

Japan and Asia's Changing Military Balance: Implications for U.S. Policy

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Northeast Asia poses multiple challenges for U.S. foreign policy, but one of the most pressing is deterring the use of force against the U.S. and its allies. U.S. allies across Asia have witnessed the growing willingness of Pyongyang and Beijing to use their military forces to threaten or intimidate other states across Asia. As North Korea continues its missile launches, and as Chinese maritime and air forces assert their presence in the East and South China Seas, it has become apparent that the balance of military forces in the region is shifting in a direction that undermines Japan's security. The U.S. military presence in the region not only assures the continued stability and open access to maritime Asia, but it also reassures allies such as Japan that their national defenses are secure.

Japan has chosen to maintain a military capability focused exclusively on defense. The presence of U.S. forces on Japanese soil, around 50,000 military personnel, acts as a deterrent against aggression, but also provides the offensive strike capabilities that offset Japan's Self Defense Forces (SDF). While the United States and the Republic of Korea (ROK) have always prepared for the use of force on the Korean Peninsula, the U.S.-Japan alliance has not had to cope with a direct and ongoing military threat to Japanese defenses. Not, that is, until now.

Japanese views on Asia's changing military balance have been measured, and the Japanese people continue to subscribe to the idea that Article Nine of their constitution remains their best hope for peace. The Japanese defense budget continues to be limited to around 1 percent of the Gross domestic

product (GDP), and changes to Japan's military doctrine continue to emphasize defensive operations. Prime Minister Abe Shinzo's reinterpretation of the constitution in 2014, supported by new security legislation in 2015, allows the SDF to work more closely with the militaries of the United States and other security partners, including United Nations (UN) peacekeeping forces, but Japan's postwar military has a very strict set of scenarios under which it is allowed to use force. Even Prime Minister Abe—who has been an advocate of security policy reforms—continues to frame the use of force in terms of Japan's own security requirements. Abe's decision to allow the exercise of collective self-defense, in other words, fell short of an embrace of collective security.

Nonetheless, growing pressures on Japan's defenses from North Korea and China affect U.S. policy in Asia in three ways. First, a direct military threat to Japan requires a combined military response. Article Five of the U.S.-Japan Security Treaty obligates the United States to assist in the defense of Japan, and our two militaries have planned and exercised for that scenario since the treaty was concluded in 1960.¹ Second, deterring conflict in Northeast Asia is the best way of ensuring peace, and the United States and Japan continue to upgrade their shared understanding of the risk environment and how they will respond together to improve the allied deterrent.² Finally, geostrategic shifts of this magnitude breed anxiety among the public, and the United States and Japan have sought to refine declaratory policy so as to not only signal to potential adversaries of their shared response to military threat but also to reassure Japanese and Americans that they ensure their security. Preparing for the defense of Japan and of Northeast Asia together, and adapting declaratory policy backed up with concrete steps to improve military readiness, has gone a long way to ensuring the U.S.-Japan alliance continues to cope with the changes in the region's strategic balance. With these goals in mind, a closer look at Japan's views on the military challenge posed by China and North Korea is required.

Japan's Views on China

China's military modernization has changed Japan's defense needs and has raised the specter of a far more conflicted Asia, especially across in the maritime domain. China's nuclear modernization has worried Japanese planners, and caused some concern about how Beijing plans on using these nuclear forces over time.

Chinese conventional military forces now pose a direct threat to Japanese control over its maritime and air domains. The growing reach of Chinese maritime forces, in particular, has raised the bar for the Maritime and Air Self Defense Forces. The growing presence of Chinese vessels in Japanese waters has prompted an increased investment in intelligence, surveillance, and reconnaissance capabilities (ISR). The People's Liberation Army Navy (PLAN) regularly travels through the Ryukyu island straits on its way to the Western Pacific, and conducts major military exercises just beyond Japanese waters. PLAN submarines now operate across the East China Sea and transit out in the Western Pacific.³ Non-military

¹ In the early years after the treaty was revised in 1960, training between U.S. and Japanese forces was limited largely due to the Self Defense Forces' limited capabilities, but in 1978, the U.S.-Japan Defense Cooperation Guidelines were crafted to expand the bilateral dialogue on how the U.S. and Japanese militaries would work together in a crisis.

² In 2006, the U.S. and Japan agreed upon a comprehensive force posture plan that upgraded their forces to cope with the new security environment in Northeast Asia. The United States and Japan continue to consider their roles, missions and capabilities as this plan reaches completion.

