

**Political and Security Dynamics of Japan-China Relations:
Strategic Mistrust, Fragile Stability and the US Factor**

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Introduction

The People's Republic of China (PRC) and Japan normalised diplomatic relations in 1972. Normalisation took place in the wake of the 1971 Nixon shock¹ and America's decision to seek *rapprochement* with China. Until the early 1990s, Sino-Japanese relations were conducted within the so-called framework of "friendship diplomacy", which was centred on deepening bilateral economic ties through trade and investment, and Japan's extension from 1979 on of Official Development Assistance (ODA) to China. This furthered the PRC's goal of economic development and modernisation, and served Japan's own economic interests, thereby contributing to generally positive bilateral relations. Finally, the common enemy of the Soviet Union, and the role Tokyo and Beijing each played in Washington's containment policy meant that the unresolved bilateral issues, including disputes over history and the *Senkaku/Diaoyu* Islands in the East China Sea, were dealt with moderation by both Japan and China.

Although the post-Cold War period has seen booming bilateral economic interactions, the relations between Tokyo and Beijing in the politico-military area have become progressively tense, deteriorating to unprecedented levels during the administration of Japanese Prime Minister Koizumi Junichiro (2001-2006), yet improving in the post-Koizumi era. This paper examines the political and security dynamics of Sino-Japanese relations, especially in the 2000s. It does so by looking how the interaction of factors from both the international and domestic levels influences the relationship. In this way, the paper seeks to assess both the significance of the underlying tensions and the prospects of long-term stability in Sino-Japanese relations in the 21st century.

The following discussion first explores how the structural changes in East Asia after 1989 have affected Japan's and China's respective foreign policy strategies. The paper goes on to examine the diverging strategic priorities of Tokyo and Beijing, as well as the impact on the bilateral relations of the changed domestic context of foreign policy in both countries. It then analyses the state of the relationship in the post-Koizumi era and looks at the US factor in Japan-China relations. The paper concludes by assessing the prospects of maintaining stability in the relations between Tokyo and Beijing in the future.

Structural changes in East Asia, and their impact on Japan's and China's respective foreign policy strategies

Following the demise of the Soviet Union and the end of bipolarity, Japan and China were confronted with a new strategic environment in East Asia. In particular, profound differences emerged between the two neighbours regarding their respective views of the US regional role and hence the "hub-and-spoke" system of American bilateral alliances in East Asia. Those differences were reflected in the strategies Tokyo and Beijing each adopted to cope with the post-Cold War geopolitical reality.

For Japan, the alliance with the US has remained central to its foreign and security policy. The provocative behaviour of the Democratic People's Republic of Korea (DPRK or North Korea) has provided the primary strategic rationale for Tokyo and Washington to strengthen their security ties since the second half of the 1990s. In particular, Pyongyang's nuclear programme and progress in developing missiles capable of targeting Japan's major cities have resulted in North Korea's being seen as an immediate security threat to Japan.² For its part, the 1995 Chinese nuclear tests and Beijing's test-firing of ballistic missiles prior to the 1996 Taiwanese elections were regarded as alarming signals of China's increasing military assertiveness. Japan's uneasiness concerning the long-term implications of the PRC's rise in the military, economic and political dimensions has influenced Tokyo to seek to balance with Washington against Beijing, and thereby support the

1 This refers to President Nixon's decision in 1971 to visit Beijing without consulting Tokyo.

2 Japanese official documents have repeatedly stressed the threat North Korea poses not only to Japan's national security, but also to the stability of East Asia and the international community. See, Ministry of Foreign Affairs, Japan (2007: 3-4); Ministry of Defence, Japan (2008: 33).

continuity of a Pax Americana in East Asia.

For the PRC, too, the disappearance of the Soviet Union brought about a profound change to its threat perceptions, as well as expectations for the future regional order in East Asia. Whereas in the early 1990s the dominant Chinese perspective was one of hope for the emerging global multipolarity (with China, Japan and the US among other poles), in the second half of the decade the PRC's leaders reached a broad acceptance, indeed with disappointment, of the inevitability of America's continuing dominance (Foot, 2006). In the 2000s, Chinese *White Papers on National Defence* have repeatedly emphasised the destabilising impact of (US) "hegemonism" on international security, while still referring to the eventual "world multipolarisation" as an outcome of the redistribution of power "among the major international players" (Chinese Government's Official Web Portal, 2004, 2006, 2008). In contrast to Tokyo, Beijing saw the continuity of US hegemony, especially in East Asia, as "the problem rather than the solution" (Yahuda, 2006: 167) to its own security interests.

The divergence between Chinese and Japanese security perceptions was accentuated at the end of the 1990s when Tokyo and Washington reinforced the alliance in the face of the looming North Korean threat. China saw the strengthening of the alliance as an attempt to constrain its rise in East Asia, as well as a potential threat to the resolution of the Taiwan issue. This was also a clear confirmation for Beijing that the US "hub-and-spoke" system would likely endure in the 21st century.

