

## U.S.-China Economic & Security Review Commission

### Hearing on: *China's Active Defense Strategy – Response from Regional Neighbors*

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Chairmans Reinsch and Slane, and distinguished Members of the Committee: thank you for your kind invitation asking me to testify before you today. I am honored to have the opportunity to share with you my thoughts on the topic of how China's active defense strategy is impacting regional neighbors in Northeast Asia.

It seems axiomatic today that the East Asian regional dynamic is dominated by the rise of Chinese power and the relative decline of U.S. influence; personally I am highly hesitant to accept the latter as reality but I am willing to acknowledge that this *perception* is pervasive, and unfortunately a dominant view. In part this view was reinforced by the Obama Administration early in its tenure by triumphantly declaring that "America has returned to Asia." While it is understandable why a new Administration would want to establish clear differentiation from its predecessor through policy and tone, the framing of U.S. strategy in Asia as a "return" to the region only served to reinforce unjustified criticism among many Asian nations that the United States had somehow retreated or withdrawn its interests and presence in this critical region. (As someone who had the privilege of working in the Bureau of East Asian Pacific Affairs at the State Department from 2007-2009, I can personally attest to the fact that thousands of diligent public servants continued to dedicate their lives to furthering our presence and interests in Asia throughout the Bush Administration.)

But perhaps even more damaging about this framing of U.S. interests in the region is that it has ceded control of the rhetorical narrative about shifting dynamics to China. Because the world seems to have accepted the inevitability of a rising China, and China has done a remarkable marketing job in categorizing this rise as "peaceful," uncertainties resulting from changes to the regional status quo are now readily assigned to the "reassertion" of U.S. interests or "American reactions" in the region, rather than as a result of changes wrought by China itself. Note for example a recent editorial in the *Global Times* (an official Chinese publication) expressing Beijing's reaction to Washington's recent efforts at closer regional engagement and "interference" in the Yellow Sea: "Since the United States declared its return to Asia, the frequency of clashes in the Korean Peninsula has accelerated. Instead of reflecting on this, South Korea became more obsessed with its military alliance with the United States."<sup>1</sup>

The rapid economic growth and development of China alone do not account for the depth of uncertainty and anxiety about the future direction of the region; after all, countries throughout Asia such as Japan, South Korea, and the "Little Dragons" of East

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<sup>1</sup> David Pilling, "Beijing is Not About to Prise Lips from Teeth," *Financial Times*, December 2, 2010.

Asia have achieved spectacular economic prosperity without engendering commensurate concerns about their wealth being transferred to aggressive military might and ambition. China's rise seems to be different not just due to its sheer magnitude in size and breadth but more significantly because it has been accompanied by a significant shift in its foreign policy stance. After decades of abiding by Deng Xiaoping's admonition to restrain Chinese foreign policy in order to advance its peaceful rise, a much more confident Beijing now seems to relish exerting its strength and displaying its achievements. Thus it is not just the increase in Chinese capabilities but rising uncertainty about Beijing's intentions that is cause for uneasiness. And regardless of disagreements over perceived responsibility for shifting regional dynamics today, changes in the regional and global status of the United States and China as well as their interaction is of great concern to every nation in Asia, and perhaps none more so than to America's allies, Japan and South Korea (Republic of Korea, ROK).

At the core of Japanese and South Korean anxieties (arguably of North Korea as well) are fears that China is challenging the dominance of a U.S.-centric order in Northeast Asia and that increased capabilities will lead Beijing to re-establish a modern version of the ancient Sino-tributary system. This Sino-centric order is perhaps more sophisticated than cursory Western analyses tend to allow, for under this system hegemonic power is wielded through nominal equality but substantive hierarchy. Historically, China was at the apex of a hierarchical tributary relationship with "lesser" powers that retained their "sovereignty" and territorial integrity within the stratified order. Thus, territorial conquest was never necessary for China, the "Middle Kingdom," to retain dominance and regional hegemony; it never bothered to conquer the ancient Kingdoms of Koryo (Korea), Annam (Vietnam) and the Ryukyu (Okinawa) which all remained independent and sovereign under Chinese suzerainty. Note that it was the West and Japan – which was the first Asian nation to embrace western notions of sovereignty – that forcibly seized control over these traditionally independent territories. As Christopher Ford (in his book *Mind of Empire*) observes, China "lacks a meaningful concept of so-called equal, legitimate sovereignties," and as its strength grows, "China may well become much more assertive in insisting on the sort of Sino-centric hierarchy its history teaches it to expect."<sup>2</sup>

Note that the Chinese preference for exerting its influence in regional multilateral organizations has the potential to be fraught with danger for the United States *if* we cede our own robust presence and interaction with individual Asian nations in favor of participating in the region solely or primarily through such regional arrangements. Western assumptions of qualitative equality based on sovereignty do not necessarily coincide neatly with Chinese conceptions of the nominal equality but substantive hierarchy mentioned above. A withdrawal of U.S. leadership in favor of such institutional frameworks may achieve superficial cooperation but would lead to a dependence on the dominant exertion of Chinese influence, a dynamic that I believe the region as a whole is neither ready for, nor eager to embrace yet.

