

Japan and the Indo-Pacific

by Biren Nanda, Senior Fellow, Delhi Policy Group



Japan is Asia's long-standing major power. Together with India, Japan bookends the region and plays a vital role as a balancer, an economic engine for regional prosperity and a force for stability. This paper seeks to examine Japan's

crucial role in the Indo-Pacific region by posing and attempting to answer ten important questions:

1. *What are the security challenges facing the Indo-Pacific?*
2. *How do we appraise the functioning of the ASEAN Centric Regional Security Architecture in Asia?*
3. *How are regional powers reacting to these challenges?*
4. *How is Japan responding to the emerging security challenges in the Indo-Pacific?*
5. *How has the focus of attention shifted to the Korean peninsula?*
6. *How have these developments affected Japanese strategic thinking?*
7. *How Japan lost its ability to shape events in the Korean peninsula*
8. *How have the strategic and security ties between India and Japan evolved in recent years?*
9. *What can India and Japan do together?*
10. *How have Japan's post war relations with the ASEAN evolved from distrust to partnership?*

What are the security challenges facing the Indo-Pacific?

The Indo Pacific is currently experiencing a radical transformation in its security environment. Countries in the region face an increasingly complex and adverse security scenario.

First, there is the rise of China and the geostrategic shift it is bringing about in East Asia. After the Global Financial Crisis (2007-08), US dominance of world affairs was an immediate casualty and China began to test the limits of American strategic presence in Asia. China began to act aggressively with her neighbors and there was a resurgence of territorial disputes in the East and South China Seas. The

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expanding strategic gap with China and China's aggressive behavior on its periphery is posing multiple long-term security challenges for countries in Asia. The strategic collusion between China and the DPRK, for example, has exacerbated security challenges for Japan.



Construction by China at Kagitingan (Fiery Cross) Reef in the disputed Spratly Islands in the South China Sea. Source: EPA

Second, China's massive military and naval buildup, its territorial assertions in the South and East China Seas, construction of dual use facilities on reclaimed features and construction of overseas bases in Gwadar and Djibouti have transformed China's maritime posture in Southeast Asia and the Indian Ocean region. It is no longer an accommodating and benign posture, as Chinese official pronouncements would have us believe.

Third, Regional stability has hitherto been built around the role of the United States as the pre-eminent power in the Asia Pacific. Presently there is increasing contestation between the fading US rebalancing strategy and the growing maritime and territorial interests of China. Small and middle powers in the region will therefore have to engage in power balancing and hedge, bandwagon or build countervailing regional partnerships in order to protect themselves against any potential adverse consequences of China's rise.

Fourth, during the Obama administration the US rebalance to Asia, a revitalized Japan under PM Shinzo Abe and the gradual and steady rise of India were major strategic developments which helped shape the responses to the challenge posed by China to the status quo and the post-World War II order in the region.



A graphic illustrating Obama's Pivot Strategy. Source: Washington Post

Fifth, ASEAN countries are facing an increasingly difficult and coercive security environment, which includes direct challenges to their territorial integrity. The growing dependence of regional countries on Chinese finance, capital, manufacturing value chains and trade is increasing their vulnerability and diminishing their capacity to stand up to China. In the face of these pressures, ASEAN cohesion and unity is cracking and there is a clear division between those countries, which can stand up to Chinese pressure, and those, which cannot. The heightened influence of China is encouraging ASEAN countries to use ASEAN-led security institutions and forums in ways that conceal this conflict.



This picture taken on May 14, 2017 and released from North Korea's official Korean Central News Agency (KCNA) on May 15 shows a test launch of the ground-to-ground long-range strategic ballistic rocket Hwasong-12 at an undisclosed location. Source: AFP

Sixth, the situation on the Korean Peninsula often reminds one of a pendulum swinging from a recurrent crisis to negotiations and back. The process is a vicious circle and has once again reached a dangerous impasse. For the first time in eight years, the threat of military action by the United States against North Korea is on the table.

How do we appraise the functioning of the ASEAN Centric Regional Security Architecture in Asia?

