

Japan's Policy Toward China and Taiwan

Madoka Fukuda¹

Introduction

2018 marks the 40th anniversary of the Treaty of Peace and Friendship between Japan and China. Since 2017, both countries have repeatedly conveyed an interest in mending bilateral relations. Japanese Prime Minister Shinzo Abe is expected to invite Chinese President Xi Jinping to visit Japan this year or next year.² Yet, the Taiwan issue remains a destabilizing factor amid the momentum of improving Japan-China relations. Although the relationship between Japan and Taiwan has become closer in recent years, the cross-Strait relationship has deteriorated since the Tsai Ing-wen administration came to the office in 2016. Consequently, China has trained a more watchful eye on the developing ties between Japan and Taiwan.

To better understand how Japan can balance its relations with China and Taiwan, this paper will first review the historical background of Japan-China-Taiwan relations since 1972 and discuss Japan's interests in each area of their relationship. The paper then discusses the challenges and opportunities for Japan-China and Japan-Taiwan relations in the changing Asia-Pacific strategic environment. The paper concludes by offering a set of policy recommendations.

Historical Background

Since the modern era, successive Japanese leaders have consistently recognized the strategic importance of Taiwan. The Japanese expedition to Taiwan in 1874 was the first overseas deployment of the Imperial Japanese Army and Navy. Then, after Qing China ceded Taiwan in the Treaty of Shimonoseki in 1895, Taiwan was under Japanese rule until 1945. In the post-World War II era, Japan returned Taiwan to the Republic of China (ROC), in accordance with the Potsdam Declaration. Then, through the Chinese civil war and the outbreak of the Korean War, Japan and the ROC each signed mutual defense treaties with the United States and were involved in the Cold War as U.S. allies.

In the 1970s, the Cold War structure in East Asia underwent a major transformation with Nixon's opening to the People's Republic of China (PRC). Since 1972, successive Japanese administrations have essentially taken the same position on the issue of Taiwan, which is to

¹ Madoka Fukuda is a professor in the Department of Global Politics in the Faculty of Law at Hosei University. She can be reached at madoka@hosei.ac.jp.

² Madoka Fukuda, "Maintaining momentum in Japan-China relations," *The East Asia Forum*, <http://www.eastasiaforum.org/2018/03/27/maintaining-momentum-in-japan-china-relations/>.

maintain unofficial relations with Taiwan and hope for stability in the Taiwan Strait by respecting the Japan-China Joint Communiqué of 1972. In the communiqué of 1972, the Japanese government recognized the People's Republic of China (PRC) as "the sole legal Government of China." Japan also stated that it "fully understood and respected" that the PRC claimed Taiwan as an inalienable part of its territory, and "firmly maintained its stand under Article 8 of the Potsdam Proclamation" on Japanese territorial sovereignty.³

As a result of Sino-Japanese normalization, the unofficial relationship between Japan and the Republic of China (ROC) in Taiwan has been predominantly limited to the economic and cultural fields since 1972.⁴ Under the so-called 1972 regime, the channels between members of the Japan-ROC Diet Members' Consultative Council (also known as the Nikkakon) from the Liberal Democratic Party (LDP) of Japan and Kuomintang (KMT) politicians in Taiwan have mainly taken the form of unofficial political dialogues to promote economic and cultural exchanges.⁵ Many Japanese private enterprises maintained their economic ties with Taiwan, and trade between Japan and Taiwan expanded remarkably through the 1980s and 1990s. Indeed, during the golden age of Japan-China relations, there was no noticeable political progress in the relationship between Japan and Taiwan in the 1970s and 1980s.⁶

A New Dimension of the Japan-Taiwan Relationship and China's Reaction (the 1990s)

Since the 1990s, Taiwan's democratization has added a new dimension to the Japan-China-Taiwan relationship. This democratization has led to a relaxation of controls on public opinion in Taiwan, allowing positive memories of the Japanese colonial era to be expressed along with an increased public appreciation and affinity for Japanese culture. Lee Tung-hui, who served as the Taiwanese president from 1988 to 2000, often made reference to his own Japanese connections when calling on Japan to further develop its tie with Taiwan without submitting to

³ "Joint Communiqué of the Government of Japan and the Government of the People's Republic of China," Japanese Ministry of Foreign Affairs, September 29, 1972, <http://www.mofa.go.jp/region/asia-paci/china/joint72.html>.

⁴ In addition to the Japan-China Joint Communiqué, the following documents were primarily responsible for providing this so-called "1972 regime": "The record of the Press conference by Foreign Minister Masayoshi Ohira and the Minister's secretariat Susumu Nikaido about the Sino-Japanese Normalization," September 29, 1972; "The declaration about breaking off diplomatic relations with Japan by the ROC's Ministry of Foreign Affairs," September 29, 1972. All are available from the Japan and World Database (Project Leader: Akihiko Tanaka), <http://worldjpn.grips.ac.jp>.

