US-China Rivalry and Japan’s Strategic Role

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Former President Donald Trump was the first US president to bring the US-China conflict into the open. His successor, President Joe Biden, has consistently indicated that the rift between the two countries can no longer be closed. The tone of the Biden administration’s Interim National Security Strategic Guidance, released on March 3, 2021, suggests that, differences in rhetoric aside, little distinguishes the new administration’s position on China from that of the Trump administration. Meanwhile, there has been no change in behavior on the part of China since the Biden administration took office. As the US-China rift is essentially the result of a “Thucydides trap,” the lack of dramatic change in US-China relations with the incoming administration comes as no surprise. However, even if the conflict between the United States and China is inevitable, we cannot sit back and watch as tensions escalate, for there is no doubt that any zero-sum competition between the two global powers would undermine peace and prosperity in East Asia and throughout the world.

On April 16, 2021, Japanese Prime Minister Yoshihide Suga held meetings with President Biden in Washington DC and issued the US-Japan Joint
Leaders’ Statement: “U.S.-Japan Global Partnership for a New Era.” I would like to take this opportunity to suggest a series of proposals aimed at reinings between the United States and China, along with my personal view on the role that Japan should play.

Avoid the Democratic Values Trap in Foreign Affairs

I will begin this discussion with three requests to the Biden administration. First, the Biden administration should not over-assert values, including democracy, in foreign affairs. To be sure, I am truly hopeful that President Biden can rebuild American democracy, and I offer my support toward that. The Biden administration stated, “Free societies have been challenged from within by corruption, inequality, polarization, populism, and illiberal threats to the rule of law.” To some extent, this also applies to Japan. The situation in the United States is not a problem that has nothing to do with us. Having said that, the Biden administration ought to proceed with great caution when deliberately connecting its effort to rebuild democracy at home with the struggle between democracy and autocracy taking place on a global scale.

The greatest concern today, not only for the United States but for diplomats the world over, is how to manage US-China relations. Yet, by seeking to remain faithful to values such as democracy and human rights, we run the risk of condemning and excluding those who do not share these values. The other side also responds in the same way. Ultimately, the more the United States emphasizes value-oriented diplomacy, the more acute the US-China conflict becomes. For example, if the United States emphasizes only policies that seek to ostracize China on the basis of values, such as the Quadrilateral Security Dialogue (Quad) and the Free and Open Indo–Pacific (FOIP), China will view its actions as coercive. Valuing face, the Chinese are more likely to dig in their heels than acquiesce to such demands.

If the United States excessively emphasizes democracy and human rights, it runs the risk of alienating not just China and Russia but also other non-democratic countries. The Interim National Security Strategic Guidance appeared to divide the world into two camps: “those who argue that, given all the challenges we face, autocracy is the best way forward” and “those who understand that democracy is essential to meeting all the challenges of our changing
According to the Varieties of Democracy (V-Dem) project, headquartered at the University of Gothenburg, Sweden, as of 2019, there were a total of 92 countries between “closed autocracies” and “electoral autocracies” in the world. This amounts to 51 percent of the world’s countries and 54 percent of the global population. If these countries were to strengthen their ties with China and Russia, the Biden administration would find it difficult to achieve the diplomatic goals it intends to pursue. The signs are already apparent. On March 27, China and Iran concluded a 25-year comprehensive strategic partnership agreement on economic and security cooperation. Chinese Foreign Minister Wang Yi has also visited countries such as Saudi Arabia, Turkey, and the United Arab Emirates.

The essence of diplomacy, I believe, is to explore how well countries with different values can get along. If the Biden administration insists on competing with China, it may do so. I am not saying that the Biden administration should refrain from criticizing China regarding the various problems it faces. However, before it does so, the US government ought to inform China that peaceful coexistence between the two countries is a basic premise on which competition operates and that the Chinese Communist Party is the US government’s only equal counterpart in China. At the very least, the US government should declare its acceptance of the “one-China” policy as traditionally defined, so as to avoid any misunderstanding. The US-Japan Joint Leaders’ Statement on April 16, 2021 mentioned “Taiwan” for the first time since 1969. Despite its mild reference, I am afraid the fact that the word “Taiwan” appeared in the document is sending a counterproductive message to Beijing.

