Japan Under The DPJ –

Coping Well or Just Muddling Through?

By

Dr Michael Vaughan BA, MSocSc, PhD

School of Political Science & International Studies

The University of Queensland

Australia

INTRODUCTION:

At the time of writing, the Democratic Party of Japan (DPJ) has been in office for some 15 months – sweeping into power on a wave of high popularity, only to be followed subsequently by voter disillusionment and heavy loss of public support. The promised reforms, which so captured the public imagination in August 2009, have stalled or faded, leaving the DPJ questioning its reason for being and its capacity to lead Japan forward from the debilitating effects of the “lost decade” of the 1990s and the ineffectiveness of its long-ruling predecessors, the Liberal Democratic Party (LDP).

Its 15-month period of dominion could perhaps best be summed up as a time of initial high hopes, followed by increasingly thwarted ambitions. The high hopes began in August 2009, with a landslide win in the Lower House Election, embodied by the DPJ’s capturing a staggering 196 extra seats, giving the untried and idealistic new party 308 seats in the 480 seat House. The DPJ campaign had been based on a positive reformist agenda and an image of youthful vitality. It had put forward two main slogans – “regime change” (seiken kotai) and “quality of life first” (seikatsu dai-ichi). Regime change was to consist of the subjugation of the bureaucracy, the ruling party itself and the Diet to the Cabinet. Quality of life was to be initiated through increased child allowances, free tuition at public high schools, income support for agriculture, pension and health care reforms, raising the minimum wage and cutting wasteful spending. It appeared that the new government was implementing, in the words of Tobias Harris, “a genuine revolution in how the country is governed ... [based on] far-reaching reforms in domestic and foreign policy.”

It did not take long, though, for matters to unravel. The DPJ’s ambitions were, piece by piece, thwarted, embodied by the collapse in June 2010 of the Yukio Hatoyama government, with the resignations of both the Prime Minister and the Party Secretary-General, Ichiro Ozawa, after only nine months in office, over money scandals and the failure to implement election promises to remove United States military forces from Okinawa. The process of unravelling continued under the new Prime Minister, Naoto Kan, who, in July 2010, lost the Upper House Election to a resurgent LDP, producing what commentators described as a “twisted Diet”, whereby the Kan government does not have enough power in either Chamber of Parliament to have its laws passed. Two months later, in September 2010, a blazing diplomatic row exploded between Beijing and Tokyo over the detention of a Chinese fishing trawler captain, Zhan Qixiong, for allegedly ramming Japanese patrol vessels near the long-disputed Senkaku/Diaoyu Islands – eventually resulting in the humiliating release of the detained man following enormous pressure on the Kan government from China, including the interrupted supply of vital “rare earth metals”, needed for the production of such high-technology products as solar panels, guided missiles, i-phones and hybrid cars.

The Kan government was made to look weak and feeble in the face of concerted Chinese demands – giving the impression that Japan will insidiously capitulate under sustained pressure
and that its laws can be flouted by any major power, given sufficient intransigence and obduracy against Japanese jurisdiction. Thus, having won authority so convincingly in August 2009, by late 2010, the DPJ appears to have lost momentum, direction, force and credibility – leaving a much-weakened Kan government floundering in voter rejection and international mortification at the hands of a rising hegemon, China, and over friction with an existing hegemon, the United States.

The immediate prospects for Japan under the DPJ are uncertain – with domestic policy being ravaged by persistent deflation in the economy as well as by rampant public debt of 200% of GDP and with foreign policy being rendered ineffectual through still-simmering tension with China over disputed territories in the East China Sea, through unresolved strain with the United States over its Marines’ Base on Okinawa and through widespread fear of menacing airstrikes from North Korea. Japan, therefore, is worried, disillusioned, angry and apprehensive. Its new government, which promised so much, has thus far delivered comparatively little, leaving Japanese citizens deeply in doubt over their government’s capacity and probity and profoundly disturbed over their country’s direction and expectations.

**THE DPJ AND JAPAN:**

By any standard of measurement, the victory of the DPJ in the August 2009 Lower House Election was extensive and overpowering. Before the Election, the DPJ held 110 seats, whilst its main opponent, the LDP held 303 seats. After the Election, the DPJ held 308 seats by winning 29.784 million popular votes; whilst the LDP held 119 seats, winning just 18.782 million popular votes. The differences, therefore, were pronounced and stark. The DPJ held 189 more seats in the Chamber than did the LDP and had outpolled its conservative rival by 11.002 million or 58.58% more votes. In terms of respective Coalition strengths, the DPJ, the Social Democratic Party (SDP), the New People’s Party (NPP), the New Party Nippon, and the New Party Daiichi possessed 320 seats or 66.66% of the Chamber; whereas the LDP and the New Komeito Party possessed 140 seats or 29.17% of the Chamber. The “55 System” of LDP dominance, that had lasted for almost 54 years of uninterrupted power, had been swept comprehensively away and a new political force had emerged, entrusted with shaping a new agenda and a new future for Japan and its people.1

One seasoned observer of Japanese political and electoral behaviour acidly ascribed the reason for the dramatic reversal of electoral fortunes between the LDP and the DPJ in August 2009 as being the culmination of a series of unresolved tensions within the LDP between the party’s advocates of “pork” (huge public works spending in electorally-favoured districts) and those of “productivity” (better targeted sums of public money spent on projects aimed at generating enhanced labour or capital productivity or at a strong multiplier effect throughout the entire economy.) The division was over how to attract voter support and how to revitalize an economy that had been stagnant for 15 years following the bursting of the asset-bubble in 1990-91. Such internal discord was to cost the party government in 2009. At the same time,

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However, the DPJ campaigned astutely, appealing to many voters disenchanted with Koizumi-style reforms, market fundamentalism and “reform fatigue” and cleverly introducing attractive slogans such as “lifestyle politics” (seikatsu seiji) and “from concrete to people” (konkuriito kara hito e). The LDP’s massive collapse, however, was derived in large part from self-destructive internal divisions over “pork” and “productivity” segments, robbing the party of coherence, strength, credibility and mass appeal.2

Focus in late 2010, though, has been more on the growing troubles of the Kan government than with introspective analysis of the reasons for the DPJ-led Coalition’s leap into public office a little more than a year earlier. Much attention is being paid to the damaging and ongoing brawl between Japan and China over the Zhan incident of September 2010 and the related altercation over the disputed island territories in the East China Sea - ructions that are sharply impacting upon mutual public perceptions of each other in terms of bad feelings and threat perceptions. In early November 2010, in a joint public opinion survey, The Yomiuri Shimbun and Oriental Outlook Weekly, a magazine published by China’s official Xinhua News Agency, indicated that a record 87% of Japanese respondents believe China to be untrustworthy and that 79% of Chinese respondents hold the same view of Japan. Some 90% of Japanese respondents and 81% of Chinese respondents describe Sino-Japanese relations as being bad. Moreover, the November 2010 poll report indicated that 81% of Japanese believe Japan’s most dangerous military threat to be North Korea, closely followed by China, ranked as the second most dangerous threat.3

Tremorous diplomacy between Japan, China and also Russia has sharply undermined the standing of the Kan government. Again, in early November 2010, two major Japanese opinion polls showed severe falls in public support for the Prime Minister’s government – owing to disappointment over his handling of foreign relations (particularly the territorial dispute with China and ineffective responses to a high profile visit made by Russian President Dmitry Medvedev to the contested Northern Territories/Kurile Islands) and owing to the embarrassing leak to You Tube of a confidential video depicting the collision between a Chinese trawler and Japanese Coast Guard vessels. A Yomiuri poll reported that support for the Kan Cabinet fell to 35% between 5 and 7 November (a marked drop of 18 points since early October and a further drop of 31 points since mid-September); whilst a Kyodo News poll showed popular support for Mr Kan in November slipping to 32.7% from 47.6% in early October. The government of the hapless Prime Minister is in severe difficulty not only abroad but also at home.4 Correspondents have been quick to seize on these troubles, likening Japan to having become a “punching bag” between its two largest near neighbours, China and Russia. Japanese diplomacy, some maintain, has been unsteady since the DPJ came into power, focused mainly on domestic matters and only vaguely committed to pursuing a foreign policy more independent of that of its ally, the United States. The imbroglio with China and latterly with Russia has chastened the DPJ and enhanced the value of the US

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3 Anonymous, “Poll Finds Distrust Between Japan, China”, UNITED PRESS INTERNATIONAL, 8 November 2010.
alliance in the government’s mind, conspicuously toning down talk of greater foreign policy independence by Tokyo from Washington. More and more comment is being made about this evident re-direction of priorities and policy emphasis. The view is being expressed that Japan, shaken by China’s aggressive behaviour during the recent dispute over what is in fact a string of uninhabited islets, has now abandoned its earlier plans to make ties with Beijing a key pillar of a bold new foreign policy. Instead, Tokyo is falling back for support on its traditional ally the United States and is seeking succour from other Asian nations who share fresh Japanese doubts about the regional implications of China’s rise. Japanese scholar, Masaru Kohno of Waseda University in Tokyo, predicts that Japan and China will recommence speaking to each other at some point, though says that a significant number of Japanese are willing to sacrifice some economic well-being for the sake of a more principled position regarding China and that anti-Chinese feeling is growing more entrenched amongst Japan’s political class as well as ordinary people.

The beginning of the DPJ’s loss of public support and subsequent decline in electoral fortunes can be traced to the first serious upset for the party – this being the distressing resignations of Prime Minister Yukio Hatoyama and of the Party Secretary General Ichiro Ozawa on 1 June 2010, after barely nine months at the helm. There were two main reasons for the luckless Prime Minister’s resignation: his failure to keep his promise to relocate the US Marine Corps Air Station from Futenma, Okinawa, and a political funds scandal that included his mother’s provision of some 1.26 billion yen (or around US$10.6 million) to him over a period of years. The immediate and most pressing reason, however, was his mishandling of the Futenma airbase issue.

During the August 2009 Election, Hatoyama had pledged to shift the airbase out of Okinawa Prefecture – and, if possible, out of Japan itself – by May of 2010. This promise was to be voided by the existence of an agreement in 2006 between the United States and the previous LDP government after 13 years of detailed negotiation. This plan was jointly endorsed on 28 May 2010 by US Secretary of State Hillary Clinton and US Defence Secretary Robert Gates and their new Japanese counterparts, Foreign Minister Katsuya Okada and Defence Minister Toshimi Kitazawa. The new DPJ-led government was divided over the eventual site of the Base and all such proposals were ultimately rejected by the United States which insisted upon the terms of the original 2006 agreement. Hatoyama had wanted to split the Futenma functions by keeping a new helicopter pad at a new site of Henoko and by building a larger airfield some 200 kilometres northeast of Okinawa on the small island of Tokunoshima. Okada argued for a merger of the Futenma facilities with those of the US Air Force Base at Kadena on a 15 year lease. Kitazawa favoured the implementation of the 2006 plan, while Okinawa Governor Nakaima remained pointedly non-committal when issue flared up into local prominence. The US Administration, however, made no concessions whatever, opposed any splitting of the Futenma airbase, argued that any distance beyond 200 kilometres from

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5 Tod Crowell, “Japan As Punching Bag”, ASIA SENTINEL, 8 November 2010.  
6 Peter Ford, “Japan Abandons Bid to Make China a Key Pillar of its Foreign Policy”, THE CHRISTIAN SCIENCE MONITOR, 17 November 2010.  
the land station to the airfield caused unacceptable operational difficulties and maintained that continued transportation of Marines from Okinawa Camp Hansen and Camp Schwab via the helicopter unit at Futenma was vital to enable US forces to act swiftly in any contingency operations. Hatoyama’s bungled handling of the issue resulted in a large fall in his level of public support, plummeting from just under 70% at the commencement of his Premiership to less than 20%, following his deeply abashed back-tracking from his Campaign pledge to reluctant acceptance of insistent US demands. Worse, SDP Leader and Consumer Affairs Minister in the DPJ-led Coalition government, Mizuho Fukushima, was forced out of the Cabinet when she refused to abide by the decision to accept the 2006 Plan – paving the way for Hatoyama’s fall within a matter of days of her dismissal and the subsequent withdrawal of her and her small party from the troubled Coalition entirely.8

