

**PIVOT TOWARDS CHINA:
JAPAN'S RENEWED SECURITY STRATEGY IN ASIA**

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Introduction

Since Deng Xiaoping's adoption of open reforms in 1979, the international community has witnessed the growth and development of China into an economic power. Based on rapid growth, China has not only become an economic power over the past decade, it has also come to exert more influence on both the global and regional levels. Yet the implication of China's rise is not necessarily agreeable to the world. Over the past decade, while China has come to occupy center stage of the global economy, its open intent to secure "core interests" in the South China Sea and the East Sea (Diaoyu/Senkaku Islands) challenged the thesis that China's rise will be peaceful. Besides growing confrontations against the U.S. in many aspects, Sino-Japanese relations is an often-cited example of the paradox in China's rise.

Although economic relations continue to expand between China and Japan, in terms of foreign policy and regional security, Japan remains vigilant over China's expanding influence. Since Shinzo Abe's return as Japan's new prime minister in 2012, Tokyo has undertaken a series of actions aimed at containing China. Besides Abe's "Three Arrows", Japan subsequently pushed forward its containment strategy by strengthening relations with the U.S., Burma and India. Japan's participation in the U.S. led Transpacific Partnership (TPP) negotiations and improvements in Japan-Burma and Japan-India relations make up an offensive that challenges China's growing influence in the region. As an inter-regional trade liberalization architecture – proposed by the Obama administration in 2008 to re-establish Washington's economic influence in Asia and reconnect the US with its regional allies – the TPP plays a critical role in the U.S. rebalance strategy towards Asia.

This article is an attempt at making clear of Japan's new strategic offensive in Asia and its implications for Sino-Japanese relations. Departing from domestic leadership change and geopolitical developments in the

region, this article focuses on how the second Abe administration responds to China's continuing rise in the new century. The central argument is that the new Abe administration has adopted a two-pronged approach towards containing China's expanding influence in Asia. On the one hand, Japan seeks to strengthen relations with India and Burma through security and economic cooperation in order to contain Chinese influence from the South. On the other hand, should the TPP be realized in the near future, together with the U.S. and other Southeast Asian states, the TPP would essentially reinforce Japan's relations with member states and counter balance Chinese influence from the Pacific. By taking into account both economic and geopolitical initiatives adopted by the Abe administration, the author seeks to place Japan's recent moves onto the strategic level and distinguish the discussion from purely political, economic or geopolitical considerations of Japanese foreign policy.

Japan's New Security Strategy: Driving Forces

Since the end of World War II, Japan's security strategy took on a unique path incomparable to most countries in the world. Deemed as the culprit responsible for initiating war in the Asia Pacific, Japan's war making ability was subsequently taken away by a revision in its constitution supported by the general atmosphere in the international community. Henceforth, Japan became an "abnormal" state, stripped of the right to carry out a military offensive – a privilege usually regarded as the most important capability of a state. The Treaty of Mutual Cooperation and Security between the U.S. and Japan, concluded in 1951, would become the mainstay of Japanese security policy over the next six decades.

Regardless of limitations befallen by Article 9 of the Japanese Constitution, the Mutual Cooperation and Security Treaty granted Tokyo several possibilities in terms of security strategy, from relying on Washington's security umbrella and completely abandoning the Japanese military to investing in military development and pushing for an eventual revision of the constitution. In the new century, while domestic debates on the future of Japan's security policy continues to rage on, the U.S. remains a centerpiece in Japanese security.

Because of shifting balance of power in Asia emanating from China's rise, Tokyo and Washington moved closer in terms of security cooperation in recent years. Following Shinzo Abe's return to office in 2012, Japan's security strategy seemed to have taken a major turn towards more assertiveness on the international stage. By taking into account both

domestic changes in Japan and regional changes in the Asia Pacific since 2008, we can identify three key factors that have shaped Tokyo's new security strategy: leadership changes in Japan, including Abe's return to power; China's rise and growing aggressiveness; and the U.S. return to Asia.

Leadership Change in Japan

In terms of domestic changes, it is important to note Shinzo Abe's re-election to office. Since Junichiro Koizumi had stepped out of office in 2006, Japan became prone to frequent leadership changes. Instability in domestic politics led to incoherence in many aspects of Japanese foreign policy, most notably found in different policy emphasis of respective leaderships. To a certain extent, the 3/11 Earthquake in 2011 not only brought about lethal damages to Japanese society and economy, but it also contributed in part to the short-lived Kan and Noda administrations, which struggled in dealing with the aftermath of the earthquake, among other issues.¹ The Japanese public's low opinion of both Kan and Noda established the stage for the return of Abe, who was imbued with a general aspiration for "change."

