

## **6. An Emerging China and its Relations with Japan and the US**

When today's China is evaluated in general terms, military power is not always an issue of great importance. However, one has to grasp the basic point of this issue. While China continues to mark sharp economic growth and is being basically accepted by the international society, there is also a need to check a China that is quietly seeking to expand its military power. Key tendencies of the country include military force expansions centered around the missiles aimed at the Taiwan Strait, and defense plans that apparently focus on the US. As for the expansions of its military budget, one must never forget the issue of how to address the opaqueness of the country's capabilities and intentions.

Next, we will move to economic issues. China's GDP surpassed that of Italy in 2003, and surpassed that of France in 2005 when it nearly reached that of the UK. It then passed the UK in 2006 and was nearly exceeding Germany. If this pace lasts, it will likely go beyond Japan soon. Besides the issues of Chinese internal affairs and its economic situation, the issue of GDP has long been actively debated as a macroeconomic feature. These arguments also point to the possibility of China's GDP narrowing the gap with Japan's and soon exceeding it.

In terms of being a power center, we will look at the international politics surrounding China and how to address Japan's strategies in that context. If we regard China as a power center from a macro perspective and predict future movements, we find that US-China relations increase in strategic importance. Premises for this context include: how to evaluate the US as the global power and how to study the prospects of China, a country that is striding its course of emergence while facing huge domestic problems.

The prospects of the US are hard to picture, but in the intermediate term, it will likely be involved in elements associated with reactions of its experiences in Iraq. It will likely show a tendency of retreat, though stopping short of complete isolationism. When the country seeks to solve issues related to Afghanistan, Iraq, Iran and North Korea, it can no longer find effectiveness in the tactics once sought by neoconservatives, in order to use American power as the basic means to collaborate with those willing to do so. However, while this favorable means has collapsed, issues of these countries are still important, turning the situation into an even more severe state of chaos. When the US as a global power asks the international society for cooperation, the US will likely undergo a certain degree of confusion as it seeks new approaches to address pending issues based on diplomacy and the United Nations.

It is domestic issues that Chinese leaders place priority on. Reasons include heaps of individual domestic issues that are challenging the leadership, while being directly linked with the legitimacy of the Communist Party government. This tendency makes the Communist administration highly sensitive to domestic issues. The Chinese government does acknowledge this situation, although addressing it is far from easy. The government is faced not only with problems associated with Tibet, but also with problems of the Uyghur and Taiwan, all being linked to the unification of the territory, a fundamental security issue. In terms of economics, China will likely manage to go through a bubble, but problems will likely grow in the future. In parallel to economic confusion and processing, social diversification, including that of values, is also progressing steadily, which in the long run will serve as an undercurrent of democratization.

Against all these backdrops, the Communist Party administration must maintain its legitimacy.

Jiang Zemin sought to nurture the symbol of integration through patriotism education, which apparently flashes back against the administration and social order in various ways. Anti-Japan sentiment is based on the patriotism education, in which Japan was used as a teaching tool. We can say that the integration effort of Chinese society through these means has ended. The administration is now actively calling for the creation of a “harmonious society,” which implies the administration’s efforts to seek new ways to integrate society. China is trying to create a new symbol of unification through increased consciousness for historical concepts such as Confucian values. Clearly, China’s focus is strategically shifting from patriotism education to a harmonious society.

With this in mind, China’s leaders are seeking ways to address these essential domestic issues. On the other hand, the leaders are also building the soft external approaches being adopted by today’s China. The US, though not completely retreated, is faced with the task of putting in order what was left by the Bush Administration, along with many other pending issues and efforts to seek new ties with the international community. Given this context, while the US and China are essentially strategic competitors, there will likely develop a system in which the two seek a mutual existence. Mutual existence in this instance does not necessarily mean the values and national interests of the two countries will converge. Rather, the two may likely move into a dead end, as their agendas become increasingly explicit and as they become increasingly more conscious of each other to define their own interests. For the time being, however, they avoid surfacing these aspects and instead seek coexistence. If we quote an old Chinese phrase, “the same bed but different dreams,” the US and China are trying to share a bed in a common strategic environment. Different dreams represent strategic competitiveness between the US and China.

In the context of US-China strategic relations as laid out above and in reference to the concept of power structure, we must see what positions neighboring countries will take and what power structure they will ultimately build. For example, the respective approaches of the US and China to India should be seen based on US-China strategic relations.

China’s posture toward East Asian regional cooperation reflects the country’s deep recognition of its domestic issues, its understanding of the importance of addressing them and its effort to draw up prudent countermeasures. Based on China’s macroscopic strategic premise, East Asia represents an important domain for its activities. In the context of China’s drive for FTAs, the country began to concentrate its political energy on East Asia around 2000, when the country became a member of the World Trade Organization (WTO). The country fiercely advanced studies on East Asia, which bore fruit as a proposal by the then-Premier Zhu Rongji to the member countries of the Association of Southeast Asian Nations (ASEAN). When ASEAN+3 and the East Asian Summit (EAS), the latter led by Japan, are compared, China could receive greater benefit from the former.

