

Forty-four Years of Sino–Japanese Diplomatic Relations Since Normalization

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INTRODUCTION

Japan and China have a relationship stretching back over two millennia. Now that China and Japan are the second and third largest economies in the world, whether and how they cooperate will affect the welfare of nations across the region and the globe. Cultural affinity between the two societies has always been strong, and their interaction has been enhanced by the Internet and increasing international mass mobility. Since the Cold War's end, however, friction and even confrontation have emerged and intensified with the rise in Chinese national power. Clashes over the Senkaku (Diaoyu) Islands in 2010 and 2012 have heightened tension to a level that have caused some people in both countries to raise the possibility of war. While the future of Sino–Japanese relations is in flux, the fate of regional cooperation in East Asia remains in doubt.

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To accurately assess the present and anticipate the future, looking back at past developments is indispensable. This chapter analyses the dynamics of Sino-Japanese relations in the 44 years since the normalization of their diplomatic relations in 1972. Based on examination of various factors and political processes in the bilateral relationship, this chapter also discusses future challenges and desirable measures to be taken by the two sides for regional peace and order.

In our analysis, we shall roughly divide the past 44 years into four chronological phases, namely, 1972–1982, 1982–1992, 1992–2002, and 2002–2016. These periods were chosen because China's major personnel and policy changes take place at the Chinese Communist Party (CCP) Congress held once every 5 years, and also because it just so happened that the Congresses in 1982, 1992, 2002 and 2012 were substantially important. However, these periods are also meaningful because of historical coincidences. For example, the Soviet Union was dissolved in late 1991, around the time when the Japanese economic bubble burst. It just happened to be exactly ten years later that China joined the World Trade Organization, which boosted its economic relationship with the outside world, including Japan.

In each period, we shall identify and categorize factors in Japan–China relations into the following four areas: people's perceptions and emotions about the other side; economic interests; domestic politics; and the international environment and security or sovereignty concerns. This analytical framework derives from a detailed study of the political history of Japan–China relations that the author co-edited in 2012.¹ The idea is to adopt a holistic and comprehensive approach to Sino-Japanese relations and not to focus on any specific area such as the economy, security, or cultural and social exchange. In the final section we shall discuss the findings and ways to overcome the identified challenges. Indeed, the change in people's perceptions and emotions, domestic politics, and the international environment are important factors to explain the political antagonism, despite the economic interdependence of the two neighbors.

¹Takahara, A. and Hattori, R. (eds.), *Nitchu Kankei Shi 1972–2012 I Seiji* [The History of Japan–China Relations 1972–2012 Volume One Politics] (Tokyo: University of Tokyo Press, 2012) (Takahara and Hattori 2012).

1972–1982

People's perceptions and emotions played a large role in promoting the relations during the first 10 years after normalization, but with different reasons on each side. It was also a period in which the international environment and domestic politics were main factors in the relationship. China went through a period of drastic change in domestic politics, which could not but have an impact on its relationship with Japan.

Perceptions/Emotions

On the Japanese side, there was an amalgamated sense of longing, cultural affinity, and respect for the revolutionary leaders in China, and deep repentance for the war and the atrocities committed. Generally, a very favorable image of China was held among the majority of the population. Chinese culture, represented by such things as classical literature, the history of China, and Chinese food, was always very familiar to the Japanese. Tang dynasty poems are taught in junior high schools as part of studies of the Japanese language. In senior high school, there is a subject dedicated to Chinese classics, which are an integral part of the entrance examination to national universities.

The People's Republic of China's socialist ideal of equality appealed to a large part of the Japanese population, and the people seemed less allergic to socialism and especially those forms of socialism in Asia, which were understood in the context of anti-colonial nationalism. Since the tragic aspects of the Cultural Revolution were yet to be known, many intellectuals idealized Maoism and its praxis. This was a period when many leading figures in various fields such as politics and business had personal experiences of the war with China. They included Tanaka Kakuei, Ohira Masayoshi, Okazaki Kaheita, Inayama Yoshihiro, and many others, who felt remorse and eagerly contributed to the development of a new China.

On the Chinese side, there were also many who personally experienced the war. However, the Party leaders instructed them to make a distinction between the militarist leaders and the ordinary Japanese people, who were also victims of militarism. Experts were mobilized and dispatched to different parts of China with a mission to propagate this thinking to the public. Anti-Japanese sentiments were thus successfully subdued due to such efforts and the strategic advantages of reconciling

with Japan, and to the high authority of the Party leaders among the public.

After the end of the Cultural Revolution, another image of Japan became prominent, namely, Japan as an advanced, developed country and a forerunner in modernization. China then sent many delegations to various capitalist and socialist countries to investigate their economic systems and industrial policies. Deng Xiaoping visited Japan for 8 days, during which he visited a number of modern factories and took a ride on the bullet train.² It was exactly at this time that the Japan Film Week Festival was held in seven major cities in China. The film entitled “*Kimi yo Fundo no Kawa wo Watare*” (Cross the River of Wrath), and its heroine, Nakano Ryoko, especially caused a sensation among the Chinese who had not seen any film portrayal of Japanese that were not brutal, barbaric, or cunning.³

Economic Interests

Historically, the Japanese side was well aware of the potentials of the Chinese market. Even prior to the normalization of diplomatic relations and before the advent of the Cultural Revolution, that is, in the mid-1960s, the amount of trade between Japan and mainland China exceeded that between Japan and Taiwan.⁴ After the two oil crises in the 1970s, the Japanese took a strong interest in China’s natural resources and especially its energy resources, since Japan was keen to diversify its import sources.

An important reason why Japan decided to provide Official Development Assistance (ODA) to China was to support its modernization and to prevent China from slipping back into another Cultural Revolution. It was also meant to maintain and develop China’s

²Pei, Hua, ed., *Zhong Ri Waijiao Fengyun zhong de Deng Xiaoping* [Deng Xiaoping in the Winds and Clouds of Sino-Japanese Diplomacy], (Beijing: Zhongyang Wenxian Chubanshe, 2002) (Pei 2002).

³Sun Xuemei, “Japanese Images in Chinese Films”, collected in Wang, Min (ed.), *Chugokujin no Nihon Kan* [Chinese Views on Japan] (Tokyo: Sanwa Shoseki, 2009) pp. 173–213 (Sun 2009); Liu, W., *Chugoku Juuokunin no Nihon Eiga Netsuai Shi* [The history of one billion Chinese’s hot love for Japanese films] (Tokyo: Shueisha, 2006) pp. 20–32.

⁴Soeya, Yoshihide, *Nihon Gaikou to Chugoku 1945–1972* [Japanese Diplomacy and China 1945–1972] (Tokyo: Keio University Publishers, 1995), p. 102 (Soeya 1995).

cooperative relations with the Western world, including Japan. In addition, the fact that China had declined to receive any war reparations lingered in the minds of many Japanese at the time. The grant element of the yen loans was quite high, for example reaching 65% on average in the period between 1979 and 1997.⁵ At the same time, the Japanese side was shocked by the sudden postponement of plant imports by the Chinese government in the spring of 1979 and early 1981. They were brought about by the introduction of austerity policies and demonstrated that there could be difficulties in dealing with China.

On the Chinese side, it was in 1972 that the “second large-scale import of plants and equipment” took place as Mao Zedong decided it was necessary then to boost the economy and improve the livelihood of the people after the worst period of turbulence during the Cultural Revolution.⁶ Ten out of the planned, 26 projects were based on importing plant and/or equipment from Japan. However, soon Mao became critical of Zhou Enlai’s handling of diplomacy, for being too weak in dealing with the Americans and showing the possibility of lapsing into revisionism.⁷ The leftist emphasis on self-reliance escalated into opposing the export of minerals, although these exports were necessary for China if it wanted to expand its foreign trade.

After Mao’s death, Hua Guofeng, a developmental Maoist, arrested the leading radical Maoists (the “Gang of Four”) and embarked on an adventurous 10-year plan to boost the national economy, which involved importing plants and equipment on an unprecedented scale. Although this plan proved impracticable, and eventually Hua was replaced by Deng Xiaoping as the supreme leader, Deng was also keen to import advanced technology and management systems from abroad, taking a special interest in the Japanese experience of modernization.

⁵Sugimoto, Nobuyuki, *Daichi no Hoko (The Roar of the Earth)*, PHP Institute, 2006, pp. 80–81 (Sugimoto 2006).

⁶Chen, Jinhua, *Guoshi Yishu (Memoir of State Affairs)*, Zhonggong Dangshi Chubanshe, 2005, pp. 3–9 (Chen 2005).

⁷Lin Xiaoguang, “1970 Nendai no Chunichi Kankei: Chunichi Heiwa Yuko Joyaku no Teiketsu [Sino-Japanese Relations in the 1970s: the Signing of the China-Japan Peace and Friendship Treaty]”, Ishii Akira et al. (eds), *Kiroku to Koushou Nitchu Kokkou Seijouka/Nitchu Heiwa Yuukou Jonyaku Teiketsu Koushou* [Record and Investigation: Negotiations for Sino-Japanese Diplomatic Normalisation and Peace and Friendship Treaty] (Tokyo: Iwanami Shoten, 2003) pp. 386–387 (Lin 2003).

Domestic Politics

In this period substantial support remained within the ruling Liberal Democratic Party (LDP) for the Kuomintang (KMT) government in Taiwan. This was due partly to anti-communist sympathy and to a sense of indebtedness to Chiang Kai-shek, who stated after the war that China would “requite evil with goodness” and safely sent home the surrendered Japanese soldiers and civilians who had been living in China. The pro-Taiwan group among the members of parliament (MPs) was more cautious about normalizing Japan’s relations with the People’s Republic of China (PRC) and about including an anti-hegemonism clause in the peace and friendship treaty, which would upset the Soviet Union. However, besides the pro-PRC MPs, there was strong support for pro-PRC policies among business circles and the media, reflecting the prevalent sentiment of the ordinary people.