Since the inauguration of the Abe administration, Japan seemed to begin turning away from its "weak" image in recent years and towards making a stronger presence in Asia. Perhaps as an effort to maintain popular support, Abe undertook many bold moves that surprised observers around the world. Economically, Abe introduced wide-ranging macroeconomic reforms – Abenomics² – that aimed to rescue Japan from

¹ See Waseda Institute of International Strategy, "*Tou nihon daishinzai go no nihon gaikou no houmensei*" [The Direction of Japanese Foreign Policy after the Tohoku Earthquake], Ministry of Foreign Affairs Research and Investigation Report (2012); Ishihara Tadahiro, "*Dongriben dadizhen liangzhounian: chongjian zhi lu de jihui yu tiaozhan*" [Two Year Anniversary of the Tohoku Earthquake: Opportunities and Challenges of Reconstruction], *Strategic and Security Analyses* 96 (2013): 14–20; "*Tokushuu: tou nihon dai shinzai go no nihon seiji keizai jousei*" [Special Issue: Japan's Political and Economic Situation after the Tohoku Earthquake], *Issues and Studies (Japanese)* 41 (2012).

² See "*Abe naikaku no keizai zaisei seisaku*" [Abe Cabinet's Economic and Financial Policy], Cabinet Office, Government of Japan, June 30, 2015

the deep crevice of lost decades. In addition, on July 23, 2013, Japan joined the U.S.-led TPP negotiations, temporarily quelling major debates within the country.³ On the foreign policy front, the Abe administration has reached out to countries as wide apart as India, Russia, Vietnam, Thailand, Indonesia and Myanmar in an attempt to strengthen Japan's foreign relations. In Africa, Abe pledged 3.2 trillion yen (32 billion USD) in development assistance.⁴ In short, it is clear that Japan under the Abe administration seems to be taking more initiatives towards defining its status on the world stage.

China's Rise and U.S. Return to Asia

Regarding regional changes, developments towards a growing bipolar structure defined by Sino-U.S. relations should be noted. From the view of Japan, the issue can be further separated into two factors: China rising and the U.S. returning to Asia. The rise of China was a major reason that prompted America's return to Asia; both events contributed to a shift in the balance of power, caught up in a clash of titans increasingly forced to consider their policy in terms of power behavior. In other words, the policy space of power is shrinking, as is the case for Japan. The China-U.S.-Japan strategic triangle is useful for thinking about the formation of Tokyo's security strategy in the new century.

Regardless of historical animosities, Japan was one of the first to identify China's rise and Beijing's potential to challenge regional order. In 1990, Tomohide Murai of Japan's National Defense Academy published an article under the title "New China 'Threat' Theory"⁵ in the conservative

(accessed August 3, 2015, <http://www5.cao.go.jp/keizai1/abenomics/abenomics.html>).

³ "Kan taiheiyō partnership (TPP) dai juuhachi kai kaigō media seimei" [Media Report of 18th Round of TPP Negotiation], Cabinet Secretariat, Government of Japan, July 25, 2013 (accessed August 5, 2015, http://www.cas.go.jp/jp/tpp/pdf/2013/7/130725_tpp_joint_statement.pdf).

⁴ Tetsuya Kageyama, "TICAD: Africa shien 3.2 cho en shushō, hyōmei e" [TICAD: 3.2 Trillion in Aid to Africa, Announces the PM], *Mainichi Shinbun*, June 1, 2013 (accessed August 5, 2015, <http://mainichi.jp/select/news/20130601k0000m010131000c.html>).

⁵ Tomohide Murai, "Shin chugoku kyōi ron" [New China Threat], *Shokun* 22 (1990): 186–197.

publication Shokun. Murai's article is generally acknowledged as the pioneer work that inspired a series of similar works both inside and outside Japan.⁶ Despite Beijing's efforts to placate international concerns over China's rise with proposals such as "peaceful development" (*heping fazhan*) and "harmonious worldview" (*hexie shijieguan*),⁷ Tokyo remains vigilant and unsettled over Beijing. In the eyes of Tokyo, China's continued belligerence in both the East China Sea and South China Sea and ambitions over Taiwan are strong evidences for Japan to keep itself at arm's length with China.