Since its establishment in 1967 the ASEAN has played well above its collective weight in East Asia. However, its reputation for effective diplomatic action was adversely affected by its failure to tackle regional challenges, including the Asian Financial Crisis in 1997, East Timor's secession from Indonesia, the annual Forest Fire Haze, the 1997 Cambodian coup that overturned an ASEAN endorsed election, the failure to accelerate the pace of democratization in Myanmar, and the failure to arrive at a consensus on dealing with China on the South China Sea issue.



Group Photograph of Leaders at the 11th East Asia Summit in 2016. Source: ASEAN Secretariat

The East Asia Summit established in 2005 has emerged as the highest-level forum for leaders of East Asia to discuss regional security issues. With the admission of the United States and Russia in 2011, the membership of the EAS includes all great powers with a presence and stake in the security of the region. However, US – China tensions within the EAS have prevented it from functioning effectively as a forum for discussing the resolution of hard security issues in East Asia. This has undermined the potential and role of the EAS.

The ASEAN Regional Forum is East Asia's largest platform for discussing security issues. The ARF has achieved limited success in Confidence Building Measures, counter-terrorism collaboration and HADR but made little progress in preventive diplomacy and conflict resolution. The ARF, like the ASEAN, takes decisions on the basis of consensus and this combined with the unwieldy size and geographical spread of its membership has inhibited meaningful outcomes on hard security issues.

The ADMM and its Indo Pacific extension, the ADMM Plus, were created to include Defense officials in the dialogue and to move from a discussion of CBMs to tangible defense and security cooperation focusing on NTS issues. THE ADMM and ADMM Plus have made some headway in practical security cooperation in HADR, military medicine, counterterrorism and maritime security through cooperative security exercises.

However, the reported decision by the ADMM Plus in Malaysia in 2015 to scrap a planned joint statement reference to the South China Sea issue fostered the impression that the ADMM Plus could go the way of the ARF. In assessing the future of the ADMM Plus, the most critical challenge is that while it has religiously kept to the NTS remit, it continues to face centrifugal forces pushing for an expansion to hard security issues. For example, where does one draw the line between maritime security

and South China Sea disputes? The matter is even more confusing considering that illegal fishing is a central issue in the dispute between China and ASEAN claimant states.

How are regional powers reacting to these challenges?

First, both small and middle powers in East Asia have the expectation of US support for strengthening their defense capabilities and to help in upholding a rules based order and maintaining a stable balance of power in the region. The US rebalancing strategy (suspended under the Trump Administration) had taken the form of an increased naval footprint and assistance for capacity building. Vital objectives for this US policy have included a resolution of disputes in the South China Sea on the basis of the UN Convention on the Law of the Seas, to ensure access to sea lanes, meet the Chinese challenge and to reiterate the US commitment to Asia.



