

25th Australian-Japan Relations Essay Contest 2007

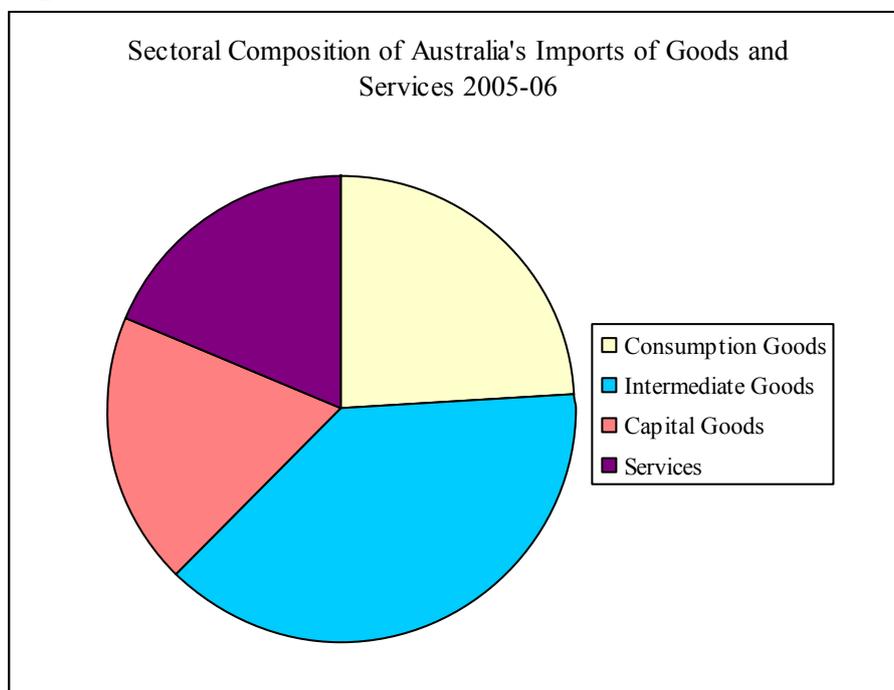
Senior Division

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What do you think are the challenges facing the relationship between Australia and Japan? Analyse and discuss recent developments and suggest innovative ways in which the relationship could be further improved.

Despite the strength of Australia and Japan's economic relationship and the formation of a common security framework, the greatest challenge facing both countries is the need for a genuine cultural relationship transcending mere economic and military compatibility. Traditionally, mutual economic needs have seen strong trade links emerge, and Japanese investment remains an important source of economic growth and capital development in Australia. However, this has occurred at the expense of developing deeper understandings of the cultural values underpinning each nation, with cultural links denoted as of a lower priority. The most effective way of combating this, then, is increased education of the public, collaborative efforts to move beyond the grievances of the past, and greater youth empowerment opportunities to foster the seed of friendship in today's Australian and Japanese youths. Only through this can Australia and Japan maintain their close relationship in the future despite potential changes to domestic policy and the Asia-Pacific region at large.

Figure 1



The most important relationship with Japan as identified by the Australian government is the creation of a strong economic network capable of fulfilling Australia's national interests of 'security and economic prosperity'¹. The importance of trade and foreign direct and portfolio investment in the Australian economy has meant that Japan plays an increasing role in stimulating economic growth and infrastructure development. In particular, microeconomic reform

causing the reallocation of resources away from manufacturing towards the mining boom has increased the need for imports of ETMs², machinery and PMVs³ (See Figure 1⁴ and 2⁵), causing

¹ Gyngell, A., Wesley, M., *Making Australian Foreign Policy*, p.208

² Elaborately Transformed Manufactured Goods

Japan to become Australia's third-largest import partner and encouraging technology diffusion⁶. Correspondingly, Japan's burgeoning industrial sector has fuelled demand for Australian commodities, resulting in the export of iron ore, coking coal and liquefied gas to Japan reaching 19.8% of total exports, placing Japan as Australia's primary export destination (See Figure 3⁷). The result is that the economic relationship between Australia and Japan has been mutually beneficial given the spread of international trade and globalisation.