On the Chinese side, leftist critique of moderates during the Cultural Revolution hampered the growth of trade. An interesting case was the emergence of over 200 Chinese fishing boats in the waters around the Senkaku (Diaoyu) Islands in April 1978. Some of the fishing boats were armed and were receiving instructions from Yantai and Xiamen, although the Chinese side explained later that this was an accident and that it would never happen again.⁸ In fact, Deng Xiaoping had just admonished the People’s Liberation Army (PLA) navy for the worst accident in its history, in which a naval ship sank in Zhanjiang, the base of the South Sea Fleet. Su Zhenhua, the political commissar of the navy felt repelled by Deng’s critique, and complained to Hua Guofeng for five hours on the day that the fishing boats appeared around the Senkaku Islands.⁹ The incident was incomprehensible to the Japanese, but there was a view that perhaps it was related to the power struggle in China, as it took place in the midst of negotiations over the peace and friendship treaty to which Deng Xiaoping was accountable.

⁸Sugimoto, op. cit., pp. 56–64.

⁹Yang, Jisheng, *Deng Xiaoping Shidai shang juan* [The Era of Deng Xiaoping Volume One] (Beijing: Zhongyang Bianyi Chubanshe, 1998) p. 127; *Asahi Shimbun*, 23 June 1978, introduced an article in the Hong Kong *Ming Pao Daily*, issued the previous day, reporting on the wall posters that emerged in Shanghai about how a vice-mayor, a close associate of Su Zhenhua, made an agitating speech to the fishermen.

International Environment and Security/Sovereignty Concerns

The largest factor in Sino-Japanese relations in this period was the international environment. The US had made a major step in 1972 when President Nixon decided to visit a communist country with which the US did not have diplomatic relations. Although normalization was only achieved in 1979, cooperation between the US and China, a quasi-alliance against the Soviet Union, constituted an important background to the development of Sino-Japanese relations.

However, specific policies towards the Soviet Union differed between Japan and China. Japan faced the Soviet threat but opted for an omnidirectional diplomacy and attempted to improve its relations with its northern neighbor. Its specific goal was to sign a peace treaty and recover the Northern Territories. Therefore, Japan was reluctant to form a “united front” with China against the Soviet Union. As for its territory in the south, some Japanese wanted to settle the Senkaku issue, namely, to persuade the Chinese into abandoning their claim that Diaoyu Islands were theirs, which they asserted formally in December 1971 for the first time. While Senkaku was a minor issue at the time, the Japanese understood that the treatment of Taiwan was an extremely delicate issue for the PRC.

On the other hand, China felt an imminent threat from the Soviet Union and urged Japan to counter it jointly. It insisted that an anti-hegemonism clause should be included in the 1978 Sino-Japanese Peace and Friendship Treaty. The compromise was that anti-hegemonism would be included together with the clause that the Treaty was not against any third party. In 1980, a Deputy Chief of General Staff, Wu Xiuquan, even told Nakasone Yasuhiro that Japan should increase its defense budget to 2% of its GNP to counter the Soviet threat.¹⁰

As for the Senkaku (Diaoyu) Islands, which have been under effective control of the Japanese since 1895, the Chinese made it clear in the 1970s that they did not want to touch on the issue. In negotiating the terms of diplomatic normalization in 1972 with Takeiri Yoshikatsu, the then leader of the Komei Party, Premier Zhou Enlai said, “There is no need to touch on the question of the Senkaku Islands. I don’t think Mr. Takeiri, you were interested in the issue. I wasn’t, either, but because

¹⁰Kazankai, *Nittyu Kankei Kihon Shiryoshu 1972–2008 Nenpyo* [Basic Materials on Japan-China Relations 1972–2008] (Tokyo: Kazankai, 2008) (Kazankai 2008).

of oil, some historians started to raise the issue, and in Japan Mr. Inoue Kiyoshi is keen. There is no need to pay much attention to this issue.”¹¹

However, the Chinese side was rather sensitive about Taiwan. In his conversation with Richard Nixon and Henry Kissinger in 1971 and 1972, Zhou Enlai was concerned that Japan coveted Taiwan.¹² In negotiating the civil aviation agreement with Japan after diplomatic normalization, China even demanded that Taiwanese aircraft flying into Japan should have their national flags removed.¹³

In sum, this was a period in which political and economic factors were high priorities for Japan, and international and security concerns were important for China. Despite this gap, all the factors pointed to improving the relationship, especially after the downfall of the leftist forces in Chinese politics.

1982–1992

Arguably, there was no better time in the history of Sino–Japanese relations than in the 1980s. People’s perceptions of the other side were generally warm and positive. China’s reform and opening policies gradually developed, and Japan’s contribution to the Chinese economy was highly appreciated by the Chinese. It was the era of Japan’s rise, and the Chinese leaders resumed expressing their concern about Japan’s remilitarization, taking up issues such as history textbooks and the Prime Minister’s visit to the Yasukuni Shrine (a symbol of Japanese militarism to the Chinese and Koreans).

It was in 1982 that China adopted a new foreign policy line of independent and autonomous diplomacy and embarked on an attempt to improve its relations with the Soviet Union. This bore fruit in 1989 when Soviet President Mikhail Gorbachev visited Beijing, but for China the June 4th Incident, i.e. the brutal, military crackdown on students

¹¹Takeiri Memorandum, 28 July 1972 <http://www.ioc.u-tokyo.ac.jp/~worldjpn/>. Inoue Kiyoshi is a Japanese Marxian historian (Takeiri Memorandum 1972).

¹²*Nikuson Houchuu Kimitsu Kaidanroku* [Secret Record of Nixon’s Visit to China] translated by Kazuko and Yosaburo Mori (Nagoya: Nagoya University Press 2001) p. 152 (Mori and Mori 2001).

¹³Ogura, Kazuo, *Kiroku to Koushou, Nitchu Jitsumu Kyoutei Koushou* [Record and Examination: Sino–Japanese Negotiations on Practical Treaties] (Tokyo: Iwanami Shoten 2010) p. 39 (Ogura 2010).

and citizens seeking democracy, and the collapse of the socialist camp transformed the rosy international environment. However, Japan did not alter the gist of its China policy, and initiated and promoted the reengagement of China to the developed world.

Perceptions/Emotions

On the Japanese side, China continued to be perceived favorably by the public for most of the 1980s. Following the “panda boom” in the Japanese society in the 1970s, a positive image of China was boosted by the “Silk Road boom” that arose from a popular NHK documentary series. The Japanese were happily surprised when Party General Secretary Hu Yaobang announced during his visit to Japan in November 1983 that he would invite 3000 Japanese youths to China the following year. China was visibly changing, and the Chinese people appeared full of hope about their future and were modest in their sincere attempt to learn from Japan.

However, the June 4th Incident in 1989 had a sobering effect. The annual survey conducted by the Japanese government indicated a sharp drop in the percentage of people who felt close to China, from 68.5% in 1988 to 51.6% in 1989.¹⁴ Earlier, when Beijing started criticizing the Japanese government on history issues and the possibility of a revival of militarism in Japan, some Japanese were frustrated that the Chinese side was being preposterous and intrusive, some were disappointed that they did not understand Japan, and others felt that the Japanese side should go deeper in their reflection and repentance.

On the Chinese side, the positive image of Japan and the Japanese was supported by the broadcasting of Japanese TV animations and dramas such as “O-Shin,” which were welcomed enthusiastically by viewers nationwide. There was an increasing importation of Japanese products, from automobiles and television sets to candies and sweets, which generally enhanced people’s image of their successfully modernized neighbor, Japan.

At the same time, however, the influx of Japanese commodities caused concern among some university students, who took to the streets and demonstrated against an “economic invasion.” This was also the period

¹⁴Cabinet Office, Government of Japan, *Public Opinion Survey on Diplomacy*, 14 March 2016.

in which moments of political tension arose around history, Taiwan, and security. It was as early as 1982 that the first vehement protests against the compilation of Japanese history textbooks started, together with the critique of a senior level LDP delegation that was sent to Taiwan.¹⁵ Among the CCP leaders there was a general wariness about “Japan’s rise” and possible change in Japan’s perception of history, its security policy, and its Taiwan policy.

Economic Interests

This was a period when China accelerated its reform and opening policies, and the Japanese government was consistent in its effort to support the reforms. For example, Beijing’s decision in 1984 to expand the open policy to fourteen coastal cities was closely related to the increase in Japanese ODA to China. After the 1985 Plaza Accord and the resultant yen appreciation, there was a surge in Japanese FDI (Foreign Direct Investment) globally. China rapidly became an important FDI destination for Japanese firms.

For China, Japan was by far the largest donor and the leading economic partner. Despite the domestic critique that it was as if Japan was invading China economically, the Chinese government was dissatisfied that there was not enough investment made by Japanese businesses.¹⁶ The Chinese side was interested not only in Japanese money and technology but also in their knowledge and experience in modernization. They attached much importance to the meeting of experts such as the annual Japan–China Exchange Meeting of Economic Knowledge and the delegation of the Faculty of Economics of the University of Tokyo.

¹⁵Eto Naoko, “Dai-ichiji Kyoukasho Mondai (1979–1982 nen) [The First Textbook Problem (1979–1982)]” in Takahara and Hattori, op. cit., pp. 133–165.

¹⁶On the economic relationship between China and Japan in this era, see Kenji Hattori, “Nitchu Keizai Kouryuu no Kinmitsuka (The Intensification of Japan–China Economic Exchange)”, in Kojima, T., ed., *Ajia Jidai no Nitchu Kankei (Japan–China Relations in the Asian Era)*, The Simul Press, 1995, pp. 138–173 (Hattori 1995). On the interaction between Japanese aid, China’s reform and opening policies and its domestic politics, see Akio Takahara, “Japan–China relations of the 1980s: greater development and appearance of problems”, in Kokubun, R. et al., *Japan–China Relations in the Modern Era* (Oxford and New York: Routledge, 2017), pp. 109–130.