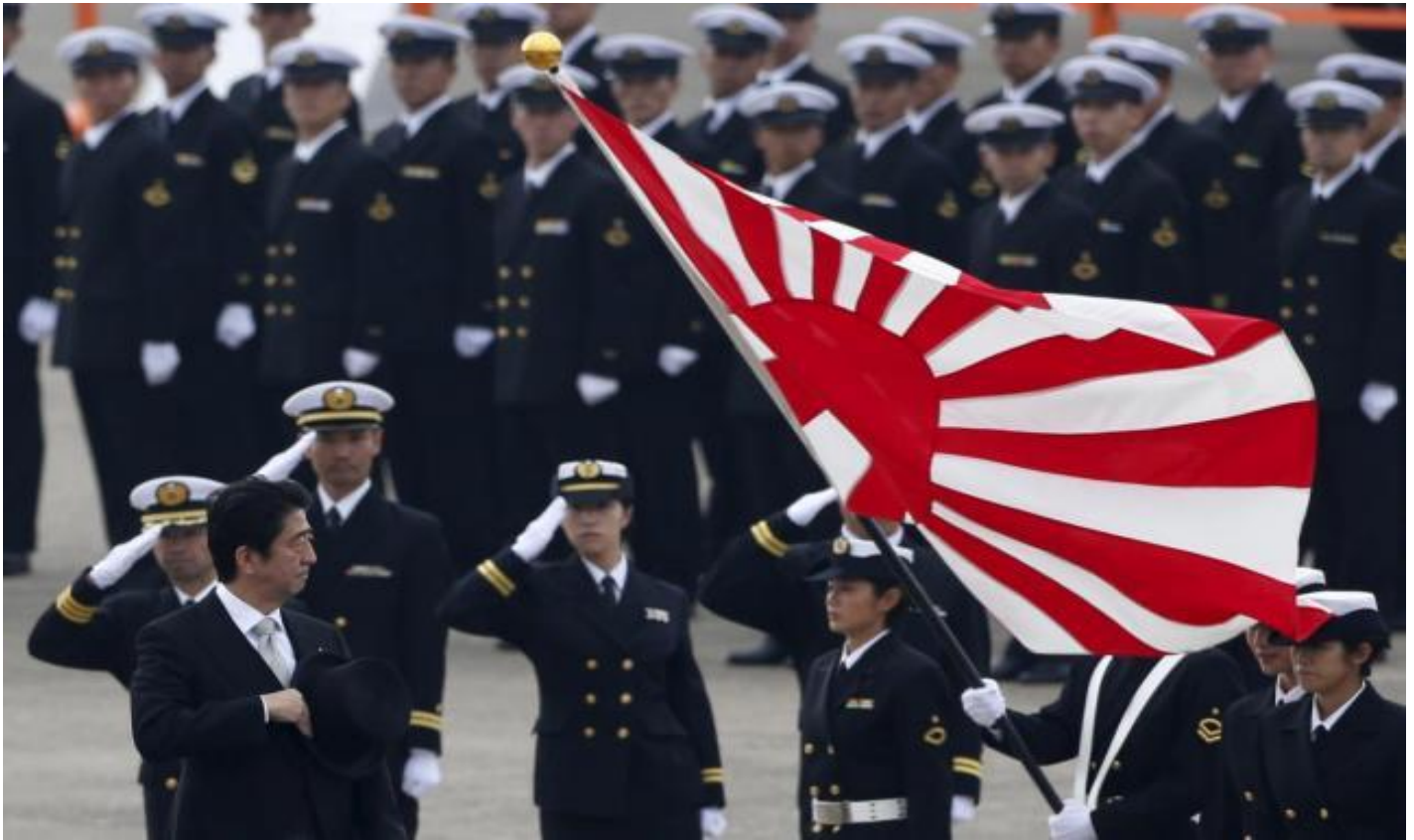
*During the visit of Japanese Prime Minister Shinzo Abe to the US in February, 2017 President Donald Trump pledged close security and economic cooperation with Japan and described the US-Japan alliance as the "cornerstone" of peace and stability in the Pacific region.
Source AP.*

Second, in response to the ongoing power flux, the United States has strengthened defense and strategic cooperation with allies like Japan and Australia as well non-allied partner countries like India. The United States and India have created a wide-ranging strategic partnership that reflects common principles and values, long-term strategic convergence and shared national interests.

Third, countries in the region are strengthening their individual military capabilities and are augmenting their bilateral defense cooperation with regional partners. Regional powers have reverted to more tried and tested mechanisms for bolstering security, namely bilateral and trilateral defense and security arrangements with each other. China's growing assertiveness and the uncertainties surrounding the US resolve are encouraging countries like India, Australia and Japan to strengthen their bilateral security ties.

How is Japan responding to the emerging security challenges in the Indo-Pacific?

In response to the emerging security challenges in the Indo-Pacific, Japan and the United States have strengthened defense and strategic cooperation under the security alliance between the two countries. Prime Minister Shinzo Abe's government has taken the step of reinterpreting Article 9 of the Japanese Constitution, allowing Japanese Self Defence Forces to engage in collective self-defence. The Abe administration has also established a National Security Secrets Act; set up a National Security Secretariat to assist with decision-making; lifted restrictions on defence exports; pushed new security legislation through the Diet; shifted the focus of defence planning scenarios from an invasion from the north to an air and naval threat from the southwest; and increased the country's defence budget to approximately \$41.4 billion in fiscal year 2016/17¹. It has also added critical hardware to the inventory of its Self-Defence Forces, by placing new orders for advanced combat aircraft, as well as submarines and surface combatants for the MSDF.



