

## **Northeast Asia Order after WWII: Continuity, Compliance, Power-Transition and Challenges\***

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East Asia is now fully engaged in a competition between a rising China and the other powers—the United States and Japan—while the regional order is in a transition from a super primacy of the United States to the asymmetric bipolar structure of the United States and China. China is changing a lot in terms of capabilities and behavior; but China also shows its benevolence, such as benefit-sharing initiatives on regional institutionalization development. The “American rebalancing strategy” has partly reversed the overall situation in East Asia in favor of the United States, but as 57 countries have joined the Asia Infrastructure Investment Bank (AIIB), Beijing has now recovered some ground from this overwhelming tide of the U.S. strategy. China’s military modernization and Sino-Japanese confrontation over the Diaoyu Islands offer a big excuse and incentive for Japan’s acceleration of this process of becoming a normal country. The future of Northeast Asia lies mainly in the four variables and their interactions: the Chinese Communist Party’s capability to balance its goal of national rejuvenation and nationalistic emotion in protecting its sovereignty interests; the United States’ genuine attitude toward China’s power development; Japan’s goal of its nationalistic resurgence and its complicated strategic ties with China and South Korea; and North Korean regime stability and nuclear capability development. In spite of the Sino-American competition relations, there always exists a demand of condominium and strategic interdependence on global governance and other hot issues in the international arena. Therefore, management of China-U.S. competition is key to stability of the regional order.

**Keywords:** World War II, post-War world order, American Re-balancing Strategy, San Francisco System, Sino-American competition, re-shaping the regional order

The year 2015 will mark the 70th anniversary of the end of World War Two (WWII), and the major allied powers—China, Russia, the United States, Britain, and France—will certainly commemorate this event in different ways. China and Russia have announced they will jointly organize their commemoration events in May in Moscow and in September in Beijing, respectively. It is almost certain the Western powers

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will not dispatch their top leaders or high-level officials to attend Moscow's ceremony of the Victory Day, since Putin made the Crimea a part of Russia despite Ukrainian and Western protests, and they thus imposed sanctions on Moscow in March 2014. Under growing pressure from the United States and the EU, Vladimir Putin wants to promote the prestige and steadfastness of the country through national holidays and commemorations. As for China, faced by the United States rebalancing strategy, Xi Jin-ping wants to highlight the commemoration to show China-Russia unity to guard against any attempt made by Japan to change its status as a defeated nation in the regional order in the post-WWII era.

The confrontation between Russia and the West, and China vs. Japan displays a watershed between a disordered world and an existing world order.<sup>1</sup> In the Asia-Pacific region, or rather East Asia, after 70 years American primacy and "hub-and-spokes" system rule, the current order is facing a power transition and redistribution of norms and rules.

With regard to this background, this paper will examine the legal and political framework of the regional order that we inherited from the conclusion of the WWII, the evolution of the regional order in the past 70 years, and analyze main regional power variables and their interaction in recent years and beyond in the region order.

The analysis will be conducted in three parts: first, it reviews how the regional order was built in the final stages of the Anti-Japanese War and Pacific War, and implications for all the main powers in East Asia. Second, it will analyze the dynamics, inter-playing factors and complicated relationship among China, the United States and Japan along with the change of geo-political order. Third, it will look into the prospects and trends of major powers cooperation and competition. The focal points will be on how the Sino-American, Sino-Japanese and American-Japanese relations are interrelated and affected each other.

## **Chinese Perspectives on Anti-Japanese War<sup>2</sup> and Regional Order in the Post WWII**

Traditionally, the Western nations set September 1, 1939 as the date of the beginning of WWII, when the invasion of Poland by Germany was launched and subsequent declarations of war on Germany by France and the United Kingdom were made. Actually Japan, as a core country of the Axis, was already at war with China in 1937. On that account, the Anti-Japanese War on China's soil should be regarded as one of the main parts of WWII, or a major Asian battlefield. The Anti-Japanese War contributed to the victory of WWII through several ways: preventing the Japanese army from assisting Nazi Germany in European battlefields; delaying Japan launching an earlier attack on the United States in the Pacific; and dispatching a 100,000 expeditionary force to Burma, joining the Anti-Fascist Coalition. With this eight year sacrifice and bravely fighting, China gained its major power position and one of five seats as UN Security Council member.

China was admitted as a member of the Allied Powers and a part of the Anti-Fascism battlefield long after the Anti-Japanese War that had lasted for four years. The Anti-Japanese War was eventually merged into the Anti-Fascist War and, a unified front against the Axis was eventually set up on January 3, 1942 when President of China (ROC), Chiang Kai-shek, accepted President Franklin Roosevelt's proposal,

agreeing to take up the role of Commander-in Chief of China's Theater (including Thailand, Vietnam and Burma).

In the midst of the war in 1943, President Roosevelt started to contemplate a coordinated war strategy with Allied countries to utterly defeat Germany and Japan in succession and to construct a post-war world order, in which probably an American shaped-liberal China and the United States could closely cooperate with each other in managing a peaceful and balanced order in the Far East, as well as in the world. However, it is just a veiled impression for Roosevelt's blueprint since he died before the termination of the war: how large China may play a role, and whether the United States, Britain and China should establish a loose alliance to fill in Japan's primacy and to deter the expansion of Soviet communism in East Asia.

From China's perspective, the initial and main foundation of the East Asia order is the Cairo Conference and Cairo Declaration, rather than the "San Francisco System," which the United States and Japan recognize—and the significance of the Declaration has been degraded as a wartime document by them because of the strategic consideration.

U.S. President Roosevelt, Nationalist Chinese President Chiang Kai-shek and British Prime Minister Churchill attended the Cairo Conference on November 22–26, 1943, which aimed at coordinating the positions of the three allies against Japan during World War II and postwar arrangements in Asia. The Cairo Declaration, issued on December 1, 1943 represented the three great allies' will to punish the aggression of Japan, which stipulated that "Japan be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the First World War in 1914," and "all the territories Japan has stolen from China, including Manchuria, Taiwan, and the Pescadores, shall be restored to the Republic of China." Japan will also be expelled from all other territories which she has taken by violence and greed and that "in due course Korea shall become free and independent."

In fact, from the contents of the declaration, we cannot see any substantive arrangement about China's future role as well as position beyond the reference on all the lost territories to be returned to China. However, in bilateral talks between Chiang Kai-shek and Roosevelt, they addressed many issues that had a stake in East Asia. On the China issue, in addition to the recovery of those lost territories, they touched upon Japan's war reparations to China, China's major power status in the world, etc. On the Japan issue, it included Japan's political system and military occupation in the post-war, including Emperor's war responsibility and future position. They also discussed Korea, Vietnam and Thailand's independence and establishing new international organizations.

