

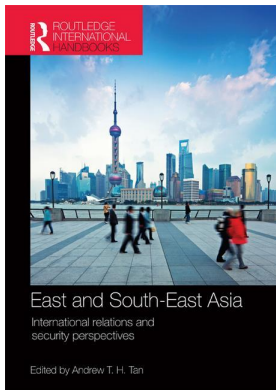
This article was downloaded by: 10.3.97.143

On: 29 Nov 2023

Access details: *subscription number*

Publisher: *Routledge*

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: 5 Howick Place, London SW1P 1WG, UK



East and South-East Asia International relations and security perspectives

Andrew T. H. Tan

China–Japan relations Competition amidst interdependence

Publication details

<https://www.routledgehandbooks.com/doi/10.4324/9780203146026-7>

Paul J. Smith

Published online on: 21 Mar 2013

How to cite :- Paul J. Smith. 21 Mar 2013, *China–Japan relations Competition amidst interdependence from: East and South-East Asia, International relations and security perspectives* Routledge

Accessed on: 29 Nov 2023

<https://www.routledgehandbooks.com/doi/10.4324/9780203146026-7>

PLEASE SCROLL DOWN FOR DOCUMENT

Full terms and conditions of use: <https://www.routledgehandbooks.com/legal-notices/terms>

This Document PDF may be used for research, teaching and private study purposes. Any substantial or systematic reproductions, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The publisher shall not be liable for an loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

China–Japan relations

Competition amidst interdependence

Paul J. Smith

Introduction

On 21 April 2012, about 1,000 Chinese and Japanese people gathered in Beijing to plant ‘commemorative trees’ to mark the 40th anniversary of the two countries’ diplomatic relationship. The ceremony was advertised as just one of many planned by both governments in 2012, which was designated ‘the year of civilian friendly exchanges’ between the two countries. A month earlier, at a press conference held in Beijing, the People’s Republic of China’s Foreign Minister Yang Jiechi stated that the ‘Chinese government places high importance on its relationship with Japan’ and that the two countries had ‘come a long way in a wide range of fields’ since the normalization of their relationship in 1972. However, he also stated that China and Japan needed to boost ‘mutual strategic trust’ and to view the other ‘as an opportunity and partner for development’ (Xinhua 2012c).

Ironically, the need for enhanced strategic trust was evidenced by various controversies that threatened to overshadow the year of friendly exchanges. In February 2012 the mayor of Nagoya, Takashi Kawamura, refuted the validity and factual basis of the 1937 Nanjing Massacre. ‘There are many opinions about the so-called Nanjing incident’, he told reporters; ‘I doubt the massacre had happened, even though a conventional fight took place’ (Fackler 2012). His remarks elicited a strong rebuke by the Chinese government, which characterized Kawamura’s statements as a distortion of historical facts. Second, the two countries seemed to be facing a more potent—and geopolitically complex—controversy over the Senkaku/Diaoyu Islands, particularly after China apparently reclassified the islands—claimed by both countries—as one of its ‘core interests’. Subsequently, Tokyo Governor Shintaro Ishihara proposed purchasing the islands. ‘Tokyo has decided to buy the Senkaku (Diaoyu) Islands. Tokyo is going to protect the Senkakus’, he declared triumphantly during a speech in Washington, DC (Hsieh *et al.* 2012). However, Ishihara’s island purchasing plans were quickly dismissed by Chinese Foreign Ministry spokesman Liu Weimin who stated: ‘The Diaoyu [Senkaku] Islands have been China’s inherent territory since ancient times and China holds indisputable sovereignty over them’ (JEN 2012a).

Apart from these events, however, it could be argued that the real game changer occurred one year earlier when Japan confirmed that China’s economy had surpassed its own (thus attaining the rank of world’s second largest). Japan’s Economy Minister Kaoru Yosano framed

the transition as one of opportunity, not despair. ‘We are not competing for rankings’, the minister stated; ‘We welcome China’s economic advancement as a neighboring country’ (Hosaka 2011). Nevertheless, the psychological impact of such economic transition began to manifest in diplomatic exchanges, particularly as China began to draw upon its new self-confidence to press territorial and sovereignty claims against Japan. What many observers had characterized as a simple economic transition began to be viewed as heralding a much more significant political and military transition, with broad balance of power implications for the entire East Asian region.

Notwithstanding growing unease on the geopolitical front, Sino-Japanese relations have continued to flourish within the economic realm. Trade and investment flows between the two countries are robust and growing. While officials in Beijing may be loath to admit it, China’s economic ascendancy would probably not have occurred—or occurred so quickly—had it not been for Japanese capital and technology, disbursed fairly steadily over the past four decades. For Tokyo, meanwhile, China has provided Japan with a source of markets, raw materials and investment opportunities. Given this persistent duality of political tensions juxtaposed to economic symbiosis, the ultimate question facing both countries is which side of the parallel universe is likely to prevail.

The good: economic interdependence

Economic relations between China and Japan have enjoyed more than four decades of growth, symbiosis and mutual benefit. In the 1970s economic interaction was heavily weighted toward economic aid that Japan provided directly to China. Throughout the 1970s and 1980s, however, trade flows began to grow significantly between the two countries. In 1975 Japan exported over US \$2.25 billion worth of goods to China; by 1985, that number had grown to \$12.47 billion. Similarly, Japan imported \$1.53 billion worth of goods in 1975; by 1985 that number had grown to \$6.48 billion (Howe 1990). By the mid-1970s, a period that is sometimes described as the first ‘China boom’ in Sino-Japanese economic relations, a dynamic had developed in which ‘the general complementarity between Chinese raw materials and Japan’s ability to supply capital goods’ created the ideal conditions for robust trade (Howe 1990).