⁵ With regard to the Nikkakon, see Wu Mingshang, "Tai-ri Guohui Waijiao de Xingcheng yu Fazhan," in *"Qiernian Tizhi" Xia Tairi Guanxi de Huigu yu Zhanwang*, eds. He Sishen and Cai Zengjia (Taipei: Yanjing Jijinhui, 2009), 71.

⁶ With regard to Japan-Taiwan relations in the 1980s, see Yasuhiro Matsuda, "Nittai Kankei no Anteika to Henka e no Taidou" in Shin Kawashima, Urara Shimizu, Yasuhiro Matsuda, and Yang Yongming, eds., *Nittai Kankei Shi* (Tokyo: Tokyo University Press, 2009), 129–151.

China's threats. Lee's words appealed to many Japanese at the time, and they began to reconsider their country's relationship with Taiwan.⁷

Moreover, many in Japan have begun to consider China a potential threat, as it holds a different ideology from the Western democratized countries, including Japan. The Tiananmen Square incident of 1989 surprised many Japanese, revealing how strongly the authoritarian regime in China opposed democratization. This led many to have a higher regard for Taiwanese democratization as the other player in the Taiwan Strait. The Taiwan Strait missile crises of 1995 and 1996 shocked many Japanese people, as the People's Liberation Army (PLA) took a threatening attitude toward Taiwan's first presidential election, which was one of the products of Taiwanese democratization.⁸

Since the end of the Third Taiwan Strait Crisis in 1996, the Japanese government has regarded the peace and stability of the Strait as an increasingly important issue, and has clearly stated its concern. When the crisis occurred, the Japanese government was negotiating with the United States to redefine the alliance's security treaty. Therefore, the Japan-U.S. commitment to the peace and stability of the Taiwan Strait was the focus of public attention when the Japan-U.S. Joint Declaration on Security was published in 1996, and the Japan-U.S. guidelines—including the concept of “situations in areas surrounding Japan”—was agreed upon in 1997.⁹ Although the Japanese government did not define “situations in areas surrounding Japan” in geographical terms or clarify the connection between the Japan-U.S. Security Treaty and security of the Strait, some influential experts in Japan stated that it would include the Taiwan Strait.¹⁰

Japan's Reaction to Tensions Across the Taiwan Strait (2000-2008)

After the establishment of the Chen Shui-bian government in Taiwan in 2000—and its tense relations with China—the Japanese government called for self-restraint and repeatedly expressed concern over both China and Taiwan regarding the current status of the Taiwan Strait. For example, when President Chen proposed “a nationwide consultative referendum” at the

⁷ For example, the following books were typical writings that spread Lee's words: Ryotaro Shiba, *Taiwan Kiko*, (Tokyo: Asahishimbunbunko, 1997) and Yoshinori Kobayashi, *Taiwan Ron*, (Tokyo: Shogakukan, 2000).

⁸ With regard to how Taiwanese democratization influenced Japan-Taiwan relations in 1990s, see Yasuhiro Matsuda, “Taiwan no Minshuka to Aratana Nittai Kankei no Mosaku” in *Nittai Kankei Shi*, *Ibid.*, 153-171.

⁹ “Japan-U.S. Joint Declaration on Security, Alliance for the 21st Century (April 17, 1996),” Japanese Ministry of Foreign Affairs, <http://www.mofa.go.jp/region/n-america/us/security/security.html>; “The Guidelines for Japan-U.S. Defense Cooperation (September 23, 1997),” Japanese Ministry of Defense, http://www.mod.go.jp/e/d_act/anpo/19970923.html.

¹⁰ For example, the Chief Cabinet Secretary Kajiyama Seiroku stated that it was no wonder that the conflict between Taiwan and China was included in “the situations in areas surrounding Japan” on a TV show in August 1997, (Author unknown), “Chutai Funsouji Nihon ga Beigun Shien,” *Asahi Shimbun*, Aug. 18, 1997.

same time as the election in 2004, the Japanese government urged the Taiwanese government to take a cautious position on the stability of the Taiwan Strait, through Katsuhisa Uchida – the chief of the Japan-Taiwan Exchange Association, Taipei Office.¹¹ In addition, when Chen decided to suspend the operation of the guidelines and the committee for national unification in 2006, a spokesperson for the Japanese Ministry of Foreign Affairs (MOFA) commented that Tokyo could not support any attempt to change the status quo of the Taiwan Strait by either side and conveyed this position to the Taiwanese representative office in Japan.¹²

At the same time, the Japanese government clarified its position on potential People's Liberation Army's (PLA's) use of force against Taiwan. In February 2005, soon after the reelection of President Chen, the Japan-U.S. Security Consultative Committee published a Joint Statement specifying that Japan and the United States would “encourage the peaceful resolution of issues concerning the Taiwan Strait through dialogue” as one of their common strategic objectives.¹³ Furthermore, when the PRC's anti-secession law was established in 2005, the Japanese MOFA expressed concern about the law with regard to the peace and stability of the Taiwan Strait, noting that Japan would oppose any non-peaceful resolution to this issue.¹⁴ These actions showed the Japanese government's clear respect for the 1972 Japan-China Joint Communiqué with regard to the Taiwan issue on the one hand, while strengthening its commitment toward the peace and stability of the Strait on the other.

