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# Japan's 'Resentful Realism' and Balancing China's Rise

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## Abstract

Japan has long been regarded by mainstream International Relations theories as a status quo power intent on pursuing an immobilist international strategy towards China characterized by hedging rather than any move to active balancing. The article argues that the conditions that are thought to encourage hedging behaviour—the predictability of other states' intentions, the malleability of intentions through engagement, domestic preferences that obviate balancing, and a favourable offence–defence balance—are now deteriorating in the case of Japan's strategy towards China. The consequence is that evidence is mounting of Japan's shift towards active 'soft' and incipient 'hard' balancing of China through a policy of active 'encirclement' of China diplomatically, the build-up of Japanese national military capabilities aimed to counter China's access denial and power projection, and the strengthening of the US–Japan alliance. This shift has become particularly evident since the 2010 trawler incident, and the return to power in 2012 of Prime Minister Abe Shinzō. The consequences of Japan's shifting strategy are not yet clear. Japan may be moving towards a form of 'Resentful Realism' that does not add new equilibrium to regional security but is actually more destabilizing and poses risks for China and the USA, especially as Japan's own security intentions become more opaque. These conclusions, in turn, invite a reconsideration of the comfortable theoretical consensus on Japan as an eternal status quo power.

## Japan an Incipient Balancer vis-à-vis China's Rise?

Might Japan's international strategy shift radically, or indeed is it already beginning a radical shift in response to China's rise? How might such a shift exert impact, long-term, on Sino–Japanese security relations, and US-led attempts to 'rebalance' the regional security order? Might Japanese 'Revisionist' governments even actively and overtly balance against China? Japan clearly maintains a fundamental interest in the rise of China, possible associated disturbances in the overall international system and East Asian regional order and,

most especially, the prospect of US unipolarity being displaced by a new multipolarity, or even China's eventual challenge for hegemonic dominance.<sup>1</sup>

Japan's vital interest in these developments is, of course, intensified all the more by its close geographical proximity to China, and interdependence of political, economic, and security interests; and by its position in the post-war period as essentially a status quo power supportive of the continuation of the US-led international order, and bound to the US by an ever-deepening alliance relationship. The expectation should be that any shifts in the US-led international and regional systems in which Japan has been so firmly embedded, and as precipitated by China, should pose questions about the precipitation of a similar counter-reaction from Japan. The more radical the impact of China on the regional order, the more proportionately radical Japan's response might be. Japan may choose to channel its response via the US–Japan alliance, and this may bolster the US security presence in the Asia-Pacific. Alternatively, if Chinese hegemony is truly perceived as on the cards, then this might be considered as necessitating Japan's initiation of a counter-hegemonic strategy, either in conjunction with or separate from the USA—all with potential ramifications for stability as the two largest East Asian states contend over the shape of the regional security order.

Thus far, however, Japan's reaction to China's rise has been regarded—so the public argument goes for the majority of Japanese and US policymakers and commentators—as highly restrained, and as demonstrating no fundamental change in Japanese international strategy.<sup>2</sup> Japanese policymakers, such as current Prime Minister Abe Shinzō, even as they work to revise national security strategies and military capabilities to guard against China's rise—most notably the Abe government's passing in September 2015 of extensive legislation to overturn the 60-year-old ban on the exercise of collective self-defence to expand the range of military support for the US–Japan alliance—utilize language to describe such strategy as a 'Proactive Contribution to Peace' (*sekkyoku-teki heiwashugi*), so to stress essential continuity with the demilitarized post-war past rather than change.

- 1 For an excellent overview of the arguments on China's rise and the prospects for the displacement of US hegemony, see Thomas J. Christensen, *The China Challenge: Shaping the Choices of a Rising Power* (New York: W. W. Norton and Company, 2015), pp. 63–94.
- 2 Reinhard Drifte, *Japan's Security Relations with China Since 1989: From Balancing to Bandwagoning?* (London: Routledge, 2003); Mike M. Mochizuki, 'China-Japan Relations: Downward Spiral or a New Equilibrium?', in David Shambaugh, ed., *Power Shift: China and Asia's New Dynamics* (Berkeley: University of California Press, 2005), pp. 135–50; David C. Kang, *China Rising: Peace, Power and Order in East Asia* (New York: Columbia University Press, 2007), pp. 154–82, 199; James Manicom and Andrew O'Neil, 'Sino-Japanese Strategic Relations: Will Rivalry Lead to Confrontation?', *Australian Journal of International Affairs*, Vol. 63, No. 2 (2009), pp. 213–32; Yoshihide Soeya, 'A "Normal" Middle Power: Interpreting Changes in Japanese Security Policy in the 1990s and After', in Yoshihide Soeya, Masayuki Tadakoro, and David A. Welch, eds., *Japan As A 'Normal' Country? A Nation in Search of its Place in the World* (Toronto: University of Toronto Press, 2011), pp. 72–97; Aaron L. Friedberg, *A Contest for Supremacy: China, America and the Struggle for Mastery in Asia* (New York: W. W. Norton and Company, 2011), pp. 211–13; Linus Hagström, 'Rethinking Japan's China Policy: Japan as an Accommodator in the Rise of China, 1978–2011', *Journal of East Asian Studies*, Vol. 12, No. 2 (2012), pp. 215–50.

Abe has argued in National Diet policy speeches that ‘the peaceful rise of China offers a great opportunity for Japan as well as for the international community. Under the principle of a “Mutually Beneficial Relationship Based on Common Strategic Interests” (*senryaku-teki gokei kankei*), we will further strengthen the trend of improving relations’.<sup>3</sup> Japan’s Ministry of Foreign Affairs (MOFA) maintains the official position that, despite various bilateral ‘differences’, especially over territorial and maritime security, ‘Stable Japan-China relations are essential not only to the citizens of both countries, but also to the peace and stability of the Asia-Pacific region as whole. Accordingly, based on the concept of the “Mutually Beneficial Relationship Based on Common Strategic Interests”, the Government of Japan will promote the development of Japan-China relations from a broad perspective through continued dialogues and cooperation at various levels.’<sup>4</sup> Japan’s new National Security Strategy (NSS) of 2013 stressed that, even in response to China’s perceived attempts to change the status quo by coercion in the East and South China Seas, ‘Japan will urge China to exercise self-restraint and will continue to respond firmly but in a calm manner without escalation’, so claiming that it would not be the power to break the status quo.<sup>5</sup> Meanwhile, US–Japan alliance managers and insiders flatly reiterate the mantra that Japan remains a disciplined partner in any hedging strategy towards China.<sup>6</sup>

From the perspective of Neo-realism, many analysts agree that Japan has so far failed to react to the changing international structure or to display either significant balancing, or less probable bandwagoning behaviour, vis-à-vis China’s rise. Japan’s apparent lack of a balancing impulse appears to defy the conventional Neo-realist predictions of state behaviour and to continue to fulfil its characterization as a ‘structural anomaly’.<sup>7</sup> In the absence of a compelling Neo-realist analysis, in recent years much explanation of Japan’s international relations has lapsed into Constructivist perspectives, which stress the primacy of deep-rooted domestic anti-militaristic norms and principles over international structural pressures.<sup>8</sup> For the Constructivist take on Japan, therefore, the emphasis has been on continuity and stasis in Japan’s international strategy, to the point where its security policy is

- 3 Prime Minister of Japan, ‘Policy Speech by Prime Minister Shinzo Abe to the 190<sup>th</sup> Session of the Diet’, 22 January, 2016, [http://japan.kantei.go.jp/97\\_abe/statement/201601/1215627\\_10999.html](http://japan.kantei.go.jp/97_abe/statement/201601/1215627_10999.html).
- 4 Ministry of Foreign Affairs Japan, *Diplomatic Bluebook 2015* (Tokyo: Ministry of Foreign Affairs Japan, 2015), p. 52.
- 5 Cabinet Office Japan, *National Security Strategy*, 17 December, 2013, <http://www.cas.go.jp/jp/siryu/131217anzenhoshou/nss-e.pdf>, p. 25.
- 6 Richard L. Armitage and Joseph S. Nye, *The US-Japan Alliance: Anchoring Stability in Asia* (Washington, DC: Center for Strategic and International Studies, 2012), [http://csis.org/files/publication/120810\\_Armitage\\_USJapanAlliance\\_Web.pdf](http://csis.org/files/publication/120810_Armitage_USJapanAlliance_Web.pdf), pp. 8–10.
- 7 Kenneth A. Waltz, ‘The Emerging Structure of International Politics’, *International Security*, Vol. 18, No. 2 (1993), pp. 44–79.
- 8 Peter J. Katzenstein and Nobuo Okawara, ‘Japan’s National Security: Structures, Norms, and Policies’, *International Security*, Vol. 17, No. 4 (1993), pp. 84–118; Thomas U. Berger, *Cultures of Antimilitarism: National Security in Germany and Japan* (Baltimore: Johns Hopkins University Press, 1998); Andrew L. Oros, *Normalizing Japan: Politics, Identity, and the Evolution of Security Practice* (Stanford: Stanford University Press, 2008).

claimed as akin to an ‘immovable object’.<sup>9</sup> Meanwhile, although Neo-liberal Institutionalism has been more marginal as a distinct perspective applied to Japan, especially given the dominance of Constructivism and its ‘positive’ norms of anti-militarism that offer crossover with key tenets of Liberalism-type outcomes, it too has emphasized continuity in Japanese international strategy, or ‘Cautious Liberalism’, marked again by a lack of impulse to pursue balancing.<sup>10</sup>

In the midst of this Constructivist stranglehold on the study of Japan’s international and security orientation, the best traction Neo-realism and its variants has been able to gain on the debate has been to introduce explanations that essentially corroborate the consensus on Japan’s lack of propensity to diverge from its post-war security stance and to avoid active balancing. Japan has been evaluated as pursuing various ‘Realist’-oriented strategies to respond to China’s rise, such as a Japanese-specific variant of ‘Defensive Realism’, which sees Japan concentrating on ‘homeland defence’ through the acquisition of ‘defensive’ weaponry and the eschewing of broader international security objectives outside its own territory that would involve influencing the balance of power.<sup>11</sup> Japan has also been categorized as pursuing a ‘buck-passing’ strategy and essentially passive reliance on the USA to cope with China’s rise.<sup>12</sup>

More prevalently, Japan has been perceived as moving towards a strategy of ‘Reluctant Realism’, with a gradualistic propensity to work with its US ally to meet common security challenges.<sup>13</sup> ‘Reluctant Realism’ is the view that perhaps edges closest to suggesting that Japan might cautiously consider balancing China, but in all these variants of Neo-realism/Realism, Japan is regarded as largely passive in responding to China’s rise, and likely to balance solely via the mechanism of the US–Japan alliance and never individually. In fact, most Neo-realist/Realist views settle on the argument that at the very most Japan is set to hedge rather than balance against China’s rise, or in one important formulation to practice ‘cooperative engagement with a soft hedge’.<sup>14</sup>

- 9 Richard H. Friman, Peter J. Katzenstein, David Leheny, and Nobuo Okawara, ‘Immovable Object? Japan’s Security Policy in East Asia’, in Peter J. Katzenstein and Takashi Shiraishi, eds., *Beyond Japan: The Dynamics of East Asian Regionalism* (Ithaca: Cornell University Press, 2006), pp. 85–107.
- 10 Thomas U. Berger, ‘Japan’s International Relations: The Political and Security Dimensions’, in Samuel S. Kim, ed., *The International Relations of Northeast Asia* (New York: Rowman and Littlefield, 2004), pp. 101–34.
- 11 Paul Midford, *Rethinking Japanese Public Opinion and Security: From Pacifism to Realism?* (Stanford: Stanford University Press, 2011).
- 12 Jennifer Lind, ‘Pacifism or Passing the Buck? Testing Theories of Japanese Security Policy’, *International Security*, Vol. 29, No. 1 (2004), pp. 92–121.
- 13 Michael Jonathan Green, ‘Managing Chinese Power: The View from Japan’, in Alastair Iain Johnson and Robert S. Ross, eds., *Engaging China: The Management of an Emerging Power* (London: Routledge, 1999), pp. 159–72; Michael J. Green, *Japan’s Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power* (New York: Palgrave, 2001).
- 14 Mike M. Mochizuki, ‘Japan’s Shifting Strategy Toward the Rise of China’, *Journal of Strategic Studies*, Vol. 30, No. 4–5 (2007), pp. 739–76; Evelyn Goh, ‘How Japan Matters in the Evolving East Asian Security Order’, *International Affairs*, Vol. 87, No. 4 (2011), pp. 895–96; Michael J. Green, ‘Japan, India and the Strategic Triangle with China’, in Ashley J. Tellis,

The somewhat curious implicit consensus among the supposedly contending perspectives of Neo-realism, Constructivism, and Liberalism that Japan has been, continues to be, and will likely remain, highly restrained in responding to China's rise might seem to render redundant any further discussion of a possibly more radical Japanese reaction, including the impulse to balance more actively. Japan's 'Yoshida Doctrine'—classically formulated as a concentration on economic engagement, an 'exclusively defence-oriented' security posture, and reliance on the shield of US hegemony—would appear to be a highly entrenched grand strategy for Japanese policymakers.<sup>15</sup>

But in spite of the need to recognize the inevitable continuities and inertia in the pursuit of any grand strategy, alternative analyses have in recent years pointed to the signs that Japan is capable of, and is actually embarking on, a trajectory of radical change in its international strategy, even though this is occurring in such incremental steps as to be almost imperceptible at times to paradigms that tend to search for more dramatic shifts. Japan's ever-growing flirtation since the early 2000s with 'Revisionist' Liberal Democratic Party (LDP) regimes, and to boot a brief-lived Democratic Party of Japan (DPJ) regime, with strong emphases on national defence reform and breaching past anti-militaristic principles to achieve a 'normal' security role (or, more straightforwardly put, remilitarization of security policy) coupled with ever-intensifying and seemingly intractable security frictions with China, obliges even the most diehard of Constructivists and Liberals to take stock of whether their status quo perspectives can still be reconciled with these increasingly dynamic and long-term developments.<sup>16</sup> Most particularly, the advent since 2012 of Abe Shinzō's arch-revisionist LDP administration and its systematic dismantlement of the post-war constraints on Japan's exercise of military power—including the 2015 breach of the ban on the exercise of collective self-defence, in large part a direct reaction to Sino-Japanese tensions over the disputed Senkaku/Diaoyu Islands and maritime security—indicates a Japanese propensity to search for a new grand strategy, including the turning point of an incipient shift to balancing behaviour against China.

In turn, even if Constructivism and Liberalism have been slow to recognize and account for these developments, the changing security dynamics within and surrounding Japan have opened up space for Neo-realist analysis to consider whether its estimations of a restrained Japanese response to China's rise also remain accurate, and if a shift to balancing might be increasingly apropos to this perspective's basic assumptions about state behaviour in a more fluid international system. Neo-realist-oriented analyses have thus recently begun to appear which venture to argue that Japan is inching towards balancing against the rise of

Travis Tanner and Jessica Keough, eds., *Strategic Asia 2011-12: Asia Responds to its Rising Powers* (Seattle: National Bureau of Asian Research, 2011), pp. 131–59.

- 15 Sun-Ki Chai, 'Entrenching the Yoshida Doctrine: Three Techniques for Institutionalization', *International Organization*, Vol. 51, No. 3 (1997), pp. 389–412; Richard J. Samuels, *Machiavelli's Children: Leaders and their Legacies in Italy and Japan* (Ithaca: Cornell University Press, 2003), pp. 200–11.
- 16 Christopher W. Hughes, *Japan's Reemergence as a 'Normal' Military Power* (Oxford: Oxford University Press, 2004); Christopher W. Hughes, *Japan's Remilitarisation* (London: Routledge, 2009); Jeffrey Hornung, 'With a Left Like This, Who Needs the Right?', *Japan Chair Platform*, 11 February, 2011, [http://csis.org/files/publication/110211\\_Hornung.pdf](http://csis.org/files/publication/110211_Hornung.pdf).

China.<sup>17</sup> Nonetheless, it is perhaps fair to say that these analyses remain on the margins of the debate and have yet to decisively challenge the mainstream Neo-realism–Constructivism–Liberalism consensus on Japan’s lack of propensity to balance China.

