

Abe's Foreign Policy Adjustments and the Future of China-Japan Relations

Sun Wenzhu

During Chinese Premier Li Keqiang's first visit to Japan in May 2018, he was welcomed with high standards by Japanese Prime Minister Shinzo Abe. At the reception marking the 40th anniversary of the signing of China-Japan Treaty of Peace and Friendship, Abe expressed his hope for the bilateral relations to "transition from the era of competition to an era of cooperation," and his looking forward to "together developing both our countries, the region and the world."¹ Japan's warming relations with China is a demonstration of, and continuation of, the proactive foreign policy adjustments by the Liberal Democratic Party and the Abe government since the election of the Japanese House of Representatives in October 2017. This article will lay out major manifestations of the adjustments, analyze background factors that triggered these adjustments, and explore the prospects for China-Japan relations under the new circumstances.

New Developments in Abe's Foreign Policy

Upon assuming office as Prime Minister for the second time in December 2012, Shinzo Abe has embarked on "diplomacy that takes a panoramic

Sun Wenzhu is Assistant Research Fellow at the Department for Asia-Pacific Security and Cooperation, China Institute of International Studies (CIIS).

1 "Chinese Culture Exhibition and Welcome Reception for the Premier of the State Council of China in Commemoration of the 40th Anniversary of the Treaty of Peace and Friendship between Japan and the People's Republic of China," Prime Minister of Japan and His Cabinet, May 10, 2018, http://japan.kantei.go.jp/98_abe/actions/201805/_00008.html.

perspective of the world map” under the banner of a “proactive contribution to peace,” with an aim to maintain the West-dominated international order by strengthening the Japan-US alliance and serving as the “vanguard” to meet the strategic challenge of China’s rise. Recently, however, the Abe administration has shown marked changes in its rhetoric and actions in foreign affairs, and there have been the following notable developments:

On the US: from blind following to active cooperation

Since his reelection as Prime Minister in 2012, Abe has made the Japan-US alliance, long considered as cornerstone of Japan’s foreign policy, the highest priority.² In military and security, Japan has been fully cooperating with the US strategic adjustment in the Asia-Pacific, while in the economic realm, it joined the US in advancing the Trans-Pacific Partnership (TPP). By “giving full support to the US,” Abe hoped to strengthen the Japan-US alliance, upgrade Japan’s horizontal connections with other US allies such as South Korea and Australia, and make Japan the “secondary core” in the US alliance system.

The unexpected election of Donald Trump to the US presidency sent a shockwave through Japan’s foreign policy. Trump, touting the principle of “America First,” had presented a diplomacy of “withdrawal” during the campaign, claiming to reduce the US commitment to international public affairs, tackle the US-Japan trade deficit, and address Japan’s under-funded military and unfulfilled duty in the alliance. Not only did the remarks result in a critical attitude in Japanese mainstream public opinion toward Trump’s domestic and foreign policies, the “Trump shock” has also posed a conundrum to Japan’s policy of closely following the United States.

The Abe administration, considering Japan’s alliance with the US as critical to national security, knows that Japan has no other choice than keeping in line with the US through policy adjustments. First, Japan has been trying hard to win over President Trump, and the frequent summits and phone calls

2 “Joint Statement of the Security Consultative Committee: A Stronger Alliance for a Dynamic Security Environment, The New Guidelines for U.S.-Japan Defense Cooperation,” Japanese Ministry of Defense, April 27, 2015, http://www.mod.go.jp/e/d_act/anpo/js20150427e.html.

between Abe and Trump have helped maintain a smooth channel for strategic communication between the two leaders. Second, Japan has been highlighting military and security issues to the US side, and utilizing every opportunity to reiterate the security role of the Japan-US alliance, calling for the US to adhere to its security commitment to Japan, enhance bilateral communication at various levels, and upgrade military cooperation.³ Third, Japan has been managing existing disputes with the US. On the issue of trade balance, instead of blind following, Japan is deftly maneuvering with the US while sticking to its principles. On multilateral or global issues such as the Iran nuclear issue, trade and climate change, Japan is even keeping some distance from the US.