**Better Understand Dilemmas of Interdependence Faced by Allies**

Second, the Biden administration should not impose its own agenda on US allies and partners when pursuing its strategy on China. The Biden administration has declared its intention to mobilize allies and partners to oppose authoritarian countries such as China and Russia. In doing so, it appears to be seeking to differentiate itself from the Trump administration, which pursued an “America First” approach (although it is my understanding that, by the latter years of the Trump administration, the US government had already begun lobbying Japan as well as other allies and partners to support the effort to oppose China). In any case, with the return of a “familiar face” to the diplomatic stage, the US government under the Biden administration will be even keener to form a united front against China with its allies.

It may well be true that allies of the United States face considerable problems in their relations with a newly ascendant China. In the basic sense, allies of the
United States have much to gain from strengthening their hand against China by acting in concert with the United States. Yet at the same time, to ensure their own existence, these allies and partners cannot simply choose between the United States and China while abandoning the other. The context is very different from the Cold War.

Take the case of Japan, for example: in 1985, trade with the United States accounted for 29.8 percent of total trade, while trade with the Soviet Union and Central and Eastern Europe accounted for only 1.6 percent. In 2020, trade with the United States accounted for 14.7 percent, while trade with China (including Hong Kong) reached 26.5 percent.7 In 2019, before the COVID-19 pandemic, just 1.72 million people from the United States visited Japan, compared to almost 11.89 million Chinese people (including Hongkongers).8

The situation is also far from simple in the security domain, where it is often taken for granted that the interests of Japan and the United States coincide. Many people in Japan believe that US military bases are stationed here to defend our country, not least in the event of an emergency involving the Senkaku Islands. In fact, however, the most probable scenario for a military clash between the United States and China is in the event of an emergency involving Taiwan. Almost all Japanese would not entertain the notion that US bases in Japan might be used in the service of Taiwanese independence or that Japan might fight for Taiwan in such a contingency. Quite the opposite is true: in recent years, the US government appears to have implicitly encouraged Taiwan to take steps toward independence. Despite its democratic credentials, most in Japan would definitely be unwilling to lend its support to such a move.

On November 15, 2020, 15 countries in East Asia and the West Pacific signed the Regional Comprehensive Economic Partnership (RCEP), and on December 30, the European Union and China agreed in principle to conclude a comprehensive agreement on investment (the CAI). It would be a fatal error for either the United States or China to interpret such developments as indications that the countries involved have “chosen” China and “abandoned” the United States. It is, however, a clear indication that these countries do intend to coexist with China in mutual prosperity. If both the United States and China listened to their allies and partners, many of whom are unsure of how to manage the complex array of interests that span the US-China rift, this would also play a positive role in reining in the conflict.
Third, the United States ought to pursue cooperation with China across a wider range of fields. In the recent US-China talks in Alaska, US Secretary of State Antony Blinken stated, “The United States relationship with China will be competitive where it should be, collaborative where it can be, adversarial where it must be.” The remark itself may seem to be stating the obvious. The problem here is that the US government is now seeking to narrow down the range of fields in which collaboration is possible while also further emphasizing competition with China. The areas where collaboration is possible are probably those such as global warming and pandemic countermeasures. Yet, when one hears many provocative comments by high-level US government officials, one cannot help but feel that the administration is offering a handshake in one hand while brandishing a stick in the other. When the overall atmosphere is unpleasant, achieving cooperation in certain discrete fields is no easy task. If it intends to appropriately control the conflict with China, the US government should call on its counterpart to collaborate across a wider range of fields. It should only declare a transition to the dimension of competition if China does not respond. Such an approach would also make it easier for allies to act in unison with the United States.

