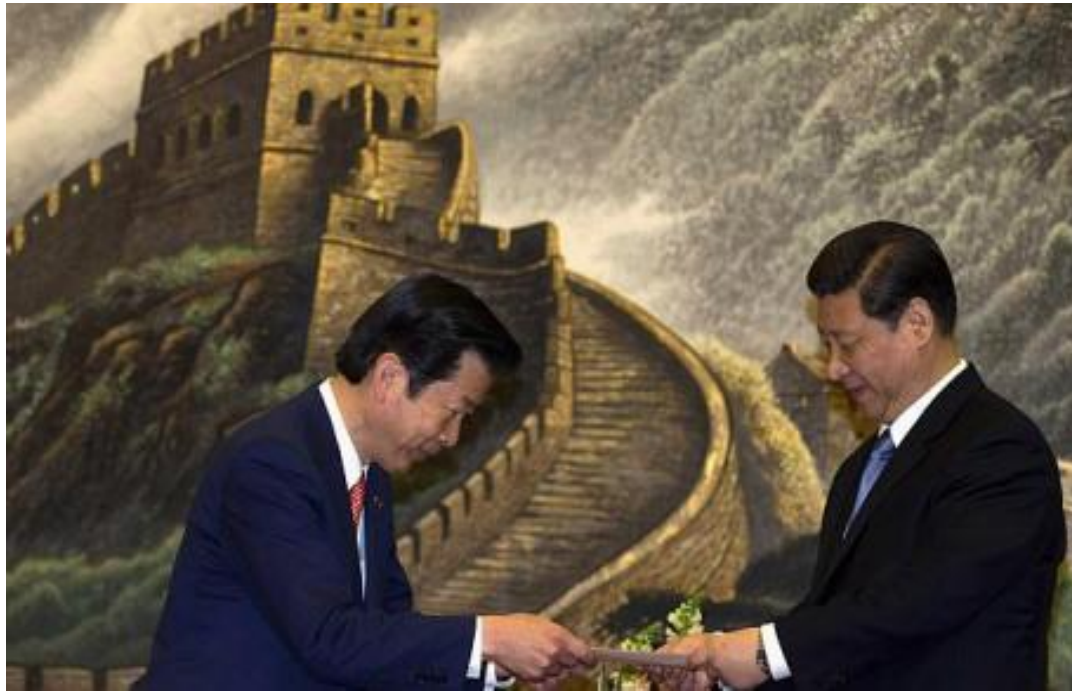


China and Japan: Frenemies?

Chinese and Japanese leaders might want to look back to the 1978 peace and friendship pact to heal their present fraught ties

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Mr Natsuo Yamaguchi, leader of Japan's New Komeito party, delivering a personal letter from Japan's Prime Minister Shinzo Abe to China's then-President-in-waiting Xi Jinping during a meeting at the Great Hall of the People in Beijing in January. Japan needs China and China needs Japan if both are to succeed. -- PHOTO: REUTERS

Having just visited Japan, I came away with the disturbing impression that most of the Japanese public intellectuals I met have a negative attitude towards China, perceiving its rise as a threat to Japan. They think that as China grows in power, it will seek to impose its will on its neighbours.

They believe China has abandoned Deng Xiaoping's policy of "tao guang yang hui" (meaning "not to show off one's capability but to keep a low profile"). Instead, they believe that China is seeking to impose its hegemony on the region.

My Chinese interlocutors, on the other hand, blame Japan for causing the current tensions.

They feel that by nationalising three of the disputed islands which are also claimed by China, Japan has violated the understanding reached by then-Prime Minister Kakuei Tanaka and China's leaders in 1972. Both sides at that time reached a tacit "understanding" to shelve the dispute for a future solution and get on with the more urgent normalisation of diplomatic relations.

The Chinese are angry that Japan is not willing to even acknowledge the existence of a dispute. They suspect that Japan is being made use of by the United States in an alleged attempt to contain China.

Many shared affinities

In this essay, I wish to remind the leaders of China and Japan not to allow the current impasse over the Senkaku/Diaoyu and the passion generated by the accusations and counter-accusations to blind them to the many affinities which they share and the common interests which bind them.

Geographically, China and Japan are destined to live next to each other until the end of time. Since there is nothing they can do to move away from each other, they have no choice but to learn to get along as good neighbours.

Historically, relations between China and Japan go back at least 2,000 years. For most of that time, the two countries lived at peace with each other.