China's Rise and the Institutionalization of Japan-Taiwan Ties (2009 onward)

The tension across the Taiwan Strait has relaxed since Ma Ying-jeou became President of Taiwan in 2008. Meanwhile, Japan solidified its economic and cultural ties with Taiwan under the condition that cross-Strait tensions remain controlled. Japan and Taiwan reached agreements to promote people-to-people exchange and tourism, including the Japan-Taiwan working holiday and the establishment of a branch of the Representative Office of Taiwan in Sapporo.¹⁵ When the Great East Japan Earthquake occurred in 2011, the contributions from Taiwan totaled ¥20 billion, greater than the amount from any other country except the United

¹¹ Katsuhisa Uchida, *Daijyoubu ka Nittai Kankei*, (Tokyo: Sankei Shimbunsha, 2006), 186–194.

¹² “The spokesperson's talks of the MOFA of Japan on Feb. 28, 2006,” Japanese Ministry of Foreign Affairs, http://www.mofa.go.jp/mofaj/press/danwa/18/dga_0228.html.

¹³ “About the Japan-US security consultative committee (2+2) on Feb. 19, 2005,” Japanese Ministry of Foreign Affairs, <http://www.mofa.go.jp/mofaj/area/usa/hosho/2plus2.html>.

¹⁴ “The spokesperson's talks of the MOFA of Japan on Mar. 14, 2005,” Japanese Ministry of Foreign Affairs, http://www.mofa.go.jp/mofaj/press/danwa/17/dga_0314.html.

¹⁵ On the Japan-Taiwan relationship during the first term of the Ma administration, see Madoka Fukuda, “Posuto Minshuka Taiwan to Nihon,” *Toyo Bunka*, 94 (2014): 106-113.

States. The Japanese people were deeply impressed by the “kizuna” (bond) with the Taiwanese people.¹⁶

Since 2010, when the Ma administration concluded the Economic Cooperation Framework Agreement (ECFA) with China, the administration has begun to raise sensitive issues that could conflict with the PRC’s position regarding Japan-Taiwan relations. In particular, although the Japan-Taiwan Investment Agreement concluded in September 2011, it liberalized mutual investments between Japan and Taiwan more than the Japan-China investment agreement had done. Yet, the PRC did not officially protest against it. The Japan-Taiwan Open Skies Agreement, which concluded in November 2011, was the second open skies agreement for the Japanese government, following a similar one with the United States. Given that the PRC had previously expressed concerns about the issue of air service between Japan and Taiwan, it was somewhat surprising that the PRC did not officially protest this agreement or conduct any reprisals.¹⁷

While the Japan-Taiwan relationship has become closer, the Japan-China relationship has deteriorated to its lowest level. China’s more assertive foreign policy, especially after 2009, has brought friction into relations with neighboring countries. At that time, Chinese leaders began discussing the validity of adopting the idea of “striving to make achievements” in Chinese foreign policy rather than “concealing capabilities and avoiding the limelight.”¹⁸ Since 2012, when Xi Jinping came into office, China has become more aggressive toward neighboring countries under the slogan of “the great rejuvenation of the Chinese nation.” In this context, the issue of the Senkaku Islands emerged as a focal point of friction between Japan and China. In 2012, the Japanese government purchased three of the islets from a private Japanese owner, leading to widespread anti-Japan demonstrations in China. Compounding matters, a summit meeting between Japan and China was not held until November 2014, when Prime Minister Abe visited Beijing to attend the Asia-Pacific Economic Cooperation (APEC) Economic Leaders’ Meeting.¹⁹

The Japan-Taiwan fisheries agreement of April 2013 was a highlight of the Japan-Taiwan partnership under the Ma Ying-jeou administration. The main reason for the agreement was the sense of crisis felt by both Japan and Taiwan regarding heightening tensions over the

¹⁶ “Taiwan Kara no Shien,” The Japan-Taiwan Exchange Association, <https://www.koryu.or.jp/news/?ItemId=565&dispmid=4259>.

¹⁷ Madoka Fukuda, “Posuto Minshuka Taiwan to Nihon,” 110-111.

¹⁸ On China’s assertiveness since 2009, see Yasuhiro Matsuda, “How to Understand China’s Assertiveness since 2009: Hypotheses and Policy Implications,” Strategic Japan Working Papers, Center for Strategic and International Studies, <https://www.csis.org/programs/japan-chair/strategic-japan-working-papers>.

¹⁹ On the Abe-Xi meeting in 2014, see “Japan-China Summit Meeting,” Japanese Ministry of Foreign Affairs, http://www.mofa.go.jp/a_o/c_m1/cn/page4e_000151.html.

