
Symbiosis and Coexistence: A New Look at Japanese-Chinese Relations

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Summary

The paper explains the Realist-Liberalist connotations of Japan's engagement policy towards China and the resulting complexities, contradictions and ambiguities. Engagement is defined as a policy of providing economic and political incentives, hedged by political and military power balancing. In order to overcome the fundamental bilateral difficulties, both countries have to understand the political and economic interdependence of each other.

Key Words: Japanese-Chinese relations; Engagement policy, Traditional and non-traditional security

Introduction

It is not easy to approach this theme of symbiosis (kyosei) and coexistence (kyoson), and to cast a 'new' look at the troubled Japanese-Chinese relationship. 'Symbiosis' can mean, according to the Shorter Oxford English Dictionary, 'living together, and in biology, 'two different organisms which live attached to each other, or one as a tenant of the other, and contribute to each other's support'. 'Co-existence' seems, on the other hand, to be a much more modest proposal since it just means living together. In a political context we know the term from the Cold War between East and West where it meant a somewhat more peaceful living together between very different political and social systems. In view of geographical, ecological, historical and economic considerations we have to assume that two important countries like Japan and China cannot simply live together without intimate interactions, and the point of any reflection about their bilateral relationship can only be how to maintain not only a peaceful but also mutually beneficial relationship which protects their identities in a complex regional and international environment undergoing significant changes. This is a tall order if we consider the current situation, and particularly if we extrapolate certain trends relevant to Japan's absolute and relative economic power or to its demography. From a liberal school point of view it could be argued that the increasingly intimate economic relationship is creating a degree of interdependence which will continue to force both countries to pursue a mutually beneficial relationship even if it is at times stormy. The realist school of international relations can, however, only reinforce skepticism, all the more since the East Asian region still seems to be particularly moored to the characteristics of power politics and power balancing: The region is still governed by the logic of the traditional nation state whereas new non-state transnational actors are limited in power. The US still enjoys a hegemonic position. Military issues still top the hierarchy of national security concerns as the role of territorial conflicts shows. Moon Chungin and Bae Jongyun moreover conclude that the 'continuing co-existence of blind power seekers, optimistic liberal pacifists and fervent identity protectors deepens the security dilemma of the region' (Bae and Moon 2005, p. 7).

Against this background it appears to be convenient to either espouse one or the other school of international relations, or, as a practitioner, to pursue both concepts at the same time. In this presentation I will argue that the latter is exactly what is behind the so-called 'engagement policy' which Japan, the US

and other Western countries have chosen to deal with China on a practical level. I will therefore analyse the meaning of engagement policy and its inherent contradictions and ambiguities as it applies to Japan's China policy before suggesting a possible way forward to a more productive relationship.

The Changes in Japan's Perception of China since the 1990s

Japan as any other concerned state has to deal with its own perception of what China is now and may become in future, as well as with China's projection of itself. The forming of these perceptions on both sides are influenced by many variables, including historical experience, tactical considerations and domestic politics. China's impact on regional security is still based less on its comprehensive national power (in terms of actual economic and military capabilities) than on how its leadership manipulates the perception by outside powers of its size, geographic location, resources and potential economic and military power as well as intentions to mobilize these resources. The message which is coming across indicates that China wants to overcome its military, economic and social backwardness, maintain its mixture of socialism and free market economy, achieve territorial integrity (reunification with Taiwan, realization of territorial claims), and play a regional and global role commensurate with what it considers its rightful historical place from which it was pushed by colonialism and Western aggression. Some of these revisionist goals and their modus of implementation are rather vague and backed up by an old-fashioned Realism which has led some outside observers to speak of a 'China threat'. For Japan, these revisionist goals and the non-transparency of some of the policies to achieve them raise fundamental issues of Japan's own future role and position in Asia.

The way China has been going about these goals in the 1990s has led to a profound change in Japanese perceptions of China's security policies. This change is the result of the rise of traditional as well as non-traditional security concerns relating to China, shifts in Japan's international and domestic environment as well as China's economic and political development. The end of the Cold War created strategic uncertainties about China's development and US security commitments to Asia. China has been considerably increasing its defence expenditures since 1989 and become more assertive in its desire to promote a multipolar world. At the same time, China has again become deeply ambivalent about Japan's security policies which were taken in response to the above. Domestically, generational changes in Japan's political and bureaucratic leadership and Japanese self-assertiveness has eroded the previous cautious approach to China which had been prevalent since the end of the 1970s. Let us briefly go over the main topics of Japan's perceived traditional and non-traditional security challenges emanating from China.

