pacific, which means that it is refocusing on China, Taiwan, South Korea, and North Korea.¹¹ Japan wants to keep neighborly and friendly relations with China for business and other reasons. In the 2008 joint Japanese-Chinese communiqué, both the Japanese and Chinese governments agreed to construct a strategic partnership on the basis of mutual benefits. This document is remarkable in that China has acknowledged that Japan has pursued for the first time, in the past 70 years, the path of a peace-loving and peaceful state, avoiding the old path of war and colonialism. Thus, not only for economic reasons but also for the sake of maintaining friendly and neighborly relations, Japan does not want the United States to “unnecessarily” provoke China or North Korea unless Japanese sovereign territories and other core national interests are jeopardized.

Thus the duality between security and economy has been ubiquitous in the Asia-Pacific. Security calculations and economic calculations of bilateral relations and thus of the triangle of the three major economic powers tend to be disharmonized throughout the region.

How Troubling Is the Triangle?

Chapters by Ikenberry, Inoguchi, and Zhongqi Pan and Zhimin Chen deal with the grand strategy of the United States, Japan, and China respectively. Each author identifies and examines the troubling aspects of each state and its grand strategy in general and toward the triangular relations in particular. In chapter 1, the United States' grand strategy is laid down in terms of its origins, crisis, and transformations. The key concepts are the liberal world order underpinned by rule of law and democratic competence. Ikenberry argues that the United States will not continue exercising hegemonic leadership as it has in the past, but its role in the region as a champion of rule-based open relations and as a counterweight to China will continue to be in demand. The posthegemonic logic of East Asian regional order will depend in large measure on whether the US-led alliance system remains the centerpiece of regional security or if the region moves toward a more multilateral security order. The presence of liberal democracies in East Asia—not the least Japan—means that China will not find it easy to build a China-centered hegemonic order. In chapter 2, the Japanese grand strategy is characterized as self-recognition of being a global power, self-recognition of being a supporter of the US-led world order, and ontological insecurity about its existence. Japan's largely ad hoc adaptation is examined, pointing to some negative consequences of self-marginalization. In chapter 3, the Chinese grand strategy is characterized by peaceful rise in a multipolar world. China's foreign policy line is featured with a combination of partnership bilateralism and tailored multilateralism. Notwithstanding various difficulties such as global financial crisis and regional maritime disputes, China seems to continue its peaceful rise strategy in the foreseeable future.

Chapters by Yoichiro Sato, Qingguo Jia, and David Leheny deal with the triangular legs surrounding the United States. In chapter 4, Sato deals with the Japanese policy toward the United States that is characterized by the primordial importance of the alliance and its development as an "alliance for four seasons," that is, for all purposes as the treaty does not specify the enemy, qualifications, or contexts in which the alliance is deployed, when economic gravity shifts from

the United States to China. It is shown that leadership change exacerbated the inept handling of the triangle by the new Japanese government. Chapter 5 analyzes Chinese policy toward the United States that is characterized by the primacy of domestic factors, especially in the context of Chinese high expectations and subsequent disappointment when the United States does not appear to appreciate positive Chinese initiatives toward accommodating what it wants China to carry out as a responsible stakeholder. The lesson is that the United States does not raise Chinese expectations unnecessarily high by the use of often superficial words and rhetoric that are bound to bring about the nadir of Chinese disappointment. Chapter 6 discusses US policy toward Japan that is characterized by happiness when Japan's agency or subjectivity is not evident. Japan's moves toward autonomous energy security or actions clearly out of sync with the premise of the post-1945 world order are such instances. Otherwise, the alliance remains a "catch-all" alliance for all purposes as enemy, qualifications, and contexts for deployment are not detailed.

Chapters by Jiangyong Liu, Lowell Dittmer, and Emi Mifune deal with the triangular legs surrounding China. Chapter 7 deals with the Chinese policy toward Japan that is rooted in the history of using China's red lines of history and Taiwan issues against what China regards as Japan's deviation of the founding agreements of 1972 and 1978, as they have a great deal to do with the legitimizing principles of the Chinese Communist Party. Chapter 8 elaborates on the US policy toward China that is closely intertwined with the quadrilateral relationship among the United States, China, Japan, and the Soviet Union (the Russian Federation). Four ideal types of the quadrilateral relationship are used to illustrate the features of the policy. Chapter 9 provides details on the Japanese policy toward China that is characterized by the tenacity of Japanese assertion, driven by its ontological insecurity, about its modern historical evolution and is further compounded by its alliance with the United States. The joint statements by the two governments in 1998 and in 2008 are hailed as the ones in which not only the reflection of the past but also the future-oriented thinking are noted *de novo* (1998) and in which Japan's peaceful evolution since 1945 is mentioned for the first time (2008).