Economically, China continues to serve as the most important market for Japanese exports. In 2011, Sino-Japanese trade reached 344.9 billion USD, with exports to China contributing to 20.6% of Japan's total exports abroad; China has served as Japan's top trade partner since 2007.⁸ Therefore, in terms of bilateral relations, Japan came to find itself mired in a "love and hate" relationship with China that demonstrates economic attachment with the mainland and wariness over Beijing's security and political ambitions. For Tokyo, such a relationship could only be

⁶ Such works include: Satoshi Amako, ed., *Chugoku wa kyoiki ka* [The China Threat] (Tokyo: Keiso Shobo, 1997); Richard Bernstein and Ross H. Munro, *The Coming Conflict with China* (New York: Alfred Knopf, 1998). For a full discussion of the development of the China threat theory in Japan, see Hsuanlei Shao, "Zhongguo weixie lun zhi jixi: yi riben xiangguan yanjiu wenxian weili" [On 'China Threat': Perspectives in Japanese Literatures], *Mainland China Studies* 55 (2012): 85–105.

⁷ For a full discussion of the concepts of "peaceful development" and "harmonious worldview," see Tung-Chieh Tsai, Ming-Te Hung and Tony Tai-Ting Liu, "China's Foreign Policy in Southeast Asia: Harmonious Worldview and its Impact on Good Neighbor Diplomacy," *Journal of Contemporary Eastern Asia* 10 (2011): 25–42.

⁸ Dong Jiao, ed., "Zhongguo lianxu wunian wei riben zuida maoyi duixiangguo" [China as Japan's Biggest Trading Partner for Five Years in a Row], *Xinhua News*, February 20, 2012, (accessed August 5, 2015, http://big5.xinhuanet.com/gate/big5/news.xinhuanet.com/world/2012-02/20/c_122725063.htm); "Rizhong liangguo jiaoliu yu hezuo gaikuang" [Summary of Exchange and Cooperation between Japan and China], Embassy of Japan in China, October 2012 (accessed August 5, 2015, <http://www.cn.emb-japan.go.jp/bilateral/koryu0603.htm#2>).

burdensome, as trade figures suggest growing economic dependence on a regional power that harbors strong antagonism towards Japan. China's displacement of Japan to become the world's second largest economy in 2011 adds to Japan's regional insecurity.

Meanwhile, from a broader regional point of view, China's rise caught the attention of the U.S. and encouraged the latter to pursue a return to the Asia Pacific after 2008. Since the inauguration of the Obama administration in 2008, Washington pivoted towards Asia and actively engaged China's neighbors. Besides Obama's visit to Korea, Japan, India, Indonesia and Burma, the U.S. strengthened military cooperation with Korea, Japan and Australia and entered into regional forums such as the East Asia Summit (EAS) and ASEAN Regional Forum (ARF). While Washington continues to engage Beijing through the hosting of joint summit meetings and an open invitation for China to participate in the TPP negotiations, Sino-U.S. competition in various regions continues to suggest disquieting undercurrents beneath bilateral good will.

For example, in Southeast Asia, Washington re-balanced towards the region by participating in the ARF and EAS and signing the Code of Conduct on the South China Sea with ASEAN, both events that were long carried out by Beijing. At the 17th ARF in Vietnam in 2010, U.S. Secretary of State Hillary Clinton responded to territorial disputes in the South China Sea by announcing that the peaceful resolution of competing sovereignty claims in the region is a U.S. "national interest" and Washington "supports a collaborative diplomatic process by all claimants for resolving the various territorial disputes without coercion."⁹ Washington's aspiration towards a mediator role generated Beijing's displeasure, as China's vice foreign minister Cui Tiankai responded by asking the U.S. "to leave the dispute to be sorted out between the claimant states."¹⁰ Strategic competition aside, the TPP proposal reinforced Washington's pivot strategy and made clear America's determination to regain its influence in Asia.

For Japan, the U.S. return to Asia provides Tokyo with support and justification to respond more forcefully against Beijing's growing

⁹ Hung Ming-Te and Tony Tai-Ting Liu, "Sino-U.S. Strategic Competition in Southeast Asia: China's Rise and U.S. Foreign Policy Transformation since 9/11," *Political Perspectives* 5 (2011), 110.

¹⁰ *Ibid.* Cui currently serves as Chinese Ambassador to the U.S. under the Xi Jinping administration.

influence. Notwithstanding Japan's role as one of Washington's most important allies in Asia, U.S. pivot strategy provides Japan with an opportunity to regain some of its regional influence lost to China in recent years. In contrast to hedging strategies under the Kan and Noda administrations, Japan under the Abe administration seemed to be moving towards a more conservative approach in foreign policy. Despite strong trade relations with China, as Richard Samuel suggests, Japan is moving towards a balancing strategy towards Beijing supported by stronger cooperation with the U.S.¹¹

