

Japan's Strategic Status, Orientation and the Construction of a New Type of Sino-Japanese Relations *

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On the eve of the Beijing APEC meeting in November 2014, the Sino-Japanese relations began to thaw as both countries reached a four-point consensus. On the credit side, there has been a gradual uptick of government-to-government dialogue and high-level exchanges. China's minister of Civil Affairs, the first ministerial-level official visiting Japan since Japan announced in September 2012 to "nationalize" the Diaoyu Islands, held a brief side meeting with Japan's foreign minister when attending the UN World Conference on Disaster Risk Reduction in Sendai. This event is also viewed as a step taken to implement the four-point consensus.¹ On March 19,

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2015, China and Japan held the thirteenth round of vice-ministerial security talks in Tokyo — four years after the previous round. During the meeting, both sides exchanged opinions on launching the “maritime communication mechanism” as soon as possible. On March 23, Yu Zhengsheng, chairman of the National Committee of the Chinese People’s Political Consultative Conference (CPPCC), met a delegation of Japan’s ruling party. “Sino-Japanese relations are improving,” said Yu. The Japanese side agreed, “The summit of the countries’ leadership last year laid the groundwork for bilateral relations to improve.”² On April 22, President Xi Jinping met Prime Minister Shinzo Abe in Jakarta, Indonesia. President Xi pointed out that both countries should adopt proactive policies to strengthen communication, build confidence and dissipate mistrust, making every effort to transform what was prior concurred between the governments — “China and Japan should be mutually cooperative partners rather than threats” — into consensus with broader social bases in both countries.³ On May 23, President Xi held a meeting with a 3,000-member Japanese delegation headed by Toshihiro Nikai, chairman of Japan’s ruling Liberal Democratic Party’s (LDP) General Council. In remarks he made at the welcome ceremony, President Xi pointed out that the root of Sino-Japanese friendship comes from the public, and that the future of the bilateral relationship is in the hands of the two peoples.⁴ On July 16, China’s State Councilor Yang Jiechi co-chaired the first Sino-Japanese high-level political dialogue with Japan’s National Security Adviser Shotaro Yachi. This is an important step toward strengthening strategic communications between the two countries’ high-level officials that could facilitate the accumulation of consensus, manage and control disagreement, and foster a stable and positive context for the relationship.⁵

On the debit side, the predicament of the relationship is nowhere near a fundamental change. First and foremost, Japan’s domestic debate on the recognition of history is still ongoing, as exemplified by the latest controversies on whether the Prime Minister’s statement on the 70th Anniversary of the end of World War II should include key words such as “aggression” and “apology.” On March 26, 2015, while admitting that there has been much

improvement in the Sino-Japanese relations, Abe expressed deep concerns over China's defense expenditure growth during an interview with the *Washington Post*, and said Japan intended to align with the United States and ASEAN countries to urge China to change its maritime behavior. During this interview, Abe also made an absurd allegation that comfort women were "victimized by human trafficking."⁶ Second, there are signs pointing to Japan's growing intention to expand its military. On March 23, Abe called the Japanese Self-Defense Forces (SDF) "our troops" when testifying at the Diet on the training of the SDF. On March 25, Japan officially commissioned the *JS Izumo* (DDH-83), a helicopter destroyer on par with air-craft carriers owned by some countries such as Italy, even though it is unconstitutional for Japan to possess offensive weapons.⁷ On July 16, Abe pushed the security bills through the LDP-controlled Lower House of the Diet, granting more latitude for SDFs military activities abroad.⁸ In the economic dimension, Japan continues to distance itself from China, as Japanese investment in China and the two-way trade continue to ebb. Japan also expressed deep suspicion on the China-spearheaded Asia Infrastructure Investment Bank (AIIB), and sides closely with the US on criticizing AIIB's management structure and financing standards. On May 21, Abe unveiled a plan to offer \$110 billion to expand the Asian Development Bank's (ADB) lending capacity to fund "high-quality infrastructure investments" in Asia. Moreover, the portion of the Japanese public that holds a positive perception on China continues to decline. According to a public opinion survey released by the Cabinet Office of the Government of Japan in December 2014 (the survey was conducted roughly in October), the ratio of respondents who had positive feelings toward China dropped to a historical low of 14.8 percent, 3.3 percentage points lower than the result of 2013. It is particularly worrisome that, of all age ranges, respondents from 20-29 years old demonstrated the greatest shift, with the ratio dropping from 33 percent in 2013 to 25.7 percent in 2014.⁹

Both China and Japan are vital players in the international arena. Whether their relationship is moving towards one of conflictual and confrontational, or one of mutually beneficial and win-win,

is of significant influence to whether China can sustain a peaceful and stable security environment on its periphery and achieve its “two centennial goals.” Also, it is key to the peace and prosperity of East Asia and, more broadly, the whole Asia-Pacific. Despite recent improvement in the Sino-Japanese relationship, **there is still a diversity of disagreeing voices in China on Japan’s strategic status, orientation and the construction of the basic framework for future development of the relationship.** This article seeks to further scrutinize these issues while taking into consideration the strategic goals of China’s Japan policies.

