

An Emerging Structure of Japan-China Relations: Constant Maritime Tension and Mutual Cooperation

*Paper presented to
Japanese Views on China and Taiwan: Implications for U.S.-Japan Alliance*

March 1, 2018
Center for Strategic & International Studies
Washington, D.C.

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Abstract

Since the summit meeting in November 2017, Japan-China relations have been on a path to amelioration. To assess this turn, I argue that a structural change plays a crucial role. I use a historical perspective to discuss some of the key turning points in recent years in political and diplomatic relations. I explain the rise of a new structure in the bilateral relationship by tracing the diplomatic effort on both sides to avoid escalating tensions over the de facto ownership of the Senkaku/Diaoyu islands.

1. Toward amelioration: A rapprochement in the Japanese-Chinese relationship?

Since the fall of 2017, it seems Japan and China have been working toward amelioration. A strong indication came after the last APEC (Asia Pacific Economic Cooperation) meeting in Vietnam. On November 11, Prime Minister Shinzo Abe and President Xi Jinping met at Da Nang. This was their fifth summit, and it was the first time a photo of Xi smiling during a meeting with Abe was widely reported within China.¹ Abe's remark also signaled a similar tone. For his part, Abe has repeatedly proposed a mutual visit in 2018. After the meeting he said, "President Xi stated our meeting was 'a new start for Japan-China relations' and I am of the very same mind."² As the Chinese media reported, Xi reinforced Abe's remark by stating that a stable development in Sino-Japanese relations will benefit both countries. Xi's words suggest his willingness, albeit with some reservations, to turn the tide in the relationship.

It is important to stress that China remains a little more cautious than Japan. This attitude is seen in Xi's post-summit remarks when he said, "To improve China-Japan relations, the key is mutual trust"; doing so will require "more practical actions and adopt more specific policies to reflect the strategic consensus" on Japan's part.³ The remarks of Prime Minister Li Keqiang further buttressed this attitude. After the meeting with Abe that took place the day after the

¹ *People's Daily*, November 12, 2017.

² Prime Minister of Japan and His Cabinet, November 14, 2017, accessed at https://japan.kantei.go.jp/98_abe/statement/201711/_00007.html.

³ Ministry of Foreign Affairs of the People's Republic of China, November 11, 2017, accessed at http://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpcxdeswjapcebndynlwjxgsfw/t1510293.shtml. Japanese and Chinese reporters highlight differently what each believed were the main takeaways.

summit meeting, Li said, "the current China-Japan relations have shown some positive changes, but sensitive factors still exist."⁴

The highlight of the summit between Xi and Abe was how Japan would be involved in China's "One Belt, One Road" initiative. Previously, the Japanese government sent a delegation of politicians to the Belt and Road Forum for International Cooperation that was held on May 14-15, 2017. The Japanese delegation was led by Toshihiro Nikai, the Secretary General of the Liberal Democratic Party (LDP), and Yoshifumi Matsumura, the Vice Minister of Economy, Trade, and Industry (METI) and also of the LDP. Beijing held the conference with much pride. The day after the forum, Nikai also had a meeting with Xi and handed him a personal letter from Abe. Subsequently, Chinese State Councilor Yang Jiechi visited Japan on May 29-31 to meet with several Japanese officials including National Security Council chief Shotaro Yachi, Foreign Minister Fumio Kishida and Prime Minister Abe himself. In early June, speaking at the 23rd International Conference on The Future of Asia, Abe made clear that Japan would join the Belt and Road under certain conditions.⁵ Although the Chinese government expressed some reservations about this move, it generally welcomed Abe's announcement.

At the Da Nang summit, Japan and China agreed to deepen cooperation in business and commerce. Following the summit, a large-scale delegation (over 250 people), comprised of the Japan Business Federation (Keidanren), the Japan-China Economic Association (JCEA), and the Japan Chamber of Commerce and Industry, visited Beijing. On November 20, they met with Prime Minister Li and Chinese business leaders among others to discuss market expansion in third countries and innovations in technology. Furthermore, in a December speech at the Third Japan-China CEO Summit held in Tokyo,⁶ Abe remarked, "I believe that under this Free and Open Indo-Pacific Strategy, Japan can cooperate significantly with China which has put forward the One Belt, One Road initiative."⁷ Prior to the speech, the Prime Minister's Office in late November put together a set of principles (or "guidelines") on private-sector cooperation under the Belt and Road framework, along with relevant agencies such as the Ministry of Foreign Affairs, the Ministry of Finance, METI, and the Ministry of Land, Infrastructure, Transport and Tourism. The document singles out three areas of cooperation: (1) energy conservation and environmental protection by constructing power plants based on solar, wind, and other alternative sources of energy; (2) industrial modernization through joint development in the industrial district in eastern Thailand; and (3) logistic utilization by improving on the rules regarding the rail lines between China and Europe. Finally, the governments of Japan and China on December 24 exchanged the consensus documents concerning 23 new cooperation projects in energy conservation and environmental protection at the 11th Japan-China Energy Conservation and Environment Forum⁸.

⁴ Ministry of Foreign Affairs of the People's Republic of China, November 14, 2017, accessed at http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1510680.shtml

⁵ These conditions include, first, "infrastructure to be open to use by all, and to be developed through procurement that is transparent and fair"; second, "projects to be economically viable"; and third, projects "to be financed by debt that can be repaid, and not to harm the soundness of the debtor nation's finances." Prime Minister Abe's Speech, June 5, 2017, accessed at https://japan.kantei.go.jp/97_abe/statement/201706/1222768_11579.html.

⁶ The formal title of the conference is the Japan-China Business Leader and Former High-Level Government Official Dialogue. It is jointly organized by the China Center for International Economic Exchanges (CCIEE) and the Japan Business Federation (Keidanren).

⁷ Prime Minister of Japan and His Cabinet, December 4, 2017, accessed at https://japan.kantei.go.jp/98_abe/actions/201712/4article4.html.