Domestic politics

Since pro-China sentiment in Japan was overwhelming, the pro-Taiwan forces in Japanese politics gradually declined. Nevertheless, they were part of the opposition against the Emperor's visit to China in 1992, expressing concern about security, and about using the Emperor politically and unconstitutionally. Another issue was Prime Minister Nakasone's attempt in the mid-1980s to put an end to the "post-war" period and to turn over a new page in the history of Japan. That in itself was not a problem but his official visit to the Yasukuni Shrine invited the first protest by China against a Japanese prime ministerial visit to the Shrine. Nakasone's intention was not to provoke Japan's neighbors; rather, he had a clear intention to develop Sino-Japanese relations as well as Japan-US relations. Having learned that his Yasukuni visit could cause doubts about Japan's remorse about the war and might put his friend, Hu Yaobang, in trouble, Nakasone stopped going to the Shrine.¹⁷

In China, critique of reform and opening sometimes found a target in Japan, which was its largest economic partner. There were not only complaints about the large trade deficit with Japan but also rumors that the Japanese were exporting the best products to Europe and North America, and were sending faulty cars and equipment to China. When Hu Yaobang was dismissed from his post, although the major issue was his lenient attitude towards "bourgeois liberalization", another point of critique was his inviting 3000 Japanese youths without the approval of the Party center.¹⁸

International environment and security/sovereignty concerns

Japan attempted to pull China out of its ostracism by the West in the wake of the June 4th Incident. It was the first to resume ODA, and Prime Minister Kaifu Toshiki became the first state leader to visit China from the developed world in August 1991. The aim of Tokyo's China

¹⁷Nakasone, Yasuhiro, *Jisei Roku* [Record of Self-examination] (Tokyo: Shincho Sha, Nakasone 2004) p. 137 (Nakasone 2004).

¹⁸Zheng, Zhongbin (ed.), *Hu Yaobang Nianpu Ziliao Changbian Volume 2* [Materials for a Chronological Record of Hu Yaobang's Life] (Time International Publishing Co., Ltd.) 2005, pp. 1183, 1191 (Zheng 2005).

policy had not changed, which was to engage China, prevent it from slipping into isolation, and integrate it into the world system.

China started its new policy line of “independent diplomacy” in 1982. This was also called “omnidirectional diplomacy,” which aimed at a rapprochement with the Soviet Union, while keeping a certain distance from the US. Reducing the Soviet threat and seeking for trade opportunities with the Soviet Union was no doubt conducive to China’s concentration on economic development, while a relationship that appeared too close to the US was not necessarily helpful in cultivating ties with other developing countries. Beijing was also deeply dissatisfied with the Reagan Administration’s arms sales to Taiwan, and sensitive about Tokyo’s approach towards Taiwan. In 1987, for instance, Beijing demanded that the Japanese government intervene in a local law case about the ownership of a student dormitory in Kyoto called Koukaryo, which used to be owned by the government of the Republic of China.

As China’s relationship with the Soviet Union gradually improved in the 1980s, Beijing started to express its concern about Tokyo’s security policy. It changed its attitude about Japanese defense budget increases, and complained about the surpassing of the 1% GNP threshold in 1987.¹⁹ During this period a few Japanese politicians made offensive remarks on historical issues, opining that the war in the Asia-Pacific was intended to liberate Asians from Western colonialism. When Chinese leaders met their Japanese counterparts, they made a point to criticize the existence of believers of militarism in Japan.

In the wake of the 1989 June 4th Incident, China saw Japan as the “weak link” in the Western encirclement of China.²⁰ In order to break through this united front, China targeted Japan, and after active engagement it succeeded in inviting Premier Kaifu to visit in August 1991, and the Emperor and Empress of Japan in October 1992 to commemorate the twentieth anniversary of the normalization of diplomatic relations.

In sum, this was a period when Japan–China relations made great progress. Despite the debate within China about its reform and opening policies, Deng Xiaoping’s idea of development as the top state priority prevailed, and this matched with Japan’s prime focus on advancing

¹⁹Kazuko Kojima, “Koukaryou Mondai, 1987–1988 nen (The Koukaryou Problem, 1987–1988)”, in Takahara and Hattori, op. cit., pp. 197–227.

²⁰Qian, Qichen, *Ten Episodes in China’s Diplomacy* (Harper, 2006) (Qichen 2006).

economic relations with China. In addition, the bilateral relationship still existed in the overall international framework of the Cold War. Problems started to emerge or increase their weight, such as the issues of history, security, and Taiwan, but they remained comparatively minor. Rather, China's developmental path remained unstable, as demonstrated by the June 4th Incident. Japan led the developed world in engaging China with a symbolic display of good will and friendship in the Emperor's 1992 visit to China.

1992–2002

1992 ushered in a new era of Sino-Japanese relations. First, the disintegration of the Soviet Union at the end of 1991 fundamentally altered the international environment and the security environment in Northeast Asia. Second, there were drastic internal changes in both Japan and China. In Japan, the economic “bubble” burst in the early 1990s, followed by the loss of power at the national level by the perennial-party-in-power, the LDP (1955–1993). In China, Deng Xiaoping's southern tour in 1992 caused an about-turn in Chinese politics that unleashed a period of staggering economic growth through bold reform and open policies. Third, the democratization of Taiwan and the strengthening of Taiwanese identity by President Lee Teng-hui increased the island's importance in Sino-Japanese relations. Lee attempted to expand Taiwan's international space just when the CCP was in the midst of a power succession from Deng Xiaoping to Jiang Zemin, and Tokyo and Washington were redefining their alliance. All these factors prompted Sino-Japanese political relations to dip after peaking with the Emperor's 1992 visit, while their economic relations entered a higher stage of development.

Perceptions/Emotions

The Chinese economy enjoyed double digit growth for five straight years following Deng Xiaoping's southern tour in early 1992. Gradually the Japanese perception of China began to change from an image of an economically backward country to that of a “world factory.” However, the “hollowing-out” of production, that is the transfer of factories from Japan to China and the influx of cheap, made-in-China products triggered a sense of a China threat among those affected by these changes.

Despite some ups and downs, the percentage of Japanese who felt close to China and who did not remained roughly the same in the 15 years from 1989 to 2003.²¹ The highest point for feelings of closeness was the Emperor's 1992 China visit, while the lowest point was in 1996 when the Chinese military conducted missile tests off the coast of Taiwan to intimidate the Taiwanese at the time of their presidential election. This, together with the rapid increase in Beijing's military expenditure, added to its fearful image, which was fostered by the June 4th Incident.

This was a period when there was an identifiable rise in nationalism in some parts of Japanese society. The Japan Society for History Textbook Reform, which criticized the "masochistic tendency" of post-WW2 history education, was established in 1996 to defend national pride and patriotism. The basic factors in this movement seem to be twofold. First, in the wake of the disintegration of the Cold War structure and the bursting of the economic bubble, there was an increase in people's anxiety and some attempted to regain self-confidence by glorifying the past.²² Second, this was a period when Japanese politicians more openly and frequently acknowledged and apologized for Japan's past invasion and colonial rule. For example, in 1993 Prime Minister Hosokawa Morihiro expressed his remorse and offered an apology for "the act of aggression and colonial rule," while Prime Minister Murayama Tomiichi issued the well-known Murayama Statement in 1995 in which he elaborated on the nation's remorse and its apology. The editing of the new revisionist history textbook can be construed as a counter-movement to these developments by the conservative elements in society.²³

On the Chinese side, nationalistic sentiments in society gathered momentum in the mid-1990s due in part to impressive economic growth and a resultant increase in self-confidence. When the Asian Financial Crisis broke out in 1997, China did not devalue the RMB, and for the first time it received high praise in the region for this act. On a different tone, the link between ideological conservatism and nationalism was apparent. Neoconservative intellectuals were dissatisfied with the

²¹Cabinet Office, Government of Japan, *Public Opinion Survey on Diplomacy*, 14 March 2016.

²²Oguma, E., and Ueno, Y., *Iyashi no Nashonarizumu* [Nationalism for Healing] (Tokyo: Keio University Press) 2003 (Oguma and Ueno 2003).

²³Only 0.04% of Japanese middle schools adopted their textbook in 2001, and 0.4% did so in 2005.

negative effects of marketization, such as the decline of central control and authority, increasing corruption and income gap, and they found a solution in jump-starting nationalism by stimulating a profound sense of historical humiliation.

As for the Chinese authorities, they had other motives for stepping up their “patriotic education.” The “CCP Central Committee Circular on Printing and Distributing the *Guidelines for Implementing Patriotic Education*” was issued 1 month before the Fourth Plenum of the Fourteenth CCP Central Committee, which practically proclaimed that the power transition from Deng Xiaoping’s generation to the so-called third generation of central leadership, with Jiang Zemin as its core, was complete. Jiang intensified the use of nationalism to maintain national integrity and adopted the slogan “the great revival of the Chinese nation” in the late 1990s. Jiang demanded the word “apology” for the past aggression be written in the 1998 Japan–China Joint Declaration, but the Japanese side only offered it orally and were upset by Jiang’s repeated admonition about Japan’s perception of history.