However, the picture was not entirely rosy due to tensions in a number of areas, one of which concerned China’s growing trade deficit with Japan. Chinese leader Deng Xiaoping told a Japanese newspaper that ‘China can tolerate a trade deficit with Japan for one or two years, but not for three years’ (Ozaki 1985). Two years later, Chinese officials asked Japanese business leaders ‘to help reduce Japan’s trade surplus with China by increasing imports of Chinese goods’ (JPTS 1987). In 1987 Chinese companies demanded compensation for financial losses resulting from Japan’s decision to impose a one-year ban on Toshiba Machine’s exports to 14 communist countries, including China (Toshiba Machines had been accused of illegally supplying the Soviet Union with computerized milling machines that helped to produce ultra-quiet submarines (*Journal of Commerce* 1987)). In addition, Japanese firms had previously complained of various ‘unsavory’ business practices in China (JEN 1985).

Building on the momentum of the 1970s and 1980s, the decade of the 1990s saw a further strengthening in trade relations, notwithstanding increasing wariness in Japan about post-Tiananmen China. The Tiananmen Square massacre of 1989 had shocked the Japanese public, which was forced to reassess its pre-existing benign image of its more populous neighbour. Nevertheless, once Tokyo’s economic sanctions were removed, trade once again flourished, reaching US \$20 billion in 1991 (*The Nikkei Weekly* 1992b: 20). In 1992 numerous Japanese companies—including Sanyo, Sharp and NEC—announced major expansion plans for

investments inside China (*The Nikkei Weekly* 1992a: 3). In 1994 the Japan External Trade Organization (JETRO) reported that Japan's trade with China exceeded \$40 billion in that year, compared to \$37.8 billion the previous year (AFP 1994).

Economic and trade relations continued to grow rapidly in the first decade of the 21st century. In 2001 a Chinese scholar characterized the symbiotic nature of the Sino-Japanese trade relationship in the following terms: 'China's comparatively cheap commodities will help optimize Japan's high-cost consumption structure and China's open and enlarged market will help digest Japan's surplus capital' (Zhang 2001). By the time the two countries had signed their sixth China-Japan Long-Term Trade Agreement (on 5 December 2005), bilateral trade had already grown to US \$168 billion (in comparison to \$4.82 billion in 1978 when the two countries signed their first Long-Term Trade Agreement) (BBC 2005). By 2007 China had replaced the USA as Japan's largest trading partner (Masaki 2007). In 2011 JETRO reported that 'Japan's total trade with China (imports and exports combined) rose 30.0% year-on-year to \$301.9 billion in 2010, exceeding \$300 billion and setting a new (year-on-year) record' (JCN Newswire 2011).

Overall, from an economic point of view, relations between China and Japan have been constructively symbiotic, mutually beneficial and mutually reinforcing. Moreover, current trends suggest that the two countries will become even more economically interdependent in the decades ahead.

The bad: territorial and geopolitical disputes

In dramatic contrast to their economic relationship, Japan and China endure a much more complicated, and at some points tempestuous, political and military relationship. This was starkly demonstrated on 7 September 2010 when a Chinese fishing trawler, the *Minjinyu* 5179, collided with a Japanese coastguard vessel near the disputed Senkaku/Diaoyu Islands, which are claimed by both countries but administered by Japan. Japanese authorities detained the captain, Zhan Qixiong, and the crew. Six days later, Japan released 14 members of the crew, but detained the captain.

China responded to the incident by threatening (on its Ministry of Foreign Affairs website) that it 'would take strong counter measures' against Japan (Ministry of Foreign Affairs—Japan—2010). One such measure was to postpone the planned visit by 1,000 Japanese youths to the EXPO 2010 (World Fair) event in Shanghai. A few days later, Beijing suspended rare earth mineral exports to Japan, although Chinese officials denied any link between that action and the fishing boat incident, asserting instead that the reduction in exports was designed to 'protect the environment' (AP Financial Wire 2010).

On Friday 24 September 2010 the Naha District Public Prosecutors Office (in Okinawa) announced its decision to release the Chinese captain of the fishing trawler. However, this move did not assuage Chinese anger. Subsequently, Beijing demanded an official apology for the incident, as well as financial compensation. Japan's Prime Minister Naoto Kan responded defiantly, arguing that 'the Senkaku islands are Japan's own territory' and that 'from this viewpoint, compensation is unthinkable' (AFP 2010c). Moreover, Japan demanded that China pay compensation for damage to its coastguard vessels. Several days later, Japanese Foreign Minister Seiji Maehara told reporters that China's actions were 'quite regrettable' and that they revealed to the entire world 'China's essential character' (AFP 2010a).

In late September 2010 relations between Japan and China continued to deteriorate over the boat collision issue. Over 1,000 people cancelled flight reservations on air routes serving both countries; Japan Airlines warned that if the cancellations continued, 'it [would] hit our revenue by billions of yen' (AFP 2010b). Sour relations also sparked anti-Japanese protests throughout

China; at one point, more than 10,000 Chinese people participated in protests in at least three major Chinese cities, many of them directing their wrath against Japanese retail stores in Chengdu and Xian. These protests were mirrored by similar anti-Chinese protests in Japan.