⁸ Japanese Ministry of Economy, Trade and Industry, December 25, 2017, accessed at

The two governments advocate the economic dimension of cooperation on state-level interactions. For instance, on December 26 they published a joint statement at the seventh meeting of the Japan-China ruling party exchanges mechanism in east China's Fujian province in which they confirmed that they will "continuously expand and strengthen the positive aspects of the two sides" and also that they will cooperate to make Fujian province an "international model district" under the Belt and Road initiative. This year politicians, including Toshihiro Nikai, Yoshihisa Inoue, the Secretary General of Komeito, and Song Tao, head of the International Liaison Department of the Chinese Communist Party, attended the meeting.⁹ Upon return, Nikai and Inoue briefed Abe who said that Japan will consider joining projects related to China's Belt and Road infrastructure development initiative on a case-by-case basis.¹⁰

Although the Japanese side appears open to building a constructive relationship with China, the Chinese side is less sanguine. For example, in a speech at an international conference on December 9, 2017, Foreign Affairs Minister Wang Yi prodded Japan as a neighboring state, to take more action to gain trust in its relationship with China. Wang said, "We value the recent steps Japan has taken to improve ties with China and welcome Japan's participation in the Belt and Road Initiative." To do so, he highlighted that "we hope Japan will do more to increase understanding, dispel mistrust and facilitate sound interactions."¹¹ In January 2018, Foreign Minister Taro Kono visited China and met with Prime Minister Li and Foreign Minister Wang. Wang reportedly maintained that China would continue to watch Japan's actions in a manner that showed mistrust of the Abe government.¹² These remarks reflect what President Xi said earlier of the importance of "mutual trust" in the bilateral relationship.

In this paper, I provide a detailed assessment of a changing Japan-China relationship from political and military perspectives. I focus on recent developments and more historical developments and make the case that the bilateral relationship is undergoing a structural change.

2. Recent developments in Japan-China relations: Political and military perspectives

Why does China remain hesitant about a rapprochement with Japan despite agreements to advance economic cooperation? I discuss recent developments to explain the respective countries' motives for amelioration and the remaining challenges.

2.1. Two forces: Stable governments and regional politics in flux

Few moments are more apt for both China and Japan than November 2017 to move forward on the bilateral relationship. The two states had good rationales: the year 2017 marked the 45th anniversary of the normalization of the relationship and the year 2018 the 40th anniversary of the Peace and Friendship Treaty. Moreover, major international sporting events such as the 2020 summer Olympic/Paralympic games in Tokyo and the 2022 winter Olympic/Paralympic games in

http://www.meti.go.jp/english/press/2017/1225_005.html.

⁹ *Sankei Shimbun* (in Japanese), December 26, 2017, accessed at <http://www.sankei.com/politics/news/171226/plt1712260051-n1.html>.

¹⁰ *Nikkei Asian Review*, January 11, 2018, accessed at <https://asia.nikkei.com/Politics-Economy/International-Relations/Japan-to-weigh-Belt-and-Road-projects-case-by-case-Abe-says>.

¹¹ Opening Address at the Symposium on International Developments and China's Diplomacy in 2017, hosted by China Institute of International Studies and China Foundation for International Studies, accessed at <http://www.chinese-embassy.org.uk/eng/zgyw/t1518130.htm>.

¹² *Nikkei Shimbun* (in Japanese), January 29, 2018.

Beijing will be held. These will allow the two governments to promote exchanges without causing excessive political repercussions.

Japan and China also have stable incumbent governments. For Japan, the ruling LDP holds a single-party majority of seats in the lower-house after an election on October 22, 2017. It won 284 out of the 465 seats (or 61 percent). Combining the seats grabbed by the coalition party Komeito, the Shinzo Abe administration now enjoys 313 seats (or 67.3 percent). This is just over the two-thirds requirement (i.e., 310 seats) to pass legislation on a constitutional revision, which the LDP incorporated in its campaign pledge. In the wake of the landslide victory, Abe shuffled the cabinet for the fourth time and launched the new government which he has sat since December 2012. The LDP has the next party election toward the fall of 2018, but Abe's position as the party leader is likely to remain secure. In a similar vein, Xi Jinping has successfully strengthened power, and his hold on authority is now tighter than ever. Xi's augmented power was on full display at the 19th National Congress of the Communist Party of China (CPC), which took place on October 18-24. At the meeting, Xi unveiled the so-called "Xi Jinping Thought," which was adopted as an official ideology of the CPC.¹³ In addition, the 19th Congress made clear that Xi will reign unchallenged for the next five years (i.e., until the next Congress in 2022), because no obvious successor was selected to serve in the Politburo Standing Committee.

Another factor that has created an opportunity for bilateral cooperation is the changing regional strategic landscape. The change primarily came from North Korea, whose repeated tests of (intercontinental) ballistic missiles and nuclear weapons is posing a grave threat to the regional order. Meanwhile, as I discuss later, the CPC keeps putting pressure on President Tsai Ing-wen's administration in Taiwan by increasing its military presence around the island. A third international factor is the birth of the Trump administration in 2017. Under the banner of "America First," the new American government is reconsidering traditional ties, including those with China, though it has also expressed a willingness to work with China. These are sources that make the direction of regional politics unpredictable, and it is this unpredictability that give Japan and China an additional reason for cooperation.

2.2. Crisis management strategy of Japan and of China

The biggest challenge to the bilateral relationship is the ownership of the Senkaku/Diaoyu islands. It has been the thorniest problem since the early 2000s and will likely remain so in the next decades. The Japanese government nationalized the islands in September 2012 (purchasing them from an individual owner) and became the direct administrator. Since then, Beijing has expanded its military activity in the area by dispatching more government-sanctioned vessels and fighter jets, and even a drone.¹⁴ These maritime actions took place within both the contiguous zone and territorial waters of Japan. By making them a daily routine, China seeks to challenge the de facto sovereignty over the islands.¹⁵ According to the statistics of the Japan Coast Guard,

¹³ The formal name for Xi Jinping Thought is the "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era."

¹⁴ In May 2017, it was confirmed that a drone launched from a China Coast Guard vessel flew within the Japanese territorial waters of the Uotsuri island.

¹⁵ *Sankei Shimbun* (in Japanese), September 8, 2017. The article reports Chinese officials' view of these military activities. It was cited in the *Study Times (Xuexi Shibao)*, a party periodical published by the CPC's Central Party School. (It is an in-house training school for future party leaders.) The *Study Times* argued in its July 2017 issue that the Chinese government successfully defeated Japan's "de facto rule" over the islands after having patrol vessels sail around them on the regular basis and in the fall of 2013 established an air defense identification zone. Accessed at <http://www.sankei.com/world/news/170908/wor1709080046-n1.html>.