As early as the immediate aftermath of Abe's re-election to office, Japan's new leader pledged to strengthen bilateral relations with the U.S., a step that was deemed critical to turning Japan's security and foreign policy around.¹² On May 9, 2013, Japan and the U.S. held the first Japan-U.S. Cyber Dialogue in Tokyo and concluded on a joint statement after the conference that urged for cooperation on exchanging cyber information, national cyber strategies and cyber areas related to national defense and security policy.¹³ Initiation of cyber cooperation may be a reaction to U.S. claims to Chinese cyber-attacks in February 2013.¹⁴ In terms of traditional security, on August 23, 2013, Japan participated in a joint air drill hosted by

¹¹ Richard Samuels, "Evolution of Japan's Grand Strategy," *East Asia Forum*, June 4, 2013 (accessed August 5, 2015, <http://www.eastasiaforum.org/2013/06/04/evolution-of-japans-grand-strategy/>).

¹² In Abe's own words, "the first step in turning Japan's foreign and security policy around is reinforcing *kizuna* – bonds of friendship – once more under the Japan-U.S. alliance, which is the cornerstone of Japanese diplomacy." See: Shinzo Abe, "*Heisei 24 nen 12 gatsu 26 nichi abe naikaku souridaijin shuunin kishakaiken*" [Press Conference of Prime Minister Abe's Inauguration], Prime Minister of Japan and His Cabinet, December 26, 2012 (accessed August 5, 2015, http://www.kantei.go.jp/jp/96_abe/statement/2012/1226kaiken.html).

¹³ "Joint Statement Japan-U.S. Cyber Dialogue," Ministry of Foreign Affairs of Japan (MOFA) Japan, May 10, 2013 (accessed August 5, 2015, http://www.mofa.go.jp/region/page22e_000001.html).

¹⁴ See Gerry Smith, "Anonymous Helps Researchers Link Hackers to Chinese Army," *Huffington Post*, February 19, 2013; and Ellen Nakashima, "Confidential Report Lists U.S. Weapons System Designs Compromised by Chinese Cyberspies," *Washington Post*, May 27, 2013.

the U.S. and included the participation of South Korea and Australia,¹⁵ all Major allies of Washington in the Asia Pacific that jointly encircle China. With Japan-U.S. relations strengthened, the Abe administration has moved forward to carry out bold foreign policy moves aimed to contain China.

Around the Great Wall: India, Burma and TPP

Since Abe's inauguration, Japan has taken bold actions along China's frontiers in an attempt to "fence in" the latter. Japan's new containment strategy comes in twofold: strengthening relations with both India and Burma and entering the U.S. led TPP initiative. By reinforcing relations with both India and Burma, Japan poses as a challenge against China by making an effort to establish a common front along the latter's southern border while closing in on China's growing influence in Southeast Asia. On the other hand, joining the TPP negotiations puts Japan in a potentially strategic and economic network that excludes China. As TPP possesses the potential to balance and even override Asia's current progress in regional integration centered on the China-ASEAN Free Trade Area (CAFTA), Japan has strategic reasons to enter the initiative despite domestic challenges.

Improved Relations with India

Despite a long history of established interactions with India, Japan-India relations remain an under researched area compared with popular attention on India and China's competition for great power status and conflicts between India and Pakistan. Yet Japan-India relations have important strategic implications in the face of China's rise. For example, despite Japan's provision of large amounts of official development assistance (ODA) to China, India was the first country Japan ever extended an ODA loan to back in 1958, and since 2003-2004, India has been the single largest recipient of Japanese ODA.¹⁶ The year 2012 marked sixty years of diplomatic relations between India and Japan.

¹⁵ "Uneasy Partners S. Korea, Japan Join U.S. Air Drills," *Asahi Shimbun*, August 22, 2013 (accessed August 5, 2015, http://ajw.asahi.com/article/asia/korean_peninsula/AJ201308220091).

¹⁶ Jeffrey W. Hornung, "Japan and India's Growing Embrace," *The Diplomat*, January 12, 2013 (accessed August 5, 2015, <http://thediplomat.com/2013/01/12/japan-and-indias-growing-embrace/>).

Since the signing of the Japan-India Joint Declaration in 2001 that initiated high-level dialogue and economic and security cooperation, Tokyo and New Delhi quickly expanded their relationship over the past decade. In 2005, Japan and India signed the Joint Statement on “Japan-India Partnership in the New Asian Era: Strategic Orientation of Japan-India Global Partnership.” The partnership agreement would become the cornerstone of bilateral relations between Japan and India. In terms of security cooperation, Tokyo and New Delhi advanced their strategic relationship through the adoption of the Joint Declaration on Security Cooperation between India and Japan in 2008.