Senkaku Islands and surrounding waters. However, the broader context of regional politics that made these decisions possible cannot be overlooked. Expecting that the Chinese government would not protest or interfere, Japan and Taiwan began the step-by-step process that led to the fisheries agreement. The agreement was concluded within the framework of the 1972 regime, and its content does not contradict the Japan-China fisheries agreement enacted in 2000. This means that the door to dialogue on the development of a new order in the East China Sea remains open to China.²⁰

Ma Ying-jeou failed to establish a good relationship with the Abe administration after the fisheries agreement, even though Prime Minister Abe was well-known as a politician who had a close relationship with Taiwan. In the final two years of the Ma administration, President Ma explored the possibility of a cross-Strait summit meeting and underplayed his policy toward Japan. Ma's excessive emphasis of the ROC's identity did not correspond with Abe's views on history and international politics. Furthermore, Taiwan's ban on foods from the five prefectures around Fukushima seemed to intensify Ma and Abe's mutual distrust. Hence, although the people-to-people relationship between Japan and Taiwan remained warm, the relationship between both governments cooled.²¹

Japan's National Interests in Japan-China-Taiwan relations

Based on the historical background described above, Japan's national interests in relations with China and Taiwan could be listed as follows.

Geopolitical Interests and the Status of Taiwan

It has been important for Japan to stabilize the situation with Taiwan and to establish a good relationship with the island's government. Geographically, Taiwan is located west of the Japan's Southwestern Islands, only about 110 kilometers from Japan's Yonaguni Island near northeastern Taiwan. Taiwan is located at the crossroad of the western Pacific Ocean and continental Asia, and sits on a critical sea lane of communication (SLOC) between Northeast and Southeast Asia.²² This was why Imperial Japan wanted to put Taiwan under its colonial rule. Although Japan abandoned Taiwan after World War II, postwar Japanese governments have pursued these interests through the alliance with the United States.

²⁰ On the process and the importance of the agreement, see Madoka Fukuda, "The Japan-Taiwan Fisheries Agreement Will Not 'Contain China'," AJISS-Commentary, No. 179, June 19, 2013.

²¹ On Ma and Abe's mutual distrust, see Madoka Fukuda "Ma and Abe's mutual distrust," in Lee Wei-chin ed., *Taiwan's Political Re-Alignment and Diplomatic Challenges*, (Palgrave Macmillan, forthcoming).

²² Akihiro Sadou, "Nihon no Anzenhosyo to Taiwan," *Chukyo Hougaku*, No.51-2/3, 2017: 336.

These interests have been also secured in the Japan-China Joint Communiqué of 1972. At that time, the Japanese negotiating team was concerned that if Japan accepted China's claim to Taiwan, the legal basis for Japan to support U.S. military action for defense of Taiwan would be lost. The team concluded negotiations with China by clarifying Article 8 of the Potsdam Declaration. In this context, the article means first that the Japanese government doesn't have the right to resolve the status of Taiwan and second that Japan recognizes that Taiwan should be returned to "China" represented by the PRC. Thus Taiwan's independence should not be supported.²³

Security and Politics

The greatest national security interest for Japan is to avoid the outbreak of armed conflict in the Taiwan Strait. In other words, Japan should try to avoid a situation in which China would use force against Taiwan. As Yasuhiro Matsuda states, "once Japan gets involved in an emergency over the Taiwan Strait, the crisis has the potential to quickly escalate to an emergency in Japan... this is not only because Japan is geographically close to Taiwan but also because China is likely to see Japan's actions as adversarial."²⁴ Therefore, if a cross-Strait crisis occurs, it is also important for the Japanese government to communicate with Chinese counterparts to avoid escalating the crisis.

Concerning the recent tensions in the East and South China Seas, the importance of a friendly government in Taiwan has been increasing. The national interest of Japan in the East China Sea is to maintain the status quo so that Japan can maintain its effective control over the Senkaku Islands and surrounding waters. Although the position of the Taiwanese government is different from the Japanese one, it is important that both governments choose peaceful ways to solve the problem, such as the Japan-Taiwan Fisheries agreement and maritime dialogues.

Economics

Economics is the area where Japan can expect to develop the most win-win relations with China and Taiwan. China is now Japan's largest trading partner, and Japan's foreign direct investment is the third-largest, with the most businesses operating in China.²⁵ Japan is Taiwan's second-largest import and fourth-largest export partner, and Taiwan is the fifth-largest import and

²³ Takakazu Kuriyama, "Taiwan Mondai ni Tsuite no Nihon no Tachiba," Japan Institute of International Affairs, http://www.jiia.or.jp/column/200710/24-kuriyama_takakazu.html.

²⁴ Yasuhiro Matsuda, "The Strategic Impact of the Taiwan Issue on the U.S.-Japan Alliance," Center for Strategic and International Studies, <https://www.csis.org/events/japanese-views-china-and-taiwan-implications-us-japan-alliance>.