³ In 2004, a PLAN submarine was discovered attempting to transit the Miyako strait underwater, a violation of international law. Japan's MSDF was ordered to defend the Japanese islands, and the sub surfaced. Whether it was a deliberate attempt to challenge Japanese defenses, or a commander's mistake, is unclear. See Peter A. Dutton, *Scouting, Signaling, and*

maritime forces are also increasingly present around the Senkaku Islands, and their numbers have grown in the wake of the 2010 and 2012 tensions over Beijing's sovereignty claims. Japan's Air Self Defense Force (ASDF) now responds to Chinese aircraft far more than ever. This April, the Japan's Ministry of Defense reported their fighter jets scrambled 851 times against Chinese People's Liberation Army Air Force (PLAAF) during FY2016, 280 times more than in the previous year, and a thirty-eight-fold increase over a decade ago.⁴ Moreover, Japan's air force must contend with Chinese air forces while simultaneously continuing to respond to Russian air forces to the north.

Diplomatic relations between Japan and China have deteriorated over the past two decades, as the two governments have been unable to resolve a host of new policy challenges. Not all of these challenges are related to the military balance,⁵ but the Chinese sovereignty claim on the Senkaku Islands has blossomed into a full-fledged territorial dispute with the maritime forces of both countries mobilized in defense. In 2010, a Chinese fishing trawler captain, reportedly inebriated, challenged the Japanese Coast Guard ships that asked him to leave Senkaku waters, ramming two vessels and resulting in his arrest and the trawler's detention. Eventually he was released, but not before Beijing's outrage spilled over into an informal embargo on exports of rare earths and the detention of four Japanese businessmen in China. Nationalist politics on both sides of this dispute were fed by public sentiment, making diplomacy difficult. In 2012, the Japanese government sought to control access to the islands by purchasing them from a private owner, but this led to another round of Chinese reaction against Japan, and Beijing sent its own coast guard to patrol the waters and defend its sovereignty claim. Throughout, Japanese attitudes towards China hardened, and when reports of a Chinese PLAN vessel locking its fire control radar on a Japanese MSDF ship surfaced in early 2013, the notion that this could escalate into a war spread. With a newly elected Abe cabinet in Tokyo, the Obama administration moved quickly to help ease tensions and formal efforts to revise the U.S.-Japan Defense Cooperation Guidelines sought to consider how the alliance might help in de-escalating these type of "grey zone" pressures on Japan's defenses.

It took until November 2014 for China's president to sit down with Japan's prime minister. Beijing lashed out at Prime Minister Abe when he visited Yasukuni Shrine in December 2013, once more inflaming sentiment in both China and South Korea over war memory. With China hosting the Asia-Pacific Economic Cooperation (APEC) meeting the following year in Beijing, however, the opportunity came for a meeting between Abe and Xi Jinping. Considered efforts were made by National Security Advisor Yachi Shōtarō and State Councilor Yang Jiechi to find a way to restore regular diplomatic channels. On the East China Sea, the compromise was to recognize that the growing risk between their

Gatekeeping: Chinese Naval Operations in Japanese Waters and the International Law Implications, U.S. Naval War College China Maritime Studies, no. 2, (Newport, RI: Naval War College Press, 2009), and Minemura Yoshito, "Han kyu sensuikan no ryokai shinpan jian—CMSI Scouting, Signaling, and Gatekeeping wo yonde [A Han-class Submarine's Invasion of Japanese Territorial Waters: Reading the Dutton's 'Scouting, Signaling, and Gatekeeping']," *Japan Maritime Self-Defense Force Command and Staff College Review*, vol. 1 no. 1, May 2011, 90-100.

⁴ Japan's Air Self Defense Force reported only 22 scrambles against Chinese aircraft in FY2006. "Joint Staff Press Release: Statistics on scrambles through fiscal year 2016," April 13, 2017, Joint Staff, Ministry of Defense, Japan, http://www.mod.go.jp/js/Press/press2017/press_pdf/p20170413_02.pdf.

"Heisei 22 nendo no kinkyū hasshin jishū jōkyō ni tsuite [Joint Staff Press Release: Statistics on scrambles through fiscal year 2011]," April 28, 2011, http://www.mod.go.jp/js/Press/press2011/press_pdf/p20110428_02.pdf.

⁵ For a discussion of the various issues of contention that have arisen between Tokyo and Beijing as China's economic and political influence has grown, see Sheila A. Smith, *Intimate Rivals: Japan's Domestic Politics and a Rising China* (New York: Columbia University Press, 2015).

forces was a problem, and that both leaders, while disagreeing on the cause of that risk, wanted to find a way to prevent miscalculation or incident from escalating to armed conflict. On this premise, the first meeting was held—uncomfortably. The bilateral risk reduction agreement has been discussed by a variety of government agencies, but Japan and China have yet to reach conclusion on this important step towards ensuring that their militaries do not inadvertently use force against each other.

