

## China and Japan in Asia Pacific: Looking Ahead

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IN DISCUSSING RELATIONS between Japan and China, we must first establish a frame of reference and determine the position of the bilateral relationship within that larger context. For a time, one leading school of thought within Japan regarded the bilateral relationship as unique. Working from the premise that Japan and China are bound (or should be bound) by special historical ties, the proponents of this view concluded that the two countries should work together in close harmony to provide joint leadership for Asia and placed top priority on cultivating and maintaining friendly relations with the People's Republic of China. This is a position that still carries considerable weight. The question is whether Japan can continue to base its foreign policy on a view that regards the relationship solely in the narrow context of the history of the two countries, or even of the East Asian region, thereby excluding other countries from the picture (whether or not with deliberate intent).

Japan today is a global economic power, a member of the influential Group of Seven major industrial countries. China, meanwhile, is a huge and increasingly powerful country boasting membership in the United Nations Security Council, a nuclear capability, a population of 1.2 billion, and an economy that has begun to make dramatic strides under the government policies of economic reform and market opening. Both countries, like it or not, now have an important international role and a significant impact on the political, economic, social, security, and environmental spheres. Focusing on the example of trade and investment, we see clearly that the issues can no longer be realistically approached in terms of bilateral relations alone; inevitably we must factor in other players, including Hong Kong, Taiwan, and the United States. In this sense, we can say that the China-Japan relationship is, in effect, already an open system—open to the region and to the world as a whole.

In the following, I will consider the relationship between China and Japan not in the narrow context of bilateral relations or East Asian affairs but within the larger frame of reference of Asia Pacific. This regional concept remains somewhat distant to some, since the term *Asia Pacific* has not been current for very long. In fact, however, it has already assumed a concrete character in such contexts as the Asia Pacific Economic Cooperation (APEC) forum. Here I will examine and assess the relationship between China and Japan within the relatively

broad framework of the modern history of Asia Pacific, including the important role played by the United States in defining China-Japan relations over the last half century.

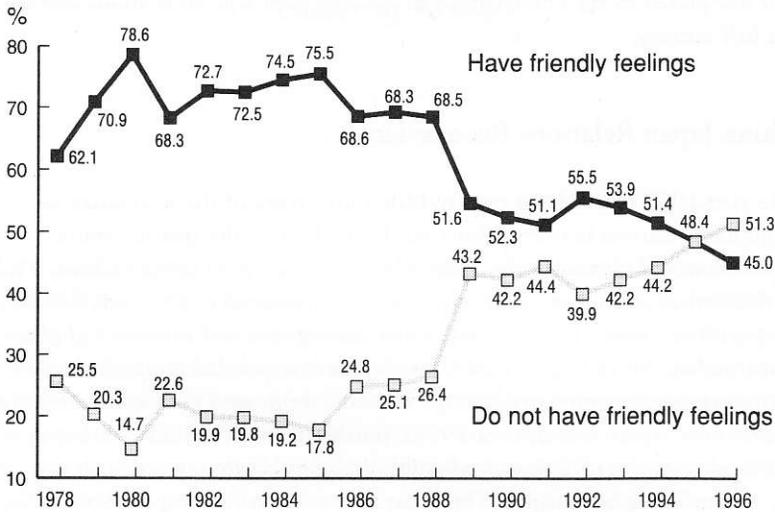
## China-Japan Relations Reconsidered

The year 1997 marked the twenty-fifth anniversary of the normalization of diplomatic relations between China and Japan. During this quarter century, the Japanese waxed alternately hot and cold in their attitude toward China. The initial wave of enthusiasm after relations were established in 1972 was followed by a marked cooling around 1981, when Beijing canceled a number of plant-construction contracts with Japan. The Japanese responded sympathetically to the reform and opening drive of the 1980s, only to turn cool again after the Tiananmen Square incident of 1989. Another wave of enthusiasm began in 1992, when Japanese business and political leaders began to pin their hopes on the dynamic East Asian region. This ardor, too, was quickly dampened by China's nuclear testing, its claim of sovereignty over the Senkaku (Diaoyu) Islands, and its repeated attempts to play the "history card," that is, manipulate Japan through pointed references to the latter's past aggression against China.

These trends are confirmed statistically by the results of the Public Opinion Survey on Diplomacy, conducted annually since 1978 by the Prime Minister's Office on a random sample of three thousand adults. In 1996, the percentage choosing the response "I do not have friendly feelings toward China" (51.3 percent) surpassed the percentage responding "I have friendly feelings" (45.0 percent) for the first time, underscoring the recent shift in public attitudes toward China. I have plotted the survey's findings over the years, dividing them broadly into respondents who have friendly feelings and those who do not (fig. 1).

The ratio began to shift decisively in 1989. That year the proportion of respondents claiming friendly sentiments toward China dropped abruptly from around 70 percent to less than 60 percent. Beijing's resumption of active measures to open up the country, coupled with the emperor's visit to China, boosted the percentage of "friendly" respondents slightly in 1992, but thereafter it fell steadily, partly as a result of public outrage at Beijing for plowing ahead with nuclear testing. At the same time, the proportion of respondents saying they did not have friendly feelings increased, until in 1996 it outnumbered the proportion claiming friendly feelings.

Still, a comparison with the survey's results for other countries and regions reveals that China still scores quite high compared with South Korea, the member states of the Association of Southeast Asian Nations (ASEAN), and the countries of the European Union (EU), all consistently around 40 percent, not

**Fig. 1: Trends in Japanese Sentiment Toward China**

Source: *Gekkan Yoron Chosa* (Public Opinion Poll Monthly), June 1996.

to mention Russia (around 10 percent). In fact, only the United States, which consistently scores around 70 percent, comes out higher in the survey.

Asked about "current relations between China and Japan," the proportion of respondents choosing the response "I think they are good" dropped from about 70 percent before the Tiananmen Square incident to no more than about half afterward. Meanwhile, the proportion choosing "I do not think they are good" rose from between 20 percent and 30 percent before the incident to around 40 percent afterward, hitting 51.0 percent in 1996. Here too, Japanese with a negative outlook seem to have outnumbered those who viewed China positively. Once again, however, China fares reasonably well in comparison with other countries and regions in the survey; the number of respondents who believe Japan has a good relationship with China is lower than the number of those who think relations with the United States are good but considerably higher than the number of those viewing relations with Russia favorably, and it is on a par with the number of those who perceive relations with the ASEAN countries, the EU nations, and South Korea as good.

