

# **Japanese Economic and Political Involvement in the Taiwan Straits**

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# Overview

Since the mid-1990s there have been a significant changes in the formal and informal political relationship between Japan and Taiwan that are increasingly causing problems for Japan-PRC ties.

- Japan enjoys extensive economic and political relations with Taiwan that are rooted in the colonial (1898-1945) and post-war (1945-1972) periods.
- Most Taiwanese investment into the PRC is linked to Japanese capital
- An important cross-section of Taiwanese people hold positive or very positive views of Japan
- Security issues have re-emerged since the mid-1990s, as have concerns in the PRC about Japan's closer ties to Taiwan.



# Overview of Japan's relations with Taiwan:

- Colonial and Pre-colonial
  - Taiwan was not a high priority for the Japanese, compared to Korea or the Chinese mainland
  - Taiwan underwent rapid economic and social transformation under the Japanese
  - Taiwanese identity emerges as a consequence of Japanese colonialism
  - Many Taiwanese, especially those who favour Taiwanese independence, hold significant pro-Japanese views

# Formal Relations, 1952-1972

- US requires Japanese government to recognise the Republic of China (ROC) on Taiwan in 1952, and prevents it from establishing relations with the PRC
- Relations with the PRC are conducted according to the principle of 'the separation of politics and economics' (• • • • ) which generates constant tensions with both the ROC and the PRC.
- Powerful political and economic links develop between Japan and Taiwan in this period which continue to be significant to the present day.

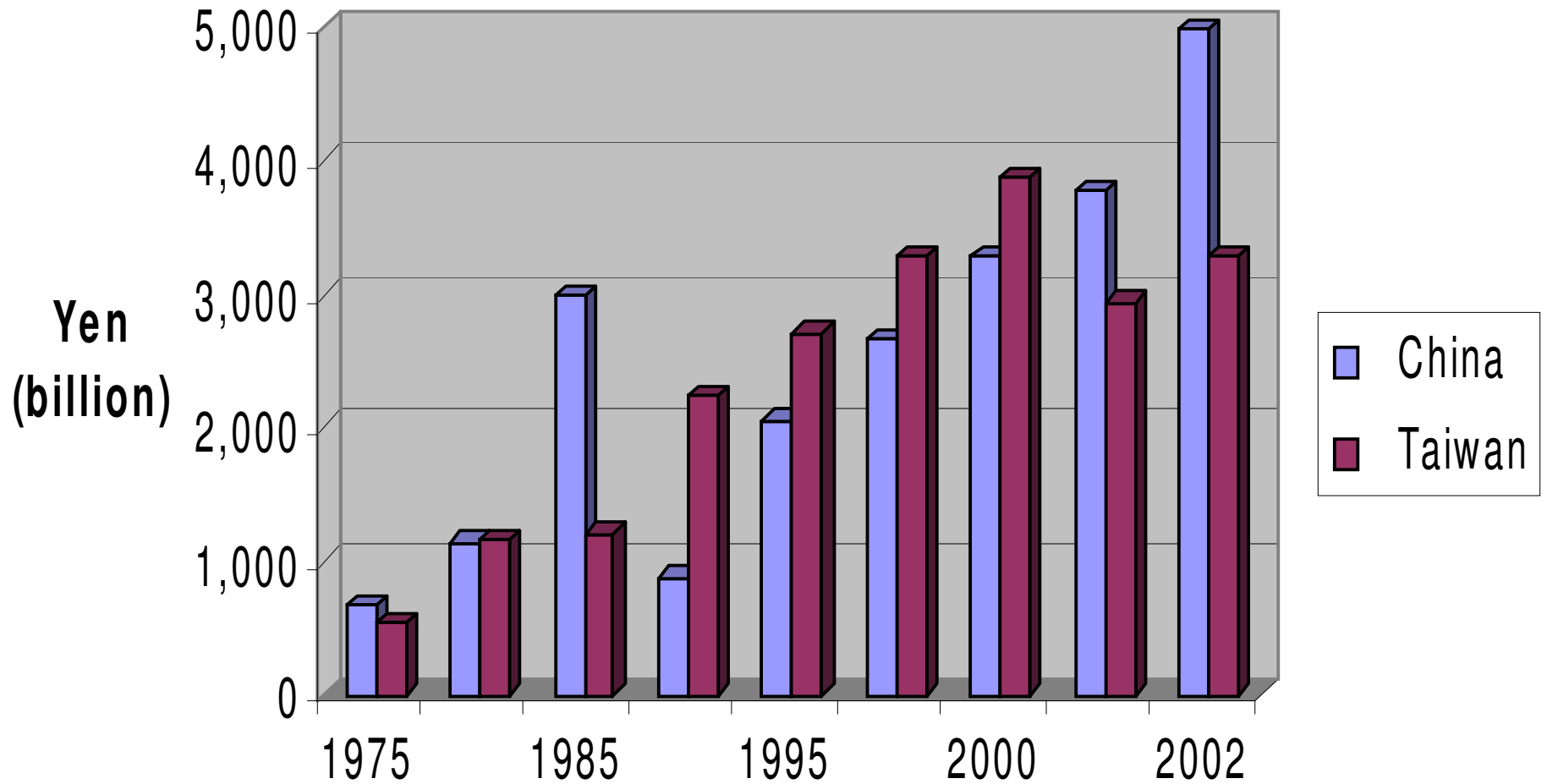
# Derecognition and Formal channels of Japan-Taiwan Relations

