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Current Japanese-Chinese relations seen from a European perspective

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INTRODUCTION

Superficially, a European observer of Japanese-Chinese relations may be reminded of Europe's past difficult relationship with Eastern Europe and notably the Soviet Union before 1989. While China's communism and adaptability can in no way be compared with the characteristics of the doomed Soviet Union, the West European countries adopted a similar strategy as Japan to live as comfortably as possible with that big neighbour while deterring it against any aggression. This policy of engagement is a combination of economic and political enmeshment (providing economic and political incentives to integrate the communist counter part into the regional/international political and economic system) and political and military power balancing (military force resting on national as well as alliance relations). Such a complex policy has many ambiguities and inherent contradictions and it can easily be misunderstood by the communist counterpart because there is an overlap with the policy of containment which mainly relies on the instrument of military force.

In the following I want to provide one European perspective of this policy of engagement, look at the role of Europe in its implementation and consider some scenarios for Japan's China policy.

THE COMPLEXITIES AND DYNAMICS OF ENGAGEMENT

So far, engagement has been successful because peace has been preserved between Japan and China, domestic stability of China has been maintained and China has become integrated into the global economy to an extent which in some respect is more far reaching than that of Japan and which seems to be irreversible without incurring very high costs to the Chinese political and economic system. This success is, of course not only due to Japan's engagement policy which is shared by the other Western countries, but in the first instance to China's positive reaction to the opportunities offered by the international system.

However, while engagement has pushed China into the intended direction and has been successful in setting a welcome process into motion, none of the major traditional security issues between Japan and China has been settled. On the contrary we see currently an aggravation of territorial conflict (Senkaku/Diaoyu and the naval border between the two countries) and Japan risks being involved in the Taiwan conflict as the security partner of the US. Concerning non-traditional security challenges there is also no change although a dialogue and even some cooperation has started on transboundary pollution and crime. The bilateral relationship between Japan and China has become much more substantial, the economic relationship has achieved wide-ranging interdependence which dampens political disputes, there are now more fora

between the two countries at all kinds of levels, including among civil society. But trust has not yet been established for old as well as new reasons: Japan's historical legacy (in combination with China's historical determinism and instrumentalization of the 'history card') and Chinese vehement opposition to the strengthened Japan-US military alliance as well as rising strategic rivalry. China is only a reluctant and reserved participant in multilateralism. But this does not mean that the process cannot be successful, only that more efforts in the right directions are needed on all sides.

Particular attention has therefore to be paid to the centrifugal dynamics which the process of engagement is engendering due to its complexity, inherent contradictions, ambiguities and triangular aspects. The major source of negative dynamics derives from trying to equilibrate military and political power balancing, economic enticement/confidence-building and restraint vis-à-vis a Chinese leadership which is still steeped in Realist thinking and historic determinism and has major revisionist goals in terms of its international status and the integrity of its national territory. The danger always exist that engagement reinforces (at least for tactical purposes) the conviction about international relations being a zero sum game and requiring greater Chinese economic and military power.

Another major source of negative dynamics threatening to undermine engagement (but at the same time the source of hope for a peaceful and prosperous China) is China's rapid economic growth as a developing country of tremendous demographic and geographic dimensions. According to Realism but also empirical evidence, China's economic growth is allowing China to modernize its military potential and to pursue its revisionist goals with greater vigour. The international environment (notably US positions, supported or not by Japan) and the achievement of balanced political and economic development in China (on which Japan has also a considerable impact) will in the end decide whether Liberalism and the 'democratic peace theory' is right or Realism.

China's economic growth carries potentially the seeds of self-destruction in terms of ecological unsustainability, political unsustainability (the creation of social imbalances and dislocation) and economic unsustainability (for example collapse of the underlying economic model of export-led and FDI-driven development due to an international recession). These negative dynamics are partially already now existent and affect Japan to some extent by way of transboundary pollution, illegal immigration, transboundary crime and economic losses. But while Japanese experts do not rule out China's economic failure and perceive such an outcome as very serious for Japan's security and welfare, it is also concerned about China's economic success challenging its identity as a civilian power and as the world's second biggest economy.

Both the Realist as well as Liberal elements of engagement contribute to yet another negative dynamic which is the increasing strategic/political and economic rivalry between Japan and China. Military and political power balancing, notably the strengthening of Japan-US military cooperation with its perceived impact on Taiwan, will reinforce China's military and political assertiveness and Realist thinking. For the Chinese leadership the Taiwan issue has become so sensitive that it cannot afford to be seen soft on it.¹ While the increasing integration of China

¹Richard K. Betts and Thomas J. Christensen, 'China: Getting the questions right', *The National Interest*, Winter 2000/01, p. 22.

into regional and global institutions can partly be attributed to Japan's political enmeshment policies, it also leads to competition and rivalry in the UN (for example China opposes Japan's quest for a permanent UN Security Council seat) as well as to China working against cooperative security proposals within regional fora. Increasing trade frictions are relevant in our context since they can contribute to a general atmosphere which may facilitate the violent eruption of security disputes. Closer economic relations and the growth of mutual interdependence are bound to lead to frictions, particularly between countries with different political-economic systems, different economic level of development and different economic size. Moreover, given China's size but also Japan's current economic difficulties which is leading to ODA cuts and Japan's lesser importance as an economic partner for China, Beijing's economic success will increasingly reduce Tokyo's ability to politically influence its giant neighbour.