There are appreciably different views on the importance of the Cairo Conference and China's real role played in the conference among the academia of China and the United States. The positive view holds that it was a peak time in China's diplomacy since it realized the goal of defeating Japan and restoring all the lost territories:<sup>3</sup> Herber Feis had a high opinion of the Cairo Declaration as a realization of China and the United States' political goals.<sup>4</sup> Chiang Kai-shek, who depicted himself as a major power leader in this conference, also lavishly elevated the significance of the Cairo Conference to a point of being biggest political and diplomatic victory for China in a century.<sup>5</sup> The contrary arguments were also very authentic: John Fairbank argued that China's major power position was bestowed by the United States, and China could be reverted to a weak country at any time by the United States.<sup>6</sup>

Fairly speaking, the Cairo Conference helped China to recover all the territories occupied by Japan and China realized its bottom-line goal at this unusual moment, but the achievement was very limited and it would not have been made without America's active support. Indeed some specific goals or terms were not easily obtained, due to Chiang Kai-shek's unbending bargaining with Roosevelt in several long private meetings on the side of conference.

China's major power position was first confirmed in 1942, when the Declaration by the United Nations was first signed by the Allied "Big Four" (the United States, Britain, the USSR, and China), followed by 24 other governments on January 1, 1942 during the Arcadia Conference. Consistent with this, the U.S. State Department's general directorate M. M. Hamilton wrote an MOU on March 27, 1942, suggesting that it should abrogate all unequal treaties with China. After the negotiation, the United States and Britain, respectively, signed the Treaty for Relinquishment of Extraterritorial Rights in China on January 11, 1943.

However, one should not exaggerate the implications of the elevation of China's position. The United States' and Britain's total strategy in the war was "first Europe, second Asia; first Atlantic, second Pacific." Therefore, it wanted China to vigorously preoccupy as many of the Japanese forces as possible, so that Japan could not expand its forces further southward to distract Allied forces in Europe.

China was not invited to participate in the Allied meetings that followed after the Cairo Conference: the 1943 Tehran Conference and the 1945 Yalta and Potsdam Conferences, at which the most important issues on the disposal of Germany, Japan and establishing the United Nations Organization were decided by the "Big Three." In other words, the latter three meetings had more significance than the Cairo Conference in mapping out the war strategy and shaping the world order after the war. These three leaders met together only twice during World War II, but when they did confer, their decisions changed the course of history. The main cause of China's absence lay in its impotent power and limited warring role in East Asia, and Stalin and Churchill, except Roosevelt, lacked enthusiasm for China's role in and after the war.

The "Big Three" secret deals reached a climax at the 1945 Yalta Conferences, where the United States and Britain appeased Stalin's greedy desire for territories at the expense of other countries' interests. China's attitude toward this conference was mixed and complicated: on the one hand, the Yalta Conference affirmed China as one of the five major powers and one of the five sponsors for the United Nations conference, and it later became one of the five permanent, veto-wielding members of the UN Security Council. On the other hand, this conference left a deep trauma on China and tainted the reputation of Roosevelt, who was seen as having sold China's sovereignty rights to Stalin without seeking a prior counsel with Chinese leader. The deal about China's sovereign rights included the following provisions:

- The status quo in Outer Mongolia (the Mongolian People's Republic) shall be preserved.
- The commercial port of Dairen (Dalian) shall be internationalized, the pre-eminent interests of the Soviet Union in this port being safeguarded, and the lease of Port Arthur (Lüshun) as a naval base of the U.S.S.R. restored;
- The Chinese-Eastern Railroad and the South Manchurian Railroad, which provide an outlet to Dairen, shall be jointly operated by the establishment of a joint Soviet-Chinese company.

The third wartime meeting was the Potsdam Conference, where China was absent again and only the “Big Three” played a role. The only important thing that was directly related to China’s role at Potsdam was the Potsdam Declaration. U.S. President Truman, Britain’s Prime Minister Churchill, and Chairman of the Nationalist Government of China Chiang Kai-shek issued the document, which demanded Japan agree to an unconditional surrender and outlined the terms of surrender for Japan. Though Chiang agreed to join the Declaration (signed by Truman on behalf of China), China was not involved in the consultations on the document and was only given 24 hours in advance for notification and consideration, to which Chiang felt an insult.<sup>7</sup>

The post-war regional order was mainly shaped by three wartime conferences among the Big Three, and was re-organized by the Cold War and the San Francisco Conference of September 1951. American historian Roger Dingman argues that the San Francisco settlement signaled the emergence of a new Pacific maritime order in which the United States Navy is the dominant naval force relying on significant bases in Japan.<sup>8</sup> And all these wartime conferences and meetings offered venues and occasions for the major players to interact—bargaining, making deals—for settlement of distribution of power and interests. The United States, Soviet Union, and Britain were the three main players, decision-makers and power competitors; for China, it was a player of combination: dependent bargainer, dissymmetric cooperator and sometimes an object for major powers’ bargaining and manipulation.

The building blocks of the post-war world order were laid by these conferences as well as by all the relevant documents and statements issued between the conferences and after the war. Among them, the Declaration by the United Nations, Declaration of the Four Nations on General Security, Cairo Declaration, Teheran Declaration, Yalta Agreement, the Potsdam Declaration and Charter of the United Nations were among those key documents. In the view of many Chinese, the secret Yalta Agreement on the Japan issue was depicted as a masterwork of carving up the territory and sphere of influence by a few powers at the expense of small countries or a weak power like China.<sup>9</sup> However, in more scholastic interpretation based upon a realist outlook, the Yalta conference meant a Yalta structure, representative of the post-war international order and a bi-polar structure. This order was centered on the two superpowers’ competition based on UN coordination and its relevant guiding principles.<sup>10</sup>

In the original American design for the Far East order disclosed at the Cairo Conference for the post-WWII era, China would play a larger role, the Korean Peninsula and Vietnam should obtain independence without division, and Japan’s war criminals should hold responsibility, yet, many unexpected factors reversed the trend within years after the end of WWII. China was deeply engaged in a civil war, the Nationalist Chinese Government eventually lost power in 1949; in the final phase of Pacific War and Anti-Japanese War, it was the United States that launched a decisive counter-offensive on the Japanese forces on the Pacific Islands and dropped two atomic bombs on Hiroshima and Nagasaki, China did not give Japanese forces a fatal blow on the continent, and it lost its chance to be one of the fully deserved victorious nation to Japan.<sup>11</sup>

In Vietnam, the United States backed the return of French colonialism. For the Korean Peninsula, North and South were respectively occupied by the Soviet and the United States, based upon their deal at the Yalta Conference, which became divided after the Korean War.

Generally speaking, the conclusion of the war had left many significant landmark results in East Asia: first, the war helped Communist Party of China (CPC) to develop its military capabilities, as soon after the Japan's surrender, the civil war broke out between Kuomintang regime and CPC in China. After more than three years of civil war, Kuomintang regime was toppled and CPC founded the People's Republic of China (PRC) on October 1, 1949, which totally changed the power relationship in the East Asia or the post-war regional order. As China became a nationalistic and Communist country, it was no longer a small and docile partner of the United States and the Soviet Union. China, as a third military and political power after the United States and the Soviet (Russia) during the Cold War and post-Cold War in East Asia, it has gradually played a significant role and reshaped the order in East Asia.

Second, the basic structure of the current East Asia regional order was partly inherited from the in-war arrangement, partly from the Cold War confrontation and major powers' competition, and the countries' economic development. China's current political position in the world organizations is partly a reward for China's staunch and brave resistance against the Japanese during the war. Without the "China Quagmire," Japanese troops would have further expanded to Southeast Asia, Southwest Asia, India, meeting Nazi forces in the Middle East.<sup>12</sup> China was the only country in East Asia to maintain a consistent fighting against Japan throughout the whole period from 1937–1945 with 14 to 20 million deaths.<sup>13</sup> And its current standing also should partly attribute to the President Roosevelt's world order configuration and checks-balance power arrangement during the war period, which pre-reserved an international space for China to exercise after the 1970s. Only through inheriting this wartime arrangement in history, can China have a legal chance to exert its major power influence physically and politically once it has become a powerful country since 2000.

