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The Outlook Foundation

How Do We Face a Globalized China?

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Japan-China relations are in crisis. With Japan-Korea relations also unstable, we must keep close watch on the political dynamics of Northeast Asia. It is very difficult to understand China or to analyze Japan-China relations. When I began my 40-year career in modern China studies, today's unhappy relations were beyond my imagination. This article explains the foundation for China analysis and reveals the core of Japan-China relations.

1. Why is China such a big problem?

Like China, the United States is a major power, yet Japan and the US enjoy a close relationship, even though we have experienced some conflicts in the past. I have a colleague who specializes in Italian studies, who seems to happily analyze Italian politics, enjoy Italian cuisine, and who has even received a medal from the Italian government while leading an elegant academic life. I envy her. China studies are tough. What's the difference? Here are three points:

First, China is very big and very near. It is huge compared to Japan. It is also a latecomer to global power, and it is in a very complex psychological state. It is intensely self-righteous as a victim in the modern age and regards Japan as its assailant. These conditions make relations fundamentally difficult. The extreme difference in size and the difference in perspective between the latecomer and the nation who once abused it are enough to make the relationship inherently complicated.

The second factor is that China is, at least externally, an unpredictable and opaque nation. We are unable to observe the situation in China and its thought processes, and these uncertainties cause Japan's fear and consternation. Political transparency and openness would greatly improve our relationship.

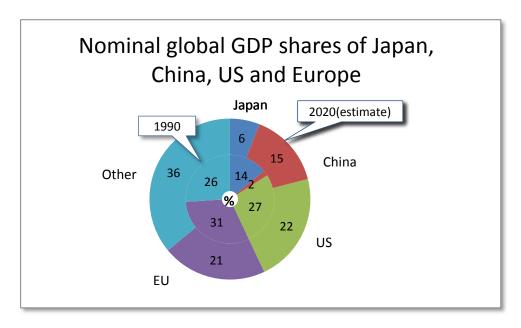
My observations of China over several decades have led me to believe that we should think more simply of that nation. Our differences are actually rather insignificant. Around the world, people think similarly. There are people of all nations who love power and money. Japan wants to exercise its power in international society, seek ways to enhance its military capability, and make the country wealthier, and China possesses the same goals, especially its leaders. We must revaluate China as a normal country made up of normal people.

The third point is most troublesome. China is a moral creditor of Japan. Japan is at least ethically in debt to China for its part in the Second Sino-Japanese War, which put our nation in a difficult position. The nature of ethics limitlessly expands the debt, making it ultimately unredeemable. Dealing with this stressful situation is the responsibility of politicians. The post-war generation is continuing to repay this debt, and how it is to be redeemed is an important concern for post-war politicians in determining Asian policies. This is a very challenging mission. How long must an assailant continue to be held to account? Is there any way or any time that the stigma can be erased? Viewing the current situation, it is easy to predict that this stigma will remain for three or four more generations. This moral creditor–debtor relationship may be the major reason that China is a special problem for Japan.

2. A globalized China - Background of strain between Japan and China

Now, let us discuss the globalization of China and its implications. Table 1 shows the GDP distribution in 1990 and the estimates for 2020. In 1990, China accounted for only 2% of world GDP, against Japan's 16%. Based on IMF data, this is expected to change by 2020, the year of the Tokyo Olympics, to 15% for China against 6% for Japan. China's GDP is predicted to grow from 2% to 15% in only 30 years. Should its current growth rate be maintained, this could even be 17-20% and approach that of the United States, whose 2020 GDP is estimated at 22% of the world total.

[Table 1: World GDP share — 1990 and 2020 (estimate)] "Yuragu Kokusai Chitsujo (1)—Nichibei Senryaku Taiou Neri Naose" by Hitoshi Tanaka (Published on the Nikkei April 15, 2014)



Note: Based on IMF data, EU: 28 member states.

The Chinese policy of increasing wealth and enhancing military power is evident in their defense spending. Here we use Chinese official data, as its military costs are difficult to estimate. We can see that their spending has increased rapidly between 1988 and 2014. After 2000, it has consistently shown two-digit annual growth. 200 billion yuan in 2004 has increased fourfold to 800 billion in 2014. Experts are now analyzing the implications of this expansion.

