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Japan and China:

Japan as a First Responder to China's Rise

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Introduction

Japan and China, separated only by a thin stretch of sea, are neighboring countries that share a close relationship, which has seen each exert various forms of influence on the other from ancient times to the present. Economically and socially, Japan and China are deeply interconnected with and important to each other, but they are also regional rivals in the realms of politics and security. The trends in this relationship hold substantial implications for the Indo-Pacific region.

The importance of Japan-China relations is not confined to Asia. With China's advent as a great power, the world is confronted with an array of challenges in dealing with China, including security tensions and weaponization of economic interdependence. Given its geographical and historical proximity, Japan has encountered and dealt with these issues since earlier than the countries of the West. In this sense, Japan can be regarded as a forerunner in dealing with challenges concerning China.

The Japan-China relationship has experienced periods of both amity and contention. On the whole, from the 1970s until the early 1990s, friendly ties between Japan and China were prominent. While a variety of issues arose, these were dealt with adequately. However, from the late 1990s, the relationship gradually became more unstable, and since 2012, it has been

largely characterized by a state of affairs in which security tensions form the underlying tone, even as efforts are made to seek stability.

This article will examine the primary factors influencing Japan-China relations, the trajectory along which these relations have unfolded, the strategies Japan has adopted in its approach toward China, and the current challenges that need to be addressed.

Historical background (The development of Japan-China relations)

(1) Factors influencing Japan-China relations

What factors have guided the trajectory of Japan-China relations? This section will identify five key elements that have significantly impacted the development of these relations.

First and foremost is the power balance. Since the onset of its Reform and Opening-up period, China has sustained high levels of economic growth. By 2010, the GDP of China surpassed that of Japan, and by 2020, it reached approximately three times that of Japan. Meanwhile, the defense budget of China in 2020 was approximately four times that of Japan. Such disparities in power are expected to continue widening in the future. For Japan, determining how to engage with China that has emerged

as a superpower represents a core issue in its foreign policy.

Second, there is the American factor. The United States represents one of the most significant external conditions impacting Japan-China relations. For Japan, the US is positioned as an ally with which Japan shares both values and strategic interests. It forms the axis of Japan's diplomatic and security policies. However, from Japan's perspective, there has always been the anxiety that the US might abandon Japan in favor of relations with China, coupled with the concern of being drawn into the US hardline policies toward China.

China has long viewed the US as its primary threat, except for certain periods of time. The US is perceived by China as seeking military containment of China, exerting pressure for democratization, and potentially interfering in the Taiwan issue. On the other hand, in the 1970s, China and the US were able to align strategically against the Soviet Union, and in the mid-2000s, the deepening economic interdependence made it seem as though US-China strategic cooperation could underpin global order. However, since the 2010s, as tensions between Japan and China, as well as between the US and China, have intensified, the trend toward a closer US-Japan alliance and a balancing strategy against China has become increasingly pronounced.

The third factor is economic interdependence. In 2007, China surpassed the US

to become Japan's largest trading partner, and by 2020 accounted for 23.9% of Japan's total trade. For China as well, Japan ranks as its second-largest trading partner and fourth-largest investor. Despite the fact that the political relationship between the two countries has not always been smooth, their economic interdependence has continued to deepen. Underpinning this has been the view (primarily on the Japanese side) that politics and economics can be decoupled, allowing for the deepening of economic relations irrespective of political tensions. This economic interdependence has been viewed as a safety valve against political and security conflicts.

In recent years, however, economic dependence has increasingly been weaponized to serve national political interests. Increasingly, China has become more inclined to employ economic tools as weapons to exert pressure on its partners. The potential problems that Japan's economic dependence on China could bring about have been recognized since relatively early on in Japan.

The fourth factor is security issues, which has become the central focus in Japan-China relations primarily from the 2010s onward. The security threats posed by China, as perceived by Japan, have manifested themselves in the following ways. A first example of such a perceived threat is coercion in what is termed the "gray zone," which refers to situations that are aggressive but

fall short of open warfare. China has sought to assert its effective control by repeatedly sending its Coast Guard into Japan's contiguous zones and territorial waters surrounding the Senkaku Islands (a group of five uninhabited islands located approximately 150 km from Yonaguni Island).