Hatoyama was forced to continue with the 2006 Plan for a number of inter-related, if unpalatable, reasons. First, keeping the US-Japan security alliance was of central importance for any Japanese government and the Americans rigidly contended that Okinawa was the focal point of the security pact and was in close tactical proximity to the potential flashpoints of North Korea and Taiwan. Second, the sinking of the South Korean naval ship Cheonan on 26 March 2010 compelled Japan to comply with US demands, following regional confusion and anxiety over the incident, thus limiting Japan’s range of options. Third, Japan’s existing economic vicissitudes prevented its substitution of US military protection with indigenous capabilities in the event of the cessation of the long-standing security pact. Japan simply could not afford to build its own credible and effective defence infrastructure through highly constrained tax revenues, should the alliance with the US collapse. Hatoyama’s hands, therefore, were tied, and, faced with massive unpopularity and voter rejection at his unavoidable though nonetheless politically injurious climb-down, took the only creditable way out and resigned his office.9

The next aspect of the further deterioration of the DPJ’s credibility and electoral standing can possibly be traced to its own questionable record of successfully implementing its ambitious and sweeping reformist Election Manifesto of 2009 along with the re-affirmation of this document in 2010. Following his re-election as DPJ Party President in September 2010 against concerted rivalry from party power-broker and electoral tactician, Ichiro Ozawa, Prime Minister Naoto Kan issued a reconfirmed Manifesto entitled, “A Strong Economy, Robust Public Finances and Strong Social Security System” in which he stressed the creation by his government of a “New Japan” through the adoption of what he termed “The Third Way” (an approach that avoids excessive dependence on fiscal stimulus); the “Exhaustive Clean-Up of the DPJ” (based on the banning of political donations from corporations and organizations as well as the reduction of the number of Diet members); “Changing the ‘Shape of the Nation’” (through pursuing EPA and FTA initiatives, the realization of domestic local autonomy and self-reliance and the participation by ordinary people in the processes of public administration); and a commitment to “Reform [Starting] at the Grassroots” (a reformist assurance levelled at creating a “society of minimum unhappiness” through the elimination of

8 Ibid., 1-3
9 Ibid, 3.
war and crime, the prevention of diseases and the reversal of unemployment).  

High-sounding words aside, the Prime Minister’s pledged undertakings have not lived up to expectations. According to his own document, the DPJ’s actual accomplishment of its 2009 Manifesto, as of 11 June 2010, has not been as complete, thorough and wide-ranging as the government might have hoped. Of a total number of 179 policies, only 35 have been fully implemented and only a further 59 have been partially implemented – such figures constituting a fulfilment level of between only 19.6% and 52.5%.

The growing public perception in Japan is that the DPJ has promised much more than what it has been capable of achieving – resulting in falling levels of electoral support and widespread disillusionment with the political process itself.

In terms of security policy, under the DPJ, Japan is likely to pursue a more active stance, even though the DPJ is deemed to be more “dovish” than the LDP on issues of foreign policy. This is because the DPJ-led government faces the same external and internal situations that the LDP did. Externally, threats from North Korea, with its nuclear and missile capabilities, and the rise of China are likely to persist. As a result, Japan will continue to experience a fear of abandonment rather than one of entrapment in conflicts against its own interests, making it feel the need to do more to maintain US security assurances. At the same time, pacifism will continue to be an internal factor. Thus, although Japan is likely to continue playing a more active military role than it did during the Cold War period, it is unlikely to become the “Britain of the Far East”, a state that does not hesitate to conduct combat operations jointly with the United States or even independently.

Another matter affecting Japan’s perceived vital interests concerns the sovereignty of its sea borders. Although this is an issue that has not attracted much direct attention from the DPJ-led government thus far, it does impact upon Japan’s territorial integrity and has been the subject of high-level international representations by Japan to the competent supra-national authorities. In November 2008, Japan took steps to “add” around 74,000 square kilometres of seabed to its maritime jurisdiction. Such areas, located seaward of the limits of the 200 nautical mile Exclusive Economic Zones (EEZ), are often referred to as the “outer” or “extended” continental shelf. According to the UN Convention on the Law of the Sea, coastal states can confirm their sovereign rights over areas of the continental shelf by making submissions to the United Nations’ Commission on the Limits of the Continental Shelf (or CLCS) which considers the information provided and makes recommendations which form the basis of “final and binding” outer continental shelf limits. In 2009, a total of 17 submissions had been lodged with the CLCS, including four states located or partially located in East and Southeast Asia – these being Indonesia, Japan, Myanmar and the Russian Federation. Russia was the world’s first state to submit a claim to the CLCS, doing so on 20 September 2001. The submission, although predominantly concerned with the Arctic Ocean,

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11 Ibid, 17.
also related to the Sea of Okhotsk. Shortly after Russia’s submission, Japan delivered a
diplomatic note to the Secretary General of the UN relating to Russia’s submission. In this
communication, Japan objected to Russia’s use of basepoints located on the Islands of
Etorofu, Kunashiri, Shikotan and Habomai in the maps used in the Russian submission on the
basis that they are “inherent Japanese territory.” These Islands, of course, constitute disputed
regions between Russia and Japan since their military seizure by the former Soviet Union in
August/September 1945 and are known respectively as the Southern Kuril Islands (by Russia)
and as the Northern Territories (by Japan.) In 2002, the CLCS suggested that Russia should
make a revised submission. For the time being, the CLCS appears to have accepted Japan’s
contention that a dispute with Russia exists and that the matter should be held over pending
further detailed submissions and renewed adjudication. As of November 2010, however, the
contested Islands still remain in unyielding Russian possession, a matter which Japan
continues to regard as illegal and a violation of its territorial integrity.13

Much of Japan’s future is linked to its relations with China, a matter of note, some might say
of concern, to both nations and to both their governments. China’s economic rise and Japan’s
political rise are the principal catalysts to an emerging East Asian order, but the mistrust
between China and Japan is a daunting obstacle facing regional integration and cooperation.
The “Two Tigers Dilemma” – whereby no two tigers can exist in the same territory – makes
it difficult for the two countries to identify and institutionalize common interests. Sino-
Japanese competition profoundly affects the process of regional economic institution
building. On security issues, suspicions and misgivings between the two countries exist,
which complicate the development of mutual trust, mutual benefit and interdependence.
Strategic mistrust between the two countries sharpens the East Asian security question and
hinders multilateral security institution creation. Japan and China will therefore determine
what happens in East Asia at its present strategic crossroads.14 Increased interdependence
between the two major Asian rivals has given some hope for an end to the disputes that have
marred their relationship. Nevertheless, in recent years, Sino-Japanese rivalry has escalated,
fuelled by historical legacies and misunderstandings. The simultaneous development of
military power by both countries has had an unsettling effect on their relationship. Japan has
been developing a naval force with a modernized “Aegis” capability as part of a security
burden sharing arrangement with the United States which could enable it to staunchly defend
critical sealanes. Beijing sees this effort as a means to intervene in the Taiwan situation, or, in
cooperation with the US, as an attempt to contain it. China itself also intends to develop a
naval capability to protect its oil imports from the Middle East which would threaten the
security of Japan’s sealanes. Potential naval rivalry is thus undermining the benefits of Sino-

13 Clive Schofield and I Made Andi Arsana, “Beyond the Limits? Outer Continental Shelf Opportunities and
Challenges in East and Southeast Asia”, CONTEMPORARY SOUTHEAST ASIA: A JOURNAL OF INTERNATIONAL
14 Men Honghua, “East Asian Order Formation and Sino-Japanese Relations”, INDIANA JOURNAL OF GLOBAL
Japanese interdependence, heightening difficulties in the relationship, rendering it more unpredictable and unstable.  

Recent domestic political reform in Japan has been focused on addressing the problem of “money politics” and its associated issues of scandals involving prominent political figures and business interests. Money can “buy” influence, and vested interests, especially corporations, have financially benefited from ethically dubious connections between their profitable enterprises and overly-solicitous assistance from decision-makers who have been handsomely paid to act in the manner they have. It needs to be remembered, however, that Japan’s rise to economic power and prominence was based on mutually-supportive relationships between corporate enterprise on one hand and decision-making authority on the other. Between the 1920s and the 1970s, Japan developed a practice of “seisho” or a political/merchant relationship, linking both the state and business together. It is difficult to imagine, therefore, that business, at least in early industrializing Japan, could have entertained a policy of complete independence from the state. The manifold ties that drew the two sides together, regardless of substantive disagreements, ensured that they continued to strive for an even-keeled relationship. A conflicting choice of either business or government opting for cooperation or parting company and heading in different directions did not exist. The salient feature of the interaction was economic gain. Given this primary objective, the differences which occasionally divided the parties disappeared, producing a formidable unity in the face of international competition.

All that, however, commenced over 90 years ago. The present concern of Japan’s voters is with reform – encompassing political, economic, social, financial and international dimensions. In the modern context, the drive for reform became centred on the last, truly-popular, LDP Prime Minister, Junichiro Koizumi, who trumpeted this issue vigorously and, for a time, kept the illusion alive that great reforms were afoot. Those who closely scrutinized his actions, however, discerned that, months into his Administration, all Koizumi was doing was following the bidding of a group of senior officials inside the powerful Ministry of Finance. This reality simply reinforced the nostrum that Japanese politicians hardly ever make policy, but rather, officials do so. The unstated but paramount goal since the 1950s has been the expansion and preservation of industrial productive capacity for the sake of national strength, regardless of corporate profit-making. Japan’s reformist politicians, though, are expected to change that and to gain some control over Japan’s officialdom, which is sometimes seen as both omnipotent and unaccountable.

Another burning contemporary issue concerns Okinawa and the bitterly-contested retention of the US Marines’ Base there. Okinawans themselves are the most adamant opponents of a

continued American presence on their soil. Many believe that US forces are not in Japan for the protection of Japan or peace and stability in Asia, but for the projection of American power throughout Asia and the Pacific, even to the Middle East. Given the complexity of the Bases issue, Okinawans have little confidence that President Obama and Hatoyama successor, Prime Minister Kan, will bring much “change”, despite the moods of public optimism following the launches of their Administrations in 2009. What has ensued is a major power struggle between popular local opposition to Bases and the powerful vested interests that are promoting them. From Okinawa’s perspective, Japan’s independence appears to be only an illusion. Under this view, Japan is still a semi-independent or client nation unable to challenge or oppose American demands. For its part, Washington persists in saying that Henoko is the best relocation site if Japan wishes to maintain the American military deterrence capability, warning that the Marines’ presence could be required in the Pacific region should contingencies occur in the Korean Peninsula or the Taiwan Straits. As alluded to above, Okinawans believe that US Marines are stationed on their soil not to defend Japan but simply to hone their assault skills for combat operations elsewhere in the world. It is an agreeable and easy place in which to train, with Tokyo’s provision of large amounts of financial aid which Washington requires in the name of “host nation support.” Such support has been, and remains, substantial. In 2003, Japan’s direct “host nation support” amounted to US$3,228.43 million – a huge sum when compared to German and Korean support figures. Germany’s direct “host nation support” in the same year was US$28.7 million (just 1/112th that of Japan’s), whereas Korea’s direct “host nation support” in that year was US$486.31 million (about 1/7th that of Japan’s). The combined amount of finance Japan has provided in support of USF operations in Japan since the system commenced in 1978 totals a remarkable US$30 billion.

Thus, Japan confronts its future, under a DPJ-led government which is experiencing increasing difficulty in retaining public confidence; in securing Parliamentary passage of its legislation; in dealing with China and the United States; and in initiating badly-needed economic recovery. The fresh and idealistic government that swept so confidently into power in August 2009 is finding itself increasingly mired in domestic and international realities which are proving to be more intractable and confounding than it envisaged and which are causing it to lose effective command and control of the outcomes it originally set for itself.