Prime Minister Shinzo Abe reviews members of Japan's Self-Defence Force (JSDF.) The government of Prime Minister Shinzo Abe has made major changes in Japan's defence policy, designed to shift Japan away from an isolated, pacifistic defence posture to a more dynamic one including the right to engage in collective self-defence. Source: Reuters

For its part, in 2011 the Obama administration had announced that it would “rebalance” to the Asia-Pacific region, a policy whose military component aimed to create a more geographically - distributed, operationally-resilient, and politically-sustainable force posture across the region. The U.S. also improved the capabilities it forward deployed in Japan, and moved up many of its most advanced capabilities².

The military aspect of Obama's ‘pivot to Asia’ also included two other elements. First was the creation of the Air-Sea Battle Concept with a view to potential conflict with the People's Liberation Army (PLA) and second involved neutralising or counteracting China's growing espionage and cyber espionage activities.

The Trump Administration initially emphasized a more muscular China policy on the South China Sea disputes. During his confirmation hearings in the Senate, then Secretary of State designate, Rex Tillerson urged China to halt the construction of new artificial islands and warned that US Naval forces would cut off Chinese Naval forces' access to the seven islands that had already been built. While the statement was later scaled back, it caused concerns on the escalation of the situation in the

South China Sea. Many experts believe the US is not up to the task and does not have adequate capability in theater conventional and nuclear forces to force such outcomes at present.

During the February 19-20 Summit meeting with President Trump, Prime Minister Abe won virtually all assurances he sought from the United States on defense and security issues, including a repeat of President Barrack Obama's commitment to defend Japan if China tries to seize the Senkaku Islands in the East China Sea. Trump also reaffirmed the United States' commitment to the Defense of Japan in response to missile threats by North Korea.

To crown it all at the joint press conference, Trump even thanked Japan for hosting US bases— a far cry from his threats during the campaign to withdraw US forces from Japan unless Japan paid 100% of the costs!

To Abe's disappointment, however, Trump has withdrawn from the TPP, ostensibly to protect US jobs and businesses. In fact the TPP was designed to limit China's economic reach in Asia and to anchor US presence in the region. By jettisoning the TPP, Trump may have created a void that is China's to fill. The TPP has accelerated Beijing's push for the RCEP and allowed Xi to project himself at Davos as a Champion of free trade.

How has the focus of attention has shifted to the Korean peninsula?

The focus on the island disputes in the South and East China Seas has since been overtaken by the crisis on the Korean peninsula. For the first time after eight years, the threat of military action by the United States against North Korea is on the table. The US is attempting to convince North Korea that the price it will have to pay for going down the path of developing its nuclear weapons and missile capabilities will far outweigh any strategic advantage it may seek to gain through its escalatory policies. The US is looking to China to put economic pressure on North Korea. President Trump believes that China is on board with US expectations. But similar presumptions have been belied several times in the past.

The US-China bargaining game is presently at its first stage. The outcomes are unlikely to bring comfort to China. The less China is able to deliver on North Korea the more pressure it will face to maintain a low profile on trade and its regional assertions for the present. Meanwhile, we wait with bated breath for stage two of this great East Asian game.



In the days leading up to his meeting with Xi Jinping at his Florida estate, Mar-a-Lago, Trump tweeted that “the summit would be a very difficult one.” The meeting took place in the shadow of the crisis in the DPRK. Their body language at the summit would seem to confirm that prediction. Source: Reuters

The highest national security priority attached by the United States to the situation on the Korean Peninsula has certainly had the effect of pushing other issues into the background. The inaugural summit meeting between Presidents Trump and Xi downplayed highly contentious issues, especially on trade and economic relations but also Taiwan, the South China Sea disputes, the islands dispute in the East China Sea, and others. But the differences ran deep, and frustration was palpable on both sides. Trump has put the ball in Xi's court for now, but patience is likely to run out soon if China fails to deliver.