Paralleling Japan's and China's respective adjustment to the new geopolitical reality has been the shift in the relative balance of power between the two, which has contributed to the exacerbation of mutual distrust (Pei and Swaine, 2005). While for Japan the 1990s was a period of economic slowdown, for China it was a decade of rapid economic growth, which continued into the 2000s. Although Japan is still the world's second largest economy, recent estimates show that China is on its way of overtaking Japan soon in terms of nominal GDP and some even suggest that this may have already happened (BBC news, 2010).³ Japan's unprecedented economic growth throughout the 1970s and the 1980s made it a developmental model for the rest of East Asia, including China. However, Japan's regional leadership was undermined by its stagnant economy in the 1990s and perceived inability to deal satisfactorily with the Asian financial crisis, which contrasted with Beijing's behaviour as a "responsible power" during the crisis.⁴ China has also increased its importance as a trading partner for the ASEAN countries and, notably, Japan. Indeed, in 2004 the PRC replaced the US as Japan's largest trading partner.

Beijing's active regional diplomacy and involvement in regional institutions since the late 1990s has added another dimension to this power shift. China has strengthened its presence in the ASEAN Regional Forum (ARF), supported the establishment of the ASEAN+3 (APT) process in 1999, assumed since 2003 a leading role in the six-party talks (SPT) and has become a strong advocate of the formation of an "East Asian community" centred on the APT grouping. Furthermore, Beijing in 2001 proposed an ASEAN-China Free Trade Agreement (FTA) and in 2003 signed (as the first non-ASEAN state) the Treaty of Amity and Cooperation (TAC).

Japan, on the other hand, while emphasising its security alliance with the US, has also supported regional cooperation. The latter has been part of its "comprehensive approach" to security,⁵ reflected in Tokyo's ODA diplomacy in Southeast Asia (as a main donor), promotion of alternative security concepts, such as "human security", and support for regional multilateralism. For example, Japan has played a major role in establishing the ARF in 1994, has been active in the APT process and has participated in the SPT. By promoting regional cooperation, Tokyo has sought to increase its regional influence (notably vis-à-vis Beijing), as well as enmesh China in a web of interdependent relationships in order to encourage it to behave as a responsible power. However,

3 According to China's own estimate, China's GDP in 2009 was \$4.9 trillion. The World Bank's estimate for Japan's GDP in 2009 is \$4.6 trillion.

4 This refers to China's decision not to devalue its currency.

5 In contrast to the traditional conceptualisation of security in military terms, comprehensive security goes beyond the military dimension to include economic, social, political and environmental aspects of national security.

Tokyo's multilateral initiatives have only played a supplemental role to its bilateral security arrangements with Washington, or what has been called as a "bilateralism plus" security policy (Hughes and Fukushima, 2004). Japan is also seen as "catching up" with China rather than driving regional cooperation, for example, by joining the TAC in 2004 and launching FTA negotiations with ASEAN in 2005.

For Beijing, multilateralism has formed an important part of its "reassurance campaign" since the late 1990s aimed at minimising concerns in East Asia regarding China's growing (military) power, especially in the wake of the 1996 Taiwan Strait crisis (Saunders, 2008). Accompanied by political rhetoric and concepts such as "peaceful development", the PRC's involvement in regional multilateralism has sought to demonstrate to its neighbours that "China's rise would be benign and mutually beneficial" (Foot, 2006: 85). Finally, Beijing's regional diplomacy, together with its military modernisation, has become a crucial component of its hedging strategy towards the US (Medeiros, 2005; Pei, 2007). This strategy is designed to reduce the risk of containment by Washington and its East Asian allies, most notably Tokyo, as well as raise the stakes for the US (and Japan) of potential involvement in the Taiwan issue.

Sino-Japanese strategic divergences at work

The structural changes in East Asia, and the diverging strategic priorities between Tokyo and Beijing have created a basis for negative security dynamics. In this context, mutual concerns of strengthened military postures and suspicion regarding one another's long-term strategic goals in East Asia have emerged as defining characteristics of Sino-Japanese relations.

For Tokyo, a major concern has been Chinese military modernisation. Beijing has promoted a defensive image by stressing that China "will not pose a military threat to any other country" and that the People's Liberation Army (PLA) main objective is "to win local wars under the conditions of informationalization" (Chinese Government's Official Web Portal, 2004, 2006). While Tokyo has concluded that China's primary goal in the foreseeable future is to attain military superiority vis-à-vis Taiwan, Japan has worried about the PRC's modernisation of its nuclear and missile arsenal. China's rapid development and deployment since the mid-1990s of short- and intermediate-range missiles has increased its ability of striking not only Taiwan, but also Japan and some of the main US military bases in East Asia. From this perspective, Japan has been concerned that the objective of Beijing's military modernisation could be something more than the mere resolution of the Taiwan issue (Ministry of Defence, Japan, 2007).

A perceived lack of transparency on the PRC's national defence, as well as the double-digit growth of its defence spending from the late 1990s on, has influenced the emergence of "the China threat" perception in Japan. For example, the 2004 National Defence Programme Guidelines (NDPG) mentioned for the first time in Japanese national security doctrine two specific countries – North Korea and China – as Japan's key security concerns (Prime Minister of Japan and His Cabinet, 2004). The 2009 Japanese *White Paper on Defence* expressed worries about the impact of China's military strength on "the regional situation and Japanese security" (Ministry of Defence, Japan, 2009: 49) and underlined that "China has not yet achieved the levels of transparency expected of a major regional power" (ibid.: 50). This indicates Tokyo's mistrust of Beijing's strategic goals, as well as its apprehension of China's future potential dominance in East Asia.

