

Maintaining Peace and Stability in the Indo-Pacific: Japan's Approach

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November 12, 2020

One of Japan's most important strategic goals is to create an environment in which China's rise will be peaceful and cooperative. In strategic terms, maintaining balance of power in the region, and creating crisis prevention and management mechanisms are the most effective means of achieving that goal.

The balance of power has been shifting rapidly due largely to the rise of China's military might. According to the Stockholm International Peace Research Institute (SIPRI), while the US defense expenditure declined by 15 percent and Japan's increased by only 2 percent between 2009 and 2019, China's defense spending increased by 85 percent in the same period. In the absolute terms, the United States still remained in first place globally, with \$732 billion spent in 2019, and China was in second place with \$261 billion. Japan spent \$47.6 billion and was in ninth place.¹

Against the backdrop of the rapidly growing defense expenditure, China's activities at sea and in the air keep growing. Chinese naval vessels and bombers frequently advance into the Western Pacific across Japan's Southwest Islands—lying between Kyushu and Taiwan—presumably to enhance their ability to deny US forces' access to the areas surrounding Taiwan.

Japan's position is not easy. While Japan's Self-Defense Forces retain a qualitative edge over their Chinese counterpart in conventional capabilities, quantitative superiority matters much more in a peacetime cat-and-mouse game of "presence." In FY2019, Japan flew 947 scrambles to intercept Chinese military aircraft approaching Japanese airspace. The frequency of scrambles in recent years has already gone beyond the Cold War peak of 944 per year.² Chinese government-operated vessels continue to enter Japan's territorial waters around the Senkaku Islands—at the average of 10.5 ships per month in 2019.³

Japan's Response

¹ "The 40 countries with the highest military expenditure in 2019," in Nan Tian, Alexandra Kuimova, Diego Lopes da Silva, Pieter D. Wezeman, and Siemon T. Wezeman, "Trends in World Military Expenditure, 2019," SIPRI Fact Sheet, April 2020, p. 2, https://www.sipri.org/sites/default/files/2020-04/fs_2020_04_milex_0_0.pdf (accessed on June 27, 2020).

² Self-Defense Force Joint Staff, "Statistics on scrambles through FY2019," April 9, 2020, https://www.mod.go.jp/js/Press/press2020/press_pdf/p20200409_02.pdf (accessed on June 27, 2020).

³ Japan Coast Guard, "The numbers of Chinese government and other vessels that entered Japan's contiguous zone or intruded into territorial sea surrounding the Senkaku Islands," available at Ministry of Foreign Affairs, "Trends in Chinese Government and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan's Response: Records of Intrusions of Chinese Government and Other Vessels into Japan's Territorial Sea," June 2, 2020, https://www.mofa.go.jp/region/page23e_000021.html (accessed on June 27, 2020).

The National Defense Program Guidelines (NDPG)—the document guiding Japan’s defense policy since 1976—has been serving as the most important security strategy directive of the Japanese government since it was revised in December 2018. The 2018 NDPG stated that the balance of power was changing rapidly and the level of uncertainty was rising. In addition, the importance of newly emerging domains—outer space, cyberspace, and electromagnetic spectrum—was growing according to the new NDPG. In order to meet those challenges, the NDPG suggested that Japan make efforts in three areas: enhancing its defense capabilities; reinforcing the US-Japan alliance; and strengthening security cooperation with non-US partners.⁴

First, Japan is strengthening its defense capabilities. Since the cumulative government debt that Japan has is larger than 200 percent of its gross domestic product, which makes it difficult for the country to spend much more on defense, the Japanese government seeks to improve efficiency of its security policy. As such, the Japanese government has undertaken initiatives such as establishing a National Security Council as a system for more effective and coherent national security policymaking. It has loosened self-imposed ban on arms export and participation in international joint arms development and production, which would make it possible for Japan to acquire cutting-edge military equipment at more reasonable prices.

The Japanese government’s decision to reinterpret the constitution in 2014 and the Diet’s decision to enact the new security legislation in 2015 enabled Japan to start exercising the right of collective self-defense. With that change, the Self-Defense Force can now operate more closely together with foreign armed forces including those of the United States. Moreover, the Japanese government revised the Development Cooperation Charter in 2015 so that Japan could use official development assistance (ODA) fund for not only economic purposes but also security purposes. Put simply, the aim of the new Japanese security policy is to improve defense capabilities in real terms without a significant increase in defense spending.

