Japan delivers the goods, not China
Malcolm Cook and Andrew Shearer
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As Australia collectively obsesses over China's return to great power status, we should reflect on our history with China's neighbour, Japan, the world's second-largest economy and our most important regional partner.

In Australia's greatest but often unheralded Asian engagement success story, Australia and Japan have forged a vibrant economic and strategic partnership over the past five decades by acknowledging, but not being trapped by, history.

Shared global security interests in a new, uncertain Cold War order, Japanese political reformation and Japan's changing role in the global economy were the pillars on which the two countries built their new relationship in the 1950s. Today, these same forces can propel Japan and Australia to even closer relations if both sides again demonstrate far-sighted leadership and seize current opportunities. Last week, fretting over Chinese state-owned investment was knocked off the front pages by some positive news. With no hint of state intervention, Kirin has bid to take over Lion Nathan, Australia's second-largest brewery. Kirin earlier bought up National Foods and Dairy Farmers. And its arch rival for global tastebuds, Asahi Breweries, recently bought Schweppes Australia.

Corporate Japan's interest in Australian assets beyond minerals and agribusiness is not limited to what we drink. Fujitsu, the world's fourth-largest IT services firm, recently bought Telstra's services firm, Kaz, and the independent Supply Chain Consulting.

Fujitsu's forays are also driven by the desire to extend beyond a mature Japanese domestic market facing a grim demographic outlook.

Japan's ageing population, the elder generation's control of a vast share of its huge personal savings pool and the need for Tokyo to reduce services and raise taxes should mean that many Japanese retirees will follow the corporate lead and seek a life outside Japan in predictable, friendly places.

The day after the Kirin-Lion Nathan deal, Japanese Foreign Minister Hirofumi Nakasone announced Japan's renewed plans for global nuclear disarmament – an issue dear to the Rudd government and a key focus of Australia-Japan multilateral co-operation for decades.

Three days later, on the same day that Kirin increased its share in San Miguel, the Philippine brewery giant, Nakasone visited Australia, marking the first visit by a senior Japanese cabinet minister since the Howard years. Nakasone asked for Australian assistance on Japanese efforts to help South Pacific nations adapt to climate change.

This absence of senior Japanese politicians on Australian shores reflects the crisis paralysing their politics. The opposition controls the Upper House and is blocking key legislation in a bloody minded bid for power in the looming election.

This stand-off is preventing Japanese cabinet members from leaving the parliamentary trenches or working on structural reforms and international policy.

Yet this stand-off and the likely electoral loss of the Liberal Democratic Party may trigger a party realignment that puts a new centrist, reformist party at the core of Japan's new political system.

Such a party could help Japan face its domestic and international challenges and leverage Japan's impressive economic heft into genuine global influence.

Just as evolving corporate mind-sets in Japan are delivering benefits in Australia, so could changing political ones. Nakasone said that Tokyo and Canberra shared interests on a range of global issues, from combating climate change in an economically responsible manner to ensuring that the spread of civil nuclear power in Asia does not become a proliferation risk.

The strategic uncertainties expressed in Australia's defence white paper ring even truer in Japan. And both countries are anachronistically sidelined in the Atlanticist United Nations system.

This makes both strong advocates for its reform and willing participants in new mini-lateral groupings, such as the Group of 20 and the Proliferation Security Initiative, which seek solutions to shared global problems outside the traditional multilateral forums.

In the 1950s, the forces of global economic and strategic complementarity released by commercial and political change in Japan and by Japan-Australia relationships with the United States set postwar relations between our two countries on their present trajectory.

Now economic change and political reformation in Japan and an emerging global multipolar order may bring a renaissance in bilateral relations if Tokyo can look beyond its political navel, and Australia beyond the hypnotic glare of China.

Malcolm Cook and Andrew Shearer work for the Lowy Institute and have published a report on Australia-Japan multilateral co-operation.