**THE DPJ AND CHINA:**

The Sino-Japanese relationship is very complex, featuring a long history of friendly relations and deep strategic distrust and mistrust. Both countries have recently realized that they must address their bilateral issues within a broader regional and global perspective. As one of the most complex bilateral relationships in the world, Sino-Japanese relations affect not only the two countries themselves, but also the entire East Asian region and the world itself. Historical legacies, political mistrust and security misgivings lead to complicated dilemmas between

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China and Japan. Conversely, close economic cooperation and common security concerns indicate that interdependence between the two countries also exists. In this relationship, complexity contains both negative and positive aspects. Economic interdependence between China and Japan has been enhanced and the two countries enjoy ever-closer economic ties. Their bilateral trade volume in 2008 reached US$266.78 billion and Japan’s investment in China was US$65.38 billion by the end of 2008, second only to Hong Kong. The cumulative total of Japan’s Official Development Assistance to China from 1979 to 2007 reached 288.89 trillion yen (or approximately US$2.427 trillion in 2007 US dollar values) and 41,162 Japanese projects were implemented in mainland China by the end of 2008. In a word, Japan has been and continues to be an indispensable source of China’s capital, technology and an export outlet. China’s economic rise provides Japan with even more opportunities. China today is the leading exporter of products to Japan and the second largest destination for Japanese exports. China’s economic development has so far played a positive role in Japan’s own economic well-being, demonstrating the codevelopment that is achieved in their bilateral economic relations. Such interdependence would be costly to discontinue for either side and acts as a deterrent to severe conflict.20

Yet, in political and security terms, both countries have been beset by antagonisms and deep-seated suspicions, which magnify the implications of disputes, such as those involving the Senkaku/Diaoyu Islands and the East China Sea. Bilateral relations are often mixtures of hot economics and cold politics and Sino-Japanese relations exhibit this mixture. In the broader picture, although distrust remains, bilateral interdependence continues to grow and the two governments are showing a desire to see an improvement in their bilateral relations. Sino-Japanese relations are thus not a zero-sum game and any account that does not allow for their de-facto economic interdependence and political adjustments would be misleading.21

Scholars of international politics and international law mark the beginnings of the modern international system with the Peace of Westphalia of 1648, which ended brutal wars Europeans had fought with each other for decades. The system of independent, sovereign states that developed after these wars ended came to be known as the “Westphalian” system. Asian countries and peoples were incorporated into this Westphalian system through European and Western imperialism in the eighteenth and nineteenth centuries. After the end of the Cold War and the acceleration of globalization, experts began to speak of the world entering a “post-Westphalian” period. The end of US and Soviet ideological conflict and the border-crossing impact of globalization began to make Westphalian principles of sovereignty and non-intervention in the domestic affairs of other states look outdated and reactionary, prompting commentators to analyze the rise of “global governance.” The rise of Asia in global affairs could presage the emergence of an “Eastphalian” world order, enabling Asian countries to reshape international politics in ways that reflect Asian power, principles and practices more clearly. Asia’s increasing importance challenges Western-led universalism and European-led constitutionalism because Asian countries currently show little to no inclination to follow these directions in their relations with each other or the wider world.

20 Honghua, “East Asian Order Formation and Sino-Japanese Relations,” 75-76.
21 Ibid, 76.
How Asia, and especially China, might influence international relations is not clear and multiple possibilities exist.\(^{22}\)

China’s current leaders have recognized that, although the world may not yet be considered truly multi-polar in the military or strategic meaning of the word, the Asia-Pacific region has been moving in the direction of multi-polarity, in the sense that it is no longer possible for one or two states or ideological camps to hold sway over the entire region. The influence of the US, to the Chinese, has seemed to decline vis-a-vis the other regional powers, especially in terms of economic and financial strength. For its part, China considers itself a major, if not the main, pillar of stability and development in the Asia-Pacific region, contributing to peace and prosperity and pushing for greater involvement in, and integration of, regional governmental arrangements. Thus, coinciding with Chinese perceptions of the “renaissance”, “peaceful rise” or “peaceful development” of their country’s national strength and culture, previous sentiments of “victim-hood” have largely been replaced by an image-consciousness of being, or having to be, a “responsible great power” and a full player in the international arena. A major endeavour of China’s foreign policy is to obtain a peaceful and secure environment for its economic and military modernization. This means first and foremost that China must maintain good relations with neighbouring states and become actively involved in Asian and Pacific affairs. Coupled with a “Good Neighbour Policy”, Hu Jintao in April 2005 also pronounced a further concept, termed “Harmonious World”, allowing the Chinese leadership to augment its own interests and image by initiating cooperation to reduce tension and misunderstanding, to adopt measures to narrow the North-South economic gap and to undertake environment-friendly policies. China wishes to demonstrate its “Good Neighbour Policy” in Northeast Asia by using the ASEAN Plus Three as the main conduit for closer economic relations with Japan and South Korea. Aside from providing a large market for the exports of Japan and South Korea, a major purpose for China’s having good economic relations with these two countries has been its desire to revitalize aging and loss-making state-owned enterprises in its North-eastern region by attracting government funds and private capital investments from Japan and South Korea.\(^{23}\)

Danish scholar Thomas Pedersen, writing in 1998, raised the prospect of a peaceful and orderly power transition if an emerging power will assume the role of what he termed “a cooperative hegemon.” An important characteristic of a cooperative hegemon is that it is a regional power with limited military but vast economic capacity and extensive extraterritorial economic activities. A cooperative hegemon is interested in gaining secure access to markets of neighbouring states and finds it beneficial to create an extended home market out of the national markets of its neighbouring states – China fits this category. Beijing sees economic growth as the key to the development of its overall, comprehensive power, and does not simply rely on the military instrument to ensure its security. From its perspective, military power is necessary to defend China’s economic interests and development. However,


economic security cannot be obtained through the military capability alone. The country’s political leadership believes that as China becomes more integrated into the global economy, the scope of national security has to be broadened to include the economic aspect. To accomplish rapid economic growth, China enhances regional and global economic cooperation, diversifies its external economic links and actively participates in regional and global production networks. Beijing can emerge as a peaceful and cooperative power except in one very important aspect – its ability to resolve its disputes with East Asia’s current hegemons. Beijing sees the United States as a global and traditional hegemon in East Asia and is willing to share management of the region with Washington. However, Beijing is asking for a concession that Washington will not give – a free hand in resolving the Taiwan issue. Certainly, Beijing will encounter difficulties in managing any potential US military intervention in a crisis. Consequently, it is modernizing its military forces to deter Taiwan from declaring independence and to thwart any US military action in a crisis situation. Such arms modernization, in turn, is viewed in Washington as part of Beijing’s long-term goal of easing the United States out of East Asia. China’s abnormal and tense relations with the current cooperative hegemon – Japan – can also overturn Beijing’s quest for a peaceful rise. China has been less accommodating to Tokyo than toward Delhi, Seoul and the ASEAN states. On one hand, China sees Japan as a major competitor for leadership in East Asia and an increasingly powerful and assertive offshore power that can contain China in the future. Japan, on the other hand, sees a rising China, along with other regional concerns, as a grave threat to its security. Thus, Japan has found it necessary to strengthen its security alliance with the United States. Beijing’s erratic relationship with Tokyo additionally poses a unique and complicated problem for China’s peaceful emergence in East Asia.24

Concerning the US-Japan alliance, Chinese attitudes are exceedingly complex. Since the announcement in 1996 of guidelines for revising the US-Japan security treaty to specify more clearly the Japanese role in support of US military operations in the region, Chinese leaders have been increasingly worried about the possibility that this alliance could become a tool for defending a permanently separated or even a formally independent Taiwan. Many Chinese analysts believe, however, that a Japan within a bilateral alliance with the United States is still better than a Japan outside of such constraints – as long as this alliance is not used to provide military cover for an independent Taiwan. Some Chinese analysts argue that, in the post-Cold War era, the alliance has become a “bottle cap” on Japan and a constraint on Chinese and Russian power in the region. It is the alliance’s alleged second purpose – tying China down in a US-dominated security order – especially as it relates to the Taiwan issue that worries China’s leaders. Consequently, since the 1990s, China’s diplomacy toward the US-Japan alliance has been aimed largely at obtaining some kind of credible commitment – so far unsuccessful – that the alliance not be used to defend Taiwan in a conflict with the PRC. In essence, China prefers that the US-Japan alliance return to its pre-1996 form and function of constraining Japanese military power and assisting the United States to deter North Korea, though China does not want to see the alliance disappear entirely. In short, China’s wish to be richer and more powerful has not translated into a concerted military

effort to replace the United States as the predominant state regionally or globally, lending credence to Beijing’s often-repeated assertions that it wishes only to live in peace and security with its neighbours and with the world and that its diplomatic overtures are benign, as befitting a “status quo” rather than a “revisionist” power.25

The global economic crisis has sparked an important change in the normative consensus in political economy. Previously, net importing countries were criticized for their lack of competitiveness and self-discipline whilst net exporting countries were praised for their manufacturing prowess and fiscal or consumer self-restraint. Such is no longer the case. Net exporters are losing some of their rectitude and net importers some of their shame. External balance has become fashionable again. Before the start of the financial crisis in 2007, much of the economic analysis of macroeconomic imbalances mirrored the “deficits and the dollar” debate of the 1980s, with China playing the role that used to be attributed to Japan. China’s surpluses attracted significant attention, yet analysts continued to focus on the size and sustainability of US current account deficits, emphasizing both the weakness of US domestic savings and the international role of the dollar. At some point, the argument went, the United States would face the risk that it would no longer be attractive to the suppliers of foreign credit, and China in particular. Once again, the scenario ended with the falling dollar taking the rest of the global economy along with it. All governments face the importance of nurturing domestic productivity growth. The questions revolve around how to go about it and how to sustain or achieve a cost-competitiveness. During the 1960s, West Germany chose to forego new investment to maintain cost-competitiveness. China currently faces a similar problem and has implemented a similar solution. The result has been a dramatic increase in Chinese holdings of foreign currency-denominated assets, some of which belonging to private actors but most belonging to the state. The Central Bank of China has accumulated an enormous stockpile of foreign exchange reserves and it has held these outside of the domestic economy by soaking up the resulting increase in Chinese currency through the issue of government (“sterilization”) bonds. This has had two different implications. First, it means that China does not benefit from the foregone investment. Foreign currency-denominated assets may generate a positive real rate of return, but they do not raise productivity and so cannot contribute to an increase in standards of living. Second, as long as China continues to focus on the relative cost dimension of its export competitiveness, the volume of foreign currency-denominated assets will continue to increase.26

Moving from considerations of China’s economic security to China’s military security, some considerable scholarly debate has taken place over China’s “naval nationalism” and its related power-projection through expanded naval capabilities. Almost all Chinese and US analysts agree that China’s continental threat environment has improved dramatically. In the mid-1980s, Chinese leaders shifted the focus of China’s “military strategic guidelines” (junshi zhanlue fangzhen) from the Soviet Union to broader regional threats, placing greater

importance on the sea. In the post-Cold War era, China solved all of its land border disputes except those with Bhutan and India and it stabilized relations with continental neighbours through confidence-building measures, strategic partnerships and regional organizations. According to two Chinese experts, Liu Zhongmin and Wang Xiaojuan, “the security environment on China’s northwest and southwest land border is the best since 1949 and maybe even the best in China’s history” providing China the opportunity to “concentrate its resources on developing sea power.” As continental pressures on China have diminished, strategic pressures from the sea have become more salient. In addition to Taiwan independence, China’s greatest perceived security threats come from the naval and air forces of the United States and its allies. China has maritime disputes with several neighbouring countries, most notably in the East China Sea and South China Sea. Such matters have driven China towards significantly expanding its naval capacity whilst at the same time prompting its spokesmen and women into reassuring the Asia-Pacific region that such naval forces would be of limited power. A limited power-projection capability could help to demonstrate that China is a responsible major power willing to take on more international burdens as it becomes more powerful. The 2004 Indian Ocean tsunami appears to have been a turning point in the Chinese leadership’s support for an aircraft carrier. The US Navy’s rapid assistance not only highlighted the political value of naval forces, but also showed that China had a long way to go before it could participate effectively in such missions. Moreover, in terms of actual combat at sea, PLA Officers acknowledge that if China tried to use its aircraft carriers against the US Navy, they would be “sitting ducks” or “easy targets”, and that such deployment would be “suicidal.” Instead, they emphasize limited power-projection capabilities that in themselves are less likely to undermine China’s diplomatic relations.