Although patriotic education was purportedly not aimed to infuse people’s minds with antipathy against Japan, that in fact was what resulted. The repeated broadcasting of programs that featured the war against Japan, especially those in the summer of 1995 to commemorate the fiftieth anniversary of the end of World War II, had a strong impact on society. According to one Japanese newspaper correspondent in Beijing, “An intense patriotic campaign has permeated the ‘generation that does not know the war’, which constitutes the majority of the Chinese nowadays. The mass media have repeatedly taken up the atrocities of the invading Japanese army, with the by-product of negatively affecting people’s sentiments about the Japanese.”²⁴

Patriotic education did also result in arousing popular nationalism in general. There was an increase in the publication of books and articles full of anti-foreign sentiments. A well-known bestseller published in 1996, the year in which the Japan Society for History Textbook Reform was established, was *China Can Say No*, which demonized and censured the United States and Japan. The newspaper of the trade union in China,

²⁴ *Asahi Shimbun*, 14 September 1995, cited in Shimizu, Y., *Chugoku wa Naze “Hannichi” ni Natta ka* (Why China became “anti-Japanese”), Bungei Shunju, 2003, p. 165 (Shimizu 2003).

the *Gongren Ribao* (*Workers' Daily*), carried an interview with one of the authors, entitled "Let the World Hear the Voice of the Chinese Public."²⁵

Economic Interests

The promotion of reform and opening in China went hand in hand with the acceleration of globalization in the post-Cold War world. Japanese business circles naturally welcomed the new phase in China's opening and marketization. Up to the 1980s Japanese enterprises had concentrated their investment mainly in Liaoning and especially Dalian, because of the geographical proximity, Dalian's deep-water port and good facilities, and historical familiarity.²⁶ In the 1990s, however, they started to invest more around the Yangtze River Delta (Shanghai, Jiangsu, and Zhejiang) and the Pearl River Delta (Guangdong). Along with the increase in investment, there was a rapid growth in trade, which rose from US\$22.8 billion in 1991 to US\$101.6 billion in 2002.²⁷

Japan strongly supported China's bid to join the GATT and later the World Trade Organization (WTO), in the spirit of integrating China into the world system. Japan's effort was much appreciated by China, which chose Japan as the first country to conclude the bilateral negotiations for joining the WTO, although the deal with Australia was also almost done.²⁸

Japan's support on these matters should not be taken to mean that the bilateral economic relationship developed smoothly and without any issues. In 1998, the Guangdong International Trust and Investment Corporation (GITIC) went bankrupt and the Chinese government cancelled its huge debt with the Japanese banks.²⁹ In 2001, Japan adopted tentative safeguard measures against the import of three agricultural

²⁵ *Gongren Ribao* (*Workers' Daily*), 31 August 1996.

²⁶ Hattori, K. and Marukawa, T. (eds), *Nitchu Kankei Shi 1972–2012 I Keizai* [The History of Japan–China Relations 1972–2012 Volume Two Economics] (Tokyo: University of Tokyo Press, 2012) p. 169 (Hattori and Marukawa 2012).

²⁷ The figures are originally from JETRO (Northwest Pacific Region Economic Center, <http://www.near21.jp/kan/data/trade/trade2/jcsuii.htm>).

²⁸ Akio Takahara, "The Present and Future of Japan–China Relations", in *Gaiko Forum* (*English version*), 2000 Summer, p. 49 (Takahara 2000).

²⁹ Hattori and Marukawa, op. cit., pp. 199–206 (Hattori and Marukawa 2012).

products, and the Chinese government retaliated by increasing tariffs on three Japanese manufactured products. The damage was naturally larger on the Japanese side. Eventually they reached a compromise: Japan cancelled the safeguard measures while China promised to take voluntary measures to restrain the rapid rise of certain agricultural exports.³⁰

From the Chinese point of view, this was a period when there was an influx of FDI from all over the world. The end of the Cold War and the acceleration of reform and opening in China changed the perception of the world. Or, in other words, the rest of the world gradually caught up with Japan. This inevitably led to a gradual decline in China's relative economic dependence on Japan.

Domestic politics

This was a period when there were major changes in Japanese politics. The end of the Cold War and the collapse of the Soviet camp led to the decline and change in policy of the Japan Socialist Party (JSP). In 1994, it accepted the Japan-US Security Treaty and the constitutionality of the Self Defense Forces and forged a coalition government with the LDP. Pragmatism on the part of the LDP stemmed from the fact that it had fallen from power in the previous year after a long rein since 1955.

The JSP-LDP coalition cabinet is known for the well-received Murayama Statement on the history of war and colonization, but immediately after that statement it also halted grant aid to China, which repeated nuclear tests despite protests from nuke-allergic Japan. In fact, the Murayama Statement emphasized the importance of promoting nuclear disarmament and juxtaposed it with the war of the past. According to Murayama, this effort by Japan would contribute to "making up for the past and consoling the souls of the victims."³¹ This was the period when some Japanese politicians began to question and criticize ODA to China, claiming that China was not showing its gratitude—its economy was growing rapidly and it gave a lot of aid to other countries—and that its military expenditures were rising fast and therefore it was a violation of the Japanese ODA Charter to continue

³⁰Ibid., pp. 265–272.

³¹Quoted in Jo, Kenfun, *Nihon no Taichu ODA Gaiko* [Japan's ODA Diplomacy towards China] (Tokyo: Keiso Shobo, 2011) p. 196 (Jo 2011).

providing assistance to China. The wise men's group convened by the Ministry of Foreign Affairs concluded in early 2001 that ODA should be continued for the stability and prosperity of China and the region. But the group advised that it should be focused on environmental conservation and social development and the amount be adjusted according to the fiscal conditions of Japan.

On the Chinese side, this was not only a period when the generation of revolutionaries left the political stage, but frictions occurred within the party over ideology as marketization and ownership reforms were pushed forward by the Jiang Zemin administration. Marketization and opening-up triggered modernization and brought Chinese society into a state of flux. State enterprise reforms caused many factories to be closed and sold, and workers were forced to retire, be laid-off, or fired. While the economy grew at a staggering pace, income gaps widened and corruption became widespread. It was in this context that Jiang resorted to a patriotic education campaign and aroused nationalistic sentiments for the unity and integrity of the Party and the nation.

International Environment and Security/Sovereignty Concerns

The end of the Cold War and the disintegration of the Soviet Union caused a sea change in the international environment. The new security order in East Asia was of prime concern to all the countries involved, including Japan, China, and the US. The US, after a period of "drifting" in its alliance with Japan, decided to maintain its forces in the region and prevent the emergence of a power vacuum. Tokyo, while seeking a new multilateral security framework that was realized in the 1994 establishment of the ASEAN Regional Forum (ARF), made its political decision to maintain the alliance with Washington as a "public good" that guarantees regional stability.

As for Tokyo, the Korean nuclear crisis loomed large among its security concerns. However, Prime Minister Hashimoto Ryutaro and President Bill Clinton signed the Japan-US Joint Security Declaration in April 1996, just after the Taiwan Strait crisis, in which China conducted missile drills and the US sent two aircraft carrier groups to the area. In fact, sympathy had grown both in the United States and Japan towards Taiwan, which had developed economically and was democratizing under the leadership of Lee Teng-hui.

Between Japan and China, Taiwan became a contentious issue, especially since 1994 when the Olympic Council of Asia sent Lee Teng-hui an invitation to the Asian Games to be held in Hiroshima.³² After the reinforcement of the Japan-US alliance, China criticized it as part of Washington's strategy to dominate the world, while another part of it was NATO's efforts to expand eastward. In fact, Beijing had decided to accelerate the modernization of its military forces after carefully observing the Gulf War in 1990-1991 when the US fully displayed the achievements of its Revolution in Military Affairs. China revised its military strategy in 1993, emphasizing the extension of its defense sphere to the near seas and the space above it.³³ Already in February 1992, Beijing had promulgated the Law of the Territorial Sea and the Contiguous Zone, in which it listed all the islands in the East China Sea and the South China Sea over which it claimed sovereignty, including the Senkaku (Diaoyu) Islands.³⁴

For China, the clash with the ASEAN states over its 1995 occupation of Mischief Reef, which had been under the control of the Philippines, added to the row with Japan and the US over Taiwan and the redefinition of the alliance. Fearing a return to isolation, China adopted a new approach in diplomacy and sought for regional, multilateral frameworks under the so-called New Security Concept. The New Security Concept consisted of cooperative security and comprehensive security, and became the basic principle in promoting the formation of regional frameworks such as the Shanghai Cooperation Organization and the ASEAN+3.

In addition to the 1997 Asian Financial Crisis, tough negotiations with the US over China's joining the WTO and the NATO bombing of the Chinese embassy in Belgrade in 1999 prompted the Chinese to

³²Following vehement protest from China, the Japanese government eventually permitted Vice-premier of the Executive Yuan Hsu Lide to visit Japan as the Chairman of the 2002 Asian Games Bid Committee.

³³Takahara Akio, "'Chugoku Kyōei-ron' o Umu Chuuka Sekai no Kakuju to Atsureki [The Extension of the Chinese World and Frictions that Cause the 'China Threat Theory']", *Gaiko Forum*, May 1994, pp. 48-54 (Takahara 1994).

³⁴The original draft of the law prepared by the Ministry of Foreign Affairs did not have the Diaoyu (Senkaku) islands named in the list, but it was later added upon the demand of other departments and localities. Many of them were units of the People's Liberation Army (Nishikura Kazuyoshi, "What Does China's 'New Cold War' Diplomacy Aim For?" (in Japanese), *Sekai (World)*, May 1994) (Nishikura 1994).

accelerate the development of the ASEAN+3 framework. In 1997 and 1998, China–US relations developed smoothly, symbolized by the mutual visits by Jiang Zemin and Bill Clinton. However, the Chinese learned in 1999 that there were bound to be ups and downs in their relations with the US, and that friendly groupings with the neighbors would provide them with room for manoeuvre in difficult times with the superpower. Thus, China agreed for the first time in November 1999 to attend the Japan–ROK–China triangle summit meeting. In 2000 Jiang and Prime Minister Zhu Rongji both called on Japan to collaborate in promoting regional cooperation. Japan had persuaded China at the time of Jiang’s official visit to Japan in 1998 that the two countries should collaborate regionally as well as globally, but this time it could not clearly understand China’s message and failed to respond in a positive way. Thus, much to the surprise of the Japanese side, China went ahead in November 2000 to propose an FTA with ASEAN and started negotiating the following year.

