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## **Expansion of Anti-Japan Sentiments Indicates Contradiction in China's Market Economy**

By WATANABE Toshio

A phenomenon I had long feared has finally broken loose. The Japanese Embassy in Beijing and Consulate in Shanghai were intimidated by stone-throwing Chinese mobs. With all likelihood, such anti-Japan demonstrations will spread from the coastal cities to the Northeastern regions and further inland.

The security authorities have shown no signs of suppressing the rioting mob, which leads us to conclude that the Party condones and tacitly approves such acts.

This was apparent during the Japan-China Foreign Ministers' meeting that took place on April 17, when Chinese Foreign Minister Li Zhaoxing refused to admit to responsibility and instead persisted in faulting the Japanese government for having offended the Chinese people. Quite obviously, China intends to use the anti-Japan demonstrations in its pursuit of hard-line diplomacy as a means for extracting a compromise out of Japan.

Today's anti-Japan movement has its origins in the Patriotic Education campaign heralded by the Jiang Zhemín administration in 1994. In an attempt to create a nationalistic climate, a determined effort was made to firmly establish anti-Japanese education, and bases for patriotic education, such as the Memorial Hall of the Chinese People's War Resistance Against Japanese Aggression near Lugouqiao Bridge (Marco Polo Bridge), were constructed nationwide to spur animosity towards Japan.

It was nothing more than a strategy concocted by Jiang Zhemín to reinforce his political base to cover his lack of authority and connections in comparison with Deng Xiaoping. The latest incident is an indication that this anti-Japan strategy has reached the grassroots of the Chinese people.

Here, we must question what caused the anti-Japan movement to manifest itself. China's move to a market-oriented economy accelerated since 1992, generating winners on the one hand, while breeding a vast colony of losers. Among its 240 million city workers, 30 million are estimated to be unemployed, and another 100 million-plus continues to migrate from inland farming villages

into the coastal cities. The frustration of the socially discontent had reached a critical point.

For the discontented, anti-Japan movement serves as an outlet for venting their frustration. Victory over Japanese aggression is the most important rationale in appealing the legitimacy of Communist rule, and patriotism is synonymous with anti-Japan sentiments. Suppressing people who uphold “patriotism should not be punished” as their slogan would be tantamount to denying the legitimacy of the Party itself.

Political exploitation of anti-Japan sentiments belies the fragile state of the current Chinese government. The anti-Japan brand of nationalism is a convenient theme for recovering a unifying force in a China that wavers in the process of its transition to a market-based economy. In stark contrast, the anti-Japan “card” was never used during the times of Deng Xiaoping, who boasted a strong political base.

Nevertheless, one cannot exclude the risk that the arrows of anti-Japan sentiment released by the frustrated losers of China’s market economy could change direction and start flying against the current government, which stands on fragile footing. Even as political relations become frigid, Japan’s trade surplus with China grows and Japanese companies have been making inroads into China at a considerable pace. While the current atmosphere could be described as “politically cool, but economically hot,” there is no guarantee the situation will become both politically and economically “cool.” For Japanese corporations, business development in China is obviously related to politics. The latest round of anti-Japan riots should teach us a lesson on judging the political risks involved when doing business in China.

Who will end up paying for the contradiction inherent in a “socialist market economy”? Today, China has become an engine of global economic growth. Its handling of the latest incidents will serve as a litmus test that will reveal whether China is genuinely pursuing a market economy.

The idea of an East Asian Community centered on Japan, China and South Korea is most likely an illusion. Any “community” -- as long as it calls itself that -- must be able to paint a bright enough outlook on the future path towards sharing political and security frameworks, as well as value systems and social principles among many countries. The latest anti-Japan riots and the response of the Chinese government have dramatically demonstrated the difficulties involved when two major countries seek to inhabit the same “community.”

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