The Trump administration was highly critical of the strategic engagement policies pursued by previous administrations vis-à-vis China. This helped spur a global wave that equated engagement with being “weak-kneed” toward China. Past engagement policies may not have resulted in the kind of changes, at the kind of pace, that were expected of Beijing. However, it would also be simplistic and incorrect to argue that China has completely rejected the ways of international order. The most obvious proof of this is the change in China’s position on climate change issues. The US government should not give up on its engagement strategy; it should focus its efforts on reforming it.

The Biden administration’s move to underplay “collaboration” and “engagement” and emphasize “competition” in its policy on China also seems to camouflage a sense of frustration with the perception that the United States may be caught and overtaken by China as a great power. The United States should calm down. It is improbable that China’s national power will completely outstrip the United States, allowing China to run away with the race. In 2019, the United States spent almost US$719 billion on its military, whereas China’s military spending stood at around US$266 billion. As of January 2020, the United States has 5,800 nuclear warheads compared to China’s 320. Moreover, the United States has a network of allies that stretches around the globe. In the future, China’s population is set to age much faster than that of the United States, and the country will have to work on overcoming the so-called
“middle-income trap.” The United States has considerable advantages over China in the medium to long term with regard to population dynamics and economic growth potential. As long as China remains autocratic, the renminbi is unlikely to replace the US dollar as the dominant global currency.

My thesis is that the current state of China “catching-up” with the United States will continue in the long term, until the middle of this century. In other words, the United States has enough time and space to re-engage with China and explore possibilities for collaboration under a reformed policy of engagement. This discussion will return to two specific themes, apart from global warming and the pandemic, around which the United States and China ought to collaborate.

**China Must Exercise Responsibility as a Great Power**

In a telephone conversation on February 10, 2021, President Xi Jinping noted that “confrontation between China and the U.S. would certainly be a disaster for both countries,” offering cooperation to President Biden. What Xi Jinping said is quite correct. Yet, few in America are willing to take Xi’s words at face value. At least half of the responsibility for this lies with China. An effective resolution to the US-China conflict would also require change on the part of China.

Over the past 30–40 years, China has achieved tremendous growth to become a great power that now vies for the top spot globally. Yet, it may be China itself that least understands how great its stature has become. China does not understand the anxieties and frustrations of the United States, nor does it attempt to do so. Its transformation into a major power has benefited greatly from the global system established by the United States since World War II. China has taken this as a given and seemingly intends to continue to reap these benefits, at no cost to itself, in the future. This does not bode well. China must accept, in a more visible way, much greater responsibilities than it currently does. The most effective way for China to promote itself would be to voluntarily forgo the special and differential treatment (S&DT) dispensed by the World Trade Organization (WTO). China is the now the world’s second-largest economy and has successfully invested effort in eradicating poverty under the leadership of President Xi Jinping. Brazil, whose Gross Domestic Product per capita is lower than China’s, has already begun to forego S&DT at the WTO. If China decides to do so, the international community will unquestionably see this as China having finally expressed its commitment to becoming a responsible great power.
The United States is right to assert that competition with China, now a major power, should take place under equal conditions. While correctly evaluating the fact that the Chinese government has made steady efforts with regards to the protection of intellectual property and cracking down on cyberattacks, I wish it to further strengthen and accelerate measures in these domains. Moreover, in fields where the United States wishes to collaborate with China, China should dial back its political maneuvering and endeavor to prioritize deals with the United States. The only viable way to rebuild the lost trust between the two countries and replace competition and conflict with cooperation as the cornerstone of bilateral relations is to move toward collaboration, one step at a time.

The “wolf warrior diplomacy” that drew attention in 2020 greatly undermined China’s soft power in the international community. Whether China had a valid point, the use of this rhetoric and posting of tweets that make one question the character of its leaders is unpleasant to see. On balance, China lost far more by creating additional enemies around the world than it gained from boosting national prestige at home. If China continues to flaunt its newly acquired power with further contemptuous public diplomacy, public opinion in the United States and elsewhere could easily turn against it. This would draw China into a succession of unnecessary confrontations with many countries, including the United States, thereby damaging its own position.