They are perhaps hampered in this effort by the tendency to observe the first symptoms of balancing behaviour in terms of the build-up of diplomatic and military activities and capabilities, but are then less able to follow through with focus and precision on explaining why and when this behaviour may actually occur, so depriving their analysis of the theoretical and empirical impetus necessary to overturn the default status quo view that very much focuses on why change is improbable. The result is that, despite there being pressing theoretical and empirical indicators suggesting the necessity, avenues for investigation, and the feasibility of such an exercise, there are still no sustained attempts in much of the Japan-centred debate to break down the consensus over the essential immutability of Japan’s international strategy and the apparent refusal to consider that it is shifting to balance China.<sup>18</sup>

The consequent objective of this article is to pick up on these emergent arguments that test the current consensus and to engage squarely in an attempt to determine the likelihood of Japan shifting to balance against China, and the consequences for Sino–Japanese

- 17 John J. Mearsheimer, ‘China’s Unpeaceful Rise’, *Current History*, Vol. 105, No. 690 (2006), pp. 160–62; Robert S. Ross, ‘Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia’, *Security Studies*, Vol. 13, No. 3 (2010), pp. 387–89; Jae Ho Chung, ‘East Asia Responds to the Rise of China: Patterns and Variations’, *Pacific Affairs*, Vol. 82, No. 2 (2009), pp. 657–75; Derek McDougall, ‘Responses to “Rising China” in the East Asia Region: Soft Balancing with Accommodation’, *Journal of Contemporary China*, Vol. 21, No. 73 (2012), pp. 8–9; Bjørn Elias Mikalsen Grønning, ‘Japan’s Shifting Military Priorities: Counterbalancing China’s Rise’, *Asian Security*, Vol. 10, No. 1 (2014), pp. 1–21; Jeffrey W. Hornung, ‘Japan’s Growing Hard Hedge Against China’, *Asian Security*, Vol. 10, No. 2 (2014), pp. 97–122; Jeffrey W. Hornung, ‘Japan’s Pushback of China’, *The Washington Quarterly*, Vol. 38, No. 1 (2015), pp. 167–83.
- 18 Japan’s shift to balance China has, though, been observed in Chinese academic literature. For examples of recent analysis that argue Japan is beginning to compete against, balance and even contain China, see Miao Ji and Li Fujian, ‘Zhanlue jieju yu zhanlue tiaoshi: Ri Ao dui Zhongguo jueqi de fanying’ (‘Strategic Vigilance and Adaptation: Japan’s and Australia’s Responses to the Rise of China’), *Waijiao pinglun (Foreign Affairs Review)*, No. 1 (2014), pp. 70–89; Wang Shan, ‘Shipingxi Anbei zhengquan “baituo zhanhou tizhi” de waijiao jucuo’ (‘A Preliminary Review of the Abe Administration’s Diplomatic Initiatives to “Escape the Postwar Regime” ’), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 9 (2013), pp. 39–43; Zhu Haiyan, ‘Ri Ao guanxi “tongmenghua” de xinfazhan jiqi qianjing’ (‘New Developments and the Prospect of “Alliance Orientation” in Japan–Australia Relations’), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 8 (2014), pp. 44–51; Chen Xin, ‘Qianxi Anbei “zhanlue waijiao” ’ (‘A Brief Analysis of Abe’s “Strategic Diplomacy” ’), *Xiandai guoji guanxi (Contemporary International Relations)*, No. 9 (2014), pp. 15–22; Yang Guanghai, ‘Ribei jieru nantai zhengduan de xindongxiang ji xintedian’ (‘New Directions and Features of Japan’s Intervention in the South China Sea Dispute’), *Heping yu fazhan (Peace and Development)*, No. 5 (2015), pp. 96–113; Shi Yongming, ‘Cong diqu zhixu goujian kan Ribei de xin anbao fa’an’ (‘Examining Japan’s New Security Legislation from the Perspective of Regional Order Building’), *Heping yu fazhan (Peace and Development)*, No. 6 (2015), pp. 1–14.

relations, for Japan's overall international strategy, and for East Asian security more widely. The article asks whether it is now possible to credibly envisage, or indeed already observe, a shift from a restrained hedging stance to one more approximating to soft-balancing and incipient 'hard balancing'. More specifically, the article asks, by revisiting much of the theoretical analysis concerning Japan to date, and in noting the difficulty of challenging the consensus without greater precision on explaining how deviation from the status quo will occur, whether it can be discerned under exactly what conditions, and when Japan is likely to shift, or is already shifting, towards active balancing.

The article undertakes this project by considering four sets of key conditions found in extant theory that indicate when a state which has traditionally not pursued balancing behaviour then begins to turn to this strategy. These are found in varieties of Neo-realism, Neo-classical Realism, and to some extent Liberalism, and are, namely: the ability of states to read accurately or otherwise the benign or malign strategic intentions of states that they may then need to balance against; the faith of states in their capacity to mould the intentions of other states in a benign direction; assessments about the changing distribution of offensive versus defensive capabilities that might induce balancing behaviour; and the transformation of the domestic policymaking process away from past tendencies to 'underbalancing'.<sup>19</sup>

This reinvestigation of the existing orthodoxy on Japan's restrained and hedging stance towards China, and the concomitant propensity for Japanese balancing behaviour, is important in two main ways. First, determining if Japan is likely to move towards balancing, and under what conditions and when, has significant policy implications for regional security. It may reveal the likely intensity of any Japanese balancing behaviour, and its impact on Sino-Japanese security relations, as well as on US security strategy in the region and the evolution of the overall regional security order. Japan's repurposing of its strategy towards China and subsequent own potential balancing strategy raises questions on the degree of its conformity with the current US 'rebalance' strategy towards the Asia-Pacific. Conversely, in looking to discover the underlying conditions that might precipitate Japanese balancing of China, this investigation should reveal the causes of bilateral tensions and how these might be mitigated or even averted.

Secondly, an attempt to investigate Japan's propensity for change, characterized by incipient balancing behaviour, produces an important contribution to the theoretical debates on Japanese international strategy. As already noted, the tendency of much scholarship on Japan has been to emphasize stasis or general 'immobilism' in its security policy, but if the ensuing article can reveal the conditions which will result, or have already resulted, in Japan's shifting from a hedging to a balancing stance, then this will oblige reconsideration of the current Constructivist, Liberal, and Neo-realist interpretations which at times have bordered on dogma in their holding to a picture of continuity and moderation in Japanese security policy, even in the face of mounting signs of Japanese remilitarization.<sup>20</sup>

19 Randall L. Schweller, *Unanswered Threats: Political Constraints on the Balance of Power* (Princeton: Princeton University Press, 2006).

20 J. A. A. Stockwin, 'Dynamic and Immobilist Aspects of Japanese politics', in J. A. A. Stockwin, Alan Rix, Aurelia George, James Horne, Daiichi Ito, and Martin Collick, eds, *Dynamic and Immobilist Politics in Japan* (London: Macmillan, 1988), pp. 1–21.



The purpose of this article is certainly not to suggest that any of these perspectives is theoretically bankrupt, but more to argue for the need for ‘analytical eclecticism’.<sup>21</sup> But it also argues for an eclecticism or consensual approach that is not stuck in a rut of arguing for continuity when the evidence is patently increasing of change in Japan’s surrounding international structure and domestic policy processes that should generate change in its international and security strategy. This is especially so when the logic of many of these perspectives’ own assumptions indicates the conditions for, and thus is in conformity with, the evidence for the possibility of Japan deviating from its post-war course of international strategy.

The broader conclusion this article drives towards in considering Japan’s propensity for change in international strategy and a shift towards balancing behaviour is that Japan is now adopting a posture which might be termed ‘Resentful Realism’, rather than the more prevalent ‘Reluctant Realism’ model.<sup>22</sup> Japan, in contrast to Reluctant Realism’s positing of a restrained Japanese security stance closely and largely satisfactorily aligned with the USA, is now flirting with a more unpredictable form of security policy. This Japanese security stance is driven predominantly by concerns about China’s rise, and will surely involve to a great extent close alignment with US hedging and balancing strategies towards China. Nonetheless, Japan’s ‘Resentful Realism’ is likely at the same time to be characterized by heightened Japanese concerns vis-à-vis not just China but also the robustness of US security guarantees, and especially entrapment and abandonment concerns.

The result is a Japan that will feel obliged to experiment with aspirations for greater international autonomy, and fluctuate between hedging and hard balancing towards China. All of this may make Japan not only a more ‘Realist’ power ready to balance, but also one that is far less consistent in the execution of balancing strategies. In addition, Japan’s ‘Resentful Realism’ will differ from standard Realist balancing impulses because it is likely to acquire a new unpredictability, given that it is more emotionally charged with Revisionist sentiments that indeed resent dependence on the USA or surpassing by China as detrimental to national morale, and producing in turn strong and uncertain counter-reactions. Thus, contrary to the hopes of many in Japan and the USA that have advocated a more ‘normal’ security policy, these changes will actually make Japan a destabilizing rather than stabilizing presence in the regional security landscape. This can only further exacerbate the condition of already precarious Sino–Japanese security relations.

## Explaining Impulses and Shifts Towards Balancing and Away from Hedging

If many of the theories already currently applied to explaining Japan’s international strategy have concluded that it has adopted a restrained and hedging posture to eschew overt balancing, it is a logical inverse corollary that these perspectives must provide insights into the conditions and timing for both ceasing to hedge and pivoting towards a balancing

- 21 Peter J. Katzenstein and Nobuo Okawara, ‘Japan, Asia-Pacific Security, and the Case for Analytical Eclecticism’, *International Security*, Vol. 26, No. 3 (2001), pp. 153–85; Yasuhiro Izumikawa, ‘Explaining Japanese Antimilitarism: Normative and Realist Constraints on Japan’s Security Policy’, *International Security*, Vol. 35, No. 2 (2010), pp. 123–60.
- 22 Christopher W. Hughes, ‘The Democratic Party of Japan’s New (But Failing) Grand Security Strategy: From “Reluctant Realism” to “Resentful Realism”?’ *Journal of Japanese Studies*, Vol. 38, No. 1 (2012), pp. 109–40.



strategy. Variants of Neo-realism and Liberalism indicate a number of ways in which 'secondary states' or 'second-tier powers' such as Japan may react to changes in the distribution of capabilities and the international structure—manifested in adjustments to the balance of power, or more drastically systemic power transitions and hegemonic rises and falls—and how these may precipitate reconsiderations of grand strategies.<sup>23</sup>

Offensive Realism presents the default position that states confronting changes in the international structure and disadvantageous movements in relative gains will seek to initiate balancing to restore equilibrium, or if this is not possible, more rarely bandwagoning behaviour.<sup>24</sup> For Offensive Realism, the underlying conditions to precipitate balancing are concerns over disadvantageous movements in relative capabilities and gains, the assumption that security is scarce, and that states must consequently maximize power to overcome these challenges. States will seek to 'hard balance' both internally through the build-up of their own national and autonomous military capabilities, and externally through the aggregation of capabilities with alliance and coalition partners, even if this entails attendant risks of entrapment and abandonment imposed by the senior ally.<sup>25</sup> Offensive Realism has also indicated that great powers or secondary states might pursue a 'soft balance' against an existing hegemonic or rising power, through agendas designed to diplomatically, economically, and less often militarily, complicate their exercise of dominance.<sup>26</sup>

If Offensive Realism represents the type of balancing position that states may gravitate towards under certain, and perhaps extreme, conditions, then Defensive Realism, as another variant of Neo-realism, indicates the alternative conditions that may pertain for states to pursue more restrained balancing and alternative strategies of hedging. Again, the logical inverse corollary applies that the deterioration or absence of these conditions for refraining from hedging should generate balancing behaviour along the lines of Offensive Realism's predictions.

Defensive Realism argues that states view changes in relative capabilities as less concerning and security less scarce, and thus may undertake less radical balancing behaviour, based on several assumptions. First, states in considering the need to balance against capabilities will take into account the geographic variables in enhancing their security, and most importantly the perceived 'offence-defence balance' between military technologies, provided either through a state's internal capabilities or externally by an ally, with a defensive superiority that tends to restrain the need for Offensive Realism-type active balancing.<sup>27</sup>

23 Ross, 'Balance of Power Politics and the Rise of China', pp. 355–95.

24 John, J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W. W. Norton and Company, 2001).

25 Glenn H. Snyder, 'The Security Dilemma in Alliance Politics', *World Politics*, Vol. 36, No. 4 (1984), pp. 461–95.

26 T. V. Paul, 'Soft Balancing in the Age of US Primacy', *International Security*, Vol. 30, No. 1 (2005), pp. 46–71; Robert Pape, 'Soft Balancing against the United States', *International Security*, Vol. 30, No. 1 (2005), pp. 7–45; Stephen Brooks and William Wohlforth, 'Hard Times for Soft Balancing', *International Security*, Vol. 30, No. 1 (2005), pp. 72–108.

27 Robert Jervis, 'Cooperation Under the Security Dilemma', *World Politics*, Vol. 30, No. 2 (1978), pp. 167–214; Jack S. Levy, 'The Offensive/Defensive Balance of Military Technology: A Theoretical and Historical Analysis', *International Studies Quarterly*, Vol. 28, No. 2 (1984), pp. 219–38; Sean M. Lynn-Jones, 'Offense-Defense Theory and its Critics', *Security Studies*, Vol. 4, No. 4 (1995), pp. 660–91; Charles L. Glaser and Chaim Kaufmann, 'What is the

Secondly, states are seen to balance not just capabilities but also threats and intentions.<sup>28</sup> Somewhat surprisingly, despite Defensive Realism's emphasis on the perception of threat as the key trigger for balancing behaviour, it has not always been precise or fulsome in defining under what conditions or in line with what 'indices' another state's behaviour may be perceived as threatening.<sup>29</sup> More recent analysis, though, has begun to pinpoint more exactly these detailed conditions for sensing threats.

States will evaluate the benign or malign intentions of states, judged through a menu of criteria including knowledge of the predictability of and compatibility with other states' political leadership and ideologies; their observation of bilateral agreements and treaties; their commitment to economic partnerships; and their meaningful cooperative participation in multilateral institutions.<sup>30</sup> In addition, states may evaluate the intentions of other states as benign or malign based on the degree to which they are perceived as malleable and their capacity to influence them through means such as political and economic engagement.<sup>31</sup>

Neo-classical Realism adds to Defensive Realism's analysis of intentions by arguing that states may refrain from balancing, or mistakenly 'underbalance' despite strategic needs, due to domestic political conditions. These conditions comprise: elite consensus or fragmentation concerning the nature and response to potential threats; degrees of wider social cohesion in agreeing or dissenting over the nature of the threat and response; and the degree of the legitimacy of the state's government, entailing, according to Neo-classical Realism, a higher degree of legitimacy leading to a higher preparedness to balance robustly.<sup>32</sup>

The presence of these conditions of an offence–defence balance privileging defensive technologies; a reading of other states' intentions as benign and as subject to malleability; and a domestic consensus unfavourable to reading intentions as strictly malign, should thus limit inclinations to actively hard or soft balance, and open up space for alternative strategies, or more specifically hedging. Thus, in line with Defensive Realism's assumptions, states may pursue minimalist balancing internally and externally, but also strategies of

Offense-Defense Balance and Can We Measure It?', *International Security*, Vol. 22, No. 4 (1998), pp. 44–82; Stephen Van Evera, 'Offense, Defense, and the Causes of War', *International Security*, Vol. 22, No. 4 (1998), pp. 5–42; Jeffrey W. Taliaferro, 'Seeking Security Under Anarchy: Defensive Realism Revisited', *International Security*, Vol. 25, No. 3 (2000–2001), pp. 136–41; Robert S. Ross, 'The Geography of Peace: East Asia in the Twenty-First Century', *International Security*, Vol. 23, No. 4 (1999), pp. 109–11.

- 28 Stephen M. Walt, *The Origins of Alliances* (Ithaca: Cornell University Press, 1990), pp. 17–49.
- 29 For early studies in the Defensive Realism tradition to elaborate the indices that impact on the image and thus threat perception of states, see Robert Jervis, *The Logic of Images in International Relations*, (New York: Columbia University Press, 1989).
- 30 David M. Edelstein, 'Managing Uncertainty: Beliefs about Intentions and the Rise of Great Powers', *Security Studies*, Vol. 12, No. 1 (2002), pp. 10–13; Steve Chan, *Looking for Balance: China, the United States and Power Balancing in East Asia* (Stanford: Stanford University Press, 2012).
- 31 Edelstein, 'Managing Uncertainty', pp. 13–14.
- 32 Schweller, *Unanswered Threats*, pp. 11–12; Randall Schweller, 'Unanswered Threats: a Neoclassical Realist Theory of Underbalancing', *International Security*, Vol. 29, No. 2 (2004), pp. 159–201.

engagement, or in the case of smaller states ‘omni-enmeshment’ to influence and moderate the behaviour of other states to obviate the need for harder balancing.<sup>33</sup>

It is in these engagement strategies that elements of Defensive Realism crossover with strains of Liberal perspectives on state strategies to respond to hegemonic power transitions. For even though Liberalism clearly starts with very different assumptions about state preoccupations with absolute rather than relative gains, it does share similar assumptions that other states’ behaviour can be influenced through engagement, as with Defensive Realism’s recognition of the possibilities of hedging to effect state objectives.<sup>34</sup> Indeed, this type of crossover between Defensive Realism and Liberalism in possible scenarios of power transition can be found in the concept of the US’s ‘Liberal Grand Strategy’ as a means to induce rising states such as China to demonstrate their benign intentions, act as ‘status quo powers’, and conform to the existing liberal hegemonic order.<sup>35</sup> Liberalism’s belief in the utility of engagement to respond to rising powers corresponds to Defensive Realism’s stress on the importance of the comprehensibility and malleability of the intentions of other states, and thus focuses on attempts to shape benign intentions through a number of mechanisms: the promotion of economic interdependence to raise the costs of conflict; seeking to embed other states in regional and multilateral institutions; and supporting the development of pluralistic and liberal values in other states’ domestic political systems to promote the conditions for cooperation.

In combination, therefore, Defensive Realism and Liberalism indicate a range of overarching conditions and facilitating sub-conditions—superiority of defensive capabilities, predictability, and malleability of other states’ intentions, domestic political constraints ill-disposed to balancing, and the believed utility of various engagement mechanisms—that if prevalent enable states to exercise hedging strategies. Conversely, though, if any of these conditions deteriorates or is absent, then it is probable a state may shift gear back to a form of default Offensive Realism and soft and hard balancing.

These conditions and Japan’s correspondence to them in the case of China are summarized in Table 1. The next sections of this article move on to examine the extent to which Japan has in the past and continues to devise its China policy in the presence of these conditions, thus enabling it to maintain a Defensive Realist-Liberal Grand Strategy type of international strategy characterized by hedging, or whether these conditions are indeed eroding and so obliging Japan to shift more towards a balancing strategy.