Western commentators are prone to speculating about the political nature of China’s governing regime and on the possibility of China’s eventual adoption of full democratic practices through ending one-party rule by the Chinese Communist Party (CCP). They raise the questions of whether or not China is a threat to democracy or whether or not democracy itself is a threat to China. Such commentators argue that China is not a market-Leninist system in which the economic imperatives of wealth expansion are in contradiction with the political imperatives of control-oriented, anti-market Leninist institutions. China has already evolved into a non-Stalinist authoritarianism. Somewhat similar transitions occurred in nineteenth century Imperial Germany and Imperial Japan, producing regimes that were readily compatible with sustained rapid growth. There are no historical forces, though, guaranteed to undermine China’s resilient authoritarianism. China is a successfully developing superpower determined to shape the world in directions consonant with the imperatives and priorities of its ruling groups – and, more especially, to preserve the CCP monopoly of power without accountability. China’s potential for democracy will largely be shaped by the dynamics of the Asian region and by internal groups and interests created by

rapid industrialization and urbanization coupled with globalization. In fact, China has evolved into a Singapore-type authoritarianism, manifested as a technocratic, professional, one-party administrative state. There are, though, political forces in, for example, Indonesia that are opposed to Beijing’s efforts in Southeast Asia to roll back the advance of democracy. Should Indonesia succeed in its opposition and should other nations in Southeast Asia as well as Pakistan and Bangladesh democratize, politically conscious Chinese may seek to accommodate regional democratization, especially if Taiwan and Singapore proved to be admirable democratic alternatives. Regional factors at present make this unlikely, though China’s democratization is not impossible. Given the difficulty of locating forces of regime instability or democratization in China, a more likely outcome is either continuity, that is, cumulative change toward a dominant-party populist presidentialism resembling Singapore, or a transition to a more jingoistic and militaristic direction. China is an emerging superpower probing, pushing and pulling the world in its own authoritarian course. Japan’s concept of leading China into an East Asian Community and showing China the way concerning environmental protection and shared high standards of living appears to be ephemeral. For Confucian China, China was the core, apex and leader of an Asian community. The CCP intends for authoritarian China to establish itself as a global pole. The US government will have difficulty being heard in Chinese ruling circles unless Americans abandon a democratization agenda that presupposes ending the leadership role of the CCP. The Chinese regime imagines a chaotic and war-prone world disorder of American-led democracy-promotion being replaced by a beneficent Chinese world order of authoritarian growth with stability. Such is the nature of the democracy/authoritarian debate. Whilst there are dissident forces within China, they are uncoordinated and rigidly suppressed by the present CCP regime which continues to retain all power and is determined to keep overweening central control of the country it has ruled now for more than six decades.29

What, then, of China’s relations with the other Northeast Asian giant, Japan? Sino-Japanese interdependence has developed rapidly over the past decade. China, including Hong Kong, displaced the United States as Japan’s major trading partner in 2004, while China, excluding Hong Kong, became Japan’s largest trading partner in 2007. In 1996, Japan’s trade with China excluding Hong Kong was US$62.2 billion while trade with the US was US$193 billion. In 2007, trade with China reached US$236.6 billion while trade with the US dropped to US$208.2 billion. Japanese companies have relocated labour intensive industries in China and their products have been imported into Japan or exported to other markets. China’s comparatively lower wages and its willingness to serve as a production base for Japanese companies have been important factors in the maintenance of Japan’s global competitiveness, particularly in the electronics and telecommunications industries. Important as China has become to Japan, the US is still the first priority; exports to China in 2007 were 15% of total exports while the US took 20% of Japan’s total exports. The US also remains Japan’s first destination for FDI. At the end of 2007, Japan’s accumulated FDI in China was US$38 billion, being dwarfed by total FDI in the US at US$174 billion. It is notable, however, that whilst both China and Japan have become increasingly interdependent, their rivalry has also

become accentuated. Closer contact with Japan has been accompanied by the belief of many Chinese and Koreans that Japan has not come to terms with its militaristic past and that Japanese society suppresses information about the crimes committed when the Japanese military occupied their countries. Chinese and Koreans were angered by Prime Minister Junichiro Koizumi’s annual visits to the Yasukuni Shrine which honours the spirits of Japan’s war dead, among which are included 1,068 convicted war criminals and 14 convicted Class A war criminals. Koizumi’s actions and his unusual obstinacy over this issue stifled Japan-China relations for the duration of his term of office. In March 2005, extensive anti-Japanese riots erupted in China which were triggered by a revival of the textbook issue. Approved by the Japanese Education Ministry, school history textbooks, it was claimed, glossed over Japan’s wartime atrocities and provided a misleading and sanitized version of the invasion of China, the Korean comfort women issue and the annexation of Korea. There are also security concerns that China’s moves to protect its sealanes could further stimulate competition with Japan. China’s escalating dependence upon oil imports has created a fixation upon the security of its sealanes, especially the Malacca Straits through which some 80% of its oil is shipped. China currently imports around 47% of its oil and is the second largest oil consumer after the US. China is examining the possibilities of re-routing its oil supplies through pipelines in Mynamar or Pakistan, and is looking to increase oil supplies from Russia through pipelines in Western Siberia and Kazakhstan. Although such routes would diminish oil shipments through the Malacca Straits, they would not replace them entirely, making sealane protection an ongoing priority for the Chinese navy in the future. Chinese naval expansion in this area prompts Japanese fears that Beijing might gain a stranglehold over Japan’s own oil lifeline in the Malacca Straits, thus jeopardizing the supply of 87% of Japan’s oil needs. Sino-Japanese rivalry in recent times may have been initially stimulated by disputes over history but it is increasingly being affected by events outside the bilateral relationship relating to China’s sealane vulnerability, the Taiwan issue and America’s role in the region. Ironically, therefore, China and Japan both need each other economically, but mistrust each other militarily.30

China is deeply interested in the likely direction of Japanese foreign and security policy under the DPJ-led government. Disgraced former Party Secretary General, Ichiro Ozawa, who is now facing indictment for financial misreporting and misuse of party funds, did cultivate good relations with China, organizing high level visits by DPJ parliamentary delegations to Beijing, being met on one notable occasion by none other than the PRC President himself, Hu Jintao. The question now is in what direction will Prime Minister Kan lead his country? Many in Tokyo believe that Kan will fall into a nationalist/”realist” camp because some of his strongest supporters include pro-US nationalist/moderate adherents such as new Party Secretary General Katsuya Okada and new Foreign Minister Seiji Maehara. In fact, when he became DPJ leader earlier in June 2010 – he was re-elected in September 2010 – Kan said the US-Japan relationship is the foundation of Japan’s foreign policy. Nonetheless, in August 2001, Kan pointed out that Japan should seriously examine the potential relocation of US Marines in Okinawa outside of Japan. Given the ongoing rise of China and an unstable

nuclear North Korea, none of the nationalist groupings in the Diet and elsewhere believe that
the 60 year-old alliance with the United States should be abolished anytime soon. Most of
them, though, continue to believe that Japan must re-establish its national pride and
ultimately enhance its security by pursuing its own national security policy. In fear of a much
closer relationship between Washington and Beijing, even pro-US nationalists such as Shinzo
Abe may prefer more independence in security policy, while anti-US nationalists such as
Yukio Hatoyama or Ichiro Ozawa could accelerate their tilt toward China if China-US
relations were to strengthen. Japan may soon approach a juncture where it is confronted with
two paths. One entails taking a more independent orientation, led by anti-American
nationalists, that includes embracing Asia or China. The other path, led by pro-American
nationalists, involves Japan’s embracing a US-UK model in which Tokyo plays an active role
as a full partner with Washington. Each path is beset with difficulties. First, ancient distrust
between China and Japan continues to this day despite some exchanges between political
leaders. Japanese attempts to apologize to China for its wartime outrages are often spurned by
the Chinese Communist Party which prefers to keep such issues alive for their own domestic
political reasons. For years, predictions of Tokyo’s turning to Beijing, or even acting as a
bridge between China and the West, have not materialized. Second, creating a British-style
alliance with the United States on the other hand, as was advocated by some in the former
Bush administration, presents its own problems. It is unlikely that the Japanese public is
anywhere near the point where it would support a wholesale revision of Japan’s security
arrangement along the lines of the US-UK model, with its commitment of troops, ships and
aircraft to battlefield conditions and active combat in war zones. The political will for such a
radical reversal of over 60 years of non-violent pacifism simply does not exist and no
Japanese government, however nationalistic in its outlook, would dare to attempt to foist such
a policy upon a highly unwilling populace. All of these factors in Japan are being watched
quietly but closely by China, which is drawing its own conclusions and deciding its own
contingency plans.31

Turning from China’s interface with Japan to its potential relations with the United States,
much will depend upon the forms and substance of China’s military build-up and its maritime
capabilities. The United States is already critical of China’s lack of transparency concerning
its annual military spending and the true extent of its arms modernization programme.
Official Chinese figures state that China spent some US$60 billion in 2009 on the PLA;
whereas SIPRI estimates were that US$98.8 billion was spent and Pentagon estimates were as
high as US$150 billion. The United States, however, still dwarfs Chinese defence spending
and military capacities – with Washington disbursing US$663 billion on its military in 2009
and its nuclear forces in January 2010 consisting of 9,600 deployed and reserved warheads in
contrast to China’s 240 deployed and reserved warheads. The United States is thus
outspending China by 442% on defence and its nuclear arsenal outstrips that of China by
4,000%. 32 Since China began its rise to great power status in 1978, US-China relations have

avoided much of the instability and great power rivalry associated with the US-Soviet competition. The development of the Chinese economy, the growth of central government revenues and annual double-digit increases since the mid-1990s in the Chinese defence budget have yet to yield China military capabilities or great power ambitions that fundamentally affect the regional security order and vital US interests. Nonetheless, recent developments in Chinese politics and defence policy suggest that China will soon embark on a more ambitious maritime policy, beginning with the construction of a power-projection navy centred on an aircraft carrier. Just as nationalism and the pursuit of status encouraged past land powers to seek great power maritime capabilities, nationalism, rather than security, is driving China’s naval ambition. China’s maritime power will be limited by the constraints experienced by all land powers – extensive challenges to territorial security and a corresponding commitment to a large ground force capability. China’s naval nationalism will however challenge US-China cooperation. It will increase US naval spending and deployments and politicize China policy in the United States. China’s naval nationalism will not challenge US maritime security but it will challenge US-China diplomatic cooperation. The challenge for the United States will be to develop a measured military response to China’s naval nationalism while avoiding unnecessary and costly bilateral tension. This will not be easy. The combination of China’s naval expansion and the US military response may suggest a naval arms race. China’s development of carrier-based naval capabilities will resonate with the American public and over time promote a perception of China as a credible threat to US security. An aircraft carrier will not only symbolize China’s great power status to its people, it will also signal to Americans China’s intention to challenge US maritime security. China’s development of a carrier-centred naval capability will increase US-China military competition. Yet such great power maritime rivalry will not intrinsically make such competition inherently unmanageable. The impact of US-China maritime rivalry can be effectively contained. China’s naval expansion and its influence on international politics will reflect the enduring asymmetric geopolitical constraints stemming from grossly unequal US and Chinese maritime capabilities. It will also reflect the constraining impact of nuclear weapons on great power use of force. China may be pursuing an ambitious maritime policy but there are diplomatic and military checks and balances in place, especially involving the US, which will constrain China’s ability not only to impose its will unilaterally on the Asia-Pacific region but also its capacity to coerce regional states into submitting to Chinese demands, should it ever attempt to do so.  

It is perhaps appropriate to conclude this section of the discourse by referring to Chinese and Japanese interpretations of the respective intentions of the other. It has already been noted that whilst China and Japan are mutually benefiting from a burgeoning and highly profitable economic relationship, both countries harbour doubts and misgivings about the other politically and militarily. Many of Japan’s leaders, officials and defence planners worry that the growth and aggressiveness of the Chinese military could alter the political and economic order of the East China Sea. These Japanese leaders are distressed by an inability to define and manage increasing Chinese military and political power. More specifically, Japan fears

the disruption of shipping routes through the East China Sea, the loss of the Senkaku Islands, the loss of Taiwan’s de-facto independence and the loss of energy sources. Currently, Japanese leaders and defence planners resist China’s regional domination and perceived aggression in the East China Sea. Any major disruption in sea traffic would be devastating to Japan’s economic well-being. Japanese leaders interpret Chinese policies and military incursions as aggressive behaviour. Chinese leaders, for their part, perceive Japanese policy as aggressive as well. Japan fears that China intends to dominate the sea, energy resources and the Islands referred to by some Chinese leaders as the “Diaoyu Blockade.” China alleges that Western and Japanese imperialist designs carved up its seas, looted its maritime resources and occupied its reefs and islands. In this light, Chinese policies are, in the words of Chen Jie of Yale University, “a long overdue and legitimate action to protect its territorial integrity.” Essentially, Chinese leaders have taken steps that they believe will ensure China’s security and there is no reason to expect a reversal in its military expansion, given present reasoning. China’s leaders anticipate the full remilitarization of Japan, the commencement of Japan’s offensive capabilities, the strengthening of the military alliance between Japan and the US, as well as the strengthening of tacit military ties between Japan and Taiwan. Indeed, policies stemming from such a mindset can be misconstrued as threats of force, causing opposing nations to mirror each other’s behaviour. Japan, feeling threatened by the expansion of the Chinese military, has enhanced the projection of the Self Defence Force and commenced alliances and treaties. Military preparedness is increasingly understood by Japanese policy-makers as necessary in order to deter incentives for aggression that they believe are currently influencing Chinese policymaking. Both China and Japan, however, have matching security concerns involving sea lanes, the Senkaku/Diaoyu Islands and Taiwan and both have consequently engaged in encroaching military, economic and diplomatic strategies. Japan’s involvement in ballistic missile defence and China’s growing submarine fleet are worsening their respective fears and have the potential of leading to dire circumstances. There are still grounds for a cautiously optimistic hope, however, in that both Japan and China can improve relations by heeding their security concerns about each other and by showing at the same time a sincere readiness to engage in diplomacy. In the end, both sides know that their differences can only be settled by dialogue not destruction and that living peacefully is a far better prospect than dying violently.34

**THE DPJ AND THE UNITED STATES OF AMERICA:**

The central issue for Japan’s foreign policy under the DPJ-led Coalition government is the same as it has been for many years – how should it handle, on one hand, its alliance with the United States and, on the other, its relationship with its Asian neighbours? The rise of China and the tensions in the Japan/China relationship now tend to eclipse Japan’s relations with other Asian countries in the public mind, but in reality all are bound together. But what of the relationship with the United States? It always looked as this might be irksome. The DPJ includes a wide variety of opinion, from people like Seiji Maehara, who staunchly support the US-Japan Security Treaty, right through to former members of the old Socialist Party, who

plainly do not. In 2007 the DPJ strongly opposed the continuation of Japan’s participation in US-led naval operations in the Indian Ocean as part of Operation Enduring Freedom. The then US Ambassador had his first meeting with Ozawa at the height of this disagreement and he found it a bruising experience live on television. The DPJ have also had longstanding objections to the arrangements governing the US Bases in Japan. In the 2009 Manifesto, at the last minute they toned down some of their previous positions, but it still called for “the revision of the Japan-US Status of Forces Agreement” and it proposed to “move in the direction of re-examining the realignment of the US military forces in Japan and the role of US military Bases in Japan.” Its central message was that US-Japan relations should be “close and equal.” The US-Japan alliance would still be the foundation of Japan’s foreign policy, but Japan and the US would work out their respective roles only after Japan had developed its “autonomous foreign policy strategy.”