### Beyond Climate and Pandemics: Priorities for US-China Engagement

Beyond cooperation in commonly cited global issues such as climate change and pandemics, the United States and China should engage each other in two strategically critical areas: controlling decoupling in information and communications technology and managing a new arms race in East Asia, including the deployment of land-based intermediate-range missiles.

#### Create Global Standards for Information and Communications Technology

In today’s world, the idea that the fate of competition among countries hangs on advanced technology is already common sense. In the field of information and communications technology (ICT), the Trump administration introduced the new method of barring Chinese firms from the US market as a security measure. However, this move may also have been motivated by critical concerns that the United States had fallen behind in the field. Similarly, the Biden administration appears to be trying to collaborate with other like-minded democracies to bar Chinese businesses from their markets. However, this is a risky path to tread. In the ICT domain, the United States and China should aim for coexistence.
If the US government’s approach succeeds, China may find itself in trouble, in the short term at least. However, just as the United States is unwilling to allow China a technical edge in this field, China is also intent on refusing the United States a technology monopoly. In May 2020, Xi Jinping’s leadership announced its new “dual circulation” economic strategy. The new model aims to internalize production in high-tech industries to hedge against further decoupling from the United States. With a population of around 1.4 billion, the Chinese economy is sufficiently large. China also controls large swaths of markets in parts of Africa, Southeast Asia, Eastern Europe, and Latin America. There is a distinct possibility that in the future, separate Chinese and American technology standards will exist side by side in the ICT field, and Chinese businesses will be able to procure parts through supply chains within China or with pro-China countries. Needless to say, if such a bloc formation occurs, both consumers and businesses will suffer economically. The formation of blocs in the ICT field would also have repercussions for other fields, greatly destabilizing the world in which we live. Even if China failed to establish its own technology standards and supply chains in the digital domain, if it were to push back in domains of trade or investment other than the digital economy, the impact suffered by the United States and its allies, Japan included, would be severe. I, for one, would be unwilling to accept such risks and uncertainty.

It is an undeniable fact that Chinese firms have a competitive edge in both price and performance in the field of data economy. If the United States wishes to exclude Chinese businesses and force its allies to toe the line, the US government would need to provide clear explanations, but in actual practice, its reasons are ambiguous and inadequate. Problems that could potentially occur in the realm of national security would not be limited in scope to one specific country. It would be fairer to create technology standards for high-tech communication equipment as well as unified global standards for cybersecurity, and to develop mechanisms that would not prevent the use of any country’s products and services, provided those standards were met. It is also essential to develop a global system to monitor whether agreed-upon standards are being complied with. If such mechanisms could be created, developing countries that do not have the leeway or necessary technology to invest resources in cybersecurity would also be able to reap the benefits of digitalization with peace of mind.

On September 8, 2020, China launched a Global Initiative on Data Security, calling on countries to coexist and co-prosper in the high-tech economy. China
considers the ideas proposed in the initiative as only abstract principles, leaving sufficient room for China’s arbitrary interpretation. It would be difficult to adopt these as international norms without considerable amendments. It is worth noting, however, that Chinese Foreign Minister Wang Yi called on countries to “develop a set of international rules on data security that reflect the will and respect the interests of all countries through broad-based participation.” It would be unwise to ignore this bid.

Rather than prioritizing joint rulemaking among democratic countries, the Biden administration should call upon China to participate, from an early stage, in the task of developing shared norms and standards for cutting-edge technology. Needless to say, China must demonstrate the highest possible degree of flexibility. Otherwise, its participation in negotiations might be seen as a delaying tactic, potentially moving the world toward the worst-case scenario of an excluded China. In any case, the negotiations will not be easy. Middle powers such as Japan, South Korea, and Europe, which have significant technological and production capabilities in the ICT domain, will be required to usher both the United States and China in the direction of an international agreement.

**Pursue Missile Disarmament in East Asia**

The United States and China carry the greatest share of responsibility for the future of security in East Asia. They, together with Japan, must make concerted efforts to develop a missile disarmament or arms control system in the region.

