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## Japan's balancing act tours Beijing

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Japanese Prime Minister Shinzo Abe is visiting Beijing this week — the latest event in a gradual thawing of Japan–China relations. The expected outcomes of Abe's visit will continue his administration's foreign policy rebalance between China and the United States. While China welcomes the opportunity for deeper relations with Japan, the United States may be less enthusiastic.



There seems to be broad consensus in Washington that the long-standing US engagement policy towards China has failed. The Trump administration is instead going down the road of disengagement and has been steadily imposing tariffs on Chinese goods. On 4 October 2018, US Vice President Mike Pence delivered a <u>de facto declaration</u> of cold war against China in his speech at the Hudson Institute, decrying China's 'predatory' trade, 'coercion' and military 'aggression'.

Members of both Japan's government and populace share US concerns about China. A 2018 <u>survey</u> of approximately 3000 Japanese business people reports that 81.4 per cent of respondents are concerned with the political risks of doing business in China and 90.3 per cent perceive China as a threat to Japan.

But in a time when tensions between the United States and China are riding high, Japan is not fully committed to joining the US camp. The Abe administration is instead pursuing a more balanced foreign policy.

On the one hand, Tokyo is <u>strengthening</u> the Japan–US alliance and 'promoting the networking of allies and friendly nations' like Australia, India, Britain and France to counter China's rise. On the other hand, Japan is striving to mend its relations with China by promoting economic cooperation, easing strategic mistrust and developing mechanisms to prevent clashes in the East China Sea.

As the latest in a series of joint efforts to improve bilateral ties, Abe arrived in Beijing for a three-day official visit on 25 October — timed to mark the 40th anniversary of a peace and friendship treaty between the two countries. During Chinese Premier Li Keqiang's visit to Japan in May 2018, the two countries hammered out a framework for <u>bilateral cooperation</u>. As a follow-up step, China and Japan will lay out further plans for cooperation during Abe's visit.

An array of bilateral agreements will be signed to commemorate the historical moment. A renewed currency swap agreement with a ceiling of 3 trillion yen (US\$27 billion) -10 times more than that of the previous arrangement - is expected. The two countries will also establish a new framework for talks on technological cooperation and intellectual property protection. And in response to Japan's request, China will probably lift the ban on food imports from 10 Japanese prefectures that was introduced after the 2011 Fukushima nuclear crisis.

Tokyo and Beijing are on track to ease strategic mistrust as well. An agreement to cooperate on search and rescue at sea is likely to be signed, and the head of the Joint Staff of the Japanese Self-Defense Forces is expected to visit China in 2019 — the first visit in 11 years.

The first Japan–China Third-Party Market Cooperation Forum will be the highlight of Abe's China trip. The two countries are expected to seal approximately 30 memorandums of understanding on Xi Jinping's signature <u>Belt and Road Initiative</u> (BRI).

From China's perspective, the timing could not be better for Japan to pursue a balanced foreign policy. The escalating trade war with the United States is <u>weighing on China's economy</u>, leading to stock market plummets and decelerating economic growth. Thawed political relations and stronger cooperation in trade, investment, finance and high-tech industries with Japan are crucial for reviving China's economy.

Bringing Japan onboard with the BRI would also be a symbolic success for China. And by improving relations with Japan, China hopes to create an alliance rupture between Japan and the United States.

Because of these benefits, China is more willing to overlook Japan's growing assertiveness in the South China Sea. In September 2018, Japan sent a submarine and three warships to conduct a two-month military drill in the South China Sea — the first drill in the contested waters to involve a submarine. Despite the significance, the response from the Chinese Foreign Ministry was relatively low-key and implicit: 'We urge Japan to refrain from doing anything that will undermine regional peace and stability'.

Going forward, the question is whether the Trump administration can tolerate Japan's independent foreign posture. With an eye to the United States, Japan is promoting infrastructure cooperation with China in third countries without directly referencing the BRI in public agreements or forums. Memorandums on BRI projects will also be signed mainly between the two countries' private sectors.

How the United States responds to the thawing of Japan–China relations will indubitably shape the future discourse of Japanese foreign policy.

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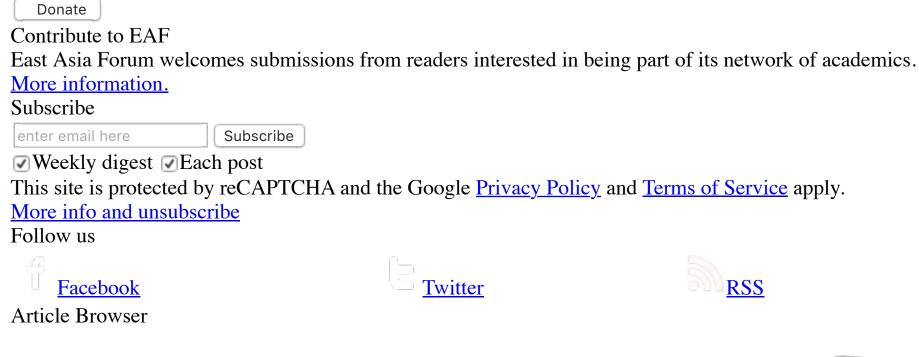
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