Indeed, the increasingly assertive Chinese maritime behavior we are witnessing today may be part of a broader strategy to exercise authority over smaller neighbors in the near term by pushing U.S. forces away from its maritime borders to demonstrate rights over the entire South and East China Seas. Under such Chinese dominance,

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<sup>2</sup> Christopher A. Ford, *The Mind of Empire* (University Press of Kentucky, Lexington, KY: 2010)

“lesser” powers will not necessarily have to give up their independence or even have to emulate China ideologically, but they will have to show due respect, and if necessary provide appropriate concessions. One necessary concession in China’s view will be the reduction of U.S. influence in the region.

In an October interview with the *Zhongguo Xinwen She* (China News Service), Senior Colonel Wang Xinjun at the Academy of Military Science presented China’s self-image and how it wants to be perceived by the world: as “the two most important countries in the world,” China is the equal of the United States in international relations, security, economics, science and technology. He also argued that “in the course of promoting bilateral relations, both sides should gradually abandon the old alliance ties that are directed against a third party. It is an outdated tradition in international politics to form strategic alliances against a third party and such a tradition is not in keeping with the realistic trend of global international politics. Defining China as a rival will do no good to peace and development in the region or the world at large.”<sup>3</sup>

Labeling Northeast Asian security dynamics -- which remain firmly anchored within the U.S.-led system of bilateral alliances -- as a defunct by-product of the Cold War makes for eloquent rhetoric and one that is dismayingly echoed by Western analysts, but they miss the mark in assessing contemporary conditions. It may indeed be true that “the Asia-Pacific region can no longer be understood in simplistic zero-sum calculations in which states threaten one another with military conquest.”<sup>4</sup> But the notion that “interconnectivity and interdependence now define the region, and economic competition has trumped military competition as the means to power and pre-eminence,”<sup>5</sup> is premature at best. If anything, increased economic, social and even political interaction in East Asia have worked to reinforce the continued preeminence of traditional measures of hard power even while expanding an additional role for soft power.

This shift is not due to any decline of U.S. power presence in the region, nor a function of China’s military modernization alone, but rather an increase in Chinese confidence borne from its explosive economic growth and expanding global presence. Since the end of the Cold War, Chinese considerations of U.S. supremacy and power were primarily formulated from three American military operations in the 1990s: Desert Storm in 1991; the American response to the Taiwan Strait Crisis in 1996; and the U.S. role in Kosovo in 1998. But recent self-assurance – reinforced by its sole recovery from the global economic crisis – has contributed to the expansion of Chinese strategic thinking to include the need to defend China’s national interests in maritime, air, space and cyber environments, both near its borders and beyond. While sea and air defense area denial are short-term and tangible goals, the Chinese strategic vision seems to be much more expansive in the long-term.

In the face of such changes, but more important given the *lack* of fundamental changes in the basic security dynamics in the region, there is no question that U.S.

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<sup>3</sup> *Zhongguo Xinwen She* is a Chinese language and official news journal whose primary target audience is overseas Chinese. Senior Colonel Wang Xinjun is Research Fellow at the Department of War Theory and Strategic Research at China’s Academy of Military Science. (Nightwatch: October 14, 2010; [http://www.kforcegov.com/NightWatch/NightWatch\\_10000266.aspx](http://www.kforcegov.com/NightWatch/NightWatch_10000266.aspx))

<sup>4</sup> Abraham Denmark and Brian Burton make this argument in: “The Future of U.S. Alliances in Asia,” *Global Asia* (Vol. 5, No. 4, Winter 2010)

<sup>5</sup> *Ibid.*

bilateral alliances with South Korea and Japan remain the fundamental pillars upon which continued stability rests. Yet, despite the fact that the stark lines of contrasting Cold War security interests remain intact, the blurring of economic interests have served to amplify the twin fears of entrapment and abandonment that have perennially plagued America's junior allies. The two countries' worst fear – as is the case of many other nations in East Asia – is to be caught in the middle of a U.S.-China battle for regional supremacy. As the United States moves forward in refining and articulating our strategy in the region, we should remain mindful of the concerns of our allies and acknowledge their crucial contribution in our efforts to proactively and peacefully meet the challenges presented by an evolving China.

I would now like to turn to a more detailed discussion of how America's two principal allies in Northeast Asia, South Korea and Japan, have responded to China's active defense strategy in the region.