I. HOW TO INTERPRET JAPAN’S STRATEGIC STATUS

Despite that Japan and China are neighboring countries close to each other geographically and sharing a long history of exchanges, there is still a huge gap in their mutual perceptions. At present, China is still badly in need of a consensus on its policy toward Japan. Public opinion, as heavily influenced by nationalism as it is, is highly emotional. Two schools of thoughts are particularly influential.

The first school contends that, given the apparent decline in Japan’s power and strategic position, Japan is no longer a major country of any essential influence, and that China thus should not be unnerved by the chronic tension and even deterioration of its relations with Japan. When China outstrips Japan in every aspect of their comprehensive national power, all problems will automatically be solved. This viewpoint has two striking characteristics. First, it views national security as almost entirely contingent on balance of power, which means the country with greater power enjoys a greater degree of security. Second, it views the problems between China and Japan have been caused by power distribution. Undoubtedly, China can boost its ability to manage security risks by strengthening its comprehensive national power. As is evidenced by China’s modern history since 1840, nations weak in power could well lose control of their own destinies. In contrast, Japan’s rise during the roughly same period and the two wars it waged on China, in a sense, occurred under the condition that the balance of

power at that time tilted towards Japan.

This argument, however, has its highly dangerous side. In the field of international relations, comparing countries' power is a very complex topic, as schools and theories have differing views on the criteria comprising national power. For instance, realism typically argues that military prowess is decisive, while liberalism and Marxism tend to emphasize the importance of economic factors, and constructivism and the English School contend that national identities and the degree of international recognition have important influence on a country's power. Erroneous assessment and adventurist behavior based thereupon can cause devastating results to a country. As Geoffrey Blainey, an authoritative scholar on war theories, argues, "Wars usually begin when two nations disagree on their relative strengths, and wars usually cease when the fighting nations agree on their relative strength."¹⁰ Therefore, it is essential to evaluate China and Japan's national power in a comprehensive and well-rounded way. Wartime Japan is a classical case where it was devastated by a war waged — and lost — from erroneous power calculations. After the end of the Cold War, soft power became an important component of comprehensive national power, making the mere beefing up of hard power inadequate to deal with various challenges. Aside from these, there are other problems that deserve further theoretical probing. Some of these problems can be expressed through the questions: Does the strongest country necessarily enjoy the greatest degree of security? Is there a linear relationship between a country's national power and its security? Currently, there have yet been conclusive answers to these questions.

In modern history, it occurred twice that Japan disrupted China's process of modernization. The first time was during the First Sino-Japanese War, which ruined the fruits of the late-Qing Dynasty's Self-Strengthening Movement. The second was during the aggressive war Japan waged in the 1930s, which again delayed China's modernization. Japan is a country that China cannot neglect and must treat seriously and warily. During the first half of the 20th century, Japan's militarization inflicted grave disasters and suffering on other Asian countries. Japan itself also ended up losing

the war and being occupied by the US military after the surrender.

Thanks to its peaceful constitution, post-war Japan followed a path of peaceful development and made magnificent accomplishments. In 1968, Japan became the second largest economy in the capitalist world. In 1978 when China just began its reform and opening-up drive, its comprehensive national power lagged far behind that of Japan. According to Angus Maddison's calculation, in 1980, China had a GDP equivalent to 68.6 percent of that of Japan, measured by purchasing power parity (PPP).¹¹ Using the same measurement, IMF's data shows that in 1980 China's GDP was only 30 percent of that of Japan, and Japan enjoyed a share of 7.8 percent of the world's GDP. China's per-capita GDP was only equivalent to 3.5 percent of that of Japan.¹² At that time, the US and Japan were two vital countries for China to create a favorable external environment for its reform and opening up. Japan also adopted positive policies toward China's reform.

The balance of economic power between the two countries has since shifted over the following three decades. Since the 1990s, the Japanese economy has remained stagnant while the Chinese economy took off. Measured by market exchange rates, in 2010, China's GDP surpassed that of Japan. As China sustained a rapid economic growth thereafter while the Japanese yen devalued, in 2013, China GDP reached \$9.5 trillion, almost twice that of Japan (\$4.9 trillion). If measured by PPP, China's gross economy would reach \$16.2 trillion, 3.7 times that of Japan (\$4.7 trillion). The IMF estimates that for the year 2014, if measured using market exchange rates and PPP, Japan's GDP equals 46 percent and 27 percent of China's GDP, respectively. In this context, many in China believe that Japan has lost its ground in the competition and that China can use its growing national power to drag down and pressure Japan.

In fact, as the world's third largest economy with the world's fifth largest defense budget (seventh if measured by current US dollar value), Japan still boasts a rather strong comprehensive national power.¹³ Japan remains the world's top-ranking country in terms of its science and technology, people's livelihood and social construction, environmental protection, international competitiveness, international image and other important indicators.