Following the September 11th terrorist attacks on the US and during the term of Koizumi, Japan moved towards enhancing its security ties with the US and modernising its military capabilities. A strong supporter of Japan's more robust foreign policy, Koizumi dispatched the Self-Defence Forces (SDF) on non-combat missions to the Indian Ocean and Iraq, respectively. In the wake of the 1998 North Korean missile launch, the Japanese government the same year decided to establish its own spy satellite programme and from 2003 on deployed four satellites. Japan in 1998 also announced its engagement with the US in a joint research on ballistic missile defence (BMD) system. In the wake of the second North Korean nuclear crisis of 2002-03, the Koizumi administration in late 2003 decided to accelerate the introduction of US-made both land- and sea-

based MD systems.

China's view of Japan's changing security posture since the 1990s has mirrored Tokyo's mistrust toward Beijing. China has repeatedly expressed worries regarding Japan's alleged re-emergence as a major military power, by emphasising Tokyo's drive to acquire new military capabilities, notably BMD systems, and its expansion of the SDF's missions. The developments in Japanese security policy have been described as one of the "complicating security factors" in the region (Chinese Government's Official Web Portal, 2004). Especially under Koizumi's so-called security "normalisation" course, Japan was seen as "fabricating" threats, notably coming from the PRC's military build-up, and abandoning "its post-war path of peaceful development to pursue political and military power" (*Xinhua*, 2005b). For example, in 2005, in response to then Foreign Minister Aso Taro's remarks about China's growing military budget, Chinese Foreign Ministry spokesman Qin Gang reportedly said that it was Japan's expanded military profile that was a cause of serious concern and hence "Japan should interpret its military tendencies to the world" (Chinese Government's Official Web Portal, 2005). Indeed, Japan and China have no appreciation of one another's respective security concerns (Yahuda, 2006), viewing each other's steps in the security area with great suspicion.

It is the Taiwan question that has arguably led Beijing to see Tokyo's adjustments in its security policy largely through the lens of cross-Strait relations; from a Japanese perspective, the perceived North Korean military threat is a legitimate reason to strengthen its defence posture and alliance with the US. China has been worried that the revised in 1997 US-Japan Defence Guidelines could be applied to a Taiwan contingency, as Tokyo and Washington have refused to explicitly rule Taiwan in or out, adopting a situational rather than geographical definition of the region, instead (Green, 2003). Likewise, Beijing has been concerned that a mobile, sea-based US-Japan BMD system could be used for the defence of Taiwan and, thereby, neutralise the mainland's ability to coerce the island into re-unification. According to some Chinese analysts, the alleged inclusion of Taiwan in the US-Japan security cooperation "serves to embolden the separatist forces in Taiwan" by creating perceptions that Washington and Tokyo would help Taipei "no matter which side provoked a war" in the Strait (Wu, 2005: 126). The 2004 Chinese *White Paper on Defence* stressed that the PRC would "never allow anyone to split Taiwan" and that if Taipei decided to seek independence China would "resolutely and thoroughly crush it at any cost" (Chinese Government's Official Web Portal, 2004).

Given that the Taiwan issue constitutes a core national security interest for the PRC, it should not be surprising that Beijing's fears were exacerbated in 2005 when a joint US-Japan statement indicated the "peaceful resolution" of the Taiwan Strait issue as one of their "common strategic objectives" in the Asia-Pacific region. In this regard, Chinese Foreign Minister Li Zhaoxing sharply criticised the joint statement, underscoring that the Taiwan issue was China's domestic affair and "should by no means be deliberated in the framework of the security alliance" (*Xinhua*, 2005c). China responded by enacting the Anti-Secession Law, which expressed the PRC's intention to employ non-peaceful means in order to prevent Taiwanese independence.

Finally, the structural vulnerabilities of Japan and China additionally complicate the security dimension of Sino-Japanese relations. Japan is a resource-poor country, which depends on energy imports for almost all of its oil and natural gas consumption; China's demand for energy imports is increasing fast. Both countries' dependence on secure access to energy supplies for ensuring economic growth fuels energy competition and generates mutual distrust. In this context, China's expansion of its naval and air military capabilities has raised concerns in Tokyo, as this would allow Beijing to project power into the East and South China Seas where Japan's vital for its economy sea lanes of communication (SLOC) stretch. The ongoing territorial dispute over the *Senkaku/Diaoyu* Islands is representative of a mounting Sino-Japanese energy rivalry, as there are prospects for large oil and gas reserves in the surrounding waters. The dispute escalated in 2004 amid revelations of China's development of a natural gas project very close to the Japan-drawn demarcation line of the contested exclusive economic zone (EEZ) boarder in the East China Sea. Beijing's actions led to worries in Tokyo that the sources from the Japanese side could be drained.

