



As Dragon flexes muscle, the Rising Sun goes defensive

Rajaram Panda, Shamshad A. Khan and Pranamita Baruah

Rajaram Panda, Senior Fellow; Shamshad A. Khan and Pranamita Baruah, both Research Assistants, at the Institute for Defence Studies and Analyses, New Delhi.

September 09, 2010

Summary

China's rise has become a matter of concern throughout Asia and led to changes in the strategic postures of its neighbours. Japan has begun to rethink its own defence strategy and security policy in response to China's military modernization and is working on multiple options such as deepening its alliance relationship with the US, aligning with other democracies such as India and Australia by signing security agreements, and building up its own military capability in an incremental way. Thus it transpires that the China factor is propelling a concert of democracies to come together to find common ground to make China a responsible stakeholder in the interest of peace and stability in Asia.

China's rise has become a matter of concern throughout Asia. In particular, its military modernization programme and deployment of forces has impacted on its neighbours' strategic postures. As Japan has territorial disputes with China over Senkaku Island, there is some sense of wariness over China's belligerent claims over the disputed territory. China has gone on record to reclaim Taiwan, which it treats as its renegade province, and wants to use force to reunify, if necessary. Also, China's recent assertion of claims over the South China Sea is worrying. The China factor in North Korea's nuclear issue is yet another disturbing phenomenon. Any one or all of these areas are potential flashpoints which might disturb peace and stability in Asia. Japan has begun to rethink its own defence strategy and security policy in response to China's military modernization.

In the possible eventuality of Chinese aggression, Japan is equally preparing itself for an appropriate response. For example, the Japanese Self Defense Forces (SDF) are preparing to conduct exercises in December 2010, simulating the recapture of an isolated island from enemy forces. This will be the first such drill by the SDF as a response to China's recent naval expansion.¹ The island-reclaiming drills will be a part of joint exercises with the US Navy. The SDF's effort will be matched by support from the 7th Fleet of the US Navy. Though Japan has refrained in the past from carrying out major simulations of the recapture of isolated islands due to possible concerns from its neighbours, it perceives a considerable threat to its security as the Chinese naval fleets were engaged in provocative exercises in March-April 2010 near the Nansei Islands. A senior ministry official, as reported in the *Yomiuri Shimbun*, observed: "We'll show China that Japan has the will and the capability to defend the Nansei Islands. [The exercises] will serve as a deterrent."²

Change in Japan's strategic thinking

In the 1990s, the National Defense Programme Guidelines (NDPG) mentioned Japan's intention to repel limited and small acts of aggression by itself. However, this observation disappeared from the NDPG until 2008. In view of its alliance with the US, Japan has relied on the US for its security until 2009 when the US government urged Japan to fulfill its 'role and mission' during defence consultations. There is a strong view in the US that "Japan should prepare to defend its own territory"³ If the SDF can complete the planned simulation exercise drills entirely on its own, this would indeed be a groundbreaking development. If the SDF uses this opportunity to cooperate with US forces, it would demonstrate to China, which has been strengthening and expanding its military capability, that the combined Japanese and US military forming a watertight defence array would

¹ "SDF exercises to 'recapture' Nansei island/ Simulation aims to send China signal", *The Yomiuri Shimbun*, August 20, 2010.

² Ibid.

³ Hidemichi Katsumata, "Halting China's expansion a must", *The Yomiuri Shimbun*, August 20, 2010.

be the most effective deterrent to China's design.

There has been considerable disquiet in Japan, as elsewhere, about China's recent advances into the South China Sea. Its nuclear weapon development programme, weapons deployment and military modernization have also been sources of apprehension to East Asian countries since the 1990s.⁴ Around this time, Japan's Defense White Paper, issued annually by the Japan Defense Agency (JDA), had begun to mention China as a potential threat without using provocative terms. However, the 2000 edition of the White Paper elaborately mentioned China's advances in military technology and weapon system, such as intermediate-range ballistic missile (IRBM) and the new type of DF-21 intercontinental ballistic missile (ICBM) (CSS-5) missiles. For the first time the Japanese government mentioned these in the White Paper-type publication intended for public consumption.⁵ When the Chinese *Haibing-723* passed through the Tsushima and Tsugaru Straits investigating Japanese military and *Dongdiao-232* (a naval intelligence gathering vessel) was operating in the Irako Promontory and the Kii Peninsula to the South of Japan in July 2000, Japan felt alarmed.⁶ Japan raised this issue during the 7th regular bilateral consultations on security issues in Beijing in June 2000, demanding explanations about China's intentions of deploying its research vessels with increasing frequency in Japanese territorial waters and economic zones.⁷ Japan also brought to China's notice that Chinese intelligence gathering ships were operating in Japanese waters without Japanese permission and declared that no activities by Chinese research vessels could take place in future without Japan's consent.⁸ China, however, rubbished Japan's allegations and rejected the notion that it needed prior approval from Japan to carry out marine research.⁹