In some respects, these indicators are still way above those of China. According to figures released by the World Intellectual Property Organization (WIPO), in 2014 China filed 25,539 PTC patent applications (11.9 percent of world total), ranking the third in terms of patent applications filed, whereas Japan filed 42,459 (19.8 percent of the world total), ranking the second.¹⁴ From 2010-2015, average life expectancy (female/male) in China and Japan are 76.6/74 and 86.9/80 years, respectively. China's forest coverage rate was 22.5 percent (in 2011) whereas Japan's was as high as 68.6 percent.¹⁵ In terms of the UN human development index, in 2013, China ranked the 91st, whereas Japan ranked the 17th — reflection of a very high level of human development.¹⁶ According to *The Global Competitiveness Report 2014-2015* released by the World Economic Forum in September 2014, China ranks the 28th of the world's 144 countries while Japan ranks the 6th.¹⁷ A Pew survey on “how Asians view each other” conducted in September 2015 shows that, nine of the eleven surveyed countries in Asia, particularly Thailand, the Philippines, Vietnam and Indonesia, harbor highly positive views on Japan and Prime Minister Abe, while only China and South Korea expressed negative feelings. Thailand and Indonesia also have positive feelings towards China, albeit less so than towards Japan. Only Pakistan, South Korea and Bangladesh express stronger positive feelings toward China than toward Japan.¹⁸

When assessing China and Japan's economic strength, distinction should be made between flows and accumulations, and between GDP and GNP. When talking about China's economy surpassing that of Japan, people generally refer to the total added value in domestic production for a specific year rather than the gross wealth accumulated over the long run. On top of that, GDP indeed does not reflect the total added value by a country's citizens in the year. Calculation of a country's wealth should include overseas assets controlled by citizens of the country in question. This part of assets could make substantial impacts on the country's economy in the event of a crisis. For instance, after Japan was struck by the 2011 earthquake, a sheer volume of overseas capital controlled by Japanese enterprises flew back and contributed to Japan's

economic recovery. Another issue is that Japanese companies have an accumulated amount of outbound direct investment in foreign countries that far outstrips that of China. If measured by flow, China's volume of outbound direct investment has already exceeded that of Japan in 2010. However, if measured by accumulated value, as of 2013, China's total outbound direct investment was still less than \$620 billion, only about 61.8 percent of that of Japan.¹⁹

Economic strength and military power are the two pillars affecting the balance of power between China and Japan. Despite the fact that China has exceeded Japan in terms of GDP, Japan is still in a superior position in terms of the quality of its economy and its per-capita share. From a dynamic perspective, China is entering a "new normal" where its economic growth begins to slow down and a variety of domestic destabilizing factors emerge, making it extremely challenging to accomplish the "Four Comprehensives" and "ensuring growth" as proposed by the central government. In contrast, Japan, regardless of its long economic stagnation, has successfully ensured social stability and initiated structural reform centered on "Abenomics." There are still uncertainties in the balance of economic power between the two countries. In the military aspect, military expenditure arguably is not the optimal indicator to measure military power gaps between countries. Japan's military expenditure remains among the world's top three in terms of absolute value for a long time. As a result of such incremental accumulation, Japan still enjoys superiority in anti-submarine, air defense and other fields. Facing China's growing military prowess and a widening military expenditure gap vis-a-vis China (currently China's defense budget is roughly three times that of Japan), Japan has been adjusting its military strategy, raising military expenditure (after decreasing for ten years in a row, it began to pick up from 2013) and strengthening defense capabilities. Aside from that, Japan has the capability of developing nuclear weapons.

Even if the balance of absolute power between China and Japan continues to tilt toward the former, other variables should be taken into consideration when examining power distribution. First, the United States continues to consolidate its security ties with Japan which Washington views as a vital component of its "pivoting

toward Asia” strategy. In April 2014, US President Barack Obama visited Japan, during which he claimed that the Diaoyu Islands were under the coverage of Article V of US-Japan security agreement. The year 2015 is the 70th anniversary of the end of WWII. In April 2015, Abe visited the US and delivered a speech at a joint session of US Congress, while his predecessors had only delivered speeches at either the Senate or the House of Representatives. The US and Japan also released their third defense guideline, a move apparently aimed at bolstering military cooperation. Second, Japan has been deepening bilateral cooperation with other US allies in Asia-Pacific. In July 2014, Japan signed the Economic Partnership Agreement (EPA) with Australia. In September, Japan and Australia agreed to precipitate the negotiation of a military cooperation agreement which, upon conclusion, would enable Japan to transfer submarine technologies to Australia. Meanwhile, Japan has apparently beefed up its assistance to Vietnam and the Philippines, particularly in military facilities and activities, including the provision of maritime patrol and assistance with naval drills.²⁰ Third, there are still uncertainties in the direction where Japan’s relationship with Russia is headed. Despite the fact that the West has tightened sanctions against Russia since the Ukrainian crisis, Japan has maintained its endeavor to improve its relations with Russia as much as enabled by the evolving international environment. Fourth, the international public opinion dominated by the West, combined with China’s moves with respect to its maritime policies, have led the international community to suspect the credibility of China’s pledge of peaceful development. The US will further counter China’s legitimate claims by its deep involvement in the South China Sea disputes and domination of international public opinion. Japan’s policies and stance on maritime issues converge with America’s interest. As a maritime power, Japan will play a vital role checking China’s military development if it follows the US and becomes deeply involved in the Indo-Pacific.