Domestic politics: exacerbating mutual distrust and animosity

The changed domestic context of foreign policy in both countries, including the public perceptions of each other, has generated additional tensions in Sino-Japanese relations.

Following the dissolution of the Soviet Union and the decreased appeal of the communist ideology, the Chinese Communist Party (CCP) had to find other means in order to ensure both the legitimacy of its governance and domestic political stability. The top priority for the leadership became sustaining high levels of economic growth with a view to alleviating poverty, increasing standards of living and thereby maintaining public support for the CCP. While the so-called “socialism with Chinese characteristics” proved to be successful, with the country maintaining an impressive average growth rate of 9 per cent per year for the past three decades, the unevenness of wealth and income, vast disparities in regional development and widespread corruption became major challenges to the regime. In order to garner public support and make a transition away from the communist ideology, the Chinese leadership focused on boosting nationalism within the society (Moon and Suh, 2008). The administration of Jiang Zemin launched “patriotic education” in the 1990s, which was centred on the Chinese resistance against the Japanese invasion and led to widespread negative perceptions of Japan among the Chinese people (Pei and Swaine, 2005).⁶ Official patriotism emerged as “an official doctrine of state nationalism by the CCP”, which sought in this way to promote national unity and strengthen its ruling power (Moon and Suh, 2008). In this context, the toleration and, even, encouragement of anti-Japanese nationalistic sentiments became an instrument for the PRC’s leaders to achieve their domestic political goals.

In Japan, too, the domestic context of foreign policy saw a major change after 1989. The socialists, which were during the Cold War the guardian of the pacifist Article 9 of the 1947 Constitution,⁷ became significantly marginalised as a political force. The Liberal Democratic Party (LDP) saw the rise to power of more nationalistic and conservative prime ministers, most notably Koizumi, Abe Shinzo (2006-2007) and Aso Taro (2008-2009). Those politicians attached greater significance to the strengthening of Japan’s defence posture and deepening security ties with the US. Reflecting the perceived threats from North Korea and China, and arguably stimulated by Koizumi-like conservative LDP politicians who had a “normal” security agenda for Japan, the public opinion shifted to the right and the support for the US-Japan alliance remained strong.⁸ Finally, Japan’s perceived economic decline (viewed against China’s spectacular growth), the political uncertainty and the breakdown of “Japan Inc.” influenced the resurgence of Japanese nationalism (Moon and Suh, 2008). Additionally, the pursuit of normalisation stimulated the rise of nationalistic sentiments, although, in contrast to Chinese nationalism, “no significant core of Japanese nationalism” was specifically anti-Chinese (Tamamoto, 2005: 56).

The changes in both countries domestic politics provided the context in the first half of the 2000s for increased mutual animosity, by allowing the main bilateral problems, notably the interpretation of history, territorial disputes and the Taiwan question, to dominate the Sino-Japanese agenda. While persistent historical grievances on the Chinese side were a major destabilising factor in the relations, the conservative trend in Japanese domestic politics provided a fertile ground for the rise of mutually hostile nationalistic sentiments. In this sense, Japan could be seen as “the origin

6 Pei and Swaine (2005) note that it is debatable whether the purpose of the CCP was to “demonise Japan” with the patriotic education campaign. Nevertheless, the PRC’s leadership must have anticipated an adverse impact on the Chinese people’s perceptions of Japan.

7 Article 9, also known as the “peace clause”, renounces the use of military force as a legitimate instrument of statecraft and commits Japan to non-possession of war potential. The official government interpretation of Article 9 is that Japan is permitted to maintain only the minimum level of armed force necessary for self-defence, but is prohibited from exercising its right to collective self-defence.

8 Recurrent opinion polls indicate that a stable majority of Japanese view the best option for Japan’s defence to be the US-Japan security arrangements together with the SDF. Figures have remained above 60 per cent from 1978 on and increased since the end of the 1990s, reaching 76.2 per cent and 77.3 per cent in the latest 2006 and 2009 surveys, respectively (Japan Cabinet Office, various years).

of the chain reaction” in which Japanese right-wing politicians sought to utilise history issues in order to garner domestic political support, thereby facilitating the PRC’s leadership in inculcating anti-Japanese sentiment in the Chinese population and exploiting nationalism for strengthening the legitimacy of its rule (Moon and Suh, 2008).

Feelings of public animosity towards Japan exploded in China in 2001 and 2005 in the wake of the Japanese Ministry of Education’s approval of history textbooks for middle schools written by a right-wing group of nationalistic scholars. Added to this were Koizumi’s yearly pilgrimages to the *Yasukuni* Shrine.⁹ Beijing strongly protested the visits and regarded them, together with the textbooks, as attempts by Japan to water down its wartime atrocities and deny its past aggression in East Asia. While it is unlikely that Koizumi’s tributes to *Yasukuni* had any specific anti-China agenda and, indeed, were mostly interpreted as seeking to appeal to right-wing LDP politicians (Roy, 2005), Sino-Japanese diplomatic relations deteriorated to unprecedented levels between 2001 and 2006. Chinese President Hu Jintao decided to suspend summit meetings with Koizumi, conditioning future bilateral summits upon Japanese prime minister’s refrain from visiting the shrine.