### **The ROK's National Security Shift**

When Lee Myung-bak was inaugurated President in early 2008, many expected the national security strategy of the ROK to shift dramatically away from the left-leaning orientation of the two previous administrations under Kim Dae-Jung (1998-2003) and Roh Moo-Hyun (2003-2005). While certain policies – especially towards the United States and the alliance – underwent changes in tone and substance in the first two years of his administration, Lee found a South Korea public deeply divided with little appetite even among its skeptics for a return to a more confrontational approach towards the North. Thus, a complete overhaul of South Korea's national security stance did not occur until 2010 in the aftermath of two dramatic North Korean provocations: an international investigation concluded that on March 26, North Korea torpedoed a South Korean warship – the Cheonan – killing 46 sailors. And on November 23, North Korea shelled South Korea's Yeonpyeong Island in an artillery barrage, killing four and wounding 18.

The history of North Korean provocations is long and spans the six decades since the signing of the Armistice halting the Korean War in 1953, and Pyongyang directly challenged Lee Myung-bak's resolve with two missile launches (April 5 and July 4, 2009) and a nuclear test (May 25, 2009). But the two attacks in 2010 had a heretofore unseen galvanizing effect on the South Korean government and its people. Arguably, this was due not just to the qualitative difference of the attacks – the death of South Korean citizens is far more tangible than the more abstract and less immediate threat posed by missile launches and nuclear tests – but China's desultory response, which contributed to a sea-change in South Korean attitudes about its national defense strategy. These are reflected in the recent publication of the nation's Defense White Paper 2010, which designates North Korea the “enemy” of South Korea, a classification not used for six years.<sup>6</sup> Notably, the document does not revive the designation of the DPRK (Democratic People's Republic of Korea, or North Korea) as the “main enemy” which had been used in the 1990s. While Chang Kwang-II, the Deputy Defense Minister for Policy explains that this designation is meant to inform the South Korean public of

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<sup>6</sup> The 2010 Defense White Paper was published on December 31, 2010, and can be found (in Korean) at: [http://www.mnd.go.kr/mndEng\\_2009/DefensePolicy/Whitepaper/index.jsp](http://www.mnd.go.kr/mndEng_2009/DefensePolicy/Whitepaper/index.jsp). The official English translation is not yet available.

the reality of North Korea and send a strong warning to Pyongyang, what is left unspecified also sends a message: that other enemies and threats to the Republic of Korea exist.

Beyond the symbolic significance of the enemy designation, a more profound shift in South Korean attitudes is undoubtedly taking place. Korea – like many other small nations – has traditionally prioritized its security concerns around immediate threats which have been Peninsular based; given the unresolved state of war with North Korea this focus is quite logical. But as a result, regional and global security issues have always ranked much lower if at all in the Korean consciousness; this is in direct contrast to U.S. security concerns, which have always been framed within the global context first and foremost, then the regional, and finally the Korean Peninsula and only then insofar as to its regional implications. This fundamental contrast in orientation of priorities has often been the source of friction between the two allies as they struggled to coordinate essentially overlapping interests. Only recently have the broader strategic concerns of the United States and South Korea seemed to coalesce beyond the Korean Peninsula and it is increasingly focusing on China.

China has undeniably been the foreign nation of the greatest importance to Korea throughout its long history, beginning with a short-lived Chinese Yen Kingdom's conquest of the ancient Chosun kingdom at the end of the fourth century B.C. For more than two thousand years since then, the fate of the two cultures has been inexorably intertwined. Valued more for its strategic than intrinsic value, the Korean Peninsula was the geographical “dagger” pointed at the heart of Japan and served as the natural conduit for access both to and off the Asian mainland. Indeed, the final death knell of the Chinese empire, marked by its ignominious defeat by the upstart Japan in the Sino-Japanese War (1894-1895), was essentially a battle over control and access to the Korean Peninsula (as was the subsequent Russo-Japanese War in 1904). And China's special relationship akin to “lips and teeth” with North Korea was forged from the very inception of the DRPK in 1947. This long history with the “Middle Kingdom” has meant that both South and North Korea's relationship with the neighboring giant is profoundly complex. And as the “shrimp among whales,” the smallest of independent countries surrounded by powerful neighbors, Korea – both unified and divided – has been particularly sensitive to the maneuverings of great powers.