Overall, Japan has yet to entirely decline as some Chinese imagine. In a long period to come, if the Sino-Japanese relationship continues to deteriorate or even descend into military conflicts and war, compounded by the aforementioned international factors,

there could be a wide range of changes to the balance of power between China and Japan. A probable future is a war that both sides suffer.

II. WHAT IS JAPAN'S STRATEGIC ORIENTATION

As for the strategic direction where Japan is headed, there is a widely held view in China that Japan attempts to pursue its old path of militarism; therefore, it is replacing the US as China's major security threat. This view argues that in the future "a war between China and Japan is unavoidable," and China must make every effort to contain Japan. This view ignores the fact that the resort to military means as a solution for international disputes has declined since the end of the Cold War, and that at the global level the ratio of military expenditure in relation to GDP is on a slow decrease.²¹ Aside from that, a deduction of this view is that China should take preemptive actions to prevent Japan from retaking a militaristic path. Strictly speaking, Chinese and foreign academia, to a certain degree, concur on the definition of "militarism." For example, Jiang Lifeng, a scholar at Chinese Academy of Social Sciences, holds that the fundamental characteristics of militarism is "the supremacy status of the military, the pursuit of hegemony."²² In the Western context, "militarism" was initially defined as the domination of military institutions in social life. In the early 20th century, militarism was defined as the militarization of a whole society, and having the ambition to conquer the world.²³ The Japanese militarist regime during WWII adopted such an approach by prohibiting democracy and establishing fascism domestically, and waging aggressive wars and establishing colonies overseas. So the key issue of the problem is whether the current Japanese government has the ambition to expand and conquer the world, and whether its foreign policy has been dominated by military groups.

Even though there is considerable discrepancy between the Chinese and the rest of the international community on perceptions of this issue, given that China is the most traumatized victim of Japan's aggressive war and that the Japanese leadership have demonstrated inconsistency on history issues, China's suspicion

is not unfounded. Nevertheless, it requires examination of both domestic and international considerations, combined with analysis of the leadership and potential groups that could inflict damage, to predict the strategic direction towards which a country is headed. Based on the analysis of four aspects, Japan is unlikely to pursue a militaristic path in the foreseeable future.

First, whereas Japanese politics will continue to lean to the right in the medium-to-long run, developments in both domestic and international environments can still effectively curb Japan's move towards militarization. Since the end of the Cold War, Japan's reformers have been severely weakened as Japanese politics increasingly lean toward being conservative. This trend of development is unlikely to shift in the medium-to-long run. This political climate by nature, in and of itself, differs from Japan's former military regime. Currently, factors in the international environment, including globalization, evolution of the form of modern warfare, the high degree of interdependence between Japan and other countries, the depth of Japan's integration into international institutions, China's rise, and Japan's political and military control by the US, all contribute to minimize Japan's gain from war and maximize the corresponding risks. Analyzing from a cost-benefit perspective, Japan's political elite will end up with a fiasco if they choose to invade other countries. Factors in its domestic society, including Japan's post-war democratization, the strong social roots of pacifism, the increasingly grave challenge posed by an aging population, and the dismal fiscal burden, make it inherently difficult for militarism to garner support.

Second, Japan is precipitating its move to abolish the post-war system and become a "normal country," which has been widely accepted by the international community except for a few countries such as China and South Korea. But it should be pointed out that the Japanese people and the US, Japan's most important ally, are wary on this issue, which makes it very difficult for Japan to stealthily pursue militarism under the name of "normalization." Despite the fact that today the Japanese people generally support to "normalize the country," over half of the people express objections or concerns over removing the ban on collective self-defense and

revising Japan's peaceful constitution, which is clearly demonstrated by waves of opposition in Japan to Abe cabinet's pushing through the security bills. According to a public opinion survey released by Japan's Cabinet Office on March 7, 2015, the current number of respondents expressing interest in the Self-Defense Forces (SDF) and defense issues has risen to its highest level since the question was added to the survey in 1978. Of the respondents, 29.9 percent said Japan "should fortify" its defense capabilities, nearly twice the 2009 figure, whereas 59.1 percent said the SDF should maintain its current level of defense capabilities.²⁴ A recent article by Jamie Metzler who served in the Department of State and on the National Security Council during the Clinton administration said that Japan's "record since 1945 — including championing the United Nations and other multilateral institutions and providing guidance and assistance to developing countries — has been exemplary," and that "a normalized Japan would enhance regional security by playing an important role in the balance-of-power system that China is steadily advancing with its unilateral behavior." However, if Japan chooses to accomplish this goal, argues Metzler, it must reconcile with its history in the first place.²⁵ In this sense, the major disagreement between the US and Japan is the issue of history recognition, which the former still remains alarmed as well. Just as Metzler pointed out in his article, Japan's wartime atrocities, such as the "comfort women" and Nanjing Massacre, are clearly described in US textbooks, which the Japanese leadership cannot deny.