- 33 Evelyn Goh, ‘Great Powers and Hierarchical Order in Southeast Asia’, *International Security*, Vol. 32, No. 3 (2007/2008), pp. 113–57.
- 34 David A. Lake, ‘Great Power Hierarchies and Strategies in Twenty First Century World Politics’, in Walter Carlsnaes, Thomas Risse and Beth A. Simmons, eds., *Handbook of International Relations*, (London: Sage, 2002), pp. 555–79.
- 35 G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis and Transformation of the American World Order* (Princeton: Princeton University Press, 2012), pp. 333–60; Barry Buzan, ‘China in International Society: Is “Peaceful Rise” Possible?’, *Chinese Journal of International Politics*, Vol. 3, No. 1 (2010), pp. 5–36; Alastair Iain Johnson, ‘Is China a Status Quo Power?’, *International Security*, Vol. 27, No. 4 (2003), pp. 5–56.

**Table 1.** Japan's Degree of Conformity with the Prevalence or Absence of Conditions that Determine the Predilection to Engage, Hedge and Balance vis-à-vis China

Theoretical paradigm	Overall determining conditions	Facilitating conditions	Cold War and early post-Cold War degree of prevalence/absence	Strategic predilection: engagement/hedging/soft and hard balancing	Later post-Cold War and contemporary period degree of prevalence/absence	Strategic prediction: engagement/hedging/soft and hard balancing
Defensive Realism	Offence–defence balance favourable	Dominance of national defence capabilities	Prevalent		Deteriorating	
	Intentions perceived as benign	Predictability/compatibility of bilateral leaderships and ideologies	Prevalent		Deteriorating	
		Observation of bilateral treaties and agreements	Emerging/Prevalent		Deteriorating	
	Intentions perceived as malleable towards benignity	Commitment to bilateral economic partnerships	Emerging/Prevalent		Deteriorating	
		Cooperative participation in multilateral frameworks	Emerging		Deteriorating	
	Domestic politics disposed to 'underbalancing'	Political elites' consensus on potential threats as minimal	Prevalent	Engagement/hedging	Deteriorating/absent	Soft balancing/incipient hard balancing
			Prevalent		Deteriorating/absent	
		Societal consensus on nature of potential threats as minimal	Prevalent		Deteriorating/absent	
			Emerging		Deteriorating	
	Liberalism	Intentions perceived as malleable towards benignity	Economic interdependency outweighing costs of conflict	Prevalent		Deteriorating
Embedding of relations in cooperative multilateral and regional frameworks			Emerging		Deteriorating	
		Development of complementary political and societal pluralistic values	Emerging		Deteriorating/absent	

## Japan's Past Hedging Strategy Towards China

If Japan's international strategy is evaluated throughout most of the post-war period up until the first decade of the new millennium—and thus at the point when it perhaps received the most sustained analysis and the theoretical orthodoxies were put in place that carry over to the present day—it can be said very much to conform to a restrained balancing or hedging stance in response to the emerging transformation of the surrounding regional system. Japan's 'Yoshida Doctrine' as grand strategy has in many ways been a classic manifestation of hedging and the 'Pragmatist' approach, made possible by a set of conditions conducive to restrained alignment and balancing with the USA and engagement of a rising China.<sup>36</sup>

### Reading and Moulding China's Intentions

In terms of Defensive Realism's facilitating conditions, Japan's sense of the need to consider balancing for much of this period was clearly mitigated by the belief that China actually posed little meaningful threat because of its largely benign, or at the very least carefully contained malign intentions. Japan's political leadership during the Cold War period was predominantly pre-occupied with the threat from the Union of Soviet Socialist Republics (USSR), which was viewed as holding genuinely malign intentions, even stretching to the likelihood of nuclear attack and territorial invasion. By contrast, the majority of Japanese policymakers generally regarded the Communist Party of China (CCP) as a regime focused on political and economic survival and state-building after prolonged periods of civil war, foreign interventions, and confrontations with the USSR and USA, and one that would prove vital to work with for Japan's own economic prosperity in the long run.<sup>37</sup> Instead, rather than domestic policy opinion, the greater complication for Japan's relations with the People's Republic of China (PRC) was the US–Japan security treaty, and as the corollary the necessary maintenance of relations with Taiwan and the lack of normalized diplomatic relations with the mainland.<sup>38</sup>

Nevertheless, Japan and China were able throughout much of the Cold War, and especially after US–China rapprochement and the normalization of Sino–Japanese relations in 1972 and the Sino–Japanese Treaty of Peace and Friendship in 1978, to read each other's intentions and to establish a relatively comfortable *modus vivendi*. Japan's political and bureaucratic leaders, if measured against Defensive Realism's criteria for assessing other states' intentions, shared confidence that they maintained sufficiently close personal connections or 'pipes' with the CCP to predict state ideology and benign intentions.<sup>39</sup> In particular, the LDP's Tanaka–Takeshita and Ikeda–Miyazawa factions, the former responsible for the normalization of ties, felt they knew China's key leaders well enough to negotiate and defuse any tensions.

- 36 For the 'Yoshida Doctrine' as pursued by Japan's strategic 'Pragmatists' see Richard J. Samuels, *Securing Japan: Tokyo's Grand Strategy and the Future of East Asia* (Ithaca: Cornell University Press, 2007), pp. 31–33.
- 37 Ming Wan, *Sino-Japanese Relations: Interaction, Logic and Transformation* (Stanford: Stanford University Press, 2006), pp. 99–105.
- 38 Glenn D. Hook, Julie Gilson, Christopher W. Hughes, and Hugo Dobson, *Japan's International Relations: Politics, Economics and Security* (London: Routledge, 2011), pp. 166–68.
- 39 Iwanaga Kenkichirō, *Sengo Nihon no Seitō to Gaikō (Postwar Japanese Political Parties and Diplomacy)* (Tokyo: Tokyo Daigaku Shuppankai, 1985); Wan, *Sino-Japanese Relations*, pp. 101–05.

Japanese leaders, along with the rest of the region, were taken aback by China's internal convulsions during the Great Leap Forward and Cultural Revolution, and were cognizant of the CCP's periodic launching of 'people's diplomacy' and domestic anti-Japanese historical sentiment to pressure Japan over relations with the USA and Taiwan. At the same time, though, Japan's policymakers were confident that communist and anti-Japanese ideology was subordinated to a pragmatic Chinese need to engage with Japan economically and to assist in building influence against the USSR in the midst of the Sino-Soviet split. Japan and China's leadership were thus able to shelve issues of nationalist contention such as colonial history and territorial disputes.<sup>40</sup> Both sides also enjoyed confidence that the 1972 Joint Communiqué and the Sino-Japanese peace treaty were agreements that worked to establish common principles for interaction, including no explicit references to, and thus no politicization of history; non-interference; non-aggression; the peaceful resolution of disputes; and the non-pursuit of hegemony by either state.<sup>41</sup>

Moreover, not only did Japanese policymakers feel that they could through this '1972 system' of bilateral relations gauge China's intentions, but they also held a conviction that these intentions could be subject to malleability.<sup>42</sup> The CCP was perceived as a regime utilizing communist ideology to unify China rather than inherently holding to this ideology itself. Japanese policymakers were particularly optimistic that China could be encouraged to forge closer bilateral ties and reintegrate itself into the regional order following the end of the Cultural Revolution and the instalment in power of Deng Xiaoping and the 'second generation' of leadership, and the regime's subsequent concentration on 'opening up' and economic reform. Japanese leaders were convinced from the 1980s onwards that they possessed the opportunity and the political but above all economic capacity to influence China's international strategy through supporting its domestic reformers and economic engagement. Japan's confidence in the movement towards reform and how this would promote cooperative relations was such that it was even at the forefront of efforts to avoid the international isolation of China after the Tiananmen Square incident in 1989.

### Domestic Consensus

Japan's interest to engage China and avoid any move towards containment was reinforced in this period by a general domestic policy consensus. The majority of policymakers involved in relations with China, including the LDP's 'mainstream' Tanaka-Takeshita and Ikeda-Miyazawa factions, and other political parties such as the Kōmeitō (later New Kōmeitō); and MOFA, and especially its then powerful China and Mongolia Division, favoured engagement to induce cooperation.<sup>43</sup> For sure, there were more 'Revisionist' elements of Japan's political leadership in the LDP, such as the Kishi (later Machimura, and

40 Thomas U. Berger, *War, Guilt, and Politics After World War II* (Cambridge, Cambridge University Press, 2012), pp. 161–64; James Reilly, *Strong Society, Smart State: The Rise of Public Opinion in China's Japan Policy* (New York: Columbia University Press, 2012), pp. 55–97.

41 Ryōsei Kokubun, 'Changing Japanese Strategic Thought Toward China', in Gilbert Rozman, Kazuhiko Togo and Joseph P. Ferguson, eds., *Japanese Strategic Thought Toward Asia* (New York: Palgrave Macmillan, 2007), pp. 137–58.

42 Wan, *Sino-Japanese Relations*, pp. 84–86.

43 Tanaka Akihiko, *Nicchū Kankei 1945-1990 (Sino-Japanese Relations 1945-1990)* (Tokyo: Tōkyō Daigaku Shuppankai, 1996), pp. 189–207.

now Hosoda) faction, that regarded China as a genuine communist threat and source of instability à la the pre-war period, and favoured capitalist Taiwan instead, but these were largely pushed aside by the mainstream of the LDP.<sup>44</sup> Similarly, at the broader societal level, Japanese public opinion in this period maintained a very positive, for some even 'romanticized' view, of Sino-Japanese relations, underpinned by a sense of common language and race (*dōbun dōshu*).<sup>45</sup> Just as importantly, the Japanese business community was supportive of engagement, and deeply interested in the emerging trade and investment opportunities in the Chinese market.<sup>46</sup>

Based on this view of the intelligibility and malleability of China's intentions, Japan attempted to generate benign interaction through various economic engagement mechanisms and its own type of mini-Grand Liberal Strategy. Japan's government sought to undergird the conditions for economic engagement through its very substantial provision of Official Development Assistance (ODA) from 1979 to 2008, totalling from 1979 to 2005 ¥3.13 trillion in loan aid, ¥145.7 billion in grant aid, and ¥144.6 billion in technical cooperation.<sup>47</sup> This ODA, coupled with Japanese industry's need for offshore productions sites and markets, led to a progressive expansion of Japanese foreign direct investment (FDI) and bilateral trade, resulting in China becoming Japan's largest trading partner by 2007 and the largest cumulative investor in China, while as of 2014 Japan was China's second largest individual national trade partner.

### Offence–Defence Balance

Japan's pursuit of the engagement of China was reinforced above all by the 'offence-defence capabilities' balance. Japan's relative geographical proximity to China and any sense of threat was mitigated, of course, by the maritime sea space between the two states. But for the entire Cold War and into the first two decades of the new millennium Japanese policymakers were confident that the balance of defensive capabilities, both conventional and nuclear, was fully in Japan's favour. The Japan Self Defense Forces (JSDF) by the mid-1980s, primarily to counter the threat of Soviet expansionism in East Asia, had developed maritime and air capabilities that enabled it to control and defend the territorial space around the Japanese archipelago. Japan's internal capabilities complemented and reinforced the overwhelming military power of the USA in the region, channelled via the US–Japan security treaty and its evolution into an overt 'alliance relationship' by the 1980s.<sup>48</sup> Japanese policymakers were doubly relaxed about China's military posture because they

44 Christopher W. Hughes, 'Japan's Policy Towards China: Domestic Structural Change, Globalization, History and Nationalism', in Christopher M. Dent, ed., *China, Japan and Regional Leadership in East Asia* (Cheltenham: Edward Elgar, 2008), pp. 37–51.

45 Michael J. Green and Benjamin L. Self, 'Japan's Changing China Policy', *Survival: The IISS Quarterly*, Vol. 38, No. 2 (1996), pp. 35–58; Chalmers Johnson, 'Patterns of Japan's Relations With China, 1952–1982', in Chalmers Johnson, ed., *Japan: Who Governs? The Rise of the Developmental State* (New York: Norton, 1995), pp. 235–63.

46 Akio Takahara, 'A Japanese Perspective on China's Rise', in Robert S. Ross and Zhu Feng, eds., *China's Ascent: Power, Security and the Future of International Politics* (Ithaca: Cornell University Press, 2008), pp. 219–23.

47 Reinhard Drifte, 'The Ending of Japan's ODA Loan Programme to China—All's Well That Ends Well?', *Asia-Pacific Review*, Vol. 13, No. 1 (2006), p. 94.

48 Tanaka Akihiko, *Anzen Hoshō: Sengo 50nen no Mosaku (Security Policy: A Fifty Year Search in the Postwar Period)* (Tokyo: Yomiuri Shimbunsha, 1997), pp. 281–304.



understood the People's Liberation Army (PLA) principal roles to be the preservation of internal regime security and immediate territorial integrity vis-à-vis the Soviet Union, and possessed only limited maritime and air power projection beyond its existing borders. Even China's acquisition of nuclear weapons and delivery systems from the 1960s onwards failed to perturb seriously Japan's defence planners, given the PLA's limited number of missiles and warheads, and most importantly the perceived solidity of US extended nuclear deterrence.<sup>49</sup>

Japan's concerns over China's military posture certainly did increase from the mid-1990s onwards, with the PLA's growing budgets and modernization, and the Chinese state's willingness to project military power in pursuit of its national interests, as manifested in the 1995 and 1996 Taiwan Straits crises which occurred in close proximity to Japan's territorial waters. Nonetheless, Japanese policymakers still saw China's security activity as somewhat geographically distant in being concentrated around Taiwan, and drew confidence from Japan's continuing conventional superiority and the US's demonstrated ability to project power and intervene in potential regional conflicts, as with its deployment of the US Seventh Fleet around Taiwan.

Japan and the USA did begin to shift somewhat towards hedging against a rising China from the early post-Cold War period and mid-1990s onwards, but for Japan this was indeed highly constrained internal and external balancing. In fact, Japan's international strategy was directed almost as much towards hedging against entrapment and abandonment by the USA in potential Taiwan or North Korea contingencies as it was against hedging against China.

Japan's policymakers were concerned that the 1994 North Korean nuclear crisis risked their embroilment in another Korean Peninsula conflict, as the USA sought to activate the US–Japan alliance to provide logistical support, but at the same time were aware that their lack of preparedness for the interoperability of JSDF and alliance capabilities risked the opposite problem of the USA discarding Japan as a useful ally. Similarly, the Taiwan Straits crisis, although not generating direct US calls for Japanese assistance, clearly posed questions about the extent to which Japan should support the USA militarily without becoming entrapped in any unwelcome Sino–US conflict over Taiwan. Japan's eventual response was the revision of its National Defence Program Outline (NDPO) in 1996, and the revision of the US–Japan Defence Guidelines between 1997 and 1999: the former beginning to re-gear JSDF doctrines and capabilities to deal with threats other than the now defunct Soviet Union, and the latter beginning to fill in the areas of interoperability between the JSDF and US military and the logistical support provided by Japan in regional contingencies.

At the same time, though, Japan attempted to maintain strategic ambiguity by refusing to specify the exact geographical extent of its military commitments in a regional contingency, and to thereby constrain any US balancing of China by allowing the USA to take for granted Japanese military support, or any attempts by China to destabilize the status quo by being able to divine the extent of Japan's support for the USA.<sup>50</sup> Japan thus continued its 'dual hedge' tactics both inside and outside the alliance.<sup>51</sup>

49 Christopher W. Hughes, 'North Korea's Nuclear Weapons: Implications for the Nuclear Ambitions of Japan, South Korea, and Taiwan', *Asia Policy*, No. 3 (2007), p. 84.

50 Christopher W. Hughes, *Japan's Economic Power and Security: Japan and North Korea* (London: Routledge, 1998), pp. 187–203.

51 Eric Heginbotham and Richard J. Samuels, 'Japan's Dual Hedge', *Foreign Affairs*, Vol. 81, No. 5 (2002), pp. 110–21.

All in all, Japan's international strategy post-Cold War, and from the 1990s into the early 2000s, can be said to have corresponded to a form of 'circumscribed balancing', 'Liberal Deterrence', or 'Reluctant Realism', as it edged towards some balancing against a rising China but without overcommitting to this strategy or the USA.<sup>52</sup> The Defensive Realist and Constructivist analysis is thus correct, in that Japan's balancing was highly constrained and embedded within a far more dominant strategy of hedging, based on the reading and influencing of China's intentions. In this period, somewhat ironically, despite their ostensibly different societal differences, Japan and China were both status quo powers and pragmatic in their bilateral dealings. The occasional spat over history textbooks was experienced, as in 1982, but by and large the concentration was on economic engagement. Japan's grand strategy and the approach to China within it was summed up in Prime Minister Yoshida's famous dictum that: 'Red or white, China remains our next-door neighbour. Geography and economic laws will, I believe, prevail in the long run over any ideological differences and artificial trade barriers.'<sup>53</sup>

### Japan's Shifting Calculus over China's Intentions and Capabilities

Japan's international strategy vis-à-vis China into the mid-2000s might be characterized by hedging behaviour, but the vital question is whether or not the conditions that made this strategy possible are now deteriorating to the point of engineering a shift, even if incremental and at times fitful, in Japan's policy towards a more active balancing strategy. For it is arguable that evidence is mounting that most of the key conditions identified by Defensive Realism and Liberalism as accounting for Japan's past constraints are now coming under severe stress as the 1972 system for bilateral interaction unravels.