On international order: from participation to leadership

As a resource-scarce country which has in its constitution renounced war as a sovereign right of the nation and the threat or use of force as means of settling international disputes, Japan regards a stable international and regional order as the only source of security and development amid international structural changes. Over the years, Japan's foreign policy has put great emphasis on maintaining the West-dominated international order, which it considers as an important path to upgrading its international status. Since taking office as prime minister, Abe has talked a lot about order and rules to the outside world, and tried to fashion himself as a guardian of international laws and rules during his multiple overseas visits.

In order to strengthen Japan's leadership in regional economic rules, after Trump announced the United States' withdrawal from the Trans-Pacific Partnership, Japan stepped up to make the case for TPP negotiations without the US by utilizing its "advanced country-standard" economic system and status as the world's third largest economy. In November 2017, Japan led the other 10 remaining TPP signatories (including Australia, New Zealand and Vietnam) in reaching agreement on the Comprehensive Progressive Trans-Pacific Partnership (CPTPP), in the hope that it can lead the rules-making for Asia-Pacific trade

3 "Toward a Greater Alliance: a Policy Proposal of the Mt. Fuji Dialogue Special Task Force", Mt. Fuji Dialogue, April 2017, https://www.jcer.or.jp/eng/pdf/Mt.FUJI_DIALOGUE20170405report_e.pdf.

and make the agreement an example for the Regional Comprehensive Economic Partnership (RCEP) and other regional trade deals. Meanwhile, Japan is stepping up efforts to channel domestic conflicts away and promote the signing of Japan-Europe Economic Partnership Agreement, with an aim to maintain the multilateral trade regime with the World Trade Organization as the core.

In addition, to maintain the dominance of the US Asia-Pacific alliance system and resuscitate the strategic asset of the US rebalancing to the Asia-Pacific, Abe has gone to great lengths to sell the Japan-US-Australia-India quadrilateral strategic dialogue. It is hoped by Japan that the mechanism can “draw a grand blueprint” to shape the US foreign policy and coordinate economic and security cooperation among the four countries in the Indo-Pacific region.

On China: from comprehensive hedging to selective cooperation

Since Abe took office, China and Japan have undergone an intense period of confrontation over historical and territorial issues, and the bilateral relationship sank to the lowest point since the establishment of diplomatic relations. In November 2014, the two countries reached a four-point consensus, raising hopes that the bilateral relations would get back on track. However, instead of discarding its policy of deterrence and hedging, Japan continued to use such issues as the South China Sea disputes in an attempt to build a counter-China circle of containment with like-minded countries. It also played up the so-called “antithesis” between China’s rise on the one side and the Japan-US alliance and the liberal international order led by the alliance on the other side. These efforts have hindered any true improvement in the bilateral relations.

In 2017, Japan’s policy toward China witnessed some positive changes, Then Japanese Foreign Minister Fumio Kishida, the LDP’s Secretary-General Toshihiro Nikai and several other high-ranking Japanese officials talked publicly on many occasions about the necessity of seeing China’s peaceful development as an opportunity and their hopes for more China-Japan cooperation. On the day he dissolved the House of Representatives at the end of September 2017, Abe made a timely visit to China’s embassy in Japan for a reception of

Chinese National Day, where he delivered a speech displaying a positive attitude toward improving China-Japan relations. After the House election, the Abe administration appeared to be in greater earnest about improving bilateral relations. In early November 2017, Abe met with Chinese President Xi Jinping and Premier Li Keqiang respectively, and expressed hope that the bilateral relationship would “take a new step via high-level interactions” at the East Asia Summit. He also accompanied throughout Premier Li’s maiden visit to Japan in May 2018, and proposed a comprehensive improvement of bilateral mutually beneficial relationship based on common strategic interests. The two heads of government reached consensus on strengthening economic cooperation in areas such as new technologies and finance, promoting people-to-people exchanges, enhancing maritime security, and addressing a series of regional and global issues such as the North Korean nuclear issue. Japan also eased its confrontational stance toward China on the South China Sea disputes. In early December 2017, Japan showed a certain amount of flexibility in its negotiations with China on the Maritime and Aerial Communication Mechanism, and facilitated the mechanism’s formal launch in June 2018.