Figure 2

Australia's Major Export Markets (September Quarter)	
Year	Countries (listed in descending order)
2001	Japan, US, RoK (Republic of Korea), PRC (People's Republic of China), NZ, Singapore, Taiwan, UK, Hong Kong, Indonesia
2000	Japan, US, RoK, NZ, PRC, Singapore, Taiwan, Hong Kong, UK
1999	Japan, US, RoK, NZ, Taiwan, PRC, Singapore, UK
1998	Japan, US, RoK, NZ, Taiwan, Hong Kong, UK, PRC
1997	Japan, RoK, NZ, US, PRC, Taiwan, Singapore, Indonesia
1996	Japan, RoK, NZ, US, PRC, Taiwan, Singapore, Hong Kong
1995	Japan, RoK, NZ, US, Singapore, Taiwan, PRC, Hong Kong
1994	Japan, US, RoK, NZ, Singapore, Hong Kong, Taiwan, PRC
1993	Japan, US, RoK, UK, NZ, Singapore, Taiwan, PRC
1992	Japan, US, RoK, Singapore, NZ, Taiwan, Hong Kong, UK, PRC
1991	Japan, US, RoK, NZ, Singapore, Taiwan, UK, Germany
1990	Japan, US, RoK, Singapore, NZ, Taiwan, UK, Germany
1989	Japan, US, NZ, RoK, UK, Hong Kong, Taiwan, Germany
1988	Japan, US, NZ, RoK, Taiwan, UK, PRC, Germany
1987	Japan, US, NZ, UK, RoK, PRC, Taiwan, Germany

Figure 3

Australian merchandise trade with Japan, 2006:

		<u>Total share:</u>	<u>Rank:</u>	<u>Growth (yoy):</u>
Exports to Japan (A\$m):	32,456	19.8%	1st	14.0%
Imports from Japan (A\$m):	17,269	9.8%	3rd	0.9%
Total trade (exports + imports) (A\$m):	49,726	14.6%	1st	9.1%

Major Australian exports*, 2006 (A\$m):

Coal	9,595
Iron ore	4,213
Bovine meat	2,225
Aluminium	1,903

Major Australian imports, 2006 (A\$m):

Passenger motor vehicles	6,250
Motor vehicles for transporting goods	1,287
Refined petroleum	676
Civil engineering equipment	668

*Includes A\$6bn of confidential items, mainly LNG, wheat, salt & sugar, 19% of total exports.

However, despite this economic complementarity, inherent problems exist as the relationship is at times 'far from symmetrical'⁸ economically and culturally. Though Japan is by far Australia's largest market, Australia's share of the total Japanese market remains around 5%⁹, reflective of the decreasing strategic importance of Australian exports to Japan's economy (See Figure 4¹⁰¹¹). In

³ Passenger Motor Vehicles

⁴ ABS (2006), *Catalogue 5302.0*

⁵ ABS (1987-2001), *Annual Reports*

⁶ The spread of new technology from technology innovators to other countries; linked to technology transfer, whereby new production and management methods are transferred across nations via foreign direct investment.

⁷ Australian Government Department of Foreign Affairs and Trade, *Country/Economy Factsheet on Japan*

⁸ Edwards, P., Goldsworthy, D. (ed.), *Facing North: a Century of Australian Engagement with Asia*, p.134