How have these developments affected Japanese strategic thinking?

Three developments have influenced Japanese strategic thinking. **First**, the DPRK's acquisition of growing missile and nuclear capability and China's rapidly increasing military might have caused concern about the reliability of the United States' extended deterrence. **Second**, China's maritime and territorial assertions in the East China Sea have alarmed the Japanese establishment. **Third**, these developments are gradually testing and in the longer term are likely to erode the Japanese domestic consensus on its "peace constitution". One indication has been the ability of the Abe Government to reinterpret article 9 of the Constitution to allow Japanese Self Defense Forces to participate in collective self-defense under the security alliance with the US.

How Japan lost its ability to shape events in the Korean peninsula?

Through repeated cycles of nuclear and missile testing by the DPRK followed by negotiations and sanctions, Japan has gradually lost its ability to shape events on the Korean peninsula. During the visits of Prime Minister Koizumi to Pyongyang in 2002 and 2004, he did to a limited extent succeed in strengthening the strategic position of Japan. However, since the succession of Kim Jong Un, Japan has focused more on military preparedness and sanctions. On denuclearization Japan has worked with the United States, the ROK and others in the region.



On September 17, 2002, Prime Minister Koizumi visited North Korea and held a summit meeting with Kim Jong-II, Chairman of the National Defence Commission of North Korea, and signed the "Japan-DPRK Pyongyang Declaration". Source: Asia Pacific Journal

The lack of leverage on North Korea has been a major handicap for Japanese policymakers. Japan stopped imports from North Korea after nuclear tests by the DPRK in 2006; exports to the North were banned in 2009 in similar circumstances; remittances by the North Korean community in Japan – a major source of funds for the DPRK were tightened the same year. Prime Minister Koizumi's efforts to negotiate the release of Japanese abductees and the successful negotiation of a moratorium on missile tests, was forgotten in a huge domestic backlash against his handling of the abductees issue. The resolution of that issue became a precondition for talks with Pyongyang.

North Korean provocations have had a profound impact on the Japanese defense posture. There were new rules of engagement with North Korean agents and suspicious vessels entering Japanese waters. The Japanese coast guard was responsible for the first post war sinking of a DPRK vessel in December 2001. Similarly, the DPRK's growing nuclear and missile capabilities resulted in Japan developing a ballistic missile defense capability.

It remains for Japan to ponder how best it can defend itself - as a member of the alliance with the United States or independently through an indigenous nuclear weapons option. Consideration of the latter, though, is some way off into the distant future, subject to the glacial pace towards a new domestic consensus, away from the pacifism enshrined in the constitution. In the short run, Japan will have to depend on strengthening its conventional capability and missile defenses, and rely on the reassurance of US alliance commitments.

How have the strategic and security ties between India and Japan evolved in recent years?

India and Japan share complementary, but not identical, strategic visions. Both seek to manage—and minimize—the potential negative impact from the rise of China in accordance with their own strategic perspectives. There is broad bipartisan domestic support in Japan and India for enhancing bilateral strategic cooperation now and moving forward.

India's relations with Japan witnessed a secular upswing when Yoshiro Mori became Prime Minister of Japan in 2000 with the ascent of the pro Taiwan LDP faction bearing his name. India was the first country Prime Minister Mori visited after assumption of office. Mori began the process of lifting the sanctions imposed after India's nuclear tests in 1998. During this period, relations were normalized and the "Global Partnership" was established between the two countries. Japan and India began cooperating on defense and security issues since 2001, when the bilateral Comprehensive Security Dialogue was inaugurated.

Further institutionalization of bilateral security cooperation has continued since, with the two countries concluding a Defense Cooperation Agreement in May 2006, a Joint Declaration on Security Cooperation in October 2008, an Action Plan for Security Cooperation in December 2009, and commencing a bilateral 2+2 dialogue in the same year.