Third, the Abe cabinet's foreign policy is a reflection of the current Japanese government's approach, but not entirely one of the Japanese people's opinion. Undoubtedly, Abe is a hardcore right-wing politician. However, he is not merely an inheritor of the legacy of his grandfather, former Prime Minister Nobusuke Kishi, but also is a realist who has been constrained by both domestic and international environments and has to consider the acceptability of his policies by different groups in Japan. Abe once enjoyed a high approval rating after coming to power and was likely to remain in the position for a long term. But this is not because of his push for revising the constitution or euphemizing Japan's history of aggression. On the contrary, whenever he takes actions pertaining

to these issues, his approval rating would drop, as indicated by survey results. On December 14, 2014, the Abe administration won the Lower House election. A *Kyodo News* opinion poll conducted in December 2014 showed that 55.1 percent of the respondents did not support Abe's security policies, and a majority of the respondents said they are not optimistic about the effects of Abe's economic measures.²⁶ An opinion poll result released by Japan's NHK television on March 9, 2015 shows approval rating for Abe's cabinet dropped to 46 percent, down by eight percent. Moreover, over 53 percent of the respondents said they did not feel "Abenomics" has improved the economy.²⁷ Abe's approval rating continued to slide as his cabinet rushed the security bills through the Lower House in July. According to a Nikkei survey in August, support for Abe administration dropped to 38 percent.²⁸ Abe's extended term, to a great extent, is a natural response to what Japan has undergone. After a two-decade economic stagnation and the 2011 earthquake, Japan needs a strong leader to rid its society of the most difficult situation since the end of WWII. Apparently, Abe has also recognized the challenge he is facing, as he consistently emphasizes the importance of the Sino-Japanese relationship and expresses the hope that the two countries would develop a "mutually beneficial strategic relationship."

Fourth, it is true that there is a small faction of far-right nationalists. But they cannot win support from the Japanese people, while also being isolated in the international community. These ultra-nationalists are both anti-China and anti-America. Ishihara Shintaro, who sparked the Diaoyu Islands crisis, is a representative figure of this group. Nowadays, this small-size, xenophobic ultra-nationalistic group can barely assert substantial influence on Japanese politics. While China should unswervingly combat these people, it should be cautious not to allow this small group to contaminate China's perception of Japanese people and its elite in all fields.

All in all, Japan is still a major country of important strategic status. **Following its trend of development, national "normalization" is the greatest common factor between Japan's domestic public opinion and its political elite, rather than a**

resurgence of militarism. At present, Japan's military buildup is still limited and unlikely to pose a significant threat to China's peaceful development. Yet, this does not mean that there is no need for China to be concerned about Japan. Japan can always deftly utilize unexpected changes in the international system and make an entire reversal of its policy direction. If Japan seeks to become a great military power after achieving normalization, it may tremendously undermine China's national security interest. If Japan keeps its path of peaceful development, then it will become a contributor to regional peace and stability as well as to China's development. Besides, just like Britain, which became a strong supporter for the US pursuit of world hegemony after the former lost its own hegemony, Japan can also play a special role in the long run even if it has declined. For these reasons, China must, in view of the big picture and its long-term strategic interest, stabilize, improve and develop its relations with Japan.

Since the end of the Cold World, peace and development have remained the major theme of the world. As interdependence between countries continues to grow, countries are also entangled with each other in terms of security relations. Just as President Xi Jinping pointed out at the Bo'ao Forum for Asia Annual Conference 2015, "As people of all countries share common destiny and become increasingly interdependent, no country could have its own security ensured without the security of other countries or of the wider world."²⁹ China proposed to build a community of common destiny in Asia. To achieve this end requires making a well-rounded, objective and accurate assessment of Japan's strategic status, gaining a deep understanding of the bearing of historical issues on Japan's strategic orientation, and making goals for China's Japan policy that are both pragmatic, feasible and beneficial to the big picture in the long run.

III. WHAT KIND OF SINO-JAPANESE RELATIONSHIP DOES CHINA NEED

At the Central Conference on Work Relating to Foreign Affairs on November 29, 2014, President Xi proposed to develop

an approach of foreign affairs work with Chinese characteristics that befits China's status as a major country. He also underscored the need of taking an overall approach to national security when conducting foreign affairs work, strengthening the confidence of the Chinese people in the path, theories and systems of socialism with Chinese characteristics, and ensuing China's durable peace and stability.³⁰ To develop major country diplomacy with Chinese characteristics requires stabilizing, repairing and improving Sino-Japanese relations.

