

Two Tigers at the Summit: Sino-Japanese Relations in the G20

HUGO DOBSON

The University of Sheffield

Executive Summary

Despite lurching from crisis to crisis over the last decade, relations between China and Japan have recently improved as symbolised by Prime Minister Abe Shinzo's first state visit to China in October 2018 that coincided with the 40th anniversary of the signing of the Treaty of Peace and Friendship between the two countries. This policy brief explores these developments within the context of the G20 and argues that it can provide a valuable forum to bolster the recent upturn in relations, especially in light of Japan's assumption of the G20 Presidency in 2019.

Can China and Japan co-exist?

The Chinese saying that 'one mountain cannot contain two tigers' has often been used in an attempt to capture the nature of the challenging relationship between China and Japan. A number of factors have fuelled this rivalry from the seemingly trivial – such as food scares in Japan over imported [Chinese dumplings](#) – to the more controversial historical legacies of the Asia-Pacific War, which range from the 1937 Nanking Massacre to the Japanese Imperial Army's use of sexual slaves, euphemistically known as 'comfort women', and the visits of Japanese government officials to Yasukuni Shrine to

honour the country's war dead. At the same time, the rise of China has inevitably contributed to this rivalry both in terms of economic status, with [China supplanting Japan as the second largest economy in 2010](#), as well as normative vision, as China promotes its Belt and Road development strategy, the [Asian Infrastructure Investment Bank](#) and [New Development Bank](#), while Japan proposes a [Free and Open Indo-Pacific](#). China's growing confidence has also been manifest in an increasingly assertive approach to territorial disputes in the East and South China Seas, alongside Japan's suboptimal mismanagement of crises over the disputed Senkaku/Diaoyu islands in 2010 and 2012. When the two leaders met officially for the first time at the November 2014 meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Beijing, the global media leapt on the [awkward handshake](#) between the two as symbolising the frosty relationship between the two leaders and their countries.

However, the uncertainty engendered by the election of US President Donald J. Trump in 2016 and the consolidation of power by both Abe and Xi at home have served to bring about the impetus and confidence to work towards a reset in Sino-Japanese relations. In May 2018 Chinese Premier Li Keqiang visited

Japan and four months later in September 2018 Abe met with Xi at a meeting of the Eastern Economic Forum in Vladivostok, and declared that the bilateral relationship has returned to a [‘normal track’](#). This was reinforced by a three-day state visit by Abe to Beijing in October 2018, the first such visit by a Japanese prime minister in eleven years, that resulted in the headline approval of a [unexpectedly wide range of joint infrastructure projects](#) that dovetail with China’s Belt and Road Initiative. On security issues, a number of agreements were made over how to peacefully manage disputes in the [East China Sea](#). Although still fragile, it is on the back of these and many other agreements to cooperate, rather than compete, that Abe and Xi head to Argentina for this year’s G20 summit.

Sino-Japanese Relations in the G20

Both China and Japan have demonstrated a mixed response to the rise of the G20 as the [‘premier forum for international economic cooperation’](#), as declared at the 2009 Pittsburgh Summit. Previous to this, both responded positively to the creation of the G20 meeting of finance ministers and central bank governors in 1999 in response to the East Asian Economic Crisis. This was a [‘timely gift for a Chinese government, which wishes to have closer cooperation with the G7/8 but does not want to be part of it for the time being’](#). This positive reception continued with the G20’s upgrade to the leaders’ level in 2008 in response to the global economic and financial crisis, despite the diametrically opposed positions from which both countries came to this position – Japan as a seasoned

summiteer within the G7/8 format and China as a newcomer to G-summitry having been kept out of the G7 or contained with a subordinate G5.

However, in reality, China initially did little to shape the work of the G20 beyond expressing support for further institutionalization by creating, and even hosting, a permanent secretariat. It even described the G20 as a [‘transitional mechanism’](#) and continued to place emphasis on the role of more formalised and legalised institutions such as the UN as the legitimate architecture of global governance. For [Japan](#), a traditional norm of internationalism positively shaped its engagement with the G20 as demonstrated by it committing US\$100 billion to support the International Monetary Fund (IMF) in its response to the 2008 crisis. However, this engagement was tempered by a pragmatic preference for the more exclusive membership of the G7/8 that also guaranteed Japan a role as representative of Asia. Regardless, in both cases, this initial ambivalence towards the G20 has been largely erased as both countries secure the G20 Presidency: China in 2016 and Japan in 2019.