Statistics from a comparable opinion survey in China are not available at this time, but we can refer to the results of a survey on Japan conducted on the basis of a questionnaire printed in the December 4, 1996, issue of the *Zhongguo Qingnian Bao* (China Youth Daily). When asked their impression of Japan, 43.9 percent of respondents answered "neither especially good nor especially bad," 41.5 percent "bad," and 17.5 percent "good." Reflecting the newspaper's

orientation and readership, the sample was not representative of the entire population; the average age of the fifteen thousand respondents was only twenty-five, and a full 90 percent had at least a secondary education. Be that as it may, 83.9 percent responded that they associated Japan with the Nanjing massacre, indicating that bitter historical memories have been passed on to the younger generation (reported in the *Asahi Shimbun*, evening edition, February 17, 1997).

In 1997, the Japanese *Asahi Shimbun* newspaper conducted an opinion survey of attitudes toward Japan, querying adults in six Asian cities. Of the 798 Chinese aged twenty or over who responded to the paper's interview questionnaire in Beijing, 41 percent opted for "dislike," 35 percent for "neither like nor dislike," and 10 percent for "like," while 14 percent either did not respond or gave other answers (*Asahi Shimbun*, June 9, 1997). These findings are similar to those of the *Zhongguo Qingnian Bao* survey.

Relations with China, whose political culture puts a premium on personal relationships, seem to have suffered from a kind of communication gap brought about by the passing of a generation of Japanese politicians, businessmen, and Sinophiles who had devoted themselves to building bridges and smoothing differences between Japan and China since the normalization of diplomatic relations. Twenty-five years have passed since then—equivalent to a generation—and one after another these China hands have retired or passed away, their efforts now a page in history. The unofficial trade and diplomatic pipeline they built and utilized through the 1980s has all but ceased to function. Meanwhile, the mechanism for official dialogue gradually solidified during the 1980s through regular reciprocal visits by top leaders and the activities of the China-Japan 21st Century Friendship Committee, composed of scholars and other opinion leaders. Since the beginning of the 1990s, however, that system has been virtually nonfunctional, as well.

The Parliamentary League for Japan-China Friendship, chaired by former Minister of Finance Hayashi Yoshiro, which had played a major role in promoting the normalization of diplomatic relations, did not hold a general meeting for three years and three months, until February 1997; with all its politically powerful members gone, it has been essentially dormant. Similarly, the Japan-China Friendship Committee (chaired by Okabe Tatsumi, a professor at Senshu University, on the Japanese side and by Fu Hao, former ambassador to Japan, on the Chinese side) held no meetings at all for two years prior to April 1997. These forums were meant to facilitate debate and discussion on an unofficial level and offer ways of breaking deadlocks when official relations between the two countries were chilly. If these mechanisms fall dormant in response to such problems as nuclear testing and the territorial dispute over the Senkakus, then it becomes hard to see their *raison d'être*.

The lack of an unofficial China-Japan pipeline symbolizes a more fundamental problem: The new China watchers tend not to have the common perception

that characterized the previous generation. Put simply, bilateral ties are afflicted by a generation gap. For better or for worse, the “cultural complex” the Japanese have sometimes felt toward China, their sense of guilt regarding the Sino-Japanese war, and their ambivalent “communism complex” have faded. Indeed, this trend is one factor at work in the shift in feelings toward China documented by the above-mentioned Prime Minister’s Office’s survey.

In the *Asahi Shimbun* Beijing survey, the largest proportion of respondents, 40 percent, identified the United States when asked what country they regarded as the biggest threat. Another 35 percent said they did not feel especially threatened by any country, but the next largest block, 21 percent, cited Japan. Thus Japan and the United States stand out as countries the Chinese regard with mistrust. When the same survey was conducted in Seoul, Japan was the second most frequently cited country at 25 percent, following North Korea at 54 percent. In short, neither the Chinese nor the South Koreans have put their doubts regarding Japan to rest.

Japan’s “historical debt” is a problem requiring mature deliberation as this country pursues diplomatic relations and international cooperation with not only China but all Asia Pacific countries affected by Japan’s past attempt to dominate the region through the Greater East Asia Co-Prosperity Sphere, notably the two Koreas and the countries of Southeast Asia. The reason is that even today, over half a century after the end of World War II, the climate of opinion created by that chapter of history persists, with the result that even the smallest Japanese military presence is regarded with abhorrence in the region. We should consider this historical background when we ask why, for example, China and South Korea repeatedly expressed such alarm and suspicion over the possible overseas deployment of Japan’s Self-Defense Forces (SDF) when Japan was deliberating a bill to permit cooperation with UN peace-keeping operations in 1990 and 1991.

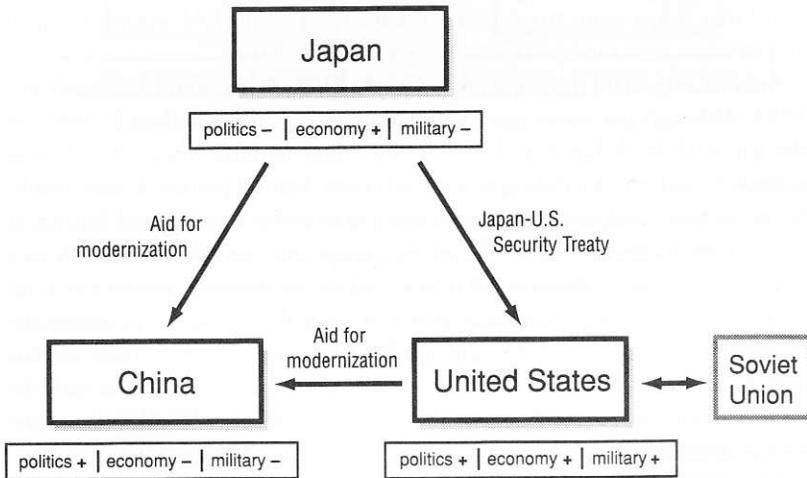
## The Outlook for a New Trilateral Relationship

### Prospects for Political, Economic, and Military Balance and Cooperation

During the 1970s and 1980s, when China, Japan, and the United States maintained a loose alliance vis-à-vis the Soviet Union, in many respects the political, economic, and military powers of the three countries were complementary within the framework of international politics (fig. 2). The United States, representing one pole of a bipolar global power structure, was a true superpower possessing unrivaled political, economic, and military might. Japan had attained the status of one of the world’s most powerful economies but was prevented by its

constitution from cultivating a strong, independent military and instead entrusted its military security to the United States under the Japan-U.S. Security Treaty. Nor did Tokyo manifest a significant degree of political independence in terms of its involvement and influence in the international community. China, by contrast, wielded a great deal of influence in international affairs as a permanent member of the UN Security Council and self-appointed representative of the Third World. Economically, however, it remained backward, having only recently shifted from the radical ideology-driven policies of the Cultural Revolution to a more pragmatic emphasis on modernization. And although it possessed its own nuclear deterrent, it also had military weaknesses stemming from the necessity of expending huge military resources to protect its borders with the Soviet Union and with Mongolia and Vietnam, Soviet allies.