In sum, this was a period when new trends emerged in Sino–Japanese relations. While there was a boost in economic exchange due to China’s acceleration of reform and opening, sharp frictions emerged in the areas of history and security. This basically stemmed from the change in the international environment caused by the collapse of the Soviet Union, the contrast between the stagnating Japanese economy and the catapulting Chinese economy—the latter made possible by a breakthrough in domestic politics—the surfacing of historical revisionism in Japan, and the strengthening of patriotic education by the new generation of leaders in China. China’s nominal GDP was growing rapidly, but in 2001 it was still less than one-third of Japan’s.³⁵ It was the Chinese side that sensed a bigger threat as it was faced with a democratizing Taiwan, the redefinition of the Japan–US alliance, and confrontation with ASEAN in the South China Sea. It is true that the bilateral relationship was strained at times by a combination of factors such as Taiwan, nuclear testing, and history, but we should not overlook the fact that the benefits of cooperation were substantial, and the countries generally upheld conciliatory policies towards each other.

³⁵According to the IMF, China’s was 1324.81 (billion US dollars), while Japan’s was 4159.86 (*ditto*).

2002–2016

The factors that initiated changes in the previous period were amplified in the fourth decade of Japan–China relations after normalization. China joined the WTO in December 2001, which further boosted the economic exchange between the two countries. The resultant surge in China’s economic development lifted its international status, but also exacerbated its social contradictions despite the attempt by the Hu Jintao administration to create a “harmonious society”. Much of Hu’s first 5-year term overlapped with the Koizumi Junichiro cabinet in Japan. Koizumi pushed for economic liberalization and succeeded in maintaining a strong relationship with the US, but his repeated visits to the Yasukuni Shrine disrupted Japan’s political relationship with China. The Democratic Party of Japan’s (DPJ) victory in the 2009 general elections marked the start of a new phase in Japan–China relations. The US under the Bush administration and China cooperated in their anti-terror activities in the wake of the 9/11 terror attacks in the US. The 2009 Obama administration commenced with hopes of building a global partnership with China but was soon engaged in a rebalancing policy in Asia as China increased its assertiveness and caused much friction with its maritime neighbors, including Japan. In 2012, Xi Jinping and Abe Shinzo emerged as the top political leaders in China and Japan respectively. Both happened to be markedly more nationalistic than their immediate predecessors.

Perceptions/Emotions

Japanese emotions towards China took a sharp downturn in 2004 after the display of strong anti-Japanese sentiments by spectators at the Asian Cup soccer games held in China. The Japanese team was jeered loudly, Japanese spectators were bullied at each game, and the Minister of the Japanese Embassy’s car was mobbed and its window smashed after the final game in Beijing between Japan and China. According to the annual survey conducted by the Cabinet Office of Japan, emotions towards China dipped again in 2005 when fierce anti-Japanese demonstrations took place in a number of Chinese cities in the spring. Sharp declines recurred in 2010 and 2012 when violent anti-Japanese demonstrations followed the Senkaku (Diaoyu) trawler collision incident and the Japanese government’s purchasing of the Senkaku Islands from a private owner.

In China a view seems to be prevalent that the Japanese perception of China has deteriorated because the Japanese feel overshadowed by China's rise. However, the survey results indicate that the Japanese perception has been affected by the occurrence of various incidents.³⁶ The dip in 2002 most likely was related to the Shenyang Consulate-General Incident, in which North Korean refugees who had run through the gate into the Japanese Consulate-General seeking refuge were taken away by Chinese officers. This prompted the Japanese media to level a scathing critique of the violation of Japanese sovereign rights and the weak-kneed approach by the Japanese Ministry of Foreign Affairs. However, the survey results indicated an upturn in the Japanese perception of China in the following year, 2003. In 2006, a year after violent anti-Japanese demonstrations in China, it improved again. After maintaining the same level in 2007, it went down in 2008 which was marked by a poisoned frozen dumpling incident and a row over the Beijing Olympic torch relay in Nagano, Japan.³⁷ However, the survey result picked up again in 2009 when there were no salient incidents.

On the other hand, the Chinese were upset by the repeated annual visit to the Yasukuni Shrine by Koizumi Junichiro after he became Prime Minister in 2001. Soon after his first visit to the Yasukuni Shrine, in October 2001 Koizumi also visited the Anti-Japanese War Memorial Museum in the suburb of Beijing and expressed his apology and remorse for the war. Although he issued an elaborate statement to the same effect on the 60th anniversary of the end of World War II in 2005, the Chinese leaders felt betrayed as they had expected Koizumi to follow the precedence of Nakasone and Hashimoto who refrained from going to Yasukuni for a second time.

Another issue that aroused the Chinese was Japan's bid to become a permanent member of the United Nations Security Council. After Secretary-General Kofi Annan issued a UN reform report in March 2005, in which he recommended expanding the Security Council and including Japan in it, an opposition campaign started on the Internet,

³⁶See Cabinet Office, Government of Japan, *Public Opinion Survey on Diplomacy*, 14 March 2016.

³⁷In December 2007 and January 2008, some Japanese were hospitalized after eating frozen dumplings imported from China. The Japanese police strongly hinted that the dumplings had been poisoned in China, but the Chinese authorities vehemently denied the accusation. Eventually, a culprit was arrested in China in March 2010.

first among Chinese living in the United States and then quickly spreading to mainland China. What added fuel to the flames was incorrect information in the media that was disseminated through the Internet. For example, *The International Herald Leader* (*Guoji Xianqu Daobao*) reported in March 2005 that Asahi Beer and other Japanese multinational companies were supporting the controversial Japan Society for History Textbook Reform, which proved to be untrue.

However, after the eruption of anti-Japanese sentiments in the spring of 2005, Chinese perception of Japan gradually improved. According to the annual opinion survey conducted jointly by the Genron NPO of Japan and *China Daily*, the percentage of Chinese holding a favorable view of Japan increased steadily from 11.6% in 2005 to 38.3% in 2010.³⁸ Perhaps the increase in information through the Internet and the rapid growth of the number of Chinese visiting Japan contributed to this trend.

Abe Shinzo succeeded Koizumi in 2006 and Beijing was his first visit abroad as Prime Minister. Abe's approach to Yasukuni at this time was to neither confirm nor deny that he would visit the Shrine. Both sides frankly exchanged views on the Yasukuni Shrine. It was then declared in the Joint Press Statement issued immediately after the summit meetings that both Tokyo and Beijing would strive for the construction of a mutually beneficial relationship based on common strategic interests. On this basis, Wen Jiabao visited Japan in April 2007 and in his speech to the Japanese Diet remarked: "The Japanese Government and leaders have on many occasions stated their position on the historical issue, admitted that Japan had committed aggression and expressed deep remorse and apology to the victimized countries. The Chinese Government and people appreciate the position you have taken."³⁹

A symbolic episode occurred after the Sichuan earthquake in May 2008 when the Xinhua News Agency distributed a photo of a Japanese

³⁸<http://www.genron-npo.net/world/genre/tokyobeijing/post-240.html>. The survey in 2010 was conducted in the summer, before the trawler collision incident.

³⁹The official English translation of the speech available at <http://www.fmprc.gov.cn/eng/zxxx/t311107.htm>. For the exchange of views between Japanese and Chinese leaders on the Yasukuni Shrine, see Akio Takahara, "The resilience and fragility in Japan-China relations", in N. Swanström & R. Kokubun (Eds.), *Sino-Japanese relations: The need for conflict prevention and management*, (Newcastle upon Tyne: Cambridge Scholars Publishing, 2008), pp. 35–46.

rescue team bowing solemnly in front of the bodies they had found under the debris, about which the Chinese media, including many web-sites, were full of praise. In fact, humanitarian assistance from Japan to China never ceased but increased despite the political row between the two countries.⁴⁰ What followed the violent anti-Japanese demonstrations in 2005 were efforts to increase communication and mutual understanding at various levels.

The Japanese Genron NPO tied-up with *China Daily* and initiated the Tokyo–Beijing Forum which has provided a large-scale, annual platform for dialogue between politicians, business leaders, academics, and journalists since 2005. Students of the University of Tokyo and Peking University, the leading universities in the two countries, got together and spontaneously launched Jing Forum. This bi-university student association has annually organized an exchange program of joint research and discussion since 2006. Upon the recommendation of the New Japan–China Friendship Committee for the twenty first Century, in 2007 Prime Minister Abe introduced the JENESYS (Japan–East Asia Network of Exchange for Students and Youths) Program, through which around 4000 Chinese youths were invited to Japan every year.⁴¹ From China, a rescue team and other assistance was generously provided to Japan at the time of the Great East Japan Earthquake in March 2011.

Despite these efforts, bilateral public sentiments plunged as a result of the clash over the Senkaku (Diaoyu) Islands in 2010 and 2012 and subsequent media reporting. In fact, the political sensitivity of information dissemination stood out in China. Final products of the government-sponsored joint study of history, which was conducted from 2006 to 2009, were not published in full form due to intervention by the Chinese government. As regards the Senkaku trawler collision incident, according to the Japanese side, the trawler finally stopped after ramming

⁴⁰For example, the number of Japanese NGOs directly engaged in China’s “greenification” increased steadily from 29 in 1999 to 81 in 2004. See Takahashi Tomoko, “The Development of Greenification Activities by Japanese NGOs in China” (in Japanese), *Gendai Chūgoku*, No.79 (August 2005), p. 88 (Takahashi 2005).