At the beginning of the 1990s, partly in response to the experience of the Gulf War, China's leaders reviewed their strategy, defence doctrine and force structure. In 1988–89 China's military budget started to increase above 10 per cent annually and has done so since then. Here is not the place to discuss to what extent this may be judged legitimate in view of the backwardness of China's military, or how much the official figures are below the real defence expenditures. Suffice is to say, that the most consistently raised traditional security concern of Japan since the 1990s has been the steep rises of China's military expenditures and their non-transparency.

A second development in the mid-1990s which has contributed to a change of Japanese perception about the benign nature of China were the resumption of nuclear tests between 1992 and 1995. The tests occurred at a sensitive moment of global efforts to enhance the nuclear non-proliferation regime, they further added to the negative impact of China's rising military budget and they drew attention to China's growing nuclear deterrent and missile exports. Japan for the first time suspended its grant aid to China. Although this affected only a tiny portion of Japan's aid to China, it was a drastic departure for Japan's policy towards China.

As if to impress on the Japanese the possible purpose of increasing defence expenditures and strengthening of its nuclear arms, China started from the beginning of the 1990s to assert more strongly its

territorial claims in the South China Sea and the East China Sea. This raised Japanese security concerns related to the safety of its sea lanes to the Middle East and South East Asia, to the territorial dispute with China about the Senkaku/Diaoyu Islands, and to its oil and fishing interests in the East China Sea. In 2004, it became all too clear that the disagreement over the location of the naval border between both countries' Exclusive Economic Zone (EEZ) in the East China Sea had not prevented the Chinese side from going ahead with oil/gas exploration and production just inside the Chinese side of the median line (proclaimed by Japan as constituting the border between the two EEZs) which has never been accepted by China as the legitimate border (China insists on a border much closer to Okinawa at the rim of its continental shelf).

Arguably the greatest impact on Japan's shifting security perception of China derived from the latter's military exercises and missile tests around Taiwan in 1995–96. These events were very close to Japan's own territory, they raised concern about China's willingness to use military force (AND the US willing to reciprocate), they drew attention to China's missile force and proliferation of weapons of mass destruction, and they highlighted the role of the unresolved Taiwan issue in Japanese-Chinese relations.

Japan's non-traditional security concerns are directly or indirectly created by China's rapid economic development to which Japan is contributing significantly through its trade, investment and ODA. China's economic development carries the seeds of self-destruction in terms of ecological unsustainability, political unsustainability (the creation of social imbalances and dislocations), and economic unsustainability (for example collapse of the underlying economic model of export-led and FDI-driven development due to an international recession). The Chinese government is itself now officially admitting that the current economic development pattern is unsustainable. The transition phase of China's development with all its difficulties (for example unemployment and underemployment) and generational impatience has already led to illegal immigration into Japan, transboundary crime and pollution. Success of China's economic development generates increased international competition for scarce raw materials, food and energy resources on the international market. Finally, China's economic success constitutes a non-traditional security challenge to Japan because China's economic development, coupled with its demographic and geographic dimensions, will not fail to affect Japan's relative economic position and identity as the world's second largest economic power.

Japan's Response—Engagement Policy

In reaction to China's traditional and non-traditional security challenges, Japan has chosen a policy of engagement which is based on providing China economic and political incentives—I call it 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. Japan has moved from publicly downplaying the military component of its China policy and exhibiting an inclination to accommodation and deference to China on many bilateral issues BEFORE the early 1990s towards a position where military as well as economic China policies are increasingly linked to expectations of Chinese policy in line with Japanese national interests and internationally accepted rules.

The main elements of Japan's military power balancing are the SDF and the military alliance with the US. Both elements are being consistently strengthened and Prime Minister Koizumi has made it very clear as recently as at the APEC summit in November 2005 that he thinks that a strong Japanese-American security alliance will make it easier to solve problems in the Japanese-Chinese relationship, including the issue of how to deal with the past.