This implies the political fight for leadership that exists between Japan and China. Seeing no geopolitical confrontation, during the time Japan was leading EAS, policy makers were feeling a sense of incongruity over the process of regional cooperation in East Asia, which was advancing with China at the center. One source of such incongruity was derived from the points referred

to by Chinese political scientists when arguing for regional cooperation in East Asia. These points underline the political significance of a breakthrough to be made against the attempts by the US to contain China. They also underline the political consideration of a strategy to deepen Taiwan's isolation, relative to the progress of China's regional cooperation. China's motive is no doubt to create an East Asia that is comfortable for China.

An objection to this drive was raised by Japan in the form of the proposal to create an East Asian Community including Australia and New Zealand. When we look at arguments and the Chair's statements of both ASEAN+3 and EAS, we observe texts that are strongly conscious of which of these two will reign in East Asia's unification. For the moment, ASEAN+3 appears to be outperforming. In the competitive context of which one is the principal and which is secondary, China has the advantage. Keeping the political leadership race under a low profile is indeed part of China's strategic responses. In recent moves of ASEAN+3 and EAS, there is functional cooperation encompassing specific and effective actions. While ASEAN+3 consists of East Asian members, EAS is joined by India, Australia and New Zealand, giving the body a more global makeup. Against this backdrop we can confirm that EAS members are building consensus about functional cooperation covering global issues.

Rapid progress of cooperation among Japan, China and South Korea is another aspect of the East Asian region, which from some perspectives can be interpreted as a move that is increasingly submerging the political agenda Japan finds crucial. Various methods of functional cooperation are underway between Japan, China and South Korea, are still in the stage of basic dialogue and are short of concrete achievements. They are nevertheless progressing at a remarkable pace. In various fields, directors-general level talks have been started. In the financial field, finance minister meetings have been held among the three countries, while ASEAN, too, is frequently hosting opportunities for talks on basic regional cooperation. Discussions among Japan, China and South Korea have become a regular event as a new phenomenon to note.

In the course of advancing functional cooperation, the move to involve China as much as possible coincides with the basic stance taken by today's China. Such a move represents potential and future value. It is important in the context of a mid- and long-term macro perspective to implement such functional cooperation and firmly combine in it China's domestic issues and interests in its external policies. However, Japan has yet to reach a national consensus as to how to evaluate China's political consideration such as its urge to exclude the US and attempt to use East Asian regional cooperation in the Taiwan issues. Japan has yet to agree nationally on how much sensitivity it needs to approach these tendencies. These missing points need broad discussions.

From a macro perspective, Japan, since after the time of Jiang Zemin, has been left behind from China's strategic responses that incorporate China's internal and external policies. Japan, seen by China during the era of chilly relations, was excluded like a black box or a blind spot from China's strategic responses. Jiang Zemin outspokenly used the history card on his visit to Japan in 1998. This is one instance to suggest that China's responses had no intention of incorporating Japan. Japan's view of China worsened rapidly. In discussions about relations with China, people began to accept as a matter of course a tendency to find value in expressing a negative voice against China.

From China's viewpoint, the policy toward Japan, taken by the Hu Jintao administration, did remain in a place where it should be for some time. It is considered that China's Japan policy has been incorporated in its comprehensive strategic approaches. Through the process of the conversion from patriotism education, the importance of the anti-Japan element has lowered from China's perspective. From Japan's perspective, China's latest conversion of its stance should last as long as possible.

There is little room in the international environment to have the US and China harshly exchanging their own agendas, given that both countries need to seek coexistence, based on the keen recognition both have in their own problems. How to define American power is an important premise for Japan to decide its standing position. There are two totally different paths to consider the Japan-US Alliance. One is based on an image of order that places an imperial US on the center. The other is based on the idea that both the US and China have grave internal problems. These two paths underlie the construction of Japan's external policy, and its approach to its relations with the two countries.

However, it is Japan's fate in the postwar era to have its relations with the US as its axis. There is an important truth for Japan in its inability to abandon the war-renouncing Article 9 of the Constitution and the Japan-US Security Treaty. If the inability to dissolve the Japan-US Alliance is a premise, an important task in reviewing strategies should be a search for what significance should be given to this alliance, based on the above-mentioned recognition of international affairs and Asia's power structure. In this context, a basic condition should be to enhance the credibility of the Japan-US Alliance in terms of both politics and defense.

The strategic premise and difficult position as a US ally are shared by all allies of the US. The trilateral ties among Japan, the US and Australia have become important, while the relations among Japan, the US and South Korea have been updated since the end of the Roh Moo Hyun administration. Trilateral ties have a strategic value to link US allies that have tied with the US on a unilateral basis. Dialogue being held between two US allies in the trilateral context offers hints for considering strategies based on the Japan-US Alliance. If Japan secures a consensus to pay attention to this aspect, its relations with Australia and South Korea will grow more important in Japan's strategic agenda. That suggests that the trilateralism of Japan, South Korea and Australia can serve as an important framework for Japan to build its independent strategy in the midst of the US and China.