In Asia, the end of the Cold War did not eliminate the desire for US protection. In addition to general concerns about the stability of governments in North Korea, Indonesia and elsewhere, a number of Asian countries share US concerns about the long-term implications of Chinese economic growth. As China continues to grow and develop, it is likely to translate that increased economic strength into greater military power and regional influence. In addition to Taiwan (which has long sought US protection against pressure from the PRC), Asian countries like Japan, Singapore, Vietnam, Malaysia, Indonesia, the Philippines and India continue to welcome a close strategic partnership with the United States. There some five responses to the creation of an alliance system by member states – these involving “hard balancing” (the formation of a countervailing coalition to contain the strongest state); “soft balancing” (the acceptance of the prevailing balance of power but assembling countervailing coalitions designed to thwart or impede specific policies); “neutrality” (offering neither resistance nor support to the predominant power); “bandwagoning” (the choice of alignment with the strongest or most threatening state in a form of appeasement seeking to convince the dominant power to leave threatened states alone); and “regional balancing” (the alignment of states with the dominant power where the threat to be countered is a neighbouring power or some other local problem.) These various strategies offer a fairly complete accounting of the most common motivations for alliance, though they are ideal types and reality will usually be considerably more complex. States may align with the United States as regional balancers (as Japan has clearly done) but then engage in various forms of soft balancing (as in the Six Party Talks) in order to pressure the United States to act as it wishes. Similarly, one can see major powers such as China collaborating with the United States on certain issues (such as counter-terrorism), while simultaneously attempting to build other relationships intended to enhance its influence over time (and reduce that of the United States.)

The question arises as to why the United States pursued a network of bilateral alliances in East Asia following the end of World War II rather than the multilateral security alliances it preferred in Europe, Southeast Asia and the South Pacific. In East Asia the United States

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cultivated discrete and exclusive postwar relationships with the Republic of Korea (ROK), the Republic of China (ROC or Taiwan) and Japan. Famously referred to by John Foster Dulles as the “hub and spokes” system, these bilateral arrangements still constitute the most striking and enduring element of the security architecture of East Asia. Numerous international relations scholars have advanced explanations for Asia’s bilateralism but, according to Victor Cha of Georgetown University, they all overlook the critical causal variable of US preferences: the desire for maximum and exclusive control over potentially dangerous allies. Cha argues that bilateralism emerged in East Asia as the dominant security structure because of what he terms the “powerplay” rationale behind US postwar planning in the region. He defines “powerplay” as the construction of an asymmetric alliance designed to exert maximum control over the smaller ally’s actions. The United States created a series of bilateral alliances in East Asia to contain the Soviet threat, but a congruent rationale was to constrain anticomunist allies in the region that might engage in aggressive behaviour against adversaries that could entrap the US in an unwanted larger war. Underscoring the US desire to avoid such an outcome was a belief in the “domino theory” – that the fall of one small country in Asia could trigger a chain of countries falling to communism.37

The powerplay theory applies slightly differently to Japan, because only in that country did the United States attempt to reshape internal institutions to prevent the Japanese from engaging in unilateral aggression. The Truman and Eisenhower administrations understood that Japan was the only country in the region that could seek great power status after World War II. US policy-makers initially attempted to embed Japan in a regional framework to assist in its postwar recovery, just as they were doing with Germany in Europe. But when this failed, they opted to develop a tight bilateral alliance with Japan. The powerplay in this relationship was to “win Japan” as an ally – that is, to exercise decisive influence over Japan’s transformation from a defeated wartime power into a status quo power supportive of US interests in the region, thereby limiting the potential for renewed aggression.38

The United States executed its powerplay strategy toward Japan with greater subtlety than it did toward Taiwan and South Korea. The strategy was not tied to fears that, like Chiang or Rhee, Shigeru Yoshida, Japan’s first postwar Prime Minister, might try to start a new war in Asia. At the same time, though, controlling Japan did not mean emasculating it. The choice was to shape Japan through one of three options: the “alpha” option, the “gamma” option, or the “beta” option. The alpha option called for a harsh treaty settlement that would have confined Japan to its home islands and allowed it to maintain only modest defence capabilities. The gamma option encouraged the development of a militarily independent Japan capable of defending itself against communism and projecting force in the region. It called for an early end to the Occupation, a favourable peace treaty settlement and the acceleration of Japan’s build up as a bulwark against communism. Emerging between the alpha and gamma options, the beta option sought to create a postwar Japan that was not too weak but not too strong. The strategy sought to create deep, robust ties to the United States

38 Ibid, 159.
and thereby modulate Japanese growth and development in a direction beneficial to US interests. The United States therefore saw the mutual defence treaty with Japan, signed on 8 September 1951, as serving two purposes. One was to build a bulwark against communism. The other was to control, manage and restrain Japan’s reintegration into the international system.39

Such is the background to present-day US-Japan relations - predicated on an alliance that has spanned six decades; seen the rise of Japan to being an economic powerhouse; witnessed the end of the Cold War and the triumph of the capitalist West over the communist Soviet Union; and confront the newer dangers of terrorism and nuclear weapons proliferation. The Obama administration took office in 2009 and was determined to move beyond the power-politics unilateralism of the Bush Junior years, intending to reassert America’s global influence and standing as the most principled and powerful guarantor of rule-based multilateralism. President Obama set out to rebuild the world’s faith and confidence in the integrity and ethics of US foreign policy, which his predecessor in The White House had done so much to tarnish. With respect to China, Obama’s approach was presented as a doctrine of “strategic reassurance.” Although beginning with optimistic hope, the policy has not yielded the systemic breakthroughs that the Obama administration hoped to achieve on climate change, non-proliferation, Middle East security and warmer US-China relations. Instead, increasingly stinging exchanges between Beijing and Washington display the contradictions inherent in attempting to “shoehorn” an authoritarian, mercantilist and suspicious nation into a refurbished world system that ostensibly promotes democracy, open markets and multilateralism while forcefully advancing American interests. Currently, the Obama administration seems to have accepted a world of lowered expectations and is striving for a more achievable goal of advancing US power at China’s expense. Friction with China has emerged as a regular feature of US diplomacy – a means to gain kudos at the expense of an unpopular, uncooperative, and, for the present, diplomatically and militarily weaker regime. US China policy today seems like antiquated “rollback”, the effect of which being to isolate China instead of incorporating it into a mutually-beneficial multi-polar system.40

President Barack Obama came to power facing daunting domestic and foreign crises. The United States preceded world economies into steep decline in 2008 and has continued falling in 2009/2010. Active efforts by the US and other governments to deal with the causes and effects of the global financial crisis have showed little signs of substantially reversing economic fortunes. Economic calamity overshadowed what had been expected to be the new US government’s most salient preoccupation – the wars in Iraq and Afghanistan and the violence and instability in the broader Middle East-Southwest Asian region. In 2009, continued progress in stabilizing security in Iraq and transferring responsibilities to the Iraqi government opened the way for the anticipated withdrawal of US combat forces. Conversely, the deteriorating security situation in Afghanistan meant that US combat forces would be significantly increased in order to counter the resurgence of Taliban attacks and their

expanding administrative control, threatening to undo the gains won following the overthrow of the oppressive Taliban regime by US-led forces in 2001. Against this background, US relations with the rest of the Asia-Pacific region seemed to be of generally secondary importance to US policy-makers. The global economic crisis put a premium on close US collaboration with major international economies, notably Asian economies like China and Japan, in promoting domestic stimulus plans and avoiding self-serving protectionist measures that would encumber early world economic growth. Pyongyang, though, climbed to the top of the Obama government’s policy agenda through a string of provocative actions in 2009, culminating in North Korea’s withdrawal from the Six Party Talks and its second nuclear weapons test in May. Concerning Japan, domestic political turmoil (typified by a succession of weak and unpopular Prime Ministers following Koizumi’s departure from office in 2006) was compounded by a major decline in the export-oriented Japanese economy as a result of the 2008 global economic crisis. Despite such weaknesses and upsets, Japan remains the third largest economy in the world, with great technological prowess and modern, capable armed forces. US leaders count on Japan to work with the United States in dealing with the economic crisis; in managing the threats posed by North Korea’s nuclear weapons and other provocations by that unpredictable, aggressive regime; and in sustaining regional peace through contingency plans aimed at circumventing possible disruptive actions by a rising China and other potential sources of regional instability. Japan has also developed and demonstrated a strong willingness to share its leading expertise and experience in managing environmental and climate change matters – key priorities of the Obama government.41

Japan and South Korea (the Republic of Korea or ROK) are the United States’ two most important allies in East Asia. Approximately 28,000 American troops are stationed in South Korea, with another 33,000 in Japan. The United States has separate security alliances with South Korea and Japan – part of what former Secretary of State John Baker referred to in 1991 as a “fan spread wide, with its base in North America and radiating west across the Pacific.” Both alliances have been long-lasting: the alliance with Japan dates to 1950, with an upgrade in 1960, and the US-ROK alliance was signed in 1953. Although the alliances have succeeded in preventing other countries from committing full scale aggression against South Korea and Japan, it is unclear how effective they would prove to be should they be tested by a major incident originating in, say, North Korea, because Japan and the ROK have no security alliance with each other. In late November 2010, just such a potential security threat, originated by the Democratic People’s Republic of Korea (DPRK), has swirled into regional and international focus, with the repeated artillery shelling by North Korea of the small South Korean Island of Yeonpyeong, killing four people and forcing the evacuation of hundreds of civilians. Perhaps the best the United States can do to optimize the effectiveness of the South Korea-Japan segment of its Asian alliance mechanism is to renounce its policy of preemptive attack and restrain itself from invading other countries, except as part of a cooperative United Nations or other international effort. Many South Koreans still see a similarity between the former imperialistic policies of Japan and the current foreign policies of the United States. The US also needs to be very careful in the manner in which it engages,

if at all, with the Kim Jong Il regime in North Korea. If the US bargains with the regime by accepting it on its own merits in return for a freeze on its nuclear weapons programme, the Japanese, who rely heavily on the US to apply pressure on North Korea over humanitarian issues such as the abduction of Japanese citizens, will become further disillusioned with the United States. The South Koreans will also be disappointed if the US moves ahead with its own North Korean policy without consulting Seoul – especially if the ROK is asked to finance an arrangement made in Washington. The US alliances with Japan and South Korea must be preserved to keep the peace in Northeast Asia. North Korea still needs to be deterred and the other countries in the region need to know that they face US constraints on their use of military power. In regard to China’s power projection, the constraints imposed by a US regional presence will reassure Japan, South Korea and Taiwan. Similarly, if the United States acts as a guarantor of regional peace, China and South Korea should be assured that the United States will constrain Japanese projection of power.42

THE DPJ AND NORTH KOREA:

North Korea has a population of some 22 million people and is ruled by a Stalinist one-party regime that tolerates no dissent and which adopts a “cult of personality” around its leader, sustained by rigid social control supported by the armed forces. Malnutrition is widespread, owing to frequent and acute food shortages for most of the population, and the economy is close to the point of collapse, being propped up by foreign aid from the regime’s only ally, China, and by trafficking in narcotics and counterfeit currency. Its scarce resources are harnessed to the purchase of arms for its 1.1 million-strong military and to the development of nuclear weapons and missile delivery systems. It is often described as “the hermit state”, owing to its deliberate isolation from the outside world and to its blanket secrecy involving all aspects of government policy and decision-making. It is regarded by Japan with extreme suspicion and outright condemnation – given that it has not only abducted Japanese citizens to help train North Korean spies but that it also threatens Japan’s security by means of missile attack capable of launch at any time causing devastation and widespread casualties. The regime itself is unpredictable in its actions and is often aggressive and provocative towards its regional neighbours, the United States and the rest of the world. Analysts differ as to the mental stability of its rulers – some arguing that the elite is dangerously disturbed, whilst others arguing that the elite is meticulously astute and all its actions are carefully planned prior to their implementation. The family “dynasty” which rules this totalitarian state has thus far carried out effective transitions of power from father to son – the latest being from the “dear leader”, the ailing Kim Jong-II, to his third son, Kim Jong-Un, now known as the “brilliant comrade.” Predictions of the regime’s imminent collapse have existed now for 20 years, though, somehow, in the face of strict sanctions and widespread international censure, this ruthlessly authoritarian state maintains its being and shows no outwardly visible signs of dissolution or political overthrow.

