



# INSTITUTE OF CHINESE STUDIES

## **Japan-China Relations: The Recent Situation**

**Speaker:** Amb. Kunio Takahashi

**Date:** 16 October 2018

**Venue:** Seminar Hall, ICS

In 2017, Japan and China celebrated the 45<sup>th</sup> Anniversary of normalization of their bilateral relations and this year the two countries are celebrating the 40<sup>th</sup> Anniversary of conclusion of the Japan-China Peace and Friendship Treaty. Both the countries signed this treaty in 1978. Quite fortunately, the bilateral relations are improving sharply. In May this year, Premier Li Keqiang of China visited Japan and this month Japanese Prime Minister Shinzo Abe plans to visit China. Japan is expecting that President Xi of China will make a reciprocal visit and will participate in the G20 Summit in Osaka in June next year.

Before explaining the recent situation of Japan-China relations, the speaker will brief the audience, the process of the development of the bilateral relations during the last 45 years by dividing the period into three parts; (1)1972-around 1990, (2)around 1990-2010, and (3)2010-to present. The speaker will further explain the differences of the present Japan-China relations from the past situations of the bilateral relations, including what the coexistence of No.2 and No.3 economies means. Lastly, the speaker would like to discuss with the Indian audience how to maintain stable relations with our neighbour which is more assertive with the increase of her economic power.

The Seminar commenced with opening remarks with the chair, Ambassador DeepaWadhwa, Adjunct Fellow, Institute of Chinese Studies. After her initial remarks on Japan China relations and a brief introduction of the speaker, the chair handed the floor to Ambassador Kunio Takahashi.

The speaker highlighted the changing contours of Japan-China relations especially after the normalization of bilateral relations since 1972. He stated that during the last 46 years, the relations between the two countries developed enormously mainly because of the deepening trade ties and personal exchange. The speaker highlighted that bilateral trade in 1972 was only 1.1 billion USD which reached to 375 billion USD in 2018. Personal exchange also touched new height. The flow of tourists between Japan and China was only 10,000 in 1972 but now it has reached to 10 million.

In his presentation, Amb. Takahashi highlighted that recent bilateral relations between the two Asian neighbours can be divided into three periods: (1) 1972 to 1990, (2) 1990 to 2010, and (3) 2010 to present. The speaker contended that during the first period (1972 to 1990), chemistry matched between the leadership of both the countries as both of them experienced World Wars and Cultural Revolution. They wanted to develop their countries economically and thus tried to keep the historical and territorial issues at the back burner. Also, within Japan, the China specialists were given the charge to handle bilateral relationship with China and they tried their best to control the situation whenever the relationship worsened. He was of the opinion that this period was a best period in Japan-China bilateral relationship.

The speaker was of the view that bilateral relations started to change in the second period (1990-2010) as friction with China gradually increased during this period. So many incidents took place during this period which had indirect bearing on the bilateral relationship. One among them is Tianmen incident that occurred in China. During this period, Japan tried to improve the relationship by sending its emperor to China which was welcomed by Chinese people. Some of the development within Japan such as “economic bubble burst” that took place had a long term impact on bilateral relations. Japan started to lose economic power and had to cut back Overseas Development Assistance to China, which has helped China transform its infrastructure and achieve economic progress. Despite the economic stagnation in “two lost decades” Japan continued its ODA assistance to China but on a smaller scale. According to the speaker, 2010 is an important year in the bilateral relationship as China surpassed Japan and became number two economy of the world. While it was a shock for some Japanese, China started to have “self-confidence.”

Touching upon the third period of bilateral relations (2010 to present), the speaker opined that 2010 can be considered an important year in the bilateral relationship both for economic and political reasons. He contended that when China became number two economy in the

world, Japan which maintained this rank so far could not “digest” this development and anti-Chinese sentiment within Japan started to grow. On the other hand China felt satisfied. Citing the political reason, he said that when a collision between a Chinese fishing trawler and Japanese coastguard boat took place near the Senkaku islands in 2010, the Chinese government reacted severely over the arrest of Chinese citizens on the fishing trawler by Japan. The Chinese nationalists also reacted angrily and anti-Japanese protests targeting Japanese factories in China took place in many cities. This also resulted in the rise of nationalist feeling in China and both the government found it difficult to control the situation.

