# **Japan-US Kanazawa Conference**

Kanazawa City, Japan December 11-14, 2015

# **Preface**

# Japan-US Kanazawa Conference: "Young Experts Summit on China to 2030"

In recent years, there has been concern over the decreasing number of young experts linking Japan and the US. In view of the rise of China, this conference was held in Kanazawa City with young researchers and practitioners under the age of 40 from both Japan and the US, who will forge the future of the Asia-Pacific region, being invited to attend. The participants engaged in intensive discussions in a closed meeting, and were also provided with an opportunity to experience Japanese history and culture in the ideally suited venue of Kanazawa City, for the purpose of reinforcing the Japan-US alliance as a public good contributing to the maintenance of global peace and stability. In addition, the conference was also attended by mid-career and senior researchers and practitioners able to serve as mentors (advisors) for their younger counterparts, and they participated as discussants, moderators and keynote speakers.

One of the secondary aims of the Japan-US Kanazawa Conference was to have participants engage in frequent discussion while staying in shared accommodation, thereby fostering a shared recognition of common issues and building a policy research network for the entire Asia-Pacific region based around the Japan-US alliance.

With "China" as the main theme, ambitious questions and points of discussion were set on the following three subthemes. Young researchers gave presentations on these subthemes, followed by intensive discussions among all of the participants.

- (1) Strategic Environment Surrounding Japan and the US to 2030
  - 1 (a) China's Future Outlook (The Xi Jinping Administration and Beyond)
  - 1 (b) Domestic Conditions and Foreign Policies in Japan and the US and Future Outlooks
  - 1 (c) Strategic Environment in the Asia-Pacific Region
- (2) The Japan-US Alliance vis-à-vis China to 2030 (Traditional Security)
- (3) Japan-US Cooperation vis-à-vis China to 2030 (Economic Security, Non-traditional Security)

This booklet presents an outline of the abovementioned conference and has been compiled under the Chatham House rule, whereby the identity of the speakers is in principle not revealed. All of the views and opinions expressed are those of the individual participants and do not represent the opinions of their affiliated institutions. Nevertheless, I believe that readers will be able to enjoy the free and vigorous debate conducted primarily by young scholars.

I would like to take this opportunity to express my sincere appreciation to the Ishikawa Prefectural Office and all of the other parties concerned for their generous support on the occasion of holding this conference in Kanazawa City, Ishikawa Prefecture.

Finally, it would give me great pleasure if this project, including this booklet, were to contribute to strengthening the Japan-US alliance and Japanese diplomacy as whole.

March 2016

NOGAMI Yoshiji President The Japan Institute of International Affairs

# **Contents**

Preface	1
Contents	2
Program	3
LIST OF PARTICIPANTS	7
Japan-US Kanazawa Conference (Summary)	9
Opening Remarks	9
Session 1 Assessment of the Strategic Environment in the Asia-Pacific Region to 2030	9
Session 1 (a) China's Future Outlook	9
Session 1 (b) Domestic Conditions and Foreign Policies in Japan and the US and Future Out	tlooks 14
Session 1 (c) Strategic Environment in the Asia-Pacific Region	19
Session 2 The Japan-US Alliance vis-à-vis China to 2030 (Traditional Security)	23
Dinner Keynote Speakers	27
Session 3 Japan-US cooperation vis-à-vis China to 2030	
(Economic Security, Non-traditional Security)	30
Session 4 Wrap-up	34
Closing Remarks	37

# **Program**

# The 3rd Japan-US Kanazawa Conference, Final Agenda

December 11-14, 2015 (Meetings on December 12-13)

The Japan Institute of International Affairs (JIIA)

Venue: Garden Room, 2F, Shiinoki Cultural Complex,

Kanazawa City, Ishikawa Prefecture, Japan

### 0. Friday, December 11th, 2015

14:00-16:00 Excursion to the city of Kanazawa (optional)

18:00- Welcome Dinner

Hosted by Ishikawa Prefecture

### I. Saturday, December 12th, 2015

Venue: Garden Room, 2F, Shiinoki Cultural Complex

9:00 **Opening Remarks** 

Amb. Yoshiji NOGAMI

President, The Japan Institute of International Affairs (JIIA)

### Session 1

# <u>Assessment of the Strategic Environment in the Asia-Pacific Region to 2030</u> (overview)

Session 1 will discuss the outlook for the strategic environment in the Asia-Pacific region out to 2030 given the policy directions of the Xi Jinping administration. To get discussions underway, the session will be divided into three sessions: (a) China's behavior, the greatest variable in this strategic environment, and socioeconomic conditions in China as well as (b) foreign/security policies and principles in Japan and the US pertinent to dealing with China, and (c) circumstances in other countries in the Asia-Pacific region.

# 9:10-10:40 Session 1 (a)

### China's Future Outlook (The Xi Jinping Administration and Beyond)

- Looking out to 2030, participants will discuss China's economic, social and domestic political outlooks and how these will be reflected in the country's behavior toward the rest of the world, as well as the postures it might assume vis-à-vis the international community in each of these three scenarios: (i) China becomes revisionist, (ii) China fails to take off, and social chaos ensues, and (iii) China becomes a responsible stakeholder.
- This sub-session will begin with presentations of about 10-15 minutes each by panelists, followed by comments of about 5-10 minutes from a discussant and then full discussions.

### 10:40-11:00 *Coffee Break*

<sup>\*</sup> Chatham House Rule

### 11:00-12:30 **Session 1 (b)**

# <u>Domestic Conditions and Foreign Policies in Japan and the US and Future</u> <u>Outlooks</u>

- Looking out to 2030, participants will analyze socioeconomic conditions in Japan and the US and discuss political circumstances and foreign/security policies, taking into consideration the discussions in Session 1 (a), the 70 years of post-World War II history and national elections. What domestic political and fiscal circumstances are pertinent in Japan and the US as they seek to deal with China? In what ways will these circumstances influence each country's behavior toward the rest of the world and impact the strategic environment in the Asia-Pacific region (e.g., commitments to outside parties and promotion/restriction of mutual collaboration)?
- This sub-session will begin with presentations of about 10 to 15 minutes each by panelists. These
  will be followed by comments of about 5 to 10 minutes each from discussants and then by
  discussions involving other participants.

### 12:45-14:00 Lunch

### 14:30-16:00 Session 1 (c)

# Strategic Environment in the Asia-Pacific Region

### [Session overview]

- Looking out to 2030, participants will examine the rise of emerging countries in the Asia-Pacific region and the conditions both in US allies other than Japan and in China's partners, and then analyze and discuss the strategic environment in the Asia-Pacific region, including the current status of multilateral economic and security frameworks and policies. The above two discussions will in combination enable participants to assess the strategic environment in the Asia-Pacific out to 2030. This assessment will then serve as a reference in discussions on the roles (actions) of the Japan-US and its partners in Sessions 2 and 3.
- This sub-session will begin with presentations of about 15 minutes each by panelists. These will be followed by comments from a discussant (about 5 to 10 minutes) and then by discussions involving other participants.