For Japan, India is a particularly important strategic partner for several reasons. First, similar to Japan, India possesses traditional sovereign disputes with China in the Aksai Chin region. Sovereign disputes provide common grounds for Tokyo and New Delhi to cooperate and remain alert over Beijing’s growing influence. Second, in terms of geopolitics, India lies beside the Indian Ocean, critical waters that connect the Persian Gulf and the Strait of Malacca. Japan relies on the transport route through the Indian Ocean for much of its energy supply. Third, as a democratic country, India provides further ideological grounds for Japan to base its bilateral cooperation. Therefore, Japan, India and the U.S. form a strategic alliance that has great implications for the balance of power in Asia.

With China in mind, the second Abe administration has noticed two main themes in its partnership with India. Principally, Tokyo has re-emphasized its democratic connection with India and has sought to strengthen bilateral relations as part of a multilateral front that was founded on democratic values in Asia. Japan’s “value driven diplomacy” (*kachi no gaikou*) was first introduced under the Taro Aso administration and later embodied in the strategic concept so called “Arc of Freedom and Prosperity” (*jiyuu to hanei no ko*), with India deemed as an important connection point in the arc.¹⁷ On December 27, 2012, immediately after his

¹⁷ Taro Aso currently serves as the Deputy Prime Minister and Minister of Finance in the Abe administration. For a full discussion of Japan’s value driven diplomacy and the Arc of Freedom and Prosperity, see Ken Jimbo, “*Nihon gaikou anzen hoshō seisaku no outreach: jiyuu to hanei no ko nigou-niin-ni NATO kankei*” [Japan’s Diplomatic and Security Policy Outreach: the Arc of Freedom and Prosperity, Japan-Australia Relations, Japan-India Relations, and Japan-NATO Relations], *Research Institute of*

re-election to office, Shinzo Abe capitalized on Aso's rhetoric and introduced his own strategic vision titled "Asia's Democratic Security Diamond."¹⁸ Not shy to reveal China as the main target of the concept, Abe proposed the establishment of a security diamond in Asia mainly based on cooperation among the four democracies of Japan, India, Australia and the U.S. It is clear that India serves as a critical piece in the strategy.¹⁹

Second, following from Abe's Security Diamond concept, Tokyo has come to emphasize cooperation with India in the realm of maritime security. Speaking at the Indian Parliament in his first term in 2007, Abe called for the formation of a "broader Asia" and "confluence of the two seas" – the Indian and Pacific Oceans.²⁰ Although much of Abe's "Two Seas" speech merely elaborated on the general enhancement of cooperation between Japan and India, the speech paved the way for the emphasis on maritime security in Abe's "Security Diamond" proposal. In his latter proposal, Abe pointed out that peace, stability and freedom of navigation between the Indian and Pacific Oceans are interconnected, an important reason for Tokyo and New Delhi to join hands in furthering maritime cooperation.²¹

Since Abe's second inauguration, Japan has moved quickly in boosting maritime cooperation with India. January 29, 2013, Japan and India commenced the first meeting of the Maritime Affairs Dialogue between the two countries in Delhi, India.²² Tokyo and New Delhi

Economy, Trade, & Industry, April 23, 2007 (accessed August 5, 2015, <http://www.rieti.go.jp/jp/events/bbl/07042301.html>).

¹⁸ Shinzo Abe, "Asia's Democratic Security Diamond," *Project Syndicate*, December 27, 2012 (accessed August 8, 2015, <http://www.project-syndicate.org/commentary/a-strategic-alliance-for-japan-and-india-by-shinzo-abe>).

¹⁹ J. Berkshire Miller, "The Indian Piece of Abe's Security Diamond," *The Diplomat*, May 29, 2013 (accessed August 8, 2015, <http://thediplomat.com/flashpoints-blog/2013/05/29/the-indian-piece-of-abes-security-diamond/>).

²⁰ Shinzo Abe, "Confluence of the Two Seas – Speech by H.E. Shinzo Abe, Prime Minister of Japan at the Parliament of the Republic of India," MOFA Japan, August 22, 2007 (accessed August 8, 2015, <http://www.mofa.go.jp/region/asia-paci/pmv0708/speech-2.html>).

²¹ Abe, "Asia's Democratic Security Diamond."

²² "Daiyikai ni-indo kaiyou ni kansuru taiwa no kaisai" [Opening of First Round of Japan-India Dialogue on Maritime Affairs], MOFA Japan,

discussed a range of issues for cooperation, including non-traditional security threats, shipping and transport, marine sciences and technology, marine biodiversity and multilateral forums. Four months later (May 30, 2013), in the Japan-India leadership summit in Tokyo, both countries pledged to further improve maritime exercises between the Japan Maritime Self-Defense Force and the Indian Navy, as well as to establish a Joint Working Group on the US-2 amphibious aircraft.²³ The Abe administration's intention to bolster cooperation in maritime defense between Japan and India is clear.