The Japanese business community has also held a positive attitude toward cooperation with China. In November 2017, the largest-ever Japanese business delegation visited Beijing and Guangdong. As pointed out by the head of the delegation, China’s economic restructuring had achieved notable results, which boosted Japanese business community’s confidence in strengthening cooperation with China in trade and other areas. Japanese businesses are expecting to seek greater development in China’s huge market.

Changes are witnessed also in the Japanese government’s attitude toward the Belt and Road Initiative. Abe, Nikai and Foreign Minister Taro Kono have reiterated the positive significance of the Belt and Road. The common initiative adopted at the sixth meeting of China-Japan Ruling Parties Exchange Mechanism in early August 2017 included the phrase “actively discuss cooperation under the Belt and Road Initiative” for the first time. In early December, Japan’s four government agencies, including the Ministry of Foreign Affairs as well as the Ministry of Economy, Trade and Industry, jointly

released a guidance for China-Japan civilian economic cooperation in third countries, planning to provide financial assistance for cooperation between Chinese and Japanese private enterprises in the three areas of energy efficiency and environmental protection, infrastructure, and trans-Eurasia logistics. In mid-December, Abe said he would like to connect Japan's "Free and Open Indo-Pacific Strategy" with the Belt and Road, in an attempt to make the two initiatives a new cornerstone for bilateral cooperation. During Premier Li's visit to Japan in May, a memorandum on private sector economic cooperation in third countries was signed, in which the two sides agreed to establish an inter-agency committee, with participation from various companies, to discuss concrete cooperative projects under the framework of China-Japan High-Level Economic Dialogue, and hold a forum for private enterprise exchanges during Abe's visit to China. At the end of May, China, Japan and Thailand held a workshop on Thailand's Eastern Economic Corridor, where private enterprises from the three countries reached agreement on the necessity of cooperation in the development of the economic corridor.

Background Factors in Abe's Foreign Policy Adjustments

The Abe government's foreign policy adjustments can be attributed to a number of reasons and background factors, among which the following stand out.

Rebalance of diplomatic strategy

Entering the 21st century, confronted with the rapid rise of China and other emerging economies, and the international structural changes brought about by "power transitions" among major powers, there has been a heightened sense of strategic crisis in Japan, who fears the fate of becoming a "second-tier country." Upon taking office as prime minister for the second time, Abe has clearly proposed a strategy of "creating a strong Japan" so as to escape the vicious circle of "low growth and high debt levels." Politically, the strategy is aimed to help Japan break through the post-war order to become a "normal

country,” safeguard its national interests and Japanese people’s livelihood, while also raising its international influence and diplomatic prestige. The Abe administration has been trying to coordinate its foreign policy with the United States’ Asia-Pacific strategy, in an attempt to advance Japan’s status as a “first-rate major country” and realize his domestic political agenda, especially the goal of gradually breaking through the constitutional constraints and achieving “normalization” of the country.

However, the domestic and foreign policies of the Trump administration have hindered the implementation of Abe’s policy of “relying on the US to advance Japan’s interests.” The public in Japan has also begun to doubt the willingness and ability of the US under Trump to lead the world and give Japan full support. Opinion polls indicate that over 60% of the Japanese people are “basically or entirely without expectation” that the United States would continue to fulfill its leadership role in maintaining the liberal global economic order.⁴ They have begun to worry that Trump’s vacillation and retrenchment might undermine the post-Cold War liberal world order. If Japan continues to blindly follow the United States, many Japanese believe the country would decline together with the US and slide into the dangerous path of receding to a corner of Asia.

In the Abe administration’s opinion, China’s strong rise poses an unavoidable strategic challenge to Japan. As practices of recent years have proven that drawing other countries to build a “ring of encirclement” against China was not consistent with its bid for international status, Japan has come to recognize the positive significance of China’s development to Japan, and the alignment of a constructive bilateral relationship with Japan’s strategic interests in the long run. Japan feels the need to abandon its zero-sum mentality in dealing with China, and seek dialogue and negotiation to manage their differences. Furthermore, with the improvement of relations between China and other Asian countries, there is less motivation for those countries to remain vigilant against China, and thus Japan’s instigation are met with less enthusiasm. Continuing to

4 “How Japanese People View Trump’s First Half Year?” Genron NPO, July 13, 2017, <http://www.genron-npo.net/world/archives/6800.html>.