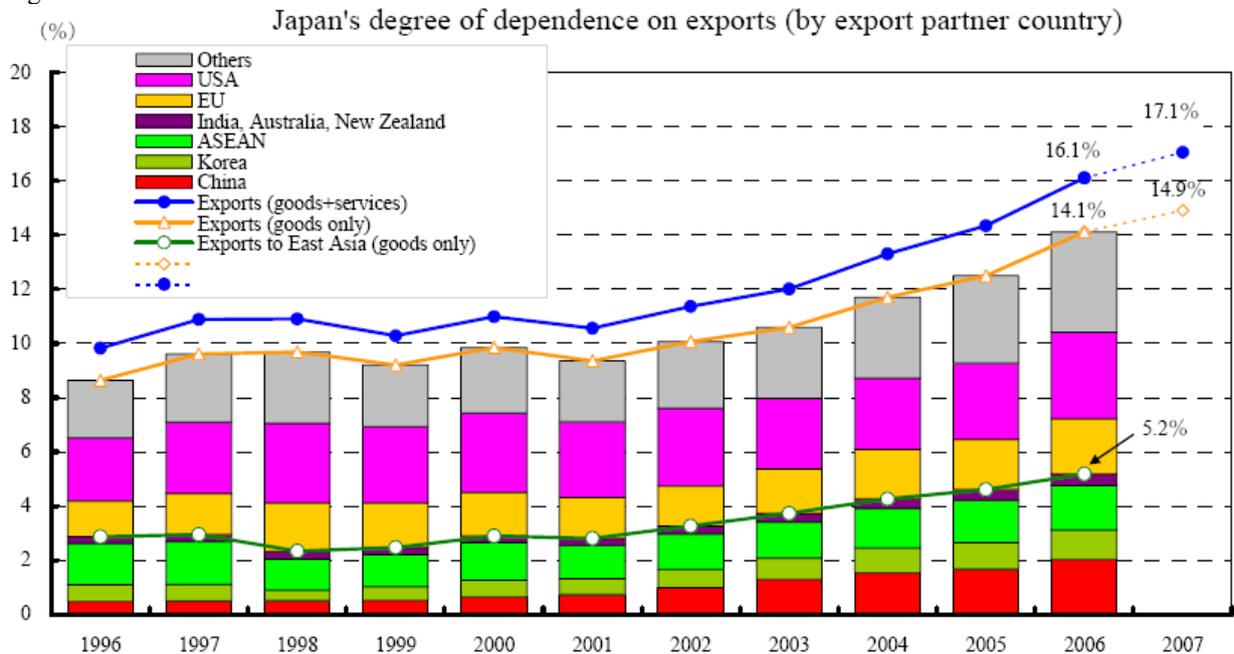
⁹ Australia's share of Japanese exports varies between 2-3%.

¹⁰ Ministry of Economy, Trade and Industry, Japan, *White Paper on International Economy and Trade 2007*, p.55

¹¹ Australia is Japan's twelfth largest export market and seventh largest import market.

terms of foreign direct investment, Australia's reliance on Japanese funds¹² is juxtaposed against only a sixth of this value being reinvested in Japan. Thus, interactions between foreign policy bodies were sometimes 'predictable', 'perfunctory' or 'tense'¹³, highlighting the problem that changing patterns of interests cannot automatically guarantee a continuation of the strong economic relationship beyond the short-term political future.

Figure 4



Note: 1. Degree of export dependence=Total export volume (Balance of international payments base) / nominal GDP (Projected)
 2. Figures for 2007 are an extrapolated estimate based on government outlook for FY2007, based on 2006 figures. (Year)
 Source: National Statistics, (Cabinet Office); Balance of Payments (Ministry of Finance/Bank of Japan).

To address this, recent developments to foster closer ties between the two countries have already begun in the areas of economics and regional security. Following the trend of the *Commerce Agreement 1957*, the *Basic Treaty of Friendship and Co-operation 1976*, and the *Joint Declaration on the Australia-Japan Partnership 1995*, current negotiations into an Australia-Japan FTA¹⁴ have been heralded as the means of facilitating greater trade and investment. Begun on 1 May 2002 and continued in the second round of negotiations in Tokyo from 6th to 10th August 2007, both sides considered the venture to be a success. Australian Minister for Trade Truss saw the negotiations as 'good momentum sustained' in issues ranging from government procurement to intellectual property¹⁵, while a Joint Study commissioned by MOFA described the bilateral relationship as 'stronger than ever'¹⁶. The result is a move towards heightened economic integration, and an attempt to engage with the current economic problems between Australia and Japan.

In recent years, the bilateral relationship has also been broadened outside of economics into the areas of regional security. Considered to be 'natural allies'¹⁷ due to their democratic structure and their alliances with the United States, the signing of the *Australia-Japan Joint Declaration on*

¹² Particularly foreign direct investment by Japanese companies such as Mitsui and Mitsubishi

¹³ Rix, A., *Australia and Japan*, p.139

¹⁴ Free Trade Agreement

¹⁵ The Hon Warren Truss MP, Minister for Trade, *Media Release: Australian-Japan Free Trade Agreement: Good Momentum Sustained*

¹⁶ The Ministry of Foreign Affairs of Japan, *Joint Study for Enhancing Economic Relations between Australia and Japan, including the Feasibility or Pros and Cons of a Free Trade Agreement: Final Report*, p.4

¹⁷ Edwards, P., Goldsworthy, D. (ed.), op. cit., p.133

Security Cooperation on 13 March 2007¹⁸ provides greater regional stability in the context of North Korea's nuclear capabilities and rising Islamic fundamentalism in Indonesia and Pakistan. This is a marked change from the foreign policies of the 1940s to 1980s, where 'historical memories on both sides, along with the Japanese determination to eschew militarism, had for so long kept high-profile military linkages off the agenda'¹⁹. Thus, not only does the increasing security cooperation reflect the growing influence of Australia and Japan in the Asia-Pacific, but also a move away from past hostilities.