### 16:00-16:30 *Coffee Break*

### 16:30-18:00 Session 2

# The Japan-US Alliance vis-à-vis China to 2030 (Traditional Security)

### [Session overview]

- With Session 1 in mind, participants will look out to 2030 in discussing how Japan and the US should deal with crisis management mechanisms, confidence building measures, maritime legislation, and disaster relief, including cyberspace, outer space and other new security domains centered on the Asia-Pacific region and, if necessary, what improvements should be made to legislation in Japan and the US and to their alliance.
- This session will begin with presentations of about 15 minutes each by panelists, followed by 5-10 minutes of comments from a discussant and then full discussions.

# 19:30-21:30 Dinner

Keynote speakers:

**Prof. Harry HARDING,** University Professor, University of Virginia **Dr. Seiichiro TAKAGI,** Senior Adjunct Fellow,

The Japan Institute of International Affairs (JIIA)

### II. Sunday, December 13th, 2015

# 10:00-11:45 Session 3

Japan-US cooperation vis-à-vis China to 2030 (Economic Security, Non-traditional Security)

[Session overview]

- With Session 1 in mind, participants will discuss how Japan and the US should address economic
  security in TPP/RCEP, ADB/AIIB, OBOR and other commercial, financial and logistics
  frameworks as well as norm setting in the Asia-Pacific region and elsewhere, human security via
  ODA/USAID, and other non-traditional security concerns and, if necessary, how these
  frameworks and organizations should be improved.
- This session will begin with presentations of about 15 minutes each by panelists, followed by 5-10 minutes of comments each from discussants and then full discussions.

### 11:45-12:00 Short Break

### 12:00-13:45 Session 4

### Working Lunch / Wrap-up

[Session overview]

- This session will feature a wrap-up of the discussions from Sessions 1-3 by two young participants (from Japan and the US) (about 5 minutes each) that will cover points on which participants' views converged or differed. Participants are encouraged to discuss matters to be incorporated into policy recommendations.
- A 55-minute break period prior to Session 4 will allow young participants to divide up into two groups (Japan and US) to engage in preparatory discussions.

### **Closing Remarks**

Amb. Yoshiji NOGAMI, President, JIIA

# 15:00-17:00

# JIIA-Ishikawa Open Forum @ Ootori Room (3F), ANA Crown Plaza Hotel KANAZAWA

Keynote Speaker:

**Prof. Akio TAKAHARA**, Professor, The University of Tokyo;

Adjunct Fellow, The Japan Institute of International Affairs (JIIA)

Panel Moderator:

**Dr. Seiichiro TAKAGI**, Senior Adjunct Fellow, The Japan Institute of International Affairs (JIIA)

Panelists from each session:

**Ms. Bonnie S. GLASER**, Senior Adviser for Asia/Director, Project on Chinese Power, Center for Strategic and International Studies (CSIS)

**Ms. Marta MCLERAN ROSS**, Visiting Fellow, The Japan Institute of International Affairs (JIIA)

**Mr. John HEMMINGS**, Adjunct Fellow, Center for Strategic and International Studies (CSIS)

**Dr. Matthew FUNAIOLE**, Fellow, China Power Project, Center for Strategic and International Studies (CSIS)

**Dr. Tomoo KIKUCHI**, Senior Research Fellow, Centre on Asia and Globalization, Lee Kuan Yew School of Public Policy, National University of Singapore

### III. Monday, December 14th, 2015

### 10:00-11:00

Visit to the Ministry of Foreign Affairs (MOFA) and Discussion @ Tokyo

# 11:30-12:45 Farewell Lunch

# LIST OF PARTICIPANTS

### CAMPBELL, Caitlin (USA)

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Fellow, China Power Project, Center for Strategic and International Studies (CSIS)

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Associate Professor of Modern Japanese History, Boston College

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### YAMAGUCHI, Shinji (JPN)

Senior Fellow, The National Institute for Defense Studies (NIDS)

### YANAGIDA, Kensuke (JPN)

Research Fellow, The Japan Institute of International Affairs (JIIA)

(Alphabetical Order Based on Last Names)

# **Japan-US Kanazawa Conference (Summary)**

Kanazawa City, Japan December 11-14, 2015

# **Opening Remarks**

### Ambassador Yoshiji NOGAMI

The aim of the third Japan-US Kanazawa Conference is to provide a venue for younger scholars to exchange views, under the mentorship of more experienced scholars. It is hoped that this conference will lead to a deepening of mutual understanding between Japanese and US intellectuals on a wide range of issues.

# Session 1 Assessment of the Strategic Environment in the Asia-Pacific Region to 2030

# Session 1 (a) China's Future Outlook

#### Moderator 1

In this session, we will discuss the future of China, looking towards 2030.

### Speaker 1: The Xi Jinping Administration and Beyond

President Xi's vision for China is the "China Dream," involving China's reclamation of relative power in the Asia-Pacific and the development of sufficient power to escape the perceived threat of encirclement by the United States and its partners.

China's leaders believe that regional primacy or shared primacy with the United States is needed. However, China is potentially limited by economic, environmental, diplomatic, and domestic political factors.

China's pursuit of its goals will likely increase tension in the region, most likely in the security and foreign policy realms, such as territorial disputes, growing military competition, increased nationalism, competition for regional influence, and tension within the US-Japan Alliance itself.

The United States and Japan must convince China that the China Dream is possible under existing norms, institutions and partnerships, and discourage it from destabilizing behaviors. Bilateral human and military exchange, diplomatic efforts to counter growing nationalism in Northeast Asia, and the fostering of stronger regional alliances are recommended.

### Speaker 2: The Xi Jinping Administration and Beyond

China's current strategy currently comprises three parts. First is the preservation of the Chinese Communist Party's (CCP) power. Xi Jinping perceives greater potential threat to the regime than is the reality and China believes that the United States seeks to use China's internal instability to undermine it.

Second is the lowering of US influence in East Asia. China is more confident in its relative regional power and expects the United States to recognize this fact. China's growing conventional military power also enables more coercive behavior in the region. This has drawn criticism from neighbors but China perceives this criticism as part of moves to encircle China.

Third is enhancing sovereignty claims without provoking direct military confrontation, and shaping a more favorable international order for the CCP. China is seeking to reshape this through its "Periphery Diplomacy."

China's path ahead will be determined by how far the power balance shifts and its ability to maintain internal stability.

Speaker 3: Short-term Stability and Long-term Volatility of the Political Regime in China Xi Jinping's consolidation of power, his standing among the central leadership, and the strong public support for the CCP suggests stability in the short term. However, people's trust in local officials has decreased, leading to destabilization at the local level.

