

Issues in Sino-Japanese Relations: Cooperation, Competition and Rivalry

Dr. Masayo Goto

The historical legacy

1. **The Japanese invasion and occupation of China (1937-45): the “Rape” of Nanjing, Dec 1937 & other atrocities**

Between December 1937 and March 1938, Japanese troops captured the Chinese city of Nanjing and embarked on a campaign of murder, rape and looting. Between 250,000 and 300,000 people were killed, many of them women and children. The number of women raped was 20,000.

Yet many Japanese officials and historians deny there was a massacre on such a scale. They admit that deaths and rapes did occur, but say they were on a much smaller scale than reported. They argue these things happen in times of war.

2. Residual anti-Japanese sentiment

The Yasukuni Shrine

Dedicated to those who lost their lives in the name of the Emperor (the spirits of over 2.5 million people, including several class 'A' war criminals. Japanese Prime Ministers visit the Yasakuni Shrine ⇒ Miki Takoe in 1975, Nakasone in 1985 and Koizumi in 2001-2007

Textbook controversy

Tried to change a phrase that said “Japan invaded Northern China” to have it read “Japan advanced...” instead. ⇒ China protected this attempted censorship. There is no mention of the Rape of Nanking

3. Residual Japanese militarism

The Cold War period

1. Japan – part of the US containment of PRC.
2. The “Nixon shock”
3. Japanese Prime Minister Tanaka Visited China in 1972
4. Japan’s provision of ODA for infrastructural projects.
5. Not well received by China for fear of Japanese domination; a reminder of the “Greater Asia Co-prosperity Sphere”
6. Beijing’s preference for bilateral economic relations; Japan became China’s top trading partner in 1985, with bilateral trade totalling US\$16.4 billion.
7. Further Japanese loans; joint ventures, etc.

“Greater Asia Co-prosperity Sphere”

The Sphere was initiated by Prime Minister Kono in an attempt to create a Great East Asia, comprising Japan, Manchukuo, China, and parts of Southeast Asia. This was to establish a new international order seeking ‘co prosperity’ for Asian countries which would share prosperity and peace, free from Western colonialism and domination. Although Japan succeeded in stimulating anti-Westernism in Asia, the sphere never materialized into a unified Asia.

China for fear of Japanese domination ⇒

Memory of “Greater Asia Co-prosperity Sphere”

“Japan’s provision of ODA for infrastructural projects”

Japan decided to provide aid to China in the late 1970s as a result of the improvement of Sino-Japanese relations. In August 1978, they signed a peace and friendship treaty. Bilateral trade began to gradually grow from that point.

Japan's ODA for China comprises three parts: long-term yen loans, free grants and technical assistance. The bulk of the programme's funds are yen loans. From 1979 to April 2004, Japan extended 2.95 trillion yen (US\$28.9 billion) in government loans to China.

ODA projects in China included large-scale economic infrastructure projects, including the building of roads, airports and power stations, as well as infrastructure projects in medical and environmental areas. These projects have played a significant role in the realization of China's current economic growth.

* Japan has twice suspended ODA to China: in 1989 following the Tiananmen incident; and in 1995, in response to China's decision to continue nuclear testing.

Chinese comments on Japan's ODA

Premier Zhu Rongji said in November 1998, "China expresses its gratitude for economic cooperation provided to China by Japan." In 2000, "Japan's ODA has been a major help in the development of the Chinese economy and the construction of the Chinese state. It has also contributed substantially to the promotion of economic relations between the two countries." Later, Minister of Finance Huaicheng remarked, "Economic friendship and cooperation between China and Japan have supported the economic development of China, improved its investment environment, raised living standards of the people and actively contributed to the development of its human resources."

However the ODA failed to win the Chinese people's trust and promote favorable feelings towards Japan.

Issues in the 1980s

1. **Revisions of Japanese textbooks**
2. **Japanese officials visits to the Yasukuni shrine**
3. **China's trade deficit with Japan**
Surges in Chinese imports of Japanese goods, through various means and channels of trade, led China to accumulate serious trade deficits
4. **China complained about Japan reluctance to engage in direct investment and technology transfers.**
5. **China's "victim" mentality on the one hand and Japan's insensitivity on the other.**

The 1990s: closer economic cooperation

1. PM Kaifu visited China in August 1991
2. President Jiang Zemin's return visit in April 1992
3. Emperor Akihito's visit to China in Oct 1992
4. Premier Zhu Rongji visit to Japan in Feb 1994
5. In 1993, China became leading recipient of Japan's ODA and the second largest trading partner of Japan
6. Japan became China's largest trading partner until replaced by the US some years later.
7. Japan supported China at APEC and GATT.

Japan still a bridge too far on many fronts

1. International Monetary Fund figures show Japan's GDP per capita purchasing power parity was \$34,100 in 2008 - 24th in the world - while China's was only \$5,962 - 99th in the world.
2. China is still far behind Japan in environmental protection
3. Science and technology contribute up to 70 percent of Japanese economic growth, while China's proportion is only 39 percent.
4. Japan is still far ahead of China in energy efficiency and resource utilization.

It is difficult to say how many years China will take to catch up with Japan's overall development.