**Fig. 2.** The Trilateral Relationship in the 1970s and 1980s



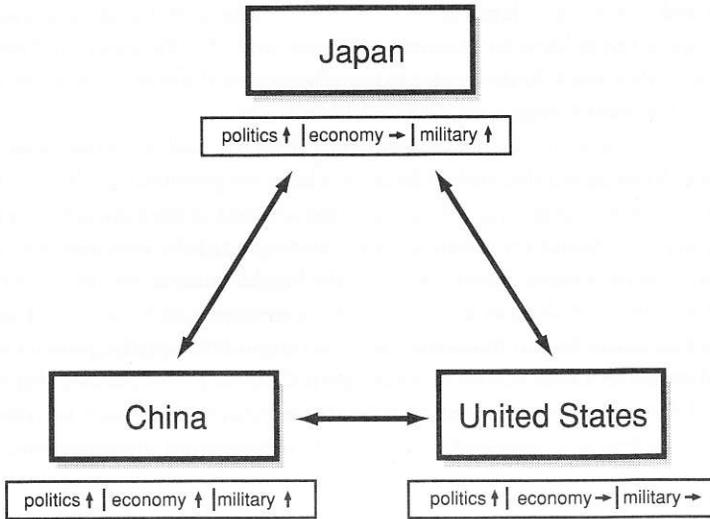
The cold war began in Europe, and it also ended there first, as the Berlin Wall came crashing down in November 1989. Where Asia Pacific is concerned, the conclusion and legacy of the cold war—like its beginning and causes—are subjects that demand extensive study and analysis, but there is no doubt that vestiges of the cold war, overlapping with the aftereffects of civil war, persist on the Korean peninsula and on either side of the Taiwan Strait. In the 1990s—a period that has yet to earn any appellation other than “post-cold war”—the balance of power among Japan, China, and the United States, as the dominant political, economic, and military forces in the region, began to shift dramatically.

The United States remained the only country in the region with all the capabilities of a superpower. But Beijing's rapprochement with Moscow and the resulting relaxation of tensions with countries like Mongolia and Vietnam allowed China to cut back on land forces along its borders and to shift both troops and arms elsewhere. China took the opportunity to modernize its military, expanding the use of high-tech systems. As it built up its naval power in particular, the People's Liberation Army began to make its presence felt in the region. China asserted its claim to the disputed Spratly Islands and fired "test" missiles into the Taiwan Strait in both 1995 and 1996 with a view to influencing political developments in Taiwan, generating concerns about a Chinese military threat in the region. Meanwhile, Japan's contribution to the Gulf War and its subsequent participation in UN peace-keeping operations in Cambodia marked the beginning of an active effort by the Japanese to begin repaying their historical debt by expanding their international contribution to the maximum limit the constitution would allow. Neighboring countries have taken this as a signal that Tokyo wants to secure a permanent seat on the UN Security Council and in other ways increase its say in international affairs.

Another important development is China's dramatic economic progress since 1992. Although per capita gross national product is still less than \$1,000 and the gap with both Japan and the United States remains huge, the Chinese economy has been expanding at a rate of more than 10 percent a year, thanks largely to funds and investments streaming in from Hong Kong and Taiwan, as well as from successful ethnic Chinese businesspeople around the world. With a population officially placed at 1.2 billion and a gross domestic product of \$700 billion, China has become a major player in the global economy. Reversing the situation that prevailed in the 1980s, it has been posting a large trade surplus with Japan. It has also built up a huge surplus with the United States, with the result that China is beginning to replace Japan as America's chief irritant in the area of international trade.

The outlook for future relations among China, Japan, and the United States is shown schematically in figure 3. Japan will doubtless seek a permanent seat on the Security Council and in other ways will attempt to gain a global voice commensurate with its economic strength. This effort will inevitably entail a certain degree of military activity, such as participation in UN peace-keeping operations. Moreover, in keeping with the recent redefinition of the Japan-U.S. security relationship, Japan is expected to move closer to being a so-called normal country, supporting or in some cases taking over U.S. military functions in Asia Pacific, at least to the extent allowed by the constitution. China, continuing its drive to enhance the nation's prosperity and strengthen its military, is likely to make gains in every category of national power. At the same time, with its inadequate infrastructure and training systems, it faces major hurdles to the development of high-tech industry and an advanced industrial economy.

**Fig. 3.** The Trilateral Relationship in the 1990s



Another difficult challenge will be how to deal with China's state-run enterprises, which represent its key industries. These state enterprises, whose survival is closely bound up with the future of China's socialist system, threaten to act as a bottleneck slowing the country's economic development further down the road.

The United States, meanwhile, will doubtless work to extend its political influence in Asia Pacific, as by emphasizing the role of APEC, in keeping with its perception that the region has replaced Europe as the most strategically important area of the world next to North America itself. Nonetheless, the U.S. military presence in the region, without undergoing a fundamental change in posture, is likely to dwindle gradually as the United States shifts more of the burden to Japan's SDF in line with the recently redefined bilateral security relationship. At the same time, Washington can be expected to continue its policy of using the bilateral security arrangements to circumscribe Japan's military role in the region.

The confluence of interests that shaped relations among China, Japan, and the United States during the 1970s and 1980s changed drastically in the 1990s. Today, China clearly requires the assistance of Japan and the United States in further developing and modernizing its industry, but in other respects the Chinese economy is able to stand on its own two feet. From the standpoint of Japan and the United States, meanwhile, China's services as an important ally against the Soviet Union are no longer needed. From this standpoint, the only aspect of

the trilateral relationship that has remained constant since the end of the cold war is the Japan-U.S. alliance. That alliance, however, has entered a new phase in the wake of the U.S.-Japan Joint Declaration on Security Cooperation issued by Japanese Prime Minister Hashimoto Ryutaro and U.S. President Bill Clinton in April 1996, and China remains extremely wary of the revised arrangements and their potential impact on its own security.