For many Chinese analysts, Japan’s treatment of the history issue became intertwined with Tokyo’s more assertive security posture during Koizumi’s term in office. Japan’s alleged inability to come to terms with its militaristic past strengthened the view in China of Japan’s war-prone nature and fuelled suspicion that the Japanese (more in particular, right wing politicians) were seeking every opportunity to return their country to a major power status (Wu, 2000; Roy, 2005). The history issue was also at the bottom of the large-scale anti-Japan demonstrations throughout China in the spring of 2005 in the wake of Tokyo’s renewed bid for a permanent seat on the UNSC. The PRC government opposed Japan’s entry into the UNSC, by stating that “only those countries that can face up to history and take responsibility for their actions can play a greater role in international affairs” (Foreign Investment Promotion Centre, 2005), suggesting that Japan was not being trusted by its neighbours. It should be noted that the Chinese leadership arguably played the history card to block Japan’s international ambitions (an UNSC seat) and undermine Tokyo’s regional influence in East Asia (Calder, 2006), as well as encourage official patriotism. On the other hand, a major obstacle to any bilateral diplomatic compromise from a Chinese perspective was, no doubt, Japan’s treatment of the history issue under Koizumi.

In Japan, meanwhile, negative popular perceptions and distrust of China have increased since the 1990s, not least due to the heightened anti-Japan sentiment within the Chinese society. The 1989 military crackdown on the democratic movement at the Tiananmen square was the first event that triggered a sharp decrease of the number of Japanese with friendly feelings towards the PRC (Mochizuki, 2007). Burdened by “apology fatigue” (Green, 2003), Japanese people increasingly came to believe that Beijing was taking advantage of the history issue in order to extract more economic assistance from Tokyo, as well as prevent Japan from maintaining, or expanding, its regional influence (Roy, 2006). There was also a perceived lack of appreciation for Japanese ODA to China and a strong feeling in Japan that the CCP stimulated anti-Japanese nationalism in order to legitimise its grip on power. These negative perceptions, together with the growing concerns regarding the PRC’s military modernisation and regional ambitions, arguably led to the Koizumi government’s decision in 2005 to terminate the yen loan programme of Japanese aid as of the 2008 Beijing Olympics.

The nexus in Sino-Japanese relations between security and domestic politics is evident in the case of the territorial dispute over the *Senkaku/Diaoyu* Islands. For example, in the mid 1990s, members of the Japan Youth federation placed a light tower on the islands, while in early 2000s Chinese activists made several attempts to land on the islands, thereby demonstrating in a symbolic way China’s sovereignty over the islands. For its part, the Koizumi government in early 2003 renewed its lease of three of the five islands, which led to an official protest from Beijing. Although the dispute involves competition for energy resources and sea lanes security concerns, the rise of

⁹ *Yasukuni* is a Tokyo shrine honouring fourteen Class A war criminals in addition to two and a half million Japanese soldiers.

mutually hostile nationalistic sentiments has the potential to aggravate bilateral tensions in the political area as well.

The Taiwan issue is also an illustration of the complexity of Sino-Japanese relations, in which strategic divergences intersect with domestic politics. For Beijing, the Taiwan issue is a core national security interest on which the Chinese government cannot compromise. For Japan, Taiwan is particularly relevant from a geopolitical perspective, as the Taiwan Strait is located in an area where Japan's vital for its economy SLOC stretch. This arguably feeds Beijing's suspicion that Tokyo does not want reunification, hence its real motives behind the deepening of its security ties with Washington, as a unified China might be seen as a challenge to Japan's strategic interests in the Western Pacific. Although Tokyo has officially adhered to a "one China policy" since the 1972 normalisation, the strengthening of the US-Japan alliance has been perceived by Beijing as signalling a shift in Japan's Taiwan policy (*Xinhua*, 2005a). Tokyo's involvement in cross-Strait relations is viewed all the more negatively by the PRC, given Japan's past colonisation of the island (Wu, 2000). LDP's moves under Koizumi and Abe to revise Article 9 in order to allow Japan to exercise its right to collective self-defence in support of the US were interpreted as a major manifestation of Japan's growing security ambitions and fuelled further Chinese suspicion regarding Tokyo's future interference in the Taiwan issue. In Japan, meanwhile, Beijing's hardened approach towards Taiwan and uncompromising attitude on the history issue only served to strengthen the public's negative perceptions of the CCP's authoritarian rule.

A Cooling-off period: the post-Koizumi era¹⁰

While Japan may be seen as having initiated a chain of negative bilateral dynamics during Koizumi's term in office, Tokyo's foreign policy behaviour since 2006 has opened up the way for an improvement in Sino-Japanese political and security relations. From a Chinese perspective, a major contributing factor for this is the fact that none of Koizumi's successors has visited *Yasukuni*.