Chinese vessels sail through the contiguous zone of the Senkaku/Diaoyu islands on virtually a daily basis and encroach on Japanese territorial waters approximately three times a month. In addition, in July 2017 a Chinese naval reconnaissance vessel that was passing through the Tsugaru Strait, located between Hokkaido and Japan's main island, sailed for an hour and a half within the Japanese territorial waters.

China's military activities vis-à-vis Japan also include Japan's airspace. According to the Joint Staff Office (JSO) of the Japanese Ministry of Defense (MOD), the JASDF (Japan Air Self-Defense Force) scrambled its jets against the possible encroachment of Japanese territorial airspace a total of some 1,168 times in 2016, which was the largest number ever. Of these, 851 scrambles were against Chinese combat aircraft. The total figure for 2017 dropped to 736 times in the April-December period; the scrambles against Chinese jets declined by more than half to 395 times. The JSO reported what it characterized as "unusual flights" by China 23 times (an increase by 12), including one in which Chinese jets shuttled though the East China Sea and the Sea of Japan.¹⁶

China's airspace activity toward Japan is part of a larger plan. Since 2015 it has launched the far-sea training program, in which military aircraft pass through the Bashi Strait or the Miyako Strait to reach the west Pacific before return. The Bashi Strait is located between Taiwan and the Philippines and the Miyako Strait between the Miyako island and the main island of Okinawa. Taiwan has also become quite wary of this program, because it includes flight routes that go around the entire island. The Chinese state media carried a major story in December 2017,¹⁷ in which a spokesperson at the Chinese Air Force characterized this activity as an "island encirclement patrol."¹⁸

The Chinese government insists that it is Japan's nationalization of the Senkaku/Diaoyu islands that first heightened the tension over the East China Sea. Data indicates otherwise. As Figure 1 below shows, increasing encroachment of Japanese territorial waters by Chinese vessels began around August 2011, which is *before* the nationalization. There was a precedent that occurred much earlier. In November 2004, a Han-class nuclear-powered submarine remained underseas throughout when passing through Japan's territorial waters between the Ishigaki and Tarama islands of Okinawa, which was a violation of international regulations. The Chinese government explained that this incident was accidental, due to some technical glitch, but the Japanese government became highly anxious about the expansion of operations by the Chinese People's Liberation Army (PLA). It is in this context that Shintaro Ishihara, then governor of Tokyo, made an attempt to purchase the Senkaku/Diaoyu islands, leading the Japanese government to purchase them instead.

Over the past few years, Japan and China have strengthened their respective capacity and equipment to secure control over this area. For China, this military buildup rests on the idea of becoming a "great maritime power." The concept was set as a strategic goal in the medium- to long-run by then-President Hu Jintao, who made a declaration at the 18th National Congress in 2012 that China would build a great maritime power. Under this framework, it would build a

¹⁶ The Joint Staff Office (in Japanese), the Japanese Ministry of Defense, January 18, 2018, accessed at http://www.mod.go.jp/js/Press/press2018/press_pdf/p20180119_01.pdf.

¹⁷ Reuters (in Japanese), December 27, 2017. The spokesperson at the Taiwan Affairs Office said that Taiwan will "get used to [these regular exercises]." Accessed at <https://jp.reuters.com/article/china-taiwan-idJPKBN1EL07W>.

¹⁸ Chinese Ministry of Defense (in Chinese), December 12, 2017, accessed at http://www.mod.gov.cn/power/2017-12/12/content_4799704.htm.

capacity in the development, use, protection, management, and control of the ocean. Reorganization of relevant agencies took place in 2013 by putting together four of the five maritime law enforcement agencies to establish the China Coast Guard (CCG) under the State Oceanic Administration.¹⁹ As part of its new initiatives, the CCG deployed the new patrol vessel CCG2901 to the East China Sea. The Chinese media reported that with 12,000 tons it is one of the world's largest patrol ships and that it possesses strong search and attack capabilities.

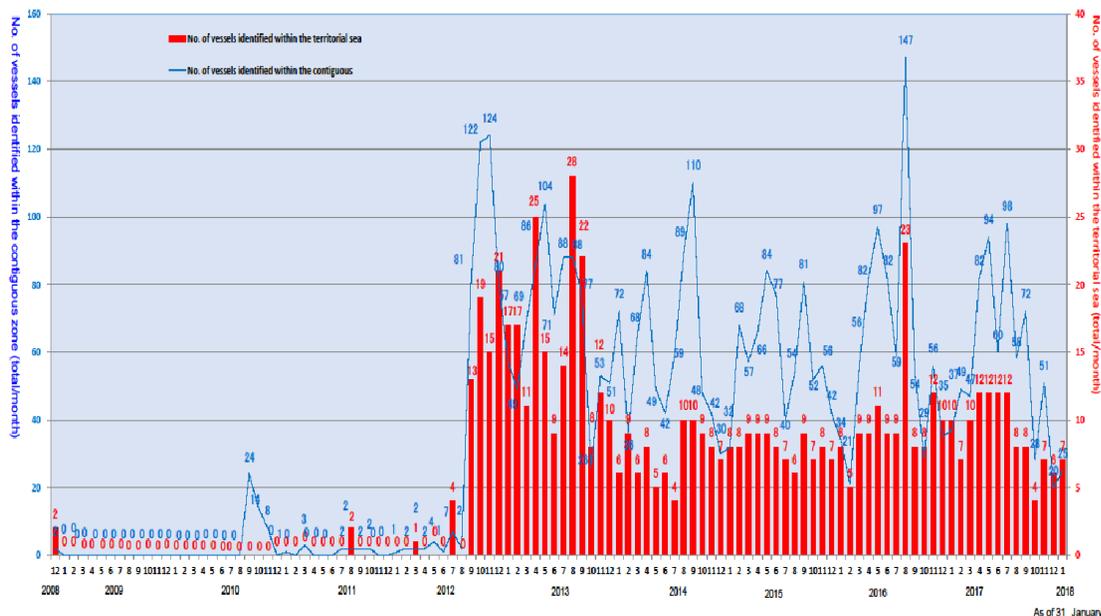


Figure 1: Monthly count of Chinese government and other vessels that entered Japan's contiguous zone or intruded into the territorial sea surrounding the Senkaku Islands. Source: Japan Coast Guard²⁰.