Third, the Allies terminated Japanese aggression and colonization in East Asia, but it turned out to be a new confrontation between two camps—the Socialist group and the American alliance group—in East Asia. With a large number of U.S. forces in Northeast and Southeast Asia and its powerful economic relations with all the allied countries, the United States has dominated the regional order generally; even China and North Korea have been within this power structure, replacing Japan's "Great East Asia Co-prosperity Sphere," which effectively but controversially has maintained the asymmetric power relationship as well as the regional status quo.

Fourth, the growing power competition between the United States and the Soviets across the heart of Europe greatly affected their agreement on the settlement for Korea based on their respective occupation along the 38th Parallel on the Korean Peninsula following Japan's surrender. Both sides wanted their occupied zone to remain in the orbit of their influence. Hence, the Soviets would not allow a UN-sponsored general election for the entire Korea, while the United States would not accept the "People's Committee" headed by Kim Il Sung, who had been a celebrated anti-Japanese guerrilla leader, to rule the whole Korean Peninsula, though Chiang Kai-shek and Roosevelt agreed that Korea was to become "free and independent" at the Cairo Conference, and Roosevelt and Stalin agreed a trusteeship for Korea in Yalta. An openly-acknowledged view held the victory of Chinese Communist Party in the civil war in China encouraged Kim Il Sung to achieve such a goal in Korea, which resulted in the Korean War in 1950. Of course, the two superpowers' competition and the Soviet's suspicion about Chinese leader's nationalism were the deep elements for Stalin's support for Kim Il Sung's reckless decision on the war. Some scholars

argued that Stalin thought an invasion of South Korea might divert China into a crisis on its borders, deflect America's attention from Europe to Asia, and, in any event, absorb some of America's resources in that effort.<sup>14</sup>

Fifth, due to the Allied commander MacArthur's successful demobilization of Japan's military forces as well as drafting of a new constitution that renounced the state's right of declaring a war as a collective instrument or using force in resolving international disputes, which is contained in the famous Article 9, Japan was transformed into a democratic society, its military role was greatly curtailed, and a main regional threat was eliminated after the war. Twenty Class-A war criminals were tried and convicted by the International Military Tribunal for the Far East. In the past 70 years, Japan has maintained the defensive forces and a peaceful policy, which are secured by American troops stationed in Japan. However, in view of the rising of communism in East Asia and preserving American strategic interests in the period 1945–1949, General MacArthur was prompted not to wage a radically political reform in Japan, retaining intact two of pre-war Japan's privileged elite: the imperial institutions and the bureaucracy—setting free a lot of war criminals, and ensuring that the formal democratization of Japan took place within the conservative framework of the old regime. The United States also rehabilitated Emperor Hirohito to serve as the constitutional monarch. And Japan's final political and strategical position was affirmed by the Treaty of San Francisco, which aroused sharp criticism from many socialist countries and the representative objections were reflected in the Soviet Union's statement on September 8, 1951 by the Soviet Deputy Foreign Minister Andrei Gromyko that the Treaty did not provide any guarantees against the rise of Japanese militarism, which is still valid after 70 years of WWII.

### **Change of China and Japan's Security Policy and the Trajectory of Power Transition**

After 70 years evolution in the region and the world, the power relationships and relative positions have had a tremendous change. Since the Yalta structure was disintegrated, the United States has been the only superpower in the world, but the Pax Americana order is not so powerful and impregnable as it was during the time of the Cold War. In Northeast Asia, China is now the world's second-largest economy and the fastest growing country, and it is a Permanent Member of the UN Security Council and an important member of the World Trade Organization (WTO). China has established diplomatic relations with all East Asian countries, shattering the shackles of Cold War structure around China. Japan is the third-largest economy in the world, the fourth-largest by purchasing power parity and is the world's second-largest developed economy. South Korea is one of the fastest growing developed countries in the 2000s, its economy ranks 15th in the world. However, its technological level and transnational corporations' influence is much higher than China.

Now, both China and the United States will regard the other side as the number one competitor and challenger in the East Asia order in their strategy. The U.S.-Japan and the U.S.-South Korea alliances are two parallel alliances in maintaining Japan and South security. Under the Treaty of Mutual Cooperation and Security, the United States is obliged to protect Japan security in close cooperation with the Japan Self-Defense Forces. As of 2013, there are approximately 50,000 U.S. military

personnel stationed in Japan. In the post-September 11 era, Japan's security role in supporting the U.S. overseas operations has been elevated ostensibly,<sup>15</sup> and 2002 had become a year of watershed that Japan changed its defense policy steadily so as to prepare to respond to the new security challenges and to future geopolitical shifts.<sup>16</sup>

The biggest geo-political relations change and challenges that occurred on the Korean Peninsula after the Korean War was South Korea's normalization of relations with the former Soviet Union and China, respectively, in 1990 and 1992, and North Korea's acknowledgement of the possession of nuclear weapons in 2006. The Korean Peninsula is still in the Cold War status and armistice structure: North and South Korea maintain political and military hostility.

### ***China's Rising and Its Behaviors: Normal Development***

In Hu Jing-tao's era, one of his key advisors on strategic planning, Zheng Bijian officially originated the concept of "peaceful rising" as China's leading external strategy in 2003, in which he focused on the first word "peaceful" in response to Western proponents of the "China threat theory" and offset the negative implications embedded in the mounting comments on the "China rising" from overseas.<sup>17</sup> Hu's predecessor Jiang Ze-min did not like this word "rising," because "rising" contained the connotation of challenge and waging a war against the established power. Therefore, the politburo agreed to abandon this expression, choosing instead, "peaceful development," which was identified as the official discourse. But the core connotation has no change: China hopes to rise not through territorial expansion or challenges to other powers but as a result of its own hard work and a peaceful international environment.<sup>18</sup>

No doubt, the prevalent notion in the East tends to believe China will challenge the American primacy in Asia, or rather, change the status quo in East Asia. Beijing always takes a defensive posture to defuse these doubts by trying to explain the nexus between Chinese behaviors in ancient history, traditional Confucianism and its current policy; between China's long-term strategy and its deepening integration with the world market and system. However, this defensive argument is not very much convincing and receptive in the region since China did expand its boundary territories in ancient times by force and its economic cooperation with the other East Asian countries does not exclude Chinese administrative actions, sometimes with paramilitary force, to protect its maritime territories and interests in the disputed waters.

While, we also may fail to infer a conclusion on the opposite way that China could adopt an offensive strategy, once it is more powerful than the United States, toward peripheral countries and re-establish the Sinocentric tribute system based on the Chinese expansion policy applied sometimes in history or on non-causal links between economic cooperation and security policy.<sup>19</sup> Alternatively, the relatively reliable approach to assess Chinese intentions and goals in the near future or over the long term could be applied through examining and comparing cases of its actions in dealing with the external disputes in the past 30–40 years in PRC history.