In 1895, Japan incorporated the Senkaku Islands into its territory after confirming that they were uninhabited and unclaimed by any sovereign nation. After World War II, the Senkaku Islands were placed under US administration and, in 1972, were returned to Japan along with Okinawa. In 1968, the potential existence of large undersea oil fields near the Senkaku Islands was highlighted in a survey by the United Nations (UN) Economic Commission for Asia and the Far East (ECAFE), which drew attention to the islands. In 1970, first Taiwan and then China began to claim sovereignty over these islands. However, until the late 2000s, China had not taken significant action to enforce these claims. This changed in the 2010s when China began to intensify its pressure and assert its intention to establish effective control over the area.

A second example of a perceived security threat posed by China is the increasing activity of the People's Liberation Army (PLA) in the areas surrounding Japan. Entering the 2000s, China accelerated the modernization of its military power, achieving particularly significant improvements in the capabilities of its

navy and air force. At the same time, the PLA has substantially expanded its area of operations, which was previously limited to the vicinity of mainland China.

The fifth factor is the intertwining of domestic politics in both countries with issues related to history. Japan-China relations are prone to being influenced by the domestic political landscape of each country. This is largely due to the historical experiences of the two nations. The memories of China's defeat by Japan in the Sino-Japanese War and the subsequent invasion of China by Japan during the Second Sino-Japanese War have played a significant role in the formation of China as a nation. From the latter half of the 1980s through the 2000s, historical issues between Japan and China became increasingly prominent. In particular, one increasingly contentious issue was the visits of Japanese Prime Ministers to Yasukuni Shrine, a Shinto shrine that commemorates those who died fighting in wars waged by modern Japan. Because the shrine includes Class-A war criminals from World War II among those it commemorates, official visits by Japanese Prime Ministers have been a frequent source of controversy, both at home and overseas.

Furthermore, stable leadership in both countries contributes to the stability of Japan-China relations, while relations tend to be more volatile under fragile leadership. For Chinese leaders, being perceived as pro-Japanese can pose a risk in domestic politics. In Japan as well,

domestic politics influences the country's policy toward China. Japan saw a succession of short-lived governments and frequent changes in administration, which led to problems in pursuing a stable policy toward China.

(2) The development of Japan-China relations

From the normalization of diplomatic relations in 1972 until the end of the Cold War, Japan-China relations maintained a stable and amicable relationship. This was made possible by the following two factors.

Firstly, a cooperative relationship was established between Japan, the US, and China based on their shared opposition to the Soviet Union. Until that point, the US and China had been adversaries, but as they both came to view the Soviet Union as a common enemy, they drew closer to each other. In this context, China accepted the existence of the Japan-US alliance, recognizing that it was not directed against China.

Secondly, there was a belief on the Japanese side that integrating China into the international community would be in Japan's interest. Japanese leaders had thought that a modernized and stable China would contribute to a peaceful international order, which, in turn, would contribute to Japan's own security. Even after the 1989 Tiananmen Square incident, when international sanctions were

imposed on China, Japan moved quickly toward lifting its sanctions in the belief that China's isolation would not be beneficial for the international community.

The end of the Cold War gradually changed this stable relationship. Initially, the dissolution of the Soviet Union eliminated the shared hypothetical enemy. After the Cold War, Japan and the US continued their alliance and redefined the role of the alliance as a system for stabilizing the region. China viewed this redefinition as something that could be directed against its own interests and thus as a cause for concern.

Moreover, from the latter half of the 1990s, historical issues became a major problem. China attempted to stabilize the rule of the Communist Party after the Cold War by using the cohesive power of nationalism, which involved the implementation of patriotic education. The history of the Second Sino-Japanese War was the most critical theme for boosting patriotism, making Japan an easy target for criticism. In 2005, large-scale anti-Japanese demonstrations were held in China with the purpose of opposing Japan's bid to become a permanent member of the UN Security Council. On the Japanese side, there grew a widespread sense of disgust toward China for repeatedly raising historical issues and demanding apologies.

