

1. Rise of China: Implications for the regional powers, the U.S., and the U.S.-Japan alliance
 - a. China's power:
 - i. Economic growth
 - ii. Military buildup and expansion
 - iii. Growing political influence in the region
 - iv. China as a model for development; state-led market economy
 - v. China's role in global political-economic system? global rules, trade, investment, intellectual property, non-intervention, etc.
 - b. Implications for Japan
 - i. "Hot economics, cold politics"
 - ii. Japan's soft power losing influence due to Japan's soft power deficit vis-à-vis China and China's hard power projection
 - iii. Defense build-up in China, particularly navy
 - iv. Regional cold war? With global implications
 - c. Implications for the U.S.
 - i. Relative decline of the U.S.: encourages China's assertiveness; causes wariness among U.S. allies and friends, and others in the Asia-Pacific
 - ii. U.S. economic interests in the region; U.S. still a very important trade partner to all regional economies, including China
 - iii. Global governance: G2, G8/G7, G20
 - d. Implications for the U.S.-Japan alliance
 - i. Japan's wariness about U.S. ability to protect Japan's and US interests in the region
 - ii. Japan's willingness to enhance its defense burden
 - iii. How to encourage Japan to beef up defenses and take a more active international security role without adding to regional friction; how the U.S. manages its alliance with Japan and influences Japan's defense policy will be closely watched by China and Korea
 - e. Implications for South Korea (geostrategic location)
 - i. Economically dependent on China's growing market but potentially competition
 - ii. Cultural and social affinity with China growing but some friction regarding Korean management of Chinese workers
 - iii. Will depend more on China for solution to the North Korea problem
 - iv. North-South relations; wants China's help but not so much that the terms of future North-South reconciliation will be dictated by China
 - v. Search for a middle power role, mediator; more wishful thinking than real
 - f. Implications for Russia: China's growth is both an opportunity and a source of concern for Russia
 - i. Common interest with China vis-à-vis the U.S.
 - ii. Common interest with regard to regional stability

- iii. Common interest regarding denuclearization of the Korean peninsula and North-South Korea normalization
- iv. China wants Russia to side with them with regard to its dispute with Japan; but Russia is refusing; but depending on future Russia-U.S. relations, China may succeed in rebuilding a quasi-alliance with Russia
- v. Concerned about China's possible dominance of regional politics in Central Asia
- vi. China's peaceful invasion of the Russian Far East
- 2. Territorial disputes: Japan vs. China; Japan vs. Korea; Japan vs. Russia
 - a. Respective parties' positions:
 - i. Senkaku/Diaoyu/Tiaoyutai
 - 1. Japan: No dispute; Japan's territory since 1895; Part of Okinawa and reverted to Japan in 1972; China did not issue any protest until 1971, after ECAFE announcement of oil/gas reserves in the East China Sea; China's incursions into Japanese claimed territorial waters are illegal; will not be bullied into a compromise
 - 2. China: China's territory since "ancient times"; the issue was "shelved" in 1972 for future generations to solve; part of Taiwan, which is part of China; Japan changed the status quo when Tokyo nationalized three of the islands
 - 3. Taiwan: part of Taiwan; more concerned to continue access for Taiwanese fishing
 - ii. Takeshima/Dokdo
 - 1. South Korea: Korean territory since the 18th century; has exercised effective control since the 1940s, when Syngman Rhee Line was drawn to Keep Japanese fishermen out; Japan's claims are its colonialist legacy
 - 2. Japan: Japanese territory since the 19th century, when the Tokugawa government gave permission to Shimane fishermen to use the island; Syngman Rhee line was illegal, unilateral against international law
 - iii. What is at stake? Symbolic vs. instrumental value
 - 1. Credibility and legitimacy of leaders in the eyes of the public
 - 2. Historical vs. contemporary issue? Implications for other disputes; Japan's concession will encourage China regarding Diaoyu and strengthen Russia's claims to the Northern Territories/southern Kuriles
 - 3. Will set a precedent: a bully can gain control of territory; weaken not only Japan's profile but U.S. influence for failing to protect ally's interests
 - 4. Oil and gas near the Senkaku/Diaoyu Islands and fisheries near the Takeshima/Dokdo Islands

5. Implications for U.S.: strategic value because Senkaku is part of Okinawa; If China controls the islets, it will give Chinese navy access to the Pacific beyond the East China Sea
- iv. Is there a solution? Three scenarios:
1. An incident triggering a military conflict involving China, Japan, and the U.S.
 2. Containment of China-Japan tension, keeping their respective claims in tact and “cat-and-mouth” game continuing
 3. Joint development based on a “shelving” formula, allowing each side to develop its uncontested areas on the continental shelf, as previously agreed in principle but not implemented
 4. Joint management of the area including the island as an ecological park