For example, Chinese military actions in the Korean War of 1950–1953, the China-India Border Conflict in 1962 and the Chinese-Vietnamese War in 1979 could offer a clue to the logic of using force by the Chinese leaders. The main reasons behind these actions are defending buffer zones; resisting territorial encroachment;



punishing aggressors who invaded a Chinese ally and hitting back against unfair measures against ethnic Chinese. In all these cases, China tended to take decisive military action when its core interests were undermined, no matter whether the inflicted country had a more powerful supporter or not. Once the tactical goal was reached, the Chinese military would voluntarily withdraw from these occupied territories, even if it had some legal grounds for keeping the lands. An interpreted conclusion could be: using force was compelled by force of circumstance, which had nothing to do with an offensive strategy or goal, or a staunch power; withdrawing its forces was not out of fear of superpower retaliation. By doing this, China just wants to build prestige, a position that no country could defy its sovereign interests.<sup>20</sup>

On the issues of North Korean nuclear development, Indonesia military raping local ethnic Chinese in 1998, Myanmar Military suppressing in Kokang, an ethnic Chinese living town, China refused to take any military action or exert coercion pressure. These passive diplomatic styles probably reflect the confucian dictum: "Do unto others what you would have them do unto you."<sup>21</sup> If interpreted in a little negative way as criticized by American scholar David Shambaugh, "Chinese diplomacy is hesitant, risk-averse, and narrowly self-interested. China often makes known what it is against, but rarely what it is for. It often stands aside or remains passive in addressing international security challenges or global governance issues."<sup>22</sup>

Of course, people could observe contrary evidence to prove China is rising and its behaviors are very tough. As a matter of fact, its capabilities are increasing and its tough actions are mainly relating to the response to the conflicts of its core interests.

First, on capabilities, China's GDP has increased 8.5 times from \$1,205.26 billion in 2000 to \$10,361.12 billion in 2014. In terms of military capabilities, in 2015, Chinese defense budget reached \$144.2 billion with a 10.1 percent rise, which has maintained double-digit increases for 20 years and became the world's second largest defense spender after the United States (\$585 billion). China's military budget is more than three times those of other big spenders such as France, Japan, and the United Kingdom, and nearly four times that of its rising Asian rival, India.<sup>23</sup> Chinese power projection improvement includes medium-range fourth-generation fighters, long-range mobile ballistic missiles, improved C4I and carrier detection systems, a growing number of conventional attack submarines as well as new class of nuclear-powered attack submarines.<sup>24</sup>

Second, China does change a lot. Many foreign countries were used to China's tolerance and making concessions on whenever it got involved in crisis and conflicts with the United States or some neighboring countries from 1990s–2008, which could be spelled out as "keeping a low profile" that was given by former leader Deng Xiaoping.

Many Chinese people and officials think China is a major power, so it should firmly take measures to protect its core interests instead of just lodging high-pitched but futile protests to the provocative countries. Acting in concert with this trend and demand, Chinese leader Xi Jin-ping upholds a principle of bottom-line, which means to make great efforts to protect Chinese rights whenever its crucial interests are challenged. The declaration of the Air Defense Identification Zone (ADIZ) in East Sea in November, 2013 was such an indication.

As China Maritime Surveillance Administration (MSA) has more advanced and oceangoing patrol vessels and its staff have more awareness and determination to go to the disputed areas to safeguard legal rights, China's customarily irregular and

excessive tolerance in handling the sovereign rights infringement has been ended. A series of exemplary actions in the South China Sea in 2012–2014 exhibited China's resolve to administrate its indisputable sovereign areas, which include recapturing Huang-yan Island (Scarborough Shoal); first drilling by HYSY 981 rig inside the contiguous zone of China's Xisha Islands (Paracel archipelago); and conducting reclamation works on its eight reefs in the Nansha Islands in South China Sea (Spratly archipelago) since 2013.<sup>25</sup>

Third, in addition to the side of toughness, China also shows the other side of its benevolence—benefits-sharing initiatives on regional institutionalization development. In Hu Jing-tao's era, China actively advanced ASEAN Plus China (APC), ASEAN Plus Three (APT) cooperation, and in 2010, China-ASEAN Free Trade Area (CAFTA) set up, which substantially marginalizes the U.S. involvement in East Asia.

Since Xi Jin-ping became China's top leader, while reclaiming his predecessor's ideas of foreign policy, he launched a lot of new initiatives for constructing a Community of Destiny, such as the new ideas of intimate, sincere, benefiting and inclusiveness in doing peripheral diplomatic work;<sup>26</sup> building infrastructure interconnection and intercommunication with the neighboring countries; constructing the "Silk Road economic belt" and the "21st-Century Marine Silk Road," which will further extend respectively from China's western region to Central Asia, West Asia, Central Europe, and from China's coast area to South China Sea, Indian Ocean and Mediterranean. The most shocking impact on the regional as well as global financial institutions has been the creation of the Asia Infrastructure Investment Bank (AIIB), which is a new investment bank working in partnership with existing multilateral investment and development banks, providing funds for the large infrastructure needs in Asia.

### ***China's Active Strategy of Protecting its Interest vs. America's Re-balancing Strategy***

The driving force behind China's active strategy of doing something for change, in addition to the capabilities growth, centers on its bitter experience from American excessive suppression, specifically speaking: drawing up the U.S.-Japan New Defense Guidelines (1997) and its contingency plan (Surrounding Situation Law in 1999) to deter the Mainland's potential military intervention in Taiwan de jure interdependence; repeatedly selling arms to Taiwan over more than three decades; dispatching two aircraft carriers to the Taiwan Strait for bluffing the Mainland's military maneuvering in 1996; bombing the Chinese embassy in Belgrade in 1999; a Chinese jet was bumped down by the U.S. EP-3 surveillance plane off the eastern coast of China in 2001, etc. All these incidents or crisis proved one point for the Chinese—the consolidation of the U.S. primacy in the post Cold-War power structure is not fair and just for the WWII Victorious countries, and it is totally unjustifiable for the United States to prevent China and other countries from pursuing their legal power, influence and sovereign rights. Against this background, gradually the United States is regarded as a "looming threat" to the sovereignty of China and the survival of the Communist rule, and the United States is seen to guard against the emergence of a new power to challenge itself.<sup>27</sup>

To John Mearsheimer, an offensive realist, China is the aspiring great power who will seek to achieve regional hegemony in the post-Cold War period.<sup>28</sup> China

rising, more specifically, China influence expansion and power growing in the region, intensifies the U.S. reaction in a crescendo way. Obama's security team had a growing anxiety that the United States was losing ground in East Asia. Based on this strategic judgment, the United States decided to carry out the strategy of "pivot to Asia," later re-named as the "Asia rebalancing strategy."<sup>29</sup> The "rebalancing" implies a shift in the U.S. attention and resources in the military, diplomatic and economic spheres from the Middle East and Europe toward Asia. The main goals of the rebalance are to bolster the current American-led order.<sup>30</sup>