⁴¹For the overall program, see <http://www.mofa.go.jp/mofaj/area/jenesys/index.html>. 2008 was designated as the Japan–China Youth Friendship Exchange Year and saw an expansion of the China program. See the following website of the Japan–China Friendship Center, which has been a major organization in charge of implementation: http://www.jcfc.or.jp/blog/archives/category/activity/exchange_invite-activity.

into two coast guard vessels. On the Chinese side, however, Xinhua News Agency reported that afternoon that it was the coast guard vessels that rammed into the trawler, and next day put up a drawing of two big coast guard vessels ramming into the side of the small trawler with their bows. Judging from the fact that there was no visible damage to the trawler, and from the video footage of the crash that was leaked by a member of the Japanese coast guard, the Xinhua drawing was a sheer fabrication.⁴² On the Japanese side, there is also critique among the public that the media tends to report on China in a sensational and negative fashion and have contributed to the deterioration in Japan–China relations.⁴³

Thus, history and territory impeded the improvement of perceptions about the other side and emotions began to deteriorate in a serious way. However, while over 90% of the public had a negative image of the other side in both Japan and China in 2013, over 70% of them in both countries considered the bilateral relationship important.⁴⁴

Economic Interests

Globalization and China's reform and opening interacted with each other even more closely after China joined the WTO in December 2001. The growth rate of Japanese exports to China declined from 30.4% in 2000 to 2.2% in 2001 due to the abovementioned trade dispute. However, it picked up to 28.2% in 2002 and reached a staggering 43.6% in 2003. In 2004, Japan's trade with China totaled US\$168 billion, and for the first time in post-World War II history China surpassed the US and became Japan's largest trading partner. In 2012 the figure amounted

⁴²The leaked video footage is available at <http://www.youtube.com/watch?v=sVVM2AmvD5U>. The drawing can be viewed at http://news.xinhuanet.com/world/2010-09/08/c_12529310.htm. At the Tokyo–Beijing Forum held in Beijing in August 2011, the editor of *Xinjing Daily* openly regretted using this drawing in her paper, saying they should not have used any material that had not been confirmed as real.

⁴³For discussions of the current situation in the media and ways to overcome problems, see Dan Yakuchu (ed.), *Nittyu Tairitsu wo Koeru "Hasshin Ryoku"* ["Transmission Power" to Overcome Japan–China Antagonism], (Tokyo: Nihon Kyoho Sha, 2013) (Dan 2013).

⁴⁴For this gap between emotion and reason, see the result of the joint public opinion survey by the Genron NPO and *China Daily* at <http://www.genron-npo.net/world/genre/tokyobeijing/post-240.html>.

to US\$334 billion.⁴⁵ Japanese investments nosedived a year after the trade dispute but bounced back in 2003 with a growth rate of 50% on contract basis compared to the previous year. While the amount of Japanese investment in China on implementation basis was US\$4.2 billion in 2002, it reached US\$7.4 billion in 2012.⁴⁶

In contrast to the political aspect of bilateral relations which became tense after Koizumi's visit to the Yasukuni Shrine, economic ties were strengthened. This contradictory situation was called *zhengleng jingre* in Chinese or *seirei keinetsu* in Japanese, meaning "cold politics, hot economics." Koizumi himself repeatedly remarked that China's rise was not a threat but provided an opportunity. In 2005, however, the Japanese government informed the Chinese government that it was high time to cease the provision of yen loans, and both sides agreed not to start new yen loan projects in 2008, the year of the Beijing Olympic Games.⁴⁷

Despite the chill in the air caused by the poisoned dumpling incident and the troubles over the Olympic torch relay in Nagano, President Hu Jintao made a state visit to Japan in May 2008. Hu and Prime Minister Fukuda Yasuo, the son of Fukuda Takeo who was Prime Minister when the Peace and Friendship Treaty was concluded thirty years before, signed a new joint statement and agreed upon seventy items for exchange and cooperation. One of the foci in the agreement was bilateral cooperation for sustainable development, particularly in the area of energy and environment.

In this context, a month after the Hu visit the two governments reached a set of remarkable agreements on cooperation in the East China Sea: one was the agreement to jointly explore and develop a designated spot in the East China Sea; the other permitted Japanese firms to participate in the development of the Shirakaba (Chunxiao) oil and gas field, according to Chinese law. This was an epoch-making achievement as the two countries had been disagreeing for years over the delimitation of the Exclusive Economic Zones (EEZ), with Japan arguing for a line equidistant between the coasts and China arguing for the end of the continental shelf. The agreements were based on putting the dispute aside

⁴⁵Trade figures are from the website of the Northwest Pacific Region Economic Center: <http://www.near21.jp/kan/data/trade/trade2/jcsuii.htm>.

⁴⁶Investment figures are from the website of the Japan–China Economic Association: <http://www.jc-web.or.jp/JCCont.aspx?SNO=001&b=023&s=038&k=073>.

⁴⁷Hattori and Marukawa, op. cit., pp. 299–306. This did not mean the end of Japanese ODA to China, since grants and technical cooperation continued to be provided.

and getting on with cooperation. However, this caused uproar in China, since many found it unacceptable that the joint-exploration spot was on the intermediate line. As a result the Chinese government became reluctant to hold negotiations for the implementation of the agreements.

It was no surprise that Japan decided to stop providing yen loans to China, which enhanced its presence in the world economy, especially after the 2008 bankruptcy of Lehman Brothers in the US triggered the world financial crisis. China succeeded in pulling itself quickly out of the crisis through a massive expansion of domestic demand, and was looked upon by the rest of the world to play a central role in G20 and be an engine of the world economy.

Together with the rest of the world, the Japanese economy was seriously affected by the world financial crisis. Its economic growth rates were in the negative in both 2008 and 2009, and in 2010 Japan's GDP was finally overtaken by China. A result was a growing sense in China that Japan was not important any more, and that Japan was more economically dependent on China than the other way round.

This could be seen in China's desperate countermeasures against Japan when the Chinese captain was arrested for ramming his trawler into Japanese coast guard vessels in September 2010. In addition to complicating and delaying the customs clearance of Japanese cargo and halting the export of rare earth, the Chinese government advised their people not to go sightseeing in Japan. It even postponed an invitation to 1000 Japanese youths to visit the Shanghai Expo, a day-and-a-half before their planned departure. After the Chinese officials warned that Japan would be responsible for any results stemming from the incident, chilling news broke out that four employees of a Japanese firm had been detained in Hebei province for allegedly entering a military zone without permission.⁴⁸

However, although China enjoyed a huge trade surplus and no longer needed any financial assistance from abroad, it did not mean that economic ties with Japan had become unimportant for China. First, the Chinese government did not lose its keenness to introduce Japanese technology, especially in energy saving and environmental protection.

⁴⁸Takahara Akio, "The Senkaku Trawler Collision Incident, September 2010", in Akikazu Hashimoto, Mike Mochizuki and Kurayoshi Takara (eds), *The Okinawa Question: Futenma, the US-Japan Alliance, and Regional Security* (Sigur Center for Asian Studies and Nansei Shoto Industrial Advancement Center), p. 91 (Takahara 2013a).

These were most important in achieving Hu Jintao's target of implementing scientific development and constructing a harmonious society. For instance, while other exchange programs were postponed or cancelled, China sent 400 delegates to the Japan–China Comprehensive Forum on Energy Saving and the Environment, held in Tokyo in October 2010, a month after the trawler collision incident. Second, the boost in China's domestic demand in the wake of the world financial crisis resulted in huge debts for local governments, which became even more eager to introduce Japanese investments. Third, China remained keen to explore and develop regional free trade agreements, in which Japan was a key partner.

This was the period in which economic relations between Japan and China were boosted by China's reforms and growth, which in turn were caused by its admission into the WTO. Economic ties were not sufficient conditions for a good political relationship, but they constituted an important pillar that supported the overall relationship between the two nations and provided the main element of resilience within it.

Domestic Politics

In this period the interaction between diplomacy and domestic politics seemed more salient than ever in both countries. Koizumi Junichiro had not been a keen visitor to the Yasukuni Shrine before he became Prime Minister. Originally, it seemed the motives of his visit centered on luring the votes of the Japan War Bereaved Association members in winning the LDP presidential election. Increasingly, however, Koizumi began to see the issue as a diplomatic tug-of-war with China, as the Chinese leaders gradually escalated their protest and eventually refused to meet Koizumi even in third countries.

Abe Shinzo, though an ideological right winger, repaired and lifted the bilateral relationship upon becoming Prime Minister to an even higher stage of "strategic, mutually beneficial relations." In fact, Japanese public opinion at that time was increasingly critical of Koizumi's diplomacy towards China. Seizing this opportunity, the opposition parties, the largest of which was the Democratic Party of Japan (DPJ), were ready to criticize the hawkish tendency of Abe at the extraordinary meeting of

the Diet called at the end of September 2006. However, Abe outmaneuvered his critics by the blitz tour around China and South Korea.

In 2009 the DPJ achieved a landslide victory in the general election. Prime Minister Hatoyama Yukio seemed to be making a pro-China stance one of the basic planks of his foreign policy. At the Japan–China–ROK leaders' summit in Beijing in October 2009, Hatoyama said that Japan had been too dependent on the US in the past and that although Japan would continue to regard Japan–US relations as most important, it would put greater emphasis on Asia in its policies in the future. When DPJ Secretary General Ichiro Ozawa visited China with 143 of the party's Diet members in December that year, Hu Jintao responded to a request from Ozawa by shaking hands and being photographed with the representatives one by one. Vice-President Xi Jinping visited Japan immediately after this, and the DPJ government went to considerable lengths to arrange a meeting with the Emperor despite the short notice.

Nevertheless, Hatoyama fell when he could not fulfil his promise to find an alternative to the US Marine Corps Futenma Airfield outside Okinawa. At the time of the Senkaku trawler incident in September 2010, the DPJ was in the middle of an election campaign to choose their leader. In addition, they still had not sorted out how to adjust their pledged and unsophisticated distancing of bureaucrats from policy making. There is little doubt that the DPJ government was not adept at handling such a delicate diplomatic issue as it occurred. In the end, DPJ Prime Ministers Kan Naoto and Noda Yoshihiko returned to Japan's conventional stance to seek both the strengthening of the Japan–US alliance and the promotion of Japan–China relations, but disagreement over the Senkaku (Diaoyu) Islands prevented the latter. It is hard to deny that the tough and aggressive posture of China against Japan contributed to the advent of a hawkish LDP president. At the end of 2012, the LDP led by Abe won a landslide victory in the general election and formed a coalition government with the Komei Party.