On the other hand, given China's enormous economic potential, investments from Japanese companies in

China significantly increased, especially following China's accession to the World Trade Organization (WTO) in 2001. In fact, the growing Chinese economy was important for the stagnant Japanese economy, which was struggling with low growth. This contrast between the warming economic relationship and the cooling political relationship between Japan and China came to be described as "cold politics, hot economics (*seirei keinetsu* in Japanese)."

The challenge for Sino-Japanese relations in the 2000s was to stabilize this uncertain situation. In October 2006, newly appointed Prime Minister Shinzo Abe chose China as the destination for his first foreign visit, where both sides agreed to establish a "mutually beneficial relationship based on common strategic interests." This vision aimed to ensure that neither country would pose a security threat to the other and to foster long-term collaboration in areas such as energy and environmental conservation. Symbolic of this was that, in June 2008, Japan and China agreed to jointly develop gas fields in the East China Sea. However, this strategic relationship of mutual benefit between Japan and China was left largely unrealized. China proceeded with the development of the gas fields on its own, sidestepping mutual agreement.

In the 2010s, security issues became a focal point in Sino-Japanese relations. In September 2010, off the coast of the Senkaku Islands, a Chinese fishing boat

repeatedly rammed into a Japan Coast Guard patrol vessel. When the captain of the Chinese fishing boat was arrested and detained, China perceived this as Japan attempting to reinforce its control over the Senkaku Islands, prompting a strong backlash.

Furthermore, at this time, China effectively restricted its exports of rare earth elements to Japan. This was a significant development, as it demonstrated that China was willing to leverage its economic relationships to exert political influence—a departure from the previous pattern where the economic relationship had been maintained despite political tensions. This move also indicated that China was increasingly turning away from the principles of a market economy and openness to the outside world and was beginning to prioritize a more inward-looking national security logic.

In 2012, Shintaro Ishihara, the famously nationalist Governor of Tokyo, moved to have the Tokyo Metropolitan Government purchase the Senkaku Islands from their private owner. The Japanese government, believing this move could further complicate the situation, decided to purchase the Senkaku Islands itself in order to stabilize the situation. In response, China reacted vehemently, normalizing the dispatch of its government vessels to the waters around the Senkaku Islands. Inside China, intense anti-Japanese demonstrations were allowed to take

place, intensifying criticism of Japan. It is believed that China's reaction to the situation surrounding the Senkaku Islands was influenced by the fact that it coincided with a period of domestic uncertainty in Chinese politics during the transition from the Hu Jintao administration to the Xi Jinping administration. From this point onward, security-related tensions between Japan and China came to the fore.

Current situation and challenges

(1) The Abe administration and formation of strategy toward China

The basic policy line toward China, which remains in place today, was laid down during the second term of the Abe administration. This section analyzes the strategy toward China under the second Abe administration and beyond and the new challenges that the Suga and Kishida administrations, which succeeded it, have faced.

2012 saw the formation of the second cabinet under Prime Minister Shinzo Abe, which built a China strategy that aimed for a stable relationship based on economic ties while counterbalancing China's security threats. Among the firm measures taken by the Abe administration against the security threats posed by China were strengthening Japan's own defense, enhancing the Japan-US

alliance, and promoting multilateral initiatives such as the "Free and Open Indo-Pacific (FOIP)."

First, let's consider the strengthening of Japan's own defense. The Abe administration revised the National Defense Program Guidelines, highlighting the importance of defending the southwestern islands and addressing "gray zone" situations. Needless to say, this policy was intended as a response to China's expansion.

Next to consider is the enhancement of the Japan-US alliance. The Abe administration worked constantly to persuade the US to recognize the problems associated with China's actions. The US, for its part, was growing increasingly wary of China's assertive stance in maritime affairs. The joint statement released during President Obama's visit to Japan in April 2014 explicitly stated that the Senkaku Islands fell under Article 5 of the Japan-US Security Treaty, thereby reaffirming that the defense of the Senkaku Islands was included within the scope of the Japan-US alliance. In 2015, the establishment of the "Guidelines for Japan-US Defense Cooperation (The New Guidelines)" promoted a seamless response, one that included strategies for dealing with gray zone situations. Additionally, when President Trump, who held distrust toward US allies, took office in 2017, Prime Minister Abe succeeded in building a personal relationship of trust with President Trump.