The new arrangements that have emerged from the process of redefining the Japan-U.S. security relationship do in fact have the potential to alter qualitatively the China-Japan-U.S. triangle, and the attitude of the Chinese Communist Party (CCP) and the Chinese government toward the new arrangements remains one of extreme caution. Clearly, the biggest concern for the Chinese is the possibility that security cooperation between Japan and the United States will extend to the Taiwan Strait and the waters around the Spratlys, which China would regard as a violation of its sovereignty. Chinese policy planners have expressed their misgivings and concerns on this score in various ways, but the top political leaders have refrained from any direct criticism of the agreement.

### **China and the New Japan-U.S. Security Arrangements: Is Engagement Possible?**

The move toward redefinition of the Japan-U.S. security relationship was launched with the so-called Nye initiative proposed by then Assistant Secretary of Defense Joseph Nye. This initiative, part of the revamping of U.S. global strategy in the post-cold war period, was spelled out in February 1995 in a Department of Defense report, *United States Security Strategy for the East Asia-Pacific Region*. The report takes the basic position that China is more likely to emerge as a responsible power in Asia Pacific if Japan and the United States attempt to cooperate with and “engage” it rather than “contain” it as in the early years of the cold war. This thinking echoes the security policy of “engagement and enlargement” outlined by President Clinton in February 1995. That is, it is part of the basic U.S. strategy of actively working to promote the stability of the international community in the post-cold war period by aiding the spread of democratic government predicated on the principles of a market economy. The Joint Declaration on Security of April 1996 follows the same line of thinking. But what specifically does “engagement” signify in regard to China? And what should Japan and the United States do to encourage China’s engagement in the international community?

The 1996 *Survey of International Affairs* of the Shanghai Institute for International Studies suggests that a tripolar leadership structure centered on Japan, China, and the United States will anchor Asia Pacific in the post-cold war period. The survey emphasizes the importance of the stability of that structure

and concludes that conflicts between Japan and the United States on the one hand and China on the other are temporary problems and that in the long run the three countries will be able to maintain a relationship of cooperation and competition characterized by mutual dependence and mutual restraint. The report also envisions, quite realistically, a scenario in which Japan emerges as a major political force internationally while China enhances its national power on all fronts (Chen 1996, 22–25).

In any case, the Chinese government today clearly regards the building, maintenance, and development of the nation-state as its top priority and sees continued economic development, together with the promotion of nationalistic and patriotic sentiment, as essential to national unity. At the same time, secure borders and a stable international environment are necessary conditions for the success of the great political experiment represented by the reversion of Hong Kong, that potent historical symbol of China's subjugation in the nineteenth century. This means that the globalism and regionalism demanded by the international community—and deemed necessary by the Chinese government and the CCP—must exist in a harmonious balance with nationalism. To put it another way, China will reject any form of globalism or regionalism that is incompatible with its nationalism.

It is self-evident, then, that any blueprint for a China-Japan-U.S. leadership structure in Asia Pacific drawn up with these points in mind must incorporate the Japan-U.S. relationship within a trilateral framework and, further, build this triangle into the regional framework of Asia Pacific. That is, the Japan-U.S. security arrangement must be addressed not merely in the context of the bilateral relationship but also within the larger framework of China-Japan-U.S. security. At the same time, it must be integrated into the multilateral security framework of Asia Pacific. As a first step in that direction, we need to create a broad China-Japan-U.S. security framework, although if the Taiwan Strait and the South China Sea, two areas that touch a nationalist chord among the Chinese, are included in the hypothetical theater of cooperation envisioned under the new Japan-U.S. security arrangements, coordination with China will be far from easy. We must ask what Japan can do or say to China in practical and concrete terms, given the fact of the new Japan-U.S. security arrangements, to facilitate creation of a three-way cooperative setup.

## **Toward a New China-Japan Relationship**

If we want to build the best possible relationship between China and Japan for the sake of Asia Pacific stability and prosperity in the next century, a relationship grounded in the past and present relations between these two powers pre-eminent in the Northwest Pacific region for their political, military, and economic

might, it is essential to boldly restructure the bilateral relationship on the basis of the needs of the times and the outlook for the future and come up with a new vision for China-Japan-U.S. relations. China and Japan will need to free themselves from their traditional focus on the "particularity" of their relationship and redefine it in a regional and global context. Clarifying Japan's role in Asia Pacific, especially the new Japan-U.S. security setup and Japan's function therein, on the one hand and promoting China's engagement and building regional security on the other will emerge as major issues. But is it actually possible to bridge the gap in historical perceptions that divides China and Japan and create a framework for cooperation that transcends such problems as the territorial dispute over the Senkakus?

Following are some proposals for rebuilding the relationship from the summit level down to the grass-roots level. Reinforcement of the bureaucracy-led Beijing-Tokyo relationship is not the key concept. Diplomacy is not the exclusive province of Japan's Ministry of Foreign Affairs, nor is security a matter solely of the military concerns under the jurisdiction of the Defense Agency; both must be considered from a comprehensive viewpoint. The challenge for Japan as a whole is to build up a national "diplomatic infrastructure." An active and inclusive foreign policy, one that embraces such efforts, can buttress comprehensive security, which cannot be dealt with by the Japan-U.S. Security Treaty alone.

## Systematized, Regionalized, Multitrack Bilateral Consultations

### *Systematized Consultations on the Summit, Cabinet, and Working Levels*

In the 1980s, frequent reciprocal visits by Chinese and Japanese leaders and fairly regular cabinet-level meetings, as well as regular working-level talks between high-ranking Foreign Ministry officials, were systematized and functioned relatively effectively. Following the Tiananmen Square incident, however, high-level contacts came to a temporary halt. Although visits by top leaders have taken place in the 1990s, partly because of Japan's frequent changes of government there have been fewer visits by cabinet officials and politicians than before. In particular, there has been a conspicuous drop in visits to China by leading members of the National Diet, an indication of the changed perception of China's place in the scheme of things in Japanese political circles.

Since the mid-1990s a series of bilateral problems has arisen. The 1980s also saw a number of problems, such as watered-down descriptions in Japanese textbooks of the nation's actions in China before and during World War II; official visits to Yasukuni Shrine, dedicated to Japan's war dead, by cabinet members;

the trial growing out of a dispute between China and Taiwan over the Kokaryo dormitory for Chinese students in Kyoto; and trade imbalances. But the process of resolving these issues always involved dialogue between top leaders, politicians, or high-level bureaucrats. Even bearing in mind that the Tiananmen Square incident had not yet occurred and the cold war had not yet ended, there is a clear-cut difference between the problem-solving approach in the 1980s and the pattern in the 1990s, when there has been a tendency to defer dealing with problems in the absence of any effective means of resolving them.