isolate China would only isolate Japan itself. An increasing number of Japanese scholars on China have begun to argue for a shift from the old way of closely binding Japan with the United States to a new approach of seeking to strike a balance between China and the US.⁵

Japan's cooperation with China is also beneficial for maintaining the international free trade regime and promoting global governance reform. The Japanese media hold positive views on China's stance of continuing to support globalization, adhering to free trade and clearly objecting to trade protectionism, while believing that China has become the symbol of growth and stability in this increasingly chaotic world.⁶ Soon after Trump announced the United States' withdrawal from the Paris Agreement in early June 2017, China reiterated its commitment to implementing relevant accords, leading some Japanese media to pronounce "China has become the center for the functioning of the world." Many Japanese even pointed out that "China has become a leader with conscience."⁷

Taking advantage of China opportunities

2018 marks the sixth year since Abenomics was launched and is a crucial year on which the policy's success depends. Over the past five years, Japan's economic reform has made progress from a general perspective, but its recovery is mainly attributed to the fiscal and monetary measures of Abenomics, in other words stimulus by quantitative easing, while the real structural economic reforms have not been realized. In fact, there are signs that Abenomics is weakening. If productivity cannot truly improve in the long term, the stimulus measures will only dilute people's assets, transfer debt from

5 Hitoshi Tanaka, "As Trump's Trade-Like Diplomacy Becomes Clear, Japan Needs to Review Its China Policy," *Diamond Online*, November 15, 2017, <https://diamond.jp/articles/-/149511>; Makoto Iokibe, "Japan's Diplomacy with the Trump Administration: Japan-US Alliance and Japan-China Consultation," *Mainichi Shimbun*, June 13, 2017, <https://mainichi.jp/articles/20170613/ddm/004/070/014000c>.

6 "China's Proposition Wins Historical Acclaim at Davos," *Xinhua*, January 24, 2017, http://news.xinhuanet.com/world/2017-01/24/c_129459674.htm.

7 Daisuke Kondo, "Power Reversal of US and China? The World Is Finally Starting to Revolve around China," June 6, 2017, <http://gendai.ismedia.jp/articles/-/51936>; Takashi Matsuki, "China Is Leader of Conscience in the Paris Agreement," June 10, 2017, <https://news witch.jp/p/9326>.

the current generation to the next, and postpone and exacerbate the economic crisis. Confronted with long-term structural problems such as a high level of debt, a slump in consumption, an aging population and low fertility, only by promoting economic reforms will the Japanese economy be able to emerge from deflation and reduce mid-to-long term risks.⁸

At the press conference after assuming office as prime minister following the latest House election, Abe announced that his cabinet would “continue to shoot the three arrows of Abenomics, placing the highest priority on the economy,” and “implement reforms, then more reforms, and then more reforms still.”⁹ In his 2018 new year address, Abe also indicated that “This year is the year of putting our plans into execution ... the Abe Cabinet is determined to press forward vigorously with reforms towards building a new nation.”¹⁰ However, Abe is at the same time involved in scandals regarding himself and other officials of his cabinet, and his steadfast endeavor for constitutional revision has aroused huge controversy. All this has endangered the stability of his administration.

Against this background, Abe recognized that Japan would be in no position to “grab a sphere of influence” with China. Stepping up China-Japan economic cooperation, especially pragmatic cooperation under the Belt and Road framework, would be more likely to help advance Abenomics. After the withdrawal of the United States from the Trans-Pacific Partnership, Japan is trying to resuscitate its relationship with China to pave the way for deepening bilateral economic cooperation, while actively promoting the RCEP, the China-Japan-South Korea Free Trade Area and other economic cooperation arrangements. Japan is also seeking to connect its “Free and Open Indo-Pacific Strategy” with the Belt and Road Initiative, in an attempt to take advantage of

8 “Japan: 2017 Article IV Consultation - Press Release; Staff Report; and Statement by the Executive Director for Japan,” IMF Country Report No.17/242, July 2017, <http://www.imf.org/en/Publications/CR/Issues/2017/07/31/Japan-2017-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-by-the-Executive-45149>.