²⁵ "The Japan-China Economic Relationship," Japanese Ministry of Foreign Affairs, http://www.mofa.go.jp/mofaj/area/page3_000307.html.

fourth-largest export partner for Japan.²⁶ Although both Japan and Taiwan have become more interdependent with China—and trade and investment between Japan and Taiwan has decreased since 2000—interdependence with China and the improvement of Japan-Taiwan economic relations are not necessarily in conflict. Since the mid-2000s, many Japanese enterprises have entered the Chinese market through collaborations with Taiwanese counterparts, who have considerable experience doing business with Chinese enterprises.²⁷ Especially for Japanese small- and medium-sized businesses, alliances with Taiwanese enterprises that have extensive experience in global markets, should help their internationalization.²⁸

Societies

Improving people-to-people relations with China and Taiwan is now emerging as an important issue for Japan. Since the 1990s, civil societies in Japan and Taiwan have come to reflect a sense of common values and solidarity with each other. On this basis, cultural exchanges between Japan and Taiwan have been heavily promoted, especially among the younger generation. This has generated mutual affinity between Japanese and Taiwanese people. Recent opinion polls indicate that about 80% of Taiwanese and 66% of Japanese respondents feel close or relatively close to each other.²⁹ In contrast, the attitudes of Japanese and Chinese have not been good since the 2000s. Opinion polls indicate that about 77% of Chinese and 92% of Japanese respondents feel negative impression of each other.³⁰

Emerging Challenges and Opportunities

China's rise and its active diplomacy toward neighboring countries are the biggest factors that will affect the prospects of Japan-China and Japan-Taiwan relations in the near future.

²⁶ Japan-Taiwan Exchange Association, *Taiwan no Keizai Data Book 2017*, (Tokyo: Japan-Taiwan Exchange Association, 2017): 66-67.

²⁷ Shingo Ito, "Taiwan Keizai ga Kakaeru Kadai to Nittai Keizai Kanke no Yukue", *Toa*, No. 557 (November 2013): 15–17, and Momoko Kawakami, "Nittai Keizai Rinkeji no Shinkyokumen," *Toa*, No. 604 (October 2017): 23.

²⁸ Yukihiro Sato, "Higashijia Keizai no Hendou to Nittai Bijinesu Araiianu," *Toyo Bunka*, 94 (2014): 121-145.

²⁹ Japan-Taiwan Exchange Association, "Dai 5 kai Taiwan ni okeru Tainichi Yoron Chosa (2015)," https://www.koyu.or.jp/taipei/e3_contents.nsf/Top/7B4C76E0FC259BAF49257FF400394934?OpenDocument; Taipei Economic and Cultural Representative Office in Japan, "Nihonjin no Taiwan ni Taisuru Yoron Chosa," http://www.roc-taiwan.org/jp_ja/post/42473.html.

³⁰ "The Japan-China Joint Opinion Survey 2017," Genron NPO, http://www.genron-npo.net/en/opinion_polls/archives/5380.html.

China's Diplomacy as a Great Power and its Influence on Neighboring Countries

Under Xi Jinping's leadership, the Chinese government regards policies toward neighboring countries as an especially important issue. In 2013, the Central Committee of the Communist Party of China held a Conference on the Diplomatic Work with Neighboring Countries for the first time.³¹ China has also developed new international politics concepts and institutions, including the Belt and Road Initiative (BRI) and the Asian Infrastructure Investment Bank (AIIB), which are competing with existing international institutions. In internal affairs, Chinese leaders have denied China's democratization in the Western sense and have carefully monitored the influence of Western values and strengthened control of spoken and written speech.³²

During the 19th Party Congress in 2017, Xi Jinping provided an optimistic summary of his foreign policies since 2012 and described a roadmap for transforming China into a leading global power by 2050. He also put forth his novel foreign policy concept: "a new type of international relations." This concept emphasizes "win-win cooperation" with other countries and denies the traditional military alliances.³³ With respect to this new concept, it is difficult to envision the position of Japan in China's superpower diplomatic strategy. For China, while Japan is neither a great power nor a middle-small power, its presence as the third biggest economic power is too large to absorb through economic win-win relations. Moreover, Japan's alliance with the United States is at the core of the hub-and-spoke alliance system that some in Beijing see as "containing" China's access to the ocean.³⁴

China's rise has also seen it adopt more assertive policies toward Taiwan. Some scholars have observed that China's 2050 timetable includes the unification of Taiwan, although Xi Jinping did not clearly state this in his speech at the 19th Party Congress.³⁵ Other scholars have argued that while China will work toward unification by 2050, it has no timetable for unification.³⁶ Thus, many observers agree that China's policy toward Taiwan will become

³¹ "Xi Jinping's Remarks at a Conference on the Diplomatic Work with Neighboring Countries," Ministry of Foreign Affairs of the People's Republic of China, October 25, 2013, http://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/activities_663312/t1093870.shtml.

³² Hiroshi Nakanish, "Sengochitsujyo no Doyo to Nihongaiko no Kadai," *Kokusai Mondai (International Affairs)*, No.668: 24.