The growth of the Chinese government's investment in defense has remained undiminished. For example, at the military parade on July 30, 2017, which commemorated the 90th anniversary of the founding of the PLA, President Xi said, "We need to build a strong People's Army. We will become a world-class military."²¹ The size of the defense budget reflects the government's determination. The official estimate for FY2017 was 1,044.4 billion yuan (or 17,754.7 billion yen), which is approximately 3.6 times greater than Japan's defense budget (4,899.6 billion yen). A large budget is a major factor enabling the huge buildup and technological progress. Moreover, the PLA is making progress on efficiency in operations. For

¹⁹ The four agencies are (1) the China Marine Surveillance of the State Oceanic Administration; (2) the China Coast Guard; a paramilitary force under the Public Safety Border Troops of the Ministry of Public Safety (MPS); (3) the Fisheries Law Enforcement Command of the Ministry of Agriculture; and (4) the General Administration Customs. The fifth agency that was out of the restructuring was the Maritime Safety Administration (MSA) of the Ministry of Transport.

²⁰ An English version is made available by the Ministry of Foreign Affairs at http://www.mofa.go.jp/region/page23e_000021.html.

²¹ Jiji News Service (in Japanese), July 30, 2017, accessed at <https://www.jiji.com/jc/article?k=2017073000197&g=int>.

instance, in November 2015 when the Central Military Commission (CMC) convened a meeting for military reform, the CMC announced a major reorganization in the PLA, including the consolidation of command authority under the Central Committee and the CMC itself. The plan also included the dissolution of the existing four general headquarters (General Staff Headquarters, General Political Department, General Logistics Department, and General Armament Department), the regrouping of the existing seven military commands into five strategic regions, and the creation of a joint operational command structure. Of these reorganization efforts, the new five strategic regions may reflect improvement in the joint operation capability of the ground, naval, air, and newly-established rocket forces. In January 2016, the dissolution of the four general headquarters went into effect, and fifteen functional departments were established to replace them. In September, Xi launched the Joint Logistic Support Force, a unit specializing in providing logistical support for the PLA, to further modernize the Chinese military.

Meanwhile, Japan has also reinforced its coast guard. The Japan Coast Guard (JCG) created a new unit under the Ishigaki-Naha Department that would be dedicated to policing the Senkaku/Diaoyu islands, which is composed of 600 men, a fleet of twelve large patrol vessels, and two helicopter-borne patrol vessels. Working together with the Miyakojima Department, which owns its fleet of twelve large patrol vessels, the new unit polices the islands' territorial waters for the entering of Chinese and other foreign ships. Moreover, in October 2016 the JCG upgraded the Miyakojima Office to the Miyakojima Department to give the policing of the islands more priority. The change aims to add four times more vessels (to a total of 12 vessels) and personnel from 55 (as of Fiscal Year 2015) to 200 men by the end of FY 2018.

Japan has taken additional steps with the adoption in December 2013 of the National Defense Program Guidelines (the so-called "New Defense Guidelines"). The strategy states that "the SDF will prioritize the development of capacities to ensure maritime supremacy and air superiority, which is the prerequisite for effective deterrence and response in various situations, including defense posture buildup in the southwestern region."²² At the same time, the Japanese government adopted the National Security Strategy and the Mid-Term Defense Program. These new strategies and guidelines would allow the three branches of the Self-Defense Forces, i.e., ground, maritime, and air, to operate jointly and in an integrated manner, strengthen the mobility of integrated operations, fortify warning and surveillance capability, and beef up the ability to defend remote islands in the southwest. Finally, the government in April 2014 replaced the Three Principles on Arms Exports with the new Three Principles of Transfer of Defense Equipment and Technology. More support for defense came with the establishment of the Acquisition, Technology & Logistics Agency, an external bureau of the MOD, in October 2015.

Japan's new defense policies were sequentially carried out in 2016. For instance, in January the JASDF launched the 9th Air Wing that is comprised of two squadrons of F-15 fighter jets (i.e., approximately 40 jets) based at the Naha Base. The number of fighter jets doubled. It was the first new air wing organized in the last half-century. In March, the JGSDF (Japan Ground Self-Defense Force) deployed a 160-man Coast Observation Unit on Yonaguni island to provide a 24-hour watch on the island's sea and airspace. Furthermore, on July 1, 2017, the Ministry of

²² The Southwestern Islands of Japan is an umbrella name of a number of islands located along the northeast of Taiwan through the southern tip of Kyushu, including the Osumi islands, the Tokara archipelago, the Amami islands, and the Sakishima islands. The region divides the Pacific Ocean and the East China Sea. Ministry of Defense(2013), *National Defense Program Guidelines for FY 2014 and beyond*, accessed at http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217_e2.pdf.

Defense upgraded the Southwestern Air Composite Division to the Southwestern Air Defense Force of the JASDF which is responsible for the large airspace from Amami Oshima island (of Kagoshima prefecture) to the Senkaku/Diaoyu islands. The establishment of a new air force took place for the first time in 56 years. Over the course of 2018-19, the MOD plans to assign police and missile units of 550 men to two locations on Amami Oshima island and of 700-800 men to Miyako island (of Okinawa prefecture). In FY2019, Ishigaki island (of Okinawa Prefecture) is expected to receive these units of 500-600 men.

The Japanese and Chinese governments acutely felt the need for a plan on crisis management in the wake of these changes in defense buildup and strategies and the growing tension over the East China Sea and the west Pacific. The two states have had long negotiations for the establishment of a maritime-air communication mechanism, a direct channel to be employed between the PLA and the SDF in case of a military exigency. Consensus on the need to build such a communication line was reached at two summit meetings between Abe and Hu in January and April 2007. Still, the mechanism has yet to be formally launched despite decade-long talks.

The two governments agreed to establish as early as possible a joint working group on the maritime communication mechanism at the defense ministers' meeting in August 2007. The first one took place the following April in Beijing. At the summit meeting between then-Prime Minister Yoshihiko Noda and then-Premier Wen Jiabao in December 2011, another agreement was reached to hold high-level maritime consultation,²³ which was held in May 2012 at Hangzhou, Zhejiang province. Nevertheless, the subsequent meetings had to be suspended in the wake of the nationalization of the Senkaku/Diaoyu islands.