In East Asia and the West Pacific, China has outstripped the United States in its deployment of ground-launched missiles in the 500–5,500 km range. Because the United States was party to the Intermediate-Range Nuclear Forces (INF) Treaty that prohibited ground-launched missiles with a range of 500 to 5,500 km, it could not deploy missiles of that range in the region. Since withdrawing from the INF Treaty in August 2019, the United States seeks to deploy ground-launched missiles that had been banned under the INF Treaty in East Asia beginning in the mid-2020s in a bid to close the regional missile gap with China. There is no justification for the fact that China (and North Korea) already has an overwhelming number of missiles with a range that covers neighboring countries such as Japan. However, if the United States were to deploy multiple ground-based, intermediate-range (500–5,500 km) missiles in the East Asia and West Pacific regions, China could be expected to deploy additional missiles to match or exceed those of the United States, in order to maintain its advantage. Russia is also preparing to respond to a deployment of missiles in the region by the United States.

A chain reaction of security dilemmas would drive not only North Korea, which is developing missiles for its own reasons, but the entire East Asian region,
including Japan and South Korea, in the direction of missile expansion. As the events of World War I demonstrate, where weapons are concerned, equilibrium of quantity does not always lead to strategic stability. I am deeply afraid of a nightmare in which East Asia, in the future, becomes the powder keg of the world.

There is a most pressing need, at least for the United States, China, and Russia, to conclude an anti-missile treaty akin to the INF Treaty in the East Asia and Western Pacific regions. However, frankly speaking, even if the United States today adopted a similar policy to the “Double-Track Decision” of the North Atlantic Treaty Organization (NATO) in December 1979—in which NATO both threatened to deploy and offered negotiations to eliminate intermediate-range missiles—the possibility of concluding an INF-style treaty in Asia is extremely unlikely. Today’s China is not the exhausted Soviet Union we saw toward the end of the Cold War. Although the Cold War saw parity achieved between the United States and Soviet Union on the military front, the United States is far ahead of China, at least with regard to strategic nuclear weapons. Although the hurdles preventing the use of nuclear weapons are significantly higher today than in the past, reducing China’s arsenal of intermediate-range missiles amid growing tensions over Taiwan would pose an existential problem for the Communist Party leadership.

The only way to make inroads is for Japan to play the role of mediator between the United States and China. Though the United States can develop intermediate-range, ground-launched missiles, it would need to deploy these missiles along the first island chain to use them effectively against the Chinese Navy or inland missile squadrons. As the United States does not possess territory in that area, the only option is to deploy missiles in the territories of its allies and partners. Yet, the countries of East Asia are generally unwilling to accept US missiles for fear of harming their relations with China. The US government seems to have placed its hopes for deployment on Japan, which is well-positioned geographically and whose government is vocal about its intention to strengthen the alliance.

The reality, however, is that Tokyo is less than enthusiastic about accepting US missiles. The Japan-US Security Treaty permits the stationing of US forces in Japan, but if the Japanese government expressed clear opposition to the deployment of US missiles and requested talks on the matter, the United States would be unable to ignore its wishes. Japan can leverage this position to pressure the United States and China to conclude an Asian INF treaty. The Japanese government can suspend its decision about the deployment of intermediate-

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Yukio Hatoyama

16

THE WASHINGTON QUARTERLY • SUMMER 2021
range ground-launched missiles at US military facilities in Japan for a certain period in the hope that negotiations between the United States and China will take place. If China continues to reject the offer of negotiations, the probability of missiles being deployed under its nose will increase.

Still, if negotiations are left entirely in the hands of the United States and China, they are likely to accomplish nothing. The Japanese government should adopt the style of diplomacy employed by former Chancellor of West Germany Helmut Schmidt to apply pressure to the United States and China—and, where necessary, to Russia—and clear away obstacles to achieving disarmament or an arms control system. If Japan took the lead in cooperation with South Korea and the countries of Association of Southeast Asian Nations (ASEAN), leverage on the United States and China would be significantly increased. To this end, Japan must maintain a humble stance with regard to its history of invasions and colonial rule. Missile expansion in East Asia is also likely to have adverse effects in Europe, through developments in Russia. Therefore, collaboration between Japan and European middle powers is also extremely significant.