### China's Intentions as Non-transparent and Malign, and Changing Domestic Consensus

First, Japanese policymakers' confidence in their capacity to read China's probable intentions has been progressively undermined. In part, this is the result of the transition in China's leadership from the third to fourth, and then fifth generations, mirrored by a similar process of the turnover of party factional and regime leadership in Japan, so leading to a straightforward breakdown of personal lines of communications.<sup>54</sup> The LDP's younger generation of leaders lack good personal relations with their Chinese counterparts, steeped

52 Christopher P. Twomey, 'Japan, a Circumscribed Balancer: Building on Defensive Realism to Make Predictions about East Asian Security', *Security Studies*, Vol. 9, No. 4 (2000), pp. 167–205; Chikako Kawakatsu Ueki, 'Liberal Deterrence of China: Challenges in Achieving Japan's China policy', in Takashi Inoguchi, G. John Ikenberry, and Yoichiro Sato, eds., *The US-Japan Security Alliance: Regional Multilateralism* (New York: Palgrave Macmillan 2007), pp. 137–55.

53 Shigeru Yoshida, 'Japan and the Crisis in Asia', *Foreign Affairs*, Vol. 29, No. 2 (1951), p. 179.

54 Prime Minister Koizumi's 2002 Task Force on Foreign Relations noted the lack of regime stability in both countries and consequent lack of interchange of policy elites and at societal levels as a particular weakness of the foundation of Sino-Japanese relations, see Taigai Kankei Tasukufōsu, *21isseiki Nihon Gaikō no Kihon Senryaku: Arata na Jidai, Arata na Bijon, Arata no Gaikō (Japan's Basic Diplomatic Strategy in the Twenty First Century: New Era, New Vision, New Diplomacy)*, 28 November, 2002, <http://www.kantei.go.jp/jp/kakugiket>

increasingly instead, as many are, in US–Japan policymaking networks. Most strikingly, with the exception of Prime Minister Fukuda Yasuo (2007–2008), who has served whilst in office and then later behind the scenes as an important conduit for attempts to reboot Sino–Japanese ties, LDP prime ministers from Koizumi Junichirō (2001–2006) onwards have all struggled to build and sustain a relationship with their Chinese counter-parts.<sup>55</sup>

Koizumi, of course, was to position himself as the ultimate persona non grata with China’s leadership, unable to effect a full bilateral summit for five years. Abe Shinzō (2006–2007) and Asō Tarō (2008–2009) have both been regarded with suspicion as anti-Chinese. Asō notably as foreign minister in 2005 publicly remarked that China’s military modernization build-up was ‘on course to pose a considerable threat’ to Japan.<sup>56</sup> Abe, although more guarded in his public statements on China as befits a two-time prime minister, nevertheless detailed his suspicions in December 2012, just before returning to the premiership. Abe noted that China’s maritime activities would lead to the South China Sea becoming ‘Lake Beijing’, and compared China’s activities to those of the Soviet Union during the Cold War, saying that they were sufficient to ‘scare’ its neighbours, and that ‘Japan must not yield’ to Chinese coercion in the East China Sea.<sup>57</sup> Abe in his second administration has experienced an inability similar to his successors to establish personal contacts with his counterpart—having been unable after taking office to hold a bilateral summit first with Hu Jintao, and then only managing, nearly two years after taking power, a rather frosty first summit with Xi Jinping at the Beijing Asia-Pacific Economic Cooperation (APEC) meeting in November 2014.

Many younger DPJ politicians have shared with the LDP a new suspicion of China. For example, Maehara Seiji, a noted security hawk and former DPJ foreign minister, when serving as leader of the DPJ at a public forum in Washington, DC in December 2005, described China’s military build-up as a ‘realistic threat’ (*genjitsu na kyōi*) to Japan.<sup>58</sup> The DPJ’s ‘elder statesmen’ former leader Ozawa Ichirō and Prime Minister Hatoyama Yukio (2009–2010) did attempt to rebuild these connections through initiatives to expand bilateral elite-to-elite visits.<sup>59</sup> But the DPJ’s implosion after its brief spell in power from 2009 to 2012,

tei/2002/1128tf.html, pp. 39–40; Sheila A. Smith, *Intimate Rivals: Japanese Domestic Politics and a Rising China* (New York: Columbia University Press, 2015), pp. 50–51, 245–46.

55 For Fukuda’s role in preparing the way for Abe’s summit with Xi Jinping in 2014, see Yomiuri Shimbun Seijibu, *Abe Kantei Vs Shū Kinpei: Gekika Suru Nicchū Gaikō Sensō (Prime Minister Abe’s Administration Versus Xi Jinping: Intensifying the Sino-Japanese Diplomatic War)* (Tokyo: Shinchōsha, 2015), pp. 29–32.

56 Ministry of Foreign Affairs Japan, ‘Press Conference by Foreign Minister Asō Tarō’, [http://www.mofa.go.jp/announce/fm\\_press/2005/12/1222.html](http://www.mofa.go.jp/announce/fm_press/2005/12/1222.html).

57 Abe Shinzō, ‘Asia’s Democratic Security Diamond’, 27 December, 2012, Project Syndicate, <http://www.project-syndicate.org/commentary/a-strategic-alliance-for-japan-and-india-by-shinzo-abe>.

58 Maehara Seiji, ‘Minshutō no Mezasu Kokkashō to Gaikō Bijyon’ (Japanese Transcript of CSIS Japan Chair Forum: DPJ’s Vision on Domestic and Foreign Policy), 8 December, 2005, [http://csis.org/files/attachments/051208\\_maeharajapremarks.pdf](http://csis.org/files/attachments/051208_maeharajapremarks.pdf), p. 3.

59 Ozawa famously led delegations of 45 DPJ National Diet members and 390 other general participants to China in December 2007 whilst in opposition, and then after the DPJ took power led 143 DPJ Diet members and 496 participants to Beijing in December 2009, leading to accusations of the DPJ bandwagoning with China and turning away from the USA.

and the taking over of that party by lawmakers similar to the LDP in being less well connected to China, including prime ministers Kan Naoto (2010–2011) and Noda Yoshihiko (2011–2012), has compounded Japanese policymakers' inherent lack of ability to read the intentions of China's leadership.<sup>60</sup>

Meanwhile, Japanese bureaucratic-level interaction with regard to China has also become more constrained in the post-Cold War period. MOFA's China and Mongolia Division has retreated in influence compared to the rise of the North American Affairs Bureau as gatekeeper of the US–Japan alliance. Instead, much of the direction of Japan's policy towards China has been directed recently by Yachi Shōtarō, a former MOFA Vice-Minister for Foreign Affairs, now Director of the National Security Council, and one of Abe's key foreign policy advisors.

The Japanese leaderships' lack of acquaintance with their Chinese counterparts is symptomatic of, and compounds a larger structural change in relations which has made it harder for Japan to understand China's intentions. Japan's leaders perceive that China's leadership transition and rapid economic development, and the accompanying challenges to the competency and legitimacy of the CCP to continue to govern, have triggered shifts in China's domestic and international ideology. As Prime Minister Abe's 2015 advisory panel on Japan's history and international role noted, the CCP's effective abandonment of communism as a mainstay ideology in favour of 'patriotic education' to boost its domestic legitimacy has inevitably overspilled to exert negative impact on Sino–Japanese relations.<sup>61</sup> The promotion of 'patriotic education' based on the recovery of national pride after past external aggressions is necessarily co-axial with the promotion of previously suppressed anti-Japanese sentiment.<sup>62</sup>

China's shift towards nationalism, in turn, has also been seen to engender a drive for restoration of territorial integrity, including not just Taiwan but also China's disputed territorial claims with Japan and ASEAN states in the East China Sea and South China Sea, and even more worryingly a potential drive towards displacing the US-led order in the region and the assumption of hegemonic status in the Asia-Pacific.<sup>63</sup> The LDP, for instance, has argued that China is engaged in a 'struggle for hegemony' (*haken sōdatsu*) in East Asia.<sup>64</sup>

Hughes, 'The Democratic Party of Japan's New (But Failing) Grand Security Strategy', p. 129.

- 60 Daniel Sneider, 'The New Asianism: Japanese Foreign Policy', in Kenji E. Kushida and Phillip Y Lipsky, eds., *Japan Under the DPJ: The Politics of Transition and Governance* (Stanford: The Walter H. Shorenstein Asia-Pacific Research Center/Brookings Institution Press, 2013), pp. 384–91.
- 61 Advisory Panel on the History of the 20th century and on Japan's Role and the World Order in the 21st century, *Report of the Advisory Panel on the History of the 20<sup>th</sup> Century and on Japan's Role and the World Order in the 21<sup>st</sup> Century*, 6 August, 2015, [http://japan.kantei.go.jp/97\\_abe/actions/201508/6article3.html](http://japan.kantei.go.jp/97_abe/actions/201508/6article3.html), pp. 23–24.
- 62 Mōri Kazuko, *Nicchū Kankei: Sengo Kara Shinjidai E (Japan-China Relations: From the Postwar to a New Era)* (Tokyo: Iwanami Shinsho, 2006), pp. 154–68.
- 63 Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes* (Princeton: Princeton University Press, 2008), pp. 267–72.
- 64 Jiyū Minshutō Seimu Chōsakai Kokubō Bukai, 'Teigen Shinbōei Keikaku no Taikō ni Tsuite: Kokka no Heiwa, Dokuritsu to Kokumin no Anzen, Anshin Kakuho no Saranaru Shinten' (*Regarding Proposals for a New National Defence Programme Outline: Attaining Further*

Koizumi's foreign policy task force talked of Sino-Japanese relations now moving from a situation of 'collaboration and co-existence' to one of potential 'competition and friction'.<sup>65</sup>

Japanese perceptions of China's increasing ideological estrangement have been reinforced by concerns over a new Chinese unwillingness to demonstrate benign intentions by committing to bilateral and international agreements and conventions. From the Japanese viewpoint, China has in recent years consistently intimated that it is prepared to transgress the principles of the 1978 Sino-Japanese Treaty of Peace and Friendship concerning the shelving of colonial history issues and the non-use of force in international disputes, and failed to abide by other bilateral agreements related to respect for Japanese intellectual property and food export safety standards. Hence, Japanese leaders have consistently stressed in any interactions possible with their counterparts that they want continued ties to be predicated on adherence to the 'four basic documents' issued between the two sides in the post-war period, namely the 1972 Joint Statement of 1972, 1978 Treaty of Peace and Friendship, 1998 Joint Declaration, and 2008 Joint Statement on Strengthening Exchange and Cooperation.<sup>66</sup>

More recently, Japanese policymakers have been disturbed by the Chinese central government's apparent willingness to allow local courts to revisit provisions of the 1978 peace treaty under which China has waived its right to colonial compensation. In April 2014, the Shanghai Maritime Court impounded a Mitsui OSK Lines (MOL) ship as a means to demand compensation from the parent company for failure to fulfil payments for the leasing of Chinese ships in the 1930s. Mitsui OSK Lines eventually negotiated a private payment of around US\$30 million. The Shanghai case followed a Beijing court's acceptance of the hearing the same year of a case pursuing damages against Japan for forced labour in the colonial period. Chief Cabinet Secretary Suga Yoshihide remarked in an April 2015 press conference on the MOL incident that, 'the series of responses that China has made in connection with this matter, including the latest seizure notice, may undermine the very foundation of the spirit of the normalization of Japan-China diplomatic relations espoused in the 1972 Joint Communique of the Government of Japan and the Government of the People's Republic of China'.<sup>67</sup>

Japanese policymakers have been further disappointed by the apparent reluctance of China to contribute to the maintenance of the 'mutually beneficial relationship based on common strategic interests' that Prime Minister Abe initiated at the start of his first period of office in 2006, to restore bilateral ties after Koizumi's premiership, and that was then followed through by successive LDP and DPJ prime ministers. From the Japanese perspective, China has failed to reciprocate on attempts to reboot ties through bilateral summitry to promote mutual trust, people-to-people exchanges, and cooperation in the wider Asia-Pacific region over issues such as North Korea's nuclearization.

Japan and China have attempted to move ahead with multilateral cooperation in the form of the Japan-China-Republic of Korea (ROK) Trilateral Cooperation Dialogue

*Advances of the Peace State, Autonomy and Safety of the People, and Reassurance*, 14 June, 2010, [https://www.jimin.jp/policy/policy\\_topics/pdf/seisaku-017.pdf](https://www.jimin.jp/policy/policy_topics/pdf/seisaku-017.pdf), p. 3.

65 Tasukufōsu, *Japan's Basic Diplomatic Strategy in the Twenty First Century*, p. 14.

66 Ministry of Foreign Affairs Japan, 'Japan-China Summit Meeting', 10 November, 2014, [http://www.mofa.go.jp/a\\_o/c\\_m1/cn/page4e\\_000151.html](http://www.mofa.go.jp/a_o/c_m1/cn/page4e_000151.html).

67 Prime Minister's Office Japan, 'Press Conference by the Chief Cabinet Secretary', 21 April, 2015, [http://japan.kantei.go.jp/tyoukanpress/201404/21\\_a.html](http://japan.kantei.go.jp/tyoukanpress/201404/21_a.html).

(TCD) since 2008, and have progressed certain elements of functional cooperation on the environment, finance, and negotiations for a free trade agreement (FTA).<sup>68</sup> However, deeper trilateral cooperation has been stymied by the stand off in Japan–China relations, and to some extent Japan–South Korea relations over issues of history and territory. The result is that TCD summits were held in abeyance from 2012 to 2015 and the Japan–China–ROK FTA negotiations slowed to a near standstill. China and South Korea only agreed in September 2015 to restart the TCD summits. But Xi and President Park Guen-hye made this decision bilaterally without first consulting with Japan, and during Park’s attendance of events in Beijing to commemorate the seventieth anniversary of the defeat of Japan and end of World War II, so perhaps providing not the most auspicious of environments for the rebooting of the TCD. The first TCD summit for over three years held in Seoul on November 1, 2015, including a bilateral meeting between Abe and Chinese premier Li Keqiang, sought to restore some normality to ties with an agreement to restart various trilateral economic and political cooperation projects, but the summit was also overshadowed by Chinese and South Korean suspicions, and insistence that Japan demonstrate correct behaviour on issues of history.<sup>69</sup>

Similarly, in regard to broader multilateral cooperation in the region, Japanese concerns over China’s meaningful and benign intentions have heightened. Japan and China continue to cooperate in the financial arena through their role in the ASEAN-Plus-Three’s Chiang Mai Initiative. But increasingly worrying for Japan is China’s initiation of the Asian Infrastructure Investment Bank (AIIB) to function as an apparent counter-institution to the Asian Development Bank (ADB) traditionally led by Japan, and with perceived poorer standards of governance in loanmaking, and resulting in Japan’s declining, along with the USA, the invitation to join.<sup>70</sup> Abe commented provocatively on the AIIB plan that, ‘a company that borrows money from a bad loan shark will end up losing its future’, so implying that Asian states would be at the mercy of malign Chinese influence.<sup>71</sup>

For Japan, the most alarming evidence of the growing malignity of China’s intentions is its assertion of territorial and resource interests in the East China, South China Sea, and the sea lines of security (SLOC) in the Asia-Pacific region and beyond to the Persian Gulf. Japanese policymakers argue that China first overturned the status quo and the agreed shelving of territorial disputes with its 1992 Law on the Territorial Sea that explicitly lays claim to Japanese controlled areas in the East China Sea, and has since failed to conform to other established bilateral agreements on maritime cooperation.<sup>72</sup> These Japanese concerns have been made manifest by China’s expanding area of maritime operations and constant

68 Hidetaka Yoshimatsu, ‘Regional Cooperation in Northeast Asia: Searching for the Mode of Governance’, *International Relations of the Asia-Pacific*, Vol. 10, No. 2 (2010), pp. 253–56.

69 Ministry of Foreign Affairs Japan, ‘Joint Declaration for Peace and Cooperation in Northeast Asia’, 1 November, 2015, [http://www.mofa.go.jp/a\\_o/rp/page1e\\_000058.html](http://www.mofa.go.jp/a_o/rp/page1e_000058.html).

70 ‘Japan Reluctant to Join China-led New Asian Investment Bank’, *Mainichi Shimbun*, 24 July, 2014, <http://mainichi.jp/english/english/newsselect/news/20140706p2g00m0bu007000c.html>.

71 ‘Japan Flip-Flops on AIIB Policy’, *Nikkei Asian Review*, 27 April, 2015, <http://asia.nikkei.com/Politics-Economy/International-Relations/Japan-flip-flops-on-AIIB-policy?page=2>.

72 Ministry of Foreign Affairs Japan, ‘Japanese Territory: Senkaku Islands’, 4 April, 2014, [http://www.mofa.go.jp/a\\_o/c\\_m1/senkaku/page1we\\_000010.html](http://www.mofa.go.jp/a_o/c_m1/senkaku/page1we_000010.html); Reinhard Drifte, ‘The Senkaku/Diaoyu Islands Territorial Dispute Between Japan and China: Between the Materialization of the ‘China Threat’ and Japan ‘Reversing the Outcome of World War II?’’, UNISCI



dispatch of fishing vessels, 'research ships,' and People's Liberation Army Navy (PLAN) vessels into Japan's exclusive economic zone (EEZ) around the disputed Senkaku/Diaoyu Islands south of Okinawa Prefecture. These tensions reached a new high in 2010 with the DPJ administration's decision not only to detain but also indict the captain of a Chinese trawler for attempting to ram a Japan Coast Guard (JCG) vessel that had warned his ship off from operating in the Senkaku/Diaoyu Island waters, so sparking a major diplomatic row with China.