Tokyo continues to worry about Beijing's military ambitions beyond the East China Sea, however. For some time Japanese strategists have also watched the Chinese expand their presence in the Indian Ocean and across continental Asia. Japan has watched with particular alarm Chinese island building in the South China Sea. China's salami slicing of the maritime spaces in Asia is a worry, and the U.S. response to what is largely viewed as an expansionist China is keenly evaluated. Tokyo has quietly urged for more frequent Freedom of Navigation operations (FONOPs) by the United States to challenge Chinese sovereignty and Exclusive Economic Zone (EEZ) claims, and has noted its own interests in ensuring that Asia's waters continue to be open to all. As a result of the new security legislation, the United States asked Japan to provide asset protection for the U.S.S. Carl Vinson's carrier strike group (CSG) sent to train and exercise across Asia, including some time in the South China Sea. The MSDF's helicopter-capable destroyer *Izumo* was sent to join the CSG on May 1.

Chinese military operations in and around the South China Sea are not unrelated to their activities in the East China Sea. As tensions have risen with the United States on the South China Sea, the PLAN and PLAAF have demonstrated their presence in and around Taiwan and Japan, suggesting to Tokyo planners that Beijing links the two seas in its calculus of how to assert its military pressure on U.S. allies.

Japan too has upped its maritime cooperation across the Asia-Pacific in response. Maritime exercises with Australia, India, and the Philippines have been done in cooperation with U.S. Pacific forces. Japan has formally joined the Malabar exercises with India and the U.S. navies, and has sent observers to the bilateral Balikatan exercises with the Philippine and U.S. militaries. Security cooperation between Canberra and Tokyo has expanded to include ISR cooperation and other types of military missions. To its Southeast Asian partners, Japan now offers maritime defense assistance through training, financial assistance, and leasing of retired Japanese coast guard vessels. The Philippines and Vietnam have both benefitted from Japan's expanding support for their maritime security.

Investing more on its own capabilities and building partnerships with other maritime partners are two areas where Japan is likely to continue to strengthen its response to China's growing military presence. Japan has loosened its constraints on the export of defense related technologies, a step that seeks to leverage its technological prowess in the service of its own defense needs but also a means to strategic cooperation with a variety of partners in the North Atlantic Treaty Organization (NATO) and the Asia-Pacific.

Over the longer term, however, the role of the United States in the region will be critical to Japan's sense of how to ensure its security, both within its own air and maritime territory as well as in the sea routes it depends so heavily up across the Indo-Pacific. Not only will Asian allies continue to look to the United States to lead in sustaining the existing security architecture of the region, but Japan will also be watching how the United States manages its other alliances, such as NATO, for indications of U.S. intent and future capabilities. Without the U.S.-Japan alliance, Japan will be woefully unprepared to

contend with a China that seeks regional hegemony, especially if that hegemony is sought through coercive means.

For now, Japan and China will compete with each other for markets and for resources across the globe. China has overtaken Japan to become the world's second largest economy, but Japan continues to have distinct advantages as a global economic leader that China will be hard pressed to emulate. Nonetheless, Japan's economy continues to be deeply intertwined with China's. The complementarities of this interdependence remain a vital source of economic growth for both nations, and should act to temper an overt strategic rivalry. That being said, Tokyo's experience with Beijing in 2010 and again in 2012 was sobering. The use of an embargo and arrests by Chinese authorities during the crisis was seen as using economic coercion to resolve a crisis, and while the impact was short-lived, it did impress upon the Japanese government that their economic exposure in China could make them very vulnerable to Chinese coercion should there be a more difficult clash between them.

Tokyo has also observed that China's use of trade and embargos as instruments of coercion has been also used by Beijing against the Philippines during the Aquino presidency and against a Korean conglomerate, Lotte, in retaliation for the Terminal High Altitude Area Defense (THAAD) deployment. Thus beyond the question of China's rising economic and military influence in the Asia-Pacific, Tokyo is focused on the way in which Beijing is using this newfound power to its advantage in shaping regional politics.

Abe and Xi are scheduled to meet again this summer. Since 2014, they have had six opportunities to sit down together to discuss their relationship and broader interests in Asia. Moreover, the economic ties between Japan and China have now largely been restored, although Japanese manufacturers are increasingly diversifying their foreign direct investment. In 2016, trade between the two reached \$301.6 billion, but foreign direct investment (FDI) had just returned to pre-2011 level.⁶ Resource competition is evident in the Middle East, Africa and Latin America, as China expands its global sourcing of oil, gas and minerals needed to fuel its own manufacturing industries. Japan continues to seek economic interdependence with China, just as all other advanced industrial economies must. Yet their economic dependence now comes with a strategic risk that was unthinkable in the past.