Japan's White Paper on ODA policy released in March 2001, voiced Japan's "harsh views" about overseas assistance to China and expressed the need to reconsider the issue. Japan's ODA to China has been strongly criticised within Japan "as being inconsistent with the principles of the ODA Charter in the light of the country's large-scale increases in national defense spending in recent years, development of nuclear arms and missiles and weapons trade, and the status of efforts to promote democracy and protect human rights and freedoms. Japan will continue to keep close track of trends in China's military spending and weapons trade and to pay due attention to democratization efforts and the protection

⁴ Satoshi Morimoto, "Chinese Military Power in Asia: A Japanese Perspective", available on http://www.rand.org/pubs/conf_proceedings/CF137/CF137.chap2.pdf. (Accessed on August 31, 2010).

⁵ *Defense of Japan 2000*, Japan Defense Agency, Tokyo, p. 47.

⁶ *East Asia Security Review, 2001*, National Institute for Defense Studies, Tokyo, pp. 153-155.

⁷ *The Yomiuri Shimbun*, June 20, 2000.

⁸ *Sankei Shimbun*, June 20, 2000.

⁹ Masayuki Masuda, "Japan's Changing ODA Policy Towards China", *China Perspectives*, available at <http://chinaperspectives.revues.org/358>. (accessed on August 24, 2010)

of basic human rights and freedoms.”¹⁰

After 2000, subsequent editions of the Defense White Paper adopted terms which were not favourably disposed towards China. For example, the 2004 edition was critical of the shortcomings of Chinese military's defence accountability and also suspicious about China's naval and maritime operations. In particular, China's secrecy in withholding information about its defence operations came under critical scrutiny. This created an element of doubt whether China's military modernisation programme far exceeded the level of its defence requirements.¹¹ The 2006 edition also raised concern about developments in China's airpower, in particular its enhancement of airborne electronic warfare and intelligence gathering capabilities as well as reconnaissance flights against surrounding countries.¹²

During the Koizumi Junichiro era (2001-2006), opinions within Japan about China were more 'candid'. Even in January 2006, when the Opposition sought a Diet response to an 'inquiry about the Chinese threat', Prime Minister Koizumi categorically said, "... we do not hold the notion that China has an 'intention' to invade Japan. Hence, we as the government of Japan, do not regard China as a threat."¹³ However, Koizumi's perception of China as a latent threat remained unclear as there were doubts about military capability as an indicator of China's power to invade Japan. As such, Japanese perception of China's rising power remained inconclusive.¹⁴ Since Koizumi's repeated visits to Yasukuni Shrine and the textbook revision controversy had angered the Chinese, resulting in anti-Japanese riots in Beijing and other cities of China in April 2005, Koizumi probably underplayed the growing public perception of a Chinese threat to assuage China's feeling of hurt.

In recent years, Japanese criticisms of China's military buildup have started hardening and official concerns have started appearing in official documents. For example, Japan's Defense White Paper issued in 2007 criticized China for increasing its defence expenditure and conducting an anti-satellite missile test.¹⁵ The Defense White Paper 2008 noted "...China, a regional power with tremendous political and economic clout, is increasingly drawing the close attention of many countries. China has been continuously boosting its

¹⁰ Japan's official Development Assistance, *White Paper 2001*, Economic Cooperation Bureau, Ministry of Foreign Affairs, Tokyo. <http://www.mofa.go.jp/policy/oda/white/2001/contents.pdf> (accessed on September, 1, 2010)

¹¹ *Defense of Japan 2004*, Japan Defense Agency, Tokyo, p. 61.

¹² *Defense of Japan 2006*, Japan Defense Agency, Tokyo, p. 31.

¹³ Koizumi's statement as quoted in Yasuhiro Matsuda, "Japanese assessments of China's military development", *Asian Perspective*, Vol. 31, No. 3, 2007, p. 187.

¹⁴ "Japanese assessments of China's military development", *Asian Perspective*, Vol. 31, No. 3, 2007, p. 188.