The speaker further said that after 2010 collision incident, lots of Japanese and Chinese tried to land on the Senkaku Islands to assert their respective sovereignty. This led the government of Japan to buy three of the Senkaku islands which was owned by a Japanese citizen for the effective management of the territory. This purchase was termed as “nationalization” of Senkaku which further angered China. China suspended political interactions with Japan and asserted its sovereignty over the islands. Since 2010 onwards, relationship between the two neighbouring countries has deteriorated. He noted that the social media which spreads the false news has also played its role and despite efforts by Japan, the relationship could not be improved.

However, he hoped that following Japanese Prime Minister Abe’s visit to China schedule to be held in last week of October to celebrate 40<sup>th</sup> anniversary of the establishment of diplomatic relations between the two countries will likely help normalize bilateral relations. It is also likely that in June 2019, Chinese President Xi Jinping will visit Japan to attend G-20 meeting which will take place in Osaka. He also pointed that Japan’s decision to participate in One Belt One Road has helped improve the relations and it is likely to improve further as both have agreed to jointly develop third countries’ market.

In conclusion, Amb. Takahashi said that Japan should have good relations with China as it remains an important trade partner for Japan. Moreover, Japanese tourist industry depends on Chinese tourists. Earlier the Chinese tourists had stopped coming to Japan but thankfully they are coming in big numbers. As regards the territorial dispute between the two countries on Senkaku islands, he said that it is not easy to resolve the issue but both the countries should develop mechanism to prevent “actual clash” between the Japanese and Chinese coastguards.

Sino-Japanese relations had declined during the Cultural Revolution in China. The decline continued due to the fear of Japan's growing strength and independence from United States in late 1960s. China believed that Japan might remilitarise itself after the reduction of United States military presence in Asia. As this was the era of Cold War and China was leaning towards the Communist regime of Soviet Union. But, the pro-China factions in the Liberal Democratic Party sought to establish links between the two countries.

The process of development of bilateral relations during the last forty five years between Japan and China can be divided into three parts; i.e. 1972 to 1990, 1990 to 2010; and 2010 to Present.

### **1972-1990**

December, 1971 the Japanese and Chinese trade communication offices began to discuss the restoring of diplomatic trade relations. After Kakuei Tanaka succeeded Eisaku Sato as new Japanese Prime Minister; normalisation of Sino-Japanese relations assumed. It was further encouraged by 1972 Richard Nixon's visit to China. A joint statement was signed on 29<sup>th</sup> September 1972. China refused its demand for war reparations and Japan agreed on Taiwan's political status. Negotiations for Sino-Japanese Peace and Friendship Treaty began in 1974. But the negotiations soon broke off in September, 1975 due to China's anti hegemony clause to include Soviet Union in the treaty. Japan objected it and did not want to get involved in the Sino-Soviet split. After the death of Mao Zedong in 1976, there was economic reformation and this led to Japanese investment in Chinese economy. In 1978, a long term trade agreement led to export of plants and equipment, technology, construction materials and machine parts from Japan and in return China would export coal and crude oil. Again the dispute of territoriality over the Senkaku Islands; which are a small cluster of islets north of Taiwan and south of Ryuku Islands threatened to disrupt the peace process. On 12<sup>th</sup> August 1978, the Treaty of Peace and Friendship was signed between Japan and China. It came into effect from 23<sup>rd</sup> October, 1978 under the leadership of Deng Xiaoping and Fukuda Takeo. By 1980s the development of complementary interests flourished till mid 1990s. This age was marked as 'Golden age' between the two countries. In November 1983, General Secretary of the Communist Party of China Hu Yaobang visited Japan; and Prime Minister Nakasone reciprocated by visiting China in March, 1984. Japan's involvement in China's economic modernisation reflected the determination to encourage peaceful domestic development. It was also to draw China closure towards western countries and reduce its aggressive foreign policies of the past. Japan's worry about the Soviet Union was identical for China's worries.