Thirdly, there is the proposal of the FOIP concept, which encourages: multilateral cooperation for principles such as the rule of law, freedom of navigation, and free trade; economic prosperity through enhanced connectivity; and peace and stability in maritime affairs. The strategic dialogue among Japan, the US, Australia, and India, known as the “Quad,” emerged as a noteworthy new framework for cooperation. There was also further collaboration in the Indo-Pacific region with European countries, including the United Kingdom and France.

On the other hand, the Abe administration maintained a pragmatic flexibility and, within the broader framework of a balancing strategy toward China, aimed for the stabilization of bilateral relations between Japan and China.

Although Prime Minister Abe visited Yasukuni Shrine in December 2013, this was to be his last visit during his tenure. Temporarily, at least, this effectively moved the issue of history out of the spotlight in Japan-China disputes, allowing competition between the two nations to proceed on a more stable footing. In November 2014, the first Japan-China summit meeting since 2012 took place, accompanied by the announcement of a four-point agreement aimed at stabilizing the relationship. While acknowledging the differences in the two countries’ positions on various issues, these initiatives sought to establish crisis management mechanisms in order to prevent

unintended escalation. After long and tortuous negotiations, a maritime and aerial communication mechanism between the defense authorities of the two countries was initiated in June 2018, setting up a foundation for crisis management.

Furthermore, the Abe administration believed that the economic relationship between the two countries could contribute to stabilizing their overall relations. In particular, it was thought that Japan could reap economic benefits by partially cooperating with China’s Belt and Road Initiative (BRI). In May 2017, Toshihiro Nikai, then-Secretary-General of the Liberal Democratic Party, attended the Belt and Road Forum and delivered a personal letter from Prime Minister Abe to President Xi Jinping calling for the resumption of mutual visits at the leadership level. In June that year, Prime Minister Abe vowed Japan’s willingness to cooperate with the BRI. This was followed up, in October 2018, by a visit to China by a Japanese Prime Minister, which took place for the first time in seven years.

This stabilization of relations with China occurred as the US, under the Trump administration, pivoted to a tougher stance on China from 2018 onward, intensifying US-China tensions. In this context, it can be said that Japan successfully managed to strike a balance between a close-knit alliance with the US and a stabilized relationship with China.

(2) China policy challenges under the Suga and Kishida administrations

While the Suga administration (from September 2020 to October 2021) and the Kishida administration (from October 2021 to the present) have carried on the basic strategic line toward China laid down by the Abe administration, new points of contention and challenges have emerged. This section covers three major points of discussion that have proved important.

Security: How to respond to the Taiwan issue

In the context of security challenges, the issue of Taiwan has increasingly become a focal point of discussion. China has pursued a path of peaceful reunification with Taiwan by fostering economic integration with the island in hopes that this will lead to political unification. However, as can be seen with the inauguration of the Tsai Ing-wen administration in 2016, Taiwan has not been receptive to this path toward unification, and the limits of the peaceful reunification strategy have become apparent. China has never ruled out the option of achieving the unification of Taiwan through the use of force. With the modernization of the PLA and the widening gap in military strength between China and Taiwan, the possibility of China opting to use military force is becoming more likely than ever before.

The joint statement released after the Suga-Biden summit in April 2021

emphasized the importance of peace and stability in the Taiwan Strait, explicitly encouraging the peaceful resolution of issues between the two sides of the strait. This was the first time since 1969 that a reference to the Taiwan issue had been included in a Japan-US leaders' statement. Mention had been made of peace and stability in the Taiwan Strait the Japan-US Security Consultative Committee (2+2) level, and the Taiwan issue had been within the scope of interest of the Japan-US alliance. However, in light of China's military modernization and active operations in the Taiwan Strait, the significance of reiterating this position at a Japan-US leaders' summit is substantial.

In the event of a crisis concerning Taiwan, there is a strong possibility that Japan, which hosts US military bases, will be embroiled in it. Moreover, the significance of Taiwan in the military, political, and economic spheres is growing. Taiwan is geographically important, situated in a key position connecting the East China Sea, the South China Sea, and the Western Pacific. It boasts a mature democratic system and occupies a significant position in semiconductor manufacturing. However, there are limitations to Japan's capacity and legal basis for involvement in the Taiwan issue, and China's vigilance is exceptionally high. Consequently, this issue has become a significant point of discussion for Japan.