Further adding to the tense atmosphere were remarks in late October 2010 by US Secretary of State Hillary Clinton, who linked the Senkaku/Diaoyu Islands dispute with the US–Japanese security relationship. Responding to a reporter’s question, Secretary Clinton stated: ‘Let me say clearly again that the Senkakus [Diaoyu] fall within the scope of Article 5 of the 1960 U.S.–Japan Treaty of Mutual Cooperation and Security’ (Clinton 2010). China rejected this characterization. Foreign Ministry spokesman Ma Zhouxu stated that ‘the Chinese government and people will never accept any word or deed that includes the Diaoyu islands within the scope of the U.S.–Japan Treaty of Mutual Cooperation and Security’ (JEN 2010).

Overall, the long-term effect of the Senkaku/Diaoyu Islands incident was a fundamental reframing of Sino–Japanese ties, at least temporarily. Moreover, Japan’s attempt to recalibrate its relationship with China and thus lessen its dependence on the USA—a key pillar of former Prime Minister Yukio Hatoyama’s administration and the newly empowered Democratic Party of Japan (DPJ)—had largely dissipated, at least for the time being. ‘Re-balancing is not on anyone’s agenda now; it’s been tried and it failed’, an unidentified Japanese official told a US newspaper in November 2010. He then added: ‘The crisis over the Senkaku islands ... has beefed up Japan’s relations with America again’ (Christian Science Monitor 2010).

The East China Sea: Asia’s conflictual ‘centre of gravity’?

The Senkaku/Diaoyu Islands dispute is ensconced within a larger set of controversies between China and Japan over the East China Sea. First, and most fundamentally, there is a dispute as to which part of the sea should belong to China and which part to Japan. China claims that the border should follow the continental shelf (roughly 350 nautical miles from its coastline), while Japan proposes a median line, where each country’s exclusive economic zone (EEZ) meets (Peterson 2009). Currently, there are few indications that either party is prepared to make the concessions necessary to resolve this dispute.

The border controversy directly affects the second major issue in dispute between the two countries: known and potential oil and gas fields located within the 2,700 sq. km East China Sea (Peterson 2009). In June 2008 China and Japan announced a major breakthrough in the dispute with an accord that allowed joint exploration and development of the region’s hydrocarbon resources. Under the agreement, Japan and China agreed to establish a joint venture to develop the Chunxiao/Shirakaba gas field; China would receive profits proportional to its pre-existing investments in the area up to that date (BMAPOGI 2008).

However, in the weeks and months following announcement of the agreement, it appeared that the accord was not as groundbreaking as first portrayed. Facing public criticism, China’s Foreign Ministry sought to clarify that it had not given up any of its pre-existing sovereignty claims over the Chunxiao/Shirakaba gas field. Beijing characterized Japan’s involvement as ‘development through cooperation’—as opposed to joint development—which would continue to subject Japanese companies to Chinese law (Yang 2008). Moreover, it characterized the agreement as a ‘transitional arrangement’ until the actual demarcation issue could be solved (BBC 2008). In October 2010 Foreign Ministry Spokesperson Jiang Yu reiterated China’s position that it enjoyed total sovereignty over the gas fields: ‘I have reiterated on many occasions that China owns complete sovereignty [rights] and jurisdiction over the Chunxiao oil and gas field’ (Yu 2010). Moreover, as a result of the September 2010 boat collision incident near the Senkaku/Diaoyu Islands, China unilaterally halted any talks over joint gas development matters.

A third controversy centres on increased Chinese and Japanese military activities in the East China Sea. China has been particularly active in deploying naval vessels within or through the East China Sea (including the Miyako Strait) en route to the Pacific Ocean. In April 2010 the Chinese navy deployed a flotilla consisting of two submarines, two destroyers, three frigates (among others) that passed through the Miyako Strait toward the Pacific to conduct 'confrontation exercises', in addition to counter-piracy and counter-terrorism training (NIDS 2011). The Japanese government and media regularly report sightings of Chinese naval vessels in areas around Japan such as the case on 14 June 2012 when Japan's Ministry of Defence reported three People's Liberation Army (PLA) Navy (PLAN) ships 410 km west of Yakushima (in Kagoshima Prefecture) (Ministry of Defence—Japan—2012). China claims that these transits are entirely permissible, according to the United Nations Convention on the Law of the Sea (UNCLOS); however, Japan counters that some of the transit activities are conducted in a provocative manner, for example with helicopter manoeuvres that directly threaten nearby Japanese vessels.

A greater concern for Japanese and US military planners is China's increasing underwater ability to traverse the area undetected. In 2010 the Japanese government revealed that in February 2009, a Chinese nuclear submarine 'broke through the first island chain of defense that connects Kyushu, Taiwan and the Philippines' (*Sankei Shimbun* Online 2010). The submarine passed at some point between Miyako Island and Yonaguni Island. The incident is believed to have been a 'turning point' that prompted Japan to increase the number of submarines in its naval fleet (*Sankei Shimbun* Online 2010).

A fourth and related controversy involves the growing trend of aerial patrols, intelligence gathering and aerial confrontations between China and Japan over the East China Sea. In January 2012 Japan's Air Self-Defence Force announced that it had scrambled fighter jets on 143 occasions 'in response to Chinese aircraft approaching airspace' during the period from April 2011 to December 2011 (JEN 2012b). This was roughly triple the level when compared to the previous year and surpassed the former record of 96 scrambling events which occurred during the 2010 fiscal year (JEN 2012b). From China's perspective, Japan's persistent scrambling of aircraft is viewed as provocative and potentially dangerous. In October 2011 a Chinese Defence Ministry spokesperson stated that Japan's deployment of aircraft against Chinese fighters 'has endangered the safety of Chinese fighters and is causing air and maritime safety problems' (China.org 2011).