Breakthrough in Burma

East of India, Japan took actions as well. On May 24, 2013, Shinzo Abe made an official visit to Burma and became the first Japanese Prime Minister to call on the country in 36 years.²⁴ Abe's visit came almost a month later from Aung San Suu Kyi's visit to Japan in April. To some extent, Abe's visit was a good will gesture undertaken in response to Aung's trip to Japan. Aung, the Chairperson of the National League for Democracy (NLD), has not visited Japan in 27 years.

Despite Burma's continued military rule, the Burmese authority has taken steps that hint at the central government's willingness to liberalize the country. Besides the lifting of Aung San Suu Kyi's house arrest, the military government accepted the NLD and Aung's participation in the national by-election, in which Burma's biggest opposition party claimed 44 of 45 open seats. In an interview with the *Washington Post* prior to the election,²⁵ Burmese President Thein Sein revealed the government's

January 28, 2013 (accessed August 8, 2015, http://www.mofa.go.jp/mofaj/press/release/25/1/0128_02.html).

²³ “*Manmohan Singh shushou no hounichi (gaiyou to hyouka)*” [Summary and Evaluation of Indian Prime Minister Manmohan Singh's Visit to Japan], MOFA Japan, May 30, 2013 (accessed August 8, 2015, http://www.mofa.go.jp/mofaj/kaidan/page3_000194.html).

²⁴ “*Abe souridaijin no Myanmar houmon (gaiyou to hyouka)*” [Summary and Evaluation of Prime Minister Abe's Visit to Myanmar], MOFA Japan, May 27, 2013 (accessed August 8, 2015, http://www.mofa.go.jp/mofaj/kaidan/page3_000186.html).

²⁵ Lally Weymouth, “Burma's President Gives His First Foreign Interview,” *Washington Post*, January 19, 2012.

determination to end domestic tensions, adopt reforms and strive for economic development. Burma's liberalization not only facilitated U.S. President Obama's reciprocal visit to the country on his first trip overseas since re-election in 2012, it also encouraged the U.S., European Union and Australia to subsequently relax sanctions on the once hermit state.

The Abe administration reached out to Burma in the context of a general détente between the international community and Burma. Several reasons encourage Japan to reinforce relations with Burma. First, in terms of geopolitics, Burma reserves access to the Indian Ocean. China, a long supporter of isolated Burma, has picked up on the latter's strategic importance in recent years and aims to establish a land bridge through Burma that would connect Yunnan Province with the ports of Yangon and Thilawa.²⁶ The Indian Ocean is an important sea connecting Japan to energy supplies from the Middle East. Second, Burma is an energy rich state abundant in resources such as coal, oil, gas, hydropower and biomass. According to a report conducted by the Asian Development Bank in 2012, Burma held an estimated 2 million tons of coal, 447.7 trillion cubic feet of natural gas and 206.9 million barrels of oil.²⁷ Burmese energy may help to quench a part of Japan's energy thirst. Third, if progress towards democratization and economic development continues, Burma may become an attractive market for Japanese investments and a country that complements Japan's Arc of Freedom and Prosperity.

Through the three-day summit in Burma, Tokyo and Naypyidaw reached a joint statement that would serve as the foundation to new friendship between the two countries. Besides the consolidation of diplomatic ties, Japan pledged to support Burma's democratic transition, economic reform and efforts towards the enhancement of the rule of law and national reconciliation.²⁸ In terms of economic relations, Japan and

²⁶ Toshihiro Kudo, "China's Policy toward Myanmar: Challenges and Prospects," IDE-JETRO, September 2012 (accessed August 8, 2015, http://www.ide.go.jp/English/Research/Region/Asia/pdf/201209_kudo.pdf).

²⁷ Asian Development Bank, *Myanmar: Energy Sector Initial Assessment* (Mandaluyong City, Philippines: Asian Development Bank, 2012), 4.

²⁸ "Joint Statement between Japan and the Republic of the Union of Myanmar: New Foundation for Mutual Friendship," MOFA Japan, May 26, 2013 (accessed August 8, 2015, <http://www.mofa.go.jp/files/000006671.pdf>).

