

JIIA Forum

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Topic: "China at Present and Sino-Japanese Relations"

This report broadly comprises two sections: the present state of Chinese politics and society, and Sino-Japanese relations.

### **1. Perspective on social changes and politics in China, and self-perception of the state**

First, the most conspicuous aspect of present-day China "on the ground" is the rapid pace of change, from its economic and social development to peoples' ways of thinking, requiring many papers and statements on China to give due consideration to the timeframe of the China they are portraying. In recent years, for instance, the Chinese government has already begun partial efforts to address the oft-discussed issues of social stability in China's rural villages. One local government leader in China noted that a review of local government administration is conducted every six months and that policy coordination is being pursued. Change is also apparent in the near-tripling of nominal gross domestic product (GDP), the almost six-fold increase in fiscal revenues, and the construction of nearly 5,000 kilometers of highway (roughly the total extent of Japan's highways) each year in the decade since 2000.

This enhancement of economic infrastructure, together with the completion of a unified domestic market, will generate a wave of change that will reach every corner of the country. The expansion of economic activity means the expansion of new living space, and this in turn means the addition of new "free" space separate from the existing socioeconomic system. Consequently, despite the fact that the basic party- and state-centered political structure has not changed, a sense of "freedom" can be detected within the self-consciousness of the people living there, which, in combination with growing computerization, has flooded society with a "liberated" energy for reform.

On the other hand, China's utmost priorities from the viewpoint of the authorities are quite naturally growth (development) and stability, and this might well be the most important clue in deciphering Chinese politics at present. The two priorities are interdependent, and the authorities have firmly adhered to a policy of maintaining stability through growth and ensuring stability for the sake of growth. Given this political stance, the Chinese Communist Party presently enjoys strong governing capabilities (the basic cycle of setting targets→organizing and mobilizing personnel→resolving problems at least temporarily) and, what's more, these capabilities are being reinforced year by year. China is confronting numerous political, economic and social difficulties, of course, and the

growing disparities, increasingly serious political corruption, and rising social dissatisfaction stemming from these cannot be dismissed. Still, it is not enough to focus attention on this aspect alone. The key to grasping the future of Chinese politics is keeping an eye on both the speed with which these problematic circumstances expand and deepen and improvements in the Communist Party's adaptability as mentioned above, thereby appropriately assessing the "governance balance sheet."

What are the Chinese leadership's own views on these political and social circumstances? Frankly speaking, policymakers seek to inspire greater confidence all around while acknowledging the many lingering problems and room for improvement and, in light of the enormous resources and energy that need to be devoted to these, they continue in their heart of hearts to harbor a certain sense of fear and unease as they desperately endeavor to carry out domestic management. No doubt many Chinese leaders expect and hope that their country will become a world-leading major power in future, but this will not come about in a short- to medium-term span of five or ten years.

In fact, it is no easy task to address the variety of domestic problems that arise in the course of development while keeping pace with changing global circumstances. It has been frequently observed, especially with regard to the latter, that China's diplomatic style is to first say "no" to any set of problems on which Chinese officials do not have a very deep understanding. When the idea of a "G2" era dominated by the US and China emerged, for instance, the Chinese initially said "no" and, even when the international community urged China to assume responsibility befitting its economic scale, China repeated its "no" response. This did not necessarily stem from a sense of self-interest but is rather more likely an instinctively defensive attitude in a situation in which the responsibilities it should assume and the actions it should take cannot be plainly identified. Unlike the clear-cut domestic objectives of development and stability, setting common objectives and assuming responsibility in the international arena have yet to be discussed in sufficient depth in China. The country is still seeking out its own national identity and a corresponding position within the international community.

Conversely, this indicates significant room for Japan and other countries to exercise indirect influence. In other words, within the basic formula of Chinese diplomacy – first reject, observe the reaction of the outside world, then adopt a modified response – it is still quite possible to change China's political and diplomatic positions through patient consultations and negotiations.

## **2. Issues in Japan-China relations pertaining to the "strategic relationship of mutual benefit"**

Next, I would like to speak about Japan-China relations. A framework has already been formed between Japan and China that contains within it the possibility of further development in bilateral relations: the strategic relationship of mutual benefit articulated since 2007. The problem lies in determining how to utilize the framework for the relationship advocated therein.

A quick glance over the political backdrop against which this strategic relationship of mutual benefit arose reveals that this relationship is based on an awareness of the issues of what kind of relationship Japan and China should build and what roles they can fulfill within today's globalized world economy. Put another way, this strategic relationship of mutual benefit is strongly underpinned by an economy-centric worldview and the concept of economic rationality, and for that reason two vulnerabilities are inherent. The first is the problem of security. It goes without saying that the logic of economics and the logic of security differ. The important key here is ascertaining how to address security issues within the framework of this relationship of strategic mutual benefit. The second is the problem of emotional reconciliation between the two countries' peoples.