A fifth issue, which could be viewed as a product of the previous four, is Japan's increasing sense of vulnerability regarding its southern Nansei islands, particularly given their close proximity to Taiwan and China and, consequently, Tokyo's inclination to increase its military presence. China's increasing military activities around the area—including underwater transits—has generated anxiety within Japanese military circles regarding Tokyo's ability to provide an adequate defence in the event that hostilities erupt. One Japanese military scholar raised concerns that 'despite the fact that approximately 10,000 people reside on the four Sakishima islands of Miyako, Ishigaki, Iriomote, and Yonaguni, no Self-Defense Forces are stationed in areas south of the main islands of Okinawa' (Sakaguchi 2011). This may account for a decision by the Japanese government in 2010 to station 100 Ground Self-Defence Force (GSDF) members on Yonaguni Island in order to 'monitor the coast and the activity of Chinese ships' (*Mainichi Daily News* Online 2010).

Overall, the East China Sea is likely to remain the fulcrum of geopolitical competition between Japan and China in the years and decades ahead. For China, the East China Sea area—commonly viewed as a key component of the 'first island chain'—is a gateway for accessing the Pacific Ocean, while for Japan it is increasingly viewed as a contested zone with nearly the same potential for conflict as can be seen in the South China Sea. In that regard, one Japanese

military report predicted ominously: ‘If China’s military power improves in relative terms in the East China Sea ... it is likely that China will adopt a similar assertive attitude towards this water area as shown in the South China Sea’ (NIDS 2011: 26).

The history issue and its political utility

Located in the south-western part of Nanjing, China, is the Memorial Hall of the Victims in Nanjing Massacre by Japanese Invaders. It is one of the city’s most significant and popular tourist attractions. Having been renovated and enlarged in 1995, the museum features numerous exhibits and sculptures that depict one of the most significant and tragic events in China’s modern history. One section of the museum contains video monitors showing the oral testimony of actual witnesses to the 1937 event, while another wall (approximately 30m high) is full of black-coloured notebook binders, which contain specific biographical details of many of the massacre victims. Particularly notable on one of the external exhibition walls is the phrase, translated into multiple languages, ‘Victims three hundred thousand’.

For China, the Nanjing Massacre symbolizes both China’s former political weakness and Japan’s opportunistic military aggression during the 1930s. It is within this context that Mayor of Nagoya Takashi Kawamura made his February 2012 controversial remarks to a visiting delegation from Nanjing, China (Nanjing and Nagoya established sister city relations in 1978). He told the delegation that the Nanjing Massacre, which occurred in December 1937 following Japan’s occupation of China’s capital, ‘probably never happened’ (BBC 2012b).

In the following weeks, the controversy began to generate predictable secondary and tertiary effects. In early March 2012 the city of Nanjing announced that it would delay its scheduled ‘Japanese Culture Week’ as a form of protest regarding the Nagoya mayor’s remarks. During this time, China’s Foreign Ministry reiterated its position on the controversy: the Nanking [Nanjing] Massacre is a ‘proven atrocity recognized by the international community’ (Xinhua 2012a). Japan’s Prime Minister Yoshihiko Noda offered little relief to the controversy when he stated that he was looking forward to the controversy being ‘appropriately resolved soon’ and that, regarding the question of the number of Chinese massacred, there were ‘various theories on the scope’ of the number of victims (Chinese scholars claim that more than 300,000 died, while Japanese academics have cited lower estimates, ranging from 20,000 to 200,000) (BBC 2012a).

Ironically, Mayor Kawamura’s statement regarding the Nanjing Massacre was not the first time a major Japanese politician had denied either the existence or magnitude of the event. In 2003 a senior Liberal Democratic Party (LDP) lawmaker, Takami Eto, stated that the ‘Nanjing Massacre is a fabricated lie’ (BBC 2003). Similarly, in 1994 Japan’s Justice Minister Shigeto Nagano, a former army general, told a newspaper interviewer that the Nanjing Massacre was a ‘fiction’ and that it was ‘wrong to say that Japan’s war against China was an aggressive war’ (Reid 1994). He later retracted those statements.

However, the real significance of the Nanjing Massacre and associated disputes lay in the larger controversy—the ‘history problem’—which has plagued Sino-Japanese relations since the end of the Second World War, and which became particularly manifest following the establishment of diplomatic relations. At various times, Japanese leaders have inflamed the issue, such as by visiting Yasukuni Shrine, which is dedicated to Japan’s war dead (including 14 Class A war criminals).

Past visits by Japanese prime ministers (or other top leaders) to Yasukuni Shrine have ignited rebukes and criticism from the Chinese side. When Prime Minister Yasuhiro Nakasone visited Yasukuni Shrine in August 1985, China’s official news agency (Xinhua) stated that ‘the Japanese Government has pandered to and has actually emboldened those in Japan who have always

wanted to deny the aggressive nature of the war' (Burns 1985). The visit ultimately prompted college students around China to launch various anti-Japanese protests, including a major one in September 1985 in Tiananmen Square that involved 1,000 students (Becker 1985). China issued a similarly strong protest in August 2006 when Prime Minister Junichiro Koizumi commemorated the 61st anniversary of the end of the Second World War by visiting Yasukuni Shrine.

Disputes have also arisen between the two countries in the context of Japanese textbooks, which have been criticized for failing to depict fully Japanese atrocities against Chinese (and others) during the 1930s and the Second World War era. A 1986 Japanese textbook revision, for example, described the Nanjing Massacre as the 'so-called Nanjing massacre' (Haberman 1986). Moreover, a Japanese junior high school textbook published in 2001 generated controversy by characterizing evidence regarding the Nanjing Massacre as inconclusive: 'Some doubts are cast in documents concerning this case, so there are various views, and the controversy continues even today' (Fukada 2001). In another case, a Chinese commentator noted that the Board of Education in Yokohama had recently adopted a history textbook written by the 'right-wing "Japan Society for History Textbook Reform" and whitewashes its [Japan's] history of aggressive war' (Meng 2011).