Burma agreed to facilitate the signing of a bilateral investment agreement and the joint development of the Thilawa Special Economic Zone. Tokyo also pledged to provide 51 billion yen (498.5 million USD) in loans towards Naypyidaw that would facilitate poverty reduction, project upgrade and infrastructural development in Burma.²⁹ Furthermore, Japan confirmed to write off Burma's remaining debt of 176.1 billion Yen while promising the provision of 2.4 billion Yen for water management in Yangon and scholarship for young Burmese officers.³⁰ In short, Japan under the second Abe administration has made its strategic intentions clear in Burma.

The TPP Strategy

On July 23, 2013, Japan announced its participation in the TPP, becoming the 12th member to enter the negotiations.³¹ Japan's decision came almost five years after U.S. President Barack Obama first referred to the initiative in his speech at Tokyo's Suntory Hall in 2008. Besides the economic and political devastation wrecked by earthquake and tsunami in 2011, Japan was reluctant to participate in the U.S.-led TPP initiative due to the economic implications of trade liberalization, particularly on the agricultural sector. Opponents of the TPP argued that complete liberalization of the Japanese economy would eventually wipe out the agricultural sector among others and leave the country ever more reliant on imports – a fact that has long been a problem for resource poor Japan. As farmers constitute a powerful voting bloc in Japan, debates over the TPP caused the issue to become a political topic over time and even led some pessimistic observers to make claims to Japan's downfall if the TPP is signed.³² Nevertheless, in contrast to dissenting opinions, there are two

²⁹ "Signing of Exchange of Notes concerning Yen Loan to Myanmar," MOFA Japan, May 26, 2013 (accessed August 8, 2015 http://www.mofa.go.jp/press/release/press6e_000094.html).

³⁰ "Debt-Relief Measure for Myanmar," Ministry of Foreign Affairs of Japan," MOFA Japan, May 26, 2013 (accessed August 8, 2015, http://www.mofa.go.jp/press/release/press6e_000096.html); "Exchange of Notes Concerning Grant Aid to Myanmar," MOFA Japan, May 26, 2013 (accessed August 8, 2015, http://www.mofa.go.jp/press/release/press6e_000097.html).

³¹ Cabinet Secretariat, Government of Japan, op. cit.

³² Perhaps the most salient observer of the pessimistic camp is Takeshi Nakano. See: Takeshi Nakano, *TPP boukoku ron* [Death by TPP] (Tokyo:

major reasons that support Japan's entry into the TPP negotiations. First, in terms of economics, the impact of TPP remains to be assessed despite pessimistic views. The pessimists are balanced by an equally strong camp of supporters for the TPP. For example, in a joint study report on the TPP released by the Canon Institute for Global Studies in 2011, academics dismissed negative views on the TPP and argued for Japan's potential to stabilize China by increasing its negotiation position in trade through the TPP.³³ More importantly, the negotiations by the TPP have the strategic function of embedding Japan into the U.S. re-balance strategy towards Asia.

Although Japan has long played an important role in the U.S. hub and spoke strategy in Asia, in terms of economic policies, especially policies concerning regional integration, Japan has not always pursued the same options as the U.S.³⁴ Participation in TPP negotiations has

Shueisha, 2011). The intense debate that the TPP generated in Japan can be gauged from the great number of publications that criticize the negotiations, with some of these works using rather strong language and suggestive of U.S. conspiracies at work. For example, see Kazuyuki Hamada, *Kowareru beki TPP no shoutai America no yinbou wo abaku* [The Formidable Nature of the TPP: Exposing America's Conspiracy] (Tokyo: Kadogawa Marketing, 2011); Yoshinori Kobayashi, *Communism senken special han TPP ron* [Communist Manifesto Special: Anti-TPP] (Tokyo: Gentosha, 2012); Takeshi Nakano, ed., *TPP kuroi jyoyaku* [TPP: A Black Treaty] (Tokyo: Shueisha, 2013).

³³ "TPP no ronten (TPP genkyukai houkokusho saishuupan) [On the TPP (Final Report of the TPP Research Group)]," *Canon Institute of Global Strategy* (accessed August 8, 2015, http://www.canon-igs.org/research_papers/pdf/111025_yamashita_paper.pdf). Besides the 2011 Canon report, which included specialists Fukunari Kimura and Keiichi Umada among others, many other studies hold a positive opinion of the TPP. For example, see Manabu Matsuda, *TPP koukoku ron* [Arguing for the TPP] (Tokyo: Longsellers, 2012).

³⁴ For example, in the midst of the Asian Financial Crisis in 1997, Japanese financial authorities proposed the creation of an Asian Monetary Fund (AMF) as regional crisis relief mechanism. Japan eventually aborted the initiative under political pressure from Washington. See: Phillip Y. Lipsky, "Japan's Asian Monetary Fund Proposal," *Stanford Journal of East Asian Affairs* 3 (2003): 93–104.

strengthened Japan's relationship with the U.S. and hints at Tokyo's recognition of common security interests with the U.S. The strategic implication of the TPP negotiations for Japan is worth emphasizing.