The India-Japan Joint Declaration on Security Cooperation of 2008 had set up comprehensive consultation mechanisms between the Defense establishments of the two countries, including visits by Defense Ministers, Defense Policy Talks, Military to Military - Staff Talks, service to service exchanges and bilateral and multilateral exercises.

The **Quadrilateral Security Dialogue (QSD)** was a strategic dialogue between the United States, Japan, Australia and India, initiated in 2007 at the urging of Prime Minister Shinzo Abe of Japan. The diplomatic and military arrangement that year were widely viewed as a response to rising Chinese economic and military power, and the Chinese government responded to the Quadrilateral dialogue by issuing formal diplomatic protests to its members. The QSD ceased following the withdrawal of Australia during Kevin Rudd's tenure as prime minister, reflecting ambivalence in Australian policy over the growing tension between the United States and China in the Asia-Pacific.



Naval ships from India, Australia, Japan, Singapore, and the United States steam in formation in the Bay of Bengal during Exercise Malabar in 2007. The formation included USS Kitty Hawk, USS Nimitz, INS Viraat, JS Yuudachi, JS Ohnami, RSS Formidable, HMAS Adelaide, INS Ranvijay, INS Brahmaputra, INS Ranjit, USS Chicago and USS Higgins. Source : U.S. Navy photo.

The dialogue was paralleled by an expanded naval exercise Malabar held in the Bay of Bengal in 2007. India and the United States invited Japan, Australia and Singapore to be guest participants in their bilateral maritime Malabar exercise. Japan again participated in the annual Malabar exercises of 2009, 2011, and 2014. In 2015, India expanded the annual bilateral Malabar exercise with the US to include Japan as a permanent participant.

In December 2015, India and Japan signed an Agreement on Defense Equipment and Technology Transfer and another on Security Measures for the Protection of Classified Military Information. The two countries are presently discussing the initiation of military sales and technology transfer.



Indian Prime Minister Narendra Modi and Japanese Prime Minister Shinzo Abe hold a news conference at Prime Minister Abe's office in Tokyo during Prime Minister Modi's visit to Japan in November 2016. Source: AP

Prime Minister Modi's visit to Japan in November 2016, was remarkable in a number of respects. **First**, after six years of consultations, India and Japan inked a civil nuclear agreement on the sidelines of their annual summit held in Tokyo. India is the first non-signatory to the Nuclear Non-Proliferation Treaty (NPT) to have signed such a deal with Japan. **Second**, Japan, known for maintaining a balanced view on the India-Pakistan conflict, for the first time not only condemned terrorist activity in the 2016 India Japan summit joint statement, but also urged Pakistan to take punitive actions against terrorist groups operating from its territory. **Third**, this joint statement also highlighted the importance of "strengthening the rules-based international order in the Indo-Pacific region" and affirmed closer cooperation in safeguarding the global commons. Both the prime ministers called for a peaceful solution to the territorial disputes in the South China Sea, and they reaffirmed their "commitment to respecting freedom of navigation and over flight, and unimpeded lawful commerce, based on the principles of international law."

What can India and Japan do together?

The India Japan Relationship could play a decisive role in balancing Asia. However, to be effective, India-Japan ties must expand strategically in all areas- economic, security and defense. Only by acting strategically and in concert can India and Japan encourage China towards a greater recognition of multi-polarity in Asia.

Both countries have to assume greater regional responsibilities as maritime democracies that bookend the Indo Pacific. Working together, they can generate room for moderation and respect for the interests of regional states, mitigate the Chinese tendency for unilateral assertions and create space for a rules-based order.

On defense, we need to harmonize expectations. India is building its defense industrial capacity and developing power projection capabilities as a net security provider and first responder for HADR. Japan can help India build those capabilities. India-Japan defense trade and technology ties can only progress on the basis of unconditional commitment and reliability, which is not the case at present.



India and Japan are exploring the sale of the ShinMaywa US-2 sea plane to the Indian Navy. Source: JSDF

Japan's most important strategic contribution to bilateral ties with India has been its ODA. This instrument is being utilized to enhance road connectivity in India's strategically located Northeastern region and could eventually be extended to the Andaman and Nicobar Islands.