While Japan's past restraint and deference towards China has been for a long time a means to soothen the contradictions of engagement, reduce conflicts of interests and offset the strength of Beijing's history card, it is now increasingly perceived as outdated, ineffective and even becoming counterproductive. The restraint and deference shown by Japan's leaders in the face of China's assertive security policy has bred resentment in Japan, and a negative backlash has been caused which generates pressure for radical shifts (e.g. the EEZ border conflict now). Moreover, Japanese deference has bred Chinese distrust of Japan's true intentions because of their own Realist approach to international relations. The resulting drive in Japan to have a 'normal' relationship with China by communicating more clearly and openly would be a positive outcome of this negative dynamic (but not necessarily always and/or in the immediate future). China seems to understand the negative dynamics of Japanese restraint and deference and may refrain from further fomenting this negative backlash.

Finally, the comprehensive relationship with the US also creates some negative dynamics. The different mix of engagement policy tools, different perceptions of China and other asymmetries between Japan and the US generate sometimes centrifugal dynamics which not only impact negatively on Tokyo's engagement, but ultimately also on the future shape and even survival of the Japan-US military alliance. The crucial issue is Taiwan, but a military move China's in the disputed EEZ of the East China Sea or even against the Senkaku Islands could become a severe test for the military alliance. Apart from the Taiwan issue it is Japan-US TMD cooperation which vividly illustrates the negative dynamics of the strengthened alliance. The triangular Japan-US-China framework is moreover creating centrifugal dynamics with which Japan finds it difficult to deal while China, despite its disadvantaged position as the 'outsider', skillfully plays on them.

EUROPE'S ROLE

Japan's engagement policy cannot be considered in isolation because other major powers are pursuing similar policies, and the US is the most important one among them. The US is not only pursuing a very similar engagement policy, but it is also an enabling as well as conditioning factor for Japan's own policy. Europe's role is on a lesser scale, but nevertheless weighs heavily on the delicate balance of the various policy tools associated with engagement. While ODA is one of the major elements in Japan's economic enmeshment policies towards China, the US cannot wield this instrument because of its domestic legislation which does not allow ODA to a

communist country. Europe's engagement policy toward China, on the other hand, almost solely relies on economic and political incentives which naturally at least to the outside enhances the prominence of economic and political enmeshment as part of the West's engagement policy. This does not mean that Europe is always on the side of Japan's combination of engagement policies or is more supportive of Japan in case of a Japanese-American policy difference on China as the European support for the US-led boycott of China after the Tiananmen massacre in 1989 has shown, or as Europe support of human rights, greater independence for Tibet and other issues illustrates. Distance from China makes it inevitable that Europe's power balancing against China relies predominantly on supporting international and regional regimes such as global disarmament regimes or the ARF (the EU is a member) and that it is easier for Europe to emphasize ethical principles such as human rights. Distance may also explain why the Europeans are less concerned than the Japanese about the dangers inherent in China's rapid modernization although the EU has a sizable environmental programme in China.

OUTLOOK

While Western Europe - together with the US - finally overcame the division of Europe, albeit at considerable costs, the verdict on Japan's engagement policy is still pending as long as traditional and non-traditional security concerns have not been reduced to a level where military conflict has become unimaginable. In sum, when considering the sustainability and costs of Japan's engagement one has to weigh the strength of the positive process towards China becoming a stakeholder in regional and global peace and stability and adopting the norms of democratic countries, against the strength of the negative dynamics generated by even the successes of engagement, let alone by its complexities and ambiguities.

I suggest four possible scenarios for the future of Japanese-Chinese relations :

- Japan managing to skillfully equilibrate the divers elements of engagement;
- Japan accepting China's predominance in Asia and making itself accepted by scaling down the military alliance with the US (bandwagoning);
- Japan further integrating itself into the Japan-US military alliance and strengthening political and military power balancing against China;
- Japan developing its own autonomous military power and trying to assume a posture of neutrality and a role as mediator among the powers in Northeast Asia;

Which of these four scenarios is more likely depends mainly on the development of China-US relations and China's ability to promote balanced political and economic development. However, the last scenario seems to be the least likely: First, given Japan's nature as a post-industrial consumer society, its lack of political leadership, its historical legacy, its enmeshment in

international interdependencies (economically, politically, culturally), its economic crisis and its record of aligning with the strongest power during the last 150 years, there does not seem to be much room for becoming a neutral and autonomous military power which would be accepted by either China or the US. Japan as a mediator or bridge between East and West has always had some residual resonance in Japan and it has also been proposed by some Japanese.² Japan has lost much time to establish an impressive long-standing record of ability and sincerity (for example in coming to terms with its past) while its economic power was at its peak and that of China much lower. There is therefore now not much likelihood for China accepting such a Japanese role: while China may welcome any Japanese move which could weaken the US or US-Japan relations, it would be reluctant to give Japan the opportunity to expand its regional or global role by playing a mediating role between Beijing and Washington. Despite the enormous assumptions underlying it, the first scenario outcome cannot be totally excluded, even if there may be many difficulties and conflicts in the interim.