As for the long term, if the proposed economic reforms fail, it will undermine Xi's authority among the central leadership. Furthermore, instability at the local level could spread to the central level.

Past administrations failed to address local issues and control local cadres who exclusively pursued quantitative development of regional economies. This resulted in overproduction, inflation, excessive local government debt, environmental pollution, and corruption, among other problems.

In response, Xi has sought to reform the personnel evaluation system, placing greater importance on social welfare and people's livelihoods. Xi is also seeking to establish the rule of law at the local level, which will be key to long-term stability.

### **Discussant 1**

China does not consider it realistic to replace the United States in the Asia-Pacific or achieve primacy. China is seeking to create a more favorable security environment, dilute US influence in the region, and achieve deference to China by its neighbors. Domestically, the outlook is unclear. Despite serious concerns about instability, Xi Jinping is also a very strong leader.

China is not really a fundamentally revisionist power. It wishes to change certain aspects of the international order, but mostly on the margins. China has actually greatly benefited from the postwar order.

From China's perspective, it has not paid a high price for its assertive foreign policy. Furthermore, Xi Jinping is willing to accept a very high level of tension. Therefore multilateral

efforts are needed to create a more effective cost imposition strategy that encourages China to become a responsible international stakeholder.

### Speaker 1

China's revisionism is on the margins and consists of shaping institutions to favor Chinese objectives. Nevertheless, China eventually wants those institutions to no longer constrict China's policy-making.

### Speaker 2

China emphasizes the postwar order and prioritizes the Five Principles of Peaceful Co-Existence. While China's behavior is revisionist, it offers no alternative vision to the current international order.

China does not consider its assertive diplomacy to have backfired. Activating a practical relationship with Taiwan is worth considering as a cost imposition strategy.

### Speaker 3

While not intent on fundamentally changing the international order, if China's power were to exceed the United States, this may encourage revisionist behavior in the long term.

### Participant 1

Why has China decided to resume summit diplomacy with Japan, and negotiations regarding a bilateral air and maritime communication mechanism?

# Participant 2

To what extent will China's success in shaping the international order feed its further ambitions?

### Participant 3

For China, the Asian Infrastructure Investment Bank (AIIB) is both a policy tool and a mechanism that constrains China.

There is a possibility that China may become a democracy in the near- to mid-term. How would this affect domestic politics?

If China genuinely believes that time is on its side, why should it be so assertive now, rather than waiting till it has sufficient power to revise the status quo?

# Participant 4

Neither China's vision for the international order, nor its objectives are clear. The establishment of AIIB in itself is not an objective, but rather a tool for shaping the international order.

Rather than AIIB, China's recent developments in the South China Sea (SCS) or its blatant disregard for international law are more representative of its revisionist behavior.

China has encountered tough resistance from Japan in the East China Sea (ECS) and knows it cannot advance its territorial claims as vocally as in the SCS. Perhaps by improving Japan-China relations, China hopes to advance territorial claims in the ECS more quietly.

### Speaker 2

Japan's resistance and the clear US commitment to defend the Senkaku Islands make advancement of Chinese interests in the ECS more difficult than the SCS, where countries are weaker.

China's wants to act now to seize strategic opportunities that it perceives to be fleeting.

Even without a clear vision, China's actions are revisionist attempts to change the rules of the international order.

### Speaker 3

China may be successful in its democratization because of its top-down system for controlling personnel.

### **Discussant 1**

China's motivation for improving bilateral relations include the decline in Japanese investment and overestimation of what it could achieve regarding the Senkaku Islands. This suggests that clear and tough responses are needed to influence Chinese behavior.

China's assertiveness may have arisen from its assessment of the global financial crisis, the then perceived decline of the United States, China's emerging capability, and US preoccupation with other international issues.

### Participant 5

China may perceive the cost of its actions in the SCS differently to the international community because China's short-term gains are concrete and visible, whereas the costs will only be realized in the long term.

### Participant 6

China is a "pick-and-choose" revisionist, upholding or challenging the existing order where convenient. It is totally revisionist over wartime memory and territorial disputes.

### Participant 7

What are the long-term consequences of the dissatisfaction with the local government and satisfaction with the central government?

### **Participant 8**

Is China's objective dominance or deference? Are China's actions initiative or reactive? Is China secure or vulnerable?

### Participant 9

How should countries respond when China resists their attempts to engage it?

### Participant 10

Does China think that its demands are legitimate?

Xi Jinping has recently given various domestic speeches about the need to correct global governance. What are the consequences of him linking the domestic and international situations in this way?

### Participant 11

Is the lack of cost to China's aggression in the SCS related to the limited nature of the US pivot to Asia?

### Participant 12

China likely feels that a country of its economic standing deserves greater accommodation.

### Speaker 1

China's narrative is that its actions are reactive, but this holds less salience as time passes. China's successes may also have motivated it to continue to take similar actions.

Are China's interests taking it farther away from the internationally accepted norms and institutions? How should we address this?

Low-level, non-public, or multilateral exchanges may be effective means of beginning to engage China.

### Speaker 2

China sees alliances as temporary and fragile, and considers it more beneficial to take control of disputed islands.

China's core interest is the sovereignty issue but it interprets sovereignty differently from other countries.

China tends to exaggerate the US threat to China's security.

# Speaker 3

Public distrust at the lower levels has not spread to the central leadership because of China's decentralized power structure. However, if rule of law cannot be established at the local level, the disappointment will be directed at the central leadership.

### Discussant 1

China is reacting to different stimuli, while also taking initiative from its increased ability to shape its environment.

China has fundamentally reassessed the relevance of the US-Japan Alliance and the implications for its security, from positive to negative.

# Session 1 (b) Domestic Conditions and Foreign Policies in Japan and the US and Future Outlooks

### **Moderator 2**

Japan's political situation is highly stable, while the economy remains weak, whereas the opposite is true for the United States. How will this juxtaposition affect foreign policy?

### Speaker 4

The Abe administration has fundamentally changed Japan's national security policy. The expanded US-Japan peacetime cooperation, US-Japan cooperation in gray-zone situations, and the exercise of Japan's right to collective self-defense in support of closely related countries are particularly relevant in relation to China.

Japanese consensus is that Japan faces a severe security environment and there is a basic challenge to its territorial sovereignty. Japan's reforms also represent its emergence from its postwar legacy and a demonstration of its ability to exercise military force responsibly.

The opposition is fundamentally distrustful of the government and the country is divided over the form of Japan's new defense posture. The government and the Self-Defense Forces (SDF) must explain the benefits to Japan and establish accountability, so as to distinguish Japan from authoritarian regimes such as China. Expanded SDF capabilities will give the government the political will for a more assertive diplomatic policy.

The potential of a coordinated US-Japan response under the reshaped alliance deters China from territorial incursion. However, there are still vulnerabilities in Okinawa and elsewhere.