In order to accomplish its main goals, it set five strategic focuses: military re-deployment; reaffirm security credibility to allies through military consolidation; building a high standard and exclusive economic club; getting involved in the South China Sea disputes; balancing and limiting China's outgoing influence on the regional order. Obviously, the strategic geography rests on East Asia, or sometimes expands into the Asia-Pacific; however, there are some arguments that the strategy includes Indian Ocean, so it is Indo-Pacific strategy since former Secretary of Defense Leon Panetta mentioned a more expansive region and Admiral Samuel Locklear, head of the U.S. Pacific Command (PACOM), reaffirmed the rebalance as focusing on the "Indo-Asia-Pacific."<sup>31</sup>

Until 2015, this strategy has realized following specific goals: 1) American littoral combat ships (LCS), the *USS Freedom*, ended an eight-month tour of duty in Singapore, the *USS Fort Worth* will replace its position on a 16-month deployment. Then four LCS ships will be rotationally deployed in Singapore by May 2017 to 2018. Five aircraft carriers have been assigned to the Pacific. By 2007, it will send two ballistic missile defense destroyers to Japan. Till 2014, 1,200 U.S. Marines and air force personnel were rotating into Darwin, Australia, and a growing number of American assets both human and materials on Australian territory will be expected. 2) TPP Talks are now nearing completion.<sup>32</sup> 3) Vietnam and the Philippines have received some military and political support from the United States, and Manila will allow the U.S. military to access eight military bases, and more ASEAN countries have flocked to the United States on maritime security issues. 4) The re-deployment of American marines from Okinawa to Guam has reached a deal with Japan. 5) The United States, Japan, Australia, India have started bilateral, trilateral strategic dialogues and policy coordination in facing China rising. 6) Washington and Tokyo have discussed revision of the Defense Guidelines and Japan's involvement in the American military operation under the new framework of Japanese security laws. 7) The goal of shifting about 60% of the Navy warships to the Asia-Pacific region is still ongoing. 8) Under American leaning involvement, the South China Sea issue has been turned into a flashpoint and international litigation, which gives the United States, Japan, the Philippines, Vietnam, India and Australia more leverages to unite together against China on maritime rights.

Though Obama's administration has partly reversed the overall situation in East Asia to its favor that China had grasped an upper momentum for leadership and influence from 1998–2008, it leads to a deep distrust between China and the United States, emboldening Japan, the Philippines and Vietnam to confront China, and a conflicting game is emerging, in which small and medium-sized countries have to choose sides; emerging a divided regional economic integration structure—TPP vs. Regional Comprehensive Economic Partnership (RCEP) and Free Trade Area of the Asia-Pacific (FTAAP); acceleration of China's military modernization and maneuvering on

the open seas and reclamation in the South China Sea. Despite this worsening peripheral situation in the past two years, Beijing has now recovered from this overwhelming tide of the strategy.

### ***Grave Challenges for Northeast Security Order from Japan's Nationalism Resurgence***

Japan has a history of invasion of neighboring countries and is a defeated country of WWII based upon the UN Charter and Potsdam Declaration. But in many Japanese minds, the war in China and Southeast Asia was not an invasion, but a liberation war eliminating Western colonization in East Asia and a configuration for building a Greater East Asia co-prosperity sphere. The Imperial Rescript on the Termination of the War is not regarded as a statement of unconditional surrender to the allied forces, but as a political move voluntarily concluding the war.<sup>33</sup>

As the Cold War evolved in the late 1940s, the occupied Japan was revalued as American strategic assets and retaining bases in Yokosuka and Okinawa was considered as a condition to launch offensive naval and air strikes against Soviet ports.<sup>34</sup> As a logical development, Japan was elevated into an essential cornerstone in the defense of the "Free World" and John Foster Dulles, U.S. Secretary of State, favored significant Japanese rearmament, placed within a framework of interconnected defense arrangements. The San Francisco Peace Treaty (Treaty of Peace with Japan) was officially signed by 48 nations on September 8, 1951 and formally ended the War against Japan. Along with this treaty, the United States and Japan signed the Security Treaty, which marked the beginning of the "San Francisco System." Mainland China, the Soviet Union and other socialist countries were not among the signatories; in other words, the legal validity of the treaty is not applicable to these countries. In the "San Francisco System," the United States is a security protector of Japan and has the right to build military bases in Japan, and the U.S.-Japan alliance become the cornerstone of the East Asia security structure. Japan recovered its sovereignty in 1952, but in military terms, it was not a fully normal country.

After approximately 40-60 years of development, both Japan and the United States want to break through this American-built system at the point of Japan's political and military status, yet, the focal point is not on the two treaties, because the San Francisco Peace Treaty was just an arrangement of normalization of relations between the Allied countries and Japan, and the treaty with the United States still serves as a security guarantee for Japan, but on the connotation of the "San Francisco System"—Japan did war crimes and could not have the right of collective defense—and the Japanese domestic bonds of legality on its normal state status for exercising right of collective defense with an ally or a friendly country and using weapons in the overseas mission, which is banned in the current Constitution of Japan. The crucial point lies in Article 9 that Japan will "renounce war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes."

After the Gulf War in 1991, the United States began to urge Japan to play a bigger security role in the region as well as in the world, as a Far East "Britain." In all three Armitage-Nye reports, they all requested Japan to revise the pacifist constitution and regain a full right to engage in regular military operations with the United States. The third Armitage-Nye report: U.S.-Japan Alliance: Anchoring Stability in Asia, released in 2012, continued this support.

Former Prime Minister Koizumi initiated the long process of legalizing Japan into a normal power, he approved the expansion of the Japan Self-Defense Forces (JSDF) to operate outside of the country, and two destroyers were dispatched to the Arabian Sea and Indian Ocean to assist the Americans in combating terrorism in 2002. Koizumi's government also introduced a bill to upgrade the Japan Defense Agency to ministry status and the Defense Agency became the Japanese Ministry of Defense on January 9, 2007.

China's military modernization and Sino-Japanese confrontation on Diaoyu Islands offer a big excuse and stimulation for Japan's acceleration of this process of becoming a normal country with a right of engaging war and a power to re-shape the postwar order in Northeast Asia. Now right-wing forces, national security conservatives and major power aspirers are clustering together to pursue several goals—regaining the right of collective self-defense through revising the pacifist constitution; casting off the historic shackles of committing war crimes through revising textbooks and denial of former officials' statements on self-introspection; enhancing military capabilities to deter China's power projection; becoming a main leader or organizer of regional security alliance network in the Asia-Pacific.

Denial of aggression history and honoring those dead in the war could revitalize Japanese nationalistic spirit of a powerful nation, increasing Abe's personal image as a staunch leader, and pave the way for revising the constitution. Therefore, on December 26, 2013, Japanese Prime Minister Shinzo Abe visited the Yasukuni Shrine, where 14 Class-A World War II war criminals are enshrined.

There might be a sophisticatedly-designed roadmap, with at least three phases and taking more than 10 years, for Japanese nationalistic forces to reach the goal of being a normal and major power in East Asia for—reinterpretation of the constitution, revising the constitution, possessing large quantity of offensive weapons and becoming an independent maritime and military power without relying on American military protection. Since Abe's coalition government in 2014 lacked the two-thirds majority seats in the Senate, which was a legal condition for amending the constitution, it had to take a tactical measure to bypass the legal hurdle. On July 1, 2014, Prime Minister Shinzo Abe announced a cabinet decision to reinterpret the Constitution Article 9 that could result in the most important changes in Japanese national security strategy in more than six decades since adoption of the 1947 constitution.<sup>35</sup> Though three conditions, currently, are attached to the right to exercise collective self-defense, these ambiguous articles could be replaced with new interpretation in the contingent situation. Abe also will try to enact a series of laws to implement the Cabinet decisions on collective self-defense in the Diet and maintain his willingness to put amending the Constitution on the political agenda during his tenure.