Economic security

In recent years, economic security has become an important issue for Japan. This is due to China's weaponization of economic interdependence in its attempts to exert influence in various forms, the increasingly clear decoupling taking place between the US and China in advanced technologies, and a recognition of the risks posed by supply chain vulnerabilities made evident by the impact of the COVID-19 pandemic.

Japan has long faced the risks posed by its economic interdependence with China. As already noted, restrictions on the export of rare earth elements and damage to local Japanese businesses due to anti-Japan demonstrations are examples of these risks. In response to such risks, Japanese companies have pursued a "China + 1" strategy, aiming to avoid excessive dependence on China.

The Suga and Kishida administrations have begun the process of considering how to address these risks at the state level. In May 2022, Japan enacted the Economic Security Promotion Act. This legislation aims to enhance the autonomy of core infrastructures and strategically important materials, as well as to strengthen the resilience of supply chains.

The challenge moving forward will be to strike a proper balance between prioritizing economic security and maintaining the principles of free trade. An emphasis on economic security leading

to unabated protectionism would be undesirable for Japan, which has enjoyed the benefits of the free trade system.

Differences in political systems and values

Governed by the Chinese Communist Party (CCP), the Chinese state is grounded in a political system and set of values distinct from those of Western countries. China prioritizes maintaining the single-party rule of the CCP and places national security above universal human rights. However, as China's policy of reform and opening up has progressed, there has been a gradual reduction in violent human rights suppressions. Western nations hoped that even if China was to continue its authoritarian regime, it would evolve toward a more modernized, humane, and softer form of authoritarianism.

However, the Xi Jinping administration's elevation of the security of the state and of the CCP as its supreme value has led to a strengthening of repression across society. Xi Jinping has intensified crackdowns on human rights activists and NGOs and has ramped up oppression against religions and ethnic groups. This is particularly true in the Xinjiang Uygur Autonomous Region, where repression has intensified, as is seen in the detention of Uyghurs and other groups in internment camps. Furthermore, the administration suppressed the Umbrella Revolution in Hong Kong and effectively abandoned the "one country, two systems" principle. This marked a

stark reversal from the previous trend toward a more moderate form of authoritarianism.

How to respond to the increasingly authoritarian CCP has become a significant issue for Japan. Historically, Japan has tended to adopt a relatively tolerant stance toward China's human rights issues and its political system. However, China's authoritarian posture is now affecting not only Japanese nationals in China but also Chinese nationals in Japan, with a series of incidents involving the detention of businessmen and researchers. Japan is increasingly being pressed to take a firmer stance on these issues.

Conclusion

In the context of China's rise, Japan-China relations have undergone significant transformations. Japan has found itself in a geographical, political, economic, and military position where it must promptly respond to the various challenges brought about by China's ascendance. In this sense, Japan has become a forerunner in dealing with issues related to China.

Japan-China relations experienced a period of friendship from the 1970s to the 1990s. However, from the latter half of the 1990s to the 2000s, the post-Cold War changes ushered in an unstable era in which economic interdependence deepened, historical issues rose to the forefront, and political relations

remained unstable. This phase of the relationship was often described as "cold politics, hot economics." Since 2010, the relationship has entered a phase where security issues have become the central axis of contention. Economic interdependence has been weaponized and no longer functions as a safety valve.

Under the second Abe administration, Japan placed its strategy toward China at the forefront of its foreign policy. It launched initiatives such as strengthening its own defense, enhancing the Japan-US alliance, and proposing the vision for the FOIP as counter-balancing measures against China. At the same time, it sought to stabilize its relationship with China, aiming to reap economic benefits while steering clear of any decisive confrontation. The subsequent administrations under Prime Ministers Suga and Kishida have carried forward this balancing strategy, standing firm against China's pressures while ensuring that the bilateral relationship does not spiral out of control. However, fresh challenges are emerging, such as the Taiwan issue, economic security, and human rights concerns. Whether these issues will reshape Japan's overall China strategy will likely become a pivotal point of discussion.

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