The outbreak of the Korean War and the ensuing Cold War was in many ways a period of clarity for both Koreas' position vis-à-vis China. As long as the PRC and the United States stood on opposite sides of the Cold War divide, the two Koreas were secure in their proper places in the shadows of their larger partners. But the Sino-Soviet split in the 1970s, followed by détente between the U.S.-and China, and then finally normalization of relations between Seoul and Beijing, China's relations with the two Koreas have been a delicate balance of intersecting and often conflicting interests. Today, China has surpassed the United States as the ROK's largest bilateral trading partner (exceeding \$1.5 billion in trade in 2010), but China is also the lifeline for North Korea's economic survival. And despite growing international pressure on Beijing to use its economic leverage vis-à-vis Pyongyang to rein in its provocative behavior, a Chinese company instead recently signed a letter of intent to invest \$2 billion in a North Korean

industrial zone.<sup>7</sup> Notably, this agreement -- which if realized would be the largest investment in North Korea to date by a foreign country -- was signed on December 20, 2010, the same day that South Korea conducted a closely watched artillery test from Yeonpyeong Island after the initial North Korean attack on the island. China's embrace of North Korea, despite its continued recalcitrant behavior in the last eight months, has served to encourage Pyongyang to behave with impunity.

Meanwhile, Beijing's stern opposition to joint U.S.-ROK military exercises designed to strengthen deterrence against North Korea in the wake of the Yeonpyeong shelling, was a strong and disturbing signal to Seoul about China's strategic interests in the region. Chinese attitudes towards South Korea were on full display November 27 during State Councilor Dai Bingguo's visit to Seoul, where he reportedly gave President Lee Myung-bak a condescending history lesson on the relations between Beijing and Seoul and did not mention the North Korean attack on Yeonpyeong, instead telling Seoul to "calm down." Finally, Dai called for resumption of the Six-Party Talks, and when this was rejected by Lee who argued that given North Korean actions, talks would be tantamount to rewarding North Korean bad behavior, Dai ignored Lee's rejection and soon after his return to Beijing, China announced a "bold initiative" calling for an immediate resumption of multilateral talks.<sup>8</sup>

Such a disappointing Chinese stance to North Korea's latest provocation only served to reinforce the negative position taken by Beijing after the earlier North Korean attack on the Cheonan. Despite diligent efforts by the Seoul government to press Beijing to recognize North Korea as the perpetrator of the Cheonan sinking, Chinese leaders have stubbornly refused to endorse the results of an international investigation and its findings, and instead continued to play both Koreas against each other throughout the summer of 2010. Only three days after a summit meeting in Shanghai between Lee Myung-bak and Chinese President Hu Jintao, Hu was in Shenyang feting the arrival of Kim Jong Il and his son and heir apparent, Kim Jong-Eun on a rare trip to China.

Both Koreas have long tolerated China's bifurcated strategies to maintain ties with both sides of the Peninsula even if it has meant playing one against the other. And both are long familiar with China's assertions of superiority and dominance over the Peninsula, as evidenced by the grand controversy that erupted between Beijing and Seoul in 2004 over the origins and historical legacy of the Goguryeo Kingdom (37 B.C. to 668 A.D.). While the bitter recriminations over an ancient and defunct kingdom may seem to be a bemusing historical anomaly to those outside Asia, for Koreans the incident was a profound manifestation of deep and unsettling Chinese strategic ambitions in the region. While Japan has long-served as an easy and superficial target

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<sup>7</sup> China's Shangi Guanqun Investment Company signed an agreement on December 20, 2010 in Pyongyang with North Korea's Investment and Development Group to develop infrastructure in the Rason Special Economic Zone near North Korea's border with Russia. (Jay Solomon, "Chinese Firm to Invest in North Korea," *Wall St. Journal*, January 19, 2011.)

<sup>8</sup> According to South Korean officials, Beijing sent notice only 15 minutes before Dai's departure that he was headed for Seoul and that he wanted to land at a South Korean air force base that is normally reserved for Heads of State. Beijing also informed South Korea that Dai wanted President Lee Myung-bak's schedule cleared for an immediate meeting. The Blue House did not agree and Dai met Lee the next day. (John Pomfret, "U.S. Raises Pressure on China to Rein in North Korea," *Washington Post*, December 6, 2010.)

of Korean recriminations against historical injustices suffered by the Korean people, it is the uncertainty about Chinese dominance that has always presented the far greater challenge to Korean interests than any potential resurgence of Japanese power. This dynamic, long buried and until recently grudgingly acknowledged, is becoming more manifest in South Korea's recently articulated defense strategies.