Following the cabinet decision, Japan has adopted a series of measures that never had been taken before to upgrade its leading security role in Asia-Pacific and prepared for amending ten defense-related laws to link with American forces in a seamless way in the Asia-Pacific for future conflicts. Some moves have alarmed Beijing very much about Abe's ambitious intention to lead Japan into a military power. The other countries as well as many Japanese people are also having deep concerns about where the country will go, and what it should do.

These moves include: first, Japan draws up the new "three principles of the transfer of defense equipment and technology," lifting its self-imposed ban on arms exports, which will lead to Japan's arms exports to Australia, Vietnam, India and the

Philippines and joint weapons development with other countries. As a consequence, it will make it easier for these countries to use force to confront with China in the maritime disputes. Second, it is going to amend the *Law of Defense Ministry Installation*, which will change the tradition of rule by civil servants, letting high-ranking officers instead of a civilian director of general affairs to implement the order from the Minister and to command the forces. Third, the ruling party—Liberal Democratic Party (LDP) decides to amend the 9th Article of the constitution through two stages in 2015. Fourth, Japan is considering revising the Armed Attack Situation Response Act that will enable an effective response to armed attack situations and anticipated armed attack situations, and it would also allow the nation to respond militarily when an attack on its allied or friendly country. Fifth, its military spending has been increased 0.8 percent in 2015, and it could be raised in the following years.

Washington really welcomes Japan's active defense policy and hopes it spearheads the organizing of a maritime partnership in the Asia-Pacific to balance China. Now, Washington has more pressing tasks waiting for its engagement and role in the world, while it needs Beijing's coordination and cooperation correspondingly; that is why it does not want to use too harsh means to directly counter Beijing's policy and conduct. Both the Armitage-Nye report and a project supported by Tokyo Foundation had a similar proposal to "transform the U.S.-Japan alliance into a more inclusive structure that encompassed other democratic countries and Vietnam,"<sup>36</sup> and a new regional security structure should rely less on bilateral alliance than on a "a network of alliance among all nations in the region with close security ties with one another."<sup>37</sup>

### **Uncertain Trends of Northeast Asia Order and the Desired Approach to the Peace Co-existence**

The future of the Northeast Asia lies mainly in the four variables and their interactions: Chinese Communist Party's capability to balance its goal of national rejuvenation and nationalistic emotion in protecting its sovereignty interests; the United States' genuine attitude toward China's power development and the manageable Sino-American relations; Japan's goal of its nationalistic resurgence and its complicated strategic ties with China and South Korea; North Korea regime stability, nuclear capability development and inter-Korean relations.

#### ***Maintaining a Peaceful Mind and Tolerance toward China's Rising for the Sake of Stability of Regional Order***

On whether China's rising has fundamentally changed the status quo of Northeast Asia order, or has just reshaped a part of this order, there is no unanimous conclusion among East Asian countries. While in the view of rational Chinese and some foreign scholars, the current order is still generally maintained, the foundation is not shaken substantially, China is focusing primarily on its economic development. In President Xi Jinping's new political theory "Four Comprehensive Strategies," including comprehensively building a moderately prosperous society, deepening reform, advancing the rule of law and strictly strengthening Party discipline, that is set to guide the overall strategies of China's national rejuvenation, there is no mention of an international goal or strategy, which means China's strategic focus is still at home until 2049 (100

years after the founding of PRC).<sup>38</sup> Even as Goldman Sachs predicted that China would be the world's largest economy by 2027, the prominent U.S. professor Joseph Nye had a slightly different expression: "the two economies (the United States and China) would be equivalent in size, but not equal in composition," China still has large areas of underdevelopment.<sup>39</sup>

And in addition to the sound security structure and the U.S. alliance, the United States maintains superiority in military, technology, the high-quality of the industries and the total amount of the GDP. In terms of soft power, China cannot compare with the United States. Even between China and Japan, except for the total GDP and amount of trade, the economic growth, defense expenditure, etc., Japan's quality of economy, people's life and technology are far ahead of China. In military terms, China, except for the United States, has more offensive weapons and projection power, but as for the technological capability, Japan still holds the lead, such as anti-submarines, submarines, air defense warships and its combating experience and interoperability deriving from its various training programs with the American forces. American naval specialist Bernard Cole called Japan Maritime Self-Defense forces (MSDF) "the most powerful Asian Naval force on any given day."<sup>40</sup>

The causes behind the U.S.-Japan anxiety and suspicion about China intentions and exaggeration of China's capability are various: a high skepticism over every rising power; an infatuation with its hegemonic power; an attitude of exclusion of power sharing with an alien state, which reflects an aberrant personality and a self-centered outlook. The Chinese government often labels American East Asia strategy and military deployment as a Cold War mentality, but actually this is not a precise description. Either China or the United States embodies a Cold War mentality, which is equivalent to geo-political thinking. Practicing geo-political strategy or defensive realism could not be blamed too much amid a competition society; however if it is a psychological prejudice or a complex of Western countries superiority without acknowledging the perception of threat perceived by a competitor, that will be lamentable and could become an insurmountable obstacle for the two powers to get along well in a regional order.

However, among American academia, there are more rational views about the mutual responsibilities for the security dilemma and disagreement with those who often mischaracterize the nature of the challenge China poses, overstate its current capabilities, and exaggerate its propensity for overt aggression, the officials, policy practitioners, even rational strategists in practice will tend to ignore the rationality of Chinese behavior and the limitation of power development, refusing to reduce the dilemma by adopting measures to jointly restrain both countries' actions.<sup>41</sup> Mutual accommodation is not part of American strategic thinking.

For the United States and Japan, the status-quo in the region is an iron-law, they consider U.S. primacy, U.S.-Japan alliance, customary rules, in which the U.S. interests are vested, as the basis of the order, they almost negate what China wants in terms of its naturally geopolitical interests as a major power vis-à-vis the United States. Any conduct that indicates China's unsatisfactory attitude towards the regional order, particularly the rules set by the United States, Washington will regard it as a challenge to its primacy. Washington's strong opposition to its allies to join the AIIB is clear-cut evidence. This point of thinking and habit will shape the trajectory of major players' relations.

Australian former official for strategy Hugh White suggests three choices for the

United States for its rival with China, which exactly reflects the U.S. strategic difficulty:

It can resist China's challenge and try to preserve the status quo in Asia. It can step back from its dominant role in Asia, leaving China to attempt to establish hegemony. Or it can remain in Asia on a new basis, allowing China a larger role but also maintaining a strong presence of its own. Most Americans assume that the first of these options is the only choice. Only a few take the second option seriously, although that could change. Most do not even consider the third.<sup>42</sup>

Therefore whether the United States could assume a cool and calm attitude toward China's rising is the crucial point for the enduring trust and cooperation among the most countries in the region. Adjusting its mentality and espousing accommodation is an ideal approach for the United States.