The second high-level maritime consultation took place at Qingdao in September 2014, which reopened the negotiations over the communication mechanism. Japan and China agreed in January 2015 to build a maritime-air communication mechanism to include airspace. Yang Yujun, the Chinese defense spokesperson said at the press conference on January 29 that the two countries came to have a "shared awareness" on the mechanism. The press speculated whether the mechanism would finally begin operation.²⁴ It would involve three actions: (1) the holding of an annual conference and expert meetings; (2) high-level hotlines between the two nations' defense authorities; and (3) direct contacts between Japanese and Chinese vessels and jets. It was reported that both sides "made some progress" at the eighth high-level maritime consultation in December 2017 and aimed to reach an agreement in the first half of 2018, although none is forthcoming as of January.

2.3. Diplomatic efforts toward amelioration: What drove the negotiation?

There are two diplomatic turning points that are critical to understanding the recent changes in Japan-China relations. The first was the "four-point consensus" announced on November 7,

²³ The formal title of the meeting is the roundtable meeting of Japan-China high-level consultation on maritime affairs. The participating ministries from Japan included the Ministry of Foreign Affairs, Cabinet Office (National Ocean Policy Secretariat), Fisheries Agency, Agency for Natural Resources and Energy, Japan Coast Guard, Ministry of the Environment, and Ministry of Defense; the Chinese side included the Ministry of Foreign Affairs, Central Office for Foreign Affairs, Ministry of National Defense, Ministry of Public Security, Ministry of Transport, Ministry of Agriculture, State Oceanic Administration, National Energy Administration, China Coast Guard and other organizations.

²⁴ "People's Daily Online", January 30, 2015, accessed at <http://j.people.com.cn/n/2015/0130/c94474-8843642.html>.

2014.²⁵ Yet interpretations may differ across the two governments. On the third item, the Japanese government wrote that the two states "had different views as to the emergence of tense situations in recent years in the waters of the East China Sea, including those around the Senkaku islands" while the Chinese side wrote that the two acknowledge the existence of "different positions."²⁶ This difference, of course, comes from how each government views the ownership of the Senkaku/Diaoyu islands. Tokyo insists "there exists no issue of territorial sovereignty to be resolved"²⁷ over the islands in the first place, because it has de facto sovereignty; Beijing argues that there *is* a dispute. The difference in interpretation is a product of political compromise. I argue that it is this recognition from both sides of the tension over the East China Sea that compelled them to reopen dialogue on crisis management. In its wake, they had the first official meeting in two years between the foreign ministers, Fumio Kishida and Wang Yi, on November 8. Two days later, Prime Minister Abe and President Xi held the first summit.

Amelioration in the bilateral relationship did not come quick. Xi expressed the difficulty in one of his remarks after his third meeting with Abe at the G20 summit in September 2016. Xi said "the relationship between the two countries had been in an improvement process since November 2014, but sensitive problems stand out due to the interference of complicated matters."²⁸ It seems that the crisis management talks stalled because of the inability to reach an agreement over whether to include the territorial waters and airspace in the maritime-air communication mechanism.²⁹

The second turning point came from Abe, who declared in June 2017 his intention to join the Belt and Road initiative. This declaration seems to have been well-received in China as it meant that Japan will participate in a Chinese-led international framework. At the bilateral summit meeting on July 8 during the G20 meetings in Homberg, Germany, Abe said that Japan

²⁵ The four points are: (1) "Both sides confirmed that they would observe the principles and spirit of the four basic documents between Japan and China and that they would continue to develop a mutually beneficial relationship based on common strategic interests"; (2) "Both sides shared some recognition that, following the spirit of squarely facing history and advancing toward the future, they would overcome political difficulties that affect their bilateral relations"; (3) "Both sides recognized that they had different views as to the emergence of tense situations in recent years in the waters of the East China Sea, including those around the Senkaku Islands, and shared the view that, through dialogue and consultation, they would prevent the deterioration of the situation, establish a crisis management mechanism and avert the rise of unforeseen circumstances"; and (4) "Both sides shared the view that, by utilizing various multilateral and bilateral channels, they would gradually resume dialogue in political, diplomatic and security fields and make an effort to build a political relationship of mutual trust." Japanese Ministry of Foreign Affairs, "Regarding Discussions toward Improving Japan-China Relations," November 7, 2014, accessed at http://www.mofa.go.jp/a_o/c_m1/cn/page4e_000150.html.

²⁶ Japanese Ministry of Foreign Affairs, November 7, 2014, accessed at http://www.mofa.go.jp/a_o/c_m1/cn/page4e_000150.html.

²⁷ Japanese Ministry of Foreign Affairs, April 13, 2016, accessed at <http://www.mofa.go.jp/region/asia-paci/senkaku/index.html>.

²⁸ Japanese Ministry of Foreign Affairs, September 5, 2016, accessed at http://www.mofa.go.jp/a_o/c_m1/cn/page3e_000558.html.

²⁹ Kenichi Hiraga, "The State of the Confidence-Building Mechanism on Military Crisis Management toward China: Perspectives from Japan-U.S. Relations, Part 1" (in Japanese), JMSDF Command and Staff College, Strategic Studies Office, November 2016, accessed at <http://www.mod.go.jp/msdf/navcol/SSG/topics-column/039.html>. A similar tone comes from Major General (Ret.) Qian Lihua, Vice Chair of the China Committee at the October 2016 Xiangshan Forum of the Council for Security Cooperation in the Asia Pacific (CSCAP), who said of the maritime-air communication mechanism that "it has a lot of political issues with regard to the scope of its application. The ownership of the Senkaku/Diaoyu islands has yet to be resolved." *Asahi Shimbun* (in Japanese), October 12, 2016.

and China need to put the Belt and Road initiative in a bigger picture, as both "share a significant responsibility to contribute to the stability and prosperity of the region and the world."³⁰ This summit served as a stepping stone for the next summit in November which took place in an amicable atmosphere.

Abe's declaration on the Belt and Road initiative was a sea change, as the attitude of the Japanese government had remained uncertain. Japan's regional strategy also seems not closely in line with the Belt and Road framework. For instance, the Free and Open Indo-Pacific Strategy, which Abe unveiled at the keynote speech of the 6th Tokyo International Conference on African Development (TICAD VI) meeting in August 2016 is in contrast with China's "21st Century Maritime Silk Road" idea which is part of the Belt and Road. Although the target regions of the respective strategies overlap, Japan's strategy is built on universal values such as freedom, democracy, and rule of law and aims to provide assistance to those countries that share these values, including capacity- and institution-building in maritime safety. Most analysts regard this initiative as a counter-strategy vis-à-vis the Belt and Road, as Abe works with the Donald Trump administration and Narendra Modi administration of India which openly rejects the Chinese initiative. On the other hand, there is a news report that calls for rethinking this perception, reporting in December 2017 that Abe is using his strategy to jumpstart cooperation with China by making it work *along with* --- not against --- the Belt and Road.³¹ A clear picture has yet to emerge as of this writing, but there is little doubt that Japanese tactics over the Belt and Road initiative contains various political motives, one of which is to come closer to China.