### Speaker 5: Japan's Choice Facing the Rise of China

Faced with China's economic and military rise, Japan must consider whether it is in a position to accommodate China. Strategically, China's nuclear arsenal may embolden its military adventurism in the Asia-Pacific region, while provoking an Asian rebalancing by the United States that risks raising the fear among allies of abandonment.

Diplomatically, since World War II the United States has enjoyed greater diplomatic trust than China in the region, especially given China's assertive behavior. There is also a strong level of bilateral trust and maturity in US relations with allies.

Economically, Japan falsely perceives that China is able to leverage its economic superiority against Japan. Japan's exports are not heavily dependent on China, and the two economies are actually interdependent.

Based on this, Japan is not in a position to accommodate China, barring drastic change. It will instead maintain a position of keeping an adequate distance with China.

### Discussant 2

The United States is not only a stabilizing factor, but also potentially a destabilizing factor in the region.

There have been incremental historical shifts in the international order over time. Japan's recent discussions towards reassessing its national security policy are a result of these shifts. It is not a drastic revision.

We must address the historical legacies of the postwar period, particularly territoriality, alliance, and constitutional revision. The United States has helped create many of these legacies.

Despite good intentions, the underlying language of "getting China to play by the rules" is divisive and drives much of the unsatisfactory policy responses. It explains why many issues remain unresolved today.

#### Discussant 3

While China has less economic leverage over Japan than is perceived internationally, some leverage nevertheless exists and must be considered.

If Japan is not forced to accommodate China, how will Japan resist China's attempts at coercion?

Rather than being a source of instability, China's nuclear modernization will serve to preserve stability.

A major thrust of US defense policy and technological development doctrine is to maintain escalation dominance at the lower levels.

The accumulation of bilateral and unilateral defense policy changes in Japan is incremental rather than fundamental. There are still significant constraints on reforms to defense policy.

Japan can certainly strengthen its accountability and legislative oversight to give the public confidence. The role of the press is also significant in this regard.

Japan would only exercise the right of collective self-defense in relation to Taiwan in the case of heavy US involvement in some kind of major Taiwan conflict.

Will the gradually growing US appreciation for a strategy of restraint result in the accumulation of incremental advantages by adversaries?

As gray zone cases continue, it is important to develop the capability to influence international public opinion.

The chance of Japan defecting from the alliance is minimal.

How will the Trans-Pacific Partnership (TPP) enhance US-Japan economic relations and the potential for a regional strategic coalition?

### **Moderator 2**

Japan's exports to China amount to 3% of GDP, which is huge. However, there is strong desire by China to reengage Japanese business, particularly investment by green and service industries.

The Japanese opposition parties wasted the opportunity to establish legislative oversight by focusing excessively on constitutional ideals.

### Participant 8

There is debate in the United States regarding whether to accommodate China, and the extent of accommodation. Is there similar discussion in Japan?

### Participant 1

Another driving force behind Japan's changing security policy is its relative decline.

How are the changes under the Abe administration perceived by the United States?

### Participant 6

While Japanese views of the Pacific War are divergent, US views seem uniform. Is this still the case?

### Participant 13

Some members of the former Japan Innovation Party and of the DPJ may consider merging to form a new coalition party.

What role can the United States play in regional challenges?

### Speaker 5

Japan has long fluctuated over being pro-China or not. However, positivity towards China has been deteriorating since 2005, due to territorial and historical issues, and also the threat of China's rise.

### Speaker 4

The future for the Japanese opposition is bleak, which is not healthy for Japanese democracy.

Economic revitalization will be essential for successful security policy.

Ideally Japan's territorial issues would not require US involvement. However, the United States has shown signs of willingness to be involved.

The role expected of Japan from the US-Japan Alliance could grow over time. How would Japan respond to that?

### Discussant 3

The United States and China have played a major role in establishing the legacy of the war and postwar in the region. Japan must stop tying its national self-worth to these views and trying to minimize its wartime culpability in response.

### Participant 10

Japan's new national security policy requires a system that ensures it acts in the interest of national security and regional stability.

The US bases in Okinawa might become vulnerable.

TPP could be a useful geostrategic tool in the region. The Republic of Korea's (ROK) participation would also help hold Japan-China-ROK FTA talks to a high standard.

#### Moderator 2

The SDF bases in Japan are similarly vulnerable.

### Participant 14

Even if Japanese security is tied to international law and protocols, China will always use the issue of history as a threat.

### Participant 9

The Japanese media has a tendency to attack opposition parties unless they try to block legislation, which is very unhealthy.

For the opposition, arguing against the new security legislation was an important step towards accommodating China.

# Participant 15

Planning and training will also be important to ensure the success of Japan's new security legislation. Japan and the United States should explore the outer limits of what is capable.

Would the United States ever consider using economic instruments in response to certain actions in the security realm?

### Participant 11

It was surprising that defense acquisition was not part of domestic controversy surrounding Japan's new security legislation.

### Participant 16

To what extent would the United States accommodate China and what kind of China would it engage?

# Participant 3

Japan's policy objective in relation to historical issues seems to be to win some kind of intellectual historical debate. What is the national security benefit of this? It seems, if anything, detrimental.

There may be insufficient public support for sustained US involvement in any kind of escalation of Japan's territorial issues.

### Participant 17

Will there be competition between existing financial institutions and AIIB? If so, how can Japan leverage its presence and influence in the region in relation to this?

Economic interdependence is growing among countries in the region, including China.

### Participant 18

Are there rising expectations among Taiwanese people towards Japan's commitment to Taiwan's security?

### **Discussant 3**

The United States is carefully thinking about the potential vulnerability of US bases in Okinawa to Chinese missiles.

Taking economic measures against Chinese security actions risk running afoul of World Trade Organization (WTO) regulations.

There has been surprisingly little controversy around acquisition, perhaps because it is not seen as fundamentally changing the function of the SDF.

For sustained US involvement in an escalation of the Senkaku Islands situation, the president would have to convincingly articulate to the public the importance to US security.

#### Discussant 2

It is in China's inherent interest to maintain the existence of historical issues so the only solution is for Japan to let go of them.

### Speaker 5

Japan-China economic ties are not significant enough to force Japan to submit itself to Chinese will. China has also learned that the linking of economic and security matters must be tackled with great care.

Despite US-China relations heading towards strategic stability, the current situation is more unstable than stable.

### Speaker 4

From Okinawa's perspective, the US presence there makes it a target. Politicians in Tokyo are not adequately considering the domestic security constraints of this anti-military sentiment in Okinawa.

Tying Japan's new international security posture to a domestic system of accountability distances Japan from its wartime legacy.

While the media is quick to criticize the opposition, it also needs to be given the space to constructively criticize the government's policies.

The government should stop the narrative that the new security legislation is an insignificant change. It merely fosters distrust among the public.