Japan's Views of North Korea

As the most likely cause of conflict in Asia, North Korean provocations continue to focus Japanese attention on its military preparedness. The lack of a sustainable peace on the Korean Peninsula for over sixty years keeps U.S. and ROK forces stationed at the demilitarized zone, and Pyongyang's quest for a viable nuclear arsenal capable of challenging the U.S. presence in the region has been the defining security challenge of the past two decades. Japan's military would have no direct role in a war on the Korean Peninsula, of course, but a conflict there would clearly affect Japanese security. U.S. bases in Japan would be involved in any military action, and the evacuation of non-combatants would be one of Tokyo's highest priorities.

⁶ "2016 nen no nicchu boeki (soho yunyu beisu) [JETRO survey: Analysis of Japan-China Trade in 2016 (Based on imports of both countries)], March 13, 2017, https://www.jetro.go.jp/ext_images/Reports/01/aae9c90e6aafo1db/20160133.pdf. On FDI, see "Japan's Outward and Inward Foreign Direct Investment," Japan External Trade Organization, <https://www.jetro.go.jp/en/reports/statistics/>.

The more direct threat to Japan, however, is the missile and weapons of mass destruction (WMD) capabilities of North Korea. In 2002, then Prime Minister Koizumi Junichiro traveled to Pyongyang to meet with Kim Jong-il and successfully negotiated a moratorium on missile testing. But the Pyongyang Declaration announced in September 2002 did not hold after the United States confronted Kim with knowledge of its uranium enrichment program the following month. Since Kim Jong-un has come to power in 2011, Pyongyang's missile development program seems to have accelerated. For the past year and a half, Kim has sustained testing of a variety of missile platforms, from fixed sites to submarine-launched ballistic missile (SLBM) to mobile launchers. From January 2016, North Korea conducted thirty missile tests, four of which fell into Japan's EEZ.

Similarly, the U.S.-Japan alliance has adapted to this growing lethality of North Korea ever since Kim Jong-il announced that it would abandon his country's commitment to the Nuclear Nonproliferation Treaty in 1993. Working closely with the United States, Tokyo has deployed a ballistic missile defense system, with Patriot III land based defenses and AEGIS defenses at sea.⁷ Kim Jong-un's willingness to test shorter range missiles, in addition to his quest for an Intercontinental ballistic missile (ICBM), has raised concern in Tokyo about its own lack of offensive capability.

For Tokyo, North Korean missiles are now a direct and persistent threat. Prime Minister Abe in April noted that Japanese had only a ten minute warning of an imminent missile attack from North Korea. Moreover, in light of the assassination of Kim Jong-un's brother using a nerve agent in Malaysia and the demonstration of President Bashar al-Assad's use of chemical weapons in Syria, Abe pointed out that Tokyo should not assume that Pyongyang would exercise restraint over the use of its biological or chemical weapons stockpile. Even short of the ability to put a nuclear warhead on a missile, Pyongyang could wreak considerable damage on the Japanese people or on U.S. military forces stationed in Japan.

For some time now, Japanese military planners have noted this missile gap with Pyongyang, and have studied what this could mean should conflict on the Korean peninsula erupt. With no recourse of their own to retaliate, Japan would be vulnerable should sufficient missiles be able to overwhelm existing missile defenses. Another layer of ballistic missile defense (BMD) protection is needed, and Tokyo is currently considering what kind of system might best rectify this vulnerability. In addition, there is growing political support in Tokyo for opting for the ability to launch a retaliatory strike against Pyongyang if Japan were to be attacked. This conventional strike capability would enable Japan to deter a missile attack, and is proposed to be a capability that would strengthen the U.S.-Japan alliance deterrent.⁸

Kim Jong-un's goal of developing an ICBM capable of striking the United States with WMD would call into question the extended deterrent currently provided by the alliance. At the very least, it would raise questions about whether any sitting U.S. president would put Los Angeles or any other U.S. city at risk for Japan. Japan's commitment to military restraint could be called into question.

Tokyo's ability to respond to a military crisis provoked by Pyongyang depends on smooth security cooperation with South Korea. Bilateral tensions between Seoul and Tokyo over war legacy issues

⁷ *Defense of Japan 2016*, Ministry of Defense, Japan, 290-293, http://www.mod.go.jp/e/publ/w_paper/pdf/2016/DOJ2016_3-1-2_web.pdf/.