2.4. Veiled disagreements

As I described in detail, the Japan-China relationship has since 2014 slowly tilted toward amelioration. Yet two points of fundamental disagreement have arisen in a series of negotiations. The first is the disagreement over where to start the bilateral tie. For China, Beijing has never failed to mention the "four political documents" between Japan and China;³² it also typically refers to the "four-point consensus." By contrast, Tokyo maintains that the two countries are, as Abe stressed, "partners for cooperation and should not pose a threat to each other," based on the "Mutually Beneficial Relationship based on Common Strategic Interests" (hereafter Mutually Beneficial Relationship).³³ What explains this difference?

The idea of a Mutually Beneficial Relationship originated with Abe in 2006 and formed the core of the 2008 joint statement between Japan and China. In this period, Tokyo was confronted with two major concerns in its relations with China. The first concerned the visits of former Prime Minister Junichiro Koizumi to the Yasukuni shrine and the "history problems" which adversely affect Japan's relations with its neighbors. The second was the development of

³⁰ Japanese Ministry of Foreign Affairs, July 8, 2017, accessed at http://www.mofa.go.jp/a_o/c_m1/cn/page4e_000636.html.

³¹ *China Net* (in Japanese), December 19, 2017, accessed at http://japanese.china.org.cn/jp/txt/2017-12/19/content_50111293.htm.

³² The "four political documents" refer to (1) the Japan-China Joint Communiqué (announced September 29, 1972); (2) the Treaty of Peace and Friendship between Japan and the People's Republic of China (signed August 12, 1978); (3) the Japan-China Joint Declaration on Building a Partnership of Friendship and Cooperation for Peace and Development (announced November 26, 1998); and (4) the Joint Statement between the Government of Japan and the Government of the People's Republic of China on Comprehensive Promotion of a "Mutually Beneficial Relationship based on Common Strategic Interests" (signed May 7, 2008).

³³ Japanese Ministry of Foreign Affairs, July 8, 2017, accessed at http://www.mofa.go.jp/a_o/c_m1/cn/page4e_000636.html.

gas fields in the East China Sea. The Chinese government has unilaterally begun the development of gas fields and installed sixteen buildings (although those buildings were located on the Chinese side of the centerline between the Japanese and Chinese territorial waters).³⁴ To address the first concern, Prime Minister Abe maintained ambiguity as to whether he would visit the shrine or not. Beijing, in return, seemed to agree to temper its response to Yasukuni visits by other than cabinet-level Japanese politicians and to work with Tokyo on resource extraction in the East China Sea. In sum, Japan insisted on the two issues -- that both sides would refrain from re-igniting the history issue and that it would collaborate with China on gas extraction -- as the preconditions for improvement in the bilateral relation.

By contrast, China invokes the "four political documents" to underscore two points of its own. The first is on the history problems, in which Japan "is keenly conscious of the responsibility for the serious damage that Japan caused in the past to the Chinese people through war, and deeply reproaches itself." The second is on Taiwan, where the Japanese government "recognizes that Government of the People's Republic of China as the sole legal Government of China" and "understands and respects ... that Taiwan is an inalienable part of the territory of the People's Republic of China."³⁵ In addition, China aims to use the "four-point consensus" to force Japan to unambiguously recognize that there are "different positions" with regard to the sovereignty of the Senkaku/Diaoyu islands -- that is, there exists a territorial dispute between the two countries.

The second point of fundamental disagreement between Japan and China is a conflict in awareness over Taiwan. When Xi met Abe in July and November 2017, he mentioned the "issue of Taiwan." At the next summit on November 11, Xi stated that history and Taiwan are "major issues of principle concerning the political foundation of the China-Japan relations" and asked that Japan follow the "four political documents" in dealing with these issues.³⁶ In contrast, according to Chinese news reports of previous meetings, neither issue was mentioned in 2016; in 2015, history got attention as it was a "major issue of principle concerning the political foundation of the China-Japan relations"; in 2014, there was a remark that "history issues concern the feeling of more than 1.3 billion Chinese people."³⁷

Why did Xi bring the issue of Taiwan up in his 2017 meetings with Abe? One reason is that Beijing was raising pressure on Taipei since Tsai Ing-wen, a leader from the pro-independence Democratic Progressive Party (DPP), took office. As discussed earlier, the growing pressure is seen in Chinese jets' frequent flights around Taiwan. In addition, Beijing has undertaken a diplomatic offensive against Taiwan. For instance, in June 2017 it successfully established a diplomatic relationship with Panama which, in turn, automatically had to sever its ties with Taiwan. China also requested that the UAE (United Arab Emirates), Bahrain, Ecuador, Jordan, and Nigeria ask Taiwan to rename its representative office from "Republic of China" to "Chinese Taipei." In January 2018, Beijing sent a request to a number of airline companies across

³⁴ Japanese Ministry of Foreign Affairs, "The Current Status of China's Unilateral Development of Natural Resources in the East China Sea," September 28, 2017, accessed at http://www.mofa.go.jp/a_o/c_m1/page3e_000356.html.

³⁵ Japanese Ministry of Foreign Affairs, "Joint Communiqué of the Government of Japan and the Government of the People's Republic of China," September 29, 1972, accessed at <http://www.mofa.go.jp/region/asia-paci/china/joint72.html>.

³⁶ *China Daily Online*, November 12, 2017, accessed at http://www.chinadaily.com.cn/world/2017-11/12/content_34426379.htm.

³⁷ Based on reports by the *People's Daily*.

the world to see if they treat Hong Kong, Macau, and Taiwan on a par with state entities on their respective websites.

Meanwhile, the Abe administration maintains amicable ties with its Taiwanese counterpart. In January 2017, the Japanese representative office was renamed from "Exchange Association" to "Japan-Taiwan Exchange Association." In May, the renaming of Taiwan's front office in Japan also occurred, from "Association of East Asian Relations" to "Taiwan-Japan Relations Association." Earlier in March, Japan dispatched Jiro Akama, a Senior Vice-Minister for Internal Affairs and Communications, to Taiwan. Akama was the highest-ranking Japanese official to visit Taiwan since 1972. This visit garnered media attention and drew strong criticism from the Chinese Foreign Ministry.³⁸ Although these changes in name do not necessarily represent a major policy shift, they could have some impact on Beijing's intention to pull Japan away from Taiwan, which might cause the Xi administration to make further friendly gestures toward Japan.