If there is a clear and unexpected attack on the Senkaku Islands, there are many US dependents

in Okinawa who would be in the immediate US security interest.

Those who are active proponents of Taiwanese independence would likely expect greater action from Japan.

# Session 1 (c) Strategic Environment in the Asia-Pacific Region

### **Moderator 3:**

This session will examine the broader strategic environment in the region as a whole.

### **Speaker 6: Southeast Asian Views**

ASEAN was created in part to prevent any great power intrusion in the region following the Cold War. ASEAN then established various ASEAN-led institutions, with participation by the greater powers in the Asia-Pacific region. These institutions served to keep the greater powers in check, while also achieving greater multilateral security cooperation than the greater powers. ASEAN has sought to institutionalize this further through the ASEAN Way and ASEAN Centrality.

ASEAN institutions are merely one diplomatic tool for Southeast Asian countries and each country exercises its own independent diplomacy. Nevertheless, these institutions afford each country a larger voice internationally.

Towards 2030 ASEAN aims to steadfastly maintain ASEAN centrality in regional mechanisms, and strengthen unity and cohesiveness, which will depend on individual countries' diplomatic policy, and the strategic environment in the Asia-Pacific to succeed. The outlook for ASEAN will depend mainly on the politics between the United States and China, the level of ASEAN unity, and regional autonomy.

# Speaker 7: Trilaterals in Asia Pacific: US-Japan Role in Networking New Security Architectures

There has been a recent proliferation of trilateral security cooperation in the Asia-Pacific region. Trilaterals can contain alliances, which involve a formal or informal obligation to defend an ally, but are not themselves alliances. A variety of other security alignments exist as well, including quasi-alliances, strategic partnerships, coalitions, security communities, and minilaterals.

Trilateral systems have fluctuated between two logics, namely neorealist logic, driven primarily by geopolitical concerns related to sea lane security, and neoliberal logic, driven largely by the concept of community building. The continued ambiguity of trilaterals is an effort to hedge against the ambiguous outlook for China's future.

Incidents involving China's use of force indicate that there will be more balancing efforts ahead. Domestic US debate often concludes that "China cannot be contained." If so, possible strategies include defensive "salami-slicing" or limited appearament.

### Discussant 4

ASEAN needs participation by the greater powers to promote its own further integration, but they may use ASEAN fora to promote their own agendas. An example is the recent failure to issue a joint ADMM-Plus.

The United States, Japan, and Australia have called the East Asia Summit (EAS) a "premier forum." What can we expect from it?

US-Japan-Australia trilateral cooperation is about to enter it second phase of evolution and the concept of trilaterals is developing.

The rise of China affects the US "hub-and-spoke" system in two dimensions, by incentivizing closer cooperation, while constraining the possible forms of cooperation.

Many defense officials fail to recognize the viability and relevance of trilaterals.

### Speaker 1

As the only Asian US ally unconcerned with the security implications of China's rise, what role can Thailand be expected to play in ASEAN's response to it?

### Speaker 4

Most ASEAN countries try not to become too close to the greater powers for fear of entanglement and abandonment. Is this strategy changing? If so what are the implications for ASEAN?

What is the strategic advantage for Japan of involvement in SCS issues?

### Participant 6

Many Southeast Asian countries privately consider Japan to be the most reliable country in the broader region.

If Korean reunification occurs, will Japan and the United States be able to keep the ROK on their side? How will the US-Japan-ROK trilateral contribute to that?

### **Moderator 2**

As ASEAN forms the ASEAN Economic Community, how will it reconcile the strength of the community with individual countries' stance of maintaining Westphalian sovereignty, given the serious domestic problems the major ASEAN countries are set to face?

### Participant 18

While comprehensive containment of China is not possible, it should be viable to contain China in some areas and engage it in others.

The ADMM-Plus is aimed at advancing action-based cooperation among ASEAN member states and beyond, and the issuance of a joint statement is not institutionalized. Therefore the ASEAN members do not see the lack of a statement as a failure.

The EAS is expected to place greater priority on maritime issues and may also serve as the top institution for coordinating the other ASEAN-led fora.

Thailand is more preoccupied with domestic issues than international cooperation. However, it is growing closer to China, and its relationship with the United States is slightly shaky.

ASEAN can only take action with consensus, so there is little change in its diplomatic policy. However, individual member countries' policies are changing. Japan has also used its new security posture to strengthen ties with individual countries.

The close relations of individual Southeast Asian countries with Japan do not reflect the official stance of ASEAN as a whole.

A future challenge is how the original ASEAN members can ensure the good governance of the newer members who strongly prefer the maintenance of Westphalian sovereignty.

### Speaker 7

This is a critical juncture for US-Japan-Australia non-traditional security. There needs to be a normative narrative. There is room to become more realist, but only if done in step with the regional mood.

The ROK is balancing its desire for unification, for which it considers China to be key, with relations with the United States and Japan. The historical issues are a perennial problem for the US-Japan-ROK trilateral.

### Participant 9

What is ASEAN's view of China's One Belt One Road (OBOR) strategy?

In his first administration, Prime Minister Abe sought to promote the US-Japan-Australia-India quadrilateral, which ultimately fell apart. What is the possibility of its re-emergence?

### Discussant 3

What can be gained from the trilateral with the ROK?

### Speaker 4

Do SCS issues affect Japan enough for involvement to benefit its national security?

### **Moderator 4**

What kind of regional architecture are we aiming to build by 2030?

ASEAN can accept OBOR if it does not encroach on ASEAN centrality in Southeast Asia or other issues, but the outlook is uncertain. The current focus is more to the west than on Southeast Asia, and it is primarily economic, which Southeast Asia would not oppose.

### Speaker 7

The quadrilateral broke up because each country had its own China debate. It also risked provoking a security dilemma for China.

Japan sees its involvement in trilaterals and in the SCS as forming a unified group of states that constrain China and deter it from adventurism.

Economic multilaterals are aimed at shared economic gain and mutual interests, while the end goal for security multilaterals depends on domestic and regional conditions.

### Discussant 4

In the long term, Korean reunification is a real possibility so strong Japan-ROK ties would be favorable. In the short term, Japan will work with the ROK to address North Korean issues. In the mid-term, it would be ideal to encourage the ROK, through the US-Japan-ROK trilateral, to consider matters beyond the Korean Peninsula.

The outlook for 2030 is hard to predict. It will depend on what kind of regional actor China will be.

# Session 2 The Japan-US Alliance vis-à-vis China to 2030 (Traditional Security)

### **Moderator 5**

The consensus short-term challenge for the US-Japan Alliance is to harmonize US rebalancing and Japan's proactive contribution to peace. However, the longer-term vision is completely open.