⁸ "Dando misairu boei no jinsoku katsu bapponteki ni kyōka ni kansuru teigen [Recommendations for Enhancing Ballistic Missile Defense Promptly and Fundamentally]," Liberal Democratic Party's Policy Research Council, March 30, 2017, https://jimin.ncss.nifty.com/pdf/news/policy/134586_1.pdf.

continue, and in the South Korean presidential campaign this year virtually every candidate called for a renegotiation of the bilateral agreement on the so-called comfort women, concluded by former President Park Geun-hye and Abe. President Moon Jae-in since coming into office, however, has signaled his hope for summit diplomacy with Japan's prime minister, a direct dialogue that Park and Abe failed to realize. Sustained and close contact between the South Korean president and Japanese prime minister is sorely needed if this critical leg of the trilateral strategic cooperation between Tokyo, Washington, and Seoul is to continue. Yet this will be politically challenging for both leaders.

The U.S.-Japan Alliance in the Asia Pacific and Beyond

More than at any time since the end of the Cold War, the U.S. role in maintaining peace in the region is under scrutiny. China's rise has changed the way Japanese view their future, and the clash between Tokyo and Beijing over islands in the East China Sea has required making the U.S. treaty commitment to Japan's defense much more explicit.

If U.S.-Japan security cooperation is to keep pace with the changes in the Northeast Asian military balance, cooperation between U.S. and Japanese forces should be designed for long term. An enhanced roles, missions, and capabilities vision should be created and implemented for the next decade and beyond. Critical to the alliance will be determining what (if any) conventional strike capabilities could do for the alliance and how these capabilities could be managed by the United States and Japan. In other words, alliance deliberations on a Japanese retaliatory capability should not simply be about which weapons are best suited to the task, but should also consider when and how the alliance will use them.

The U.S.-Japan alliance has adapted to the growing lethality of North Korea largely through the development of missile defense systems. Technological advancement of missile defenses continues, and Japan-U.S. cooperation should be sustained. As South Korea's missile defenses are improved, a trilateral dialogue on how best to integrate regional missile defenses could prove helpful in coordinating further investment in these capabilities.

North Korea's recent spate of missile launches towards Japan has prompted a new emphasis on military preparedness in Tokyo as concerns about the use of force against them grow. The Abe cabinet has initiated civil drills, for example, in case of a missile strike. Considering how the alliance can cope with this growing concern would also help reassure the Japanese public. The United States and Japan should consider under what circumstances it would be appropriate to deny or severely limit Pyongyang's ability to launch missiles towards Japan.

Beyond this, the United States, Japan, and South Korea should initiate a broader conversation on a framework for avoiding conflict on the peninsula. With a new president in Seoul, a U.S.-ROK-Japan strategy for reducing tensions on the peninsula must also be considered. Given North Korea's continued efforts to intimidate Japan, this conversation cannot stop at the peninsula's edge. Tokyo, Seoul, and Washington must come together to consider how they will manage Pyongyang's effort to divide them.

In maritime Asia, Japan's role in building maritime capacities of Southeast Asian nations should be expanded. The United States, Japan, and other maritime powers must continue to build the foundations of collective action in ensuring the stability and security of Asia's maritime trade routes. In

addition, the United States should lead a discussion of how Japanese, Australian, Indian, and other navies might exercise more frequently for region-wide concerns, such as humanitarian and disaster relief. A regional discussion on access to maritime infrastructure, such as ports, repair facilities, etc., should be considered.

The SDF operates at a far greater tempo today than ever before, scrambling to meet Chinese and Russian aircraft and monitoring and if need be confronting North Korean and Chinese forces in Japanese territory. As China and Japan continue to improve their relations, completion of the East China Sea military risk reduction agreement is imperative. Improving and expanding maritime cooperation with South Korea could also prove beneficial. Japan's air defenses will benefit from the introduction of the F-35, and as much as possible, this process should be accelerated.

Finally, the United States should do all that it can to support the Moon-Abe dialogue on the future of their countries' relationship. As Northeast Asia's tensions increase, the strategic benefits of closer ties between these two U.S. allies cannot be ignored. But equally important, recognizing the costs of failing to cooperate in the case of heightened tension with Pyongyang or worse yet, a conflict on the peninsula could be disastrous for both nations. Planning for conflict is a requirement for both militaries, and discussing the ways in which each nation must prioritize their military responses to reveal how best to complement each other could be beneficial at this time. Multilateral discussions, for example, on non-combatant evacuations—organized via the UN—could lessen the risk of misunderstanding in the case of a conflict.