

Japan-China ties are tightening

Chinese Premier Li Keqiang's visit to Japan from 8 May to 11 May was a remarkable highlight in what has been a glum decade for China-Japan relations. It is Li's first visit to Japan since taking office in 2013, and it is the only official visit of a Chinese prime minister to Japan in eight years. Although Li's visit was overshadowed by dramatic developments on nuclear issues in Iran and North Korea, it is by far the most significant move in recent years by both Japanese and Chinese governments to mend bilateral relations.



Kindergarten pupils wave national flags as Chinese Premier Li Keqiang reviews the guard of honour with Japan's Prime Minister Shinzo Abe during a welcoming ceremony before their bilateral talks at Akasaka Palace state guest house in Tokyo, Japan, 9 May 2018 (Photo: Reuters/Toru Hanai)

Signs of a thaw came much earlier. In June 2017 Japanese Prime Minister Abe Shinzo expressed willingness to cooperate with the Belt and Road Initiative (BRI), the signature foreign policy initiative of Chinese President Xi Jinping. This shift in Japanese foreign policy was instantly welcomed by the Chinese government, which happened to be re-orienting its foreign policy as well to improve ties with South Korea and Japan. The move toward closer bilateral relations changed into high gear in April 2018, when the fourth high-level economic dialogue between Japan and China was convened in Tokyo after an eight-year hiatus.

Li's visit was thus the culmination of warming relations between Japan and China. In addition to holding talks in Tokyo, Abe accompanied Li to Hokkaido and saw Li off on the runway for his flight back to Beijing. Li, in turn, announced that China will grant Japan 200 billion RMB of investment quota for the Renminbi Qualified Foreign Institutional Investors program and donated a pair of endangered crested ibises to Japan.

In another sign of improving relations, numerous cooperation agreements were also signed across a wide range of fields covering investment, social security and cultural exchanges. Above all, Tokyo and Beijing agreed on a long-sought aerial and maritime mechanism aimed at averting unintended military clashes between their forces in and above nearby waters.

For Japan, the current economic and political thaw will serve to further strengthen 'functional cooperation' and manage conflicts with China. Expectations on the Chinese side may be much higher. With eyes on the United States, Li has called for the two nations to stand firmly together against protectionism and unilateral action. By accelerating talks on the China-Japan-South Korea free trade agreement and improving bilateral relations with Japan, China hopes to mitigate economic pressure from the Trump administration and drive a wedge between Japan and the United States in the meantime.

Since China's current Japan policy is centred on promoting governmental cooperation, accelerating economic ties and creating a favourable image of China in Japan, economic cooperation and cultural exchanges are starting to gain significant momentum. But political and security tensions are unlikely to be eased by the deepening economic and cultural exchanges for several reasons.

First, neither country will back down from their stances on territorial issues. Chinese public vessels constantly enter waters surrounding the Senkaku/Diaoyu islands following the 'three-four-two formula'. On the Japanese side, protection of Japanese territory has always been a central goal for the Abe administration. In the newly released 2018 Diplomatic Blueprint, Japan clearly stated that 'China's effort to unilaterally change the status quo in the East China Sea is unacceptable to Japan. Japan will continue to cooperate closely with the countries concerned and deal with the situation calmly and firmly'.

Second, Taiwan and historical issues will be hidden hurdles. During his stay in Japan, Li arranged a meeting with Japanese representatives who had participated in the process of signing the China-Japan Treaty of Peace and Friendship and urged Japan to continue to adhere to the spirit of the Treaty, which states that Japan 'fully understands and respects' China's stance on Taiwan and recognises 'the serious damage that Japan caused in the past to the Chinese people through war, and deeply reproaches itself'.

Third, due to deep-rooted political distrust and security concerns over China's military build-up, Japan will cooperate with the BRI only on a case-by-case basis. Although Japan and China have agreed to launch a public-private council to consider specific cooperative projects related to Beijing's BRI, cooperation will be centred on three areas, according to the guidelines the Abe administration

released last year: environmental and energy saving sectors, promoting industrial modernisation in third countries, and logistics in the Eurasian supercontinent. This selective participation will allow Japan to pursue its own core foreign policy — the ‘free and open Indo-Pacific strategy’ — without missing the benefits the BRI offers.

Fourth, the battle for digital supremacy between the United States and China emerged as a potential challenge for developing China-Japan bilateral economic ties. During his visit to Japan, Li has repeatedly expressed desire to cooperate in the high-tech industry. President Trump’s digital protectionism may put Japan in a difficult position of having to choose a side.

With China’s enthusiasm for improving bilateral relations with both Japan and South Korea, accelerating trilateral cooperation among the three Asian big powers, and Japan’s desire to stabilise bilateral relations with China, economic cooperation and cultural exchanges are expected to boom. In this sense, the costs of military clashes and escalating political confrontation are rising. But China and Japan will continue to fight under the table.

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