³³ "Full text of Xi Jinping's report at 19th CPC National Congress," Xinhua, http://www.xinhuanet.com/english/special/2017-11/03/c_136725942.htm.

³⁴ Shin Kawashima, "Chugoku no Taigaiseisakumokuhyo to Kokusaichitsujyokan," *Kokusai Mondai (International Affairs)*, No. 668: 35–36.

³⁵ For example, "Nie Yongjie Cheng Tongyi Shijianbiao Huzhiyuchu (October 23, 2017), Zhongguo Pinglun Shinwen Wang, <http://hk.crntt.com/doc/1048/5/2/9/104852933.html>.

³⁶ For example, "China's High-ranking Taiwan Relationship Official Refutes Rumors of Reunification Timetable," *Taiwan News*, November 18, 2017, <https://www.taiwannews.com.tw/en/news/3300857>.

more aggressive as 2050 nears. Indeed, China has already strengthened its multi-faceted pressure on Taiwan.³⁷

The “Cold Rivalry” across the Taiwan Strait

Relationships across the Taiwan Strait became tense again after Tsai Ing-wen came to office in May 2016 following the Democratic Progressive Party’s (DPP’s) landslide victory in the double-election of the President and the Legislative Yuan. Tsai’s inaugural speech respected the fact that both sides across the Strait had arrived at various joint acknowledgements and understandings in 1992, without referring directly to the “1992 consensus.” China regarded Tsai’s speech as “an incomplete test paper,” and decided to cut official contact with Taiwan.³⁸ The PRC government began to put substantial pressure on Taiwan, particularly after the telephone conversation between U.S. President-elect Donald Trump and Tsai in December 2016.

Meanwhile, despite China’s position, Japan prepared to strengthen its ties with Taiwan under Tsai Ing-wen’s administration. The Abe administration gave Tsai Ing-wen a cordial reception on her visit to Japan and welcomed her election, expecting her to maintain close relations with Japan. This was a much different approach than the mutual distrust on historical and maritime issues that characterized the second Ma administration. At the time of Tsai’s election, the Japanese government published an official message from the foreign minister emphasizing partnership between Japan and Taiwan—the warmest message in the history of Taiwanese presidential elections.³⁹

President Tsai also regards relations with Japan as similar in importance to those with the United States. The new administration appointed Frank Hsieh as the representative in Japan and Chiou I-jen as the chair of the Association of East Asian Relations, which the Japanese considered positive examples of how Tsai attached significant importance to Japan-Taiwan relations. In addition, before her inauguration Tsai referred to the necessity of revising the Ma administration’s stance on both the maritime issue and the ban on Japanese food. However, Tsai could not change these policies drastically due to local protests in Taiwan and China’s criticism through the KMT.⁴⁰ The Chinese government officially protested the improvement

³⁷ On the multifaceted pressure on Taiwan, see Madoka Fukuda, “The Current Situation and Prospects for Taiwan under the Tsai Ing-wen Administration,” Center for Strategic and International Studies, <https://www.csis.org/events/japanese-views-china-and-taiwan-implications-us-japan-alliance>.

³⁸ “Tsai’s inauguration speech ‘incomplete test paper’: Beijing,” *Taipei Times*, May 21, 2016, <http://www.taipeitimes.com/News/front/archives/2016/05/21/2003646796>.

³⁹ “The foreign minister’s comments on the presidential election in Taiwan,” Japanese Ministry of Foreign Affairs, http://www.mofa.go.jp/mofaj/press/danwa/page3_001538.html.

⁴⁰ On the current situation regarding the food ban, see, “Taiwan mulls softening of post-2011 import ban on Japanese food products,” *The Japan Times*, January 30, 2018,

of ties between Japan and Taiwan—such as the name changes of contact offices and the Japanese Vice-Minister’s visit to Taiwan.⁴¹

The Trump Administration’s Uncertain Foreign Policies in the Asia-Pacific Region

The uncertainties of the Trump administration’s foreign policies and its decreased interest in regional cooperation have had a significant influence on Japan-China and Japan-Taiwan ties.

For China, the emergence of the Trump administration is both an opportunity and a challenge. The U.S. disengagement from regional cooperation means that there will be no opposing power to prevent China from forming a regional order with neighboring countries. Greater Sino-Japanese competition could trigger China to regard Japan as a serious regional competitor. At present, however, it is too much of a burden for China to lead the regional order alone. Therefore, China is likely to regard Japan as a cooperator that can share the burden and welcome Japan’s participation in the BRI.⁴²

Japan sought to build mutual confidence with President Trump soon after his election. Yet, considering the uncertainties of the Trump administration, it has become necessary for Japan to re-examine its foreign policy toward its neighbors. Japan is now adopting a more active foreign policy. On the one hand, Japan has raised the Free and Open Indo-Pacific strategy and has attached more importance to its relations with other U.S. allies in the region—including South Korea, Australia, and the Philippines—than it did before.⁴³ In this context, Japan regards Taiwan as an important partner, even though its ties with Taiwan are limited to the unofficial level. On the other hand, Japan has begun working more seriously on improving its relationship with China and maintaining dialogue for crisis management purposes.⁴⁴