We cannot ignore the fact that in the mid-1980s the personal relationship between Japanese Prime Minister Nakasone Yasuhiro and Chinese President Hu Yaobang led to the so-called Nakasone-Hu line (however this is evaluated), which provided a basis for settling problems. Given the traditional emphasis on personal relations in China's political culture, cultivating closer personal ties is even more important than in the case of other countries. Regular interaction between politicians and bureaucrats on both sides is thus a prerequisite for smooth relations and the resolution of problems.

The wave of generational change is affecting both China and Japan. With the 1993 collapse of the so-called 1955 setup dominated by the Liberal Democratic Party, Japan's political landscape was transformed overnight by the emergence of a new generation of leaders, of whom Prime Minister Hashimoto is one. As for China, the fifteenth CCP Congress in the fall of 1997 was expected to see an infusion of younger men into the Political Bureau. President Jiang Zemin, the linchpin of the post-Deng Xiaoping regime, was born in 1926, and Premier Li Peng and Vice-Premier Zhu Rongji were born in 1928. But the government leaders tipped to be among the next generation of leaders are all in their fifties or sixties: Vice-Premier Li Langqing was born in 1932, Chinese People's Political Consultative Conference Chairman Li Ruihuan in 1934, Vice-Premier Wu Bangguo in 1941, State Council member and head of the State Commission for Restructuring Economy Li Tieying in 1942, and Political Bureau Standing Committee member Hu Jintao in 1942.

In September 1997, Hashimoto visited China in conjunction with the twenty-fifth anniversary of the establishment of diplomatic relations and attempted to establish a channel of communication with Jiang and the next generation of leaders. Li Peng, one of those responsible for dealing with the Tiananmen Square incident, is due to step down in the spring of 1998. This will provide a golden opportunity for beginning to rebuild the bilateral relationship. Regular visits by heads of government are indispensable for confidence building, and systematized working-level consultations to pave the way for regular summit- and cabinet-level talks are also necessary. At present, Japan's Foreign Ministry and Defense Agency are engaged in regular working-level consultations with their Chinese counterparts, but now that each country perceives the other as a lower priority than in the past, restoration of the fairly regular cabinet-level meetings of the

1980s will be difficult. For the time being, I believe, having relevant cabinet members accompany heads of government on their visits and deepening dialogue on specific issues by means of businesslike negotiations will be extremely effective in strengthening the base for systematized contacts. Businesslike summit- and cabinet-level talks on specific issues can also be expected to yield more immediate benefits in terms of problem resolution than formalistic, something-for-everyone conferences.

China's party and government apparatus has gone beyond the so-called Cultural Revolution generation; we are seeing the emergence of a new generation with practical skills and international experience. Its members, who are forming a new technocracy, have the knowledge and ability to conduct business on a different plane from political propaganda, and it is anticipated that in future these international experts, who have studied in the West since the early 1980s, will advance through the party and government ranks. Working-level exchange with such bureaucrats is extremely important and will, I believe, help lay the groundwork for frank exchanges of views.

As a concrete method of drawing these young technocrats toward Japan, it is crucial to bring them to Japan utilizing short- and long-term study programs and so forth; this will enhance exchange by deepening their understanding of the Japanese system of government administration and acquainting them with the real Japan. It is most important to quickly bring their distorted image of Japan, based on ideology and education as well as the primacy given to the West, into line with reality.

By the same token, it is also useful to send young Japanese bureaucrats to China to study or to work in diplomatic establishments for varying lengths of time. Officials from various ministries and agencies are seconded to Japanese embassies and consulates. Although this sometimes leads to unfortunate clashes between different government agencies' interests, diplomacy is no longer the business of the Foreign Ministry alone, and it is important to foster experts capable of multitrack thinking in a range of government agencies. Likewise, Diet secretariats, working with their Chinese counterparts, should consider sending young politicians on short-term visits to China on a nonpartisan basis.

### *Regionalized Consultations*

Just as domestic handling of issues has become multidimensional, so problems formerly dealt with on a bilateral basis now have various multilateral, or regional, ramifications. Bilateral dialogue alone cannot handle, let alone resolve, security and environmental problems, for example. Recognizing that the China-Japan relationship no longer involves just two countries, bilateral consultations should take an inclusive approach aimed at developing a relationship open to the region and the world.

Aside from its practical necessity in order to arrive at comprehensive solutions to problems, an open and transparent relationship is essential to gaining the trust of third countries in Asia Pacific. It is also extremely important for achieving an open trilateral relationship. Closer ties between China and Japan, both of which perceive themselves and are perceived by other countries as Asia Pacific powers, will make not only other Asia Pacific countries but also countries elsewhere uneasy. It must be fully recognized that a "Beijing-Tokyo axis" will be especially troubling to Taiwan, the two Koreas, and Southeast Asian countries.

In this regard, I propose that other concerned countries be invited to participate in China-Japan consultations on specific issues or that multilateral consultations be held on the initiative of China and Japan. Of course, this will call for careful working-level advance coordination, but public- and private-sector multilateral gatherings on various levels are already taking place in scientific and other fields. Applying this experience and approach to senior-working-level, cabinet-level, and summit consultations would, I think, be welcomed by neighboring countries.

In the past, China has taken part in multilateral negotiations on limited issues outside the region or involving so-called subsystems, such as the Korean peninsula or Indochina, but has been reluctant to engage in comprehensive multilateral talks targeting Asia Pacific as a whole. The main reason is that China itself is a divided nation; it has adopted this stance as a way of fending off other countries' interference in what it perceives as internal problems, such as the reversion and future status of Taiwan and sovereignty over the Spratlys. Asia Pacific problems that call for multilateral consultations include the crisis threatening North Korea's survival as a nation and the security of the Korean peninsula as a whole, the territorial dispute over the Spratlys, and the relaxation of tension on both sides of the Taiwan Strait. But while China has left the door open a crack for discussion of the Spratlys, it adamantly refuses to countenance any outside interference regarding Taiwan, which it sees as a purely internal matter.

Here we would do well to observe APEC, the most successful organization for multilateral regional consultations in Asia Pacific. APEC is distinguished first and foremost by the fact that China, Hong Kong, and Taiwan are all members. Since APEC talks focus on the limited area of economic cooperation, naturally enough the forum has taken a pragmatic approach in line with economic realities. Nevertheless, the inclusion of the "three Chinas" is a historic achievement.