The 2018 NDPG called for developing defense capabilities encompassing both traditional and newly emerging domains. It also argued that Japan’s defense forces must be able to respond flexibly to different contingencies such as “gray-zone situations”⁵ and full-fledged armed attacks. Japan will bolster intelligence, surveillance and reconnaissance activities, and prepare flexible deterrent options in order to enhance its ability to deal with gray-zone situations. Also, the decision to operate F-35B fighters on the light aircraft carriers *Izumo* and *Kaga* is expected to improve operational flexibility in gray-zone situations.

The Japan Coast Guard devotes some 600 personnel and 12 large patrol vessels to protect the five small islands of Senkaku. China can send its aircraft and ships at the time and to the place of its own choosing. To that, Japan has to maintain a high level of readiness at all time.

⁴ Government of Japan, “National Defense Program Guidelines for Fiscal Year 2019 and beyond,” National Security Council Decision, Cabinet Decision, December 18, 2018, https://www.mod.go.jp/j/approach/agenda/guideline/2019/pdf/20181218_e.pdf (accessed on June 27, 2020).

⁵ China seeks to effect changes in the status quo by using force in a low-key but sustained manner in the areas such as the East China Sea and the South China Sea. Such an approach is called “gray-zone coercion,” or “salami-slicing” or “cabbage-leaf” tactics. Scott W. Harold, et al., *The U.S.-Japan Alliance and Deterring Gray Zone Coercion in the Maritime, Cyber, and Space Domains* (RAND, 2017), pp. 17 and 24. “Gray-zone situations” can mean (a) a precarious peacetime situation with China’s sustained effort to unilaterally alter the status quo, or (b) crises resulting from the culmination of China’s coercive actions or from inadvertent clashes among the countries involved.

Faced with those challenges, Japan has started to make an asymmetric region-wide response, defying China's attempts not only in the East China Sea but also in the South China Sea and the Indian Ocean. For example, Japan's Maritime Self-Defense Force (JMSDF) has been making so-called "strategic port visits" since 2017.⁶ The JMSDF ships including the 26,000-ton JS *Izumo* and JS *Kaga* have made port calls in the places such as Klang in Malaysia, Muara in Brunei, and Colombo, Hambantota and Trincomalee in Sri Lanka. Those are the ports where China's influence is already visible or is expected to grow. With those strategic port visits, Japan seeks to strengthen security cooperation with the countries in the region and prevent China from monopolizing those ports.⁷ Japan has also taken actions to demonstrate its security commitment in the region. In September 2018, five JMSDF ships including helicopter carrier JS *Kaga* and submarine JS *Kuroshio* conducted an anti-submarine warfare exercise in the South China Sea.

In the meantime, positive steps have been taken for crisis prevention and management between China and Japan. In December 2018, the two countries reached an agreement in principle to set up a hotline designed to prevent incidents at sea and in the air in the East China Sea. The two sides also agreed on annual assessment meetings and standardized communication protocols between their law enforcement vessels.⁸

Second, Japan is strengthening its security relationship with the United States—including through the revision of the US-Japan Defense Cooperation Guidelines in 2015. In response to China's anti-access/area denial strategy, the United States is developing the Third Offset Strategy and the Joint Concept for Access and Maneuver in the Global Commons (JAM-GC). Japan, for its part, is paying attention to the defense of the Southwest Islands in order to contribute to the new strategy developed by the United States.

The United States and Japan will work closely together in the areas such as space and cyber, air and missile defense, training and exercises, intelligence, surveillance, and reconnaissance operations, and the development of flexible deterrent options. The two countries will develop and/or update combined operation plans, and enhance the quality of extended deterrence. Japan will play a larger role in providing logistic support and protection to US forces. Finally, the United States and Japan will work together on capacity building, humanitarian assistance/disaster relief, and counter-piracy.

In 2017, the United States expressed its willingness to contribute to the realization of free and open Indo-Pacific in accordance with Japan's Free and Open Indo-Pacific Vision. In 2018, the US Government renamed the Pacific Command to the Indo-Pacific Command. The United States and

⁶ Foreign Minister Taro Kono used the term, "strategic port visits," in his speech in New York in September 2017. Taro Kono, "Diplomacy in Creeping Crises," Speech by Foreign Minister Kono at Columbia University, September 21, 2017, https://www.mofa.go.jp/na/na1/us/page3e_000749.html (accessed on June 27, 2020).