From Japan's perspective, China nurtures a victim narrative, replete with pervasive anti-Japan sentiment, as part of its overall strategy of using nationalism as a political tool to help deflect popular criticism that might otherwise be directed at the Chinese Communist Party (CCP). Supporting this allegation is the steady stream of popular Chinese television dramas—broadcast to millions of Chinese viewers almost daily—that regularly and graphically depict Japanese war-era abuses against China and Chinese people. In some cases, anti-Japan sentiment has reached such levels that it has posed a threat to China's social stability, as was seen in anti-Japan outbursts (including protests and violence against Japanese-owned businesses) in 2004 and 2005.

China's military ascendancy and Japan's growing anxiety

In addition to East China Sea and history controversies, the Sino-Japanese relationship is being influenced by a growing military asymmetry that is emerging between the two countries. Since the early 2000s, Japanese defence white papers have revealed a steady rise in concern and anxiety about China's military modernization and growing assertiveness. In its 2005 white paper, for example, Japan's Ministry of Defence noted that 'China has been modernizing its military capabilities focusing on nuclear and missile forces as well as its naval and air forces in recent years' (Ministry of Defence (Japan) 2005). Similarly, a 2007 defence white paper noted that, given China's increase in defence spending, 'Japan is apprehensive about how the military power of China will influence the regional state of affairs and the security of Japan' (Ministry of Defence—Japan—2007).

Such themes have continued in more recent reports. The 2009 white paper mentioned China's interest in aircraft carriers and China's intensifying 'maritime activities in the sea surrounding Japan', while the 2010 white paper highlighted 'the lack of transparency of [China's] national defense policies' (Ministry of Defence—Japan—2009, 2010). The National Defence Programme Guidelines, approved by Japan's Security Council on 17 December 2010, states that 'China is widely and rapidly modernizing its military force, mainly its nuclear and missile force as well as navy and air force, and is strengthening its capability for extended-range power projection' (Japanese Security Council 2010).

China has responded forcefully to Japan's military expansion allegations by asserting, among other things, that China's military build-up aligns with and is commensurate with the country's rising economic and political stature throughout the world. However, Japanese defence analysts

continue to assert that China's sustained and growing drive for military modernization is fostering insecurity and anxiety among its regional neighbours, particularly within Japan itself. Moreover, there are few indicators suggesting that this trend will abate, or reverse, anytime soon. For example, China's defence budget is expected to grow to as much as US \$238.2 billion by 2015, while Japan is expected to face structural obstacles (i.e. fiscal and demographic) that will limit its ability to grow its defence budget (IHS 2012). Consequently, unless the two countries can increase defence co-operation and other confidence-building measures, China's military ascendancy will remain a long-term source of worry and insecurity within Japan, which will shape the country's force structure and military alliance calculations.

The 'other woman' in the Sino-Japanese bilateral relationship

Closely related to growing military competition between China and Japan is the nature and scope of the US–Japan security alliance, which dates back to the early 1950s. The USA regularly proclaims this alliance to be a key foundation for its larger strategic aims in the Asia–Pacific region. 'The U.S.–Japan alliance remains the lynchpin of U.S. posture in the Asia–Pacific and is absolutely crucial to peace, stability and prosperity in the region', stated Deputy Assistant Secretary of Defense Michael Schiffer (2011). Japan also views the US–Japanese alliance as a key component of its national security. 'I always think that we need to deepen the Japan–U.S. Alliance', stated Japanese Foreign Minister Koichiro Gamba in an April 2012 interview (States News Service 2012).

Aligning with these sentiments, the US–Japanese security relationship has witnessed a steady thickening since the mid-1990s, complete with improved operational utility and integration of forces and command structures. In 1997 the two countries issued a revision of the 1978 Defence Guidelines. This revision was intended to 'create a solid basis for more effective and credible US–Japan cooperation under normal circumstances, in case of an armed attack against Japan, and in situations in areas surrounding Japan' (BBC 1997). Deputy Assistant Secretary of Defense Kurt Campbell characterized these revised guidelines as the 'Asian corollary of NATO [North Atlantic Treaty Organization] expansion', which would make the US–Japanese security and political partnership 'relevant for the 21st century' (Campbell 1997). In 2005 the two countries agreed to and adopted the *Security Consultative Committee Document U.S.–Japan Alliance: Transformation and Realignment for the Future*, which raised the US–Japanese alliance to a new level so that it could address 'persistent challenges in the Asia–Pacific region that create unpredictability and uncertainty' (Ministry of Foreign Affairs (Japan) 2005).

Particularly notable since the early 2000s has been Japan's integration into the US ballistic missile defence (or BMD) system. In a speech delivered at Japan's Keio University, former Defense Secretary Robert Gates noted that the US–Japanese partnership in missile defence 'is already one of the most advanced of its kind in the world' (Gates 2011). In October 2010 Japan achieved a major BMD-related success when the JS *Kirishima*, a Japan Maritime Self-Defence Force (MSDF) destroyer equipped with AEGIS technology, successfully intercepted and destroyed a test ballistic missile, fired from the US Navy's Pacific Missile Range Facility on Kauai, Hawaii. This marked the third successful test (out of four total attempts) by the Japanese Navy, working in conjunction with US counterparts (*Jane's Missiles & Rockets* 2010). Thus far, Japan has four AEGIS-capable ships that can conduct long-range surveillance and tracking, as well as engage ballistic missiles (by comparison, the USA has 21 such warships) (*Jane's Missiles & Rockets* 2010).