Ironically, it is increasingly bold Chinese assertions that have contributed to South Korea's growing willingness to meet these challenges more openly. Beijing has steadily raised a stream of objections against pro-active defense measures involving the United States in cooperation with the ROK and Japan in recent months. For example, in reaction to the U.S.-ROK naval drills in the Yellow Sea involving the *USS George Washington* on November 28 – December 1, the Chinese Foreign Ministry warned that “China opposes any military acts in its exclusive economic zone without permission.”<sup>9</sup> China also openly disapproved of U.S.-Japan naval exercises on December 3-5, and ROK drills in the Yellow Sea on December 18-21. On December 2, the PRC Foreign Ministry spokesperson asserted that “military alliances and displays of force cannot solve the issue,” expressing hopes that the U.S.-ROK-Japan trilateral in Washington would “ease tensions and promote dialogue.”<sup>10</sup> And on December 27, China's Xinhua News Agency condemned the announced deployment of the *USS Ronald Reagan* to East Asia in response to North Korea's threat of a “sacred war” on the Korean Peninsula using nuclear weapons. Along with the *USS Vinson* in Guam, “three aircraft carriers in the same region are going to be interpreted as a signal of preparing for war,” according to Major General Luo Yuan of the PLA's Academy of Military Sciences. Chinese analysts have accused the United States of increasing the danger of war in the region even though they claim the DPRK has shown restraint amidst a number of ROK drills they deem to be “provocative.”<sup>11</sup>

Punctuating the negative reaction in South Korea to increasingly aggressive Chinese rhetoric was a tense incident in late December – eerily reminiscent of a similar incident involving Japan in September – which unleashed an unprecedented level of public demands for strengthening national defenses against perceived Chinese aggression. On December 18, the South Korean Coast Guard detained eight Chinese fishermen after their boat collided with a patrol ship which had approached 50 Chinese fishing boats suspected of fishing illegally in western South Korean waters. One of the Chinese boats capsized after intentionally hitting the patrol ship presumably allowing the other Chinese vessels to escape, and two of the fisherman died in the ensuing melee.<sup>12</sup> South Korea and China signed an agreement in 2001 authorizing their respective maritime patrols to inspect foreign vessels fishing inside exclusive economic zones and to pursue those that flee to neutral waters. Beijing has demanded compensation from Seoul and in an apparent attempt to limit any further diplomatic fallout; the ROK government freed three of the fisherman in advance of completed investigation into the incident. The apparent bow to Chinese pressure has caused an uproar among the

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<sup>9</sup> Ian Johnson and Helene Cooper, “Beijing Proposes Emergency Talks on Korean Crisis,” *New York Times*, November 29, 2010.

<sup>10</sup> “Trilateral Talks Aim at Joint Response,” *China Daily*, December 3, 2010.

<sup>11</sup> “New ROK Drills Add to Tension on Peninsula,” *China Daily*, December 27, 2010.

<sup>12</sup> Leslie Hook and Song Jung-A, “Fears For Relations With Beijing as Seoul Holds China Fisherman,” *Financial Times*, December 20, 2010.

South Korean public and one major paper to declare: “This is a case of the offender blaming the victim. . . Korea’s sovereign right to defend its own territory cannot be compromised under any circumstances or by any country. [We] must be ready to make sacrifices and pay the price to defend this right. Only countries armed with firm resolve to defend their sovereign rights can wield any diplomatic clout on the international stage.”<sup>13</sup>

It is unclear whether such surprisingly strong sentiments reflect a permanent shift in South Korea’s national security strategy and a new-found willingness to address challenges emanating from China more openly, or are merely impassioned outcries from a society well-known for its heightened sense of nationalism and volatile public opinions. Regardless, what is clear is that a sea-change has occurred within the Seoul government’s reorientation of national security priorities in the aftermath of North Korean provocations and Chinese assertions, and in the public’s increased support for this change in focus and strategy, and its impact is likely to be a lasting one. Although tragic losses for the country, the Cheonan and Yeonpyeong attacks served the useful purpose of revealing weaknesses in the ROK national security management system – as evidenced by its immediate overhaul in the aftermath of the incident<sup>14</sup> – to address immediate North Korean threats. Addressing future challenges from China is in many ways a far more daunting task for South Korea and the Korean Peninsula as a whole.

### **Japan’s Shifting Security Strategy**

Even as the United States and ROK were able to overcome a very difficult period of adjustment in the bilateral relationship in recent years, this same period has notably been marked by drift in alliance relations between the United States and Japan. Largely a function of political and social dynamics similar to those in South Korea in the early 2000s – the election of a progressive and in-experienced government that reflected the public’s dissatisfaction with the status quo – Japan’s quiet revolution to oust the dominant Liberal Democratic Party (LDP) in favor of the far more ideologically liberal Democratic Party (DPJ) has resulted in a period of tenuous relations between Tokyo and Washington for the last two years. However, nothing has done more to smooth over uneasiness in the bilateral relationship than a “shared disillusionment with China.”<sup>15</sup>

While U.S.-Japan relations have always been anchored according to official rhetoric on a foundation of the shared values of democracy and open trade, in fact these positive values have been insufficient to resolve ongoing differences in alliance management. Indeed, even without any real resolution of the differences over the Okinawa base issue, the tone and level of strategic coordination between Japan and the United States has markedly improved in recent months.