However, despite these economic and political developments, the cultural relationship still leaves much to be desired. In fact, the strength of the Australian-Japanese economic relationship has caused the need for a genuine understanding between both cultures to be denoted to a low priority, evidenced by the perpetuation of superficial stereotypes. Despite an awareness of Japanese customs such as tea ceremony and ikebana, there remains a distinct ignorance of important Japanese values. Popular impressions of Japan 'owe little to social scientists' but are 'more likely to have been scrambled together from a cultural miscellany of television programmes, bestselling novels, gadgets around the house and fading echoes of WWII'²⁰. The problem with this is that current perceptions of the Japanese are still limited to the stereotypes of aliens, cold aesthetes, subjugated butterflies, or profit-driven 'samurai in suits'²¹ (See Figure 6²²). In government, the prevailing attitude remains that closeness with Japan is 'a conscious strategic choice in an era when economics [is]... the arbiter of global affairs'²³. Even Keating, who first coined the policy of 'Enmeshment' with Asia, described Japan's importance as 'a growing market for our

Figure 6

1.1. Do you agree that Japan is:

	General Response(%)	Learned individuals' Response(%)	Response In 1998(%)
A peace-loving country	75.2	73.7	67
A democratic country with fair elections	69.6	72.4	36
A country with rich traditions and culture	98.1	98.0	96
A country with economic strength and advanced technology	96.8	94.7	91
A country which is culturally different from Australia and difficult to understand	58.6	62.6	79

manufacturers'²⁴. Conversely, common Japanese misconceptions of Australia also exist, with many seeing Australia either as a 'quarry'²⁵ or 'a long clean beach, a large red Rock, a cheap

¹⁸ Expanding the military cooperation to include exchange of personnel, joint exercises and coordinated law enforcement

¹⁹ Edwards, P., Goldsworthy, D. (ed.), op.cit., p.139

²⁰ Littlewood, I., *The Idea of Japan: Western Images, Western Myths*, p.xi

²¹ Ibid, p.194

²² The Ministry of Foreign Affairs of Japan, *2006 Opinion Poll on Japan in Australia: Detailed Survey Results*, p.1

²³ McGillivray, M., Smith, G. (ed.), *Australia and Asia*, p.125

²⁴ Keating, P., *Engagement: Australia Faces the Asia-Pacific*, p.61

shopping stop...the most preferred tourist destination'²⁶. The intrinsic values of larrikinism and mateship that form the Anzac legend are often unknown. Thus, despite the economic relationship, understanding of the values and mentalities underpinning both countries' cultures is still limited.

However, as the relationship is underpinned by 'shared democratic values, and common interests in peace and stability in the region'²⁷, there is still enormous potential for progress through education of the public, the dispelling of past prejudices, and increased youth empowerment. To begin, the predominance of Japanese art in popular culture – from movies such as *Japanese Story* and *Spirited Away* to *Pokemon* and *Dragon Ball Z* – meant that Western society has been shaped to a large degree by Japanese values. This 'case of convergence or synchronicity'²⁸ highlights the strong similarities between the two countries' basic beliefs and by capitalising on this similarity, Japanese and Australian cultural agencies can better direct programs at their target audiences. Cultural festivals in the Domain complete with food fairs, traditional dancing and hands-on activities in origami can help promote Japanese customs to a wider audience, while collaborations in art allow for a deeper exploration of culture. Performances such as *Impro-Lab 2006* and *Strange Kinoko* at the Opera House bridge the gap between Western and oriental art through a mix of traditional dance, music and electronic media. This can be complemented by cultural excursions at the Japanese Foundation's head office and Japanese lecturers to schools, speaking not only on popular topics such as fashion trends of Shibuya, but also exploring ideas behind haikus, kabuki and animes. In fact, the popularity of manga and anime means that a study of these two genres can form important modules in the school English course, particularly given their enormous influence on youths. The Japan Foundation and Japanese teachers can collaborate with schools to implement courses relating to Japanese geography, history, literature and art. Thus, education serves a primary role in promoting increased awareness of different cultural values.