There are unmistakable signs that on the Chinese side Hu Jintao and Wen Jiabao sought for friendly Japan–China relations on many occasions. To begin with, their approaches towards China's challenges shared a basic difference from that of the previous administration. Jiang Zemin had emphasized the severity of international competition in order to

arouse a sense of crisis and urge the CCP members to unite.⁴⁹ On the other hand, faced with a plethora of social contradictions caused by the rapid economic growth under the leadership of Jiang, Hu Jintao argued for balanced development and the building of a “harmonious society.” With a view to allaying the China threat theory, Hu extended this idea and started arguing for building a “harmonious world” in September 2005. However, no political leader toed his line until the August 2006 Central Work Conference on Foreign Affairs, to which the top leaders of all the localities and departments were summoned. There Hu Jintao emphasized the linkage between foreign affairs work and the grand picture of domestic work, and also stressed the need for all to follow the policy line and the strategic arrangements presented by the Party center. The message was clear: diplomacy must serve the need of domestic development, and deviation from Hu’s policies was not allowed. What followed was the dismissal in September of Chen Liangyu, a protégé of Jiang and Party Secretary of Shanghai, and the invitation of the new Japanese Prime Minister Abe Shinzo in October, on the opening day of the important plenary meeting of the Central Committee.

However, Jiang Zemin’s abovementioned line of thought stressing ferocious competition with foreign countries for the unity and solidarity of the Party and the nation never disappeared. Wen Jiabao’s April 2007 speech in Tokyo, in which he accepted the Japanese apology for past aggression, was not taken up by any other Chinese leader. We have already mentioned how the June 2008 agreement on jointly developing the East China Sea was stalled by nationalistic opposition in China. In fact, as many of the intended reforms for the building of a harmonious society were hampered by opposition from vested interests, people’s dissatisfaction with the present and anxiety about the future mounted further, despite the amazing growth in the macro-economy and a consequent boost in national self-confidence. People’s frustration was caused by factors such as aggravating corruption and nepotism, which led to the shrinking of the Chinese Dream; environmental degradation, especially water shortage in northern China and nationwide air pollution; and creeping inflation and stagnation in the rise of living standards among a substantial portion of the population.⁵⁰

⁴⁹Robert L. Kuhn, *Ta Gaibian le Zhongguo: Jiang Zemin Zhuan* [The Man Who Changed China: the Life and Legacy of Jiang Zemin] (Shanghai Yiwén Chubanshe, 2005) p. 419 (Kuhn 2005).

⁵⁰The officially announced figure of the Gini coefficient in 2010 was 0.48, well beyond the threshold point of 0.4 and into the danger zone of social instability (*People’s Daily*, 19 January 2013). According to a survey result announced by the All-China Federation of Trade Unions in March 2010, 23.4% of staff and workers had not had a pay rise in the previous 5 years (Report on the National People’s Congress, MSN Chinese Net, 9 March 2010, at <http://money.msn.com.cn/finance/internal/100949.shtml>).

Such mixed psychology seems to have provided fertile soil for excessive nationalism to grow. *China Dream (Zhongguo Meng)*, a book published in early 2010 by a colonel and professor of the National Defense University, maintained that China's Era has come and that the nation must develop its military might to overtake the United States and become the "champion country."⁵¹ The book title was symbolic of how assertive nationalism could spark the imagination of the anxious and resentful people: the Chinese Dream, comparable to the American Dream of an individual is gone, but the China Dream of the nation can make up for the loss. It cannot be a coincidence that China Dream became the pet slogan of the new administration led by General Secretary Xi Jinping, who succeeded Hu Jintao in November 2012.

At the same time, social dissatisfaction with the present led to a rise in leftism highly critical of reform and opening. The significance of this to Sino-Japanese relations existed in the affinity between leftism and nationalism, which was amply displayed in September 2012 when demonstrators carried photos of Mao Zedong during the anti-Japanese demonstrations.

International environment and security/sovereignty concerns

This period saw an increase in the importance of security issues in Sino-Japanese relations. This was due in part to the rising need for cooperation in dealing with the issue of North Korean nuclear and missile development. Even when Japan and China were engaged in a heated debate over Koizumi's Yasukuni visits, they collaborated well in the Six Party Talks framework led by China since 2003. There was also the newly developing problem of non-traditional security threats such as terrorism and piracy. The Japanese Maritime Self Defense Force (JMSDF) and the PLA Navy collaborate against piracy off the coast of Somalia, and in 2010 the largest number of foreign ships that the JMSDF protected belonged to Chinese companies.⁵²

⁵¹Liu Mingfu, *Zhongguo Meng* [China Dream] (Zhongguo Youyi Chubun Gongsi 2010) (Liu 2010).

⁵²See the *2010 Nen Kaizoku Taisho Report (2010 Anti-Piracy Activities Report)*, at <http://www.mod.go.jp/j/approach/defense/somaria/kanren/sonota/2011/pdf/0203.pdf>.

However, along with the increase in China's military capabilities and concrete incidents, Japan began to sense a potential threat. For instance, in November 2004 a Chinese nuclear submarine trespassed into undisputed Japanese territorial waters without surfacing. In fact, China's Marine Surveillance research vessels had started intruding into Japanese territorial waters since 1996. In 2001, Japan and China agreed to inform the other side in advance of the activities of ocean research vessels in designated waters, but the Japanese made repeated protests that the Chinese side often violated the agreement.

China also advanced steadily towards the Senkaku (Diaoyu) Islands. It was the 110th anniversary of the birth of Mao Zedong on 26 December 2003 that the China Federation for Defending the Diaoyu Islands was established. Then in March 2004, seven activists sent by the Federation landed on Uotsuri-jima, the largest island, and were arrested and deported by the Japanese authorities according to the Immigration Control and Refugee Recognition Act. In 2006, the China Marine Surveillance of the State Oceanic Administration established the Regular Patrol System to Protect Interests in the East China Sea. Then in December 2008 two of their patrol boats trespassed into the territorial waters around the Senkaku Islands for the first time with a clear aim to claim sovereignty, and loitered for 9 h. Their intrusion into the contiguous zone and territorial waters increased after the trawler rammed the coast guard vessels in September 2010. Even without the provocation by the Tokyo Governor Ishihara Shintaro, who declared that the Tokyo metropolitan government would purchase three of the islands from a private owner, and the actual purchase by the Japanese government in September 2012, there were clear indications that sooner or later there would be a clash between the two countries over the Senkaku (Diaoyu) Islands.

In Taiwan, the Taiwanese Democratic Progressive Party led by Chen Shui-bian came to power in 2000, and there were concerns in Beijing about its inclination for independence, especially in Chen's second term that started in 2004. This was linked somewhat to another concern about Japan becoming a "normal country," discarding the post-World War II limitations on its security policy. Discussions in Japan on arms exports and collective self-defense were no longer taboo, and concrete proposals were made by the LDP to amend Article 9 of the Constitution.

However, there seemed to be a tendency that discussions in China exaggerated the intentions of Japan. In February 2005, when Japan

and the US announced their common strategic objectives that included encouraging the peaceful resolution of issues concerning the Taiwan Strait through dialogue, it was loudly reported in China that Japan openly supported Taiwan's independence and planned to defend it if hostilities broke out.⁵³ The Director of the Strategic Research Office at the Naval Strategic Institute seemed to believe that Japan's 2004 Defense Program Guideline listed China as the major threat for the first time, that Japan planned to intervene in the Taiwan Strait affairs, and was willing to use its military strength and fight for China's land and sovereignty.⁵⁴ From the Japanese perspective, it seemed truer that the Chinese side was spreading the Japan Threat Theory with much mirror imaging at work. It was already worrisome then that the Japan Threat Theory was gaining currency in Chinese society, adding fuel to the rising flame of assertive nationalism.

In sum, this was a period when there was a rapid change in the regional balance of power as China's economic and military clout strengthened with remarkable speed. Because of China's maritime advancement Japan was feeling China's military threat for the first time. However, China for its part was not fully confident either. Assertive and even aggressive language and behavior emerged out of the revival and strengthening of a big power mentality, combined with the remaining victim mentality and the anxiety among the leadership about losing their legitimacy. A heightened level of economic interdependence and cultural exchange between Japan and China provided resilience in the bilateral relationship, but that was not sufficient to prevent an increase in tension and competition in the realms of politics and security.

After the advent of two strong leaders in both Japan and China towards the end of 2012, there was a political stalemate. The basic position of Japan was as follows. First, Japan could not accept any change in the status quo by physical force, which was against international norms and the spirit of the Japan-China Peace and Friendship Treaty. As long as China's maritime advancement and intrusion into its territorial waters continued, Japan had to hedge by reinforcing its alliance with the US. The Abe cabinet in 2015 introduced new security legislation that

⁵³ See, for instance, *Huanqiu Shibao*, 21 February 2005.

⁵⁴ *People's Daily*, 22 July 2005.

allowed the implementation of the right of collective self-defense, which required a reinterpretation of the peace constitution.

Second, Japan argued they should not let disagreements over the Senkaku Islands and the Yasukuni Shrine disrupt bilateral relations as a whole. They suggested that these issues have existed for decades and that both countries have been able to manage them and while still developing their ties. Thirdly, Japan noted that China and Japan were the world's second and the third largest economies, and they both held the responsibility to mend their relationship. Therefore, Japan contended that the two countries should talk things over, and the leaders should meet without any conditions.

In the light of Abe's conservative inclination and perhaps because of seeing a mirror image of China's domestic situation, his visit to the Yasukuni Shrine in December 2013 was widely interpreted in China as an attempt to whip up nationalistic sentiments and garner public support. In November 2014, when Abe and Xi Jinping met for the first time on the sidelines of the APEC summit meeting held in Beijing, it was the Chinese side that changed its policy towards Japan. First, near-miss incidents involving military aircraft occurred in May and June that year in the overlapping Air Defense Identification Zones of the two countries over the East China Sea. This heightened the alert of Xi as well as Abe since an accident could lead to an escalation of the situation. There was a need to improve the political atmosphere so that the two sides could negotiate and operationalize mechanisms for maritime and airborne communication and crisis management.