The Kim regime relies on several tools of authoritarian control to stay in power; these including restrictive social policies, manipulation of ideas and information, the use of force, manipulation of foreign governments and institutional coup-proofing. These tools help to explain its seemingly puzzling survival and suggest that a revolution or coup d’etat in North Korea remains unlikely. The regime divides North Korean society into classes – these being “core”, “wavering” or “hostile”. Class, or songbun, is determined by socio-economic origin. At the top is the working class with family members who fought against Japan or South Korea. The bottom caste includes those with relatives who had been landed elites or Japanese collaborators, who fought for the South or who were judged as disloyal to Kim Il-Sung. Upward mobility is difficult for most and impossible for some, though one’s songbun is easily demoted for perceived disloyalty, marriage to someone in a lower class or a relative’s transgression. In North Korea, one’s class determines where one lives, how much food one eats and whether one is assigned to sit in a comfortable office or toil in a dangerous mineshaft. Since the “great leader” Kim Il-Sung created the class system, people considered wavering or hostile have been assigned a harshly low quality of life. Perceived enemies of the regime (if spared) were banished to the countryside or imprisoned in camps, where malnourishment is high and where most famine deaths occur. By contrast, Kim Jong-Il bestows a comfortable life on the core class in exchange for its loyalty. Members of this class receive the safest and most desirable jobs working for the regime. The most favoured among the elite receive positions in Kim’s network of trading companies, giving them coveted access to hard currency. Members of the elite reside in Pyongyang and live at the top of the five levels of housing in the country. They receive more plentiful and better food – those receiving the most and best food being members of the internal security services, the military and high-level officials. The core class has access to special stores that sell coveted products such as leather (as opposed to vinyl) shoes, wool (rather than synthetic) clothing, red meat, liquor, chocolate and eggs. Most North Koreans at best obtain such luxuries only on special holidays, whilst elites buy them year round at discounted prices and without standing in long queues. Lavish gifts are bestowed on members of the “selectorate” including imports such as luxury cars, watches, stereos and television sets. Defectors even report that cadres are rewarded with wives, who enjoy large (by North Korean standards) pensions, having retired in their twenties from the “Happy Corps”: a group of beautiful young women who serve Kim Jong-Il as staffers and entertainers.43

Revolution is unlikely in totalitarian North Korea. Social policies have stunted the development of social classes critical to the onset and success of revolution and they have obliterated any independent civil society. It is possible that the populace is simply frightened and mouths nationalistic slogans. But if the populace is dissatisfied with the regime, the state’s brutal use of force (or threat of force) suppresses individual disloyalty or popular mobilization. The North Korean people may be hungry, may despise Kim Jong-Il and may envy their rich neighbours, but they are unlikely to mobilize. As Andrei Lankov noted in 2008, during the famine, “North Korea’s starving farmers did not rebel. They just died.” Every indication is that the regime will continue to have the funds needed to co-opt its

supporters. In dealing with North Korean nuclear weapons acquisition, the United States’ policy has not significantly changed from Bill Clinton to George W. Bush to Barack Obama. Future US administrations will be similarly troubled by the instability of a Korean transition and may be similarly inclined towards a policy of limited accommodation and engagement. Beijing, which gives 50,000 tons of oil each month to North Korea is likely to continue to shoulder its ally. North Korea, with its callous and arrogant disregard for international norms and human life, may at some point cross a “red line” leading to a decision to topple the Kim regime. Short of Pyongyang’s selling fissile material to al-Qaida, however, one wonders what “red lines” North Korea has not already crossed and thus far not having been brought substantially to book. In short, Pyongyang will probably have the funds it needs to continue bribing its selectorate and security forces. Kim Jong-Il is likely to leave power not because of mutinous cadres or angry masses, but because he dies in office. Sanctions aimed at weakening the broader North Korean economy are unlikely to have much coercive effect: Kim Jong-Il (like Stalin, Saddam and many other dictators) protects his selectorate and shifts the burden of sanctions to the people. A better economic lever with which to move the Kim regime would be to directly threaten its access to hard currency and luxury goods, which it needs to bribe the selectorate. Policies of freezing North Korean assets overseas and the embargo on luxury items are more promising. Kim Jong-Il, though, will not give up his nuclear arsenal easily and is likely to dishonour hard-won agreements. The weapons not only deter adversaries, they serve as a tool of regime survival. They help to curry favour with the military and provide a bargaining chip that earns the regime billions of dollars of hard currency. Limited military operations undertaken against North Korea with the goal of inciting a coup or popular revolt are unlikely to succeed. Coercive bombing alone rarely incites a popular revolt and often strengthens a regime by inflaming popular nationalism and increases the military’s loyalty to the leadership. The only viable military option for overthrowing the regime would be large-scale invasion.44

Despite decades of misrule and a deteriorating economy under Kim Jong-Il, his regime enjoys broad support from their own people who see America and its South Korean ally as the source of all trouble. From this perspective, North Koreans view Kim’s weakening health (possibly including pancreatic cancer in addition to the stroke he had in 2008) with great sympathy, since they consider it to be a result of his relentless hard work to protect his people against Western imperialism. Social unrest and public protests tend to be isolated and limited to marginal segments of North Korean society in remote areas. Large segments of the population, especially in Pyongyang, are believed to be loyal to the regime under the tight control of the military, police and state apparatus. Public expressions of displeasure (whether over controlling the burgeoning black market or the deteriorating economy) never reach the level of large-scale revolt against the regime itself. The majority of North Koreans blame their misery arising from the so-called “arduous march” on the hostile policies of the United States and their southern neighbour. For Kim Jong-Il and his eventual successor, growing tension and crisis with Seoul and Washington serve the important domestic political objectives of shoring up popular support especially at this critical time of power transition.

As Kim Jong-Il faces the double challenge of managing regime transition under increasing economic and international political isolation, he needs outside help. China figures prominently in this. Today, China’s influence and sway is increasingly felt by its neighbours and the rest of the world through its fast growing economy. China has been an important supporter of the North Korean regime both politically and economically for a considerable time now. Since the 1990s, China has provided North Korea with up to 90% of its fuel, 80% of its daily consumer goods and 40% of its food supply. Given its diplomatic and economic isolation, North Korea has become increasingly dependent on China’s life support. Beijing is strongly concerned with maintaining North Korean stability and the Kim regime may well calculate that it can survive as long as it manages to keep a positive relationship with its giant neighbour. Despite tightening international economic sanctions under United Nations Security Council Resolutions 1718 and 1784, bilateral trade between China and North Korea reached US$2.8 billion in 2008, an increase of 41.3% from 2007. For as long as Kim Jong-Il needs China’s help, Beijing can enjoy increased leverage over Seoul and Washington as well as Pyongyang. Further, Pyongyang may attempt to increase the stakes of its hard line policy toward Seoul and Washington whilst it knows it can continue to rely on China’s support.

China, for its part, has tried to keep a delicate balance between exercising pressure against North Korean nuclear defiance and providing a life support for the DPRK’s crumbling economy. At the same time, Beijing faces a growing dilemma between shoring up the Kim regime and alienating South Korea and the United States. Should Kim decide to raise the stakes with Seoul and Washington (as the Cheonan and Yeonpyeong Island incidents strongly indicate), Beijing will be in an invidious position of protecting an unruly Kim Jong-Il at the risk of damaging important partnerships with the two countries. Such a Chinese policy would also drive Seoul into a closer alliance with Washington. As much as China wants to increase its influence and leverage over North Korea (such Chinese influence being far from absolute and unbounded), it has a strong interest in maintaining peace and stability in the region. Pyongyang’s unruly, provocative and aggressive behaviour against South Korea and the United States only makes matters more unstable and refractory. Beijing cannot afford to have a situation where matters are spiralling out of control and thus has a common interest with the ROK and the US in checking the DPRK’s more dangerous behaviour. In the long run, China wishes to see a more moderate North Korean regime which embraces economic reforms and an opening up to the rest of the world. It also desires the denuclearization of the Korean Peninsula and the removal of the threat of nuclear attack upon neighbouring states, particularly South Korea and Japan, which China knows are well armed with both defensive and offensive weaponry and are capable of inflicting extensive devastation on any regional aggressor in case of an onslaught.45

As the third largest economic power in the world, a key US ally in the Asia-Pacific region, a perennial rival to China and North Korea’s nearest “enemy”, Japan’s response to its security threats and concerns will have important ramifications in what is becoming an ever more fluid regional security environment in the Asia-Pacific region. Japanese public uneasiness towards North Korea has been directly caused and worsened by that country’s ballistic

45 Seong-Ho Sheen, “Coping with the North Korean Survival Game: The ‘Cheonan’ Incident and Its Aftermath”, EAI ISSUE BRIEFING, No. MASI 2010-02, East Asia Institute, Seoul, South Korea, 1 July 2010: 4-6.
missile and nuclear tests. North Korea fired a Taepodong-1 ballistic missile over Japanese airspace in August 1998, declared its possession of nuclear weapons in 2003 and subsequently fired a short-range missile off its East Coast on 1 May 2005. Ignoring protests from the United Nations and other powers such as the United States, Japan and China, North Korea has carried out some seven missile tests since October 2006. As early as in 2003, Pyongyang was thought to have enough fissile material to make two or three nuclear bombs and about 50 missiles. Its ballistic missile programme has the capacity to strike Japan, which is only eight and a half minutes flying time from launch in North Korea to impact at Japan’s closest territorial point. IAEA (the International Atomic Energy Agency) head Mohamed ElBaradei, speaking at the UN on 6 May 2005 said a North Korean nuclear test would have grave political and environmental consequences: stating “There will be disastrous political repercussions in Asia and the rest of the world. I think there could be major environmental fallout, which could lead into dissemination of radioactivity in the region.” Whether Pyongyang has such destructive power or not, the nuclear threat has created apprehension in Japan and has contributed more than any other factor to Japan’s growing concern over its national security. One of the reasons for Japanese unease is that even a low-level military attack would cause severe damage in Japan because of its high population density. Japanese leaders must treat the change in North Korean military capability seriously. In addition to the nuclear threat, the cloud of North Korean abductions of Japanese citizens remains; increasing Japanese uneasiness towards North Korea. As many as 80 Japanese citizens were abducted by North Korean agents from 1977 to 1983. Although the North Korean government admitted in late 2002 to having committed the abductions some 25 years earlier, it released the names of only 13 abductees. Only five abductees returned to Japan because, according to questionable evidence from North Korea, the others had died. Such antagonistic and arguably terroristic actions have greatly stimulated public vigilance and uneasiness in Japan towards North Korea. It is thus understandable that Japan wants to free itself from its current military limitations and increase its offensive military power. Japan feels too weak to respond to North Korea’s provocations and cannot prevent similar terrorist acts from occurring again. From the 1950 Korean War to the 2001 9/11 attack, a series of historical events coupled with American pressure have caused Japanese defence policy to undergo a gradual but significant transition: defence forces have developed from total disarmament to a strong and well-equipped military; focus has shifted from simple territorial safety to comprehensive security including military, economic and environmental safety; and defence scope has stretched from immediate Japanese territory to neighbouring areas. Japan’s military strategy has gradually deviated from the earlier “ Exclusively Defence-Oriented Policy” to one much less passive in its scope. The perceived threats from China and North Korea, combined with the push from a swelling Japanese nationalism, will further accelerate the transition of Japan’s defence policy.46