9 “Press Conference by Prime Minister Abe,” Prime Minister of Japan and His Cabinet, November 1, 2017, http://japan.kantei.go.jp/98_abe/statement/201711/00001.html.

10 “New Year’s Reflection by Prime Minister Shinzo Abe,” Prime Minister of Japan and His Cabinet, January 1, 2018, https://japan.kantei.go.jp/98_abe/statement/201801/_00001.html.



Chinese Premier Li Keqiang, accompanied by Japanese Prime Minister Shinzo Abe, visits a Toyota Motor's plant in Tomakomai, Hokkaido on May 11 during his first visit to Japan since becoming premier.

the economic opportunities posed by China-Japan cooperation and seek new momentum for its domestic economic structural reform.

Last, Japan sees cooperation with China as a way to carve out a bigger space for development. Aside from continuing to promote the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), also known as TPP11, Japan is actively participating in China-led trade cooperation mechanisms under the Belt and Road framework in order to expand the circle of trade partners and choose a more favorable system of rules through trade cooperation. In November 2017, Chinese and Japanese leaders agreed on the necessity to discuss what contributions the two sides can make to regional and world stability and prosperity. During the meeting, President Xi pointed out that “The two sides should improve the level of practical cooperation, actively promote regional economic integration, and push cooperation within the framework of the ‘Belt and Road’ for implementation at an early date in the

new situation.”¹¹

However, it should be noted that Abe’s foreign policy adjustments are far from certain. First, the future trajectory of Japan’s policy toward the United States is still in flux. One year into the Trump administration, Japan’s confidence in an “American era” has weakened, and the real benefits perceived by Japan from its relations with the US have witnessed a dramatic fall. Economically, the United States’ withdrawal from the TPP has made the agreement significantly less beneficial to Japan. The “America First” economic principle reflected in the latest National Security Strategy was also met with criticism in Japan because of the indiscriminate US attitude toward enemies and allies. In terms of security, Trump, who is keen more on problems than on principles, seldom looks at the challenges posed by China’s rise from an ideological perspective. This has upset Abe’s effort to play up the “China threat” and his aim of strengthening Japan’s defense at home and increasing its influence abroad by relying on the alliance with the US. The credibility of the United States’ security commitment to Japan is now increasingly questioned by the Japanese public.

Second, although Japan’s China policy has become more pragmatic, it is still seeking to play double by engaging and containing China at the same time. Largely, Abe’s efforts to improve Japan-China relations are influenced by the dynamics of China-US relations. The Abe administration has never abandoned its intention of balancing against China’s growing international standing. It is actively negotiating with India and other countries on an Asia-Africa Growth Corridor, advancing the Japan-US-Australia-India quadrilateral dialogue, and strengthening security cooperation with Australia. On the Belt and Road issue, Japan is still reiterating that bilateral cooperation under the framework ought to be consistent with its Free and Open Indo-Pacific Strategy, without upsetting the existing international rules or harming other countries’ interests. Japan even harbors the illusion that it can exchange the commitment to Belt and Road cooperation for favors from China in other areas.

11 “Xi Jinping Meets with Prime Minister Shinzo Abe of Japan,” Chinese Ministry of Foreign Affairs, November 11, 2017, https://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpcxdeswjapcebnylnwjsxgsw/t1510293.shtml.

Last, territorial and maritime disputes between the two countries are far from resolved, and Japan has not changed its stance. Polls in Japan show that over 50% of Japanese believe that there is no need to hastily improve the relations with China if it “requires Japan to make concessions.”¹² From the recent moves, it is difficult for the Abe administration to change its wrong right-wing position on history or slow down its constitutional revision efforts.

Thoughts on China-Japan Relations in the New Era

Abe’s recent foreign policy adjustments, which are favorable for the general atmosphere of China-Japan relations, would bring new opportunities for the future of bilateral relationship. 2018 marks the 40th anniversary of the signing of China-Japan Treaty of Friendship and Cooperation. Over the past 40 years, the international and regional situation, as well as the two countries per se, has undergone fundamental and complex changes, but the spirit of peace and friendship between China and Japan has remain unchanged and will never change. Under new historical circumstances, fostering a stable and sound China-Japan relationship needs to focus on the following aspects.