Abe's first foreign trip as prime minister was to China, which was followed by the resumption of mutual diplomatic visits. Fukuda Yasuo (2007-2008), for his part, strongly promoted a deepening of ties with the PRC, and succeeded in steering Japan-China relations towards what was termed as "a new era of a mutually beneficial relationship". During the term of Aso, the history issue re-emerged amid his decision to make an offering to *Yasukuni*. However, Beijing's reaction was rather restrained in comparison with the Koizumi era. The Chinese government stressed its determination to push forward the "bilateral strategic mutual-beneficial ties", while calling on Japan "to properly settle existing problems" with the PRC (*Xinhua*, 2009). Finally, Japan's domestic political scene has dramatically changed in the wake of the Democratic Party of Japan's (DPJ) electoral victory in the summer of 2009. The administration of Hatoyama Yukio (2009-present) has emphasised Japan's Asia diplomacy, which contrasts with the US-centred foreign policy that had been pursued by the LDP.

Beijing's changing strategy towards Tokyo became clear when Chinese Premier Wen Jiabao during his 2007 speech at the Japanese Diet¹¹ acknowledged Japan's remorse and apology for its aggression during World War II, and, what was seen as even more striking from a Japanese perspective, expressed an unequivocal appreciation for Japanese ODA to China (*Daily Yomiuri*, 2007b). Subsequent policies by the Hu administration, including the introduction of restrictions on media reports critical of Japan, have sought to contain Chinese people's anti-Japan attitudes. The CCP government has also focused on promoting a positive image of Japan and de-emphasising the history problem, which has been possible due to Tokyo's "non-provocative" behaviour on the history issue. Indeed, the dilemma that the PRC government faces is that while it may not be seen by its people as being soft on Japan due to the widespread anti-Japan attitudes (not least stimulated by official patriotism), it also realises that uncontrolled public sentiment could easily turn against

10 I have borrowed this expression from Pei and Swaine (2005).

11 This was the first speech by a Chinese premier at the Japanese Diet, while Premier Wen's visit to Japan in the spring of 2007 was the first one by a Chinese premier since October 2000.

the CCP regime (Moon and Suh, 2008). Domestic goals, therefore, seemed to underpin Beijing's adjustment in its Tokyo strategy (Fujino, 2007). These included securing political stability and controlling the anti-Japan public sentiments, especially ahead of important events such as the 17th CCP convention in 2007, the 2008 Beijing Olympics and the 2010 Shanghai Expo. Mutual economic interests have also contributed to positive bilateral relations. In particular, Japan's cooperation with China in the fields of environmental protection and energy conservation is seen by Beijing as crucial for China's further economic development (ibid.).

The recent dynamics in Sino-Japanese relations indicates efforts from both sides not to allow contentious issues destabilise the relations. Nevertheless, the underlying problems continue to re-emerge. In 2008, the Fukuda administration reached an agreement with Beijing for joint development of some of the gas fields in the disputed area around the *Senkaku/Diaoyu* Islands, shelving the issue of the demarcation line of their EEZs. The agreement reflected an earlier proposal by Tokyo, as well as Beijing's focus on pursuing a mutually beneficial strategic relationship with Japan. Nevertheless, as of early 2010 a bilateral treaty on the joint development has not been concluded. This may be attributed to the reluctance of the Chinese side to move forward with negotiations due to the domestic criticism to the deal; hence concerns by the Hu administration that the people may see the CCP making too many concessions to Japan. Prime Minister Hatoyama has urged an early launch of treaty negotiations in his meeting with Chinese Premier Wen, with Wen alluding to the public sentiments in China as a factor that needed consideration (Arima, Higashioka&Hakoda, 2009). Furthermore, in response to China's reportedly started exploration works in an area, which Tokyo views as being left out of the agreement for further discussions, Japanese Foreign Minister Okada Katsuya has warned that Japan "will have to take certain action" if China violates the deal (The Japan Times, 2010). The differences in the political values have also been exposed, when Hatoyama explicitly expressed hope that China would make progress with regard to democracy and human rights (The Japan Times, 2009).

As far as the security dimension of Sino-Japanese relations is concerned, there have been attempts for enhancing military transparency and confidence-building. These include regular high-level defence meetings, an agreement for the establishment of an emergency communication hotline between the SDF and PLA, and the first since 1945 mutual visits by naval ships.¹² Indeed, while a bilateral agreement for exchange visits by warships was reached in 2000, Beijing postponed the planned visits due to Koizumi's tributes to *Yasukuni*. The Hatoyama administration has moved forward with strengthening defence ties with Beijing when in November 2009 the two sides agreed to hold in 2010 their first joint naval drill for search and rescue operations, as well as start discussions on cooperation in the areas of disaster relief and UN peacekeeping operations.

These attempts in the post-Koizumi era for mutual reassurance have been paralleled by expressions of mutual strategic suspicion, however. Japanese *White Papers on Defence* have continued to urge Beijing to improve its military transparency, expressing concerns about its growing military spending. Abe, for example, stressed in 2007 that improved transparency was crucial if China were "to play a responsible role in the region" (*Daily Yomiuri*, 2007a). For its part, Hatoyama's advisory group on security issues, which is preparing recommendations for the 2010 revision of the NDPG, has reportedly focused on the PRC's military build-up in its discussions. Beijing has warned that playing the "China threat" card would damage mutual trust, while some Chinese observers have concluded that Tokyo would likely return to this approach in the new NDPG (*Xinhua*, 2010).