Overall, the gradual strengthening of the US–Japanese security alliance—including BMD co-operation—has transformed China's perceptions regarding the purpose of the alliance. In the

early 1970s, Chairman Mao Zedong reportedly told President Richard Nixon (during his 1971 trip) that China viewed the US alliance with Japan positively—namely, as a safeguard preventing Japan’s re-militarization. However, over time, Chinese leaders have increasingly perceived that the alliance is no longer directed at the Soviet Union (prior to 1991) or the Democratic People’s Republic of Korea (North Korea), but increasingly at China itself. A report by the US-based Center for a New American Security (CNAS) seemed to confirm these concerns when it characterized China as the ‘focal point’ of the US–Japanese security alliance (in contrast with the previous referent—the Soviet Union—which provided the ‘glue for U.S.–Japan cohesion during the Cold War’) (Cronin *et al.* 2012: 8).

A longer-term concern is the impact of rising Sino–US tensions on Sino–Japanese relations. Some Chinese strategists argue that the US–Japanese alliance is one part of a larger encirclement strategy being launched by Washington, which also includes India, Australia and the Republic of Korea (South Korea) (CRN 2012). At their Security Consultative Committee meeting held in June 2011, leaders from the USA and Japan outlined a new focus for the US–Japanese security alliance, to include ‘common strategic objectives’ to address the ‘regional situation in East Asia’ (Clinton 2011). Chinese leaders, like many others, interpreted this statement as being directed, at least partially, toward Beijing. The Chinese government reportedly raised ‘strong objections’ with Japan, saying it could not accept the ‘contents’ of the common strategic objectives concept (JEN 2011). Thus, to the extent that the US–Japanese alliance becomes stronger, it will likely serve as an irritant or obstacle in Sino–Japanese ties.

The way forward: co-operation undergirded by persistent anxiety

The year 2012 appeared to show a continuation of the parallel construct in Sino–Japanese relations. On the economic front, relations appeared to be hopeful and full of opportunity. Japanese and Chinese companies were announcing bold initiatives (involving investments in each other’s country) that would likely result in major opportunities in the long term.

In February 2012 for instance, China’s largest home appliance company, Haier, announced plans to set up its Asian headquarters in Japan. In addition, Japan’s Mitsubishi Corporation announced plans to team up with a Chinese company (possibly Sinosteel Corporation or Baosteel Group) to develop an iron ore mine and wharf in Australia. Similarly, Japan’s Toyota Corporation announced plans to move its China headquarters from Japan to Beijing, where it would be empowered to ‘make all decisions concerning the Chinese market’ (*Chinese Business News* 2012). The Japanese car manufacturer Mazda, meanwhile, announced plans to ‘expand its Chinese dealership network to 387 by the end of March’, which would represent an increase of 25%, compared to a year earlier (*Asia Pulse* 2012). In June 2012 China and Japan began direct trading in each other’s currency, which would allow both countries to bypass transactions—and associated costs—involving the US dollar.

Simultaneously, from a geopolitical and military perspective, Japan and China have continued to view each other warily, particularly with regard to the East China Sea. In February 2012 the National Institute for Defence Studies (associated with the Ministry of Defence) issued a report stating that Tokyo should pay ‘close attention’ to Chinese maritime activities in the South China Sea, since they may be a prelude to actions in the East China Sea and elsewhere (AFP 2012b). Disputes over drilling rights in the East China Sea also continued to flare between the two countries. Another aspect of Chinese perceptions of Japan is the narrative of Japanese decline. For example, some recent Chinese articles have emphasized Japan’s challenges on the demographic front (ageing population, low fertility, etc.) and, correspondingly, its negative economic and military consequences for Tokyo in the long term.

Overall, China and Japan are two countries with fates that are intimately intertwined. Increasing economic interdependence suggests a future of positive, mutually beneficial economic interactions. On the other hand, military and geopolitical trends—China’s rapid military modernization and rising tensions in the East China Sea, among others—suggest that dark clouds may be aggregating just over the horizon. The parallel universe—opportunity juxtaposed with insecurity—is alive and well in the Sino–Japanese relationship. The question that remains, which only time can answer, is which side will prevail.

