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The Changing Situation in Northeast Asia and Japan–China Relations

By AOYAMA Rumi

The first Japan–China–South Korea Trilateral Summit in four and a half years was held in Seoul in late May, bringing together Prime Minister Fumio Kishida, Premier Li Qiang, and President Yoon Suk Yeol. There, the leaders of Japan and China were also able to hold a summit, where they promoted a mutually beneficial relationship based on common strategic interests and confirmed the acceleration of the administrative processes related to the treatment of water from the Fukushima Daiichi nuclear power plant.

I consider this Japan–China–South Korea Trilateral Summit extremely significant, as China was Japan's largest trading partner in 2022, and Japan is China's third largest trading partner after the US and South Korea. Amid increasing tensions between the US and China, the question arises as to how economic relations between Japan and China, which in terms of trade and investment are extremely close, will proceed in the future. The criticality of this issue for the regional stability of East Asia has brought attention to the Summit.

A joint declaration on various areas of cooperation, including the resumption of FTA negotiations and people-to-people exchanges, was issued at this Summit, conveying the clear political message that the strengthening of economic relations and people-to-people exchanges in East Asia will be promoted even in a regional situation where the US–China conflict continues. The leaders of the three countries agreed on "future-oriented" practical cooperation, and the issuing of this political message is in itself highly significant in terms of a stable East Asia.

Indeed, this Summit alone cannot solve the problems facing these countries. As widely reported in the Japanese media, the Joint Declaration did not include a statement on promoting the denuclearization of the Korean Peninsula, nor did it mention cooperation among the three countries in the field of advanced technology.

In the context of the Japan–China relations in particular, this simply indicates that an era of structural change between the two countries is approaching.

Japan–China relations have passed through two stages thus far.

The first was the 72 System. From 1972, when Japan–China relations were normalized, until the 1980s, both countries adopted the slogan of Japan–China friendship while shelving the existing problems between the two countries and promoting good political relations. A foundation of economic interdependence was laid during this period.

The second stage of the Japan-China relations is what is referred to as the “separation of economy from politics.” Since the 1990s, Japan and China have maintained close economic relations despite growing mutual distrust in the security field and conflicts over historical issues and the topic of Taiwan. This “separation of economy from politics” has been supported by strong economic exchanges and deep people-to-people exchanges.

However, I believe that the Japan–China relations are now approaching a new stage. This relationship is highly limited in an international environment shaped by the US–China conflict. Against this background, will the Japan–China relationship enter an era of “cold politics cold economics,” or a new era of “separation of economy from politics”? I believe we are at a tipping point.

Given the state of international relations, it is, of course, difficult to maintain the same form of “separation of economy from politics” as before. The separation of the economy from the politics of the future might flow from the current state of affairs by maintaining practical economic relations while opposing each other in the security field and advanced technology.

At the Japan–China–South Korea Summit, the leaders sent a strong political message that they will continue to promote practical economic relations in the future, but actually realizing this has become an important issue that will require political efforts by these countries.

The US–China conflict, Russia’s invasion of Ukraine, and the conflict in the Middle East have had a major impact on the regional order in East Asia. The three countries have vastly different security concerns that do not have simple resolutions.

Nevertheless, it is possible to strengthen the relationship between these countries in the face of common security concerns. Beginning in 2022, North Korea intensified missile launch

tests and showed signs of nuclear testing, and has explicitly enshrined the possession of nuclear weapons in its constitution. Japan has expressed strong concerns about North Korea's missile and nuclear development movements, centered on the three points of "abduction, nuclear weapons, and missiles"; further, given the practical problem of the collapse of a system to deter North Korea's nuclear development, which is a flashpoint in Northeast Asia, the question of rebuilding the system is significant. Both Japan and China can make efforts to this end, which will also help strengthen the relations between the two countries.

To sustain a resilient economic relationship between Japan and China, the creation of a political environment that promotes secure economic relations is crucial.

Finally, how can people-to-people exchanges, which were disrupted by the COVID-19 pandemic, be resumed between the two countries? People-to-people exchanges do not have to be promoted on a government level, but practical efforts are required to remove obstacles while remaining careful of the trend that has developed thus far. Unfortunately, a survey by the Genron NPO last year found that 92.2% of Japanese people do not feel an affinity toward China; thus, removing obstacles that worsen the mutual image is also necessary.

After about 20 years of Japan–China friendship and over 20 years of the separation of the economy from politics, we are entering a new stage. This is by no means a negative development and does not need to be feared. Bilateral relations have various forms. However, to avoid it developing into "cold politics—cold economics" and to build a bilateral relationship that can maintain sustained economic and people-to-people exchanges, it is necessary to cooperate in the field of security and remove impediments to people-to-people exchanges.

(This is the English translation of an article written by AOYAMA Rumi, Professor of Waseda University / Academic Member of GFJ, which originally appeared on the e-Forum "Giron-Hyakushutsu" of GFJ on June 9, 2024.)