### Speaker 8: Reinforcing Regional Stability through Alliance Flexibility

The US-Japan Alliance serves as a security agreement providing traditional security and, therefore, regional stability, and aims to enhance regional institutionalism. However, the general public in both countries is not fully aware of the latter.

China's rise will present both foreseeable and unforeseeable challenges. The alliance needs to be proactive enough to prepare for the former, and robust enough to withstand the latter.

China is likely to follow a middle path between revisionism and the status quo. Its tight economic integration with Japan and the United States, and comparatively weak military mean it is unlikely to shift towards outright aggression. However, China does not have to defeat the United States to disrupt the alliance. Furthermore, in any scenario, China is likely to emphasize building up its defensive capabilities and unlikely to relinquish its territorial claims.

The alliance can be strengthened through enhanced cultural and political understanding. It must also become more of a regional institution, through trilateral relations, further integration with existing institutions, new partnerships, upholding international standards, and serving as a pillar of regional peace.

### Speaker 9: Long-Term Competence around Asia-Pacific Theater

China's end-state is impossible to predict. However, China will likely seek to maximize its power in various fields as a traditional state actor.

2015 saw the deepening of the US-Japan Alliance through the revision of the defense cooperation guidelines and Japan's new security legislation. However, the previous strategy to engage and hedge China has failed, and more emphasis is now placed on conflict deterrence and coercion. China's A2/AD strategy in the East China Sea, its power projection in the SCS, and overcoming the Malacca Dilemma are key concerns.

There are three strategies for addressing the challenges China poses. These are self-help, involving direct US and Japanese efforts against China's A2/AD strategy; cost-imposition, involving applying political pressure on China; and friends and allies, involving cooperation and capacity building with regional partners. Nevertheless, problems remain, such as controlling the "escalation ladder" and managing the stability-instability paradox.

### Discussant 5

What can change China's perception that the shifting power balance is in its favor, which is a fundamental source of instability?

The United States and Japan can play a greater role in coordinating the capacity building programs conducted with third countries. However, how effective are these programs in influencing China?

The United States and Japan share a common desire to proliferate high-standard regimes. This is an area of great opportunity to build nations of advanced market-based liberal democracies.

What would be the implications of the potential militarization of China's man-made islands in the SCS?

How can Japan contribute to the Third Offset Strategy?

How would China actually interpret and react to the proposed cost-imposition actions?

To achieve the shared Japanese and US strategic objective of deescalating potential maritime crises, immediate deterrence on the sea and the ability to compel China to disengage through various means are needed.

It is unrealistic to expect regular patrols by the Japan Maritime SDF (JMSDF) in the SCS, but one viable option may be individual multinational freedom of navigation programs.

### Discussant 6

There are various unresolved tensions in the context of the US-Japan Alliance. First, gray and red zones are both distinct and interconnected. The right posture is needed in both.

Second, given resource restraints, Japan cannot adequately focus both on being a global partner and homeland defense. Therefore, homeland defense and regional activities should be prioritized.

Third is the tradeoff between bilateral and multilateral cooperation. The multilateralization of the alliance and involvement by Japan with other partners would be beneficial.

# **Moderator 5**

How can Chinese gray zone challenges be deterred?

### Speaker 8

China's source of power is its ability to leverage its economic strength. Japan and the United States should convince China to work together on issues of international protocols and trade rules, but if China is not interested, it will be left on the outside with no say in the rules that are developed.

The alliance should focus on high-standard norms and seek multilateral solutions, which include clearly defined punitive actions for repeated violations.



The SCS has strategic significance for protecting the US homeland.

The militarization of China's manmade islands in the SCS is unlikely. They would be vulnerable and face logistics issues.

The US Flexible Deterrent Options strategy includes economic, informational, and military ideas for de-escalation, but no specific plans.

The JMSDF is already too overstretched for permanent contributions in the SCS, but ad-hoc activities may be possible.

As China enhances its A2/AD capabilities, Japan too will have to deal with its own counter-A2/AD capabilities.

Deterrence is defined as having power and projecting one's intention to adversaries. There is always the tradeoff between risk of escalation and retrieving deterrence.

### Speaker 1

Embarking JMSDF personnel on US vessels for freedom of navigation operations may be useful.

What role can the alliance play in developing norms and rules in the cyber domain?

#### Discussant 5

Not only denial but retaliation is needed for coping with A2/AD. Conventional red zone dominance is very important to create risk for the Chinese side.

### Speaker 4

The alliance coordination mechanism (ACM) in the new security cooperation guidelines was touted as a great success. What are our expectations for the ACM now and in the future?

### Discussant 2

The issue of the unequal US-Japan Alliance still seems to be a divisive issue in the eyes of the Japanese public, regardless of China's rise.

### **Moderator 4**

Maintaining the command of the commons decreases the cost of conflict intervention, which is important, but which conflicts would we want to defend?

If Japan and the United States do establish rules and norms, then it has to intervene in cases of violation, or else risk losing credibility.

### Speaker 6

Could China's presence in the SCS have strategic implications in the future?

### Participant 6

US membership in the United Nations Convention on the Law of the Sea (UNCLOS) would be symbolic for ECS and SCS issues. What is hindering this?

Additionally, why does the United States not support Japanese sovereignty over the Senkaku Islands?

### **Moderator 2**

UNCLOS is still not well understood, even by diplomats.

Japan's new security legislation has more clearly defined what the SDF can and cannot do.

The recent amendments relating to peacekeeping and those to Japan's defense should be considered separately.

The US side often speaks of different levels of contingency rather than gray zones. Does this not give rise to perception gaps?

### Discussant 4

Capacity building can be boosted through a package of equipment, financing, and training.

Japan, the United States, and allies must share a clear definition of gray-zone/red-zone tension and gray zones themselves.

### Participant 3

One could argue that territorial issues involving China were trivial issues that were allowed to fester and have now taken on greater symbolic significance. Should the United States prioritize resolving these issues over trying to direct China at a broader level?

### Speaker 8

One difficulty of setting rules for the cyber domain is that the United States would have to abide them as well.

The United States should better communicate to the public the role the alliance can serve as a means for facilitating a rules-based system.

The United States is trying to hedge and not take a strong stance on territorial issues before the rules are established.

# Speaker 9

Japan perceives the gray zone as something lower than a limited conflict. It is not clear if the United States shares the same perception.

In future, synergy across different Japanese and US services will be significant.

The strategic goal of Japan and the United States should be securing command and mutual denial.

It would be preferable to have the JMSDF stationed longer in the ECS or the SCS, rather than deploying them to the Gulf of Aden.

### **Dinner Keynote Speakers**

### **Keynote Speaker 1: Prof. Harry HARDING**

In 1990, the year after the Tiananmen Crisis, a meeting of Japanese and American China specialists was organized by the Japan Institute of International Affairs (JIIA) to better understand why the US position towards China was very tough, whereas Japan wished to maintain dialogue and continue economic relations. The meeting found that there were basically no analytic differences between the two communities. It was rather that the two societies' emotional reactions to those realities differed, as did the national interests defined by the two governments.