- Derecognition was shaped by changes in US policy under Nixon
- In 1972 diplomatic relations between the ROC and Japan were terminated and a set of quasi-diplomatic ('formal') offices were opened:
  - The Interchange Association ••••
  - The Association for East Asian Relations ••••• renamed (1991) the Taipei Economic/Cultural Representative Office TECRO ••••••••••

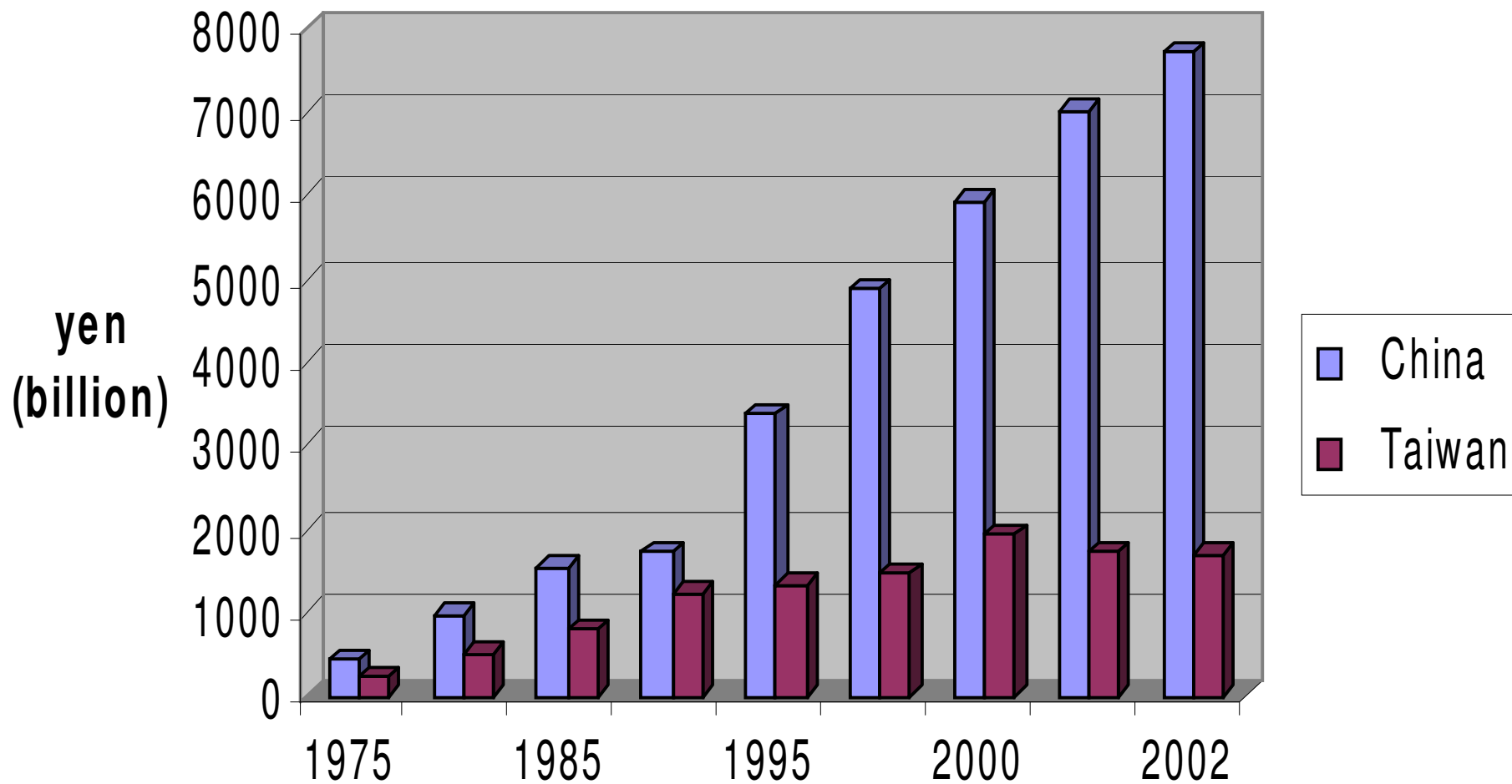
# Japan-Taiwan Commercial Ties

- Much of the current business and commercial relationship between Japan and Taiwan is rooted in the colonial and immediate post-war period
- Japan has enjoyed a significant trade surplus with Taiwan since the 1950s.
- PRC-Japan trade volume only surpassed Taiwan-Japan trade in 1995; this trade favours the PRC
- A significant proportion (perhaps as much as 70%) of Taiwanese investment into the PRC is connected to Japanese capital