Bibliography

- AFP (Agence France Presse), ‘Japan–China Trade Likely to Top 40 Billion Dollars in 1994’, 5 August 1994.
- ‘Island Row Shows China’s “Essential Character”’: Japan FM’, 29 September 2010a.
- ‘One Thousand Cancel JAL Flights Amid Japan–China Row’, 29 September 2010b.
- ‘Japan PM Rejects China’s Call for Apology Over Row: Reports’, 26 September 2010c.
- ‘China Complains to Japan Over Nanjing Massacre Denial’, 22 February 2012a.
- ‘Japan “Should Watch” China’s Naval Reach: Report’, 10 February 2012b.
- AP Financial Wire, ‘China Denies Blocking Rare Earths Exports’, 15 October 2010.
- Asia Pulse, ‘Japan’s Mazda to Add 25% More Dealerships in China’, 8 February 2012.
- BBC, ‘Text of US–Japan Defence Guidelines’, *BBC Summary of World Broadcasts* (25 September 1997).
- ‘Japan Ruling Party Member Says Nanjing Massacre Estimate is a “Lie”’, *BBC Monitoring Asia Pacific–Political* (12 July 2003).
- ‘China, Japan Sign 2005–10 Long-Term Trade Agreement’, *BBC Monitoring Asia Pacific–Political* (12 December 2005).
- ‘Chinese Oil Firm Defends Gas Deal with Japan’, *BBC Monitoring Asia Pacific–Political* (28 June 2008).
- ‘Japanese, Chinese Ministers Have “Heated Exchange” Over East China Sea Gas’, *BBC Monitoring Asia Pacific–Political* (17 January 2010).
- ‘Japan Hopes to Make Peace with Chinese City After Massacre Remark Controversy’, *BBC Monitoring Asia Pacific–Political* (1 March 2012a).
- ‘China: Nanjing Suspends Official Contact with Japan City Over Denial of Massacre’, *BBC Monitoring Asia Pacific–Political* (22 February 2012b).
- ‘Paper Calls Disputed Isle Part of China’s “Core Interests” Amid Concern in Japan’, *BBC Monitoring Asia Pacific–Political* (21 January 2012c).
- ‘Taiwan Protests Japan’s Naming of Disputed Islands’, *BBC Monitoring Asia Pacific–Political* (18 January 2012d).
- Becker, Jasper, ‘Peking Evokes Mao as Warning to Rebellious Students’, *The Guardian* (2 December 1985).
- BMIAPOGI (BMI Asia Pacific Oil and Gas Insights), ‘Peace in Our Time? Japan and China Agree on Joint Project in East China Sea’, 1 August 2008.
- Burns, John F., ‘China Criticizes Japan on Visit to War Shrine’, *The New York Times* (25 August 1985).
- Campbell, Kurt, ‘Transcript of Briefing’, *Federal News Service* (19 September 1997).
- CER (China Economic Review—Daily & Industry), ‘China’s Haier Sets Up Asia HQ in Japan’, 17 February 2012.
- Chanlett–Avery, Emma, ‘The U.S.–Japan Alliance’, *Congressional Research Service*, 18 January 2011.
- China.org, ‘Japan Told to Halt Surveillance of Chinese Forces’, 27 October 2011.
- CRN (China Reviews News), ‘As the U.S. Returns to Asia, Japan is Willing to Play its Chess Piece’, 2 February 2012, www.chinareviewnews.com/crn-webapp/search/allDetail.jsp?id=101997686&sw=doctype_gb%3D%28%E6%97%A5%E6%9C%AC%29+and+%28doctimestamp%3Dbetween%5B%272011-10-3%27%2C%272012-3-5%27%5D%29&adv=1.
- Chinese Business News*, ‘Japanese Carmaker Toyota’s China Headquarters Moved to Beijing’, 14 February 2012.
- Christian Science Monitor*, ‘Japan Abandons Bid to Make China a Key Pillar of its Foreign Policy’, 17 November 2010.
- Clinton, Hillary, *Joint Press Availability with Japanese Foreign Minister Seiji Maehara*, Kahala Hotel and Resort, Honolulu, Hawaii, 27 October 2010, www.state.gov/secretary/rm/2010/10/150110.htm.

