

Why Japan's balancing act on China is more sure-footed

by **John McCarthy**

Australian Financial Review, 08 July 2020

Link: <https://www.afr.com/world/asia/why-japan-s-balancing-act-on-china-is-more-sure-footed-20200707-p559pf>

Scott Morrison should learn from Shinzo Abe's non-confrontational example in managing the Sino-Japanese relationship.

Scott Morrison will have a virtual meeting with [Japanese Prime Minister Shinzo Abe](#) on Thursday, to be followed by an official visit to Japan when COVID-19 permits. Mr Morrison is taking Japan seriously. Good.

It is widely assumed here that our relationship with Japan is fundamentally economic – albeit containing a strategic dimension, given our shared status as American allies.

It is more than that. Japan and Australia have led the way in the creation and growth of the major regional organisations such as APEC. Our countries revived the Trans-Pacific Partnership regional trade agreement when it was abandoned by the United States.

We have a successful and growing program of bilateral defence co-operation. In the past 15 years, the military contingent in our Tokyo Embassy has grown from two to about a dozen. Joint exercises and policy exchanges have proliferated.

For Australia, the projection of American power, even under Trump, remains the prime factor in preserving strategic equilibrium in Asia. But we need better to appreciate Japan's significance in maintaining that equilibrium.

In this connection, we understand Japan's role as a host of American forces, its military competence, its continuing wealth and its democracy. However, there is insufficient recognition in this country of two other factors.

The first is Japan's example in managing China. In this task it is more mature and sure-footed than Australia or the United States, especially given the harsh realities of the Sino-Japanese relationship.

Any Japanese government has to shape its China policy in the context of its deep-rooted historical differences with China, including contested claims to the Senkaku islands in the East China Sea and festering issues from World War II – impediments with which Australia does not have to deal.

Japan also has to accommodate a range of internal views on China – from those of anti-Chinese nationalists to the pacifists, including those in the government’s junior coalition partner, the New Komeito Party.

Tough but circumspect

Japan’s approach towards China has varied. But particularly during the tenure of prime minister Junichiro Koizumi (2001-06) and Abe’s second term (from 2012), it has been tough-minded, but not confrontational.

In 2015, for example, Japan reinterpreted its constitution to permit “collective self-defence” – giving it greater freedom of action to act as an ally of the United States if the latter were attacked.

These periods have cost Japan in its dealings with China, but it has sought to maintain a balance in its relationship with its neighbour. Abe made an official visit to China in 2018 and a reciprocal visit by Chinese President Xi Jinping remains on the cards for later this year.

The Japanese are also careful about the tone and context of public statements about China, and the company in which these are made. For example, they have not sought publicly to sheet home the blame for COVID-19 to China.

In response to the recent passage by China of the [National Security Law](#) on Hong Kong, Japan chose to express concern not – although invited – in one of the two Anglosphere statements (both involving Britain, Canada and Australia and one also including the United States). Rather it chose to express its views in its own statement and in a G7 communique.

Moreover, even in difficult times for government-to-government dealings, Japan’s ruling Liberal Democratic Party has maintained associations with the Chinese Communist Party and there remains a plethora of personal, political, academic and business links – which noted China scholar Richard McGregor refers to as “catacombs of communication” – between China and Japan.

By contrast, in Australia there is criticism of those in business who argue for restraint in our dealings with China, and denigration of those organisations such as China Matters, which seek to assist the propagation of unbiased knowledge about China. If China is indeed to be our enemy, let us at least, like Japan, know it.

The second factor we tend to ignore here is that Japan’s statecraft and business skills provide a balance to China in south-east Asia, compensating in some measure for America’s declining diplomatic input and dramatic loss of reputation in that region over the past decade.

Japan is no longer seen in Asia as the high-handed regional actor of the 1970s and '80s. Abe made a point of visiting all 10 ASEAN members in the first year of his second term. A poll of ASEAN attitudes six months ago by the Singapore think tank, the ISEAS-Yusof Ishak Institute, placed Japan as the most trusted extra-regional power, with twice as many positive responses as the United States and four times as many as China.

And Japan never has been a laggard in terms of investment in the region. A widely published survey by Fitch Solutions in June 2019 noted that, in the crucial infrastructure sector, Japanese-backed investment in the six biggest ASEAN economies was 1.5 times as large as that of China (\$US367 billion as opposed to \$US255 billion).

John McCarthy is a former ambassador to the United States, Indonesia and Japan. He is also an Associate of China Matters.