Sino-Japanese relations have since escalated further from late 2012 onwards, with the decision of the DPJ government to purchase from their private owner, and in effect 'nationalize', two of the Senkaku/Diaoyu Islands and thus assert clear de jure as well as de facto control. In response, China has significantly upped the level of its maritime activity around the islands, and in November 2013 established an Air Defence Identification Zone (ADIZ) overlapping that of Japan's extending around the Senkaku/Diaoyu Islands, and thus further raising the bilateral ante on the territorial dispute. Deputy Chief Cabinet Secretary Katō Katsunobu summed up Japan's alarm and position in his response: 'The Government of Japan expressed deep concern about China's establishment of such a zone and obliging its own rules within the zone, which are profoundly dangerous acts that unilaterally change the status quo in the East China Sea, escalating the situation, and that may cause unintended consequences in the East China Sea.'<sup>73</sup>

Japan-China tensions further north in the East China Sea have been intensified by overlapping EEZs and territorial claims to gas field resources. Despite Japan and China reaching an agreement in principle in 2008, as one outcome of the 'mutually beneficial relationship based on common strategic interests', for the joint development of sections of the gas fields, there has been much Japanese frustration at China's apparent reluctance since to respond to calls to move forward with bilateral development plans, and the suspicion remains that China is already moving to exert unilateral exploitation of the fields.<sup>74</sup> The Japan Ministry of Defence's (JMOD) *Defence of Japan 2015* white paper—its release in July 2015 arguably timed to coincide with ongoing National Diet debates on the exercise of collective self-defence, and with sections on the China threat beefed up at the request of the LDP—first provided the public news that China had started to construct new gas platforms in the East China Sea and that the Japanese government would continue to lodge 'protests against China's unilateral development'.<sup>75</sup> In addition, Japanese policymakers have seen China's refusal to recognize as an islet Japan's territory of Okinotorishima in the

Discussion Papers, No. 32, May 2013, <http://pendientedemigracion.ucm.es/info/unisci/revistas/UNISCIDP32-1DRIFTE.pdf>, pp. 21–24.

73 Prime Minister's Office Japan, 'Press Conference by the Deputy Chief Cabinet Secretary', 25 November, 2013, [http://japan.kantei.go.jp/tyoukanpress/201311/25\\_a.html](http://japan.kantei.go.jp/tyoukanpress/201311/25_a.html).

74 Anami Yūsuke, 'Senryaku-teki gōkei Kankei no Mosaku to Higashi Shinakai Mondai' (Searching for a Mutually Beneficial Strategic Partnership and the Issue of the East China Sea), in Takahara Akio and Hattori Ryūji, eds., *Nicchū Kankeishi 1972-2012 I: Seiji (The History of Japan-China Relations 1972-2012 I: Politics)* (Tokyo: Tokyo Daigaku Shuppankai, 2012), pp. 459–469; James Manicom, *China, Japan and Maritime Order in the East China Sea: Bridging Troubled Waters* (Washington, DC: Georgetown University Press, 2014), pp. 122–57.

75 Japan Ministry of Defence, *Defence of Japan 2015*, [http://www.mod.go.jp/e/publ/w\\_paper/pdf/2015/DOJ2015\\_Digest\\_part1\\_web.pdf](http://www.mod.go.jp/e/publ/w_paper/pdf/2015/DOJ2015_Digest_part1_web.pdf), p. 5.



Philippine Sea, and its thereby attempted negation of Japan's claims to the surrounding EEZ, as another challenge to the territorial status quo. Japan has responded by announcing in February 2016 that it would spend ¥13 billion to rebuild an observation platform on the islet to assert its sovereignty.<sup>76</sup>

Japan and China were able to achieve at the Abe–Xi summit in November 2014 some level of bilateral equilibrium on the Senkaku/Diaoyu dispute with the issuing of a 'joint statement' by both sides, as the product of considerable behind-the-scenes diplomatic negotiation. The 'joint statement' was not really joint at all, as it was two separate statements on the issue of the islands: Tokyo maintained its stance that there was no dispute in its eyes but that the two countries held different 'views'; and Beijing that there were differing 'positions' so holding to its stance of not relenting on the existence of a dispute.<sup>77</sup> This diplomatic linguistic device enabled Japan and China at least to move forward with long-mooted attempts to create a bilateral crisis-management mechanism in the East China Sea, and there was some decline in Chinese maritime incursions around the islands in 2015. Nevertheless, the dispute remains an issue at a level of constant high-tension in Sino–Japanese relations. The JMOD's 2015 Defence white paper states that China's activities in the East China and South China Sea were attempts to 'alter the status quo by force'.<sup>78</sup>

Secondly, Japan's waning confidence in the benign nature of China's intentions has been matched by a declining confidence in its capacity to effect any malleability in those intentions. Japanese consistent economic engagement of China since the 1970s, including the disbursement of ODA, is acknowledged as without doubt promoting Chinese development and bilateral interdependence. However, Japan's ODA provision has been regarded as having diminishing returns in influencing, most crucially, Chinese political behaviour. Japan's suspension of ODA grants in protest at China's nuclear testing in 1995 and its failure to change Chinese behaviour was a portent of the limited utility of ODA as a lever of influence.<sup>79</sup>

Japan's extension of bilateral foreign direct investment (FDI), production, and trading linkages has clearly been a factor in restraining China's behaviour towards Japan, even in the midst of the deepest tensions over history and territory. Nevertheless, there are signs of possible declines in the condition of this economic interdependency. For although Japan's trade interdependency with China in terms of shares of exports and imports has remained steady at around 18% and 22%, respectively, over the last half-decade, Japanese outward FDI has begun to decline rapidly in recent years. From an historic high of US\$13.5 billion of Japanese FDI in China in 2012, investment flows fell to US\$9.1 billion in 2013, and halved to US\$6.7

76 'Okinotorishima Kansoku Kyoten Tatekae, Kōrōka, 20nen Kansei Mezasu' (Rebuilding the Ageing Observation Platform for Okinotorishima, Aiming for Completion in 2020), *Asahi Shimbun*, 1 February, 2016, <http://digital.asahi.com/articles/DA3S12188086.html>.

77 Ministry of Foreign Affairs Japan, 'Joint Statement of the ASEAN-Japan Commemorative Summit: "Hand in Hand Facing Regional and Global Challenges"', 14 December, 2013, <http://www.mofa.go.jp/files/000022451.pdf>.

78 Bōeishō, *Bōei Hakushō 2015 (Defense of Japan White Paper)* (Tokyo: Zaimushō Insatsukyoku, 2015), p. 35.

79 Saori N. Katada, 'Why Did Japan Suspend Foreign Aid to China? Japan's Foreign Aid Decision-Making and Sources of Aid Sanction', *Social Science Japan Journal*, Vol. 4, No. 1 (2001), pp. 39–58.

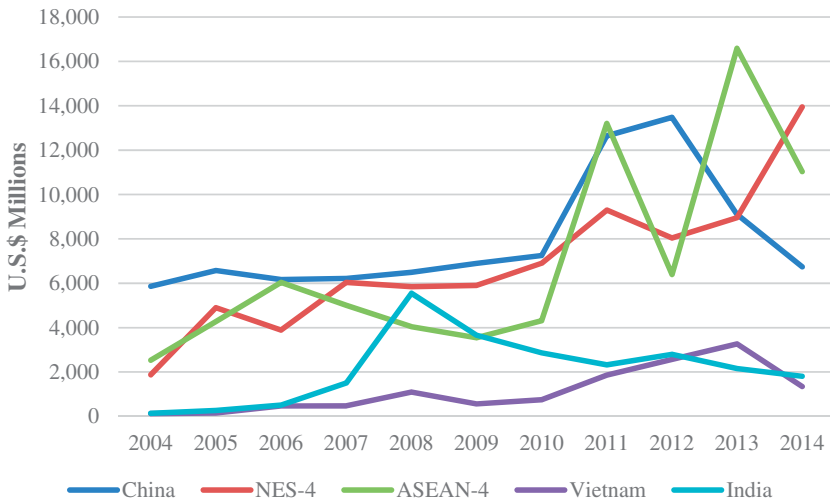


Fig. 1 Japan's FDI Flows in East Asia (2004–2014).

Source: JETRO

billion in 2014. In part, the decline is accounted for by China's economic slowdown, but also in large part by political tensions affecting business confidence.<sup>80</sup> The Sino–Japanese investment relationship and level of interdependency has also shown signs of declining not only absolutely, but also relatively as Japanese FDI begins to shift to other regions in East Asia. Japanese FDI in the Newly Industrialized Economies-4 (NIES) of Hong Kong, Taiwan, South Korea, and Singapore exceeded that in China for the first time in 2014 at US\$13.9 billion; and investment in the ASEAN-4 of Thailand, Indonesia, Malaysia, and the Philippines also outstripped that in China in 2014 at U.S.\$11 billion (Figure 1).

Moreover, Japanese policymakers worry that aspects of the economic relationship are approaching one of asymmetric interdependence now tilted towards China.<sup>81</sup> China's perceived willingness to resort to 'economic warfare' to achieve political and security ends was for Japan demonstrated by the alleged Chinese embargo on rare earth exports imposed after the 2010 tensions over the Senkaku/Diaoyu Islands, thus serving as a portent of how China might increasingly have the upper hand in the bilateral economic relationship.<sup>82</sup>

Moreover, Japan's own economic relative decline vis-à-vis China has meant that it feels it simply lacks sufficient capacity to exercise effective influence. Japan's cessation of all ODA to China except for limited environmental cooperation after 2008 was justified on the basis that the programme had largely achieved its objectives. But the ending was due to

80 JETRO, 'Nihon no Chokusetsu Tōshi (Kokusai Shūshi Bēsu, Netto, Furō)' (Japan's Foreign Direct Investment [International Income and Expenditure Basis, Net, Flow]), <http://www.jetro.go.jp/world/japan/stats/fdi.html>.

81 Advisory Panel on the History of the 20th century, *Report of the Advisory Panel*, p. 24.

82 Linus Hagström, ' "Power Shift" in East Asia? A critical Reappraisal of Narratives on the Diaoyu/Senkaku Islands Incident in 2010', *Chinese Journal of International Politics*, Vol. 5, No. 3 (2012), pp. 282–83.

Japanese awareness that there were no longer the budgetary resources to provide large-scale ODA, and that its utility in light of China's new found economic power was highly questionable.

Thirdly, failing Japanese confidence in the predictability and malleability of China's intentions has been reinforced by an evolving domestic consensus at elite and societal levels regarding the future course of Sino-Japanese relations, and which has contributed to the obviating of any previous 'underbalancing' impulses. For just as China has experienced a deep-seated domestic political transformation that has influenced its international strategy, so in Japan there has been a similar process of regime shift.<sup>83</sup> Japan's LDP, in power for close to 60 years in the post-war period, has struggled to prove its competency to govern during a 'lost decade' of economic decline that has actually now stretched to almost a quarter of a century. The result has been the displacement of the LDP mainstream old guard and the domination of the party since the early 2000s by the revisionist Machimura-Hosoda faction.<sup>84</sup> The LDP then turned to a more nationalist ideology to enhance its legitimacy. This began to be manifested under Koizumi's administration and his insistence on visiting the Yasukuni Shrine. Abe's first administration was marked by a degree of pragmatism with his crafting with China in 2007 of the 'mutually beneficial strategic partnership' to try to re-right bilateral relations. However, since returning to power in 2012, Abe has revealed himself as an arch-revisionist, so creating the conditions for the exacerbation of tensions with China.

Abe has espoused an ideological programme that seeks to overturn the post-war settlement imposed on Japan after its defeat in the Pacific War and US-led Occupation, and which is believed to have suppressed Japanese national identity and independence. Abe and other Revisionists wish to revise Article 9 and the Constitution as a whole, as well as historical interpretations of Japan as a colonial aggressor that are seen to constrain its exercise of military power for national security ends and prevent Japan from recovering great power international status. Abe's visit to the Yasukuni Shrine in December 2013 only confirmed for China and South Korea his status as a Revisionist and stopped in its tracks any diplomatic attempts to reboot bilateral ties.<sup>85</sup>

The 'Abe Statement' released on 14 August 2015 on the eve of the 70th anniversary of the end of World War II might have been an occasion to alleviate significantly historical tensions. In the end, the statement, although highly skilful in not handing China any easy means to exert diplomatic leverage over Japan, because it contained the key phraseology of acknowledging past 'aggression', 'colonial rule', 'heartfelt apology', and 'remorse', and thus generally upheld previous government statements on the colonial wartime periods, did little to address mutual suspicions over history. The statement contained a long preamble about history, indicating that Japan had to respond to the onrush of Western colonialism, how Japan's victory in the Russo-Japanese war gave hope of self-determination to Asian states, and how Japan was in a sense forced into the Pacific War by the creation of Western

83 T. J. Pempel, *Regime Shift: Comparative Dynamics of the Japanese Political Economy* (Ithaca: Cornell University Press, 1998).

84 Christian G. Winkler, 'Rising Right? Ideology and the 2012 House of Representatives Election', in Robert Pekkanen, Steven R. Reed and Ethan Scheiner, eds., *Japan Decides 2012: The Japanese General Election* (Basingstoke: Palgrave Macmillan, 2013), pp. 201–12.

85 Christopher W. Hughes, *Japan's Foreign and Security Policy Under the 'Abe Doctrine': New Dynamism or New Dead End?* (New York: Palgrave, 2015), pp. 72–75.

economic blocs in the interwar period—all intimating classic right-wing justifications for Japan having fought to liberate East Asia and a defensive war against the West, and in which Japan was as much a casualty as other countries. Moreover, Abe preferred to talk of Japan's past statements on history in general, and studiously avoided using the first person to say that he himself sought to apologize or uphold past positions. Abe also remarked that 'further generations to come' should not be 'predestined to apologize', so signifying his view that a line should now be drawn under any further acts of Japanese contrition for the war.<sup>86</sup> Even though Chinese policymakers' commentary on the 'Abe Statement' was relatively muted, the reaction of China's official media and social media was far more critical of Abe's perceived reluctance to make a clear break with and apology for its past militarism.<sup>87</sup> Meanwhile, as noted above, the DPJ, despite purveying a more pro-China stance under its older leaders, has also undergone internal changes that have brought to the fore younger and more nationalist-oriented politicians, many of whom share suspicions similar to their conservative LDP counterparts regarding China's intentions.

At the general societal level, there has also occurred a general turn away from viewing China's intentions towards Japan as benign, precipitated by tensions over history, territory, and other issues such as food safety scares, all of which reinforce the perception of China as an untrustworthy partner.<sup>88</sup> A series of opinion polls taken over a long period by Japan's Cabinet Office, for instance, show that the proportion of the public that felt no sense of affinity with China, already strongly on the rise since 2004 when there had been a rough parity with those that did feel a sense of affinity at around the high 40% mark, had by 2014 risen to 83 percent. By contrast, the level of Japanese that do feel a sense of affinity with China has continued to fall since 2004, reaching an all-time low in the survey period of 15% in 2014 (Figure 2).<sup>89</sup> This decline in Japanese public feeling vis-à-vis China is not to say that the majority in Japan has necessarily lined up with the more radical Revisionist sentiments, and it is clear that public opinion was also generally against Koizumi and Abe's visits to Yasukuni.<sup>90</sup> However, the most disturbing conclusion from the polling information is that, if at least there is no open antipathy towards China, there is perhaps indifference and a fatigue over what are seen as cynical Chinese demands for Japan to submit on history and territory.

The consequence is that Japanese policymakers and citizenry, whilst themselves perhaps unconsciously mirroring Chinese behaviour by dabbling in their own revisionist and nationalist stances, view their counterparts as shifting from a position of pragmatism to one of

86 Shinzō Abe, 'Statement by Prime Minister Shinzō Abe on the Seventieth Anniversary of World War II', 14 August, 2015, [http://japan.kantei.go.jp/97\\_abe/statement/201508/0814statement.html](http://japan.kantei.go.jp/97_abe/statement/201508/0814statement.html).

87 Marie-Alice McLean-Dreyfus, 'How Did Chinese Media React to Abe's World War II Speech?', *The Interpreter*, 17 August, 2015, <http://www.lowyinterpreter.org/post/2015/08/17/How-did-Chinese-media-react-to-Abe-World-War-II-speech.aspx>.

88 Paul O'Shea, 'Dodgy Dumplings and Lethal Liver: Risk, Food Terrorism, and Sino-Japanese Relations', *The Pacific Review*, Vol. 28, No. 2 (2015), pp. 303–21.

89 Naikakufu Daijin Kanbō Seifu Kōhōshitsu, *Gaikō ni kansuru Yoron Chōsa* (Public Opinion Poll Regarding Diplomacy), 22 December, 2014, <http://survey.gov-online.go.jp/h26/h26-gaiko/zh/z08.html>.

90 Mong Cheung, 'Political Survival and the Yasukuni Controversy in Sino-Japanese Relations', *Pacific Review*, Vol. 23, No. 4 (2010), p. 537.

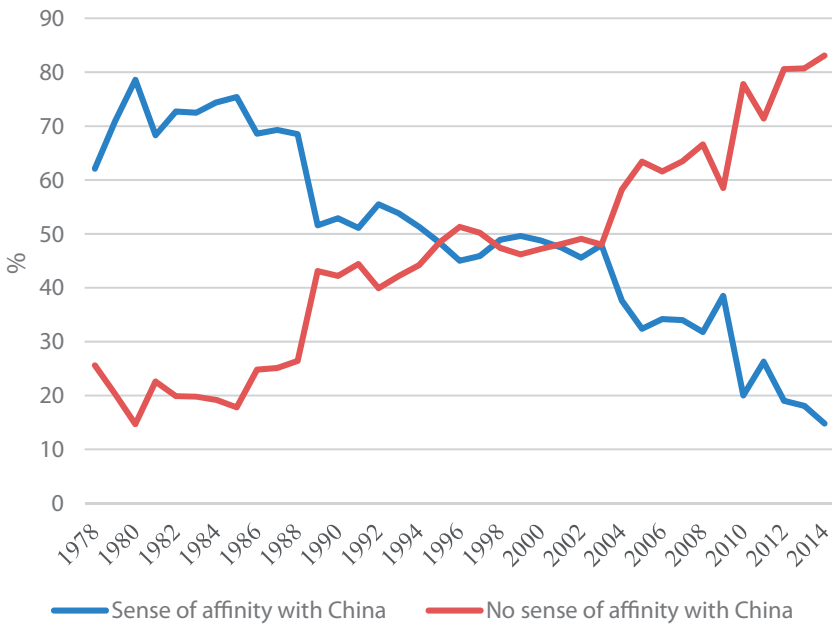


Fig. 2 Japanese Public Regarding a Sense of Affinity with China (1978–2014).