- ‘Secretary Clinton: Remarks with Secretary of Defense Robert Gates; Japanese Foreign Minister Takeaki Matsumoto; and Japanese Defence Minister Toshimi Kitazawa’, *States News Service* (21 June 2011).
- Cronin, Patrick M., Giarra, Paul S., Hosford, Zachary M. and Katz, Daniel, *The China Challenge: Military, Economic and Energy Choices Facing the U.S.-Japan Alliance*, Washington, DC: Center for a New American Security, 2012.
- Du, Keqiang, 日本人的忧患意识 [The Miserable Realization of the Japanese People], *China Review News* (18 January 2012), www.chinareviewnews.com/crm-webapp/search/allDetail.jsp?id=101983573&sw=doctitle_gb%3D%28%E6%97%A5%E6%9C%AC%29+and+%28doctimestamp%3Dbetween%5B%272011-11-16%27%2C%272012-2-27%27%5D%29&adv=1.
- Fackler, Martin, ‘Japanese Mayor’s Comments About Massacre Anger Nanjing’, *The New York Times* (23 February 2012).
- Fukada, Takahiro, ‘Controversial Japanese History Textbook Becomes National Bestseller’, *Agence France Presse* (14 June 2001).
- Gates, Robert M., ‘Transcript of Remarks at Keio University’, *States News Service* (14 January 2011).
- Haberman, Clyde, ‘Japanese Text is Under Fire Once Again’, *The New York Times* (10 July 1986).
- Hosaka, Tomoko A., ‘Japan Confirms China Surpassed its Economy in 2010’, *Associated Press Financial Wire* (14 February 2011).
- Howe, Christopher, ‘China, Japan and Economic Interdependence in the Asia Pacific Region’, *The China Quarterly* No. 124 (December 1990).
- Hsieh, Chia-chen, Chen Wei-ting and Wang, Jamie, ‘Disputed Tiaoyutai Islands Not For Sale: Interior Ministry’, *Central News Agency* (Taiwan), (18 April 2012).
- IHS, ‘China to Exceed Combined Defence Budget of all other Key Defence Markets in APAC by 2015’, 14 February 2012, ihs.newshq.businesswire.com/press-release/defense-risk-security/china-exceed-combined-defence-budget-all-other-key-defence-marke.
- Jane’s Missiles & Rockets*, ‘“Kirishima” Scores Japan’s Third BMD “Kill”’, 19 November 2010.
- Japanese Security Council, *National Defence Programme Guidelines*, approved 17 December 2010, www.mod.go.jp/e/d_act/d_policy/pdf/guidelinesFY2011.pdf.
- JCN Newswire, ‘Japan-China trade in 2010 Exceeds US\$300 Billion to Set New Record’, 23 February 2011.
- JEN (Japan Economic Newswire), ‘Traders Wary of Future Sino-Japanese Trade’, 2 May 1985.
- ‘China Blasts Clinton’s Remarks That Security Treaty Covers Senkakus’, 29 October 2010.
- ‘China Reacts Against Japan-U.S. “Common Strategic Objectives”’, 28 June 2011.
- ‘China Newspaper Calls Senkakus Part of China’s Core Interests’, 21 January 2012a.
- ‘ASDF Fighters Scrambled More Frequently in Response to Chinese Planes’, 19 January 2012b.
- Journal of Commerce*, ‘Sino-Japanese Trade in Jeopardy’, 24 December 1987.
- JPTS (Jiji Press Ticker Service), ‘Japan Urged to Rectify Trade Imbalance with China’, 25 March 1987.
- Mainichi Daily News Online*, ‘Ministry of Defense to Station 100 GSDF Members on Island in Okinawa to Observe China’, 10 November 2010.
- Masaki, Hisane, ‘China Passes US as Top Japan Trade Partner’, *Pacific Shipper* (27 April 2007).
- Meng, Xiaoxu, ‘Japan’s Defense White Paper Ups the Ante of the “China Threat”’, *Beijing Shijie Zhishi* (1 September 2011).
- Ministry of Defence (Japan), ‘Chapter 1: Security Environment Surrounding Japan’, in *Defence of Japan 2005*, 2005, www.mod.go.jp/e/publ/w_paper/2005.html.
- ‘Part 1: Security Environment Surrounding Japan’, in *Defence of Japan 2007*, 2007, www.mod.go.jp/e/publ/w_paper/pdf/2008/04Part1_Overview.pdf.
- ‘Part 1: Security Environment Surrounding Japan’, in *Defence of Japan 2009*, 2009, www.mod.go.jp/e/publ/w_paper/pdf/2009/04Part1_Overview.pdf.
- ‘Chapter 1: Trends in the International Community’, in *Defence of Japan 2010*, 2010, www.mod.go.jp/e/publ/w_paper/pdf/2010/04Part1_GeneralSituation.pdf.
- ‘Part 1: Security Environment Surrounding Japan’, in *Defence of Japan 2011*, 2011, www.mod.go.jp/e/publ/w_paper/pdf/2011/05Part1_Overview.pdf.
- ‘Japan: Defense Ministry Releases Photos of PRC Naval Ships Near Kogoshima’, 14 June 2012.
- Ministry of Foreign Affairs (China), ‘VI. Some Sensitive Issues’, www.fmprc.gov.cn/eng/wjwb/zjjg/yz/gjlb/2721/2722/t15974.htm (accessed 25 January 2012).
- Ministry of Foreign Affairs (Japan), ‘Security Consultative Document US-Japan Alliance: Transformation and Realignment for the Future’, 29 October 2005, www.mofa.go.jp/region/n-america/us/security/scc/doc0510.html.

- ‘Major Exchanges Between Japan and the People’s Republic of China Concerning the Collision Incident Between Japan Coast Guard Patrol Vessels and a Chinese Fishing Trawler in Japanese Territorial Waters off the Senkaku Islands’, October 2010, www.mofa.go.jp/region/asia-paci/china/r-relations/major_e.html.
- NIDS (National Institute for Defence Studies), *NIDS China Security Report 2011*, 2011.
- The Nikkei Weekly*, ‘Sino-Japanese economic ties soaring’, 15 August 1992a.
- ‘Japan–China Trade Hits Record Estimated \$22 Billion’, 11 January 1992b.
- Ozaki, Haruo, ‘Deng Urges Japan to Import More from China’, *The Japan Economic Journal* (14 December 1985).
- Peterson, Alexander M., ‘Sino-Japanese Cooperation in the East China Sea: A Lasting Arrangement?’ *Cornell International Law Journal* Vol. 42 (Fall 2009).
- Reid, T.R., ‘Japan’s Hata Reprimands Justice Chief’, *Washington Post* (5 May 1994).
- Sakaguchi, Daisaku, ‘Distance and Military Operations: Theoretical Background Toward Strengthening the Defense of Offshore Islands’, *NIDS Journal of Defense and Security* No. 12 (December 2011).
- Sankei Shimbun* Online, ‘Japan: PRC Nuclear Submarine Passed “First Island Chain” Undetected in Feb. 09’, 31 December 2010.
- Schiffer, Michael, ‘Statement Before the Committee on House Armed Services, Subcommittee on Readiness’, *CQ Congressional Testimony* (15 March 2011).
- States News Service, ‘Foreign Minister Gemba’s Speech on Japan’s Diplomacy in the Future’, 5 April 2012.
- Xinhua, ‘China City Delays “Japanese Culture Week” After Massacre Denial’, 2 March 2012a.
- ‘China “Strongly Dissatisfied” With Japan Mayor’s Denial of Nanjing Massacre’, 22 February 2012b.
- ‘Chinese FM Urges Japan to “Fully Recognise” Sensitivity of History, Diaoyu Island Issues’, 6 March 2012c.
- Yang, Jiechi, ‘Q& a: Chinese FM on East China Sea Issue’, Xinhua General News Service, 24 June 2008.
- Yu, Jiang, ‘Foreign Ministry Spokesperson Jiang Yu’s Regular Press Conference on September 30, 2010’, *States News Service* (15 October 2010).
- Zhang, Shuying, ‘Quoted in Economists at Sino-Japanese Forum: See Trade Strengthened Under WTO’, *BBC Monitoring Asia Pacific-Economic* (25 November 2001).