Although each of these chapters examines the triangle, they do not necessarily comment directly about the future prospects of the triangle. Here is an effort to provide some oversight and assemble parts of the analysis to construct a larger theme that emerges from this volume as a whole.

First, with respect to the future, Ikenberry is the clearest and the most optimistic from the US angle. In other words, he argues that US primacy will be retained, especially with regard to the norms and rules that guide world order, even when US military and economic preponderance cease to be visibly and tangibly manifested. The norms and rules will be upheld as long as those emerging countries outside the Organization for Economic Co-operation and Development (OECD) members socialize themselves and share much of the international and legal values that underpin the US-led world order. To judge from the continuous inflow of immigrants into the United States and the size and vigor of American demography in the intermediate future, military and economic competitiveness of the United States will not go down steadily. Inoguchi is clear with regard to the increasing divergence of public opinion as Japan faces the refocusing of US foreign policy attention and the rise of China. Japanese public opinion is shifting slowly from alliance as a destiny to something more amorphous and floating. It is difficult to determine which direction Japan is heading in the near future because Japan exhibits a decline of trust both in the United States and China, and at the same time manifests an inward-looking preference for more autonomy and independence when the two great neighbors place themselves in contestation. Pan is also very clear about the Chinese grand strategy in that domestic factors loom very large because they determine the future direction of China. Pan asserts that politics take command—in fact domestic politics take command in determining Chinese grand strategy.

Sato's chapter examines Japan's US policy and Jia's chapter examines China's US policy. Sato is clear in that the alliance will continue in an invigorated fashion because Japan views it not only as a destiny but also as an opportunity. Jia is persuaded that the United States will raise high expectations for bilateral relations once China gets along well with the United States, but cautions that the possibility exists for Chinese disappointment and possible frustration with the United States, in particular blocking the Chinese dream of restoring their country and the Chinese people to their rightful place in the world. In other words, too much rhetoric and soft power use by the United States toward China will mislead bilateral relations. Dittmer's chapter examines US policy toward China in the broader context of alliances in the region. Dittmer is lucid in that compared to those alliances in the communist bloc, if they ever existed, the cohesion, solidarity, and duration of those alliances have been admirably clear. He expects such characteristics will hold in the near future.

Leheny's and Liu's chapters examine the policies of the United States and China, respectively, toward Japan. Leheny is excellent in contrasting the unease with which Japan views the United States in its handling of Japan on such occasions as the great disaster of March 11, 2011 (heartfelt admiration and deep gratitude) and on other issues such as the Futenma airfield relocation and other military-related matters (despair and resignation). Leheny shows that the World Women's Football Games in which the Japanese team beat the American team provided insight into Japan's inner strength immediately following the national disaster. Leheny may be hinting at a mix of gratitude and bewilderment that a strong Japan displays in the broad framework of alliance and interdependence. Liu's chapter gives a clear position about Chinese policy toward Japan on history and territory. Liu makes plain the critical role humiliation plays whenever Chinese feel that their legitimate place in the world is being blocked or hampered by Japanese (in the history of war and colonialism and in territorial sovereignty as the Senkaku/Diaoyu islands). Mifune's chapter details the bilateral relations between China and Japan from the Japanese perspective of highlighting functionally positive relations and downgrading difficult-to-handle issues such as history, Taiwan, and territory.

The volume as a whole draws a rich and detailed picture of East Asia as the troubled triangle. The six portraits of the troubled triangle are diverse. But the diversity itself is an omen for the picture of East Asia and the world as the rise of China is bringing about different adaptations from East Asian countries.

A collective volume such as this would not or could not venture foretelling and/or prescribing the future evolution of the triangle. However, I would like to cite here two of the latest such ventures. First, the Gallup International, a coalition of international polling companies, posed throughout the world a number of questions in summer 2012 about the US presidential election of 2012, one of which is "Do you agree or disagree about the proposition that the citizens of your country should have the right to vote in the American presidential election?"¹² The results show that 49 percent of respondents in China, Japan, South Korea, and Hong Kong combined (called North Asia by the Gallup International and approximated to our two legs of the troubled triangle) replied affirmatively to the question! About 80 percent of the respondents replied affirmatively to the question about the impact of the US presidential election of 2012 on the country concerned. A high personal sense of impact is one thing; quite another is the very high agreement about the right to vote in the US presidential

election. It is as high as one-half of North Asia's respondents. Once constitutionalized in all the countries concerned, that is, North Asia and North America, it would become a United States of NANA! It would be a confederation of the world number one (the United States), number two (China), and number three (Japan), plus number fifteen (South Korea) economies. It would be a daunting globalist future.