The bilateral relationship in most recent years

1. China is Japan's fourth-largest export market (second if HK is included) and second largest source of imports to Japan.
2. Japan is China's major source of imports and China's second most important export market. Japan's FDI is pouring into China, with Shanghai as a key destination.
3. Japan's trade with China surpassed Japan's trade with the US
4. The Japan-China-ROK Trilateral Summit : The first summit was held in 2008 in Fukuoka as an event independent from the various ASEAN Summit Meetings. At the Summit, discussions focusing on the progress and prospects of trilateral cooperation and the regional and international situation were held. The second Summit is held in October 2009 in China.

The bilateral relationship in most recent years

5. Sino-Japanese relations went through a five-year impasse over former Japanese PM Junichiro Koizumi's repeated visits to the Yasukuni Shrine.
6. Prime Minister Abe visited China in 2006 ("ice-breaking" visit to China)
7. Wen Jiabao, Premier of the State Council in 2007
8. Prime Minister Fukuda visited China in 2007
9. President Hu Jintao visited Japan in 2008 (He met Emperor Akihito)

Chinese president meets Japanese emperor

<http://www.youtube.com/watch?v=QNxOTRPMb4c&feature=related>

10. A “mutually beneficial relationship based on common strategic interests” (In 2008, A joint statement)

Background: China-Japan relations evolve

<http://www.youtube.com/watch?v=hoEN-4S9DjA&feature=related>

China and Japan seek closer ties - May 10

<http://www.youtube.com/watch?v=-ocpgO9805c>

Key points of China-Japan joint statement

<http://www.youtube.com/watch?v=8lxUpnokkGw>

On 10 October 2009, Prime Minister Hatoyama visited China for the first time for the second trilateral leaders' meeting of China, Japan and the Republic of Korea, and for promoting a "Mutually Beneficial Relationship Based on Common Strategic Interests".



Chinese Premier Wen Jiabao meets with Japanese Prime Minister Yukio Hatoyama in Beijing, capital of China, Oct. 10, 2009.

Chinese Premier Wen Jiabao meets with Japanese Prime Minister Yukio Hatoyama

Wen noted that they should continuously increase strategic efforts and comprehensively boost cooperation in the principle of the four political documents between China and Japan, so as to further enhance their relations and achieve the goals of peaceful coexistence, friendship for generations, reciprocal cooperation and common development between the two countries.

Under a China-Japan principled consensus on the East China Sea issue, reached in June, 2008, both China and Japan will, through joint exploration, select by mutual agreement areas for joint development in the block mentioned by the consensus under the principle of mutual benefit.

Hatoyama has emphasized his desire to assuage sensitivities over Japan's history of invasion and occupation in China before and during World War II. He has the "courage to face up to history."

Leaders of China, Japan, South Korea discussed North Korea nuclear issue. North Korea should not be given aid until it begins to dismantle its nuclear weapons program.

Chinese Premier Wen Jiabao, Japanese Prime Minister Hatoyama and South Korean President Lee Myung Bak pledged in a joint statement to "work closely together through strengthened dialogue" to push through a new global climate accord, which is meant to replace the Kyoto Protocol.



President Hu met with President Lee Myung-bak of the Republic of Korea and Japanese Prime Minister Hatoyama in Beijing on 10 October. They came to China to attend the second trilateral leaders' meeting.

President Hu said he hopes the three countries to facilitate east Asian cooperation and jointly respond to regional hot issues and global challenges to unveil a new chapter for peace, cooperation and development of east Asia.

Lee Myung-bak said the three countries had made great achievements in expanding cooperation in the past ten years. "China's economy is now stabilizing and turning for the better, which plays a positive role in promoting economic recovery of the ROK and Japan"

Hatoyama told Hu the Japanese government would like to cooperate closely with China to boost bilateral ties in a spirit of drawing lessons from history and facing up to the future. He also expressed satisfaction over the progress of trilateral cooperation, calling on the three sides to respect each other and share successful experience to promote greater achievement of trilateral cooperation.

Potential political disputes

1. **China's great power aspirations**
2. **Japan's involvement in the US defence and strategic arrangements in the Asia-Pacific region**
3. **Japan's cooperation in a US regional theatre missile defence system that would include Taiwan**
4. **Japan's ambivalent position on Taiwan**
5. **Dispute over the Diaoyutai (in Chinese), or the Senkaku Island (in Japanese)**

- 6. Japan's potential to build nuclear weapons**
- 7. The rearming of Japan and Constitutional change**
- 8. Japan's reluctance to come to terms with its aggression in Asia in the recent past**
- 9. Refusal to apologise for the war in China**
- 10. Textbooks and PM's visits to the Yasukuni Shrine**
- 11. Occasional statements by Ministers offensive to Chinese and other Asian sensitivities.**

Mutual suspicions

1. **Japan's fear of an ambitious China seeking to dominate the region, politically, militarily and economically.**
2. **China's fear of a remilitarised Japan, whose so-called Self Defence Force is already a formidable force.**
3. **China's fear of Japan's domination of any Pacific economic community that may be formed; Beijing prefers the "double engine pattern" to Japan's "flying geese pattern."**

The Outlook

1. **More optimism than pessimism; continued economic cooperation to be expected**
2. **Rivals nevertheless, as both aspire to increase their spheres of influences, and both have complicated relationships with the US.**
3. **China's growing industries are bound to compete with Japan's worldwide.**
4. **They may often cooperate while pursuing their individual national interest; and will try to minimise any conflict that may arise**
5. **The future trend of Sino-Japanese relations is likely to be one of tensions in the political-military sphere accompanied by attempts to maximise the potential of closer economic ties.**

End of lecture