Since China normalized its relations with Japan in the 1970s, fundamental changes have taken place to the balance of power between the two countries and the international order they live with. Both the countries have been adapting to the evolving international order. Some scholars argue, "Both China and Japan need to adjust their ways of thinking and strategies. For China, it sooner or later needs to clarify its bottom line toward Japan: under what circumstances can Japan become a 'normal country' acceptable to China? Meanwhile, what kind of a strong and great country could Japan expect China to become?"³¹ Japan used to remain under the reign of the United States for 70 years, making it need a greater degree of adjustment and accommodation than China. China is in a critical position as Japan moves towards "normalization" and "rejuvenation." In the same vein, China also needs to contemplate on its Japan policy in a rational manner when advocating for the construction of an Asian community of common destiny and a new type of international relations centered on a cooperative and win-win basis.

When it comes to China's strategic goals, the orientation of Sino-Japanese relations must be placed under the framework of constructing an Asian community of common destiny. This framework incorporates continuing the development of a "mutually beneficial relationship based on common strategic interests" — one of the 2014 Sino-Japanese four-point consensus. Under this framework, China should objectively assess Japan's value to China's peaceful development and the rise of Asia. As the leading country in the region, China should actively make necessary adjustment as Japan moves to become a "normal country," and foster in Japan a

basic mentality of sustaining a friendly and cooperative relationship with China and being a partner in promoting Asia's community development.

From the perspective of bilateral relations, as world's second and third largest economies, and Asia's two major countries neighboring each other, China and Japan share a major stake in economic and trade cooperation, and tackling non-traditional security issues. Ties with Japan is one of China's most important bilateral, peripheral and major country relationships. As evidenced by history, a harmonious relationship would benefit both countries while rivalry would hurt both. Stabilizing and improving China's relationship with Japan is of great significance to both countries in developing the economy, sustaining growth, and opening the door to cooperation in non-traditional security fields.

In the context of the China-US-Japan triangle, this trilateral relationship is a grand chessboard in East Asia or even the Asia-Pacific, and has a considerable bearing on all parties' interest and regional peace and security. At present, China and the United States seek to construct a new type of major country relationship, which is unlikely to succeed with an increasingly adversarial Sino-Japanese relations vis-a-vis a strengthened US-Japan alliance. Moreover, if Japan keeps leaning to the US, and fully mobilizes its military buildup to confront China, the China-US-Japan trilateral interactions will descend into a situation where China has to confront the US-Japan alliance. This is not in China's fundamental interest. Indeed, China should strive to foster a trilateral relationship that focuses on cooperation and stable development, and also encourage positive interactions.

Considering China's security environment, East Asia is the most important region on China's immediate periphery that has a direct bearing on China's national fortune. China's economic takeoff since its reform and opening up is closely connected with the overall peace and prosperity in East Asia. A worsening Sino-Japanese relationship will increasingly destabilize the security environment in East Asia and slow down regional economic integration. It is particularly noteworthy that Japan is economically distancing itself from China while aligning closely with the United States, its

active participation in the US-led TPP talks being a case in point. A research shows that China and Japan are the two key drivers of integration of the East Asian economy. As of today, Japan is China's second largest source of FDI and technologies, following Hong Kong.³² It does not serve China's interest if Japan again becomes incorporated into a new US-led trade and investment system while the 10 plus 3 economic integration ceases due to the worsening of Sino-Japanese relations.

From the perspective of avoiding a "Thucydides Trap" and achieving China's peaceful development, it is necessary for China to take a new path to break the historical cycle that a rising power challenging an established power would more than often end in war. At present, the balance of power between China and Japan is undergoing dramatic changes, causing a rapid growth of bilateral conflicts. Whereas relations with the United States is a challenge that must be tackled securely and appropriately for China to rise peacefully, relations with Japan is a hard case that must be solved in the first place. Whether China can reverse the course of its worsening relations with Japan has direct implications for whether China can firmly grab the strategic opportunity to achieve its peaceful development.

At present, China endeavors to promote the "One Belt, One Road" Initiative to construct an Asian community of common destiny. Despite the fact that neither Japan nor the US has applied to join the China-heralded Asian Infrastructure Investment Bank (AIIB), China's initiative of shoring up global economy and stimulating development in developing countries by boosting infrastructure construction is widely approved by many countries. This has significantly strengthened China's capability and scope of building regional development, and bolstered China's confidence in safeguarding the peaceful development of the region. There is a heated discussion among the Japanese public, and industrial and business communities on how Japan can benefit from the "One Belt, One Road" Initiative. Given Japan's economic power and long track record of involvement in Asia's development, it serves both countries' strategic goals to strengthen bilateral economic cooperation under the new regional institutional framework and

co-manage security risks in this region.

China and Japan should take on a global perspective and incorporate international order transformation, new regional political and economic environments and national interest adjustment into the framework of an Asian community of common destiny, and construct a new type of Sino-Japanese relations. The construction of a new type of Sino-Japanese relations should follow the guideline of “peaceful coexistence, mutual respect, mutually beneficial cooperation, and common development.” The goals should at least include: (1) effectively solve historical disputes; (2) mutually support the common pursuit of peaceful development; and (3) make major contributions together to Asia’s development and prosperity through strategic cooperation and mutual benefits. Meanwhile, both sides should work to improve cooperation in the following four dimensions: (1) strengthen the control and management of differences — specifically crisis management; (2) eliminate misunderstanding and misperception; (3) constantly expand the base of common interest; and (4) gradually build and enhance strategic mutual trust.