**Place the Senkaku Islands Off-Limits to Both Japan and China**

Finally, I propose that the Japanese and Chinese governments conclude a new agreement to manage the territorial dispute. This is not a request to the United States. However, I will introduce it here as it may also help nip in the bud potential military conflict between the United States and China.

In response to requests by the Japanese government, the US government has repeatedly expressed the view that Article 5 of the Japan-US Security Treaty applies to the Senkaku Islands. Yet, this does not mean that the US military would fight against the Chinese army in the event of a struggle in the Senkakus under any circumstances. Moreover, despite the declarations of President Obama and Trump that the treaty “applies to the Senkaku Islands,” there has been no obvious sign of decrease in the number of intrusions by the China Coast Guard into territorial waters around the Senkaku islands. Although Japan’s and China’s coast guards are, at this moment, taking a judicious approach to the situation at sea, the threat of a clash if some accidents were to occur is constant and immediate. Meanwhile, there are growing calls within Japan to build structures on the Senkaku Islands, emboldened by the Biden administration’s move to clarify its adversarial stance against China. If Japan did try to build structures on the islands, the prospect of a physical clash would be highly likely. Such a foolish outcome would also be an unwelcome development for the United States. To prevent an emergency in the Senkaku Islands and eliminate the possibility of conflict between the United States and China as a result, we must find a fundamental solution that removes the possible causes of conflict between Japan and China.
My proposal is that the Japanese government officially recognize the existence of a territorial dispute with China over the Senkaku Islands and both countries shelve the territorial dispute and agree not to enter the territorial seas and contiguous zones around the Senkakus. To date, the Japanese government has maintained its position that there has never been a territorial dispute in the Senkakus that needs to be resolved. Yet globally, the Japanese government is alone in this opinion. Despite claiming that Japan has de facto control over the islands, the Japanese government has refrained from even landing on the islands for many years. Japan has nothing substantial to lose from acknowledging the territorial dispute. If it recognized the Senkakus as a contentious zone, there would be sufficient reason for both Japan and China to declare the area off limits. The Japanese government currently allows Japanese fishing boats into the waters on a limited basis, but this too would be deauthorized without exception. Meanwhile, the China Coast Guard often enters the waters around the Senkakus, citing incursions by Japanese fishing boats. If Japan did not enter the area, China would also be unable to do so. A deal that prevents both Japan and China from entering the waters around the islands would also be beneficial to the United States.

Richard von Coudenhove-Kalergi, an advocate for Pan-Europeanism and pioneer of European integration, stated, “Every great historical happening began as a utopia and ended as a reality.” To all observers, the intensifying rift between the United States and China has the air of a great, unstoppable current. Yet, if someone somewhere speaks of an ideal and translates it into action, without giving up, it is not impossible to change the course of history.

Notes

15. In today’s military terms, they are classified into short-range (300–1,000 km), medium-range (1,000–3,000 km), and intermediate-range (3,000–5,500 km).
16. For more details about Japan’s initiative to pursue a missile arms control regime in East Asia, refer to Kiyoshi Sugawa, “Play the Big Game for US-China Missile Arms Control Treaty,” East Asian Community Institute, April 15, 2021, https://www.eaci.or.jp/archives/avp/331.
17. Japan’s relationship with South Korea is also an extremely fraught affair, due not only to our historical issues but also to the fact that a situation resembling a “Thucydides Trap” is in play as our powers converge. My proposal for reconciliation with South Korea is in Yukio Hatoyama, “Japan and South Korea Should Look at the Big Picture to Overcome the Historical Problems,” East Asian Community Institute, August 12, 2020, https://www.eaci.or.jp/archives/wp-content/themes/EACI/resources/files/20200812en.pdf.