How will China change in the future? Historian on World Economy Angus Maddison estimates that the Chinese share of world GDP was in fact largest at 32% in 1820. In Europe and the US, some say, looking at the recent prodigious growth of China, that they will have no choice but to relinquish global hegemony to China. The western powers can boast only 300 years of history, while China already accounted for 30% of world GDP in the 19th century (*vide* "When China Rules the World", by Martin Jacques, 2012).

Could China develop again into an empire as in the old days? Is that a desirable scenario? Having several types of empires in mind (including hegemonic empires as represented by today's America and traditional empires such as the Qing and Ming dynasties), Kiichi Fujiwara states that there are several conditions that make a nation an empire. The first is an ability to provide public goods, and it is also important what kinds of public goods it can provide. The second is an ability to provide cultural power. The United States, for example, has a mission to disseminate democracy and freedom, and that supports the nation as a global empire. Will China be able to provide cultural power by reviving Confucianism? The third condition is an ability to provide economic power globally, allowing no independent national economies in marginal areas. The fourth is the nation's desire to create an empire, in other words whether it wishes to become the metropole of the world order ("Democracy no teikoku" by Kiichi Fujiwara, Iwanami Shinsho, 2002).

Considering these four factors, it is unlikely that we will see a new Chinese empire in the near future. China will not be able to provide public goods to the world. Its values are far from global norms. With regard to cultural dominance, China will not win respect from the world unless its human rights issues find a major resolution. It may well become a global economic power. However, today's China seems to be focusing on maintaining its sovereignty as a huge modern state rather than building an empire. Since its desire to become an empire is questionable, it is impractical for us to analyze global conditions with a Chinese empire in mind.

In the era of the early Chinese Empire, the dynasties were quite tolerant in their governance of Tibet and East Turkestan. To the contrary, today's China, a country aspiring to be a modern state, is brutal in ruling its peripheral regions. The ongoing human tragedies in Urumqi, Kashgar and elsewhere in the south Xinjiang region are obviously discordant with global norms. The Chinese authority's treatment of the Uyghur people can be described as overreaction at best, and they seem to be sowing the seeds of further tragedy in a cycle of violence and revenge. The issue between the Uyghur and the Han Chinese may continue for generations to come.

In Xinjiang, the proportion of the population that is Han Chinese increased from 6.7% in 1949 to 39.6% in 2005, with the most rapid growth seen in the 1960s, when a succession of Han leaders encouraged immigration for resources such as energy and cotton and made the region practically an internal colony.

East Turkestan and the Han Chinese also have a history of conflicts through the 19th and 20th centuries. As with Japan and China, they must somehow achieve a difficult reconciliation. The Han also need a lasting settlement with the Uyghur and Tibetans. However, these are not easy goals.

3. The present and the future of Japan-China relations

The structure of Japan-China relations has become increasingly complex since 2012. The trilaminar structure of value, power and benefit, which would have been easily negotiable when clearly separated, has become intricately and irrevocably intertwined. Japan-China relations seem to have evolved to a comprehensive confrontation. The white paper on the Diaoyu Islands issued by the Chinese State Council on September 25, 2012 gave the impression that China intended to expand the territorial issue to an all-out conflict. Although there is no knowing whether the move is led by some interest group or the military, affairs now look much different from what they were just a few years ago.

There are three pieces of evidence that the Japan-China relationship has changed. The first is that conflicts have expanded to all three levels of issues representing value, power and benefit. The second is the likelihood that this crisis will last for a long time. The third is that both nations are trying to counter the other with fundamentalist principles. The Abe administration's goal is to discard the postwar regime and make Japan a "normal" nation. China, on the other hand, wants to settle its grudge against the powerful countries that ruled it for 150 years, recover from the setbacks it suffered during the Cold War, and win recognition as a first-class nation (Interview with Professor Wang Jisi of Peking University published in the Asahi Shimbun October 25, 2012).