Source: Japan Cabinet Office

revisionism and dissatisfaction with the status quo. China is seen as intent to threaten the regional order and on the way to developing into a fundamentally malign international presence. The extent of Japanese suspicions of China's intent was demonstrated by the exchanges of critiques between influential policymakers in January 2014. At the start of the month, the Chinese and Japanese ambassadors to the UK entered into an extraordinary spat, describing their respective countries in *Daily Telegraph* editorials as threats to regional stability and 'Asia's Voldemort'.<sup>91</sup> Later in the month, during a media meeting on the sidelines of the Davos World Economic Summit, Abe caused an international stir by seeming to suggest that Japan–China relations were comparable to those of Great Britain and Germany before World War I, when there was a lack of direct communication over intentions, and when economic interdependency was insufficient to prevent the occurrence of conflict.<sup>92</sup>

91 Liu Xiaoming, 'Britain and China Won the War Together', *The Daily Telegraph*, 1 January, 2014, <http://www.telegraph.co.uk/comment/10546442/Liu-Xiaoming-China-and-Britain-won-the-war-together.html>; Keiichi Hayashi, 'China Risks Becoming Asia's Voldemort', *The Daily Telegraph*, 5 January, 2014, <http://www.telegraph.co.uk/news/worldnews/asia/japan/10552351/China-risks-becoming-Asias-Voldemort.html>.

92 'Shushō Hatsugen Ōbei Hamon Nicchū Guhatsu Shōtotsu Media Kennen' ('Prime Minister's Remarks Concerning Inadvertent Sino-Japanese Clash Attracts Western Media Interest'), *Asahi Shimbun*, 25 January, 2014, <http://digital.asahi.com/articles/DA3S10943750.html>.

### The Offence–Defence Balance Tilts Away from Japan

Japan's anxieties about China's intentions have been matched and thus exacerbated by perceived shifts in the offence–defence capabilities balance, both internal and external. Japanese policymakers have revised significantly upwards their estimates of China's military capabilities in the post-Cold War period, given the PLA's double-digit expansion of budgets and military modernization programmes. The consistent assertion of Japanese policymakers has been that China's defence build-up lacks transparency, thereby adding to the problems of reading its intentions, but what is readily apparent is the PLA's determination to acquire for the first-time capabilities that threaten Japan's core security interests.<sup>93</sup> In view of China's new military capabilities, coupled with expanded Chinese territorial ambitions that go beyond just Taiwan, Japan now feels a new proximity to standing on the military frontline against China.<sup>94</sup>

Japanese analysts argue that the PLA is procuring capabilities that serve the immediate asymmetric warfare ends of anti-access area denial (A2/AD) in the sea and airspace surrounding China, and is attempting through a campaign of constant military and psychological intimidation to wrest from Japan de facto control of disputed islands and maritime space.<sup>95</sup> In turn, Japanese policymakers fear that, longer term, China's military build-up is designed for the more symmetric warfare ends of penetrating offensively air, sea, and land defences locally; 'area control' over the 'first island chain'; the neutralization of the Japanese and US naval presence; and to project military force on a par with that of other great powers in the Asia-Pacific and beyond.

The Japan Air Self Defence Force (ASDF) has long been accustomed to maintaining qualitative superiority among the region's powers, but the People's Liberation Army Air Force (PLAAF) has begun for the first time to pose air defence challenges to Japan. The PLAAF's introduction since the late 1990s of fourth-generation fighters, in the shape of the J-10, J-11B, Su-27, Su-30MKK, and Su-30MK2, and the fact that by 2014 the inventory proportion of these fighters had risen to around one-third, has raised concerns that the

93 Advisory groups to the prime minister for the formulation of the National Defence Programme Guidelines (NDPG) and NSS have consistently expressed such concerns, see Anzen Hoshō to Bōeiryoku ni Kansuru Kondankai, *Anzen Hoshō to Bōeiryoku ni Kansuru Kondankai Hōkokushō* (Council on Security and Defense Capability Report), August 2009, <http://www.kantei.go.jp/jp/singi/ampoboue/2/200908houkoku.pdf>, p. 12; Aratana Jidai no Anzen Hoshō to Bōeiryoku ni Kansuru Kondankai, *Aratana Jidai ni Okeru Nihon no Anzen Hoshō to Bōeiryoku no Shōrai Kōsō 'Heiwa Sōzō Kokka' o Mezashite* (Joint Vision for Future Security and Defense Capabilities in the New Era: Toward a Peace Creating Nation), August 2010, <https://www.kantei.go.jp/jp/singi/shin-ampoboue/2010/houkokusyo.pdf>, p. 8; Cabinet Office Japan, *National Security Strategy*, p. 12.

94 Richard C. Bush, *The Perils of Proximity: China-Japan Security Relations* (Washington, DC: Brookings Institution Press, 2010), pp. 63–86.

95 Bōeishō, *Nihon Bōei Hakusho 2014* (Defense of Japan White Paper 2014) (Tokyo: Zaimushō Insatsukyoku, 2014), pp. 33, 45. Kawamura Sumihiko, 'Tōsho Bōei no Shomondai' ('Multiple Defense Issues'), in Yachi Shōtarō, ed., *Nihon no Anzen Hoshō to Bōei Seisaku* (Japan's Security and Defence Policy) (Tokyo: Wedge, 2013), pp. 97–120; Thomas J. Christensen, 'Posing Problems Without Catching Up: China's Rise and Challenges for U.S. Security Policy', *International Security*, Vol. 25, No. 4 (2001), pp. 5–40.

ASDF's ageing fleet of F4-Js and F-15Js may be rapidly losing its edge of air superiority.<sup>96</sup> PLA Second Artillery Corps' ballistic missile forces, in the shape of DF-15/CSS-6 and DF-3/CSS-2 intermediate range ballistic missiles (IRBM), although clearly directed primarily at Taiwan rather than Japan, pose concerns due to their capability to strike JSDF and US Air Force (USAF), US Navy (USN), and US Marine Corps (USMC) forces stationed in Japan itself.

The Maritime Self Defence Force (MSDF) concerns about China revolve around its modernization of a range of anti-access and blue water maritime capabilities. The PLAN's introduction of the *Kilo*, *Yuan*, and *Song*-class diesel-powered and *Shang*-class nuclear-powered submarines with quieting technologies complicate the MSDF's traditional defensive role of keeping the seas surrounding Japan free from enemy submarines for the US Seventh Fleet to concentrate on effective projection of offensive power. The PLAN's *Luyang*-class and *Luzhou*-class guided missile destroyers that play a fleet air defence role, combined with *Sovremenny*-class 'anti-ship destroyers' capable of targeting US aircraft carriers, and the introduction of *Jiangkai*-class guided missile frigates with 'stealth' characteristics, demonstrate China's potential to deploy modern fleet formations, and thus to seriously complicate Japanese and US naval dominance in the region.

China's pursuit of aircraft carriers through the refit of the ex-Soviet *Varyag* as its new *Liaoning* carrier, commissioned in 2012, and speculation in 2015 that it is laying down the hull for a second-indigenous carrier, has generated intense interest in Japan; for while it is recognized that Chinese carriers are likely to lag far behind in capability those of the USA, it is nevertheless read as yet another sign of determination to pursue offensive power projection and to challenge the US's effective monopoly in this area. An additional concern for Japanese planners is China's upgrading through *Yuzhao*-class landing ships of its amphibious warfare capabilities, which might form part of a contingency plan to seize Japanese southern islands.

Japanese concerns over the PLA's potential to surpass the JSDF's internal balancing capabilities are exacerbated further by the increasing Chinese challenge to the US role as an external balancer. Japanese policymakers have for the first time in the post-war period begun to doubt seriously whether the USA possesses the necessary military power to counter the Chinese probing and access-denial strategies that have most direct impact on Japan's security in regard to territorial disputes and SLOC security. There are fears that China's A2/AD strategy may impose costs on the US military that might prevent its intervention in regional contingencies similar to that carried out in the 1995–1996 Taiwan Straits crisis. China's ability to strike USAF Kadena in Okinawa, or USAF, USN, and USMC assets at Iwakuni, Misawa, and Yokota in Honshū, is perceived in the event of a crisis to threaten incapacitation of US forces.<sup>97</sup>

96 U.S. China Economic and Security Review Commission, *2014 Report to Congress of the U.S.-China Economic and Security Review Commission*, 113th Congress, 2nd session, Washington, DC: U.S. Government Printing Office, 2014, p. 309, [http://origin.www.uscc.gov/sites/default/files/annual\\_reports/Complete%20Report.PDF](http://origin.www.uscc.gov/sites/default/files/annual_reports/Complete%20Report.PDF).

97 David A. Shlapak, 'The Red Rockets' Glare: Implications of Improvements in PRC Air and Missile Strike Capabilities', in Roger Cliff, Philip Saunders, and Scott Harald, eds., *New Opportunities and Challenges for Taiwan's Security* (Santa Monica: RAND Corporation, 2011), p. 75.



Even more worrying for Japan long term is China's development of anti-ship ballistic missiles (ASBM) capable of striking US aircraft carriers operating out of Japan and in the Asia-Pacific, which might severely undermine the US force projection and deterrent posture in the region.<sup>98</sup> Japanese policymakers hold out considerable hopes that the US's Air-Sea Battle Concept will overcome China's A2/AD, but are concerned about whether or not the USA is deploying the full range of naval and air capabilities necessary to effect what is not yet a clear-cut strategy, and whether or not it has sufficient budgetary capacity to truly pivot its military might to the Asia-Pacific to counter China's rising power.<sup>99</sup>

Japanese anxieties about the sufficiency of the US's extant military capabilities to control the 'global commons' and enable intervention in the East Asia theatre have in turn raised questions about the impact this might have on broader US political and military security guarantees to Japan.<sup>100</sup> Japanese policymakers now fear the heightened prospect of US abandonment in a situation of strategic accommodation between the USA and China, and if the USA deems Japan's security interests as falling short of the necessary threshold for convergence with its own core interests to warrant mobilization of its forces in Japan's defence. This risk is seen as especially likely if, in light of Chinese A2/AD strategies, the cost of deployment of US forces is constantly rising. The lingering suspicion of some Japanese analysts is that the defence of the Senkaku/Diaoyu Islands, even though included under the scope of Article 5 of the bilateral security treaty due to being under Japanese administration, and having drawn renewed reassurances from the USA in this regard since 2010, could be just such an issue wherein the USA would hesitate to intervene on Japan's behalf for fear of putting at risk the entire Sino-US relationship; and especially if China were to seize the islands, thus raising the prospect of the USA and Japan's attempting to recover the territories from China in a full-scale conflict rather than initial deterrence of aggression.<sup>101</sup>

Hence, even though President Obama reiterated during his state visit to Japan in April 2014 on the occasion of his press conference with Abe that Article 5 of the security treaty covered all territories under Japanese administration, including the Senkaku/Diaoyu

98 Bōeishōhen, *Bōei Hakusho 2011 (Defense of Japan White Paper 2011)* (Tokyo: Zaimushō Insatsukyoku, 2011), p. 81.

99 Yoichi Kato, 'Japan's Response to New US Defence Strategy: "Welcome But..."', PacNet, No. 17, Pacific Forum CSIS, 15 March 2012, <http://csis.org/files/publication/Pac1217.pdf>; Michael McDevitt, 'The Evolving Maritime Security Environment in East Asia: Implications for the US-Japan Alliance', PacNet, No. 33, Pacific Forum CSIS, 31 March, 2012, <http://csis.org/publication/pacnet-33-evolving-maritime-security-environment-east-asia-implications-us-japan-alliance>.

100 For an excellent analysis of the USA's increasingly hard-pressed capabilities to intervene in regional contingencies in East Asia, see Eric Heginbotham, ed., *The U.S.-China Military Scorecard: Forces, Geography, and the Evolving Balance of Power 1996-2017* (Santa Monica: RAND Corporation, 2015), pp. 323-42.

101 Magosaki Ukeru, 'Nichibei Dōmei o Zettai Shisubekarazu: Beigun ga Nihon o Mamoru to Kagiranai Riyū' (*The US.-Japan Alliance Cannot be Relied On: The Reasons for the US Military's Limited Defence of Japan*), in Bungei Shunjuhen, ed., *Nihon no Ronten 2012 (Japan's Debating Points 2012)* (Tokyo: Bungei Shunju, 2012), pp. 120-23; Magosaki Ukeru, *Fuyūkai no Genjitsu: Chūgoku no Taikokuka, Beikoku no Senryaku Tenkan (The Uncomfortable Truth: China's Rise to Great Power, The US's Strategic Change)* (Tokyo: Kōdansha Gendai Shinsho, 2012), pp. 130-34.

Islands, thus becoming the first US president to state this position publicly, he simultaneously tempered this by stating that the USA would make no new security pledges to Japan, that it was important as well for the USA to maintain good relations with China, and that the USA looked to Japan and China to reach a diplomatic resolution to territorial issues. Moreover, in response to the question from a reporter that immediately followed about the credibility of US security guarantees to Japan against the background of the USA's inability to prevent Russia's effective territorial annexation of Ukraine, Obama noted that there should be no automatic expectation of the US's military intervention in such disputes, and that it instead preferred to adopt the diplomatic approaches.<sup>102</sup> Japanese policymakers, while gaining reassurance from the president's statements, could thus also infer a strong and continued risk of abandonment.

### Japan Shifts from Hedging to Incipient Balancing

Japan's eroding confidence in the benign intentions of China and the offence–defence capabilities balance now very much approximates to the logic and conditions contained within Defensive Realism and Liberalism which would explain states' potential shift from hedging towards more assertive balancing in international strategy. The evidence by virtue of Japan's recent international behaviour validates this logic, as it has indeed moved towards 'soft' and incipient 'hard' balancing vis-à-vis China.

#### 'Soft' Containment and Balancing

Japanese 'soft balancing' of China is apparent in newly vigorous diplomacy campaigns that seek to complicate and where possible check growing Chinese influence in East Asia and other regions. Under the leadership of the Revisionists, Japan has attempted to augment its international reputation, often in deliberate contradistinction to China, thus to hinder its rival's potential hegemonic rise. Abe and Asō have in their respective terms in office sought to articulate a new 'values-oriented diplomacy', stressing Japan's internationalism and promotion of democracy, liberal market economy, human rights, and rule of law, in implicit contrast to the authoritarianism of China. Abe enunciated during his first administration the concept of the 'Arc of Freedom and Prosperity' stretching from Northeast Asia through Southeast Asia, Central Asia, the Caucasus, Central Europe, and the Baltic states, whose alleged cohesion is attributable to the promotion among these states of 'universal values'.<sup>103</sup> In his 2012 campaign to recover the LDP leadership and premiership, Abe then switched to the similar concept of a 'Democratic Security Diamond', including Japan, the USA, Australia, and India, again formulated in apparent opposition to China's refusal, demonstrated in its behaviour, to abide by international conventions and norms.<sup>104</sup>

Abe has in his latest stint in office endorsed these values-oriented type concepts through diplomatic visits to states on China's periphery, many of which share common cause with Japan in their anxiety over China's rise and its territorial intentions. By the end of his first

102 Office of the Press Secretary White House, 'Joint Press Conference with President Obama and Prime Minister Abe of Japan', 24 April, 2014, <http://www.whitehouse.gov/the-press-office/2014/04/24/joint-press-conference-president-obama-and-prime-minister-abe-japan>.

103 Christopher W. Hughes, 'Japan's Response to China's Rise: Regional Engagement, Global Containment, Dangers of Collision', *International Affairs*, Vol. 85, No. 4 (2008), pp. 837–54.