The most appropriate way to encourage Chinese participation in the process of raising bilateral consultations to the multilateral level is to begin with such nonpolitical areas as environmental conservation and cultural exchange, then broaden the scope to include critical political issues. If all goes well, involving China in consultations on Japan-U.S. security as either an observer or a formal

participant and holding three- or four-party talks on the Korean peninsula (China, Japan, South Korea, and possibly North Korea) can become more than an academic thesis. The formula of accumulating talks in specific fields will also provide the basis for establishing future organizations for multilateral regional dialogue in Asia Pacific, especially East Asia. It is easy to foresee that the formula of regional dialogue based on the establishment of an organization first cannot function effectively in East Asia, which does not comprise homogeneous nation-states.

In addition to expanding China-Japan consultations in this way, measures to promote bilateral dialogue within existing mechanisms for multilateral dialogue would also be useful. APEC and the ASEAN Regional Forum (ARF) already exist as forums for dialogue on Asia Pacific economic and security issues, respectively. For China and Japan to expand dialogue by means of more active involvement in APEC and ARF would be both realistic and effective. One of the major motives for the establishment of both forums was to involve China in post-cold war multilateral dialogue. China has taken a most positive and cooperative attitude toward APEC, but it has made quite obvious its suspicion that ARF aims at "multilateral containment of China." At the second meeting of ARF, held in Brunei in 1995, China clashed sharply with other countries over its nuclear tests and the Spratlys issue. On the other hand, in early 1997 it showed a more cooperative face, serving as joint chair of the Intersessional Support Group on Confidence Building Measures. For the time being, China is likely to continue to participate in ARF, albeit cautiously.

ARF, which grew out of the 1993 ASEAN postministerial meeting, is unusual in that it is not led by big powers. With both Russia and the United States as members, ARF provides the ideal framework for Asia Pacific security dialogue. But since neither North Korea nor Taiwan belongs and China insists on excluding bilateral and internal issues from the forum's agenda, it remains doubtful that ARF can function immediately as a mechanism for multilateral security consultations. Whether ARF can exert an effective influence in the handling of regional conflicts, as the Organization for Security and Cooperation in Europe does, will depend to a great extent on China.

From this point of view, too, initiatives to expand China-Japan dialogue on two fronts, bilateral consultations on Asia Pacific security and more active involvement in APEC and ARF, constitute the most realistic approach and, I believe, an effective way of engaging China in the regional security framework.

### *Multitrack Consultations*

The new generation in both countries must lead the way in promoting "multitrack" bilateral consultations: expanded, "multichannel" government, business, and other private-level exchange. I have already discussed dialogue on the summit,

cabinet, and high working levels of government, but actually local-government and private-sector personal exchange and economic exchange between businesses and other economic organizations are more advanced. In short, government-level dialogue and intellectual exchange are lagging behind the direct exchange of people and goods.

It is noteworthy that nongovernmental organizations (NGOs) in the ASEAN region are active in ARF's activities. The ASEAN Institutes for Strategic and International Studies (ASEAN-ISIS), in particular, play a leading role in senior officials meetings and other track two processes. A system is in place for ASEAN-ISIS to formulate policy proposals in close coordination with bureaucrats, who are part of track one. In this and other ways, ASEAN-ISIS is actively engaged in advisory activities. Such think tanks have formed the Council for Security Cooperation in the Asia Pacific, which is charged with enhancing cooperation among and the role of track two processes in the region.

In recent years, there has been mounting criticism that Japanese government advisory councils, which comprise "knowledgeable people" from various walks of life, simply turn out proposals in line with scenarios drawn up in advance by bureaucrats and thus are used to create the semblance of policy input from the private sector. This abuse must be rectified for the sake of Japanese study of mid- and long-term Asia Pacific strategy (including, of course, the China-Japan-U.S. trilateral relationship); if this is to be done, it is crucial that the public and private sectors join forces across a broad spectrum. Moreover, to ensure and give concrete form to Japan's active involvement in Asia Pacific, it is urgent to invigorate private-sector think-tank research and exchange and to establish a system enabling such research institutions to present policy proposals.

This means ensuring human and financial resources, but present government and business conditions make the creation of a permanent strategy-oriented research institution unlikely. And setting up another think tank along the traditional lines, affiliated with a particular organization and specializing in a narrow area, will not enable a flexible approach that varies with objective and theme. In the circumstances, the only feasible means of conducting flexible research is a system for policy proposals by ad hoc project teams addressing specific themes. Recruiting members from existing universities, corporations, and think tanks and providing limited, short-term financial assistance is the most efficient and feasible approach.

Such groups will also need to strive to establish and expand broad-based intellectual exchange networks with researchers and research institutions in China and other target countries and to increase opportunities for interaction, including conferences. Traditionally, exchange between individual universities and research institutions has predominated; there has been little oriented toward specific objectives and themes. In future, however, ongoing exchange with clearly defined objectives will be of vital importance.

## Japan's Historical Debt

The greatest long-term issue between China and Japan is the historical debt borne by Japan because of its past aggression against China. Unless we understand clearly that this problem still remains more than half a century since World War II and a quarter of a century since the establishment of diplomatic relations, look honestly at the factors behind it, and search for ways to sublimate it, a truly equal and mutually beneficial relationship will be impossible. Both countries must take responsibility for insufficient efforts to sincerely face history, taking this problem as a lesson.

On the Japanese side, there are two main issues. First, we must reflect on the fact that the apologies for past aggression delivered so far have been vague and thus their true intent has not been adequately transmitted. Moreover, cabinet ministers and politicians should refrain from remarks that negate the meaning of these apologies. Far too much damage has been done by such irresponsible statements. Politicians should ponder the fact that strategic diplomatic considerations exist on a different plane from freedom of speech. In short, when it comes to China-Japan relations, "political correctness" is *de rigueur*.

Second, we need to rethink the appropriateness of the kind of economic assistance Japan has extended so far, which China still regards as insufficient despite the huge sums disbursed in yen loans (a total of ¥1.54 trillion as of 1995, or the end of the third package of yen loans) and grants-in-aid—funds that China unconsciously regards as "reparations." We must scrutinize whether people who were actually harmed in the war have a tangible sense of this aid, Japan's "apology," including examination of the transmission of information.

There are also problems on the Chinese side. The government is not fully aware of the dangers inherent in the way it blurs the line between fact and fiction in its propaganda regarding the wartime resistance and the Japanese military, glossing over some facts and exaggerating others, in order to legitimize the present regime. It is undeniable that the use of such tactics in molding public opinion vis-à-vis Japan is a big minus factor, and China needs to be more conscious of this. That method of manipulating domestic opinion and the use of the history card in diplomacy toward Japan may have been effective in the 1980s (Whiting 1989), but it is also a fact that in the 1990s, with the emergence of a younger generation, these have had the effect of souring Japanese public opinion toward China.