In my opinion, the policies of the Abe administration toward China and national security are neo-conservative. He is not a simple, traditional nationalist as China sees him. The prime minister seems to be striving to make Japan a "normal" military power equipped with defense capability in a counterblow to the postwar pacifism represented by Article 9 of the Constitution. That his intention has a fundamentalist nature is evidenced by his strong support from neo-nationalists.

On the other hand, Xi Jinping, under the banner of "Chinese Dream", seems to threaten more than vengeance for China's 150-year-long agony. Judging from its harsh diplomatic actions in recent years, China seems to be looking for an opportunity to revenge the unfair treatment it suffered during the Cold War, such as its exclusion from the San Francisco Peace Treaty. If that is the case, we must prepare for very severe Japan-China confrontations. Both Japanese and Chinese politicians have a responsibility to take immediate measures to prevent our disputes from developing into

military actions.

In an interview with the Asahi Shimbun, Professor Yan Xuetong of Tsinghua University, an international political scientist known for his ultra-realist views, categorized current Chinese bilateral relations into four types: 1) amicable and cooperative relations (e.g., with Russia), 2) good-neighborly relations (e.g., with Germany and France), 3) new major-power relations (e.g., with the United States, in which the two nations conflict or cooperate strategically depending on circumstances), and 4) adversarial relations, which China has with Japan (Asahi Shimbun, April 11, 2014). In this opinion, the current Japan-China conflict is not a territorial dispute over islands but a total confrontation with little prospect of resolution.

4. Three proposals for a fresh start

The relationship of Japan and China is a very influential factor in the future of the region. In the face of the worst situation since normalization, it is important to seek a way to establish a normal, good-neighborly relationship, and as a basis for the process, I would like to offer three proposals.

The first, risk management, is a particularly urgent task which needs to be addressed immediately. The first necessity is to establish emergency communication channels between the leaders and also between the working-level defense officials of the two nations in order to prevent accidental but highly possible military action caused by the very nature of territorial conflicts and lack of any preventive mechanism. Full-scale operation of a maritime contact mechanism and a multi-national framework for fishery safety should be established immediately.

The second proposal is to establish a tabula rasa for Japan-China relations, which are currently based on broken promises and decaying pillars. The following actions will be required to achieve this goal:

- 1) The Japanese government needs to cease its denial of the existence of the territorial dispute and admit that there is a problem. Both parties should then shelve the issue again and agree upon a territorial agenda. Diplomatic actions are the initial requirement.
- 2) With regard to history and the post-war process, the "Japan-Republic of Korea Joint Declaration: A New Japan–Republic of Korea Partnership towards the 21st Century" (Obuchi-Kim Declaration) issued on October 8, 1998, can be a model for rebuilding Japan-China relations anew. Japan and Korea have agreed on the following points in this declaration:
- a) First, Japan has officially apologized for past misdeeds, and the two nations have achieved a basic reconciliation. The declaration states, "Looking back on the relations between Japan and the Republic of Korea during this century, Prime Minister Obuchi admitted in a spirit of humility the fact of history that Japan caused, during a certain period in the past, tremendous damage and

suffering to the people of the Republic of Korea through its colonial rule, and expressed his deep remorse and heartfelt apology for this fact."

b) This was followed by mutual recognition of their postwar efforts. Japan praised Korea for its economic development and democratization, and Korea applauded Japan's security policies under its pacifist constitution, as represented by the exclusive defense policy and the three non-nuclear principles as well as its support for the economies of the world and developing nations.

Based on the keywords "reconciliation" and "mutual respect", the Japan–Korea joint declaration has been the finest bilateral consensus document in post-WWII Asia.

Japan and China need to overcome their dispute over small islands. Japan should sincerely face up to history, while China should calmly review the postwar paths of Japan and Asia. The largest missing piece on both sides is mutual respect.

