



Troubling Signs for Japan-China Relations

by Brad Glosserman

Two weeks in China have left me deeply disturbed about future relations between Japan and China. A smooth and cooperative Japan-China relationship is essential to regional peace, stability and prosperity. Yet increasing interaction at just about every level of the relationship has generated as many irritants as insights into the other country. I'm not sure that increased contact between the two countries will create the understanding needed to build that relationship, but increasing integration will help. As in a boxing match, it is harder to punch while in a clinch.

At the level of *high politics*, the relationship is solid. The two leaderships (from the prime ministers on down) have regular meetings on a variety of subjects and at many different regional and international forums.

At the *grassroots* level, the numbers are encouraging. In 2003, 2.25 million (of China's 7.26 million Asian) visitors came from Japan, making Japan the number one source of tourists to China. Some 452,000 Chinese visited Japan in 2002. There are more than 70,000 Chinese students in Japan as of May 2003, a 21 percent increase over the year before, and they account for 64.7 percent of foreign students in Japan. There are a little over 13,000 Japanese students in China. There are over 220 sister-city relationships and an expanding number of nongovernmental organizations working on a variety of topics and issues in the bilateral relationship.

Economic relations are positive. Chinese statistics show the trade volume between the two nations topped \$130 billion in 2003, an increase of 30.4 percent from the previous year, and two-way trade is expected to exceed \$150 billion this year, marking six years of continuous growth. Last year, China was the biggest exporter to Japan, providing 18.3 percent of total Japanese imports. Japan's exports to China reached Y6.6 trillion in 2003, a 33.8 percent increase, making the mainland Japan's second largest export market.

After complaining of the "China threat" to Japan's economy, Japanese businesses now recognize that the economic relationship is a "win" for both countries. China's growth has become the engine of Japan's own recovery: much of Japanese growth is attributable to exports to China, which grew 42.8 percent in 2003. Expanding Japanese investment in China – \$5.2 billion in 2002 – is linking the two economies ever tighter.

Yet for each of these positive signs, there is a disturbing "other side of the coin."

- The two leaderships may rub shoulders but there was no official visit by either country's leader to commemorate the 30th anniversary of the normalization of the bilateral relationship or the 25th anniversary of the Sino-Japanese

Treaty of Peace and Friendship. In fact, no supreme Chinese leader has visited Japan since Jiang Zemin's contentious 1998 visit; the last Japanese prime ministerial visit occurred in 2001, before Koizumi took office, and Beijing has repeatedly (and publicly) rejected attempts to arrange a Koizumi visit.

- Despite growing exchanges and grassroots efforts, the two publics have negative impressions of the other. A 2003 yearend survey showed 28.4 percent of Japanese think relations with China are good/very good; 31.5 percent say bad/very bad, and 30.4 percent could not judge (the remainder didn't answer). One survey found that 93.1 percent of Chinese "netizens" (internet users) do not like Japan. Since most internet users are relatively young, those results imply tough times lie ahead for bilateral relations. Similarly, the most negative attitude toward China is found among young Japanese, who are increasingly resentful of Chinese efforts to assume the moral high ground on every issue.
- As Japanese analysts highlight increasing integration, Chinese analysts note that Japan is playing a less important role in China's economy. Sino-Japan trade constituted 23.6 percent of China's foreign trade in 1985 but it fell to 15.7 percent in 2003. And Japanese capital is shrinking as a share of total foreign investment in China: Only 7.9 percent of foreign capital actually used by China was from Japan in 2002, compared with 14.4 percent in 1990. Economic relations also create friction. China and Japan have accused each other of dumping various products in each other's markets (the list runs from tatamis to optical fiber). One Chinese analysis blamed Japanese television manufacturers for being behind U.S. anti-dumping claims against China.

I was in China during the Asian Cup soccer tournament and the signs of the downward slide in the relationship were unmistakable. Chinese friends (and the Beijing government through the official media) tried to downplay the ugly scenes – including flag burning and fake blood dripping from mock swords – but the anger was palpable. Some dismiss the Asian Cup behavior as mere soccer hooliganism. Those protests seemed much more political and the feelings much more deep-rooted.

All too often, tensions boil over. In September 2003 there was outrage over "an orgy" that Japanese businessmen held in a Zhuhai hotel; a month later, a skit by Japanese students at Xian University caused an uproar. And the Japanese have grievances of their own: the incident at the Shenyang Consulate in May 2002, when Chinese police entered the premises and dragged away North Korean refugees seeking asylum or, more recently, several crimes, most notably a murder in Fukuoka in June 2003, committed by Chinese. In

short, negative stereotypes of the other are easily confirmed (and magnified).

Outside observers sometimes blame competition for regional leadership between Japan and China as fanning the ill will. The fight over the route of a Russian oil pipeline is the most obvious evidence for this claim. But that explanation isn't convincing. Both Japanese and Chinese play down the notion of serious competition between them. To be honest, the Chinese tend to be dismissive or condescending of Japan's role when discussing regional issues. Time is on their side. Their confidence is supported by demographic statistics that undercut any long-term Japanese hopes to challenge China's regional ascent.

The problems in this relationship are rooted in the past, not the future. In a word, it's history, and the issue is growing with the passage of time, not receding. Chinese officials have made it abundantly clear that Prime Minister Koizumi's visits to Yasukuni Shrine are the primary impediment to improving official bilateral relations. At our meetings, Chinese analysts dismiss the message of peace the prime minister delivers during those visits, saying that his actions – going in spite of the pain he knows it will cause the Chinese – speak louder than his words. There is nothing he can say that will allow Chinese to accept the visits. In off-line conversations with experts and meetings with ordinary Chinese, the message is the same: Japan has no understanding of, or respect for, Chinese feelings.

Japan does serve as a scapegoat in Chinese domestic politics. Beijing's policies toward Hong Kong and Taiwan are failing, and frustrations with the U.S. are mounting. (In our meetings, we were repeatedly told that China has worked hard to accommodate U.S. interests especially on the Korean Peninsula, but Washington has not reciprocated, by which they meant dampening independence sentiment in Taiwan.) Since all three of those topics are sensitive, Japan becomes the politically acceptable outlet for anger.

The Chinese government understands that using Japan-bashing to whip up patriotic sentiment is a double-edged sword. Beijing needs a good relationship with Tokyo. Mass demonstrations like those that followed the Asia Cup final tar China's international image. As a result, the Chinese government tried to play down the protests. Yet the protests still bubbled over, fueled in part by subtle (and not so subtle) anti-Japanese sentiments that permeate Chinese textbooks, newspapers, and government statements.

There is another domestic angle to anti-Japan sentiment. The Chinese people have precious few opportunities to voice political dissent. They can protest Taiwan's elections, U.S. unilateralism and Japanese arrogance. "Anti-" is acceptable. Mass demonstrations are their only means of having input – or feeling as though they have input – into political decision making. My sense is this adds to the anger expressed at Japan. It is not an alternative explanation for the protests – the ill feeling directed at Japan is genuine; it is not the product of sublimation or transference.

If this interpretation of Chinese behavior is correct, there is little chance that relations will improve without strenuous efforts in that direction. Yet the deep-rooted animosity in China will discourage any serious work to achieve that goal. The best option then is government-encouraged integration to increase interdependence and mutual vulnerability. The tighter the linkage of the two countries' fates and fortunes – whether politically or economically – the less room there will be for abuse or profiting at the expense of the other.

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