With efforts made by both governments to maintain stable bilateral relations at the political level, public sentiments towards the other have changed as well. However, whereas in China there has been a sharp increase of a positive attitude towards Japan, there has been no such improvement, but indeed a worsening, of China's image among the Japanese (Okada, 2008). While the CCP's efforts at easing the anti-Japan sentiment may have succeeded domestically, many Japanese people

12 The Chinese missile destroyer *Shenzhen* did a port call in Tokyo in November 2007, while the Japanese destroyer *Sazanami* docked at Zhanjiang in June 2008. In Japan, there was some criticism expressed within the military circles regarding Beijing's decision not to designate the capital as the place for the port call.

have arguably continued to view China's rise with suspicion and fear. The trend under Hatoyama suggests a slight increase in positive Japanese perceptions of China and the bilateral relations; the percentage remains lower than that observed among the Chinese (*Daily Yomiuri*, 2009).

The US factor in Japan-China relations

Sino-Japanese security relations have been largely conducted within a triangular framework of interactions with the US.¹³ Strategic divergences, unresolved historical issues, contrasting domestic political calculations and volatile public sentiments have been the major obstacles for the two neighbours to establish institutional mechanisms for the management of their relationship. This has increased the significance of the US factor in Sino-Japanese relations.

America's military presence in East Asia and role as a provider for regional stability has been a crucial determinant of Japanese and Chinese respective security policies. For Tokyo, its alliance with the US is the bedrock of Japan's national security; for Beijing, the US (and its strengthened security partnership with Japan) poses the greatest potential threat to Beijing's internal stability and leadership ambitions in East Asia. Despite the criticism of Japan's alleged re-militarisation, most Chinese elites and observers do not seem to worry that, at least in the foreseeable future, Japan might become an independent (of the US) security actor in East Asia or turn into a national security threat to the PRC. China continues to recognise the US security umbrella as putting a cap on Japan's rearmament. What mostly concerns Beijing is the perceived US hegemony in East Asia, of which Tokyo is seen as a main pillar, and its impact on the Taiwan issue (Roy, 2006). Especially during Koizumi's term, Beijing regarded Japan's normalisation being channelled through a strengthened US-Japan alliance and encouraged by Washington, hence came to view Tokyo as a major tool in America's strategy of balancing the PRC's rising power and maintaining the US regional security dominance (Wu, 2005).

Indeed, China's US strategy of, what has been termed as, "hedged acquiescence"¹⁴ has been motivated in part by the unprecedented expansion of US-Japan security ties under the Koizumi-George W. Bush partnership, and its recognition of the strategic advantage enjoyed by the US as a balancer (notably with Japan) in Asia's geopolitics (Pei, 2007). As mentioned earlier, Chinese hedging has included active regional diplomacy and military modernisation efforts. The US, too, has been hedging vis-à-vis China. While emphasising bilateral cooperation with Beijing, Washington has reinforced its security partnerships in Asia, with its alliance with Japan playing a central role in this strategy (Medeiros, 2005). Sino-US relations stabilised during the Bush administration, especially after 9/11, and this trend of focusing on common interests has continued under Obama. Finally, for Japan, the close security relationship with America has been a major component of Japan's own hedging approach towards China, which in the post-Cold War period has replaced the Cold War emphasis on accommodation (Mochizuki, 2007). At the same time, Tokyo has continued to deepen its economic and trade relations with the PRC. In the post-Koizumi era, the engagement component is seen to dominate Japan's China policy, especially under Hatoyama. All in all, this mutual hedging has become an important characteristic of the interactions between China, and the US and Japan.

For Beijing, this triangularity means that it may not allow a simultaneous deterioration in its relations with both Washington and Tokyo. From this perspective, the Sino-Japanese tensions under Koizumi, which were paralleled by a strengthening of the US-Japan alliance, increased Chinese concerns about perceived US-Japanese containment, thereby stimulating China to embrace the US. As discussed earlier, the domestic politics in China was not favourable to a softer approach vis-à-vis Japan. For Tokyo, on the other hand, the improvement in US-China relations did not lead to

¹³ Triangularity means that each of the bilateral relations within a triangle is influenced by, and in turn influences, the other relations. As pointed out by Dittmer (2004), the dynamics in the Japan-China-US triangle has been limited to a "politics of nuance" rather than representing triangulation in the sense of a major shift in the basic configuration of the relationships.

¹⁴ See Pei (2007) for a detailed examination of Chinese strategy towards the US.

“abandonment” fears, which is usually the case when Washington moves to engage Beijing and thereby raises Japanese memories of the “Nixon shock”. Indeed, the upgraded bilateral alliance and the strong interpersonal relationship between Bush and Koizumi reassured Tokyo, and provided the context domestically for the reinforcement of a more hard-line Japan’s China policy.

The situation is different in the post-Koizumi era, however. Arguably to avoid marginalisation as US-China relations continued to move in a positive direction, the three successive LDP administrations continued to nurture a stable relationship with the PRC. This seemed all the more important, given the domestic political uncertainty in Japan stemming from the frequent changes in premiership. An additional factor for Tokyo was the lacking Koizumi-Bush-like strategic convergence between the two allies, which during Koizumi’s term provided Japan with greater leverage vis-à-vis China.