First, deepening strategic communication and viewing each other’s development in an objective and positive manner. China’s GDP surpassed Japan’s for the first time in 2010, and it stood at 2.7 times that of Japan in 2016. The power reversal between China and Japan, together with uncertainties from international structural changes, has deepened the strategic mistrust between the two sides. Japan’s anxiety about China’s rise has become the biggest hurdle to the stable development of bilateral relations. Therefore, first of all, Japan needs to accept China’s development and resurgence in a rational and self-confident manner, which would help create a better environment for the healthy and stable development of bilateral relations. It should be noted that, despite the growing gap between China and Japan in terms of economic strength, Japan is still a developed country with global influence. Japan needs to adjust its

12 “How Japanese People View Abe’s Improvement of China-Japan Relations,” *Nikkei Chinese*, November 27, 2017, <https://cn.nikkei.com/politicsaeconomy/politicsasociety/28079-2017-11-27-09-21-38.html>.

relationship with the world in a responsible manner, and join China to serve as the defender of and contributor to the international order.

Second, stepping up mechanism building to manage disputes in a constructive way. China underwent a history of being invaded by Japan, and territorial and maritime disputes between the two countries are yet to be resolved. As security anxiety between the two countries remains at a high level, one side's capability building is prone to be misinterpreted or over-interpreted by the other side. The two sides need to accelerate building mechanisms of mutual trust and crisis management, steadily implement existing results such as the Maritime and Aerial Communication Mechanism, and manage and resolve remaining disputes in a timely and appropriate manner.

Third, expanding pragmatic cooperation to foster areas of common interests. As China and Japan still enjoy great complementarity in industrial structure, strengthening pragmatic cooperation would be conducive to realizing both sides' industrial upgrade and economic restructuring, optimizing regional value chain, and enhancing the two countries' influence in regional and global economic systems. There is also huge potential for China and Japan to jointly address such issues as fiscal and financial risks as well as population aging. It is up to the two governments to build platforms and set up mechanisms to explore solutions to difficult policy and regulatory problems in business cooperation, and help promote a bottom-up approach. It is also important to seek for transnational resource optimization. Chinese companies should actively attract Japanese private capital to carve out a wider perspective and channel for cooperation.

Particularly, the Belt and Road Initiative provides a new platform for China and Japan to carry out pragmatic cooperation. The two countries could promote cooperation in areas such as environmental protection, green development, infrastructure building and cross-Eurasian logistics, share development experience in third countries, coordinate and synergize their development strategies, and make joint contributions to regional and global sustainable development.

Fourth, strengthening dialogue and coordination to explore strategic synergy in terms of regional cooperation. China and Japan share common

interests in maintaining a multilateral open global trade system. The two sides should face squarely the disputes between them, and engage in dialogues on coordination and cooperation in such mechanisms as the China-Japan-South Korea Free Trade Area, the RCEP and the CPTPP, in a joint effort to promote an Asia-Pacific free trade area.

Fifth, deepening people-to-people exchanges to lay a solid social foundation for bilateral relations. The two countries should enhance frequent and close people-to-people interactions, in an effort to deepen mutual understanding and establish a cooperative relationship with strong civilian mutual trust. Media from the two countries need to spread images of each other in an objective manner, and avoid engaging in eye-catching fanfare. The bilateral people-to-people exchanges need to attach greater importance to demonstrating each other's economic and spiritual progress in a comprehensive way, to further boost the influence of each other's cultural soft power.

Conclusion

The Abe administration's foreign policy adjustment is a reaction to regional and international structural changes. It reflects Abe's consistent pursuit of Japan's major-power status and pragmatic diplomacy. With the reality of geographic neighborliness and an enlarging gap with China in terms of national strength, Japan has a greater motivation to better manage the bilateral relations. It should be noted at the same time that while China and Japan share common interests, they are also confronted with differences and disputes that are likely to persist for a long time to come. Therefore, the two countries need to properly manage the bilateral relations by seeking common ground while shelving differences. China and Japan need to support each other's peaceful development and seek long-term peaceful friendship and cooperation, which is the consensus and wisdom codified in the China-Japan Treaty of Peace and Friendship. This is also the only path that is in both sides' common interests. 