Next, the Chinese leaders realized that Japanese investment to China was falling and that was exacerbating the downturn of the economy. According to China's Ministry of Commerce, in January–September 2014 it fell by 42.9% compared to the previous year. Minister of Commerce Gao Hucheng admitted to a delegation of Japanese business people that politics affecting economics was something he did not want to see.⁵⁵

In terms of domestic politics, a ferocious anti-Japanese media campaign beginning in September 2012 had created an atmosphere in which showing understanding to Japan was seen as politically incorrect. Thus, only a leader with power and authority could resist the unavoidable criticisms from among both the populace and his political rivals and adopt

⁵⁵ <http://www.asahi.com/articles/ASG9R5F25G9RULFA009.html>.

a friendly policy towards Japan. Through the successful anti-corruption campaign, Xi Jinping had sufficiently consolidated his power base.

Interestingly, however, even after Xi Jinping issued a clear signal to improve China's relations with Japan, criticisms against Abe and his government never ceased. It seemed this was mainly because the economic downturn continued and the leadership became gravely worried about the rise in dissatisfaction at the societal level. Xi Jinping apparently wanted to keep playing the Japan or Abe card to arouse nationalistic sentiments and assist him in garnering public support. Japan's opposition to China's behavior in the South China Sea invited bitter criticism from the Chinese government and media.

Also, Xi Jinping's authority was challenged more openly in the first half of 2016. Xi's attempt to acquire the title of the "core of the party center" was frustrated in the spring, which was a substantial blow to his authority. There even emerged an open letter to Xi Jinping signed by "a loyal Party member," which was posted on an official website and cited his mistakes in economic management, media control, diplomatic isolation, etc., and called on him to resign.⁵⁶ Xi eventually pushed back, however, and successfully gained the title of the "core" at the Sixth Plenum of the 18th Party Central Committee in October. As always, signs of power struggle did not bode well for the development of Japan-China relations.

CONCLUSION

A review of the 44 years of diplomatic relations between Japan and China indicates that there is a qualitative difference in the relationship in the first 20 years and the latter 24 years. First, regarding perceptions and emotions, the 1989 June 4th Incident had a sobering effect on the Japanese people. Until then, a romantic idea of China, represented by the images of pandas, the Silk Road, or Tang dynasty poems was dominant. June 4th was followed by nuclear tests and missile drills in the 1990s, the increased assertiveness in China's maritime claims in the 2000s, and the display of anti-Japanese sentiments in violent demonstrations in 2004, 2005, 2010, and 2012. In addition, there has been an increase in the number of Chinese living in Japan and also an increase

⁵⁶"An Open Letter by A Loyal Party Member Urging Xi Jinping to Resign", <http://news.creaders.net/china/2016/03/05/1647666.html>.

in crimes conducted by a small part of them. Then there was the seemingly irresponsible attitude of the Chinese government in handling the poisoned dumpling case. These factors negatively affected the sentiment of ordinary Japanese who tend to treasure the value of safety in daily life more than some remote territory or oil resources.

At first, the Japanese generally sensed they were ahead of China in terms of economic development. Then they lost self-confidence in the Japanese model of management and development when the economic bubble burst in the early 1990s. Some Japanese began to feel overwhelmed by the rise of a giant next door and attempted to regain confidence by beautifying the past. There was also a change in generations. The Japanese who lived through the war generally held a strong sense of remorse. Usually, they were willing to help China's modernization and accommodate the complaints and requests of the Chinese in the dealings.

On the Chinese side, Japan was introduced to the Chinese in the 1970s and 1980s as a model of modernization. Japan was close to China, geographically and historically, while the Western countries generally were less aware of China's economic potential. In the 1990s, the glamor of the Japanese model faded, the US economy recovered, and the Western nations advanced into China both economically and culturally in a big way.

Against this tide of westernization, Jiang Zemin promoted patriotic education in the wake of June 4th and in the transition of power from Deng Xiaoping. Although it probably was not aimed to do so, patriotic education did in fact result in reproducing a victim mentality and strengthening anti-Japanese sentiments among the Chinese population.

However, there has recently been a significant increase in communication between the two peoples thanks to technological development, mainly through the Internet, and an increase in tourists and exchange students. The effect of the Internet on people's perceptions remains uncertain, though, since it is a means that could amplify incorrect information and exaggerate certain aspects of the truth.

Second, regarding economic interests, a win-win situation in the economy has constituted the basis of resilience in Japan-China relations throughout this period. Until 1992, China's path of marketization was unstable. Japan strongly supported China's reform and opening, through ODA for example, or by engaging China after the June 4th Incident, and later by supporting its WTO bid. China benefited greatly from such

support, no less than Japan and the rest of the world did from China's development. The rise of China went hand in hand with globalization, which was promoted by the ending of the Cold War. Especially since 1992, the Japan–China economic relationship entered a new stage because of a policy breakthrough in China that was made possible by Deng Xiaoping's southern tour and the political change that followed.

From the Chinese point of view, the relative importance of having a rich and helpful neighbor gradually decreased due to its own development and to the inflow of capital and technology from other sources. On the other hand, the importance of China to Japanese firms as a production base and market increased greatly until 2012, when political risk as well as the price of labor started to increase substantially.

In the 1970s and 1980s, Japan was desperate to diversify sources of energy imports, and China emerged as a new target. Initial ODA projects were concentrated on constructing infrastructure related to energy production and transportation. Since the early 1980s, Japan and China jointly explored the Bohai Sea, but unfortunately their efforts did not bear much fruit. Recently, it is the other way round, and the Chinese have become desperate for energy. In 2008, Japan and China agreed on jointly developing the East China Sea, which was a remarkable diplomatic achievement. Since then, however, the Chinese side has been unable to implement the agreement because of internal, nationalistic opposition.

Third, regarding the impact of domestic politics on diplomacy towards the other country, on the Japanese side, the pro-Taiwanese elements in the LDP initially wielded substantial influence. This gradually faded due to generational change as well as the political changes in Taiwan.

However, because of the increase in friction and the rise of anti-Chinese sentiments in Japanese society in the 1990s and onwards, what is seen by some in the Japanese political context as kowtow diplomacy towards mainland China has been severely criticized and a resolute response (“*kizen to shita taiō*”) has been demanded.

On the Chinese side, China's Japan policy has always been a delicate political issue and an object of criticism from opponents of the leadership. Reviewing China's Japan policy even gives us the impression that the degree of solidity of the power base of the administration is reflected in its Japan policy; i.e., the more solid its power base, the more conciliatory its Japan policy will be.

Since the 1990s, the importance of nationalism increased greatly in China as a pillar of national integration and legitimacy of the government. As the example of the stalling of the East China Sea joint development shows, nationalistic sentiments are now a most significant factor in Japan–China relations. In order to improve the bilateral relations, governments and public intellectuals on both sides must collaborate to contain the heat of nationalism.

Fourth, regarding the international environment and security/sovereignty issues, concerns over security and sovereignty were always the top priority for China, with an initial focus on Taiwan. In contrast, the economy was always the top priority for Japan, until the clash over the Senkaku (Diaoyu) Islands. China is determined to develop its military might along with its economic growth, which is different from the Japanese path of post-war development.

With the demise of the Soviet threat, China's security concerns turned to maritime issues. Its Senkaku policy represented a sea change, shifting from not touching the issue to asserting sovereignty through action. This has caused Japan to see China as a potential military threat for the first time in modern history.

After the end of the Cold War, Tokyo decided to maintain and strengthen its alliance with Washington for the sake of stability in East Asia. This raised concerns in China that Japan was to become a “normal state” and that the alliance was aimed at containing China. Both sides must work on confidence building and achieving strategic coexistence so as to avoid falling into a security dilemma.

In fact, China has always been concerned about Japan becoming a military and political power. In the 1980s it seems the Chinese decided that, while they would seek economic cooperation with Japan for the sake of their modernization, they would criticize Japan for its distorted perception of history, the rise of militarism in that country, and its ambitions on Taiwan, no matter if such things actually existed or not. This is because the Chinese believed such criticisms would serve as leverage in checking a rising Japan.

In the latter part of the 1990s, a trend for regional integration emerged in East Asia. Both competition and cooperation between Japan and China exist in this context, but up to now the former is more salient. In fact, regional frameworks in East Asia have developed because there are real needs for them. Therefore, both sides should discuss the vision of the regional order in the future and explore specific areas for cooperation.

In addition, we can identify an increase in the actors involved in the policy processes, especially in China. In the days of Mao Zedong and Deng Xiaoping actors involved in foreign policy making were rather limited, although evidence suggests that the PLA navy was involved in sending fishing boats to the Senkaku (Diaoyu) Islands in April 1978. The propaganda department, which controlled the media, was a regular participant from the early days. Chinese official media were often more hard-line than the Ministry of Foreign Affairs. With the rise in maritime interests and on-line discussions since the 1990s, actors now include the PLA, maritime law enforcement agencies, energy firms, scholars, and netizens.

All in all, there is both resilience and fragility in Sino-Japanese relations. Resilience is based on economic cooperation and cultural and societal ties, while fragility rests on security, territory, historical issues, and a widening perception gap between the two nations. To improve the relationship, both sides must collaborate to strengthen resilience and mitigate fragility. For resilience, economic, cultural, and societal exchange should be promoted. The two countries should cooperate for human security in East Asia and join forces in fighting non-traditional threats of all sorts. Against fragility, the two countries need to implement security dialogue at all levels and with US involvement. In order to defuse tension, it is critically important to decrease misunderstanding and seek truth. In addition to military-military dialogue, media exchange, more joint history studies, and youth exchange, crisis management mechanisms are desperately needed, including effective communication lines between the top leadership.

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