104 Abe, 'Asia's Democratic Security Diamond'.

year in office, Abe had visited all 10 of the ASEAN states. Abe's visit to Myanmar in May 2013 was the first in 36 years by a Japanese prime minister to this strategically important country previously closer to China in diplomatic orientation, and Japan and Myanmar have indeed pledged enhanced security dialogue and defence exchanges. Throughout all these visits, Abe again asserted a range of shared values and hopes for enhanced cooperation that were raised in implicit opposition to China's rising presence in the region. Abe has reinforced security cooperation with economic assistance: Japan pledged at the Japan–ASEAN Commemorative Summit in Tokyo in December 2013 close to US\$20 billion in ODA to ASEAN Member States. In addition, to counter China's AIIB proposal, in May 2015 Abe announced US\$110 billion in aid for Asian infrastructure projects via the ADB and the Japan Bank for International Cooperation, its disbursement speeded up by a one year rather than three-year decision-making turnaround.<sup>105</sup>

Japanese leaders have sought, in particular, to join hands with ASEAN Member States in emphasizing the importance of international norms and laws covering the freedom of maritime navigation and handling of territorial disputes in the South China Sea and beyond.<sup>106</sup> Japan has supported ASEAN, bilaterally and collectively, in calling for all states to adhere to United Nations Convention on the Law of the Sea (UNCLOS) and the Declaration on the Conduct of Parties in the South China Sea, so attempting to create a unified legal front to counter China's so-called 'law-fare' campaign in the region, and to isolate it over its ADIZ declaration. Japan has agreed to further develop 'strategic partnerships' with Vietnam, Thailand, and Indonesia, and to strengthen dialogue on security issues. Japan, Malaysia, Vietnam, and the Philippines have focused especially on maritime security cooperation in the South China Sea, Japan having agreed to provide the Philippine coast guard with 10 patrol boats and to survey their provision also to Vietnam.<sup>107</sup>

Japan demonstrated its potential maritime presence in the South China Sea through its dispatch of more than 1000 JSDF personnel and three MSDF vessels for relief operations around the Leyte Gulf after the 2013 Haiyan cyclone disaster in the Philippines. President Benigno Aquino, during his visit to Japan in June 2015, also stated that his government would initiate talks with Japan on a Visiting Forces Agreement that would allow the JSDF to use Philippine bases.<sup>108</sup> Abe expressed support for US Freedom of Navigation (FON) operations in November 2015 during the US–Japan summit at the Philippines APEC, saying that as the South China Sea, 'influenced Japan's own security, continued attention would be devoted to it and investigation of JSDF activities', so hinting that Japan could join FON in line with interpretations of collective self-defence.<sup>109</sup>

105 Anthony Fensom, 'Japan Ups the Ante on AIIB', *The Diplomat*, 23 May, 2015, <http://thediplomat.com/2015/05/japan-ups-ante-on-aiib/>.

106 Shinzō Abe, 'The Bounty of the Open Seas: Five New Principles for Japanese diplomacy', Jakarta, 18 January 2013, [http://www.mofa.go.jp/announce/pm/abe/abe\\_0118e.html](http://www.mofa.go.jp/announce/pm/abe/abe_0118e.html).

107 Corey J. Wallace, 'Japan's Strategic Pivot South: Diversifying the Dual Hedge', *International Relations of the Asia-Pacific*, Vol. 13, No. 3 (2013), pp. 488–95; Paul Midford, 'Japan's Approach to Maritime Security in the South China Sea', *Asian Survey*, Vol. 55, No. 3 (2015), pp. 541–42.

108 'Philippines Wants Defence Pact for Japanese Troops', *Asahi Shimbun*, 5 June, 2015, [http://ajw.asahi.com/article/behind\\_news/politics/AJ201506050092](http://ajw.asahi.com/article/behind_news/politics/AJ201506050092).

109 'Minamishinakai de Katsudō, Kentō: Shushō "Jōsei o Chūshi Suru" ' ('Investigation, Activities in the South China Sea: The Prime Minister "Will Consider Intently the Situation" '), *Asahi Shimbun*, 20 November, 2015, p. 3.

Japan has furthermore pursued in recent years a new round of resource and energy diplomacy to counter China's rising influence in these areas, and especially to obviate its dependency on the rare earth supplies that China threatened to embargo in 2010. Abe remarked in 2012 that, 'India's government has shown its political savvy by forging an agreement to provide Japan with rare earth materials—a vital component in many manufacturing processes—after China chose to use its supplies of rare earths as a diplomatic stick.'<sup>110</sup> Japan has attempted to reengage with the resource-rich Central Asian republics often thought to form China's 'backyard' through the Shanghai Cooperation Organization process. It was Prime Minister Hashimoto Ryūtarō's 1988 Silk Road Action Plan that first led to Japan becoming the region's largest ODA donor. Foreign Minister Kawaguchi Yuriko made the first visit by a high-ranking Japanese minister to Central Asia in 2004; Koizumi then visited the region in 2006, and METI minister Amari Akira in April 2007. Abe visited Turkmenistan, Tajikistan, Kyrgyzstan, Uzbekistan, and Kazakhstan in October 2015, becoming the first Japanese prime minister to visit all five central Asian republics, and pledged close to ¥26 billion in grants and loans for state-building and democracy consolidation and for developing gas and nuclear energy in the region. Abe's visits to Mongolia in 2013 and 2015 were similarly aimed at expanding Japan's resource supplies. Overall, Japan has in recent years attempted to demonstrate a presence in Central Asia that precludes China's monopolization of the region through its own Silk Road Initiatives.

In the Middle East, Japan has looked to counter China's potential hold on energy resources by forging closer bilateral ties. Abe made visits in April 2007 to Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Qatar, and Egypt: the first by a Japanese premier to Saudi Arabia for four years, the first to the UAE and Qatar for 29 years, and the first-ever to Kuwait. Abe sought promises from these states of stable and sustained supplies of oil and gas. In addition, in 2006 Japan launched Economic Partnership Agreement (EPA) negotiations with the Gulf Cooperation Council (GCC). Upon returning to power, in the space of just over one year Abe paid visits to all of the GCC states—Saudi Arabia and the UAE in May, Bahrain, Kuwait, and Qatar in August 2013, and Oman in January 2014—again prospecting for economic and energy cooperation deals.

Meanwhile, China's growing influence in Africa has led to a corresponding resurgence of Japanese interest in the continent. Japan pledged in 2008 to double ODA to African states by 2012 via the Tokyo International Conference on African Development (TICAD) process. Japan has reinvigorated TICAD as a counter to the China–Africa Summit, and elaborated a concept of development that provides a so-called middle course between the West's emphasis on economic conditionality and governance reform and China's authoritarianism and mercantilist search for resources. Abe paid visits in January 2014 to Cote d'Ivoire, Mozambique, and Ethiopia, the first to Africa by a Japanese prime minister since 2006 and thus to a select group of states on the African continent with potential energy resources and considerable political influence. In addition, since 2012 the JSDF has maintained a small peacekeeping operation (PKO) commitment in South Sudan, the size and scope of which it may enlarge in view of the passage in 2015 of the new security legislation. It is in part an attempt to establish a Japanese presence that matches China's burgeoning PKO role and which wields influence in this resource-rich new state.

Finally, Japan has sought to counter China's rising influence across the East Asia region through its support, largely in opposition to perceived favour of China's regional

integration project—the Regional Comprehensive Economic Partnership (RCEP) which excludes the USA, for the US-led Trans-Pacific Partnership (TPP) agreement. Japanese leaders envisage the benefits of the TPP as helping to create a US and Japanese-oriented set of economic rules that reinforce liberal values among regional participants. Abe remarked in regard to the TPP in his address to a joint meeting of the US Congress in April 2015 that, ‘Involving countries in the Asia-Pacific region whose backgrounds vary, the US and Japan must take the lead. We must take the lead in building a market that is fair, dynamic, sustainable, and also free from the arbitrary intentions of any nation,’ thus referring to, without explicitly stating, the need to counter China via the TPP.<sup>111</sup>

Japan’s ‘soft-balancing’ of China—which the Japanese media have often dubbed an ‘encirclement’ or ‘siege’ strategy—has achieved certain benefits in impeding Chinese influence, but the pay-offs have been limited.<sup>112</sup> Japanese ‘values-oriented’ diplomacy has often failed either to convince or gain much influence, given Japan’s own history of colonial expansion and its past tendency to tolerate authoritarian regimes in the interests of economic development. Upon succeeding Abe, Prime Minister Fukuda quietly dropped the concept of the Arc of Freedom and Prosperity, and the DPJ proved reluctant to give play to the concept of values-oriented diplomacy. The maritime ASEAN states are clearly receptive to Japanese engagement in the South China Sea, but remain wary of alienating China, and have no intention of becoming pawns in a wider Japan–China power struggle in the region. For instance, it is notable that there was no explicit condemnation of China’s ADIZ in the Joint Statement of the Japan–ASEAN Commemorative Summit; and that ASEAN representatives at the ASEAN Defence Ministers Meeting in November 2015, faced with contending pressures from Japan and the USA on one side and China on the other, failed to raise any stressing concerns about China’s activities in the South China Sea.<sup>113</sup>

### Japan’s Hard Military Balancing and a Sino–Japanese Arms Race?

Japan’s sense that its attempts at ‘soft containment’ have only limited traction as regards slowing the rise of the Chinese juggernaut has thus obliged it to consider more robust ‘hard balancing’ options, both internally and externally. Japanese Revisionists’ initiation of various processes to clear the decks domestically for the exercise of military power is one indication of a new potential for balancing behaviour.

Japan under Abe for the first time established in 2013 an NSS and National Security Council to facilitate faster decision-making among key leaders and more effective military crisis management. Abe’s government subsequently issued in July 2014 a Cabinet Decision enabling Japan to breach its post-war ban on the exercise of ‘limited’ collective self-defence, and thus to use armed force in the defence of another state, even when Japan itself is not under direct attack. In September 2014, Abe’s government completed the passage through

111 Ministry of Foreign Affairs Japan, ‘Address by Prime Minister Shinzo Abe to a Joint Meeting of the US Congress: “Toward an Alliance of Hope”’, 29 April, 2015, [http://www.mofa.go.jp/na/na1/us/page4e\\_000241.html](http://www.mofa.go.jp/na/na1/us/page4e_000241.html).

112 ‘Abe, Asō Ryōshi ‘Chūgoku Hōiami’ Ninin Sankyaku Shūhen Gaikokyū’(Abe, Asō, Both Depart on Foreign Trips in Three-Legged Race for ‘China’s Encirclement’) *Asahi Shimbun*, 3 May, 2013, <http://digital.asahi.com/articles/TKY201305030003.html>.

113 Ministry of Foreign Affairs Japan, ‘Joint Statement of the ASEAN–Japan Commemorative Summit: “Hand in Hand Facing Regional and Global Challenges”’, 14 December, 2013, <http://www.mofa.go.jp/files/000022451.pdf>.

the National Diet of a raft of security-related bills, the most prominent of which are: the Law on Response to Contingencies, enabling Japan's exercise of the right of collective self-defence in scenarios where an attack on another state in a close relationship with Japan poses a clear danger of overturning the Japanese people's right to life, liberty, and the pursuit of happiness, where there is no other appropriate means to repel the attack, and where the use of force is restricted to the minimum necessary to repel the attack; the Law to Ensure Security in Contingencies Significantly Affecting Japan, replacing the 1999 Regional Contingencies Law, and designed to bolster Japanese non-combat logistical support for the USA, and also other states, regionally and globally; the International Peace Support Law, which removes the need for Japan to enact separate laws for each JSDF dispatch providing logistical support to multinational forces; and revisions to the International Peace Cooperation Law, enabling the JSDF to use force during UN PKO in the pursuit of certain duties rather than solely in the defence of JSDF personnel.

The move to exercise the right of collective self-defence signifies a major development in Japan's overturning of its post-war security course, and augmentation of its ability to respond militarily to the rise of China. The LDP and New Kōmeitō presented a number of scenarios to justify the security legislation which were the subject of National Diet deliberations, and envisaged to enhance US–Japan cooperation and deterrence of North Korea and China, including: the protection of US ships carrying Japanese nationals; defending US warships under attack close to Japan; defending the US military against ballistic missile attacks; forceful interdiction of shipping; protecting critical sea lanes; and 'grey zone' contingencies around Japan's far-flung islands.

In regard to military doctrines and capabilities, there has been a similar attempt, driven by China's rise, to upgrade Japan's ability to implement an incipient balancing strategy. Japan's National Defence Program Guidelines (NDPG) set out the national doctrine, and the military capabilities necessary for its achievement. The 1995 NDPG omitted any direct reference to China, but the revised 2004 NDPG noted China's modernization of its nuclear and ballistic missile forces and increasing ambitions for out-of-area operations, and that Japan should 'remain attentive to its future actions'.<sup>114</sup> The NDPG went on to state that the JSDF would increasingly reorient its capabilities to respond to scenarios such as ballistic missile attacks, invasion of Japan's offshore islands, and violations of Japanese sea and air space—all indirect references to China's military activities. The 2010 NDPG stepped up the rhetoric, emphasizing China's rapid military modernization and development of power projection, stressing that all this constituted a 'concern for the regional and global community'—again Japanese oblique language signifying China's growth as a significant threat.<sup>115</sup> The revisions of the NDPG in 2013 under Abe reemphasized that China's

114 'Heisei 8 Nendo Ikō ni Kakawaru Bōei Keikaku no Taikō' ('National Defence Programme Outline 1995 Fiscal Year'), Tokyo, 28 November, 1995, [http://www.mod.go.jp/j/approach/agenda/guideline/1996\\_taikou/dp96j.html](http://www.mod.go.jp/j/approach/agenda/guideline/1996_taikou/dp96j.html); 'Heisei 17 Nendo Ikō ni Kakawaru Bōei Keikaku no Taikō ni Tsuite', Tokyo ('National Defence Programme Guidelines 2005 Fiscal Year'), 10 December, 2004, <http://www.mod.go.jp/j/approach/agenda/guideline/2005/taikou.html>.

115 'Heisei 23 nendo ikō ni kakawaru Bōei Keikaku no Taikō ni Tsuite' ('National Defence Programme Guidelines 2011 Fiscal Year'), Tokyo, 17 December, 2011, <http://www.mod.go.jp/j/approach/agenda/guideline/2011/taikou.html>.



intensification of its air and maritime activities remained ‘concerns for regional and global security’.<sup>116</sup>

The 2010 NDPG reacted to China’s rising threat by implying a step change in Japanese defence doctrine through its adoption of the new concept of a Dynamic Defence Force (DDF), characterized by lighter, more technologically advanced forces with power projection capabilities in regional contingencies for the defence of Japan’s periphery, rather than just the static defence of Japan itself, and thus geared to respond to China’s security challenge. In addition, the 2010 NDPG continued the trend of Japan moving its key military assets southwards for the defence of its islands against China’s growing maritime power, including the doubling of F-15J squadrons at Naha in Okinawa. The 2013 revisions to the NDPG modified the DDF to produce the concept of a Dynamic Joint Defense Force (DJDF), this time emphasizing the need for improved joint GSDF, MSDF, and ASDF operations.

In terms of the development of specific military capabilities, the 2010 and 2013 NDPGs and their accompanying Midterm Defence Program (MTDP) have largely sought to counter China’s modernization through a symmetrical build-up of JSDF assets. The 2013 NDPG was particularly notable in designating that the GSDF would for the first time acquire a full amphibious capability for the retaking of remote islands. The force will comprise around 3000 personnel, equipped with 52 of the GSDF’s first amphibious armed personnel carriers. Japan will further procure seventeen MV-22 *Osprey* transports as used by the USMC.

The ASDF has sought to slow any adverse change in the balance of air defence power by investing in fifth-generation fighters to trump China’s fourth-generation inventory. Japan in December 2011 thus plumped for the procurement of 42 F-35As. Japan’s attachment of importance to the stealth capabilities of the F-35A with its greater associated strengths as an air defence penetration fighter rather than air superiority fighter, suggests a future interest in developing for the ASDF an offensive counter-air (OCA) doctrine. This type of Japanese capability might be used in a contingency to strike against the Chinese mainland and missile launch sites, and so mark a radical departure in Japan’s defence-oriented posture. The ASDF is furthermore now set on procuring *Global Hawk* Unmanned Aerial Vehicles (UAV) to help patrol Japan’s air space, long coastline and distant islands.

Japan’s reaction to China’s missile forces has again been largely symmetric, evident in attempts to neutralize these capabilities through the deployment of Ballistic Missile Defence (BMD). The 2010 and 2013 NDPGs mandate the ASDF to maintain six anti-aircraft groups equipped with PAC-3 batteries, and the MSDF eight Aegis destroyers equipped with BMD SM-3 interceptors. The JSDF now deploys, after the US, the most sophisticated BMD capabilities in the Asia-Pacific. It is thus attempting deterrence through denial of China’s ballistic missile threat, backed up by the F-15J and in future the F-35A, to counter cruise missiles.<sup>117</sup>

The MSDF matches Japan’s recent primary maritime security concerns about China, having embarked on the most significant build-up of capabilities under the 2010 and previous NDPGs, many of which are designed to negate both the PLAN’s access-denial and blue

116 ‘National Defence Program Guidelines for FY2014 and Beyond’, Tokyo, 17 December, 2014, [http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217\\_e.pdf](http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217_e.pdf), p. 2.

117 Bōeishō Bōeikenkyūsho, *Higashi Ajia Senryaku Gainen 2012 (East Asia Strategic Review 2012)*(Tokyo: Zaimushō Insatsukyoku, 2012), p. 240.



water naval strategies. The MSDF was provided under the 2010 NDPG and MTDP with an increase in its submarine fleet of more than one third, from 15 to 22 boats, including the introduction of the *Sōryū*-class submarine platform that provides leading-edge technologies in air-independent and fuel-cell propulsion and operation. The 2010 NDPG and MTDP specified that the destroyer force be maintained at 48 ships, but the 2013 NDPG and MTDP increased this number to 54. As part of this maritime build-up, Japan continues to introduce Destroyer-Helicopter warships (DDH). The MSDF has taken delivery of two 7000 ton *Hyūga*-class 16 DDHs, with a regular complement of four helicopters capable of carrying up to 11. It has now procured a further two 19000-ton *Izumo*-class 22DDs, launched in August 2013 and August 2015, capable of carrying up to 14 helicopters. The MSDF DDHs are the largest vessels built for the service in the post-war period, and are in all but name light helicopter carriers. The prime function of these assets is to provide powerful anti-submarine warfare (ASW) capability, clearly aimed against China's access-denial strategy. But Japan's venturing back into carrier technology is resonate of a possible Sino-Japanese carrier arms race, and the suspicion of analysts is that the MSDF might eventually attempt to operate fixed-wing aircraft from the DDH-22s such as the maritime variant of the F-35. Japan's maritime air and ASW capability is to be further strengthened through procurement of a replacement for its P-3Cs with the introduction of an indigenous P-1 patrol surveillance aircraft with the ability to sweep over an 8000 kilometer range and thus deep into the South China Sea.