¹⁵ *Defense of Japan, 2007*, Ministry of Defense, Tokyo, p. 4.

defense spending and has been modernizing its military forces, with a significant increase in total defense spending. However, with clarity on neither the present condition nor the future image, Japan is apprehensive about how the military power of China will influence the regional state of affairs and the security of Japan. Moreover, due to the insufficient transparency, it is noted that other nations might have distrust and misunderstandings about the process of decision-making concerning the security and the military of China. In this fashion, improvement on the transparency relating to China's national defense policies is demanded, and it has become an important task to pursue dialogues and exchanges, and strengthen the mutual understanding and trust relationship with China."¹⁶

The National Institute of Defense Studies (NIDS), a Tokyo-based think-tank supported by the Ministry of Defense, questioned China's military modernization and expressed concern that China's efforts to modernize its armed forces are leading to enhancement of its power projection capabilities. Criticizing the opaqueness of China's defense budget, NIDS report says that it "remains less than adequate" and urges that China should be more accountable for not only its defense expenditure and equipments but also its military strategy.¹⁷ The NIDS Defence Review of 2009, however, adopted a harsher tone. While noting that China's defense spending was increasing at a pace commensurate with its military power, it said that "it is aiming to keep increase (sic) in its defense capabilities at levels that do not hinder economic development."¹⁸ The report also lamented that there are concerns in other countries about the "transparency" of the military situation in China.¹⁹ Though China has introduced some element of transparency by publishing a White Paper on National Defense to assuage the concerns of its neighbours, this remains inadequate as there is much more concealed than revealed.

Both Japan and China are yet to get over the historical baggage and past animosities continue to surface in recurring cycles. China's claim to disputed territories in the region, trade frictions with China and questioning attitude to Japan's alliance to the US, etc., continue to bedevil Japan-China bilateral ties. Indeed, China's military modernization has spawned a veritable arms race in the Asian region. It has also fueled fears in Japan that China is increasingly using its economic leverage and military prowess to flex its muscles with a view to dominate the region.²⁰ A leading Japanese security analyst, Professor Tanaka Akihiko of the University of Tokyo, opines that China's military modernization

¹⁶ *Defense of Japan, 2008*, Ministry of Defense, Tokyo, p.3.

¹⁷ *East Asian Strategic Review 2007*, The National Institute for Defense Studies, Tokyo, p.10

¹⁸ *East Asian Strategic Review 2009*, The National Institute for Defense Studies, Tokyo, p. 6.

¹⁹ *Ibid.*

²⁰ Jayshree Bajoria, "Countering China's Military Modernization", February 4, 2009, Council of Foreign Relations. Available at http://www.cfr.org/publication/9052_countering_china's_military_modernization.html. (accessed on August 24, 2010).

might precipitate a change in the balance of power in East Asia, which in turn “would necessitate for Japan and the United States to readjust its force structure and other military management”.²¹

Beefing up of alliance with US

In response to China’s military modernization and North Korea’s missile tests, recently Japan has significantly upgraded its own defence capabilities by deploying the Aegis radar and missile systems for its navy and war planes armed with advanced air-to-air missiles for its air force. Japan has also strengthened its security alliance with the US by revising its defence guidelines in 2004. Japan and the US have launched a series of defense plans according to which both the countries claim that these arrangements “are indispensable not only to maintaining the peace and security of Japan, but also the entire Asia-pacific region.”²²

Japan and the US are also engaged in consultations with each other on the future of the alliance. In May 2006 both also agreed on Force posture realignment. Japan’s Defense White Paper 2008 explains that “as part of its global military posture realignment effort, the US is conducting some review to strengthen its force restructures in the Pacific. Among these reviews are strengthening Marine Corps crisis response capabilities and redistributing those capabilities to provide greater flexibility to respond with appropriate capabilities according to the nature and location of particular situation.”²³

As per the revised defence guidelines of 2004, Japan committed to expand its non-combatant role in regional contingencies by furthering bilateral cooperation in training and intelligence sharing with the US. The guidelines also allowed access to a nuclear-powered US aircraft carrier in the Yokosuka naval base. Japan joined the US, Australia, Singapore and India in September 2007 in a multi-national naval exercise in the area west of the Malacca Straits, thereby reinforcing the security ties with its democratic allies.