At the same time, an equally important aspect of global summits is [the opportunity to manage bilateral relations](#) with a range of countries, but most often the US, through official or unofficial bilateral meetings, conversations and brush-bys that take place on the periphery of the summit. This aspect of summitry is neatly captured both by officially arranged and staged bilateral meetings as well

as the more casual and impromptu encounters, such as Obama and Putin's informal but intense coffee table discussion on [the issue of Syria](#) at the 2015 Antalya Summit.

Since assuming office, both Abe and Xi have also grasped the opportunity provided for bilateral engagement within global summitry. In fact, despite the awkwardness of their first official meeting mentioned above, it was on the sidelines of the [2013 St Petersburg Summit](#) that the two leaders briefly shook hands and exchanged words directly for the first time. However, no meeting of the two took place at the following G20 summits held in Brisbane in 2014 and Antalya in 2015. In fact, the G20 itself served to fuel Sino-Japanese rivalry as securing its presidency in 2016 became the focus of ongoing competition. In the end, Japan lost out to China, as announced by Australian Prime Minister Tony Abbott on the final day of the [2014 Brisbane Summit](#).

Nevertheless, Abe and Xi used the [2016 Hangzhou Summit](#) to conduct an official bilateral meeting on its second day and at last year's G20 in [Hamburg](#) they met once again on its sidelines on the final day of the summit in what proved to be a positive meeting that set the tone for many of the positive developments in the relationship outlined above.

The Buenos Aires Summit and Beyond

At Buenos Aires, Abe held a number of bilateral meetings during the two-day summit

as expected. On the afternoon of the first day, he met with Trump before the two then expanded their meeting to a trilateral with Indian Prime Minister Narendra Modi. After that, and most relevant to this discussion, Abe met with Xi. Their [discussion](#) ranged across a number of issues, from security (mostly focused on North Korea but also the East China Sea) to economic (joint third-country infrastructure projects and China's lifting of its import bans on Japanese rice) and diplomatic (Xi's visit to Japan in 2019). All in all, it was a positive meeting that built on the momentum of recent interactions as part of the upturn in Sino-Japanese relations.

These encouraging developments can be fostered in a number of ways. First of all, in the same way that Japan has [institutionalised bilaterals with the US at every multilateral meeting](#) and prioritised meetings with Putin to an unprecedented degree (expected to number two dozen by the end of the year), Abe and Xi should make a similar commitment to meet bilaterally at every future G20 summit (and ideally APEC, ASEAN+3 summits and so on). This would provide a concrete structure that can be easily anticipated and planned around while also helping to maintain the recent positive momentum and preemptively address any emerging concerns.

Second, in an age of Trumpian trade wars, China and Japan need each other more than ever. On the one hand, as the US's closest bilateral partner, China can utilise Japan as another channel and means of influencing Trump. On the other hand, China allows Japan to lessen its dependence on the US at a time

of uncertainty and unpredictability in the alliance, while at the same time engaging with (rather than confronting) China as a loyal ally of the US that shares and supports its economic concerns, especially over intellectual property right and market access. In other words, Japan can continue what it does best, hedge.

Third, trilateral meetings can be as useful as bilateral meetings, as seen at last year's G20 in Hamburg when [Abe, Trump and South Korean President Moon Jae-in](#) met to discuss North Korea's nuclear and missile development. The trilateral between [India, Japan and the US](#) held at G20 Buenos Aires was the first of its kind and brought together the leaders of three countries with clear overlapping economic and security interests in relation to China. However, if these

trilateral meetings, already dubbed 'JAI', are to continue then great care and much diplomatic legwork needs to be undertaken to avoid any negative repercussions on bilateral Sino-Japanese relations.

In only seven months from now the G20 leaders will meet in Osaka and Xi will make his first official visit to Japan. With careful planning and a heightened awareness of the associated opportunities and risks, this could provide another important moment in the positive development of Sino-Japanese relations.

Hugo Dobson is a Professor of Japan's International Relations in the School of East Asian Studies, University of Sheffield.