They worried about Soviet Union's deployment of military in East Asia especially in Vietnam, Soviet's invasion of Afghanistan and potential threat towards Persian Gulf's oil shipping routes. In response Japan and China adopted different foreign policies to isolate Soviet Union and its allies; and work towards promoting regional stability. In late 1985 Chinese officials complained about Prime Minister Nakasone's visit to the Yusukuni Shrine; which commemorates Japanese soldiers died in service to the Emperor. As some of whom were war criminals from the Nanjing Massacre. Nakasone was pro United States of America and wanted to build USA-Japan solidified ties under Reagan administration. Beijing felt the isolation and again feared about possible revival of Japanese militarism. The removal of general Secretary of Communist Party of China, Hu Yaobang in 1987 was disadvantages towards Sino-Japanese relations. The crackdown of pro democracy demonstrations in China made Japan realise about policy making under new situation extremely delicate and required careful handling.

### **1990-2010**

During this stage the relations between both the countries still remained same. Emperor of Japan Akihito visited China in 1993 and expressed his sadness of the atrocities done by Japanese to Chinese from 1931 to 1945. On the 50<sup>th</sup> year of Japan's surrender Prime Minister Tomiichi Murayama said in a landmark statement about the irrefutable facts of history and apologised. In 1998, Chinese president Jiang Zemin visited Japan as first to do by Chinese head of state. But the relations came to sore when the new Prime Minister of Japan after the 2001 elections; Junichiro Koizumi took charge. His visit to the Yasukuni Shrine for the annual ritual angered China. The relationship remained bitter till 2006 when he had stepped down. After Shinzo Abe took charge of the office; he started the annual visits to China. Later Chinese President Hu Jintao visited Japan to sign the joint statement on 'common strategic issues' on 2008. BY 2010, China overtook Japan as the world's second largest economy.

### **2010-Present Day**

The China-Japan relations deteriorated when a Chinese fishing trawler collided with Japanese Coast Guards' boats near the disputed Senkaku/Diaoyu islets. The relationship went to all time low when Japan nationalised the islets. There were large scale anti-Japanese demonstrations across China with boycotting of Japanese products. Bothe the countries since then had clos military surveillance over the islets leading to number of close encounters between the Air Force jets. By June, 2018 both the countries have set up a hot line to stave

off accidental conflicts. At present there are 30,000 Japanese companies in China and a multi trade agreement was signed between the two. The number of tourist visiting one another's country has increased by many folds. 20 million tourist visited Japan out of which one third are Chinese. As the 2020 Olympics is closing nearer, both China and Japan wants to work together for the success of the mega even, As China wants Japan to join in its One Belt One Road (OBOR) and Build Road Initiative (BRI) to bring the region in collective manner to counter the hegemony of United States of America over trade tariff and security. As China is now facing internal challenges in the Xinjiang region by the Uighur Muslims, Japan do not want to take part in domestic politics of another country; as it may again hamper the relationship between the two countries to the two countries.

### **About the Speaker**

Kunio Takahashi is Vice Chairman of the Institute for International Strategy, Japan Research Institute, Ltd. He served as Japanese Ambassador to Sri Lanka and the Maldives in 2009–11 and to Nepal in 2011–13. He entered the Ministry of Foreign Affairs in 1976 and has served abroad in Japanese embassies in the U.K., Vietnam, and China. Ambassador Takahashi also served as Director-General of the Regional Immigration Bureau (Sapporo, Osaka, Tokyo), Ministry of Justice (2004–07) as Director-General of the International Affairs Department, House of Councillors (2007–09). Ambassador Takahashi received his B.A. in law from the University of Tokyo and M.A. in sociology from Harvard University.

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