3. Assessments in the medium- to long-run: What changed?

3.1. Changes in historical awareness within China and reduced importance of history issues in the bilateral relationship

The problem of "historical awareness" has long been one of the thorniest in the Japan-China relationship. It first erupted in 1982 when major Japanese newspapers incorrectly reported that the Ministry of Education asked editors of high school history textbooks to rewrite Japan's "invasion" of China as an "advance" before approving the textbooks in June. Since then, issues that evoke the memory of the anti-Japanese war in China, such as the description of this period in history textbooks, politicians' visits to the Yasukuni shrine, and postwar reparations, emerged as the main sources of friction. Over the recent years, however, the intensity of the official "awareness" or "interpretation" of history has receded despite the importance of historical interpretations for the ongoing clash over the Senkaku/Diaoyu islands. Still, the Chinese government has yet to softpedal as it strengthens its commitment to criticizing the Japanese government's handling of the so-called "comfort women." This change comes not just from the agreement to a "Mutually Beneficial Relationship"³⁹ but also the shift in historical awareness within China around the mid-2000s.

The Japan-China relationship was in steep decline in the first half of the 2000s over the Yasukuni shrine, in spite of increasing economic interdependence. In 2005, there were a number of anti-Japan protests across China, which further hardened the public attitude between the two countries. How did historical awareness in China change? Since 2005, an official interpretation by the CPC that puts the War of Resistance against Japanese Aggression within global history has grown more influential. In addition, the view that China was a victor in WWII has gained more traction in the public. For instance, in 2005 which marked the 60th anniversary of the end of WWII, then-President Hu Jintao stated in his address at the 2005 China Victory Day Commemoration⁴⁰ that, "The great victory of the War of Resistance Against Japanese Aggression

³⁸ The *Asahi Shimbun* reports that officials of the Japanese Foreign Ministry said that the Abe administration judged this visit to represent how important Taiwan is to Japan. *Asahi Shimbun* (in Japanese), March 25, 2017, accessed at <https://www.asahi.com/articles/ASK3T4712K3TUHBI00Y.html>.

³⁹ I discussed key factors of this change in Section 2.

⁴⁰ The formal title is the Meeting Marking the 60th Anniversary of the Victory of the Chinese People's War of Resistance Against Japanese Aggression and the World Anti-fascist War.

was the result of the united struggle of all compatriots of the Chinese nation, as well as the solidarity of the Chinese people and their anti-Fascist allies worldwide. The Chinese people are proud of the great victory of their war of resistance, and of the great victory of the Anti-Fascist War they fought together with the peoples of the world as well."⁴¹ Moreover, Wang Xinhua, the head of the Museum of the War of Chinese People's Resistance against Japanese Aggression, said, "it is of great importance to strengthen the people's awareness of a victor country through commemoration."⁴²

I argue that this shift in historical awareness is part of a larger change within the Chinese government toward the "great power" idea. The concept is rooted in the growing public awareness that China has indeed become a great power in the world. Beijing exploits this public notion by further promoting it not just to gain more support for its strategy of economic development but also to win public legitimacy of the exercise of power *qua* a great power. Growing public support is built on the patriotic education policy starting in 1994 that underscores official nationalism. The slogan of the "great rejuvenation of the Chinese nation" began to take root in society during the 1990s. The shift in the public perception of the modern history of China from a "history of victimhood and invasion" to one of "victory and greatness" has had positive repercussions for how the Chinese government copes with the problem of historical awareness of Japan, as Japan has changed from the primary aggressor to the defeated.

This mindset about China as a great power is reflected in policymaking. For instance, China and Japan issued a joint press statement in October 2006 in Beijing. In it, the Chinese government "positively appreciates" that "Japan more than 60 years after the War, has been consistently following the path of a peaceful country, and would continue to follow this path."⁴³ Beijing also agreed to launch a joint research project on history. The 2008 joint statement reinforces this view. It states that "[t]he Chinese side expressed its positive evaluation of Japan's consistent pursuit of the path of a peaceful country and Japan's contribution to the peace and stability of the world through peaceful means over more than sixty years since World War."⁴⁴

China's growing self-awareness as a great power gives rise to a new issue of historical awareness. In the wake of Abe's visit to the Yasukuni shrine in December 2013, Chinese ambassadors around the world launched a collective media campaign to project the image of Japan as a revisionist to the postwar international order. For instance, the Chinese ambassador to France asked the French people to imagine Abe leaving flowers at Hitler's tomb. The Chinese ambassador to Britain, on his part, likened Japanese militarism to Lord Voldemort of the Harry Potter novels, the most powerful and insidious villain, and argued that the shrine holds a piece of that "soul." In Israel, the Chinese ambassador referred to the Holocaust to label Japan as a threat.⁴⁵ The goal of these appeals is not to cast doubt on Japan's pacifism but to improve the image of China in the international stage by labelling Japan as a villain. These are also believed to drive a wedge against Japan given the growing criticism toward China over the territorial

⁴¹ *People's Daily*, September 3, 2005, accessed at: http://en.people.cn/200509/03/eng20050903_206351.html.

⁴² "History and Reality, How Should We Face to?" *Banyuetan Internal Version*, May 5, 2005.

⁴³ Japanese Ministry of Foreign Affairs, "Japan-China Joint Press Statement," October 8, 2006, accessed at <http://www.mofa.go.jp/region/asia-paci/china/joint0610.html>.

⁴⁴ Japanese Ministry of Foreign Affairs, "The Joint Statement between the Government of Japan and the Government of the People's Republic of China on Comprehensive Promotion of a "Mutually Beneficial Relationship based on Common Strategic Interests" May 7, 2008, accessed at <http://www.mofa.go.jp/region/asia-paci/china/joint0805.html>.

⁴⁵ *Asahi Shimbun* (in Japanese), April 23, 2014.

disputes. These examples show that the history problem between Japan and China has expanded beyond bilateral relations.