⁷ Japan Maritime Self-Defense Force (JMSDF), "Goeikan 'Izumo' 'Sazanami' no Chouki Koudou (2017) (Long Deployment of Escort Ships *Izumo* and *Sazanami* in 2017)," <https://www.mod.go.jp/msdf/operation/cooperate/izumo-sazanami/> (accessed on June 27, 2020); JMSDF, "Indo Southeast Asia Deployment 2018," <https://www.mod.go.jp/msdf/en/operation/operation2018.html> (accessed on June 27, 2020); and JMSDF, "Indo-Pacific Deployment 2019," <https://www.mod.go.jp/msdf/en/operation/IPD19.html> (accessed on June 27, 2020); and "Kouno Tarou Gaishou Burunei Kikouno Jieitaishisatsu (Foreign Minister Taro Kono Inspects Self-Defense Force units visiting a port in Brunei)," *Sankei Shimbun*, February 12, 2018, <https://www.sankei.com/politics/news/180212/pl1802120004-n1.html> (accessed on June 27, 2020).

⁸ "Nicchuu Boueitoukyokusyakanno Kaikuurenaku Mekanizumuno Gaiyou (Summary of the Communications Mechanism between Defense Authorities of Japan and China)," *Nihon Keizai Shinbun*, May 9, 2018, <https://www.nikkei.com/article/DGXMZO30263850Z00C18A5905M00/> (accessed on June 27, 2020).

Japan will also work together to maintain the balance of power in the East China Sea, the South China Sea, the Taiwan Strait, and the Indian Ocean.

Finally, Japan is strengthening security cooperation with the countries in the region, especially Australia, India, Southeast Asian nations, and South Korea. As mentioned above, while the United States remains the largest spender on defense in the world, China is quickly catching up. The United States no longer hold a predominant position in the Indo-Pacific region, and even if the United States and Japan work together very closely, they might not be able to maintain the balance of power given the rapid growth of China's military expenditure. The idea, therefore, is to borrow the strategic weight that non-US regional partners can bring to bear in maintaining the regional balance of power.

Unlike during the Cold War, the countries of Asia are coming to possess considerable military capabilities of their own. According to SIPRI, India's defense spending increased by 37 percent over the last decade, to a total of \$71.1 billion in 2019, making India the world's third largest spender on defense. In tenth place globally, South Korea's spending on defense increased by 36 percent over the same time, for a total of \$43.9 billion.⁹ Australia is in 13th place in defense outlays; its spending went up by 23 percent, to \$25.9 billion. If added up, defense expenditures of India, Japan, South Korea, and Australia would amount to \$188.5 billion, only \$72.5 billion short of China's expenditure. Also, defense expenditures of India, South Korea, and Australia have grown significantly—if not as much as China's defense expenditure did. If the US defense efforts are taken into account, Japan and its partners in the Indo-Pacific region might be able to maintain the balance of power fairly effectively.

In the meantime, Japan has been providing capacity-building assistance to the middle to small powers such as the Philippines, Vietnam, Cambodia, Malaysia, Sri Lanka, and Djibouti. By May 2020, Japan has provided 27 patrol vessels, 13 high-speed boats, and 11 coastal monitoring radar equipment to the countries in Southeast Asia, and offered different types of opportunities for human resource development for maritime law enforcement.¹⁰ Those activities have two major objectives: empowering those countries so that they can resist China's pressure especially in the South China Sea and the Indian Ocean; and enhancing their ability to cope with drug trafficking, piracy, illegal, unreported, and unregulated fishing, and other challenges.

In that context, Japan's ability to exercise the right to collective self-defense has a level of importance that is difficult to exaggerate. Collective self-defense affords the opportunity for Japan to conduct more robust combined training and exercises with its security partners. Furthermore, if the countries in the region including Japan can work closely together to conduct patrol and surveillance, as well as intelligence gathering missions, unilateral actions by China to change the status quo can be more effectively checked in both the South China Sea and the East China Sea.

⁹ Given South Korea's significant strategic weight, the ongoing row between Japan and South Korea poses one of the most daunting challenges to the success of Japan's security strategy. South Korea's economic dependence on China is another challenge. More than 10 percent of South Korea's gross domestic products comes from the country's export to China. South Korea would join the United States and Japan in balancing with China only if South Korea's leaders and people find the cost of bandwagoning with China exceeds that of balancing.

¹⁰ Ministry of Foreign Affairs, "Japan's Effort for a Free and Open Indo-Pacific," May 2020, p. 7.