Japan under Abe also appears resolved to allocate more funds to its build-up of national military capabilities. Shortly after taking power, Abe initiated the first, albeit modest, rise in Japanese defence spending in over a decade. The JMOD's defence expenditure has increased at rates of 1–2% over the last three years, and it has requested another 2.2% rise for 2015–2016 which signifies the largest defence budget in the post-war period.<sup>118</sup> Japanese policymakers have argued that these defence budget increases are still modest in the context of its stagnating budgets for almost two decades and of the rapid rise in China's military expenditure. But Japan's desire to raise defence spending is clearly driven by a growing impulse to balance China militarily (Figure 3).

### US–Japan Alliance and other Balancing Partners

Japan's military modernization programme has undoubtedly enhanced its ability to internally balance China, but it has at the same time redoubled efforts to strengthen external balancing alongside the USA, and to obviate any risks of abandonment. Although US–Japan alliance relations under the DPJ initially suffered tensions due to the Hatoyama administration's decision to withdraw the MSDF from refueling operations to support the international coalition's efforts in Afghanistan, and to its reconsideration of and subsequent relenting on plans to relocate the USMC Futenma Air Station within Okinawa Prefecture, the DPJ nonetheless continued to strengthen the long-term military foundations of the alliance.

In regard to BMD, perhaps the most important long-term driver of US–Japan military integration, cooperation under the DPJ has rolled forward. Japan and the USA continued the joint development of the SM-3 Block IIA interceptor missile, and agreed in June 2011

118 Bōeishō, 'Waga Kuni no Bōei to Yosan: Heisei 28nendo Gaisan Yōkyū no Gaiyō' (National Defence and Budget: Outline of Request for 2016), August 2015, <http://www.mod.go.jp/j/yosan/2016/gaisan.pdf>.

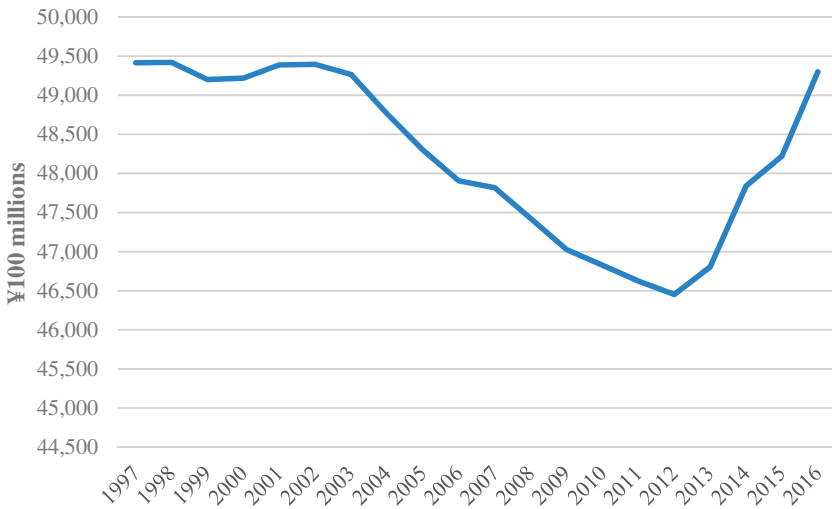


Fig. 3 Japan Defense Expenditure Trends 1997–2015 and Defense Budget Request for 2016.

Source: Ministry of Defence Japan

that Japan would make an exemption in the arms export ban to permit export of the missile to third countries.<sup>119</sup> In April 2012, Japan and the USA completed plans for collocation of the ASDF Air Defence Command with that of the USAF at Yokota air base, near Tokyo, thus to improve information-sharing in response to missile attacks.<sup>120</sup>

The 2010 NDPG was devised with close linkages to the USA's own Quadrennial Defence Review (QDR) that year, and coincided in general with the USA's 'rebalance' towards the Asia-Pacific, announced in January 2011. The DPJ actually overtook previous LDP administrations by updating in the 2011 Security Consultative Committee (the main policy coordinating mechanism of the alliance) the 2005 and 2007 'Common Strategic Objectives' of the bilateral alliance to include functions such as enhanced intelligence, surveillance, and reconnaissance (ISR), maritime security, and cyber security, so laying the groundwork for the later revision in 2015 under the Abe administration of the US–Japan Guidelines for Defence Cooperation.<sup>121</sup> US–Japan alliance interoperability was then tested and strengthened in the wake of the 3.11 disasters.<sup>122</sup> The USA launched *Operation Tomodachi* to support the JSDF's own mobilization of 100,000 troops for disaster relief by

119 'Joint statement of the Security Consultative Committee: Toward a Deeper and Broader Alliance Building on Fifty Years of Partnership', 21 June, 2011, [http://www.mofa.go.jp/region/n-america/us/security/pdfs/joint1106\\_01.pdf](http://www.mofa.go.jp/region/n-america/us/security/pdfs/joint1106_01.pdf), p. 9.

120 'ASDF Command Now at Yokota', *The Japan Times Online*, 27 March, 2012, <http://www.japantimes.co.jp/text/nn20120327a2.html>.

121 Bōei Kenkyūsho, *Higashi Ajia Senryaku Gaiyō 2012*, pp. 224–225; Department of Defence, *Sustaining US Global Leadership: Priorities for the Twenty First Century*, January 2012, [http://www.defense.gov/news/Defense\\_Strategic\\_Guidance.pdf](http://www.defense.gov/news/Defense_Strategic_Guidance.pdf), p. 2.

122 Richard J. Samuels, *3.11: Disaster and Change in Japan* (Ithaca: Cornell University Press, 2013).

utilizing the full panoply of its military assets in Japan itself and the Pacific, including 20 USN vessels, 140 aircraft, and 20 000 USMC personnel.

The return to power of the LDP in 2012 opened the way towards further initiatives to strengthen the US–Japan alliance. The Abe administration’s revised 2013 NDPG was clearly geared to strengthening security cooperation with the USA. The next stage in reinforcing the alliance was the April 2015 revision of the US–Japan Defence Guidelines, the first since 1997. The 2015 Defence Guidelines revisions expand the range of Japanese support for the USA in contingencies to include: ISR; BMD; maritime security; asset protection; joint use of facilities; PKO; humanitarian assistance and disaster relief; and defence activities in cyber space and outer space. The revised Guidelines stress the concept of ‘seamless cooperation’ and a ‘whole-of-government approach’, so removing the previous rigid separation of bilateral cooperation into ‘peacetime’, ‘Japan’ and ‘regional’ contingencies. The intention is for military cooperation to operate more smoothly across all potential scenarios and levels of conflict escalation.

Moreover, the revised Defence Guidelines emphasize that bilateral cooperation should now be global, and not necessarily geographically restricted, as in past formulations, to Japan itself or the surrounding region. Even more significantly, and designed to interlink with Japan’s breach of the ban on the exercise of collective self-defence in July 2014, the revised Defence Guidelines outline the areas wherein the JSDF can now exercise force to defend US forces, such as the protection of US shipping, interdiction of other shipping, BMD, and providing logistical support during conflicts.<sup>123</sup> The same year Japan followed up the revised Defence Guidelines with its new security legislation to create the framework for the exercise of collective self-defence, comprising the Law on Response to Contingencies, and the Law to Ensure Security in Contingencies Significantly Affecting Japan, so replacing the 1999 Regional Contingencies Law.

In addition, Japan has expanded its scope of military cooperation, in conjunction with US regional security strategy, and begun to incorporate a wider range of US allies and partners to support its incipient balancing strategy. Japan and Australia security ties have advanced relatively steadily since the ‘Joint Declaration on Security’ in 2003, and the DPJ administration concluded in 2010 an Acquisition and Cross Servicing Agreement (ACSA) with Australia on the sharing of military logistical support in peacetime and UN operations. Modelled on Japan’s ACSA with the USA, signed in 1996 and revised in 1999, it clearly provides a template compatible with the future possible trilateral logistical cooperation among Japan, the USA, and Australia. Japan and Australia signed an Information Security Agreement in May 2012, again modelled on that between Japan and the USA, thus serving to further enhance the potential for trilateral cooperation; and in April 2014 both sides concluded a new EPA and pledged further cooperation on cyber-security and defence technology exchanges.<sup>124</sup> The NSC, in line with the new Three Principles on the Transfer of Defence Technology and Equipment, approved in April 2015 Japan’s participation in the competitive tender to provide new submarines for Australia. Mitsubishi Heavy Industries and Kawasaki Shipbuilding Ltd. are moreover seeking to export technology from its *Sōryū*-class attack submarines.

123 Ministry of Foreign Affairs Japan, ‘The Guidelines for Japan-US Defence Cooperation’, 27 April, 2015, <http://www.mofa.go.jp/mofaj/files/000078188.pdf>.

124 Ministry of Foreign Affairs Japan, ‘Joint Press Release on Japan-Australia Summit Meeting’, 7 April, 2014, <http://www.mofa.go.jp/files/000034801.pdf>.

Japanese security ties with India, as compared with those with Australia, have proceeded more slowly since the initial 'Joint Declaration on Security and Cooperation' in 2008. The DPJ administration did, though, step up cooperation with this emerging US partner, having conducted in December 2011 the first-ever foreign ministry director-level security talks trilaterally with the USA and India, and reached agreement in 2012 to hold joint naval maritime security exercises. Similarly, Japan and the DPJ government have been more willing to explore meaningful ties with South Korea as another important US partner. The MSDF officers first observed US–South Korea military exercises, as a demonstration of trilateral unity in the wake of the *Cheonan* sinking incident, in July 2010. South Korean navy officers first participated as observers in US–Japan large-scale military exercises in December of that year, this time following North Korea's bombardment of Yeonpyeong Island. Japan and South Korea had been considering since early 2011, and in April 2012 were reportedly close to signing, an ACSA and General Security of Military Information Agreement (GSOMIA) on the exchange of BMD early warning intelligence. The South Korean government shied away from finally concluding the agreements in May 2012, due to domestic political sensitivities over military cooperation with Japan, further compounded by Abe's visit to Yasukuni in December 2013; but following North Korea's nuclear and missile tests in February 2016, Japan and South Korea have resumed discussions on implementing the agreement.<sup>125</sup> Meanwhile, Japan has under the first and second Abe administrations shown interest in establishing cooperation with NATO, and signed defence cooperation memoranda with the UK and France in 2012 and 2013 as regards cooperation on defence production and intelligence sharing.

### Conclusion: Japan's Own Uncertain Strategic Intentions and "Resentful Realism"

Japan can now be observed to be shifting from its past hedging strategy vis-à-vis China towards a strategy of active soft and incipient hard balancing. The key conditions that in the past ensured Japan could maintain a hedging strategy have deteriorated over the last decade, so initiating this shift. Japanese policymakers' previous belief in their ability to read China's intentions as benign has waned, as has their confidence in the potential malleability of Chinese intentions through political and economic engagement. Japan's own domestic regime change, characterized by the rise of Revisionism and discontent with the status quo, has reinforced the impulse to avoid 'underbalancing'. Indeed, the rising domestic consensus in Japan is that China's intentions, if readable at all, are now fundamentally malign towards Japan. Most strikingly, Japanese policymakers no longer trust that the balance of offence–defence capabilities is in their favour, either internally or externally. China's military modernization is perceived as set to overwhelm the JSDF's defensive capabilities and as weakening the USA's ability to police the global commons and restrain China's encroachment of core Japanese security interests.

125 'Nikkan Bōei Kyōryoku, Sakiokuri: Kankokunai de Shinchōron' ('Japan-Korea Defence Cooperation Put Off: Caution Domestically'), *Yomiuri Shimbun*, 19 May, 2012, <http://www.yomiuri.co.jp/politics/news/20120518-OYT1T01137.htm>; 'Nikkan, Gunji Johō Kyōyū e Chōsei: GSOMIA Nihon, Konnenchū Mezasu' ('Japan-Korea, Adjusting for Military Information Provision'), *Asahi Shimbun*, 2 September, 2016, p. 3.

The overall consequence has indeed been Japan's shifting, if incrementally and certainly not entirely relinquishing hedging, towards more incipient balancing behaviour. Much of this balancing is 'soft' in orientation, apparent in efforts to check Chinese influence through strengthening partnerships with other East Asian states on China's periphery that are equally concerned about the negative externalities of its rise. But another component of seeking to balance China globally is apparent in vigorous diplomatic activity and resource deals in Africa and the Middle East.

Meanwhile, Japan's hard balancing has taken the form of an emerging emphasis primarily on building up JSDF defensive capabilities while also considering the selective procurement of power projection capabilities that could serve collective self-defence and even offensive purposes. Japan has thus found itself competing in a quiet arms race with China in East Asia evocative of 'normal' balancing behaviour on a par with that of other states facing a similar external security environment. Alongside these internal efforts Japan has, of course, redoubled its support for the US–Japan alliance to buttress the USA's potential for balancing against China.

Japan's identification as an incipient balancer presents a range of important conclusions in answer to the questions posed at the start of this article. First, the discussion in this article and recent evidence by virtue of Japan's behaviour is cause for reexamination of the quaint consensus among Neo-realism, Liberalism, and Constructivism on the immobility of Japanese security policy. The very conditions contained in those perspectives, especially the former two, regarding a state's potential disposition towards hedging now demand serious review in the case of Japan. This is not to say that these perspectives are fundamentally flawed, but rather that the conclusions and orthodoxy they give rise to are outmoded because they take insufficient account of new evidence. If given due consideration, these perspectives may have ample ability to point to and explain Japan's initiation of balancing behaviour. These perspectives, therefore, need to abandon the comfort zone of their past orthodoxy and review the dynamism of Japan's security policy if they are to retain their full explanatory utility with regard to Japan now and in the future. In particular, Neo-realism can afford to be bolder in asserting its perspective on Japan's remilitarization of security policy, rather than readily ceding ground to the dominance of Constructivism and Liberalism.

Secondly, and even more importantly, Japan's inching towards active balancing of China has significant implications for East Asian security, although given the nature of the process of Japan's shift they are not entirely clear. Japan's move towards balancing is certainly not yet complete, irreversible, or fully revealed, and embedded in national grand strategy. As outlined earlier, the Yoshida Doctrine has proved a highly resilient grand strategy in the post-war period, and will not be abandoned lightly. The result is that Japan is demonstrating, and likely to continue to demonstrate, fluctuations between the Yoshida Doctrine and more active balancing behaviour. These fluctuations will, in turn, be driven by the development of the international and domestic determinants of Japan's strategy as already outlined, and which are themselves amid a process of volatile change. Japan will be forced to react to variations in the benignity and malignity of China's intentions and, just as importantly, Japanese behaviour will be largely determined by the condition of the US–Japan alliance and fears over entrapment and abandonment.

Japan's sense of being caught between a rising China and a US ally on which it has been so dependent, but with which its security interests do not always converge, will make for hesitancy in its security stance. Japan's impulse may be to react strongly at times to

perceived Chinese security provocations, but it will lack the assurance of USA backing of this behaviour. This will, on the whole, encourage Japan to act more autonomously when necessary. Hence, not only China, but also the USA, may find Japan a difficult security partner to deal with.

Japanese unpredictability is and will be enhanced by the continuing changes to its domestic regime. The unwinding of the post-war system is not complete, and the struggle between Pragmatists and Revisionists will continue, albeit with the latter likely to eventually triumph. Japanese dalliance with Revisionism, and the feeling of ideological antagonism it engenders towards China, and even the USA at times, amid the desire to cast off post-war constraints and restore national standing, is conducive to a Japanese international strategy that is capable of being highly confrontational.

If an uncertain international security environment is combined with domestic Revisionism, then Japan can be seen as lacking confidence in the basic foundations of its security, and to be experiencing a certain sense of paranoia. The outcome is that the new 'realism' to which Japan is being pushed in its international strategy will not always be the cautious 'Reluctant Realism' that seeks a comfortable alliance with the USA and which contributes, as US policymakers would hope, to a stable balance of power in the Asia-Pacific. It may rather at times be a 'Resentful Realism', driven by fear of China, lack of trust in the USA, and a desire to reassert national pride and autonomy, that could take root in Japan. This 'Resentful Realism' may generate impulses towards more independent national military action by Japan, facilitated by new autonomous capabilities, and will clearly be a difficult quantity for the USA, let alone China, to handle. Under this scenario, Japan's experimentation with active balancing may not restore equilibrium and stability in the region to match China's rise, but actually become a source of unpredictability and instability.

If this is thought to be a possible outcome of Japan's shift from hedging to incipient balancing, a third conclusion then becomes apparent. Japan's impact on regional stability can be mitigated most obviously by China's moderation of its security policy so as not to cross the Japanese key red lines of territory and SLOC security. The USA needs to reassure Japan that it will not be 'passed over' and its security interests overlooked in any possible strategic accommodation with China. For Japan itself, the lesson is that, as it reconsiders the Yoshida Doctrine and Revisionism takes hold, it must consider how this process of international strategic and domestic regime change has impact on the very same problem it has in dealing with China—that of states' surety in the reading of the international intentions of others. Japan's policymakers thus need to ensure they do not become trapped in the same problem of being unable to signal their intentions and maintain the sense of benignity that they accuse their Chinese counterparts of lacking. If they fail to do so, Japan will be labelled a security risk on a par with China, the risk of a Sino-Japanese military clash may rise, and the consequences for the regional security order will be disastrous.