A much less noticed strengthening of the Realist aspects of Japan's engagement policy towards China is linked to Tokyo's more activist foreign policy. It basically consists of mirroring military deterrence and power balancing by building a front of as many countries as possible to politically deter China from being an 'irresponsible' country ('soft containment') and thus to further encourage it to become a stakeholder in a global order based on Western-initiated international norms and regimes. East and Central Asia are the

main areas for Japan's political power balancing against China. One reason for the low visibility of Japan's power balancing policy is probably that it has become submerged in the general perception of Japan asserting more strongly its foreign policy interests in many areas and trying to play a more important role in Asian affairs. Another reason is Japan's low-key diplomatic style. Many elements of this greater foreign policy role are supported by various policy constituencies whose motives may include goals which have nothing to do with China (for example improving Japan's investment opportunities in Vietnam), let alone with power balancing.

But it is political and economic measures which are normally associated with engagement policy. The tools of political enmeshment rely on involving China in ever closer dialogues and cooperation at bilateral, regional and multilateral level. The incentives of political enmeshment for China are exchanging information and evaluations related to bilateral and international issues, gaining benefits on issues of national interest (for example reunification with Taiwan), establishing linkages to economic enmeshment with its material incentives, and accommodating its desire for regional and international recognition and leadership.

In Japan's public perception and official pronouncements, economic enmeshment figures as the most prominent policy tool in Japan's engagement strategy towards China. Japan has been playing an important role in China's economic integration at the bilateral, regional and global level in terms of trade, investment and institutional anchoring. Since 2004 China is Japan's largest trade partner before the US. Except for the two years 1990 and 1991, Japan provided more than half of China's bilateral ODA between 1979 and 1998.

As we can see engagement policy is in fact very complex. Public discourse obfuscates the Realist elements of engagement, i.e. the role of force to effect balancing and hedging. In fact, engagement rests as much on Realist foundations with its deterrence and balance of power elements as on Liberal foundations which stress the positive forces of increasing international economic interdependence and integration, the spreading of international norms, the establishment of rules and institutions to regulate and enable peaceful cooperation between nations. The fundamental problem for engagement is that there is an overlap of some tools used for containment with tools which are part and parcel of the tool kit of engagement policy as pursued by a big power like Japan. The crucial task for the correct understanding of Japan's engagement policy (and this would apply to the engagement policy of any other country) is therefore to clarify the emphasis and the robustness as well as the mix of policy tools with which some rather than other goals associated with engagement are pursued. To do that, it is vital 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.

Can Engagement Work?

The general debate between the Realist and Liberal schools of international relations about the conceptional soundness of engagement of China is still raging because neither has China become an aggressive expansionist power nor has it become a capitalist liberal democracy which has renounced the use of force, for example for solving the Taiwan issue. The Realists emphasize the likelihood of a negative outcome because of their Realist assumptions but they can't prove it. They point at China's growing military power, its increasing assertiveness and its willingness to at least threaten to solve the Taiwan issue with non-peaceful means. Since no one considers full-fledged containment politically feasible as an alternative to engagement, Realists can only recommend a mix of policy tools which is more or less weighted towards military and political power balancing and hedging. However, this leaves them vulnerable to the accusation of inviting the very outcome they warn about.

Liberals can refer to some encouraging tendencies of China towards becoming a more democratic and

capitalist country but they can still not claim either the irreversible nature of these tendencies, the successful mastering of the feared transition period, establish a clear causality between a given engagement policy and the outcome, exclude the (later) hijacking of economic strength for non-peaceful purposes or guarantee the political and ecological sustainability of economic development.

Despite some reservations, Liberals are positive about developments in China. While traditional Realism is still the dominant feature in the PRC's foreign policy outlook and content, PRC analysts have begun using concepts such as interdependence, geonomics, global norms, and international community as China's Open Door policy and its economic interdependence with the outside world developed. This can be particularly well observed in China's growing regional outreach to Asia where it has to respond to concern about China's territorial demands and military modernization. It has become 'an increasing invested stakeholder in international security and economic systems'.

Interdependence of China with the international economy is growing. But the increase of this interdependence is not the same in all sectors, the leverage given to China's engagement partners is partial and ambiguous, and at the same time it also creates trade conflicts and it enhances rivalry. While there is no consensus that higher involvement in the international economy leads to a more peaceful stance, one can at least say that economic interdependence and integration is increasingly limiting the room for governmental behaviour which is far outside international norms. China's Realpolitik approach in the security sphere is increasingly constrained by international commitments, status relationships, power balances and foreign values. China's economy is enmeshed to such a high degree into the world economy that it could not extract itself without suffering severe domestic problems because its fast growing standard of living and the legitimacy of its leadership is based on it.