Despite the TPP's clear economic nature, from a strategic standpoint, the TPP has served as a mean for the U.S. to reinforce its hub and speak strategy in Asia, which was founded on an economic and security nexus. Since the introduction of the TPP proposal in 2008, Washington has subsequently reinforced security relations with its partners to the TPP negotiations, including Australia, Vietnam, Malaysia, Singapore, as well as other countries that have expressed an interest in the negotiations, such as South Korea, Philippines and Thailand. Japan is the latest addition to the lineup, completing a line of defense that stretches from the Korean Peninsula to Southeast Asia. For Japan, such a common front not only increases its security, but it may also serve as the foundation for political elites to adopt innovative proposals that complement the network.

Conclusion: Japan's New Security Strategy and its Implications for Sino-Japanese Relations

As explained in this analysis, under the leadership of the new Abe administration, Japan seems determined to rebound from economic recession since the 1980s and reconsolidate the country's leadership role in the region through economic reforms. Besides Japan's slumbering economy, perhaps a more important factor for the adoption of bold moves by the Abe administration was the economic challenge brought forth by China's replacement of Japan as the second largest economy in the world. Coupled with the collateral damage done by the Tohoku earthquake, Abe may have understood that unless the Japanese economy could restart its engine, he might be looking at another fleeting term in office. Abe's boldness could also be seen on the security front as well, as seemingly independent moves such as Japan's engagement with India and Burma and the TPP could all be tied together under Asia's Democratic Security Diamond. Abe's allusion is clear, as China (and North Korea) remains far from the dominant, western definition of a democratic state. Through geopolitical containment and economic confrontation, the Abe administration seeks to encircle China and stifle its rapid growth, particularly political influence.

There are two implications that could be drawn from Japan's increased willingness to adopt a more forceful action in Asia. First, strategic competition between China and Japan can be expected to elevate. The Abe

administration's subsequent engagement with India and Burma are testament to a renewed strategic offensive by Japan. In historical perspective, besides territorial disputes at sea, since the end of the Koizumi government, Japan has remained relatively quiet for a decade in terms of geopolitics. Japan's geopolitical silence may be the result of domestic political instability, a factor that severely undermined the ability of Japan's leadership to introduce and put in place a mid- to long-range strategy that responds to China.

At the moment, the Abe administration seems determined to correct Japan's strategic situation. Not only has Tokyo actively engaged India and Burma, efforts are made to reconcile relations with Russia and resolve the territorial dispute over the Kuril Islands, and boost cooperation and investment in Africa in an attempt to balance China's increasing influence on the continent. If Tokyo continues to improve its relations with China's neighbors, tensions between China and Japan may be difficult to avoid. On the other hand, as East Asia moves towards bipolarity with America's return and China's rise, Beijing may have more reason to regard Japan as a vanguard for any U.S. strategy and respond ever more forcefully against Tokyo's actions. After all, Japan is not the U.S. and historical memory provides China with enough legitimacy to respond accordingly to Japan. In short, Sino-Japanese relations have the potential to become more paradoxical and further complicate the already difficult situation in Asia.

Moreover, "regional integration" in Asia may become a second front for strategic competition among major powers. As previous discussions pointed out, deeper political and strategic calculations may be involved in the TPP negotiations re-initiated by the U.S. The TPP not only provides the U.S. with a reason to return to Asia in search of economic opportunities, but the initiative also provides an opportunity for the U.S. to balance China's growing influence. Although Japan is caught between two powers, it has adopted a hedging strategy similar to many Southeast Asian countries by participating in both the RCEP and TPP negotiations, a unique characteristic of Japan that hints at other implications in its strategy.

In contrast with other Asian countries, Japan is an economic power that was only surpassed recently by China, a fact that entails Japan's potential ability to challenge China again in the near future. Japan's economic power is also evident in the fact that in the mid-1990s, the country was at the helm of the development of regional integration in Asia; the ASEAN plus Six – the prototype of the RCEP – was originally proposed by Japan. Therefore, to a certain extent, Japan's hedging strategy may also

consist of calculations for institutional balancing against China. Meanwhile, China has yet to respond directly to the TPP, but instead, it has re-proclaimed its approval of ASEAN and support for the RCEP, as the dominant scheme for regional integration in Asia. It remains to be seen whether competition between China and Japan or China and the U.S. shall elevate as well in terms of regional integration.