While it is easy to attribute the improvement in bilateral relations on a more assertive China, it is as much a function of heightened Japanese anxiety over its own perceived decline and increased isolation in the region. Indeed, Japan seems to be

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<sup>13</sup> “Chinese Trawler Incident Sets Bad Precedent,” *Chosun Ilbo*, December 27, 2010.

<sup>14</sup> On December 21, 2010, the ROK Blue House (Presidential Office) announced plans to reorganize the existing National Crisis Management Center into an Office headed by the Presidential Secretariat. (Yonhap News Service, “South Korea to Overhaul National Security Management System.” December 12, 2010.)

<sup>15</sup> Philip Stephens, “An Assertive China Stirs an Anxious Conversation,” *Financial Times*, November 19, 2010.



bucking the prevailing trends in East Asia. Most economies in the region have recovered from the global economic crisis and are experiencing resurgent growth except Japan which remains sluggish; dynamic intra and inter-regional exchanges and interactions are booming along economic, social and cultural fronts even as Japanese society seems to be moving towards greater insularity. 2010 was a difficult year for Japan: China surpassed it – at least statistically -- as the world's second largest economy; South Korea, Japan's "lesser" neighbor managed to steal the global leadership spotlight by hosting the G20 Summit eclipsing Yokohama as host of the APEC Leaders' Summit only a week later; and Japan's weak security stance was highlighted by a surprisingly aggressive Russia which boldly laid symbolic claim once again to lingering dispute over the Northern Territories<sup>16</sup>. As if disagreements with one large power in Northeast Asia were not enough, aggressive maneuvers by Chinese fishing vessels in the Japanese-controlled Senkaku (Diaoyu in Chinese) islands in the East China Seas elevated tensions with China to dangerous levels in September and revealed Japanese economic vulnerability when Beijing responded with a sudden ban on exports to Japan of rare earth minerals. And North Korean provocations throughout the year further punctuated Japan's passive and vulnerable position in the volatile region.

Perhaps it should not be surprising then that for the first time in its modern history since the Meiji Restoration launched a confident, strong and eventually Imperial Japan, the nation is beginning to talk about itself as potentially a "middle power" more akin to South Korea than the great powers of China, the United States, or even Russia. Japanese uncertainty about its future ability to maintain great power status in the region in the face of a more assertive China is surely behind recent efforts by Tokyo to closely cooperate with Seoul and unequivocally support South Korea, although North Korean provocations have also contributed to Japan's proactive stance.

During a two-day visit (January 11-12, 2011) to South Korea, Japanese Defense Minister Toshimi Kitazawa promised to work more closely with Seoul, primarily in the areas of intelligence-sharing and logistics. They agreed to share military information and cooperate in the purchase and exchange of some goods and services. These cooperative measures will be guided by the "Acquisition and Cross-Servicing Agreement" (ACSA) that would allow the two countries to exchange basic non-arms military supplies even during peace-keeping operations and military drills; and the "General Security of Military Information Agreement" (GSOMIA), involving the sharing of military secrets. This is an important area of cooperation as both governments seek to divine clues about Pyongyang's nuclear programs and its succession plans, as well as seek greater transparency of Chinese military strategies and plans. Although the cooperation did not extend as far as had been hoped, it was a significant development that is helping to move forward the bilateral military relationship which has largely stood on the sidelines of deepening relations between the two societies and economies.

Such close cooperation is all the more remarkable given the tense state of relations just a couple of years ago over the perennial issues of unresolved history. Notably, 2010 marked the 100<sup>th</sup> anniversary of Japan's formal annexation of Korea,

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<sup>16</sup> On November 1, Russian President Dmitry Medvedev visited the Kurils, one of the disputed islands in Japan's Northern Territories. The first-ever visit by a Russian leader set off a diplomatic and political firestorm in Japan.

prompting Prime Minister Naoto Kan to apologize and express “deep remorse” over his nation’s brutal colonial rule. The apology drew a muted response in South Korea, but South Korean President Lee Myung-bak accepted it as sincere. While South Korea still has reservations in its relationship with Japan, there has undoubtedly been a dramatic change in perceptions of the security environment on the Korean Peninsula so many Koreans have now come to accept the necessity of security cooperation with Japan.<sup>17</sup>

Closer Japanese-South Korean cooperation has been met with welcome relief by the United States, which has always pressed its reluctant allies for increased closeness as it allows for a more effective and cohesive regional strategy. In July, Japanese military officers observed a joint U.S.-South Korea military drill for the first time.<sup>18</sup> And during Secretary Gates’ visit to Tokyo on January 14 following his visit to Beijing, Defense Minister Kitazawa committed Japan to work in unprecedented ways with the U.S. military, such as providing logistical support for a potential war on the Korean Peninsula or undertaking evacuations of civilians there.<sup>19</sup> While strong Japanese support for South Korea in the face of North Korean attacks have been generally well-received in the South, comments made by Prime Minister Naoto Kan implying Japanese deployment to the Peninsula were met with some resistance although notably far less than would have been expected in the past, further indicating an unprecedented alignment of Japanese and South Korean interests.

