



Japan-China Bonhomie: Pragmatic Response to 'Trump Challenge'

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Japanese Minister Shinzo Abe's state visit to China on October 25-27, 2018, was a significant moment in the relations between the two countries. It opens a new chapter in Sino-Japanese relations departing from a period of political and diplomatic disengagement that lasted over the last eight years. The last Japanese Prime Ministerial visit to China for a bilateral Summit was in 2011. The visit also coincided with the commemoration of the 40th anniversary of the signing of the Treaty of Peace and Friendship, which formalised the diplomatic relationship between the two countries.

The smooth sailing Japan-China relations ran into choppy waters in 2010, following an event involving the Japanese Coast Guard and Chinese fishing boat that triggered a high tension territorial dispute over an island called Senkaku in Japan and Diaoyu in China. The island is controlled by Tokyo and claimed by Beijing. Tensions ran high when the Japanese government nationalised the island in 2012 and massive anti-Japanese protests erupted across China. In a highly charged political scenario, Tokyo and Beijing abandoned all high-level exchanges and maintained a confrontational posture against each other.

Attempts to normalise the relations began in the mid 2017, when Tokyo sent a high profile delegation to Beijing to attend the first Belt and Road Forum showing its interest to join the initiative. The breakthrough created the necessary political conditions to restart once again the stalled high level exchanges. The political will to improve relations was evident when Prime Minister Abe had rare back to back meetings with President Xi Jinping on the sidelines of APEC Summit and Premier Li Keqiang at the ASEAN Summit in November last year. Premier Li visited Tokyo, the first sitting Premier to do so in seven years, for a trilateral meeting between Japan, China and South Korea in May 2018. During the visit of Li, China and Japan signed the Maritime

and Air Communication Mechanism (MACM), to avoid unintended incidents between their armed forces.

Prime Minister Abe's visit in itself is a big step that opens a new chapter in the bilateral relations. The visit was successful not just because of its symbolism in resetting of ties between the two countries but also in terms of its substantial contribution, with Tokyo and Beijing inking a number of agreements to foster the relationship. On the security front, both agreed for joint maritime search and rescue operations, restart Fleet visits between the two navies that were stalled since 2011 and to reestablish annual meeting between top defence officials, which again had not taken place for the last eleven years. On the economic front, a currency swap agreement that would facilitate the exchange of local currencies worth 30 billion USD between the two central banks in the event of a crisis was signed. A similar agreement was first inked in 2008 in the context of global financial crisis, which however, got expired in 2013. The upper limit of the exchange in the new agreement is ten times more than the 2008 agreement. China also agreed to lift restrictions on the import of food items from Japan after the Fukushima nuclear explosion. They also signed an agreement to work out a framework for technology cooperation and the protection of intellectual property.

The most important agreement signed during the Summit was the one to cooperate on infrastructure projects in "third country" involving private sector companies. Tokyo and Beijing agreed to cooperate in more than fifty infrastructure projects, including those under the Belt and Road Initiative (BRI). It was reported that first such project is a joint deal to build a smart city in Thailand. For China, whose infrastructure projects under the banner of BRI have come under pressure recently for pushing developing countries into excessive debt, the Japanese involvement is critical for two reasons. First, Japanese participation would improve the credibility of BRI projects and also help to overcome criticism it is facing. Second, four decades of Japanese experiences in building international infrastructure could help the Chinese companies to streamline projects under BRI. Two factors seem to motivate Japan. First, the partnership would help Japanese companies that otherwise are unable to compete with Chinese companies who offer projects at a lower bid. Second, Japan increasingly views engaging in international infrastructure projects, particularly in a context where Beijing is under severe international criticism, as an opportunity to co-opt and socialise China to adopt international standards and norms of international infrastructural development projects. The Japanese involvement implies a change in the Chinese approach to rolling out infrastructure projects, including issues of openness, transparency, sovereignty and financial viability.

As the Sino- Japanese bonhomie seems to be growing, the United States continues to remain central to the relations between the two countries. It was the diplomatic rapprochement between Washington and Beijing that created conditions for the normalisation of relationship between Tokyo and Beijing in the late 1970s. Paradoxically, the ongoing confrontation between Beijing and Washington and Washington's unilateral tendencies unsettling the economic

dimension of US-Japan alliance under President Trump are pushing Japan and China to normalise bilateral relations.

The message that comes out of the Sino-Japanese rapprochement is that of a cool headed pragmatism in Tokyo and Beijing, with both countries seeking stability in bilateral and regional relations in the face of uncertainty unleashed by the Trump administration. Xi's description of the Summit as a "new historic direction" and Abe's message of "shifting from competition to collaboration", articulates a strong conviction to focus on economic aspects of the relationship while managing risks associated with security and territorial dimensions. Their joint message of promoting "free and fair trading system" signals an emerging joint front to fight protectionism. It appears that Tokyo and Beijing have resolved to keep their head down and stabilise bilateral relations focusing on economic cooperation as a hedge against geo-economic uncertainties. The Tokyo- Beijing rapprochement mirrors a general trend of pragmatism in the Indo-Pacific of late. The recent bonhomie between India and China highlighted in the Wuhan Summit is reflective of this general pattern. In the wake of a disruptionist attitude in the American foreign policy under President Trump, it appears that other countries in the Indo-Pacific are adopting a restrained approach to each other to hedge against uncertainty and to maintain regional stability.

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