My third proposal is that both nations initiate cooperative relations for the shared benefit of East Asia beyond their own national interests. That would be a key to breaking the stalemate in our relationship. Specifically, the two nations should consider such cooperative ventures as establishing an earthquake measurement and prediction center, an epidemic prevention mechanism, emergency public funding, human safety centers, and other organizations for the Asian region. The sea and the sky are public trusts goods? There are numerous regional operations in which China, the emerging global power in East Asia, and Japan, its predecessor, can share responsibilities.

5. The harmonious co-existence of Japan, China and Korea

Japan is currently facing disputes with virtually all its neighbors in Northeast Asia. History is one issue and territory is another. To prevent this constant strife, each nation must outgrow its nationalistic exclusivity. The three major nations in the region are young as modern states; they are impassioned and led by passionate young leaders. Let us compare Japan-China relations with Japan-Korea relations in the hope that it will lead the way to easing tensions and bringing the three nations closer.

The current Japan-Korea situation dates back to 1965, when the two countries normalized their diplomatic relations. This normalization during the Cold War achieved a minimum level of postwar progress by integrating the issues of normalization, reparation and economic support, although several problems remain unsolved. On the other hand, the diplomatic normalization between Japan and China in 1972 cannot be termed a completion of post-war improvement, even though it did end the state of war and resolve one major challenge of recognizing the legitimate Chinese government. While China's release of its reparation claim in itself contributed significantly to normalization, Japan was unable to fulfill the wishes of the Chinese people for recovery of wartime damages.

Although Japan is involved in historical and territorial disputes with both China and Korea, we can see in perspective that Japan and Korea seem to have a better chance of breaking through their old, rigid relationship. At a Japan–China–Korea seminar in Beijing on December 13, 2013, Professor Lee Won-deog of Korean Kookmin University argued that Japan-Korea affairs are more adaptable than Japan-China affairs for three reasons: 1) Japan and Korea have relatively common values and social systems, 2) Japan is facing a more direct confrontation with China than with Korea, and 3) The United States is involved differently in each relationship. The clear US role as mediator in Japan-Korea disagreements is ambiguous when applied to those between Japan and China, where it even at times confounds the situation. In addition to Prof. Lee's analysis, I would like to point out that the asymmetries between China and Japan, both in size and in their respective statuses of currently emerging nation versus advanced nation on the decline, exacerbate the instability of their intercourse.

As mentioned above, the Japan-Korea joint declaration issued on October 8, 1998 can be an excellent model for mitigating Japan-China confrontations. Through this declaration, the two nations have taken the initial step toward a historic reconciliation.

There is also a model for Japan and China. Prime Minister Wen Jiabao made a very interesting speech when he visited the Japanese Diet in April 2007. He clearly stated that "since the normalization of Sino-Japanese ties, the Japanese government and Japanese leaders have on many occasions openly acknowledged Japan's invasions and expressed remorse and apologies to countries which became victims of the invasions. The Chinese government and people appreciate such actions." He also expressed deep gratitude to Japan for its support since the 1980s. "The Chinese people will never forget Japan's support of China during our opening, reform and modernization." In retrospect, that could have been China's initial offer of reconciliation.

Actually, the three nations have already taken their first steps toward reconciliation and share a history as good neighbors to which they can return. Good relationships can be reestablished by acknowledging these facts. These East Asian nations all installed new, young leaderships in 2012. I devoutly hope that they can exploit the positive energy of their youth.

Author's profile

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Today, the evolution and maturation of our society inevitably involves aging demographics and a low birth rate. In a nation which is confronted by this superannuation phase ahead of its global peers, the Outlook Foundation aims to establish in the next 30 years the first model by which such a society can continue to develop and prosper, and thus present a brighter future vision to younger generations. To achieve this goal, we must incorporate core solutions such as restructuring education, reforming our social system to effectively integrate our younger workforce and support female workers, promoting the independence of local societies and economies, revitalizing our unique local cultures, implementing an objective, direct and open information system, and rising to a higher level of communication with other nations. We are facing these challenges, discussing the issues in depth, summarizing them in proposals, and disseminating them to the world. Exchanges of opinions and communication inspire new ideas. As a first step, we are distributing thematic newsletters on these challenges. Your candid opinions are always welcome.

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