Japan’s misgivings, suspicions and apprehension concerning North Korea and its dangerously provocative and aggressive actions are not without valid foundation as the most recent artillery shelling of a South Korean Island by North Korea has so jarringly illustrated. World

leaders have condemned the Kim Jong-Il regime for the deaths and destruction inflicted on the population of Yeonpyeong and expressed concern over the possibility of further fearful clashes breaking out on the tension-plagued Korean Peninsula. Notwithstanding the shock Pyongyang’s action has generated, especially following the report by an American nuclear expert that North Korea has developed a sophisticated nuclear centrifuge capability at a previously unknown nuclear facility, the shelling by North Korea, although repugnant and alarming, is unlikely to lead to further hostilities on a major scale. Observers remark that this is simply the latest in a long line of such clashes and provocations by North Korea, including the controversial sinking of a South Korean warship attributed to Pyongyang. At critical times, including Kim’s designated succession as leader of his inexperienced youngest son (a move requiring the acquiescence of power-brokers in the North Korean Army) Kim Jong-Il can be expected to utilize the pretext of threats to North Korea’s security to advance his own objectives, rendering the people of Yeonpyeong Island pawns in the latest cynical act by the ailing North Korean dictator.47

This latest act of North Korean aggression against the South has prompted a new round of public debate in China on how to manage ties with a neighbour that is at once a close ally but, increasingly, a source of international embarrassment. The Chinese government’s official response to North Korea’s shelling of a South Korean Island village remained cautious, stopping well short of criticism of the North. In comments reported on Thursday 25 November 2010, Premier Wen Jiabao said China opposes “any provocative military behaviour” on the Korean Peninsula. However, it was not clear as to whether he was referring to North Korea’s attack, or to the South Korean military exercises North Korea claims to have caused the artillery shelling, or to the planned naval drills between the United States and South Korea. Premier Wen called the standoff between Seoul and Pyongyang a “severely complicated situation”, urged “all relevant parties to exercise the utmost restraint” and remarked that “the international community should do more work to ease the tension of the situation.” Nonetheless, among Chinese foreign-policy circles as well as general citizens, there are growing signs of exasperation with Pyongyang’s behaviour, causing some to question how Beijing benefits from its old communist ally’s provocations.48

Japan’s response to the shelling was far less muted. On Friday 26 November 2010, Japan’s Parliament unanimously adopted a resolution against North Korea’s deadly shelling of the South Korean island, urging the Japanese government to consider fresh sanctions against Pyongyang. “The shelling was an outrageous act of violence,” the resolution said, maintaining further that “It was a provocative act that the international community cannot overlook.” The resolution said Prime Minister Kan’s government “should consider new sanctions and make more efforts to strengthen ties with countries concerned in order to step up international pressure on North Korea.” Tokyo has no diplomatic relations with Pyongyang and interactions between the two countries have long been tense because of the

47 Harry Sterling, “Residents of Yeonpyeong Island unwitting pawns of Kim Jong-II; But North Korea shelling unlikely to lead to further, major hostilities”, CANWEST NEWS SERVICE, 26 November 2010.
communist state’s nuclear and missile programmes and past kidnappings of Japanese nationals. Some Japanese Ministers have already hinted that the Kan government would consider tougher sanctions against Pyongyang in the wake of the attack on the border island on Tuesday 23 November 2010.49

Speculation has centred on the reasons why Kim’s secretive regime chose to launch the attack as and when it did. As noted earlier, commentators dismiss the possibility of the attack being the start of an escalating conflict that could drag regional powers into a catastrophic war. Rather, they place it in a context of calculated North Korean provocations designed to raise the geopolitical temperature but not to precipitate a major military engagement. Observers theorize as to North Korea’s motivations for the attack and have suggested five or so most likely explanations, including that it was all a misunderstanding (with South Korea’s armed forces conducting live firing drills in the vicinity of the afflicted island causing nervous North Korean officers to misinterpret the drills and believe that they were under attack); that it was another blackmail attempt (a hitherto successful strategy of bouts of bad behaviour by North Korea followed by promises to cease making ructions in return for concessions); that it was a sign of desperation (with Kim’s regime unable to cope with famine, malnutrition and misery affecting not only the civilian population but also the military, creating an urgent need for aid and prompting the artillery barrage as his way of demanding assistance); that it was the military making trouble (with hawkish and disgruntled elements in the military who are increasingly acting on their own initiative pursuant to their discontent with Kim Jong-Un’s planned succession as eventual regime leader); and that it was all or most of the above (with Kim Jong-II launching the attack as a means of strengthening his hand in international affairs, of bolstering his domestic support and of gaining much-needed aid to boot.)50

Japan’s policy toward North Korea is unlikely to be much different under the DPJ than it has been under the LDP. DPJ Foreign Minister Maehara will continue to insist that North Korea provide much more information about abducted Japanese citizens and will refuse to return to the Six Party Talks until his government is satisfied that it has obtained a full and proper accounting for these flagrant violations of Japan’s territorial sovereignty and the human rights of its citizens.

The DPJ will further insist that North Korea abandon its nuclear weapons programme entirely, permanently dismantle all military nuclear facilities and allow international inspectors into that country to verify that such decommissioning has in fact fully occurred. The DPJ is also most likely to strongly support US pressure on North Korea to drop its demands for bilateral, as opposed to multilateral, negotiations and that North Korea cease all nuclear activity as preconditions for the resumption of the Talks (which have been stalled now for two complete years.)

The DPJ will need to be convinced that North Korea is at last behaving with transparent authenticity and replete compliance with American, Russian, South Korean and Japanese stipulations. Only when such concurrence is forthcoming will the DPJ, like its LDP predecessors, agree to resume negotiations and to consider North Korean requests for aid and access to peaceful technology. The DPJ, like the LDP, will refuse to be held to ransom and will reject all attempts to obtain concessions through the application of nuclear blackmail or other forms of North Korean duress and coercion.

CONCLUSION:

In the aftermath of the DPJ’s overwhelming win in the Lower House Election of August 2009 and during the subsequent events of the new government’s first 15 months of office, there has been much domestic and international commentary. Such discussion has revolved around the reasons for the defeat of the LDP after more than 50 years of almost continuous power, the ideological differences between the main parties, the likelihood of the emergence in Japan of a genuine two-party system offering voters a real choice between policies and programmes, the personalities of the leaders themselves, the effectiveness or otherwise of the new government and the outlook for Japan as it comes to grips with new political realities and pressing economic/diplomatic problems.

One week after the 2009 Election, a British scholar, Sarah Hyde of the University of Kent, remarked that ideologically the LDP and the DPJ were not very different, with overlapping ideas and several prominent DPJ members formerly being high-profile functionaries in the LDP (including Yukio Hatoyama and Ichiro Ozawa). Where the parties fundamentally differed was that while the LDP cared about factories, companies and rice farmers, the DPJ had more social awareness. The rise of the DPJ, in her view, was more about the unpopularity of the LDP than anything else. Much of the LDP’s unpopularity stemmed from rising unemployment, a sense of social deprivation and a belief that things were getting worse, not better. One problem for the DPJ, though, centred upon calls for looser military ties with America, including an end to the refuelling of American warships in the Indian Ocean. DPJ members run the gamut of those who want to send armed troops overseas and others who want to stop sending anything abroad ever again. Party luminaries like Ozawa have talked about Japan’s becoming a normal nation with more control over its security; whilst others like Hatoyama have talked about international roles within the constraints of Constitutional Article Nine involving non-military support in Afghanistan and anti-piracy work off the coast of Africa. Being a Stanford University graduate and not being “stupid”, Hatoyama, in Hyde’s opinion, was not likely to break up Japan’s relationship with America.

Writing in September 2010, a Japanese scholar, Hiroshi Kaihara of Meiji University, Tokyo, argued that the DPJ’s victory in 2009 is clearly an epoch-making event in Japanese political history. The LDP’s rule has ended: it is now an opposition party in both Lower and Upper Houses. According to a Yomiuri poll on 12 September 2009, 60% of the respondents favoured the change of government; whilst Britain’s BBC (as reported by Asahi on 31 August

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2009) likened the DPJ’s victory to those of Blair and Obama. Kaihara noted what he regarded as some “disturbing” aspects in the Election, arguing that both the LDP and the DPJ avoided tough issues for voters to decide, competing instead to “pepper” them with promises of “pork-barrel” projects, which almost all observers wondered how to finance.52

An Australian scholar, Purnendra Jain, of Adelaide University, writing also in September 2010, offered a number of historical insights into the political philosophy, electoral strategies and commitment to ‘change’ politics of Naoto Kan, who in June 2010 became leader of the DPJ and Japan’s fifth Prime Minister in less than four years. Kan, he argued, has vowed to restore faith in a government plagued by broken campaign promises and funding scandals, after it ended over 50 years of mostly one-party rule nine months earlier. To Jain, Kan is manifestly a driven man. He was determined to succeed in political life although the son of an ordinary family. The political entrepreneurialism and pragmatism of his early campaign strategies appear to have stayed with him, as has his aversion to money politics and his concern for participatory democracy. ‘Citizens’, for him, are still a central issue. Now Prime Minister, Kan, in Jain’s view, will need all of the political “savvy” he has developed through 30 years in Parliament. Kan has inherited a huge political responsibility across the nation’s economic, political and social spheres. He has already promised to be a fiscally focused reformer while at the national helm, and has declared as an important goal turning Japan into a country ‘genuinely’ governed by the wider public, not just a handful of officials in Tokyo.53

With Naoto Kan, it seemed for a time that Japan’s political “merry-go-round” might stop. Upon being designated the new Prime Minister in June 2010, he won strong early support for his blunt warnings about Japan’s massive unsustainable debt and the need for tax increases to confront it. With this fresh, decisive and plain-spoken former activist, Japan also seemed to be terminating another questionable tradition: the de-facto hereditary control of high public office. Kan’s four predecessors were the sons or grandsons of former Prime Ministers, each quickly ‘flaming out’ and resigning in the face of falling approval ratings. In Japan, where more than a quarter of lawmakers are descendants of legislators, blood ties were almost a prerequisite for elevated political status. But Kan, the son of a salaryman with no special connections – as he liked to remind voters – seemed to spell the end to all that.54

Just six weeks later, however, Kan made history for another, far less uplifting reason, the fastest fall from electoral grace in Japanese political precedent. In a stunning upset in July 2010, Kan’s DPJ, in the Upper House Election, won just 44 seats, with the opposition LDP picking up 51 seats. Given such a direful showing, Kan now faces a very tough fight merely to remain in office. He must deal with a divided Parliament, without enough power in either House to push laws through, and has had to fend off a strong, though for the present, unsuccessful, leadership challenge from party ‘kingmaker’, wily tactician and formidable

54 Nancy Macdonald, “Japan: A Heartthrob vs the PM: Naoto Kan’s fortunes are plummeting, and rock-star politician Shinjiro Koizumi is part of the reason”, MACLEAN’S, 123, 29/30, (2-9 August 2010): 55.
power-broker, Ichiro Ozawa. LDP success has been attributed to public disenchantment with Kan and his party and the opposition can now bide its time, impeding legislation and embarrassing the floundering DPJ whenever it can.  

From the outset of their (now troubled) period of office, DPJ leaders were not satisfied with simply taking power. They vowed to transform the political system itself. They would make Japan a true Parliamentary system in which the Prime Minister and the Cabinet would exercise authority over the bureaucracy and the ruling party – and not (as it had been for decades) the other way around. Yet, all too quickly, the DPJ’s political revolution has unravelled. The new leaders delivered, in the words of Steven Vogel of the University of California at Berkeley, “too much political change and too little policy improvement.”

They made amateur missteps and they could not extract themselves from money politics. They might have weathered the 11 July 2010 Upper House Elections reasonably well were it not for one final blunder, when the new Prime Minister just weeks before voters went to the polls proclaimed his intention to raise (hated) consumption taxes. The DPJ remains in power after this electoral debacle because it maintains its majority in the more powerful Lower House. Yet now it will need help from other parties to enact ordinary legislation, which requires passage in both Houses. The two most likely partners, the New Komeito (a party affiliated with the Soka Gakkai, a Buddhist group) and Your Party (a new party led by LDP defectors with a pro-market outlook) have both flatly refused to form a coalition with the DPJ, leaving it stranded and forced to try to cobble together ad hoc, shifting and unreliable alliances to pass legislation.