The most likely scenario for the time being is the third one, which is encouraged and supported by concern about developments in China and in US-Chinese relations as well as by Japanese political and economic weaknesses. It would depend on the successful management of the most dangerous negative dynamics arising from engagement. But this scenario is not likely to last long because either China's successful economic and political development makes Japan's reliance on US protection and on US regional hegemony unnecessary or unacceptable to China or even to Japan (a democratic China is likely to be as nationalistic as the US today), or Japan feels forced into bandwagoning with China because of rising intolerable military tensions between the US and China.

This paper relies heavily on the author's book 'Japan's security relations with China since 1989. From balancing to bandwagoning?' (Routledge: London 2003, Japanese version: Minerva Shobo: Kyoto 2004)

²Former Prime Minister Taskeshita Noboru suggested that Japan should assume an intermediary role between China and the West: *Yomiuri Shimbun* 14 January 1997, quoted in: Tennichi, Takahiko, *Debates on Japan's foreign Policy*, in: Kokubun Ryosei (ed.), *Challenges for China-Japan-US Cooperation*, Tokyo: Japan Center for International Cooperation, 1998, p. 83. The Japan-based Chinese scholar Zhu Jianrong suggest also such an intermediary role for Japan: Dai 136 kai Kokkai. Sangiin Gaimuinkai Kaigiroku dai juichi go (House of Councillors, Foreign Affairs Committee) 16 May 1996. p. 45.

Japan's security policy towards China - From power balancing to bandwagoning?

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China's traditional security challenges for Japan

- Double-digit increase of defence expenditures since 1988-89 and its non-transparency
- resumption of nuclear tests between 1992 and 1995 (C's nuclear deterrent/exports)
- 1992 'Law of the People's Republic of China on its Territorial Waters and their Contiguous Areas'
- military exercises and missile tests around Taiwan in 1995-96
- 11 % see China as the single largest milit. threat

China's non-traditional security challenges

- ecological unsustainability?
- political unsustainability (the creation of social imbalances and dislocations)?
- economic unsustainability (for example collapse of the underlying economic model of export-led and FDI-driven development due to an international recession)?
- China's economic success: 56 % see China as econ. threat in 10 years' time

Japan's policy - engagement

- providing China economic and political incentives (political and economic enmeshment)
- hedged by military and political power balancing through its own military force, the military alliance with the US, and political front-building
- Element of coercion has to be recognized + overlap of force instrument in containment policy

The core tasks for practitioners and analysts:

- To clarify the various outcomes associated with engagement (e.g. economic interdependence, integration into the political/economic world community, systemic change, deterrence), and accordingly
- To clarify the choice from among the options of policy tools (i.e. economic/political enticements, political/military power balancing) as well as the emphasis and robustness with which these tools are to be employed

Success of engagement?

- peace has been preserved between Japan and China
- domestic stability of China has been maintained
- China has become integrated into the global economy (in some areas more than Japan; irreversible without incurring very high costs to the Chinese political and economic system)
- Wide-ranging interdependence

20 – But also

- No trust established (historical legacy; Chinese opposition to strengthened J-US security relations)
- No solution of traditional/non-trad. challenges
- Deepening strategic rivalry (Asia, FTA, UN...)
- J's ODA declining; leverage? FY 02:- 24.7 % loan
- Increasingly equal economic relationship – or inverting dependency?
- China reluctant /reserved participant in multilateral fora
- Cultivation of enmity – China's resurgent nationalism (new C-J or J-C Thinking?)

21- Complexities of engagement

- Centrifugal dynamics due to its complexitiy, inherent contradictions, ambiguities, Japan-US-China triangular aspects:
 1. Military-polit. power balancing vs economic/political enmeshment
 2. Econ./polit. Enmeshment has sting...
 3. China: reinforcing Realism?
 4. Seeds of self-destruction of economic eng.
 5. Japan-US: abandonment-entrapment dilemma
 6. Japan's economic & polit. Weaknesses

22 - Scenarios

- skilfully equilibrate the divers elements of engagement
- accepting China's predominance in Asia and making itself accepted by scaling down the military alliance with the US (bandwagoning)
- Japan further integrating itself into the Japan-US military alliance and strengthening political and military power balancing against China
- Japan developing its own autonomous military power and trying to assume a posture of neutrality and a role as mediator among the powers in Northeast Asia

Policy recommendations

- Calmly addressing rising economic conflicts + rivalry
- Reducing history conflict (J: be more sincere, C: not to use it for political purposes)
- Defusing territorial conflicts (beyond 0 sum game!)
- Better communication (C can't make communication dependent on prior Japanese assent to Chinese position; C has to properly understand CBMs)
- Opening up rigid bilateral alliance system (Partnership for Peace)
- China has to accept the legitimacy and US-independent character of Japanese security concerns