Before explaining these problems, I would like first to look at the preparations being taken by the Chinese to build and deepen this strategic relationship of mutual benefit. The core issues are sorting out the history issue and reaffirming future-oriented Japan-China relations. The Chinese government in recent years has sought to make a major breakthrough in this regard that could be formulated as "valuation of apology + valuation of post-war Japan = repudiation of revival of Japanese militarism." In his speech to the Diet during his April 2007 visit to Japan, Premier Wen Jiabao stated in effect that the attitudes expressed on the history issue by successive Japanese governments and leaders have been viewed in a positive manner by the Chinese government and people. The practical import of this is that no further apology is needed from the Japanese side. In the 2008 Japan-China Joint Statement on Comprehensive Promotion of a "Mutually Beneficial Relationship Based on Common Strategic Interests," the Chinese government "expressed its positive evaluation of Japan's consistent pursuit of the path of a pacifist country and Japan's contribution to the peace and stability of the world through peaceful means." This in my understanding shows that China has essentially repudiated any "revival of militarism" on the part of the Japanese.

In sum, the Chinese leadership at present has no intention of doing anything of its own accord that would exacerbate the history issue. Naturally the Chinese government may have no choice but to respond in a certain manner to movements somewhat related to the history issue in Japan in consideration of the sentiments of its own citizens. In practical terms, however, a very fine line separates anti-Japan campaigns from anti-government campaigns, and thus the history issue as well as other aspects of the "Japan problem" are ultimately domestic problems for China. With that in mind, authorities have been particularly vigilant from the aforementioned perspective of ensuring security in cracking down on anti-Japanese campaigns that show any susceptibility of transforming into anti-government campaigns. Chinese news coverage of Japan overall has taken on a balanced tone of late. At the same time, I should also point out that a change of generations and the passage of time are diminishing the political utility of patriotic education to the legitimacy of those in power.

The leadership of the Chinese Communist Party is seeking to ensure its legitimacy not so much by pursuing these ideological efforts as by improving the nation's livelihood, uprooting corruption and otherwise resolving problems facing the people on a day-to-day basis.

Bearing these premises in mind while turning our attention to issues of security in the strategic relationship of mutual benefit, we can see a remarkable rise in the Chinese military's capabilities at sea and in space. The prevailing view among the general populace is that a major power should have a military befitting to its status. Thus, underlying the arms buildup by the People's Liberation Army is the simple support of public opinion. In pursuing this buildup of military capabilities, the leadership of the Chinese Communist Party has no reckless intent of challenging the US for world hegemony, at least not for the present. As mentioned earlier, China's domestic social contradictions are growing ever more intense and, to satisfy the various complaints and demands of the people, the Chinese government will be compelled in future to devote great effort to enhancing its domestic governance, particularly in the realm of social security. Thus, the Chinese government will incur tremendous financial costs in implementing these policies, even though its fiscal resources are now nearly on par with those of Japan. Civil administration is currently the greatest concern for China's political leaders, and it is not very realistic to focus solely on scenarios in which military buildup continues unabated.

How has China managed over many long years to achieve double-digit growth in its defense budget? Chinese military officials today likely have only two cards to play in requesting larger military budgets: maritime interests and the Taiwan issue. Securing China's maritime interests was a new mission assigned by Deng Xiaoping in the 1980s, one that has been developed and carried on to this day. On the latter, the Taiwan issue, Chinese military officials have sought to modernize their country's military forces, envisaging scenarios involving US military intervention, to eliminate any possibility that Taiwan could not be forcibly seized if need be. Consequently, this modernization drive is not necessarily or directly oriented toward an all-out confrontation with the US military but is rather intended to guarantee China the ability to fend off such involvement. It cannot be denied, of course, that the brunt of this military capability could be turned instead toward territorial issues such as the Senkaku Islands, so it would perhaps be prudent to monitor future moves by the Chinese military. On this point, I would like to stress a "two-pronged approach to China" that properly distinguishes between the differing logics of economic and military affairs; military matters should be governed by military logic, and extreme care should be taken to avoid confusing the two.

The second vulnerability of the strategic relationship of mutual benefit is the problem of popular sentiment. Frankly speaking, it will still be some time before the people of China and Japan reconcile at this emotional level. Nevertheless, the overall trend of history is undoubtedly moving in an optimistic direction.

What should be stressed here, though, is the need for understanding, especially among the Japanese public, of the changes in the power balance between Japan and China. China's present and future development make it beyond question that the two countries could approach each other in national strength and that China could even partly surpass Japan in terms of physical power. The strategic relationship of mutual benefit was originally proposed with an equal distribution of power between the two countries in mind and, when faced with a new historical phase such as the aforementioned, maintaining and improving its own national strength will become a crucial issue for Japan. In addressing this issue, the revitalization and reinforcement of Japan primarily through soft power will perhaps be of utmost importance. From the Chinese perspective, Japan needs to focus its attention on the vigor of its own soft power if it is to continue seeking to establish an ever greater presence. One familiar example of this can be seen in the positive impression of Japan among many Chinese who have visited the country. This stems from the respect they pay to the high "quality" of Japanese society, and we Japanese must continue to marshal the efforts of all of our citizens to maintain this quality society into the future.

In essence, part of the "secret" to building stable and predictable Japan-China relations, in addition to various efforts from the Chinese side, is the sound development of Japanese society. This in turn will effectively contribute to an "assertive foreign policy toward China" that incorporates new attempts to build constructive relations, not diplomacy preoccupied with addressing individual issues in a manner resembling a game of "Whac-A-Mole."