This problem can be seen as reflecting cultural differences, as being a form of cultural friction. After World War II, Chiang Kai-shek, citing Confucius' admonition to "repay spite with virtue" in the *Analects*, waived Japanese reparations. Upon the normalization of relations with Japan, Zhou Enlai attempted to remind the Japanese of their "debt of gratitude" in the hope of generating a limitless source of funds for China's "four modernizations." Just as the buying

and selling of land-use rights generated huge investment funds in the 1990s, there is no doubt that use of the history card was an extremely effective way of conjuring money out of Japan. But it is also true that Japan is becoming fed up with the constant reiteration of this "principle" more than fifty years since the war's end.

*Aid for Education and Infrastructure as "Japanese-style Human Rights Diplomacy"*

In fiscal 1994, Japan extended about ¥7.8 billion in grants-in-aid to China. This assistance was frozen in August 1995 in protest against China's nuclear testing, except for ¥500 million earmarked for emergency humanitarian assistance and grass-roots projects. Grants-in-aid were resumed in 1997, beginning with the provision of medical equipment to Beijing and other forms of assistance with a humanitarian focus. China objected strongly to the aid freeze, but we should note that humanitarian assistance was not in fact stopped.

In 1979, Prime Minister Ohira Masayoshi enunciated three principles for Japanese official development assistance (ODA) to China. Assistance to other developing countries would not be slighted, assistance to China would not and could not be used to exclude Western countries in an attempt to monopolize the Chinese market, and no military assistance would be provided. These were expanded in the four principles set forth in the ODA Charter adopted in 1992: compatibility between environmental conservation and development; no assistance for military purposes or purposes liable to exacerbate international conflicts; monitoring of military spending, development and production of weapons of mass destruction, and arms imports and exports; and monitoring of efforts toward democratization, introduction of a market-oriented economy, and protection of basic human rights and freedoms.

Meanwhile, in December 1991 the Japan International Cooperation Agency (JICA) issued a document titled "Country Study for Development Assistance to the People's Republic of China: Basic Strategy for Development Assistance," which proposed four principles of economic assistance to China. These were defined as "friendship with China for world peace," "support for economic reform and openness," "remedies for dislocations brought about by economic growth," and "consideration for China's immense population and territory." The document declared, in part: "Japan shall carry out economic cooperation with China, laying stress on friendship with its neighbor China and demonstrating awareness of the global community's interdependence, in the context of which China's stability and growth are essential to peace and prosperity both in the Asia-Pacific region and throughout the world. . . . Japan shall contribute to sustainable and well distributed growth and development throughout China by strengthening types of economic cooperation with China that protect the

environment and alleviate poverty, based on the premise that environmental destruction, interregional disparities, and other dislocations may be caused by rapid development in coastal zones and by the vicious cycle of poverty, population growth, and environmental destruction in poor inland zones" (JICA 1991, 4). These are extremely effective guidelines for future China-Japan economic cooperation and should be respected.

In the fourth package of yen loans (1996–2000), the provision of ¥580 billion in loans has been agreed on for forty projects in the first three years, including the disbursement in fiscal 1996 of ¥170 billion in loans that had been frozen in protest against nuclear testing. In the fourth package, we see a shift from the first three packages' emphasis on transportation, telecommunications, energy, and other aspects of infrastructure to a focus on the environment, agriculture, and inland regions. Japan has a keen interest in environmental issues because of such phenomena as acid rain. Fifteen projects have been allocated in this field—the largest number for any one field—including improvement of waterworks and measures to combat atmospheric and water pollution. Agriculture accounts for the most funds, with 70 percent of the total going to inland projects.

This kind of economic assistance is expected to play a role in rectifying the distortions resulting from China's rapid-growth policy, the outgrowth of the expansion of the economic-reform and market-opening policies pursued since 1992. It is easy to foresee that rapid economic growth, embarked upon without ensuring adequate social infrastructure and educated human resources, will become a bottleneck to China's sustained development in the not-too-distant future. Such assistance, which neither Beijing nor local governments have the financial and technical resources to address, will be extremely important in promoting sustainable development in China as a whole, not to mention providing relief for the inland regions.

Since the Tiananmen Square incident, the CCP and the government have countered Western criticism of human rights with insistence on the paramount importance of the rights to subsistence and development. Ironically, however, the poor inland regions can hardly be said to be fully enjoying these rights. The disparity between coastal and inland regions, rationalized on the grounds of Deng Xiaoping's proposition that the creation of wealth in certain regions first would propel forward other regions, is growing yearly. In addition, there is an enormous outflow of rural population to coastal and urban regions in search of work that can generate a cash income, so that "the vicious cycle of poverty, population growth, and environmental destruction" is already under way.

Population outflows and poverty have a severe impact on children's education. According to statistics released in 1989 by the State Education Commission, only about one-third of the nation's 220 million schoolchildren were able to complete primary education; from 1980 to 1988 some 37 million children had to leave school partway through—an average of 4.62 million a year, including

more than 4 million in primary school (Wang, Zhang, and Tao 1993, 177). In 1995, the Education Law was enacted to strengthen the Compulsory Education Law of 1986 and expenditures on education were increased, but education is still far less widespread in rural areas than in urban areas. The Xiwang Hope Project, inaugurated to solicit funds from individual philanthropists and groups to build and operate schools in poor areas, is moving ahead with school construction.

In addition to the continued upgrading of infrastructure (the emphasis of past yen-loan packages), future ODA, in line with the JICA four principles, will include aid in such fields as the environment and agriculture and active assistance to inland regions and minority communities. This direction should be maintained and strengthened. Such aid is the diametric opposite of the violation of people's rights to subsistence and development that Japan perpetrated through its past aggression. As already mentioned, China tacitly regards Japanese economic assistance as a form of reparations. The active development of Japanese-style humanitarian aid, or Japanese-style human-rights diplomacy, will lead eventually to the sublimation of Japan's historical debt into a historical lesson.

### *Utilization of Grass-roots NGOs*

Also important is active expansion of Japanese NGOs' activities in China. Government assistance tends to be faceless, while that of NGOs has a face. Various forms of involvement and assistance are possible. Japan should join in such worthwhile projects as the promotion of democratic elections in rural areas being undertaken by the Ford Foundation in cooperation with China's Ministry of Civil Affairs.

Surely NGOs can provide "logistic support" for government aid to inland regions, assisting in the construction and operation of schools à la the Xiwang Hope Project, providing agricultural and light-industry technical guidance to encourage job creation, and helping with specific projects in such fields as environmental conservation. The ideal would be for government bodies and NGOs, engaging in organic cooperation, to provide the "aid with a face" of a "normal Japan."

