

Alan Dupont
Regional tensions awaken
Australian Financial Review
3 March 2005, p. 62.

Since the tragic events of 9/11, the war on terrorism has dominated the public discourse on security in this country, driving home the reality that predatory and rogue states are not the only sources of insecurity in the 21st century. But trouble is brewing in north-east Asia of the old state-versus-state variety, in the form of the rapidly deteriorating relations between the region's two premier Asian powers, China and Japan.

This is a new chapter in an old story that has been largely missed by the media because of its preoccupation with Iraq and the war on terrorism. If not carefully managed, however, the growing rivalry between China and Japan could surpass terrorism in its capacity to destabilise the wider region and threaten Australia's economic and strategic interests.

Not only are China and Japan our major trading partners, they are also the region's natural leaders by virtue of their history, economic weight and capacity to shape Asia's institutions and values. If these two countries cannot work together to resolve their differences, the dream of a pan-Asian community will fade.

Ironically and sadly, it was not so long ago that these two Asian giants seemed genuinely intent on setting aside centuries of enmity and suspicion by embarking on a new era of co-operation that augured well for the region's political and economic future. Confidence that a thriving Sino-Japanese collaboration would underpin regional growth appeared well placed. With trade topping the \$US213 billion (\$272 billion) mark, China has recently become Japan's largest trading partner, and Japanese direct investment in China now exceeds \$US46 billion.

Yet the paradox of the relationship is that mutual mistrust is growing in concert with deepening economic interdependence and regional integration. This mistrust is rooted in Japanese anxieties about China's strategic ambitions, Beijing's aggressive oil exploration activities in the seas surrounding Japan, and the emergence of a younger generation of Japanese leaders who feel no sense of war guilt or obligation towards China.

Chinese antipathy towards Japan is also on the rise, reflecting long-standing grievances that Japan has not fully atoned for its war-time excesses and fuelled by a prickly nationalism that is a by-product of China's renewed confidence and international stature. More serious, however, is the conviction in Beijing that Japan is about to cast off the constitutional shackles that have constrained its military power, foreshadowing the emergence of a more adversarial and assertive Japan.

In the past few months, the Koizumi government has publicly rebuked Beijing for the intrusion of a Chinese nuclear submarine into Japan's exclusive economic zone and beefed up its capacity to monitor and protect several offshore islands to the south of Japan whose ownership is contested by China.

Tokyo has also pointedly drawn attention to China's military modernisation program, eliciting a sharp retort from Beijing that Japan was peddling the China threat theory in a disguised form.

In effect, what we are seeing is the re-emergence of a temporarily suppressed historical pattern of Sino-Japanese behaviour at a time when both are global, as well as regional, powers. This means that the stakes are higher and the consequences of any conflict between them are unlikely to be confined to north-east Asia.

Australia's security environment would be vastly complicated should Sino-Japanese relations continue their downward spiral. Without the active co-operation of China and Japan, the six-party talks on North Korea could be fatally compromised.

The nightmare scenario would be an escalation of tensions over Taiwan that might draw in Japan, as well as the United States, in a coalition of the willing against China.

For the first time ever, Japan and the US raised the issue of Taiwan in the joint communique issued after their security consultative meeting on February 19, drawing a stinging rebuke from China.

There is a real possibility that Japan would feel obliged to support the US militarily in any future confrontation over Taiwan, increasing pressure on Australia to follow suit.

Furthermore, any attempt to bolster defence co-operation with Japan, no matter how well-intentioned, would be seen in a hostile light by Beijing if Japan came to be regarded as a protagonist rather than a partner.

We must pay far more attention to the emerging rivalry between Japan and China and do what we can to ameliorate tensions between the two countries. Australia is well placed to do so given the strength of our political and economic ties, but some creative diplomacy is required along with a recognition that terrorism is not the only long-term security risk we face.

Alan Dupont is a senior fellow at the Lowy Institute for International Policy and author of *Unsheathing the Samurai Sword: Japan's Changing Security Policy*.