Many analysts felt that, after the 2009 Election, the real danger was not that the DPJ would falter, but rather, that the LDP would dissolve, leaving Japan once again with a single-party dominated political system. At that time, the surviving LDP leaders appeared battered, demoralized, listless and aimless – with several splinter groups breaking away and abandoning the party. Following the 2010 Upper House Election, the LDP has recovered with a respectable showing, causing it to re-emerge as a serious rival competing with the DPJ on substance as well as form. By focusing on politics over policy, and by alienating Japan’s highly-qualified and experienced officials (perhaps Japan’s true experts in policy formation and the policy process), the DPJ leaders generated a series of damaging and haunting policy failures in their first year of government – none of these being more glaring than the inability to formulate a coherent economic plan in the midst of a global economic crisis.

The DPJ achieved a historic victory in 2009, one that will have a lasting impact on Japanese politics. Yet, since then, the party has delivered just what its election manifesto suggested it might: too much political overhaul and too little policy substance. If the DPJ leaders can learn from their mistakes, they may still be able to address Japan’s real needs for economic and

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55 Ibid.
57 Ibid, 233.
58 Ibid, 235-236.
social reform before the next Lower House Election, due to be called some time before August 2013. It is not much time and the prospects for a reversal of low electoral standing are not stout, especially given the lack of a working Parliamentary majority. Nonetheless, the party leadership is determined to give effect to the promises it was elected to fulfil, and, if the buoyant current opposition overplays its hand, voters may once again turn to a government that they feel is close to their interests and devoid of the debased practices of the immediate past. 59

What, then, can be said of the current political situation in Japan and its likely future direction? As has been noted earlier, present-day Japanese government and politics revolve around a “twisted Diet” – whereby the DPJ-led Coalition holds a majority in the House of Representatives whilst the LDP and other opposition parties hold a majority in the House of Councillors. Thus, whilst handsomely winning the Lower House Election of August 2009, the DPJ and its partners decidedly lost the Upper House Election of July 2010. In this manner, the DPJ-led Coalition won 44 seats in the Upper House Election (down from the 62 seats it won in the 2007 Upper House Election); and the LDP-led Coalition won 61 seats (up from the 46 seats it won in 2007.) The DPJ Coalition thus lost 18 seats and the LDP Coalition gained 15 seats – a very significant turnaround in the 11 months since the Lower House Election the previous year.

In terms of recent developments, the fortunes of the Kan government have been mixed. On Friday 27 November 2010, the Diet passed an extra budget worth 4.85 trillion yen (or US$58 billion) to introduce a new stimulus package aimed at averting the threat of a “double-dip” recession. All was not plain sailing, however. The budget passed only because the Lower House, dominated by Prime Minister Kan’s ruling DPJ, overruled a vote in the opposition-controlled Upper House, enabling the package to become law. The stimulus package, designed to ease concerns over deflation and a strong yen, included provision for job programmes, welfare spending and assistance schemes for small businesses and infrastructure. It was the second such stimulus initiated by the Kan administration since its accession to power. 60

Promising to cut spending and to reduce massive public debt of 200% of GDP, Kan’s ambitions have been complicated by the condition of Japan’s economy. Exports growth is slowing, crippling deflation persists and the government has downgraded its economic outlook for the first time since February 2009. The country has been stuck in a deflationary spiral since the asset bubble burst in the early 1990s and consumer spending has never fully recovered to become a major driver of growth. The country’s trade-reliant recovery is ebbing, potentially worsening corporate earnings thereby lowering household incomes and dampening consumer demand. Analysts downplayed the likely impact of the extra budget,

59 Ibid, 236.
saying government expectations were overly optimistic and that the additional spending would be too little to be felt by voters.\footnote{Ibid.}

The strong yen has made Japanese goods more expensive and eroded overseas profits; it has also made imports cheaper, prolonging the damaging deflationary cycle through consumers’ postponement of purchases in the hope of further price reductions, clouding future corporate investment. Although cutting official interest rates to almost zero and selling the surging yen in the foreign exchange market, such moves in Japan have not halted the rising value of its currency – thus sustaining economic difficulties.\footnote{Ibid.}

The Kan government is facing an increasingly uncertain future after a bruising battle to enact its spending package, accompanied by a Parliamentary rebuke of two of its most senior advisors. Shortly after the vote to over-ride the Upper House’s defeat of the package, the Upper House proceeded to pass censure motions against Chief Cabinet Secretary Yoshito Sengoku and Land Minister Sumio Mabuchi. The principal criticisms of both men related to their handling of the aftermath of the collision between a Japanese patrol ship and a Chinese fishing boat in disputed waters in September 2010 – the divisive and humiliating Zhan incident referred to earlier in this discourse. Although Messrs Sengoku and Mabuchi are not obliged to step down from office over the censure motions, the actions represent the strong disapproval of the government both inside the Diet and outside amongst voters – government standing being around only 25% in opinion polls, below the threshold of 30%, the point at which past Cabinets have often perished. The enactment of the budget, though, is some rare good news, with one of the main priorities of the DPJ-led administration being to tackle the long-running economic predicaments it inherited from the now-opposition LDP. Such actions will become increasingly arduous, though, given LDP threats of refusing to work with the two censured officials and a tacit unwillingness to compromise in passing legislation. Political analysts surmise whether Naoto Kan will be forced from office less than a year after assuming the Premiership, mirroring the fate of his DPJ predecessor Yukio Hatoyama and the last three Prime Ministers under the previous LDP – Shinzo Abe, Yasuo Fukuda and Taro Aso.\footnote{Takashi Nakamichi, “New Funding May Not Solve Kan’s Woes”, THE WALL STREET JOURNAL, 29 November 2010.}

For its part, the LDP celebrated the 55\textsuperscript{th} anniversary of its founding on Monday 15 November 2010, being bolstered somewhat by its victory in the House of Councillors Election in July, but still facing significant obstacles to regaining the power it lost to the DPJ in the previous Summer’s House of Representatives Election. To retrieve its standing as the ruling party, the LDP is aware that it must attain new support and shed its former practices of being a supporter primarily of large companies and sectional interest groups. It must also secure the backing of the New Komeito Party, its former Coalition partner, if it is to win the next Lower House Election. In vigorous attempts to win over still-sceptical voters – who remember LDP scandals over money politics, kept mistresses of conspicuous politicians, pork-barrel spending on massive public works projects tailored to benefit LDP corporate sponsors and
incompetence such as the losing of millions of social security records – Party President Sadakazu Tanigaki is touring all 47 of Japan’s Prefectures, talking to public meetings and stressing the assertion that the LDP is more competent than the DPJ and that the opposition party is ready to return to power. There is no guarantee, however, that the New Komeito, which holds the balance of power in the current divided Diet, will cooperate with the LDP’s plans. Although holding only 21 out of the 480 Lower House seats, the New Komeito holds a vital 19 of the 242 Upper House seats, giving it much influence over what legislation will be passed and what will be voted down.64

The New Komeito Party stresses its commitment to three principal goals – decentralizing government authority; creating a socially engaged education system; and promoting nuclear abolition, peace and the environment worldwide. The Party’s Chief Representative, Natsuo Yamaguchi, castigates world value systems as having excessively prioritized the pursuit of profit over the advancement of human welfare, resulting in the distortion and undermining of proper values. He has stressed the need for humanity to embrace new perspectives and solutions before proceeding afresh. He posits the goal of Japan’s becoming a “major humanitarian power” as opposed to nations which define themselves as leading military or economic powers. Such an objective, in his view, requires a dramatic transformation of Japan’s own politicians through concentrating on accountability to grass-roots communities, locally-generated political actions and a policy emphasis based on a foremost consideration of people and their real-world needs. Such a policy outlook meshes to some degree with the increased welfare spending proposals of the DPJ, though, to date, the New Komeito has steadfastly refused any formal Coalition arrangement with the governing party. It may prefer to negotiate Parliamentary support for major proposals by both the DPJ and the LDP on a case-by-case basis and avoid being “locked into” decisions which clash with its novel humanitarian vision for Japan and its people.65

Finally, it would appear that there are four inter-related future possibilities for the DPJ - including the formation of unstable and short-lived coalitions with smaller parties (such as the now-failed alignment between the DPJ and the SDP which abruptly ended when the smaller party walked out of the government following the dismissal of its leader over her refusal to endorse the retention of American bases on Okinawa); compromise legislative arrangements with the LDP on a case-by-case basis (such as the agreement by the LDP to support unpopular measures involving the increase in the consumption tax to pay for government programmes and to ease the national debt burden); the calling of an early Lower House Election forced by policy and legislative gridlock with the Upper House (which, instead of strengthening the present government’s hand in guiding its legislation through Parliament, would probably reduce its numbers, tightening the grip of opposing parties on the control of law-making); or fragmentation of the DPJ itself into electorally-competing pro-Ozawa and anti-Ozawa political groupings (a possible outcome given the almost even divide

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amongst DPJ Diet-members of approximately 400 votes each for Kan and Ozawa in the September 2010 Party Presidential Elections, foreshadowing a potential power struggle engendering two distinct splinter parties and utterly shattering the unity of the Kan government.)

Given these four possible outcomes for the DPJ, what then can be said of the most recent developments concerning the party’s troubled present and future circumstances? In terms of alliances with smaller parties, Prime Minister Kan has reaffirmed his alliance with his junior partner, the People’s New Party (PNP), thus maintaining the Coalition and intending to pass a postal reform Bill in January 2011. Social Democratic Party (SDP) Leader Mizuho Fukushima, however, said her party, which used to be part of the ruling Coalition, would oppose the FY 2011 budget if Kan’s Cabinet altered in principle Japan’s longstanding policy of not exporting weapons or arms technology. This decision could have serious repercussions for the beleaguered Kan government. Although holding a majority in the Lower House, the DPJ does not have the necessary two thirds majority to over-ride Bills rejected by the Upper House. If the SDP withheld support for the DPJ, Kan would be unable to constitutionally quash opposition to the budget from the Upper House and would be powerless to secure funds vital for the conduct of government business. Moreover, hopes have faded for the possible enlistment of support from the New Komeito Party, previously viewed as the most sympathetic to the DPJ and one which could have given it a much-needed majority in the Upper House. The party joined the opposition in voting down the government’s latest stimulatory spending plan, with New Komeito Leader, Natsuo Yamaguchi, remarking “we really came to question the overall stance of the government.”

Internally as well, the DPJ is facing schism and division. Senior DPJ lawmakers such as Ms Makiko Tanaka are urging Prime Minister Kan to resign, amid damaging criticisms by the public of his handling of recent territorial disputes with China and Russia and plunging levels of approval ratings. “We are seeing the beginning of the end as it is painfully clear Parliament will come to a deadlock sooner rather than later,” Ms Tanaka said. “Rather than trying to buy time, he [Mr Kan] should step down.” Ms Tanaka, though, is loyal to power-broker Ichiro Ozawa, around whom in late November 2010 some 50 recently-elected lawmakers formed a new intra-party group, rekindling speculation that Ozawa might leave the party, taking many supporters and adherents with him and splitting the DPJ completely asunder.

In closing, what can be said of the Futenma US Marines Base issue, which brought down Naoto Kan’s predecessor, Yukio Hatoyama, and which threatens to do the same for Mr Kan? On Sunday 28 November 2010, Hirokazu Nakaima was re-elected as Governor of Okinawa, obtaining 335,708 votes to 297,082 votes for his opponent, Yoichi Iha, a winning margin of 38,626 ballots or 13%. Nakaima made it clear during the gubernatorial election campaign that he wants the US Marine Corps’ Futenma Air Station in Ginowan to be relocated outside Okinawa prefecture. “The bilateral agreement is quite regrettable. [Transferring the Base]

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68 Ibid.
within the prefecture is difficult. Speaking practically, it’s impossible,” he said during the
election campaign. The bilateral agreement stipulates the transfer of the Futenma Base
functions to a replacement facility, to be constructed at Camp Schwab in the Henoko area of
Nago and adjacent waters. Constructing the replacement facility in the Henoko district will
require reclamation of land, for which the permission of the prefectural Governor is needed.
Central government Transport Minister Sumio Mabuchi, who has responsibility for Okinawa
prefecture, said after the election, “While closely communicating with the prefectural
government, we’ll work on measures to realize self-reliance and suitable development of the
prefectural economy.” No matter what occurs between the central and prefectural
governments, however, it will be untenable for Nakaima to disregard the Nago municipal
government and suddenly approve the transfer. The matter, then, remains as fractious as ever,
with many Okinawans wanting an end to the stationing of US forces anywhere within their
prefecture, and the central government in Tokyo bound to retain such forces in a slightly
different location, though still within Okinawa. The impasse may cost Mr Kan the
Premiership, given that his party may desert him and that the United States will insist on the
implementation of the original agreement.69

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