The most realistic way to provide the personnel support base for such NGOs would be to mobilize the energies of women and retired people, whose abilities and experience are not adequately utilized in Japanese society. Both groups command a variety of skills, as well as abundant experience, but either they are unable to deploy these fully in Japanese society or their links with society have been severed. The potential of women and retirees should not be underestimated. Utilization of these human resources, along with corporations' approval of employees' participation in volunteer activities, is worth consideration.

Japanese who actually fought in World War II are now over seventy. But for the generation that still remembers why Japan needs to “atone,” even if its members have no actual experience of their country’s past aggression, to take part in NGO activities in China along with the young generation that has absolutely no memory of the war would also contribute to enhancing mutual understanding.

### *Strategic Utilization of Okinawa*

Finally, I propose the strategic utilization of Okinawa as a venue for China-Japan and, more broadly, Asia Pacific consultations on various levels. At present, U.S. military bases in Asia Pacific are concentrated in Okinawa because of its strategic location. Many proposals have been offered for promoting Okinawan autonomy to free it of its dependence on bases. One of these is to enable it to function as a convention center. For Japan to establish an Asia Pacific convention center there as a national project, thus showing its commitment to the region, would also be an extremely effective strategic move. Okinawa’s militarily advantageous location means that it is within fairly easy access of both Tokyo and other Asian cities. Fukuoka, Manila, Seoul, Shanghai, and Taipei are within one thousand kilometers, while Beijing, Hanoi, Hong Kong, Osaka, and Tokyo are within two thousand kilometers.

Most important, however, is Okinawa’s historical background. From ancient times the Ryukyu Kingdom was a maritime state with a trade sphere extending from East to Southeast Asia. It had a proud history as a prosperous commercial nation. The kingdom paid tribute to both China and Japan, while forming a distinctive culture of its own. In the Meiji era (1868–1912), Japan incorporated the Ryukyu Kingdom as Okinawa Prefecture, but there is no doubt that historically it was within the tributary sphere of the Chinese empire. Later, at the end of the Greater East Asia War that came to be called the Pacific War, Okinawa was the site of the only land battle in Japan, and many Okinawans were killed by both Japanese and U.S. forces. After the war Okinawa remained under U.S. control until 1972.

As we see, Okinawa has trod a different historical path from the rest of the Japanese archipelago. In a number of ways, to open up Okinawa now to Asia Pacific would be an expression of an irreversible commitment to involvement in the region on the part of Japan, with its historical debt. In the long term, that would create a modern version of the wide-ranging international network of the Ryukyu Kingdom. This is in keeping with Okinawa Prefecture’s own vision for the future, and would also lead to divesting it of military bases. For these reasons, it would probably be relatively easy to gain local understanding and support for such an undertaking.

If China-Japan consultations could be held not in Beijing or Tokyo but in a third location, and if this location were Okinawa, with its unique historical heritage, we could hope for the diplomatic coup of China’s associating this with

both the glory of the Pax Sinica of the Chinese empire and Japan's payment of its historical debt. If a similar effect could be hoped for from the United States and other Asia Pacific countries, the significance of holding international conferences in Okinawa would be far from small.

The end of the cold war came very quietly, but it brought about a kind of revolution, demanding as it did a fundamental change in our consciousness and systems. As symbolized by the fall of the Berlin Wall, the cold war ended, as it had begun, in Europe. Whereas confrontation between the Soviet Union and the United States characterized the global cold war, China and the United States were the chief players in Asia Pacific.

During the "long peace" of the cold war period, the erstwhile Axis power Japan grew into an economic superpower, taking the singular path to national reconstruction of making economic prosperity its primary aim while entrusting its military security to the United States. The first twenty years of the cold war were characterized by China-U.S. confrontation, the last twenty years by China-U.S. rapprochement and the formation of a loose China-Japan-U.S. alliance vis-à-vis the Soviet Union. Japan, meanwhile, remained in a state of "suspended judgment," thanks to the Japan-U.S. alliance. With the end of the cold war, ideology dissolved. But Japan, nostalgic for the years of comfortable slumber, is not yet fully awake. It is still drifting.

The United States has decided to make Asia Pacific its strategic axis in the twenty-first century. It is undertaking the major shift from Atlantic nation to Pacific nation. Calculating that wealth will come from the west, it dreams of an Asia Pacific community centered on APEC. It has decided to maintain its "hub-spoke system" of bilateral military alliances with Japan, South Korea, and the ASEAN states of the Philippines and Thailand and its present troop strength in Asia Pacific. Moreover, there is now an organization for dialogue on collective security in the region, ARF. The United States faces the challenge of retaining the initiative and preventing the regional powers China and Japan from taking things into their own hands.

China has regained sovereignty over Hong Kong, putting an end to more than a century and a half of "*ressentiment*" following the Opium Wars. But the framework of the nation-state, the heritage of the final Chinese empire, that of the Qing dynasty (1644–1911), has not been restored. Only when China has fully reinstalled and sustained this framework will it have fully repudiated the humiliation of its early modern history. China has ensured the stable relations with surrounding countries that are necessary if it is to achieve its goal of "a rich country and a strong military," but coordination of the China-Japan-U.S. relationship that is crucial to Asia Pacific remains a task for the future.

Not only in Japan but everywhere, the cold war presented us with an either-or choice, after which we could suspend judgment, as it were. But the post-cold war period does not provide us with options. We have to think for ourselves and

make our own choices. Now that there are no external enemies, there is no game unless enemies are sought within. The post-cold war period may well prove to be a "cold peace" of continued tension.

Formerly, China, Japan, and the United States were joined in a loose community to contain a common enemy, the Soviet Union. In future, however, they will have to create a "community of necessity" in which they check one another, for this is regarded as the behavior required of responsible powers, regardless of whether it is voluntary. Even if the three countries "share the same bed but dream different dreams," as it were, even if they are reluctant partners, they will not be able to survive unless they engage one another in a community of necessity.

The most difficult task will be that of refashioning the China-Japan relationship into one oriented toward a new age, for the two countries have a long history of mutual misunderstanding. A sound relationship with China is one of the most important factors in Japan's security. In future, we can expect circumstances to arise that will require Japanese efforts to involve China in the rules of the international community, such as the question of Chinese membership in the World Trade Organization. In 1992, Deng Xiaoping took the bold step of defending his regime by actively incorporating Western capital. We now need to demonstrate the breadth of vision and decisiveness to incorporate China into the group of nations with market economies, collective-security mechanisms, and societies that guarantee their citizens democracy and human rights and freedoms.

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