For Taiwan, the policies of the Trump administration toward China and the Asia-Pacific are central to its existence. Taiwan worries about becoming a bargaining chip for President Trump. Even if such a bargaining chip scenario does not become reality, Taiwan should worry

<https://www.japantimes.co.jp/news/2018/01/30/business/taiwan-mulls-softening-post-2011-import-ban-japanese-food-products/#.WozKx2bANBx>; On the Japan-Taiwan Maritime Cooperation Dialogue, see “Taiwan-Japan maritime cooperation dialogue wraps up in Taipei,” *Taiwan Today*, December 21, 2017, <https://taiwantoday.tw/news.php?unit=2,6,10,15,18&post=126934>.

⁴¹ See, for example, “China upset as Japanese minister visits self-ruled Taiwan,” *Reuters*, March 27, 2017, <https://ca.reuters.com/article/topNews/idCAKBN16Y0R7-OCATP>.

⁴² “China welcomes Abe’s interest in Silk Road initiative,” *The Japan Times*, June 6, 2017, <https://www.japantimes.co.jp/news/2017/06/06/national/politics-diplomacy/china-welcomes-abes-interest-silk-road-initiative/#.WsHrkGbANBw>.

⁴³ Tetsuo Kotani, “Can the ‘Indo-Pacific’ compete with China?” *The Japan Times*, January 10, 2018, <https://www.japantimes.co.jp/opinion/2018/01/10/commentary/japan-commentary/can-indo-pacific-compete-china/#.WsHtMGbANBy>.

⁴⁴ Madoka Fukuda, “Maintaining momentum in Japan–China relations.”

about Trump's lack of interest in diplomatic engagement on regional cooperation. Taiwan can participate in regional cooperation with the support of the United States and its allies. In this context, Taiwan attaches greater importance to its relationship with Japan.

Policy Recommendations

Japan can take a number of steps to improve its relationships with China and Taiwan. Under the so-called 1972 regime, Japan and Taiwan can strengthen their relationship by taking full advantage of the ambiguity of those political agreements. Therefore, Japan should think more strategically about building a substantial relationship with Taiwan without provoking China. This is because Japan and Taiwan have common characteristics and values—such as their level of economic development, their freedom and democracy, and their mature civil societies—as well as several common problems, including low birthrates, aging populations, and frequent natural disasters.

Manage China's Increasing Military Challenge in the East and South China Sea

The current activities of the Chinese military—which are coming ever closer to Japanese airspace and the waters near the Senkaku Islands—pose a major threat to Japan's security. Japan should take appropriate measures while working to avoid triggering a military conflict between the two countries.

In keeping with China's military expansion, the key to Japan's security policy is maintaining the Japan-U.S. alliance and continuing to strengthen Japan's defense capabilities especially in the Nansei Islands, which is the chain of islands extending from southwestern Kyushu to northern Taiwan. On this basis, Japan's Self-Defense Forces and Coast Guard should have the means to counter Chinese escalation while continuing to respond appropriately to Chinese activities on a day-to-day basis. At the same time, it is important that Japan share information on the expansion of the Chinese military with relevant countries—including South Korea, Australia, Association of Southeast Asian Nations (ASEAN) members, and India—and promote security cooperation with and among them.

While it is difficult for Japan to manage security cooperation with Taiwan in the same way that it does with neighboring countries, sharing information with Taiwan is critical. Both Japan and Taiwan face military challenges from Chinese military activities and are overlapped by China's East China Sea Air Defense Identification Zone (ADIZ) and its exclusive economic zone (EEZ) claims. Japan should utilize existing channels—such as retired officials of the Japan Self-Defense Forces and active officials of the Japan Coast Guard located at the Taipei office of the Japan-Taiwan Exchange Association, as well as Track 2.0 or 1.5 dialogues—to

exchange information with Taiwan on Chinese military activities. Currently, the Japanese Defense Ministry and the Coast Guard release the movements of Chinese naval ships and military aircraft in the surrounding area. Although Taiwan had a similar policy, it stopped releasing such information at the end of 2017. Japan hopes that Taiwan will continue to release this kind of information.