Today the policy differences between Japan and the United States are much narrower. However, the world is much more complex. The rise of China has been faster than expected. Japan and the United States are also more economically integrated with China. Additionally, the rise of other regional state actors has made China's rise a multilateral issue. The emergence of other global issues and non-national actors has also further complicated the situation.

The younger generation of China specialists therefore face much more complex problems today, but do benefit from better language, theoretical, technical, and other foundations, making their analysis more sophisticated. Nevertheless, they must maintain the ability to communicate that sophisticated analysis effectively to wider audiences to stem the growing gap between academic and analytic communities.

### Participant 6

How important is the acquisition of proficiency of the language of the counterpart country?

### **Prof. Harry HARDING**

Language proficiency is of great benefit to those who wish to conduct in-depth scholarship or extensive engagement in business or diplomacy.

Part of the China Dream is for Chinese to gain parity with English as a global language, but I regard this as quite unlikely given the difficulty of Chinese and the more widespread use of English. Besides deference, China desires admiration and respect, and that is something Japan and the United States will deny China if its domestic situation and international behavior do not warrant i

### Speaker 7

How has the field changed?

### **Prof. Harry HARDING**

The norms of the profession have also changed fundamentally, including the decline in area studies versus disciplinary studies and the importance of teaching versus research, the rise in the importance of being frequently cited, and growing specialization to the point of being obscure.

### Speaker 4

What has been the most surprising development in the region over the past 30 years?

### **Prof. Harry HARDING**

China rose faster and more extensively than most predicted.

There has also been a resurgence of local identity and pushback against globalization.

### **Keynote Speaker 2: Dr. Seiichiro TAKAGI**

China's pursuit of international discourse power represents not only the right to speak up in international fora, but a desire to control discourse. From China's perspective, international discussion of China's assertiveness represents the lag between its international discourse power and other power.

The term has also been included in official statements and the OBOR initiative. To date, China's efforts to increase its international discourse power have not been successful, but will likely continue to be an issue in the future. As such Japan and the United States cannot afford to be complacent, and younger scholars should continue efforts to develop stronger narratives for establishing shared international values.

# Participant 19

Has your notion towards China changed over the past decades?

### Dr. Seiichiro TAKAGI

In almost every aspect of global governance a China problem can be found. We must deal with China in the multilateral arena. This was an unexpected development.

### Speaker 7

China seems to have failed to create narratives that have universal appeal beyond China itself.

### Dr. Seiichiro TAKAGI

China still sees itself as being on the defensive against Western domination. Given that the core interest for Chinese leadership is CCP rule, how is it possible to formulate universally appealing ideas?

### **Moderator 2**

Is China's pursuit of international discourse power mainly directed towards the United States or the rest of the world?

### Dr. Seiichiro TAKAGI

Chinese perceives a US domination of international discourse. China clings to historical issues because it feels that it has international discourse power over Japan in this area.

### **Moderator 4**

Chinese scholars are hesitant to share frank opinions in public due to government suppression of views it disagrees with. How can this be changed?

### Dr. Seiichiro TAKAGI

Though the situation has worsened in recent years, China is not headed towards collapse.

# Participant 8

Does Japan also need to change its efforts to reinvigorate the Japanese and US narrative?

### Dr. Seiichiro TAKAGI

China seems to think it simply needs to manipulate narratives. The Japanese and US approach is similar, but they understand that the narrative must be backed by facts and behavior.

One of the problems Japan should address is the proper legislative oversight of the government.

# Session 3 Japan-US cooperation vis-à-vis China to 2030 (Economic Security, Non-traditional Security)

#### Moderator 6

This session will look at economic issues including TPP, AIIB, OBOR, and other relevant issues.

### Speaker 10: Renegotiating the World Order

When rising powers demand greater influence over international affairs, traditionally, realists believe that conflict and wars will arise, liberals believe that various international political developments can lower the likelihood of conflict, and constructivists believe that changing norms and ideas can make peace more likely. Drawing from these ideas, we can argue that the terms of international governance can be renegotiated peacefully without conflict.

Renegotiation is increasingly important given the dramatic decline in militarized conflict, particularly among great powers. However, rising states still seek greater status and influence. This involved military dimensions in the past but now the rise of international institutions offers the alternative of renegotiation. Having greater influence over international institutions allows countries to shape international policy outcomes, and membership offers prestige and status.

A policy of selectively accommodating China is recommended, by giving maximal pushback against attempts at military coercion but flexibly accommodating China's efforts to peacefully enhance its status and influence, such as the establishment of AIIB.

# Speaker 11: Current and Future Prospect for Economic Integration and Some Implications for Shaping Trade Architecture in the Asia-Pacific

Dramatic changes in regional economic integration have also promoted changes in national economic strategies. Efforts to establish international trade governance, such as TPP and the Regional Comprehensive Economic Partnership (RCEP) have emerged. TPP prioritizes market liberalization and rule-making, while RCEP emphasizes economic cooperation and equitable development. China has an economic incentive to eventually join TPP.

In the global supply chain, we have seen China become the hub of the emerging "Factory Asia" network. Looking at exports and imports, East Asian countries have emerged significantly, with intermediate goods transactions far outweighing that of final goods. There is also growing final demand.

With sophisticated production networks and strong domestic supporting industries, the slowdown of domestic and export demand affects China's domestic economy very seriously. On the other hand, China is also highly sensitive to demand in other countries, and is deeply integrated in the global economy through its intermediate goods and services supplied.

### Discussant 7

There is more to gain from the selective and peaceful accommodation of China.

Being more economically important and integrated, China would benefit greatly from participation in TPP.

With AIIB, China has openly emphasized how it will do things differently to existing institutions. Three scenarios are likely, which are that China learns its lessons on its own, it fails miserably with ramifications for the rest of the world, or it is as successful in other countries as it has been in its own.

India is a rising power that satisfies many Western standards, while China is not. Despite this, it is China that has risen rapidly, beyond expectations. This suggests that the growth and development process cannot be fully explained by our concepts and norms.

### Moderator 2

Will AIIB contribute to inclusive growth? Is it capable of determining the creditworthiness of investment projects to secure future lending?

Why do different departments of the Chinese government have different maps for OBOR?

### Participant 8

While traditional war is declining, hybrid conflicts, involving economic sanctions or cyberattacks, are increasingly a concern.

Will the relationship with China be competitive or cooperative? Economic competition can be a good thing, while security competition is not.

What kind of game is being played and is expected to be played between China and the US-Japan Alliance? Failure to cooperate could have almost as high a cost as actual war.

### Speaker 7

We cannot assume that China shares our norms regarding war. China has implied the threat of force in many areas on its peripheries.

What would maximal pushback against China's attempts at military coercion entail?