The US and Japan are also in the process of realigning the US forces on the Japanese archipelago from Hokkaido to Okinawa (North to South). The realignment is aimed at providing strategic advantage to both Japan and the US forces over the military capabilities of other countries in the region. Japan’s Defense White paper 2008 cites the following reason:

“In conjunction with the realignment of US Marine Corps capabilities in the Asia-pacific region, the personnel of the III Marine Expedition Force (III MEF) will be relocated to Guam and remaining marine units in Okinawa will be

²¹ As quoted in Ibid.

²² *Defense of Japan* 2008. Ministry of Defense, Tokyo 212

²³ *Defense of Japan 2008*, Ministry of Defense, Tokyo, p.225

realigned. Due to this realignment in Okinawa, it is planned that approximately 8,000 III MEF personnel and their approximately 9,000 dependents will relocate from Okinawa to Guam by 2014 in a manner that maintains unit integrity".²⁴

The relocation of 8,000 strong marine will certainly help Japan to strengthen its naval power with the help of the US. To accelerate the realignment plan, the Japanese Diet passed the bill in 2007 which would be effective for 10 years and would be implemented by 2017.²⁵

But the most ambitious US' realignment plan is the shifting of US Army's 1st Corps command headquarters from Washington to Camp Zama in Kanagawa Prefecture, which would have wider implication for East Asian security. The Japan's Defense White Paper justifies this realignment saying that "this transformation is based on the global realignment of USARJ²⁶ as part of the overall transformation of US forces". Further, it claims that the transformed USARJ headquarters in Japan will continue to hold the same core mission in defending Japan and maintaining the peace and security of the Far East."²⁷

In a move to strengthen Air defense System, both the countries plan to establish a joint air defense Command center at the US Air Force's Yokota base in western Tokyo by fiscal 2010. Creation of Command system is aimed at strengthening ability to detect and deal with enemy missile launches.²⁸ Japan's Defence White Paper in this regard claims that the "Bilateral Joint Operation Coordination Center (BJOCC) is to be established and it is planned to complete construction/installation of facilities and infrastructure and to commence operation at the BOJCC by Japan in Fiscal year 2010".²⁹ It states further that this arrangement "will enhance coordination between headquarters of the SDF and U.S. forces, including the sharing of information concerning air defence and BMD".³⁰

In yet another effort to strengthen US-Japan defence cooperation, both the countries embarked on a joint missile defence system in 1999, following North Korean missile tests. After seven years of their efforts, in 2006 the US forces deployed a new X-band radar system for missile defence in Japan, which include installation of Patriot PAC-3 and SM-3 missiles. The security analysts estimate that this ambitious program will cost Japan \$ 1.2

²⁴ *Defense of Japan 2008*, Ministry of Defense, Tokyo, p.232.

²⁵ *The Asahi Shimbun*, May 23, 2007

²⁶ USARJ stands for US Army in Japan.

²⁷ *Defense of Japan 2008*, Ministry of Defense, Tokyo, p. 233

²⁸ *The Japan Times*, September 26, 2005

²⁹ *Defense of Japan 2008*, Ministry of Defense, Tokyo, p. 233

³⁰ *Ibid*, p. 234.

billion.³¹ Japan's Defense White Paper has following argument for this arrangement:

"In June 2006 the new U.S. Forward Based X-band Transportable (FBX-T) Radar System (AN/TPY-2; hereafter referred to as the "X-Band Radar Systems") with the sophisticated capability to search and track ballistic missile was deployed to ASDF Shariki Air Station (in Aomori Prefecture) and operations commenced."³²

Japan's deployment of Ballistic Missile Defense (BMD) system with PAC-3 capabilities has raised eyebrows not only among strategic planners in China but also in Russia. While Japan says that these capabilities would contribute to "improvement of country's defense against missile attacks, the maintenance of deterrence of USFJ and safety of Japanese citizens"³³, Russia termed the joint missile defense program as aimed at gaining military superiority in the region.

Japan has announced it will deploy F15 fighter jets for the first time in Okinawa which it says is a "measure aimed at airspace violations" but is seen as an apparent move by Tokyo to enhance air defense against China"³⁴

In yet another development, the Japanese Diet enacted a law for the first time in May 2008 on the use of space, thereby changing the decades-old principle of "non-military use" and paved the way for the development of defence equipment including full scale spy satellites. The law stipulated that the use and development of space be carried out in ways that contributed to Japan's security, thereby relaxing the non-military principle based on a 1969 Diet resolution. This law changed Japan's policy on the use of space to "non-aggression" from non-military and allowed the government to station equipment in space compatible with a defence-oriented policy. Such equipment includes early warning satellites that can detect signs of a ballistic missile launch and spy satellite that can view objects as small as 15 centimeters. It may be recalled that Japan has launched four intelligence-gathering satellites since 2003 after a North Korean ballistic missile flew over Japan in 1998.³⁵

The Japanese Defense Agency (predecessor of Ministry of Defense) had been maintaining that the ongoing up-gradation is designed to cope with the perceived threat from North Korean ballistic missiles as well as China.