At the same time, it is important for Japan to promote confidence building with China. While defense exchanges between Japan and China were stagnant after the Japanese government acquired three islets in the Senkakus in 2012, they have gradually resumed, particularly since late-2014. In 2015, Japan and China reopened their defense ministerial meeting and the Japan-China Security Dialogue, which consists of vice-ministerial level officials from the Ministry of Defense and the Ministry of Foreign Affairs. The high-level consultative mechanism on maritime affairs between Japan and China had held eight roundtables from 2012 through 2017. In these confidence-building efforts between Japan and China, the key issue has been establishing an air and sea liaison mechanism between the defense ministries of both countries. Although the establishment of this liaison mechanism has been pending since 2007, both sides have reportedly made positive progress in recent dialogues.⁴⁵

Take the Lead in Regional Economic Cooperation and Incorporating Taiwan

Japan should take a more active role in the Indo-Pacific region, particularly in promoting regional economic cooperation. China now emphasizes building what it calls “win-win relations” with neighboring countries and is trying to form a new regional order that it will lead. It is both impossible and unnecessary that Japan attempt to entirely deny China’s search for a new order. However, it is possible for Japan to raise objections to China’s way of changing the existing order and to provide a more attractive option to other countries in the region. Therefore, Japan should appeal to the United States regarding the necessity of its engagement, as well as to other countries on the importance of a free, open, and democratic order in the region. In this context, it is laudable that Japan has taken leadership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

At the same time, Japan should try to maintain a healthy bilateral relationship with China. Tokyo should cooperate with the Regional Comprehensive Economic Partnership (RCEP). Japan should not regard RCEP as countering TPP and should aim to form a framework in which China and other developing countries can be involved. Japan can also support trilateral

⁴⁵ “Japan, China to set up contact system to avoid sea, air clashes,” *Kyodo News*, December 6, 2017, <https://english.kyodonews.net/news/2017/12/4193b335fc6e-urgent-japan-china-to-set-up-contact-system-to-avoid-sea-air-clashes.html>.

free trade among Japan, China, and South Korea, which could promote RCEP negotiations. From the perspective of China's policy, RCEP and the trilateral free trade agreement negotiations mean that Japan can share both the economic benefits and a desirable regional order with China.

In addition, Japan should make efforts to incorporate Taiwan directly or indirectly into the framework of economic partnership in the region. As China insists that the Taiwan issue is an internal matter, Taiwan is shut out of regional economic partnerships like those mentioned above. Japan should seek to conclude an economic partnership agreement (EPA) with Taiwan and support Taiwan's accession to TPP, as well as encourage Taiwan to create an internal environment that can foster economic partnership.

Support the Japan-Taiwan Business Alliance

The Japanese government should support business alliances between Japan and Taiwan more strategically. Although corporate alliances between Japanese and Taiwanese firms investing in China have increased since the mid-2000s, their preconditions have changed since 2010. Japanese companies have decreased their interest in investment in China and Taiwanese companies have lost their advantage in China. Therefore, economic relations between Japan and Taiwan must search for new linkages.⁴⁶

There are many possibilities to improve business alliances between Japan and Taiwan aside from China. First, Japanese companies can leverage their experience with Taiwanese companies given the common societal issues between Taiwan and the mainland in areas from innovation to social welfare to disaster prevention. Second, both Japanese companies and Taiwanese companies are now expanding their investment in South and Southeast Asia.⁴⁷ Thus, the Japanese government can promote alliances by matching Japanese companies with Taiwanese partners with the intention of supporting the Tsai administration's domestic reforms and New Southbound Policy without provoking China.

Deepen People-to-People Interactions and Mutual Understanding

The Japanese government should make further efforts to improve people-to-people exchanges and mutual understanding with China and Taiwan. In Japan-China relations, the Japanese government succeeded by inviting bloggers who have influence over Chinese public opinion and also by welcoming tourists from China. As a next step, the Japanese government should consider ways to deepen Japanese public understand of China. It is especially important to

⁴⁶ Momoko Kawakami, 23-25.

⁴⁷ Shingo Ito, "Saieibun Seiken no Keizai Seisaku to Nittai Araiatsu no Yukue," *Koryu*, No. 909: 8-9.

promote young people's understanding of China. For example, Japanese cities could organize events to introduce Chinese popular culture and arts to young people, encourage mutual visits, and so on.

In Japan-Taiwan relations, while the people's mutual feelings are good, there are few experts who are familiar with each other, especially in the field of political science. In Taiwan, the most elite aim to study in English-speaking countries, so there are few politicians and bureaucrats who are familiar with Japan. Therefore, the Japanese government should encourage Taiwanese elites to learn Japanese and to study in Japan. It could also be effective for the Japanese government offices to enlarge bureaucratic exchanges with Taiwanese counterparts. In Japan, experts on the history and politics of Taiwan should try to explain these complex Taiwanese dynamics to the general public in plain language.

Conclusion

In the context of Japan-China relations, it has always been difficult to handle both the Taiwan issue and other historical issues. On the one hand, Japan should fully respect the historical background of the modern era and the political agreements between Japan and China that have developed since 1972. On the other hand, it is a fact that the significance of relations with Taiwan has become more important for Japan in the current regional security environment. Japan has already realized this fact and entered a transitional period marked by a more positive engagement strategy toward Taiwan.

Japan should strategically build positive relations with both China and Taiwan to create a favorable international environment. In matters of high politics—like security and diplomacy—it has often been difficult for Japan to balance its relations with both China and Taiwan. In low politics—including economics and civil society—there are expanding opportunities for Japan to find a good balance between its ties with China on one hand and Taiwan on the other.