Secondly, given the relative importance of military history in forging the national identity of Australia and Japan, both countries must now overcome the grievances of the past. Australia's historical relationship with Japan is marked by decided unease, an anomaly to the mutual respect accorded to enemy Turks in WWI. This year's WWII commemorations were described as a way of 'remembering the deeds of sacrifice, heroism, and duty to Australia'²⁹, with a notable absence of stories told from the Japanese perspective. This is particularly problematic as it perpetuates the media stereotype of the Japanese as irrationally cruel – a one-dimensional and often incorrect view based on the simplistic enemy-friend dichotomy. Rather, what is needed is a fairer treatment of history, acknowledging that mistakes have been made on both sides, from WWII atrocities to *The White Australia Policy*. Australia must recognise that the image of the digger with 'reckless valour,... resourcefulness, comradeship and endurance'³⁰ is not exclusive to Australians, but can be found across the battlefield. Despite the participation of the Japanese Ambassador Ueda at WWII wreath-laying ceremonies³¹, the media needs to greater acknowledge that Japanese soldiers can be equally brave, loyal and resourceful as the diggers. Correspondingly, Japan must also be willing to openly engage with Australia on this issue. Practically, this means greater initiatives to see history from each other's perspective, including collaborative histories published by the Australian War Memorial, the National Defence Academy of Japan, and the National Institute for

²⁵ Meany, N., Matthews, T., Encel, S., *The Japanese Connection: A Survey of Australia's Leaders' Attitudes Towards Japan and the Australia-Japan Relationship*, p.101 Term coined in the early 1980s by Meany, Matthews and Encel in their pioneering study of the Australia-Japan relationship as it exists in leaders' minds.

²⁶ McGillivray, M., Smith, G. (ed.), op.cit., p.127

²⁷ Japan Ministry of Defence, *Japan-Australia Joint Foreign and Defence Ministerial Consultations Joint Statement 2007 (June 6, 2007)*

²⁸ Morton, L., *Modern Japanese Culture: The Insider View*, p.259

²⁹ Minister for Veterans' Affairs, *Media Release: Mates Honour Australian POWs at Changi*

³⁰ Bean, C.E.W., *ANZAC to Amiens*, p.181

³¹ *The Age, Thousands Turn Out for WWII Commemoration*

Defence Studies³². The result is the acknowledgement that war is a common human experience, and that it is the universal desire for peace that has been the driving force of the Australia-Japan relationship today. Our countries are two of only a handful of fully functioning democracies in the Asia-Pacific strongly engaged to promote peace and stability. Moving beyond the past is the only way of capitalising on this power to become regional leaders.

Thirdly, increased collaboration on youth empowerment can also help pave way for better future relationships. By bringing together young leaders in both countries, the need for future collaboration can be emphasised. For example, joint leadership camps between youth-based organisations such as the Australian United Nations Youth Association, Rotary, Scout Association of Japan and International Cultural Youth Exchange of Japan allow youths to form essential friendships that will last till adulthood. This is particularly effective as not only will the participants gain an enhanced understanding of each other's cultures, but they can also devise further ways of promoting this as part of shared projects. Inter-university and inter-school debates, exchanges and tours run by Japanese and Australian youths bring young people together as true global citizens. Thus, collaborative youth empowerment will ensure the continuation of the positive Australia-Japan relationship.

In conclusion, the greatest challenge in the Australian-Japanese relationship today is the expansion of our relationship to incorporate a genuine understanding of each other's cultures and values. This can only occur if we empower all people through education to abandon the misconceptions of the past and enter a new era of mutual trust, respect and friendship. The Australia-Japan relationship is vital and dynamic part of any dialogue in the Asia-Pacific region, and as such, all efforts must be made to ensure that it will continue to progress economically, politically and culturally in the years to come.

³² An offshoot of the Japanese Ministry of Defence

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