Even as Japan struggles with an existential crisis centered around its stagnant economy, rapidly aging population, and perceived decline in the face of China’s meteoric rise, the leadership has managed to shake off some of its inertia with the release on December 17 of its ten-year defense strategy, the “National Defense Program Guidelines” (NDPG), replacing the previous one adopted in 2004. The most significant aspect of this new strategy is the replacement of its longstanding “Basic Defense Force Concept” -- which had focused primarily on passive deterrence and defense against a full-scale (presumably Russian) military invasion -- with a “Dynamic Defense Force,” which focuses on active operations and a flexible force structure. This new focus realigns Japan’s defense towards the oceans and skies in the south and west of the nation, and features modernization of its self-defense capabilities to reflect the geopolitical changes in recent years, including China’s growing naval presence in the northern Pacific and North Korea’s aggressive military provocations.<sup>20</sup>

The Guidelines reaffirm Japan’s national security ties with the United States as “indispensable” and calls for “deepening and developing” the bilateral alliance with pledges to maintain financial support for U.S. troops based in Japan at current levels, a notable given the nation’s dire fiscal conditions. Security cooperation with other U.S. allies, namely South Korea, Australia, the Association of Southeast Asian Nations (ASEAN), and India are also to be strengthened. Describing China’s military expansion as an “issue of concern for the regional and international communities,” Japan now plans to boost its maritime and air surveillance capabilities, and shore up the defense of

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<sup>17</sup> Chico Harlan, “Japan, South Korea Seek to Boost Military Relations,” *Washington Post*, January 11, 2011.

<sup>18</sup> Evan Ramstad, “Japanese Military Seeks Ties to Seoul,” *Wall St. Journal*, January 12, 2011.

<sup>19</sup> John Pomfret, “Regional Risks Make U.S.-Japan Ties Even More Key, Gates Says,” *Washington Post*, January 14, 2011.

<sup>20</sup> Summary of Japan’s “National Defense Program Guidelines, FY 2011” (Provisional Translation), December 17, 2010 ([http://www.mod.go.jp/e/d\\_act/d\\_policy/national.html](http://www.mod.go.jp/e/d_act/d_policy/national.html))

its islands, including Okinawa and the Nansei chain of islands located between Kyushu and Taiwan. The number of submarines is to rise from 16 to 22, while the number of tanks, many of which are based on the northern island of Hokkaido, is to be cut from 830 to just 400. The Ground Self-Defense Force (GSDF), or army, will build permanent stations on some of these islands, while the air force will add more troops to its existing base in Okinawa. As part of its efforts to balance the desire to upgrade its capabilities with the needs to keep defense spending in check due to immense government debts, the number of GSDF troops will be reduced by 1,000 to 154,000 over the next five years, while those in the navy and air force will be kept steady. However, implementing the cuts could prove a challenge given an apparent lack of urgency among GSDF commanders who have yet to achieve the target of 600 tanks established in the 2004 Guidelines.<sup>21</sup> Japan's aim is to maintain overall defense-related spending at \$380 billion a year or less over the next five years, which remains below its self-imposed limit of one percent of total GDP.<sup>22</sup>

The keenly awaited NDPG signals a historic refocusing of Japan's army and other forces toward securing islands in the southern islands which are seen as the most vulnerable China's rapidly growing military power. Early steps are likely to include new island radar stations, with small army units to guard them. Anti-ship missiles could also be deployed later to support naval forces in the area. However, many analysts believe that Tokyo's efforts may be inadequate to match a sharp increase in China's ability to project power in the waters up to and beyond the lightly populated Nansei archipelago. While Tokyo has already deployed more advanced fighters to the southern island of Okinawa China's deployment of new submarines, Chinese supersonic anti-ship missiles and advanced fighters is seen as a serious challenge to U.S. and Japanese military superiority in an area that includes sea lanes vital to the trade-dependent economy, highlighted by the Japanese coast guards' clash with Chinese fishing vessels in the <sup>23</sup>:area. The incident helped generate the political will to overcome institutional resistance to change from within the GDSF, also helped win over members of the left-leaning Democratic Party which had swept into power on a platform that had initially challenged Japan's close military cooperation with the United States and called for greater closeness to China. Yet even with the public worries about China and about nuclear-armed North Korea, whose recent attack on Yeongpyeong is fueling calls for an expansion of Japan's anti-ballistic missile defenses, Japanese planners still face severe spending constraints. A large fiscal deficit means the Defense Ministry cannot be certain of stemming years of budget cuts.