### Participant 6

China is wooing Japan to join AIIB but continues to obstinately oppose UN Security Council (UNSC) reform. The membership of Japan, Germany, India, and Brazil on the UNSC is long overdue, and would send a strong message that nuclear weapons do not equal national prestige.

### Speaker 6

Is AIIB already a lost opportunity for Japan and the United States, or can they still participate and shape it?

Despite significant problems, AIIB is a multilateral international institution, which at its core is aligned with US postwar policymaking. Such institutions not only give greater influence to countries, but also constrain them. It would have been better to be involved from the beginning, but Japanese and US membership would still be useful. China's veto power is not necessarily a bad thing. The United States also is the only country with veto power in the World Bank.

The United States and Japan can influence what game they play with China, and should make it one that is mutually beneficial.

Pushback against China's military actions must be military and not diplomatic.

# Speaker 11

Whether a project is "bankable" is determined based on existing norms and practices. However, China is challenging these norms.

While China may not have contributed enough to the international community currently, AIIB's success will depend on its contribution to development in the region, which is a noble goal and should be supported.

### Speaker 8

Countries dissatisfied with existing international economic institutions can start new ones. How does this carry over to areas of traditional security?

### **Moderator 4**

How do policymakers perceive economic interdependence when making decisions?

Japan's rise differs from China's rise because of its security interdependence. China does not share this same security interdependence.

Maximal pushback sounds just like military conflict, and could lead to inadvertent escalation? When China resorts to higher level military coercion, it suggests that it was difficult to achieve its goal through other means.

### Speaker 4

The United States is increasingly questioning how existing international institutions serve its national interests. International institutions may offer greater avenues for resolving disputes, but what if they lose the confidence of their members?

The United States has found the delinking of issues in the China relationship to be unbeneficial to US policy interests. How can we push back on military cooperation without linking it to other issues in the political relationship?

While there is great economic interest for China to join TPP, how do other countries view this from a geopolitical perspective?

Is the renegotiation process a bargaining process or the result of competition?

### Speaker 1

OBOR is a brand, not a new program itself, and is overlaid on largely pre-existing programs.

How do we deal with coercive but non-kinetic Chinese actions?

### Discussant 5

Do the renegotiation game and the security competition game not affect each other?

### **Discussant 4**

China is challenging the status quo in more ways than just military coercion.

Possible criteria for determining whether to accommodate China include redundancy with existing institutions, consistency with accepted principles, and the order vision behind the initiative.

### Participant 20

Is it really acceptable for one country to have sole veto power in an international institution?

The United States and Japan can cooperate with China, but must do so proactively and with an agenda.

### Speaker 11

Quantitative data and scenario-based studies are the best means of conveying interconnectedness to policymakers.

### Speaker 10

International economic institutions share much in common with security institutions but institutionalization has been much weaker in the latter.

China's lack of security interdependence with Japan and the United States do make its rise more of a challenge. However, many issues with China could be solved peacefully, which would make China less compelled to resort to aggressive means.

The first step in accommodating Chinese initiatives should be to try to guide China in a direction that is closer to our preferences.

# Session 4 Wrap-up

### **Moderator 8/Discussant 8**

In this session young researchers, first from the US side and then from the Japanese side, will present summaries of the preceding discussions. We will then open up the session for further discussion.

# Speaker 8

There were divergent views on the trajectory of China's rise, China's approach to international norms and institutions, resolving territorial disputes with China, regional economic integration and the implications, the role of history, and the rigidity of the international structure.

Nevertheless, a number of policy recommendations were reached, including US multilateral collaboration to establish international law, greater legislative oversight over Japan's new security posture, greater multilateralism on both security and non-security issues, establishment of an international forum for maritime legal scholars, and a clear definition of cyberattacks.

# Speaker 6

The US-Japan Alliance has major influence over the enforcement of rule of law, which is important for shaping the East Asian order. To that end, Japan would welcome US ratification of UNCLOS. Multilateralism will be significant for creating legitimacy. Japan and the United States must also create shared expectations and plans for addressing gray zone matters.

The United States and Japan must maintain its commitment to Southeast Asian countries, who are highly influential in shaping the regional order, such as through well-coordinated multilateral capacity building efforts.

### Discussant 7

By not participating in AIIB, Japan and the United States have exerted considerable pressure on China to modify its behavior. The United States and Japan must align their actions and mutual interests to make clear the conditions for China to eventually join the TPP negotiations. The inclusion of the renminbi in the Special Drawing Rights is an example of inconsistency in the imposition of international standards, and is therefore risky.

### Speaker 4

Could TPP participation be withheld from China by tying it to non-economic constraints, or should China simply fulfil certain economic conditions?

### Discussant 7

The economic conditions for TPP are very broad and they should be unambiguously communicated to China.

It is not impossible to temporarily resolve issues of territory and history or reduce the tension they cause.

### **Moderator 7**

Be it territorial issues or historical issues, the United States can never be an innocent third party.

# Speaker 6

Is a new international maritime forum desirable?

### Speaker 8

This would be a forum for experts to discuss the legal issues surrounding territorial disputes and foster communication between different legal systems in a public setting.

### Speaker 4

The forum would flesh out legal distinctions across countries and work towards a common understanding.

### **Moderator 2**

Why is a regional body needed? Internationally, the International Court of Justice (ICJ) and the Permanent Court of Arbitration already exist.

### Speaker 8

The rationale is not to establish what the international law should be, but to first bring together regional actors to share their respective interpretations of international law.

### Participant 20

China argues that Japan is trying to avoid the issue by denying that there is a territorial dispute between the two countries. However, Japan has been discussing the issue for decades.

Rule of law would also be desirable within countries. There are some vulnerable democracies in the region that could benefit from Japanese and US support.

### **Moderator 7**

Japan views Chinese claims over the Senkaku Islands as preposterous.

### Discussant 2

Reporting by foreign media does not adequately portray the diversity of opinion in Japan.

### **Discussant 1**

With a ruling in the UNCLOS court next year likely, Japan and the United States should think about how to promote international law and its application, particularly in the SCS. Malaysia and Vietnam should be urged to file cases.

China should follow the positive example of India following the unfavorable ICJ ruling on its dispute with Bangladesh.

If victory is certain, Japan should take the Senkaku Islands case to the ICJ. This is a good way to put pressure on China and build momentum for using international law against them.

### Speaker 7

More needs to be done to reach out to the European community, which has diverged from the United States and Japan on AIIB.

# **Closing Remarks**

# Ambassador Yoshiji NOGAMI

The third meeting of the Japan-US Kanazawa Conference has succeeded in establishing closer links between Japanese and US scholars, including rising scholars. Such frank exchanges of views are essential, even between close allies like Japan and the United States. The networks between emerging scholars will surely be crucial in future and we hope for continued meaningful discussions next year as well.