Second, the recent provocative book entitled *The China Choice: Why America Should Share Power*, authored by Hugh White, an Australian, calls for the loosening of dogged insistence of US primacy.¹³ His prescription is based on the argument that US obstinacy about primacy and rejection of sharing with China poses the difficult problem of a sustainable future, given the still rising trend of China and the gradual rearranging and refocusing of the United States. Although Hugh White is similar in highlighting China and America to figures such as Zbigniew Brzezinski (a proponent of G2) and Niall Ferguson (a proponent of Chimerica), neither Brzezinski nor Ferguson is prescribing power sharing with China. White is. This volume as a whole differs from White in that it shows that perspectives held by the stakeholders of the troubled triangle differ oftentimes in a very troubling fashion but that a future evolution of the triangle cannot be predetermined as of 2012. More uncertainty is to come and should be kept in mind.¹⁴

Notes

1. Ezra Vogel, *Deng Xiaoping and the Transformation of China* (Cambridge, MA: Belknap Press of Harvard University Press, 2011).
2. Timo Kivimäki, "Sovereignty, Hegemony and Peace in Western Europe and in East Asia," *International Relations of the Asia-Pacific*, Vol. 12, No. 3 (2012): 419–447.
3. For classic discussions of hegemony that emphasize its combined security and economic components, see Robert Gilpin, *War and Change in World Politics* (New York: Cambridge University Press, 1981); and A. F. K. Organski, *World Politics* (New York: Alfred A. Knopf, 1958).
4. See G. John Ikenberry, "Between the Eagle and the Dragon: China, the U.S., and Middle State Grand Strategies in East Asia," unpublished paper, 2012.
5. For depictions of the US hegemonic order in East Asia, see Michael Mastanduno, "Incomplete Hegemony: The United States and Security Order in Asia," in Muthiah Alagappa, ed., *Asian Security Order: Instrumental and Normative Features* (Stanford: Stanford University Press, 2003), 141–170; and G. John Ikenberry, "American Hegemony and East Asia Order," *Australian Journal of International Affairs*, Vol. 58, No. 3 (September 2004): 353–367.

6. See G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton: Princeton University Press, 2011).
7. On the dilemmas of entrapment and abandonment in US-East Asian alliance partnerships, see Victor Cha, “Powerplay: Origins of the U.S. Alliance System in Asia,” *International Security*, Vol. 34, No. 3 (Winter 2009–2010): 158–196.
8. See Randall Schweller and Xiaoyu Pu, “After Unipolarity: China’s Visions of International Order in an Era of U.S. Decline,” *International Security*, Vol. 36, No. 1 (Summer 2011): 41–72. On anticipations of China’s peaceful rise, see Zheng Bijian, “China’s ‘Peaceful Rise’ to Great Power Status,” *Foreign Affairs*, Vol. 84, No. 5 (September–October 2005): 18–24; and Michael Yahuda, “The Evolving Asian Order: The Accommodation of Rising Chinese Power,” in David L. Shambaugh, ed., *Power Shift: China and Asia’s New Dynamics* (Berkeley: University of California Press, 2005).
9. For a survey of Chinese official thinking about its growing power and regional ambitions, see Wang Jisi and Kenneth Lieberthal, *Addressing U.S.-China Strategic Distrust* (Washington, DC: Brookings Institution, 2012).
10. Barry Eichengreen, *Globalizing Capital: A History of the International Monetary System*, second edition (Princeton: Princeton University Press, 2008).
11. On the strategic pivot of Obama administration, see “Remarks By President Obama to the Australian Parliament,” speech given at Parliament House, Canberra, November 17, 2011. In Obama’s words, “[a]fter a decade in which we fought two wars that cost us dearly, in blood and treasure, the United States in turning our attention to the vast potential of the Asia-Pacific region... Our new focus on this region reflects a fundamental truth—the United States has been, and always will be, a Pacific nation... As President, I have, therefore, made a deliberate and strategic decision—as a Pacific nation, the United States will play a larger and long-term role in shaping this region and its future, by upholding core principles and in close partnership without allies and friends.” See also Hillary Clinton, “America’s Pacific Century: The Future of Politics Will Be Decided in Asia, Not Afghanistan or Iraq, and the United States Will Be Right in the Center of the Action,” *Foreign Policy*, November 2011. For Chinese reactions, see Keith B. Richburg, “U.S. Pivot to Asia Makes China Nervous,” *Washington Post*, November 16, 2011.
12. WIN-Gallup International, global poll on American Elections, 2012, Zurich, Press Release, September 11, 2012.
13. Hugh White, *The China Choice: Why America Should Share Power* (Collingwood, Australia: Black, 2012).
14. As contributors worked on the galley proofs in early autumn of 2012, the triangle’s feeblest leg, the Japan-China leg, experienced serious tensions. The year 2012 is the fortieth anniversary of diplomatic normalization of the two countries. Most events meant to celebrate the anniversary have been cancelled on both sides, especially by the Chinese side. The volume provides ample insights (close to foresights!) into this very troubled triangle!