IV. SEVERAL SUGGESTIONS ON ADVANCING THE CONSTRUCTION OF A NEW TYPE OF SINO-JAPANESE RELATIONS

To move forward with the construction of a new type of Sino-Japanese relations requires not only clarifying development goals at the strategic level, but also more efforts on diplomatic work, sensitive issues and the shaping of public opinion. For that matter, several policy recommendations are made as follows.

First is that China should reiterate and clarify its basic principles and policies toward Japan. The basic principles of China’s Japan policy should be an entirety that provides a fundamental guideline for work relating to the Sino-Japanese relationship. Since the founding of the People’s Republic of China, China, under the direction of the earlier generations of leadership including Mao Zedong, Zhou Enlai and Deng Xiaoping, had made substantial accomplishment in its policy toward Japan such as the “dichotomy” in dealing with Japan; Sino-Japanese friendship and cooperation had

served as a foundation for peace in Asia, as the saying goes, “Sino-Japanese friendship is a matter of vital and lasting importance”; the political cornerstone defining Sino-Japanese relationship as stipulated in the four basic documents signed between the countries — “one China,” facing up to history, peaceful coexistence and not resort to force as a means to solve disputes, anti-hegemonism, and mutually support the pursuit of peaceful development, etc.; the guideline proposed by China and included in the fourth document — “peaceful coexistence, mutual benefits and cooperation, common development, and friendship from generation to generation”; the series of important decisions that the central government has made since the outbreak of the Diaoyu Islands disputes, such as unswervingly defend national sovereignty, oppose Japan’s misdeeds; prepare for military struggle, strengthen difference and crisis management; maintain strategic focus, and protect the period of strategic opportunities. Besides, President Xi has also reiterated the need for learning from the earlier generation of leadership in tackling the challenges of the Sino-Japanese relationship with “national responsibilities,” “political wisdom” and “historical accountability.”³³

The second is to clearly define the specific policy goals, and proactively shape the Sino-Japanese relationship. China hopes that Japan follows the path of peaceful development, and maintains a friendly relationship with China. As China rises, China’s policy toward Japan and the Sino-Japanese interaction will have fundamental implications on the future direction in which Japan will be headed. When defining the specific goals of its Japan policy, China should have the clear medium-term goal of developing a relatively stable, generally normal Sino-Japanese relationship that allows a synergy of cooperation and competition. In the long run, China’s goal should be striving to develop a new type of Sino-Japanese relationship centered on long-term friendship, mutual respect and mutual benefit. Such a combination of medium- and long-term goals would help thaw the current stalemate and stabilize and improve the bilateral relationship.

The third is to actively seek and rally with all the supportive groups and make appropriate modifications to tactics dealing with

the Japanese government. To achieve the aforementioned goals, China should make it a priority for its Japan policy to seek and rally with all the available supportive groups in Japan. These groups include Japan's general public hoping for peaceful development, China experts and/or pro-China groups who have long advocated for Sino-Japanese friendship and cooperation, opposition parties capable of balancing Abe's wrong policies, industrial and business groups that call for sustaining and advancing Japan's economic ties with China, scholars and researchers who hope to stabilize and improve Sino-Japanese bilateral relationship and to construct a new type of bilateral relationship, and China hands and rationalists within the Abe administration and LDP. To achieve this end, China must unleash people-to-people diplomacy, local governmental diplomacy, and economic diplomacy. These are good traditions in China's Japan policy that should more actively be carried out under new circumstances. Moreover, given the shifting balance of power between the two countries, during a period of frequent bilateral frictions, China should also adjust its tactics dealing with the Japanese government, adopting an approach of "planning as a whole, competing without wrecking the relationship." China should take pains to "compete when needed, negotiate when needed, cooperate when needed," avoid being compelled into making reactive moves, and more actively protect and manage the Sino-Japanese relations.

The fourth is to focus on the management of the Diaoyu Islands and the historical issues. Over the past two years of rivalry, China broke Japan's long standing unilateral control over the Diaoyu Islands by taking strong measures such as routinized patrols and the establishment of the Air Defense Identification Zone (ADIZ) over the East China Sea. From now on, China should stick on the principle of being "on just ground, to its advantage, with restraint," with an emphasis on perpetuating and reinforcing patrols, and improving the crisis management mechanism. As time goes by, China should call on Japan to accept the new reality and reach a consensus with China on shelving disputes.

Historical issues are certainly a liability for Japan. If Abe continues to go against the historical trend, he will put himself in

a reactive position in the international community and will also face domestic opposition in Japan. On history issues such as the Yasukuni Shrine, China should sustain a strong moral pressure on Japan. The year 2015 marks the 70th anniversary of the world's anti-fascism war and China's war of resistance against Japanese aggression. China commemorated the victory by holding a parade on September 3. From a long-term perspective, it is still China's goal to compel Japan to correctly recognize and solve historical problems, and move the relationship toward the direction of drawing lessons from the past and looking towards the future.