However, it is obvious that economic enmeshment also sharpens China's domestic problems in terms of contributing to the creation of social imbalances and ecological deterioration. Foreign direct investment and trade also helps China to develop its own military capability. The expansion of China's economy heightens tensions over the international procurement of raw materials and energy, further contributing to regional and global rivalry in the political and military areas.

Japanese observers and specialists seem to be much more cautious or even pessimistic about China. Geographic proximity, better insights and the experience of a greater direct impact may all account for this. While recognizing the positive changes in China, many see challenges for Japan in the case of China's success or failure. The conclusions of Japanese experts whether China's economic success is good for Japan's security depend very much on the vantage point of the observer. Security specialists who are more likely to be Realists tend to stress the possibility that China's economic and political development may either go wrong or have negative implications for Japan's security and other interests. Economists like to point out the huge tasks and challenges of China's economic development. As an outsider one sometimes gets the impression that the pessimism about China's success in tackling its economic, social and political problems is not only sustained by dispassionate analysis but also nourished by hope because China's failure may help Japan to maintain its political and economic position. This is, of course, a very dangerous and short-sighted idea.

A Way Forward

Japan's current China policy of engagement is complex and contradictory because this policy attempts to fuse the concepts of the two major schools of international relations, i.e. the Liberalist and Realist schools. Japan's recent strengthening of its security relationship with the US, the greatest regional and global rival of China, risks, at least for the time being, to skew the inherently delicate balance of engagement policy towards containment. The non-transparency of many Chinese policies, the huge problems resulting from its rapid modernization process, the deep-seated Realist convictions of many leaders and their historical victim mentality and the instrumentalization of nationalism for regime

maintenance reinforce the suspicions of Japan. In addition the relationship is clouded by the disagreement about how to deal appropriately with the past. In theory, the latter disagreement could be easily solved by either China (and South Korea) ignoring it and accepting Japan's moral weakness, or Japan choosing an approach which would meet its neighbours' expectations. Either solution does not seem to be imminent, and in the meantime precious time is lost for both sides to adjust to the rapid changes in a complex regional and international environment. Moreover, all the recommendations one can make about improving the bilateral relationship—e.g. improving communication, to have on China's side what Kobayashi Yotaro called a 'second recognition of history' (futatsume no rekishi ninshiki), to solve the territorial disputes in the East China Sea, etc, etc—will not be possible if both sides do not take a radical first step.

The foundation for promoting a more promising bilateral relationship would be the mutual recognition that both sides face existential problems and that the other side is vital to their solution. While China may at times feel that engagement policy has too many Realist elements and that even the economic enmeshment concept has a sting as it also aims at regime change (i.e. democratization and the rule of law), it should realize that engagement policy impacts on both sides and also creates leverage for China (e.g. dependence on China as a market or on China as a processing center, or dependence on China as a partner to address regional/global problems). For China, Japan is a partner who is able and still willing to expand the economic relationship through trade, FDI and technology exchanges which is essential for China to address its growing problems. Japan's environmental technologies help China to cope with rising pollution. Despite the impending ending of ODA loans by 2008, Japan is still continuing to provide grants and technical aid, notably for the interior provinces and in areas which impact directly on Japan's interest (e.g. environment, capacity building for international trade regimes). In contrast to the US, Japan is not erecting new barriers against technological and other exchanges. Japan is now the second destination after the US for Chinese students going overseas. China should also realise that despite the current deterioration of Japanese perceptions, there is still a great amount of goodwill on the side of the Japanese people towards their country and that it would not take much to free and operationalise it. Japan is a diverse country in terms of regional identities and interests, and China may be unaware that many Japanese do not share their central political leaders' approach to the past. An important source for this goodwill is Japan's growing NGO sector and regional and prefectural entities (e.g. environmental groups, prefectural governments, local/regional business associations). In view of China's grave economic, environmental and social problems responsible political and economic leaders should not discard such opportunities. A very recent example is China's request to Tokyo to continue the training programme for Chinese coal mine technicians (to run out in 2007) who are responsible for security in what is China's most dangerous industry (*The Daily Yomiuri* 17 January 2006). The growing civil sector in China in particular should see the opportunities for support from Japanese counterparts. Zheng Bijian recently took an even more long-term view when he refuted allegation about the 'China threat', reminding the Japanese of the problem for China of reaching by 2030 a population peak of 1,5 billion which would absorb 90 % of China's attention and for which China would need the cooperation of Japan and the US. (Kobayashi 2005, p. 68)