³¹ *The Japan Times*, December 16, 2005

³² Defence of Japan 2008, Ministry of Defence, Tokyo, p.236.

³³ Ibid.

³⁴ "Japan to deploy F15 in Okinawa amid concern about Chinese military," *International Herald Tribune*, October 9, 2007.

³⁵ *The Japan Times*, May 22, 2008

Upgrading the JDA to MOD

In January 2007, Japan upgraded its Defense Agency and rechristened it into the Ministry of Defense. In the foreword to the *Defense of Japan 2007*, Fumio Kyuma, Minister of State for Defense, observed that “the security environment surrounding Japan has undergone many significant changes”³⁶, which necessitated the transition of JDA into the Ministry of Defense. The restructuring of the Defense Agency was justified because “the two organizational entities (Defense Agency and the SDF) could more promptly respond to variety of problems and accurately but flexibly meet the requests and expectations of the public”³⁷

Over the years, Japan’s Defense White Papers have been claiming that “in the light of issues concerning North Korea armed spy vessels and submerged navigation within Japan’s territory by Chinese nuclear submarine” Japan is maintaining “fighter aircraft units to respond instantly and adequately to the violations of territorial airspace”. But the Chinese side claims that Japan’s sense of crisis is purely imaginary and fully demonstrated by the country’s policies towards China and other neighbouring nations. The Chinese side also believes that China’s sustained growth and its increasing international influence has made Japan extremely nervous that its status in East Asia is being challenged. Therefore Japan is trying to floating the idea of a “threat” from China’s military build up.³⁸

DPJ’s toughening stance

Yet another real change is being witnessed in Japan’s defence policy under the new DPJ government as it is preparing for a complete overhaul of its “defence only” policy and gearing up to meet the challenges from China’s military build up.

The new DPJ government deferred implementation of the National Defense Program Guideline (NDPG) prepared by the predecessor LDP government for fiscal 2010-2014. The present government is revising the NDPG report, already submitted but not released, and has reconstituted a committee of members to prepare a new version based on the DPJ perspective, in view of the rising threat emanating from China and potential decline in reliance on US alliance.

An advisory panel constituted for the purpose has advised the government to revise the exclusively defensive policy adopted after World War II, relax the ban on arms export and consider lifting prohibition in aiding allies under attack.³⁹ “...there are some issues that make Japan and the region concerned. China has rapidly modernized its military

³⁶ *Defense of Japan 2007*, Ministry of Defense, Tokyo.

³⁷ Ibid

³⁸ *The China Daily*, November 4, 2005.

³⁹ “Japan panel urges defense changes, wary of China”, *The Asahi Shimbun* (Reuters), August 28, 2010

since the 1990s,"⁴⁰ the panel said, noting China's recent naval activities near Japanese waters. It further stated that "it is time for Japan ... to achieve necessary and in-depth reform of its defense posture that can adequately respond to complex contingencies."⁴¹

Conclusion

The analysis above demonstrates that Japan perceives China as a real and 'potential threat' and is preparing itself with multiple options such as deepening its alliance relationship with the US, aligning with other democracies such as India and Australia by signing security agreements, and building up its own military capability in an incremental way. Notwithstanding the toughening of its own military posture to face the challenge from Beijing, Japan faces a huge challenge to take the domestic constituency on board to enact real policy change to face up to China. Japan is not alone in Asia to face an assertive China. Smaller nations in Southeast Asia such as Taiwan, Vietnam, Laos, Brunei, Philippines etc. who have competing claims on territories over which China makes exclusive claims, are equally alarmed at China's aggressive behaviour. Thus it transpires that the China factor is propelling a concert of democracies to come together to find common ground to make China a responsible stake holder in the interest of peace and stability in Asia. Doubts, however, will remain for quite some time whether China will be a revisionist power. The trends of the past few years in Chinese foreign policy postures do not suggest that peace and stability in Asia-Pacific can be guaranteed. Japan on its part is justly preparing itself to face any future eventuality stemming from the Chinese threat.

⁴⁰ Ibid

⁴¹ Ibid