### ***China's Development Directions and Modest Goals for Reshaping the Regional Order***

Rejuvenation of the Chinese nation is the kernel of what Chinese leader Xi Jin-ping has articulated as the "Chinese Dream," it purports a powerful vision and ideals to promote political unity at home and influence abroad.<sup>43</sup> After two years in office, Xi is regarded by many observers as a powerful and nationalistic leader. His temper and style have been revealed adequately in carrying out the anti-corruption campaign vigorously from top to bottom. It also looks as if he is a man who is tough and unyielding in terms of external strategy, but he is a person with a combination of toughness and pragmatism. He knows very well when and where he should be tough or flexible, how far he can go; he understands what his people and the neighboring countries need and fear; he likes to use Chinese traditional culture, strategy to sell his thinking and to fully capitalize on Chinese economic leverages and soft-power to offset any offensive threats and suppression.

Xi Jin-ping and the transforming China do want to change the image of 100 years of humiliation imposed by Western colonists and the Japanese imperialists, recovering the territories and maritime rights seized or encroached on by other countries when China was weak, eliminating all the outside interference in China's domestic affairs and the unfriendly maneuvering by foreign countries within China's Exclusive Economic Zone (EEZ), and elevating China into a comprehensive major power comparable to its rising position and economic strength. However, any kind of these goals to be achieved will have an impact on the regional order and lead to the United States, Japan and other related countries counterattacking. Even though these goals are justified for China based upon democratization and multi-polarization of international relations, they will not be easy to be realized, given the American primacy and alliance structure, and the rules commonly accepted by the majority of countries. So reshaping a regional order into a more equal and just one will take a long course of time.

Though China's strategy is more outward-looking now and it is not fully satisfied with the current status quo, particularly in its strategic relations with the United States and the alliance, its approach toward challenges is defensive, or sometimes reactive offensive, since the nature of China is still introvert. As the biggest benefactor of globalization and the responsible stakeholder of the international order, Beijing is realizing that solving territories disputes and problems left by history has to be



processed through peaceful means—negotiation based on mutual understanding and concession or shelving for a solution in the future.

Based on these considerations and in terms of China's redundant economic capability, its potential for contributing to the regional development and being a "status quo power," Beijing, from 2013–2014, put forward dazzling initiatives to try to reshape the regional order through offering more economic goods as well as new thinking.<sup>44</sup> Xi Jin-ping's grand blueprint—New Silk Road Program and AIIB—are the most influential scheme that China has ever devised. This Silk Road will affect more than 60 countries' economic interests, encompassing a population of 4.4 billion people with a collective GDP of \$2.1 trillion (one-third of the world's wealth), and for AIIB, as to the end of March of 2015, 57 countries has asked to join, including many Western countries (the United States and Japan are not among them). It is clear that the American-led regional order (Asia Development Bank, TPP) is not sufficient for regional economic needs, especially for infrastructures construction and it is not fully complying with the development of the times, so constructing some new institutions for supplement is a good alternative for the region as well as for the China's leadership. But whether these new institutions could work well and could help to promote the regional order into a one with more interests balanced depends on the managing maritime disputes between China and some ASEAN countries, East Asian countries deep trust on China's power influence and Sino-American cooperation and mutual understanding.

***Management of China and the United States Competition  
is Key to the Stability of the Regional Order***

Sino-American relations will determine the trend of regional order. China and the U.S. competition does not just concentrate on military deployment, maneuvering and new weapons development, but also on the regional economic institutions, cyber security, rules of order, climate change and maritime disputes. The typical competition included: exchange of acute criticism on different public forums, such as ASEAN Regional Forum (ARF) and IISS Shangri-La Dialogue; China's advocating the Asian version of the Monroe Doctrine and AIIB; Beijing's establishing the ADIZ in the East Sea; Chinese acceleration of arms modernization, including developing Dong-feng 31-B type, 41-type long-range ballistic missiles, aircraft carrier and warships, upgrading cyber combat capability; and Beijing and Washington are clashing over the American-built Terminal High Altitude Area Defense missile system (THAAD) in South Korea.

Both sides see the grave risks of the expanding competition and they want to establish rules of the game to manage the competition. Chinese leader Xi Jin-ping has taken great efforts to stabilize the bilateral relations by proposing the New Type of Major Powers Relations in 2012, in which there are three principles: no conflict, no confrontation; mutual respect of others' interests; cooperation and common prosperity. In Xi Jin-ping and Obama first summit in Sunnylands, United States, in 2013, they thoroughly discussed this concept in-depth. Xi Jin-ping also ordered his military leaders to explore the possibility of signing a memorandum on a code of conduct in the air and sea.

At first, Washington accepted the concept of New Type of Major Powers Relations, but then it declined to use this concept; they renamed it as "building of a new

model of relations” instead, following American strategic circle’s concern about a trap in the principle of “mutual respect of others’ interests” and a series occurred incidents following the summit: China declared its ADIZ in November 2013; the *USS Cowpens* and a Chinese warship faced-off when China’s Liaoning aircraft carrier formation was maneuvering in the South China Sea on December 5, 2013; the United States indicted five members of the Chinese military for hacking into American computer networks and engaging in cyber espionage; the two sides top military leaders had a high-pitched sparring in public forums in 2014. All these incidents showed the growing risks of crisis in the unrestrained competition in the region, and the hedging seemed to prevail over cooperation. The presidential summit in APEC in Beijing in November of 2014 reversed the unfavorable trend, achieving several important and tangible agreements, stabilizing the relationship.

Among all these agreements, Memorandum of Understanding (MOU) on Rules of Behavior for Safety of Air and Maritime Encounters and MOU on Notification of Major Military Activities are confidence-building measures, which have important significance in the mil-mil relations. There are more than 90 mechanisms between the two countries, which are unprecedented in any bilateral relations in the world and exhibits a strong desire that management of Sino-American relations is much more important than any other external issues in their diplomacy. One of the pillar mechanisms for the deepening relations and crisis management is U.S.-China Strategic and Economic Dialogue (S&ED).

Since the Sino-American competition derives from the two countries’ conflicting strategic goals and the fluctuating power position in the regional and international system, it cannot cease over the foreseeable future. Both sides are aware that they must take great efforts to avoid the crisis and manage the tension in the bilateral relations, the priority is to formulate the detailed rules for the implementation of the above two MOUs. However, so far they are not prepared for narrowing the gap of differences over the traditional rule that the U.S. military could maneuver within its EEZ in any coast country. China cannot hold back all American close reconnaissance, but wants to limit the frequency of spying activities and their distance to the coastline. Otherwise, the Chinese military would reserve the right to intervene in the activities through various means.

As the Chinese military expands its activities far away from its coast, the two militaries will have more chance to encounter in the high sea and air, so to avoid any miscalculations, they must build a workable communication system in case of incidents. They also have the responsibility to contain a third party provocation, which will drag the two militaries into a conflict. And now the two militaries have more and more mil-mil contacts and joint-drills, which will also help the two militaries to boost trust and avoid misunderstanding. Of course, any illusion of deepening trust between the two militaries should not be expected. Hedging and competition will always be another part of component in the bilateral relations, so long as cooperation is developing and all the working mechanisms are flourishing, and the economic interdependence is deepening, joint actions are carried out on global challenges, the regional order could not be undermined by the Sino-American competition. The most important cornerstone for the stability of the order is economic interdependence, which could be seen from these facts: by 2013, the bilateral trade volume has soared to US\$520 billion, amount of two-way investment stood at US\$100 billion and more than four million trips were made between the two nations.