For Japan China has become an indispensable economic partner to help the country to overcome its deep and long-lasting economic crisis. A large part of Japan's export growth is due to its trade with China which in itself is nourished by Japanese FDI. The Chinese economic challenge forces Japan to implement long overdue reforms and restructuring to become more competitive—just like Japan forced Europe and America in the 1980s and 1990s to adapt or fail. Moreover, Chinese entrepreneurs who settle in Japan are increasingly enriching Japan's innovativeness and serve as go-betweens between the two countries. To recognize this potential is not easy for Japan in view of what Ulrike Schaede and William Grimes call Japan's 'permeable insulation' in reaction to the forces of globalization (Schaede/Grimes 2003). Immigration from China and temporary residence by Chinese in Japan will also increasingly help Japan to address its serious demographic problem. This Chinese contribution and impact is already very tangible in the tertiary educational sector in terms of student as well as teaching staff numbers. This development is

inevitable and politicians should shape and guide it to Japan's benefit, rather than resist it and in the end only find themselves overwhelmed by its scope and modalities. It is interesting that an increasing number of Japanese are going to China to work because they often see more chances and easier conditions there than at home. Even call centres for Japanese companies in cities like Dalian are not only staffed by local Chinese but also by Japanese. It would be unimaginable for call centres of Western companies in India to employ Westerners.

It is much harder to convince either side of the political indispensability of the other. One may hesitate to go along with Professor Shi Yinhong's thesis that China needs Japan in order to better confront the US but it is not difficult to see his point in view of some current policies by the Bush administration (Aoyama 2004, 47–61). However, his thinking is too much based on power balancing which would only reinforce US military approaches while alienating Japan. It is obvious, however, that the easiest and cheapest way for China to offset certain American barriers to China (e.g. admission of Chinese students) would be to rely on Japan. Without going as far as Professor Shi, the case can be made that China needs Japan's contribution e.g. for a settlement of the North Korean crisis, and even more so for the reconstruction of North Korea after reunification which might otherwise send millions of refugees into Yanbian. If China is serious about regional integration and the establishment of regional regimes (e.g. an FTA, an Asian version of the International Energy Agency) it will need to work together with Japan which has the human, financial and technical capacities required for them.

For Japan, China has become an indispensable political partner to find regional and global solutions to many problems. Even the US has recognised this as was indicated by the Bush Administration turn-about after September 11 2001. The US has largely handed over to Beijing the responsibility to solve the North Korean crisis through the Six Party Talks, even if it is only to blame later China for a failure of this approach. However, the US has in this way greatly enhanced China's regional role and prestige. South Korea's inclinations towards China are largely motivated by hopes about China's influence on North Korea as well as the growing South Korean economic dependence on China and this should also give Japan cause for consideration. Japan's relative power is naturally shrinking in view of China's (and India's in the future) and it has to make greater efforts to maximise dwindling power resources. This should be an incentive for Japan to establish a relationship of mutual benefit for both sides, and at the same time soothe China's concerns about Japan.

Both sides must strive to avoid that their concerns about the other side do not become a self fulfilling prophecy which would deprive them of the benefits of prospering together! Although the long-term consequences of a worsening confrontation might be worse for Japan in terms of its survival as a wealthy and independent nation, ignoring the common interests and potential for cooperation will at least in the medium term have higher costs for China, e.g. in terms of loss of Chinese lives and Chinese life opportunities as a result of the damage resulting from its huge social and environmental problems if it had to face them without Japan's assistance.

The first part of this presentation relies heavily on the author's book Japan's security relationship with China since 1989. From balancing to bandwagoning? (Nissan Institute/Routledge Japanese Studies Series, Oxford/London 2003, Chinese version: Shijie Zhishi Chubanshe, Beijing 2004; Japanese version: Minerva Shuppansha, Tokyo 2004).

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