In China, the Xi administration has also undertaken a new approach to historical research. Beginning around 2015, the idea of building a Chinese "system of discourse" [huayu tixi]⁴⁶ has gained currency among historians and scholars of other disciplines. What does a Chinese "system of discourse" on historical research mean? Based on the official context, one can deduce that a "system of discourse" signifies some overarching structural framework for the interpretation of various phenomena in a manner consistent with Chinese political ideology.⁴⁷ A "foreign system of discourse", for instance, refers to the logically consistent framework of Chinese viewpoints for international society. Thus, a Chinese "system of discourse" on history suggests that Chinese scholars lead the study of the history of the party or of the country, particularly those done outside China. My point here is that the Chinese government intends to influence the international community through a *Chinese* way of historical scholarship.

3.2. Toward a relationship based on constant tension

Extant research on the Japan-China bilateral relationship after China's reform and opening policy focuses on the cycle between the positive dimension of "friendship" through economic cooperation and the negative dimension of political friction caused primarily by the history problems. For instance, Allen S. Whiting describes the relationship as consisting of "'double layers' of anti-Japanese feelings and aspirations for economic progress toward Japan" (Whiting 1989). In a similar vein, Akihiko Tanaka defines the tie as characterized by a cycle of development and friction (Tanaka 1991). Finally, Tomoyuki Kojima argues that the two countries now have to cope with the cycle of friendship and friction, which formed in the 1980s but the "friction" dimension was never fully addressed (Kojima 1999). He points out that this unresolved issue has become one of the key factors that keeps the relationship fragile.

This analytical framework seems to have difficulty explaining the Japan-China relationship of the present decade. To give an example, in the process of the incremental improvement of ties since 2014, little progress or deterioration has occurred since the "four-point consensus" yielded the compromise on the territorial dispute. This is the result of a number of factors: stability in the sitting administrations on both sides, changing international relations, Japan's willingness to work with the Belt and Road initiative, both countries' defense buildups, and Japan's improving ties with Taiwan. These factors have given rise to the atmosphere of friendship over the past few years, although Beijing still harbors some doubts about whether friendship is currently prevailing in the relationship.

How should one understand the changing structure of the relationship? First, it is crucial to pay attention to the territorial dispute as the thorniest problem between Japan and China. Today, the fight goes well beyond ownership and moves toward a practical power struggle over the East China Sea, in which Japan seeks to maintain *de facto* rule while China uses various means to challenge it.

⁴⁶ According to a commentary in *Renmin Ribao*, "a Chinese system of discourse [huayu tixi] is basically a theoretical, discursive articulation of China's path, which is needed to explain to the world why the Chinese path has succeeded and its significance for the rest of the world." *Renmion Ribao*, November 18, 2016, accessed at <http://opinion.people.com.cn/BIG5/n1/2016/1118/c1003-28877400.html>.

⁴⁷ See Naoko Eto (2017), "China's Quest for Huayu Quan: Can Xi Jinping Change the Terms of International Discourse?", *Views on China*, available at <http://www.tokyofoundation.org/en/articles/2017/china2019s-quest-for-huayu-quan-can-xi-jinping-change-the-terms-of-international-discourse>.

The dispute over the Senkaku/Diaoyu islands breeds constant tension, unlike the issue of historical awareness in which the two governments, particularly the Chinese side, can bring friction under control. Moreover, the tension over the islands can quickly spin out of control if some accident erupts. There was an urgent case in recent months. In January 2018, a submerged Chinese submarine sailed through the Japanese contiguous zone near the Senkaku/Diaoyu islands.⁴⁸ In response, two destroyers of the JMSDF (Japan Maritime Self-Defense Force) were dispatched to follow the submarine. A Chinese frigate then tailed the Japanese destroyers and entered the contiguous zone of Japan. The Chinese spokesman and the media cast blame on the Japanese side, while Itsunori Onodera, the Japanese defense minister, accused China of unilaterally escalating tensions.⁴⁹ This incident cast a shadow on the bilateral effort for amelioration.

As this incident amply shows, this dispute can easily escalate to an actual clash. It is for this reason that the Japanese and Chinese governments are acutely aware of the importance of implementing an emergency contact mechanism. The "four-point consensus" was significant in that it recognized there was a shared need to devise a process of crisis management. Yet it was not enough to "win" a smile from Xi Jinping in a summit meeting. Japan offered cooperation with the Belt and Road initiative to draw China closer. Xi's expression meant that Beijing wanted a symbolic gesture to show that Japan in a way follows a Chinese-led system. Foreign Minister Wang Yi's characterization of Japan as a neighboring state [zhoubian] in the December 2017 address is in line with this thinking. It remains to be seen if China, a self-described great power, continues to define and treat Japan as just a neighbor and not a state among equals.

4. Conclusion: The transition period toward a new structure

I argued that today's Japan-China relationship is in constant tension over the Japanese de facto sovereignty over the Senkaku/Diaoyu islands. The two states have made repeated diplomatic efforts to avoid escalating tension. Given that the political and military dimensions that define the tie are changing, a new perspective is in order to understand how the relationship will evolve.

Three points merit discussion. First, in the area of the economy, cooperation took largely a single direction in which Japan gave China assistance from the 1980s through the 1990s. Economic cooperation, especially financial support in the form of Official Development Assistance (ODA), was a concrete expression of "friendship" between the two countries.⁵⁰ It has shifted to freer exchanges of goods and services based on the market mechanism and the rule of law. The governments play a lesser role of making institutions and information. Second, on the issue of historical recognition, it was the thorniest problem until the mid-2000s. The heat has now subsided owing to the diplomatic effort of the two governments. The historical interpretation of China has also shifted, and the Japanese role of a "villain" became relatively less crucial. Finally, in the security area, tension is on the rise as the next biggest challenge. This awareness provides a strong enough impetus for both sides to build an institution of crisis management to handle military exigencies in a constructive manner.

For Japan, one of the major challenges is how to respond when China resorts to sheer force to secure control over the Senkaku/Diaoyu islands. Will Japan be able to meet the challenge

⁴⁸ The submarine hoisted the Chinese national flag on the high seas after it surfaced in the East China Sea.

⁴⁹ *Tokyo Shimbun* (in Japanese), January 13, 2018.

⁵⁰ Japan ceased to provide foreign financial aid to China in September 2017, when the yen loans program, which started in 1979, ended.

by winning cooperation from democratic countries such as the United States, India, and Australia through the Free and Open Indo-Pacific Strategy?

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