The arrival of a DPJ-led administration in Tokyo may have further changed the strategic positioning of Japan and China within the triangle. The Hatoyama government has called for “an equal” US-Japan alliance, stressing the need for Japan to reduce its dependence on Washington in foreign policy. Instead, he has emphasised Japan’s ties with Asia, especially China and South Korea, and proposed the formation of “an East Asian community”. Strains in Japan-US security relations have emerged due to Hatoyama’s decision to review a bilateral agreement for the relocation of the US Marine Corps Futenma Air Station in Okinawa. Tokyo has also withdrawn Japanese supply ships from the Indian Ocean in support of the US-led war on terror, after the law authorising the refuelling mission (initially enacted by Koizumi in 2001) expired in January. Domestic considerations are arguably a leading factor for these decisions, given that the DPJ needs the support of its left-wing coalition partner (the Social Democratic Party) in the 2010 Diet elections. Critics warn that Hatoyama’s policies may lead to US distrust of Japan and have an adverse impact on the planned in 2010 revision of the alliance to mark the 50th anniversary of the bilateral Security Treaty.

At the moment, therefore, it seems that China is better positioned in the triangle than Japan. While it enjoys good relations with both Obama and Hatoyama, there are tensions between Tokyo and Washington. Some sources note that Beijing’s support for Hatoyama’s “East Asian community” proposal is driven by a goal to weaken the alliance and hence America’s strategic influence in the region (Saeki, 2009). Beijing must also be pleased that Japan’s normalisation drive has slowed down in the post-Koizumi era. Indeed, Japan under Hatoyama seems unlikely to re-emerge as a pillar of the perceived US hegemony in a way that China feared was the case under Koizumi.

To be sure, Washington and Tokyo agreed in February 2010 to strengthen their security cooperation and develop a common understanding regarding the security situation in East Asia in the framework of the deepening of the alliance. These developments, together with Hatoyama’s planned revision of the NDPG, led Beijing to remind Tokyo that the US-Japan military cooperation should not “target a third party” (*Xinhua*, 2010), alluding to a potential joint containment of China. Furthermore, Washington has sided with Tokyo in criticising the PRC’s steady military modernisation and lack of clarity in China’s strategic intentions,¹⁵ and the Obama administration, as Hatoyama, has expressed discontent with Beijing’s alleged censorship of the Internet in the wake of the recent Google scandal. Finally, US approval in January 2010 of a new arms package for Taiwan has raised tensions in Sino-US relations.

Conclusion

Sino-Japanese relations in the political and security areas have been influenced by a complex interaction of factors from both the international and domestic levels. The structural change in East Asia’s geopolitical environment, and the shift in the balance of power between Japan and China have led to strategic divergences and security dilemma dynamics. China’s military modernisation and active regional diplomacy have fuelled Japanese mistrust and sense of insecurity, while the

15 See the annual Pentagon reports on the Chinese military power.

strengthening of the US-Japan alliance and Tokyo's security activism have been perceived by Beijing as a threat to the resolution of the Taiwan issue. Domestically, the conservative trend in Japanese domestic politics under Koizumi provided a fertile ground for the CCP leadership to stimulate anti-Japanese nationalism and play the "history card" for internal political gains. In turn, this exacerbated mutual distrust and contributed to a sharp increase in the negative public perceptions of the other. The intersection between strategic divergences and domestic politics aggravated Sino-Japanese tensions by exposing the unresolved bilateral problems.

The post-Koizumi era may be seen as a "cooling-off period". As Tokyo has refrained from provocative behaviour on the history issue and successive Japanese administrations have emphasised engagement of Beijing, the Chinese leadership has sought to contain the domestic anti-Japan sentiments and promote stable relations. Both sides have also made attempts for confidence-building and hence alleviation of the security dilemma. Given the triangularity of the Japan-China-US security interactions, the US factor has also played a role for the stabilisation of Sino-Japanese relations. As China's position in the triangle seemed to have improved and Japan's strategic leverage vis-à-vis China has decreased post-Koizumi, Tokyo has nurtured a positive relationship with Beijing. Hatoyama's "embrace" of Asia and willingness to distance Japan from the US is still too early to assess. Nevertheless, it is very unlikely that his call for more independence from Washington will lead to anything more than an adjustment of the alliance, let alone a strategic tilt towards China. Additionally, there is domestic political uncertainty in Japan due to Hatoyama's declining approval ratings and the forthcoming Diet elections in the summer of 2010.

In the foreseeable future, it seems unlikely that this cooling-off period will mark a transition towards long-term stability in Sino-Japanese relations. The present stability is fragile, for the differences between the two neighbours have not been resolved at their root, i.e. at the level of strategic trust. Japan will remain wary of China's regional strategic intentions and unwilling to accept a Pax-Sinica in East Asia, while Beijing's concerns about the implications of the US-Japan alliance for the Taiwan issue and uncertainty regarding its relations with Washington will prevent it from treating Japan as a partner. While there may be political will at the moment for improved Sino-Japanese relations, Tokyo and Beijing are still far away from reaching a strategic understanding.

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