***Historic Burden and Strategic Confrontation with China and South Korea:  
A Hurdle for Japan Resurgence***

Japan will unswervingly move on the path of re-militarization and independent defense in the next 5-10 years, but it will be difficult for Japan to become a powerful and welcomed power in Asia. Even if Japan eliminates all the legal restraints and regains all the rights of collective defense, it is unlikely for Tokyo to become a militaristic state. The 70 years evolution in the postwar, indeed, changed Japan enormously. The U.S.-led alliance and American forces in Japan has embedded a strong perception in Japanese minds that their security could be entrusted to Washington. Any fundamental subversion will cause American strong opposition and stir up nationwide protests. According to a public opinion survey done by Japan's Economy News 51 percent of interviewees oppose the expansion of the scope for JSDF operation overseas, and 31 percent support that expansion.<sup>45</sup> And the current political system and the United States will also not allow the Japanese military to control the government. Finally, it faces three powerful neighbors—China, South and North Korea—so it cannot bear the enormous cost for military confrontation, let alone wage a regional war without getting support from the United States.

The negative impacts of a normal Japan in security should not be underestimated, notwithstanding the unlikelihood of being a militaristic state. Abe firmly pronounced in March 2015 to LDP officials that Japan cannot lose in a competition with a military build-up China, and it should make a budget ready for defense. If Tokyo thinks the U.S. security assurance is not credible in facing a rising China, if it holds both China and South Korea are using history issues to isolate Japan politically, if the United States continue to connive in Japan's military resurgence to balance China, if Tokyo eventually amends the 9th Article of the Constitution and takes much broader measures to be a normal military state, a limited but intensified arms race and a strategic, or rather political duel will emerge in Northeast Asia, and a situation of China/Korea vs. Japan on diplomatic arena will be perpetuated. The more Abe and the Japanese government decide to move forward with the defense reforms, the more distrust will surface between Japan and its neighbors and more security dilemmas will appear. As a Chinese idiom rightly puts it "a mountain cannot accommodate two tigers to live together," which is probably applicable to the order of Northeast Asia. Japan will eventually become an isolationist or a loner in the region.

The reasons why China and South Korea will not accept a normal Japan after 70 years in peace are as follows: first, acceptance of the San Francisco Peace Treaty meant Japan recognized the International Military Tribunal for the Far East and its defeated nation position, which should not overthrow the verdict of the war criminals for the purpose of regaining a war right again. Second, they are accustomed to a pacific Japan over the past 65 years, a militarily powerful Japan is bound to break the balance of power in the sub-region. Third, Japan's nationalistic and conservative ideals are so powerful in their elites that the politicians could take advantage of demands for some unknown objectives.

Furthermore, unlike the Sino-American relations, there always exists a demand of condominium and strategic interdependence on global governance, and Beijing quite respects Washington's power and position. As for Sino-Japanese relations, they do not have such a cohesive force and China will not treat Japan's position in a same way as the United States. In this regard, the way that Tokyo intensifies strategic

deterrence against China will lead to a counter-productive consequence.

However, guarding against a rearmed Japan does not mean an inevitable conflict between the two, so both sides will be cautious to adopt military means to accomplish its strategic goals. It is not in China's interests to use force to conquer the Diaoyu Islands, the policy demonstration on sovereignty and regular patrol on the skirt of the islands is just to show what China does and persists in has its legitimacy and principle. Although it does not recognize Japan's nationalization and administration right over these islands, Beijing will not have any thought about using force, and it will vindicate that, as a responsible power, China will resolve the disputes through peaceful means.

### ***Korean Peninsula's Long Deadlock: An Endless Gambit from a Recalcitrant North Korea***

Unlike from 2003–2007, the whole region has the means to contain North Korea nuclear development, now the suspension of the Six-Party Talks has continued for seven years, there is no single prospect for the resumption, or rather getting a re-pledge of denuclearization from Pyongyang. This “train” of North Korea nuclearization is running with a big rattle into the distance at full speed, which has gone a far away to be pulled back. As the DPRK has produced more nukes and has possessed long-range vehicles, its long-dreamed goal of nuclear deterrence has been realized.

Possession of nuclear weapons and posing a nuclear threat through bluff is one thing, but to launch a nuclear war is another thing. A nuclearized North Korea is an unstable source for the region, but under the U.S. heavy deterrence and with Chinese firm opposition, Pyongyang dares not to make big military provocations other than firing into the sea near South Korea islands in the Yellow Sea. However, unless the progressive opposition party takes the Presidency in the South Korea, North Korea will continue to make personal attacks on President Park Geun-hye and the conservative government, for her enthusiastically advancing the “unification as jackpot” project, which is suspected by North Korea as a regime collapse plan, and allowing human rights groups to fly anti-North Korea balloon leaflets across the demilitarized zone. The setting up of a special committee to “prepare for Korean unification,” a report released by the Korea National Diplomatic Academy forecasting the unification around 2040–2050, and the establishing the U.N. field office on North Korea human rights abuses in South Korea will add weight of animosity and ruthless invectives from the North.<sup>46</sup>

Since Beijing is poised not to carry out economic cooperation with Pyongyang until the leader changes its nuclear policy, and Moscow is unable to offer much what it wants, North Korea will remain isolated until something happens within the regime. So far, Pyongyang's strategy of parallel development of nuclear and economy is proceeding normally, making some economic progress, but it cannot go further amid a network of sanctions.

## **Conclusion**

Seventy years have passed since WWII ended, and the world has experienced great change with the termination of the Cold War. In Northeast Asia, the dramatic trans-

formation comes from China, with its entirely new relationship with the Western countries as well as its neighbors after the 1970s and its capabilities astonishingly growing since the adoption of reform and opening-door policies. The second change is South and North Korea, where the former is a developed country with growing influence around the world, and the latter becomes an isolated nuclear state.

The basic structure remains since the United States is still in an unchallengeable primacy position and the alliance has been continually consolidated, but China's rising and its sophisticated operation and investment in the region has progressively reshaped the rule and power based order of the United States, roughly forming a new geo-economic order.

China and the United States are competing across the board, accompanied by the deepening economic cooperation and collaboration on various global issues. Power anxiety, alliance balancing, competition and cooperation are alternatively adopted by the United States from time to time, in turn, and China responds in a similar way. Generally speaking, a loose condominium between China and the United States is taking shape.

In the second tier, China and Japan's competition is growing as Japan becomes a normal state, but its strategic capabilities are under the U.S. power structure as well as restrained by its historic shackles, so it cannot become an easygoing power in the region. South Korea will maintain a close ally of the United States, but it is more tilting to China economically and politically, turning it into a strategic foothold for China in stabilizing the Korean Peninsula situation as well balancing Japan's resurgence. China and South Korea will become a joint stabilizer in Northeast Asia, though North Korea will continue provocation, its negative influence will be diluted by a common force exerted by China, South Korea, Russia and Japan.

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