India's approach towards economic integration of its immediate neighborhood has evolved, with BBIN and BIMSTEC cooperation becoming the main priority. This opens greater room for India-Japan initiatives for East-West connectivity alignments, involving the strategic use of Japan's ODA and India's assistance programmes. They can together shape a prosperous Bay of Bengal Community.

Globalization is under threat amongst its erstwhile protagonists and international trade is under pressure from protectionist policies. Mediating the impact of globalization is becoming politically more difficult. Under PMs Modi and Abe, our economies retain an open and reformist orientation. In this scenario, the potential of our economic engagement bears the promise of continued economic prosperity for Japan and the economic rise of India.

How have Japan's post war relations with the ASEAN evolved from distrust to partnership?

Relations between ASEAN and Japan had long been influenced by Japan's wartime record in Southeast Asia. As a consequence, during the period 1967-1974,³ while Japan was viewed as an economic leader and partner, its involvement in the political and security affairs of Southeast Asia was viewed with distrust.



(Left to right) Foreign Ministers Narciso Ramos from the Philippines, Adam Malik from Indonesia, Thanat Khoman from Thailand, Tun Abdul Razak from Malaysia and Singapore's S. Rajaratnam at the historic 1967 Bangkok meeting, which saw the founding of ASEAN. Source: ST FILE PHOTOS

During the period 1975 -89, ASEAN perceptions of Japan changed rapidly. ASEAN's need for Japan's continued role in Southeast Asia grew because of a perceived decline in US commitments to the region. ASEAN countries needed Japanese investments and market for their own development. There was a natural complementarity between finance rich Japan and resource rich ASEAN countries.

Over the years the attitudes of ASEAN countries softened and Japan began to take an active interest in the political affairs of Southeast Asia. The Fukuda doctrine announced in 1977, was post war Japan's first major foreign policy initiative. It stated that Japan would forswear a military role in the region and focus on equal partnerships with Southeast countries based on dialogue. The doctrine provided the basis for Japan's political role as a mediator between the ASEAN and Indo-China. Under its Comprehensive National Security Strategy in the 1980s Japan extended economic aid to ASEAN countries as a contribution to their security and economy.



Japanese Prime Minister Takeo Fukuda (right) who was the author of the "Fukuda Doctrine" announced in 1977, shown with US Vice President Walter Mondale.

In 1982, the US proposed that Japan should assume responsibility for security of its sea-lanes. Since the designated sea-lanes zone came to within 200 nautical miles of the Philippines, President Marcos expressed his reservations on Japan's new security responsibilities.

During this period, Japan was heavily involved in seeking a resolution of the Cambodian conflict. Japan viewed the Vietnamese invasion of Cambodia as threatening the stability of ASEAN and Japanese economic interests. Japan halted economic assistance to Vietnam and voted for ASEAN sponsored resolutions in the UN.

The end of the cold war ushered in a new environment, which was characterized by economic interdependence. ASEAN economic dynamism became tied up with that of larger economies in Asia including Japan. The fear of Japanese remilitarization and influence of history on popular perceptions faded away. Generational change helped and Japan increasingly began to participate in ASEAN's political and security affairs as the leading external partner.

The strengthening of the US-Japan security alliance was welcomed in Southeast Asia as a sign of continued US presence in the region and also a check against a possible resurgence of Japanese militarism. The ASEAN also welcomed Japan's involvement in regional political and security affairs due to the uncertainty posed by the rise of China.

The perceived decline in US power and the rise of China encouraged Japan to take a more active role in global and regional affairs. In the 1997 Asian Economic Crisis, Japan became the largest contributor of funds to ASEAN economies. But, China, which was also a major donor to Southeast Asian countries during the crisis, got the major share of the credit due to its refusal to devalue the yuan.

One of the outstanding contributions Japan made to regional security in the 1990s was its support for ASEAN to establish the ASEAN Regional Forum (ARF) in 1994. This was the first multilateral dialogue on security issues and regional stability in Southeast Asia.