The four exceptions were: the war between Tang China and the Paekche, a tributary of Japan, on the Korean peninsula in 663; the two unsuccessful attempts by Yuan China under the Mongols to invade Japan, in 1274 and 1281; the Japanese war against Qing China in 1894-1895; and Japan's war against China from 1931 to 1945.

Culturally, there has been much mutual learning.

In ancient times, Japan received from China the Chinese written script, kanji, Confucianism and Buddhism. In the past century, however, Chinese students and intellectuals have gone to Japan to learn science, medicine and engineering, and how to remake China into a modern state. There are at present over 69,000 Chinese students studying in Japan, comprising more than 50 per cent of the foreign students in Japan.

Friendship pact signed

Following then-United States President Richard Nixon's historic visit to Beijing, Japan lost no time in normalising its relations with China. In September 1972, then- Prime Minister Kakuei Tanaka visited China and met Chairman Mao Zedong and Premier Zhou Enlai. Diplomatic relations were established on Sept 29, 1972. A treaty of peace and friendship was concluded on Aug 12, 1978.

During the past 41 years, relations between China and Japan expanded in all spheres of activities. For example, China is today Japan's largest trading partner.

Japan, too, has been helpful to China during the past 40 years.

- First, from 1972 until 2004, China was a major recipient of Japan's official development assistance estimated at over US\$40 billion.
- Second, Japan is the largest investor in China. By the end of 2012, Japan had invested US\$83.9 billion (S\$104 billion) in over 43,000 projects.
- Third, Japan is China's third- largest trading partner.

- Fourth, Japan strongly supported China's accession to the World Trade Organisation.
- Fifth, Japan was the first Group of Seven (G-7) country to resume high-level contacts with China, following the 1989 Tiananmen incident. In short, Japan has played a pivotal role in China's development since 1972.

Japan, too, has benefited from China.

- First, China is Japan's largest export market and top trading partner, accounting for 20 per cent of Japan's total trade value.
- Second, China is an important source of tourism. In 2011, 1.04 million Chinese tourists visited Japan, representing 17 per cent of the total number of tourists who visited Japan that year.
- Third, China is one of the largest markets for Japanese cars, a key industry of Japan.
- Fourth, China is Japan's biggest national debt holder. By the end of 2011, China held a total of US\$230 billion of such debt.

Complementary economies

In conclusion, it would not be wrong to say that China has become an indispensable economic partner of Japan. The outcome of Prime Minister Shinzo Abe's "three-arrow" economic reform strategy is, in part, dependent on the continuation of their good bilateral economic ties. He had called for monetary, fiscal and structural reforms to generate growth.

The Chinese and Japanese economies are fundamentally complementary and not competitive. The relationship is therefore mutually beneficial. Japan needs China and China needs Japan if both are to succeed. It makes good sense for them to cooperate and no sense to view each other as enemies.

In a joint statement that then- Chinese President Hu Jintao and Japanese Prime Minister Yasuo Fukuda issued on May 7, 2008, the two leaders pledged to work together to make the East China Sea into a "Sea of Peace, Cooperation and Friendship".

Today, we have a disagreement between Japan and South Korea over Dokdo/Takeshima, and another between Japan and China over Senkaku/Diaoyu. The East China Sea is in danger of becoming a theatre of conflict.

I hope the leaders of China and Japan remember the commitment their respective predecessors made in 1978 to leave the dispute to future generations. They should lower the temperature and tone down the rhetoric. They should pull back their armed forces since there is a risk of miscalculation.

Explore non-legal options

Although China, Japan and South Korea all purport to uphold the rule of the law and although they have nationals who are judges in the International Court of Justice and the International Tribunal for the Law of the Sea, their governments seem unwilling to refer their disagreements to arbitration or adjudication.

This being the case, they should therefore explore other non-legal options to solve or manage their disagreements.

The options include negotiating a code of conduct, setting up a sub-regional fishery organisation and applying the concept of joint development to the resources in the areas of disagreement.

North Korea's planned missile launch, which may take place as early as today, will be a wake-up call for Japan and China to truly understand the meaning behind a Japanese proverbial story known as "The Three Arrows" - one arrow is easily broken, but three arrows bundled together are harder to break. Interestingly, there is a Chinese proverbial tale which uses chopsticks to deliver the same message.

The author is the co-chairman of the Japan-Singapore Symposium and the China-Singapore Forum.