The fifth is to expand economic cooperation with Japan, and transform it from a stabilizer into a driver of the bilateral relationship, thereby pushing forward the regional integration in East Asia. The economic interdependence between China and Japan is a fact, and it is also among the world's most important bilateral economic ties. Both China and Japan are central components of East Asia's production networks — China is the world's manufacturing center while Japan is an important parts supplier. The two countries are mutually complementary in terms of global production networks. For China, Japan so far remains the largest FDI source, which is significant for technological advancement. There is great potential for both countries to cooperate on issues such as tariff cuts, investment promotion, service trade, environmental protection, energy security and aging population.

Currently, China is unrolling the "One Belt, One Road" Initiative and promoting Asia-Pacific connectivity. Japan can play a positive role in this initiative if China expands discussion with Japan. Japan still has solid economic influence, particularly in Southeast, South and Central Asia. Advancing Sino-Japanese economic ties will benefit the common development in Asia-Pacific.

The sixth is to keep a balance between improving the Sino-Japanese relations and sustaining domestic stability. Sustaining stability is still an important prerequisite for China to continue to advance in all aspects. China should correctly assess and meticulously guide public opinion, always hold the direction where Sino-Japanese relationship is headed, adopt a correct tactic dealing with Japan, and fully control the pace of improving the bilateral

relationship. Stabilizing and improving Sino-Japanese relations would not only affect domestic stability but also have important implications for domestic stability.

The seventh is to substantially bolster military security crisis management. At present, there is a high risk of Sino-Japanese conflicts in the maritime and air space in the East China Sea. To prevent an accident from escalating into a military clash, military security crisis management mechanisms must be fully implemented as a pressing task. China should continue to strengthen crisis management measures that have already been installed to tackle the Diaoyu Islands disputes and seek to transform both parties' existing self-restraints and mutual understanding into trust measures through negotiation and dialogue. Both parties so far have been moving cautiously in waters surrounding the Diaoyu Islands without military presence. However, there is a recurring adverse situation as both countries' military vessels and aircraft frequently encounter in other maritime and air spaces in the East China Sea. Both countries should further clarify the risk of such encounters, and effectively prevent recurrence. On January 12, 2015, Chinese and Japanese defense ministries held the fourth round of talks in Tokyo on constructing a maritime communication mechanism. During the meeting, both parties agreed to transform the mechanism into a "maritime and air communication mechanism" and to put it in place as soon as possible, as the basic technological conditions to launch and operate such a mechanism have matured.³⁴ On June 19, both parties held a fifth round of talks on the maritime and air communication mechanism in Beijing. Also, Track-II diplomacy between China and Japan has played a vital role in proposing principles, mechanisms and implementation measures of crisis management. On July 13, based on people-to-people and Track-II channels, Chinese and Japanese experts held the fourth China-Japan Dialogue on the Safety of Airspace in the East China Sea. Both sides agreed to avoid accidents and clashes based on professional ethics and aircraft operation customs, and that bilateral "confidence-building measures" are an effective way to ensure security of the airspace in question.³⁵

Currently, the Sino-Japanese relationship is entering a period of

frequent conflicts. Strengthening crisis management and establishing a bilateral crisis management mechanism must be fully carried out as a long-term task. Each one of the involved agencies must have an unequivocal understanding of the principles of crisis management. Crisis management must be centered on national interest rather than on ideology, with the goal of maximizing the protection of self interest while avoiding losing control of a crisis and sparking military conflicts or even a war. In a crisis management game, countries must limit the goals they seek to accomplish, and make roughly symmetric moves. Crisis management would be destined to fail if one party strives to overwhelm the other.

The eighth is to take pains to shape a public opinion climate that induces a stable, improving and progressive Sino-Japanese relationship. At present, discourses on Sino-Japanese relationship are most susceptible to political attacks in both academia and general public. Some Chinese media coverage on Japan is replete with nationalism and extremist views that exaggerate Sino-Japanese conflicts and military confrontation. Over the past few years, even though the public has been expressing growing dissatisfaction with the large quantity of low-quality, anti-Japanese TV dramas, such dramas have proved highly influential particularly among audience with lower levels of education who see a Japan that is no different from that wartime militarist regime. In contrast, for many years very few TV programs reflecting contemporary Japan have been broadcasted in China. Such a public opinion climate can adversely impact the implementation of a rational and pragmatic Japan policy.

Therefore, more realistic measures should be taken to improve this skewed situation. While upholding patriotism and publicizing the great victory of China's resistance against Japanese aggression, China should objectively report the development and changes that post-war Japan had gone through. While persistently criticizing and correcting Japan's wrongdoing, China should create a public opinion climate that is favorable to improving its relations with Japan. **Coverage that is faithful to the truth is a more powerful weapon in shaping public opinion. China can regain a healthy and confident mentality that commemorates with its status as a major country only when it rids itself of historical grievances.**

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