Japan played the role of a mediator in the territorial disputes over the South China Sea as far back as 1995, when China constructed permanent structures on Mischief Reef. Japan urged China to handle the dispute with the Philippines peacefully. Japan also provided financial assistance for peacemaking operations in Cambodia and Aceh, and peace building in Timor-Leste, Aceh, and Mindanao.

Another good example is Japan's proactive role in joint training, information sharing, fact-finding, and joint patrolling with Malaysia, Indonesia and Singapore to combat piracy in the Malacca Strait.



Japanese Prime Minister Shinzo Abe in a group photograph with ASEAN Leaders at the 18th Japan ASEAN Summit meeting in Kuala Lumpur in November 2015. Source: ASEAN Secretariat

Through its participation in regional security issues, Japan has been successful in building trust and confidence in its security relations with Southeast Asian nations. In the perception of ASEAN nations, the image of a militaristic Japan in World War II has gradually been replaced by a more reliable and trustworthy Japan.

The economic mainstreaming of China through its entry into the WTO in December 2001, began to pose a major threat to Japan's economic leadership in the ASEAN. Japan now sought to diversify relations with ASEAN - the Hashimoto doctrine (1997) encouraged cultural exchanges and dialogues; The Obuchi Plan sought to emphasize human resource development; The Mori government (2000) promoted exchanges in IT; and the Koizumi government signed Japan's first ever FTA with Singapore in 2002.

Japan's trade with the ASEAN declined between 1990 and 2001. However, to this day Japan retains its major footprint in ASEAN affairs. Japan is ASEAN's second largest trade partner with a total bilateral trade of \$220 billion in 2014 and the largest source of FDI, with total FDI stock of \$180 billion in 2014. ASEAN is also a key production base for Japanese companies who have built a network of value chains in the region. Although ASEAN's trade with China has expanded rapidly in recent years, China's

presence as a source of FDI is limited. While the relative economic weight of Japan's relations with the ASEAN may have declined due to China's economic rise, Japan's value to the ASEAN as a counterweight to China has increased.

Conclusion

Indo-Pacific Asia is undergoing a strategic shift. The uncertainties and imponderables engendered by China's rise have been exacerbated by the growing maritime and territorial assertions of China. Countries in the region face an increasingly complex and adverse security scenario, in which Japan under Prime Minister Shinzo Abe has been an anchor of stability and resolve. The strengthening of the Japan-US Alliance, the growing economic and security ties between India and Japan and the growing economic and security role of Japan are developments, which impart hope and optimism for the great maritime democracies of the Indo-Pacific and the region as a whole.

References:

¹ It has added critical hardware to the inventory of its Self-Defence Forces, including RQ-4 Global Hawk high-altitude Unmanned Aerial Vehicles (UAVs), MV-22 Osprey tilt-rotor aircraft, and advanced F-35 Lightning II fighters. Tokyo has also inducted helicopter carriers into the Maritime Self-Defence Forces, brought on-line new P-1 maritime patrol aircraft, and expanded its submarine fleet from 16 to 22 boats, all while developing a 4000-man rapid reaction amphibious capability and emplacing radar and anti-ship cruise missiles along the coasts of remote islands in the country's southwest. In November 2015 it announced plans to send 500 Ground Self Defence Force troops to one of these islands, Ishigaki, and in March it activated a radar station on another, Yonaguni Island, to be staffed by 160 Ground Self-Defence soldiers. Both islands are close to the Senkakus that China claims and is seeking to undermine Japanese control over. Ultimately, Tokyo plans to station approximately 10,000 troops across the southwest islands chain to meet this threat.

² Including, the F-22 *Raptor*, MV-22 *Osprey* tilt-rotor aircraft to replace the more dated CH-46 *Seaknight*, an additional AN/TPY-2 radar, *Global Hawk* UAVs, and P-8 maritime patrol aircraft for submarine tracking. In late 2015, the 7th Fleet replaced the aging *USS George Washington* with the much newer *USS Ronald Reagan* aircraft carrier.

³ The Tanaka riots in 1974 were violent anti-Japanese demonstrations in some Southeast Asian capitals during Prime Minister Tanaka's visit to Southeast countries in 1974.



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