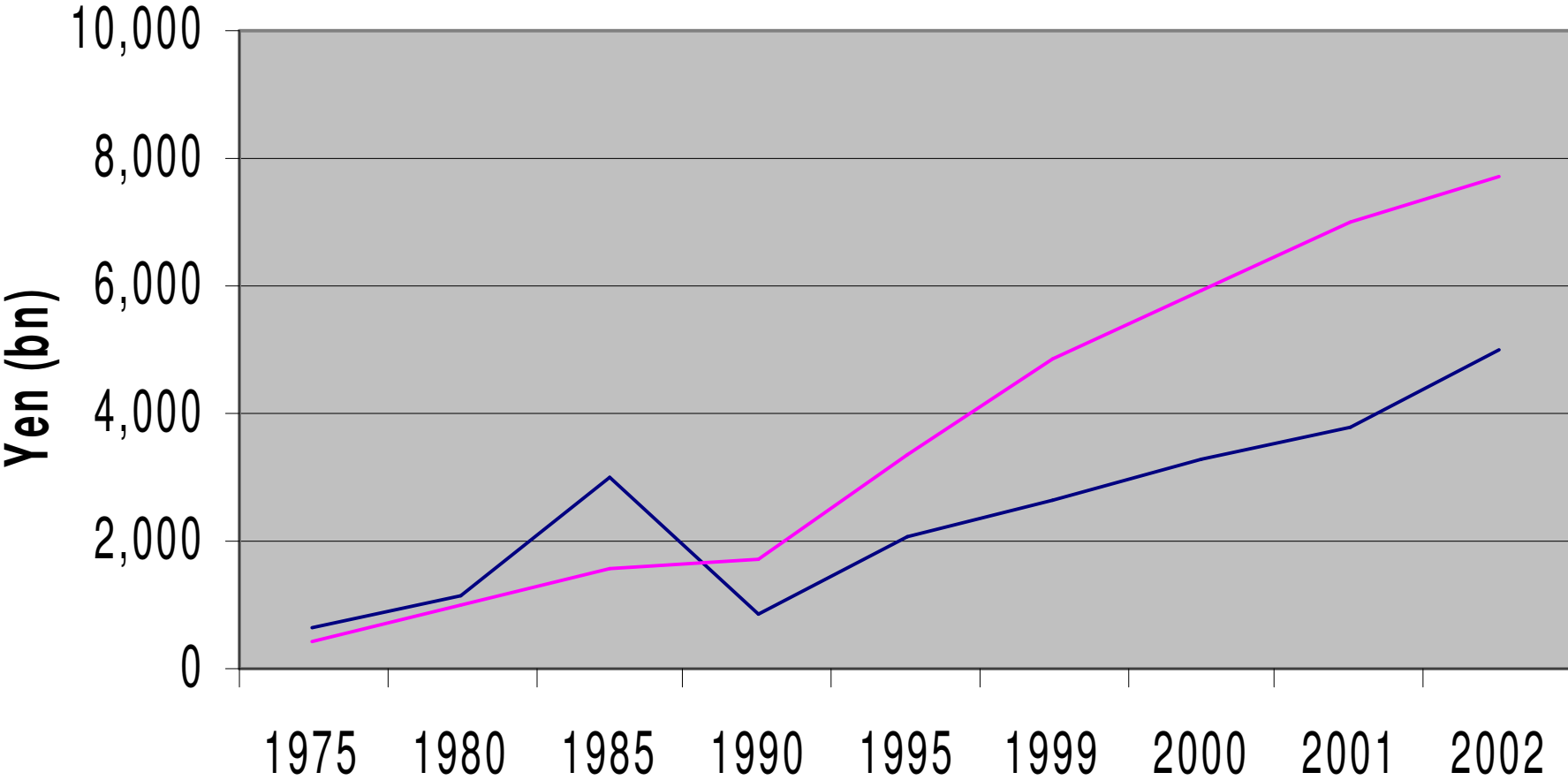
## Japan: Exports to China and Taiwan



## Japan: imports from China and Taiwan

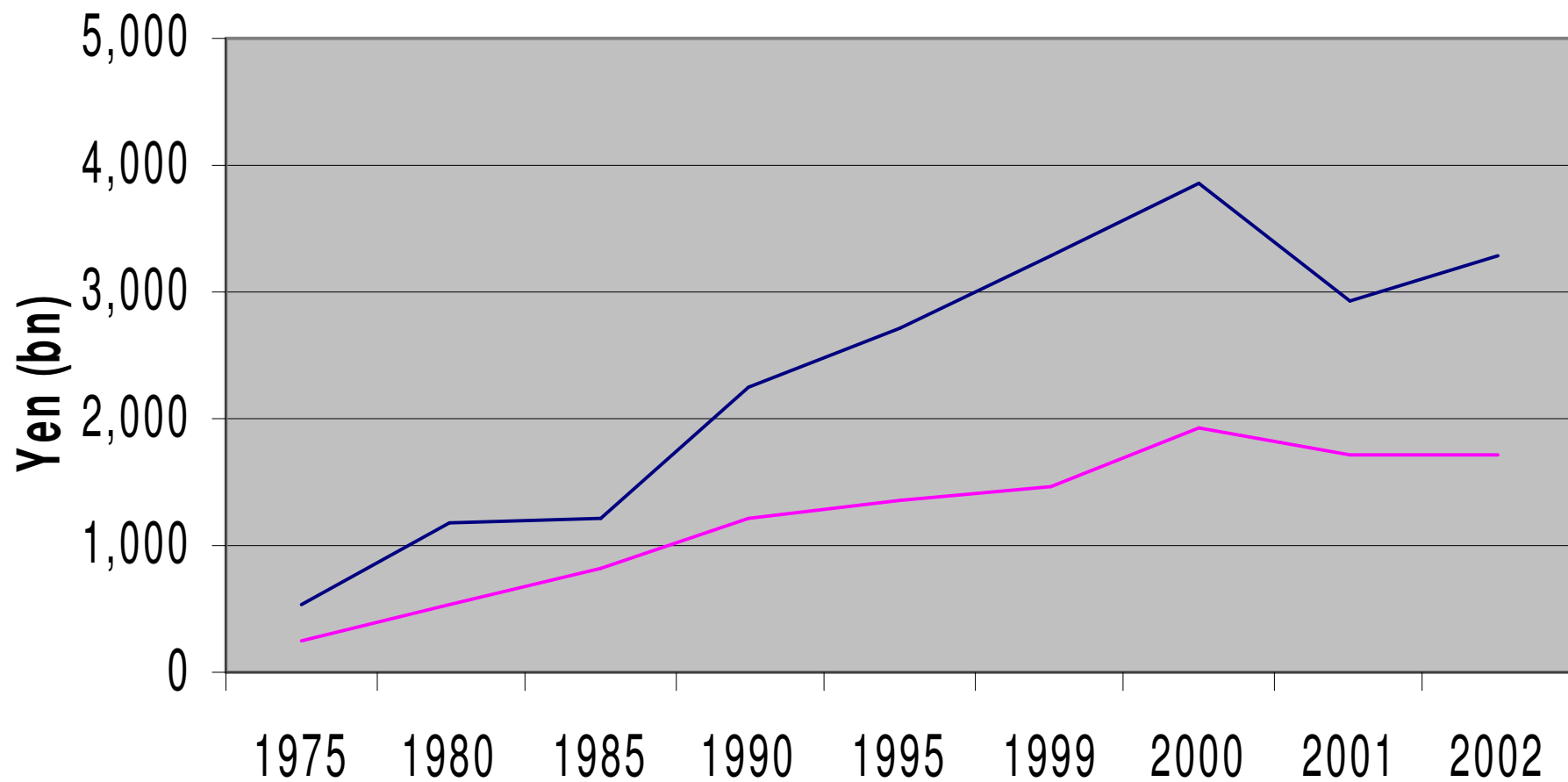


# Japan-China Trade



— China: Exports — China: Imports

# Japan-Taiwan Trade



— Taiwan: Imports — Taiwan: Exports

# The Interchange Association ••••

- Staffed mainly by members of Japan's Ministry of Foreign Affairs •••  
technically 'on leave' from the Ministry
- Deals mainly with routine issues such as trade and commerce, visas, treatment of Japanese nationals in Taiwan, etc
- Maintains a low political profile, although this has changed somewhat over the last five years

AEAR ••••• /

TECRO ••••••••••

- Staffed mainly by members of the Ministry of Foreign Affairs •••
- Focuses on routine issues (trade, visa etc.) but increasingly (since the mid-1990s) liaises with pro-Taiwan politicians and other groups in Japan
- Taiwan's chief representative in Tokyo ('ambassador') has become an increasingly political figure

# 'Informal' channels

- While the 'formal' channels handle routine matters, more significant on the Japanese side are a variety of 'informal' channels, in particular pro-Taiwan politicians in the ruling Liberal Democratic Party (LDP)
