

Japan edges from America towards China

By Gideon Rachman

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Sitting in his office in Tokyo last week, a senior official pointed to a recently published volume called “Japan Rising”. “I look at that book every now and then to cheer myself up,” he said. It is easy to understand why. Right now, [Japan](#) has got that sinking feeling.

China is about to overtake Japan as the world’s second-largest economy. The country’s national debt has hit an awesome 180 per cent of gross domestic product, (un)comfortably the highest in the world among rich countries – and there is no credible plan in place to hack it back. [Toyota](#), a company that used to embody Japan’s reputation for quality, is enmeshed in a [safety and public relations nightmare](#). Last year, the Japanese economy shrank by more than 5 per cent. And the high hopes that surrounded the reformist government of [Yukio Hatoyama](#), the prime minister who was elected last summer, have quickly dissipated. Mr Hatoyama’s approval ratings are sinking and the Japanese business and civil service establishment seem eager to dismiss him as an ineffectual clown.

How Japan reacts to this new sense of weakness – exaggerated though it may be – will matter to the whole world. The country’s size and strategic importance make it critical to America’s Pacific strategy and to China’s geopolitical calculations.

As it adapts to Japan’s new circumstances the Hatoyama government has, almost unwittingly, initiated a debate about the value of Japan’s alliance with the US. Some western observers in Tokyo muse that perhaps Japan is once again following its historic policy of adapting to shifts in global politics by aligning itself with great powers. Before the first world war the country had a special relationship with Britain.

In the inter-war period Japan allied itself with Germany. Since 1945, it has stuck closely to America. Perhaps the ground is being prepared for a new “special relationship” with China?

When Mr Hatoyama’s Democratic Party of Japan took power last August, it broke more than 50 years of almost continuous administration by the Liberal Democratic Party. The DPJ is keen to differentiate itself from the LDP in almost every respect, and foreign policy is no exception. In an interview last week, Katsuya Okada, Japan’s foreign minister, said that the LDP followed US foreign policy “too closely”. “From now onwards,” says Mr Okada, “this will be the age of Asia.” The foreign minister adds that talk of Japan choosing between China and the US is meaningless, and that Japan’s friendship with America will remain “qualitatively different” from its relations with China. But some DPJ party members have called for a policy of “equidistance” between China and the US.

The early policies of the Hatoyama government have confirmed the impression that something is afoot. The DPJ wants to move a vital US military base on the island of [Okinawa](#) – a move that has alarmed and angered the Americans and raised questions about the future of the US-Japan security treaty, and of the 50,000 or so US troops stationed in Japan.

If the Okinawa dispute was an isolated incident it might be taken as a bit of an accident, stemming as it did from a campaign promise. But Mr Hatoyama seems to have gone out of his way to confirm that things are changing. In [an article](#) for the New York Times, published just before he took office, he decried the failures of American capitalism – what he called “unrestrained market fundamentalism” – and implied that the US is in irreversible decline. The new Japanese prime minister has also spoken of establishing a new East Asian community, including China but excluding the US, and modelled on the early versions of the European Union.

The impression of a tilt away from America and towards China was confirmed last December when Ichiro Ozawa, the dominant figure in the DPJ, led a delegation of more than 600 Japanese to Beijing, including 143 parliamentarians. Hu Jintao, the Chinese president, posed smilingly for photos with every one of them. When [Xi Jinping](#), tipped to be Mr Hu’s successor, visited Tokyo shortly afterwards, he was rushed in to see the emperor – the usual requirement that 30 days notice be given for such a visit was waived.

So what is Mr Hatoyama up to? The uneasy suspicion in Tokyo is that even the prime minister himself may not really know. Mr Hatoyama, it is said, often proposes grand- sounding schemes – whether on climate change or Okinawa – without really thinking them through.

The prime minister’s vagueness means that it is probably overdoing it to suggest that Japan is definitively shifting away from its postwar special relationship with the US. But, nonetheless, over the long term the country clearly faces a crucial strategic choice.

One option would be to assume that China is gradually going to displace the US as the dominant power in the Asia-Pacific region and, therefore, to try to cultivate a much warmer relationship with the government in Beijing. The alternative would be to hug the US even closer and to cultivate warmer relations with other democratic

nations in the region, such as India and Australia, in what would be an undeclared policy of “soft containment” of Chinese power.

For the moment, it makes sense for Japan to aim for good relations with both the US and China. In the long run, Japan is likely to face an uncomfortable choice.

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