One additionally important development is the Defense Ministry's position to press for an easing of the nation's ban on arms exports, despite strong political opposition to what is considered a dangerous step away from Japan's pacifist principles. Prime Minister Kan pledged in December to uphold the principles underlying

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<sup>21</sup> Mure Dickie, "Japan Bolsters Southern Defenses Against Resurgent Rival," *Financial Times*, December 18-19, 2010.

<sup>22</sup> Japan's relative defense spending (0.9 percent in 2010 as percentage of GDP) lags behind all others in the region; (US – 4.3 percent; RPK – 2.8 percent; India – 2.6 percent; Taiwan – 2.1 percent; China – 2 percent). Ibid; and Yuka Hayashi and Jeremy Page, "Japan Refocuses Its Defense With an Eye Toward China," *Wall St. Journal*, December 17, 2010.

<sup>23</sup> Yuha Hayashi and Julian Barnes, "Gates Leaves Beijing, Will Press Japan to Expand Its Defense Role," *Wall St. Journal*, January 13, 2011.

the export curbs after the opposition Social Democratic Party threatened to oppose Diet passage of next year's budget if the laws were weakened. One argument in support of the lifting of the ban is that they undermine the competitiveness of Japan's defense manufacturers by preventing them from taking part in international projects such as the U.S.-led development of the F-35 Joint Strike Fighter.<sup>24</sup> This is an important bilateral issue for the United States, which has pressed for Japan's purchase of a new generation of fighter jets including the stealth capability of the F-35s.

Another important project affected by the export ban is the joint U.S.-Japanese development of the antimissile system (SM-3), which is fired from ships to intercept larger ballistic missiles in midflight. Given North Korea's continued proliferation of its missile programs, Washington would like to be able to sell the system to other nations, including South Korea, but that would require Japan to ease its export rules. But since his December pledge, Kan has called for a public debate on revising the restrictions, which is a step that is considered by many to be necessary for closer security cooperation with the United States in responding to China and North Korea.<sup>25</sup>

Finally, during Secretary Gates' recent trip to Tokyo, the Defense Secretary urged continued work to complete implementation of a hard-won May 2010 agreement in which the two countries finally reached agreement on the relocation of the US Marine Corps Air Station Futenma to a less-populated part of Okinawa by 2014. Based on a previous 2006 bilateral agreement, the Kan had promised to build a new base in Okinawa, but voters and officials on the island – including its governor – continue to oppose the plan and continued local resistance is making the 2014 time frame increasingly unrealistic. Nevertheless, Secretary Gates stressed that the disputes should not influence talks over a joint vision statement for the bilateral alliance, to be endorsed during Prime Minister Kan's upcoming trip to Washington in the spring, stating: "our alliance is more necessary, more relevant and more important than ever."<sup>26</sup>

## Concluding Remarks

The events of the past year in Northeast Asia have left no doubt that the region will remain one of the most, if not *the* most dynamic in the world for some time to come. While economic vibrancy, rapid modernization, and the explosive growth in human and social interaction in the region promises to provide a powerfully positive global force, uncertainties about rising Chinese capabilities and the region's reaction are a source of sobering anxiety and profound consternation. After all, wars and conflict traditionally erupt among states not due to power differentials, but when dissatisfaction over the distribution of power prevails. Because of deep uncertainty about China's future intentions – perhaps even within China itself -- and the continued destabilizing effect of a recalcitrant North Korea, the region has the potential to devolve into catastrophic conflict. Yet, the challenges presented by China's new-found assertiveness and North Korea's continued provocations have ironically produced unprecedented levels of cooperation and closeness among the United States and its allies which will ultimately

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<sup>24</sup> Mure Dickie, "Japan to Shift Focus of Defense to China," *Financial Times*, December 14, 2010.

<sup>25</sup> Martin Fackler and Elisabeth Bumiller, "Gates Signals U.S. is Flexible on Moving Air Base in Japan," *New York Times*, January 14, 2011.

<sup>26</sup> Hayashi and Barnes, "Gates Leaves Beijing, Will Press Japan to Expand Its Defense Role," *Wall St. Journal*, January 13, 2011.

play a stabilizing role in the region. Ultimately, despite the unprecedented level of heightened tensions last year, precisely because the region is at the intersection of the strategic interests of the three largest nuclear powers and the world's three largest economies the resident powers will ultimately endeavor to seek cooperation over conflict when possible, and find mutually beneficial ways to reduce threats and address insecurities.