- Most significant has been the Japan-ROC Diet Members' Consultative Council ●●●●●●●●
  - (Nikkakon)
- Nikkakon is the most important pro-Taiwan force in Japan – only two members of the current Koizumi cabinet are not (former) members

# Pro-Taiwan Groups in Japan

- There are no obviously pro-China members in the Koizumi cabinet (since the resignation of Tanaka Makiko 田中真紀子)
- Significant publicity for Taiwan generated by, e.g. the Mayor of Tokyo Ishihara Shintaro the most prominent (far) right supporter of Taiwan – has made four visits to Taiwan since elected
- Profile of Taiwan raised by the populist right-wing revisionist historian/graphic artist Kobayashi Yoshinori, 小林よしのり author of •  
• •
- Many of Taiwan's supporters in Japan explicitly support independence for the island

# Security Issues 1

- Taiwan straddles Japan's southern sea lanes and Taiwan's strategic significance for Japan has been an issue since the late 19<sup>th</sup> century
- Addressed in both the 1960 Security Treaty revision and explicitly in the 1969 Sato-Nixon Joint Communiqué

# Security Issues 2

- Taiwan falls off the Japanese security agenda after 1972, until the missile crises in 1996 and 1997
- Addressed obliquely in the 1997 Security Guidelines revisions (as an 'area surrounding' Japan)
- The Japanese government attempts to take a very low profile approach to cross-Straits conflict
- The Taiwan issue appears occasionally in relation to the Diaoyutai/Senkaku dispute

# PRC perceptions of Taiwan-Japan relations

- After 1978 the PRC has taken a tolerant and non-interventionist approach to Japan-Taiwan ties, except when it appeared that Japan was wavering over the agreed position on Taiwan's status (e.g. the Kokaryo Dormitory dispute)
- There has been a marked increase in criticism of Japan's relationship with Taiwan since March 2004
- Pro-independence politicians in Taiwan are accused of flattering the Japanese right wing

# Conclusions

- US policy in Asia has determined Japanese policy toward Taiwan since 1952 and is likely to continue to do so in the short- to medium term
- The Taiwanese and Japanese economies are deeply inter-linked, and this linkage is increasingly locked into the Chinese economy

# Conclusions

- The Japan-Taiwan relationship underwent significant changes in the mid-1990s as a consequence of democratisation on Taiwan and growing concern in Japan about a possible threat from the PRC
- Pro-Taiwan groups in Japan are increasingly influential and tend to occupy the right wing of Japanese politics and to be hostile toward the PRC