

BROOKINGS

QUALITY. INDEPENDENCE. IMPACT.

China-Japan Security Relations

By Richard C. Bush III

Policy Brief #177

The recent clash between a Chinese fishing vessel and the Japanese coast guard in the East China Sea demonstrates continuing potential for conflict between China and Japan over territory and maritime resources, one that could affect the United States. China's stronger navy and air force in and over the waters east and south of the country's coast is one dimension of that country's growing power. But the deployment of these assets encroaches on the traditional area of operations of Japan's navy and air force - and a clash between Chinese and Japanese ships and planes cannot be ruled out.



Above: Reuters/Yomiuri Yomiuri - A Japanese Coast Guard patrol vessel and a Chinese fisheries patrol vessel sail side by side near the disputed islands in the East China Sea.

Unfortunately, civil-military relations in these two countries are somewhat skewed, with China's military having too much autonomy and Japan's having too little. And neither country is well equipped to do crisis management. Avoiding a naval conflict is in the interests of both China and Japan, and the two governments should take steps to reach agreement on the now-unregulated interaction of coast guard, naval, and air forces in the East China Sea. The two militaries should also continue and expand the exchanges and dialogues that have resumed in the last few years.

Finally, Japan and China should accelerate efforts to reach a follow-up agreement to implement the "political agreement" governing the exploitation of energy resources in the East China Sea. That will remove another potential source of tension. It is in neither country's interest to see a deterioration of their relationship.

The Basic Problem

The clash on September 7 between a Chinese fishing vessel and ships of the Japanese coast guard exposes worrisome trends in the East Asian power balance. China's power in Asia is growing. Its economy has just passed Japan's as the biggest in the region. The capabilities of the People's Liberation Army (PLA) are growing steadily while those of Japan's Self-Defense Forces (SDF) are improving only slightly. The PLA's budget has grown by double digits each year, while the SDF's is essentially flat. Moreover, the focus of Chinese military modernization is power projection: the ability of its air and naval forces to stretch their reach beyond immediate coastal areas. Over the last ten years, the share of modern equipment in various platforms has increased (see table).

TABLE 1: Modernization of the PLA

Type	2000: percentage modern	2009: percentage modern
Surface ships	< 5%	~ 25%
Submarines	< 10%	50%
Air force	< 5%	~ 25%
Air defense	~ 5%	40 - 45 %

Source: Office of the Secretary of Defense, "Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2010," August 2010 p. 45. [http://www.defense.gov/pubs/pdfs/2010_CMPR_Final.pdf].

Japan does have a significant military presence in East Asia, in collaboration with the United States, its ally. Surface and subsurface vessels of the Japan Maritime Self-Defense Force regularly patrol the East Asian littoral in order to protect vital sea lanes of communication and to assert the country's maritime rights. Planes of the Air Self-Defense Force monitor Japan's large air defense identification zone and scramble to challenge intrusions by foreign military aircraft. Both the maritime force and the Japan Coast Guard are responsible for protecting the Senkaku/Diaoyu Islands, located near Taiwan, which Japan regards as its sovereign territory.

China views the East China Sea differently. It claims the Diaoyu/Senkaku Islands as Chinese territory.¹ It has undertaken oil and gas drilling in the continental shelf east of Shanghai, partly in an area that Japan claims as its exclusive economic zone (EEZ) and an appropriate site for its own drilling. China's definition of its EEZ encompasses the entire shelf, while Japan argues that the two should split the area equitably. In 2004 and 2005, the contest for resources fostered concerns in each country about the security of its drilling platforms. There was a danger the dispute might become militarized. Tokyo and Beijing, seeking a diplomatic solution, reached a "political agreement" in June 2008, but efforts to implement it have made little progress.

More broadly, China seeks to establish a strategic buffer in the waters east and south of its coasts. So the People's Liberation Army Navy and Air Force are expanding their area of operation eastward. China's Marine Surveillance Force makes its own contribution to "defend the state's sovereignty over its territorial waters, and safeguard the state's maritime rights and interests." By challenging Japan in the Senkaku/Diaoyu Islands, expanding naval operations, sailing through maritime straits near Japan, surveying the seabed, and so on, China creates "facts on—and under—the sea." Expanding air force patrols can create "facts in the air." Lurking in the background is the Taiwan Strait dispute, and the concern that Japan, as a U.S. ally, would be drawn into any conflict between the United States and China over the island.

Reinforcing the specifics of naval and air operations is a more general anxiety that each country has about the intentions of the other. Japanese watch China's military modernization with deep concern, and are anxious about the long-term implications for their country's strategic lifeline: sea lanes of communication. China has worried that looser restrictions on Japan's military and a stronger U.S.-Japan alliance are designed to contain its own revival as a great power and prevent the unification of Taiwan. In addition, vivid memories of the past—particularly China's memories of Japanese aggression in the first half of the twentieth century—darken the shadow of the future. Strategists in both countries cite with concern the old Chinese expression, "Two tigers cannot coexist on the same mountain."

A Senkaku Scenario

These trends plus the salience of naval and air operations suggest that a clash between Japan's formidable forces and China's expanding ones is not impossible. As the recent clash demonstrates, the most likely site is the Diaoyu/Senkaku Islands, which are unpopulated but which each country believes strongly to be its sovereign territory. Indeed, a group of American specialists who reviewed Japan-China security relations in 2005 and 2006 concluded that "the prospect of incidents between Chinese and Japanese commercial and military vessels in the East China Sea has risen for the first time since World War II. If an incident occurs, it could result in the use of force—with consequences that could lead to conflict."² Further, trouble over oil and gas fields in the East China Sea is not out of the question.

To be clear, civilian leaders in China and Japan do not desire a conflict or a serious deterioration in bilateral relations. Each country gains much from economic cooperation with the other. Yet even if objective interests dictate a mutual retreat from the brink, they might be unable to do so. Once a clash occurred, other factors would come into play: military rules of engagement, strategic cultures, civil-military relations, civilian crisis management mechanisms, and domestic politics. In the end, leaders may lose control and regard some outcomes, especially the appearance of capitulation, as worse than a growing conflict.

Let us explore a Senkaku scenario in detail. It would likely begin as China's Marine Surveillance Force (MSF) challenges the perimeters that the Japan Coast Guard (JCG) maintains around the Senkaku/Diaoyu Islands. Because the JCG's rules of engagement are ambiguous, a JCG ship then rams an MSF vessel.³ Surface ships of the People's Liberation Army Navy (PLAN) and Japan's Maritime Self-Defense Force (MSDF) hurry to the area and take up positions. Planes of Japan's air force and China's air force soon hover overhead. Submarines lurk below. Ships of the two navies maneuver for position. And although fairly tight rules of engagement regulate the units of each military, those rules might not be exactly appropriate for this situation, leaving local commanders discretion to act independently in the heat of the moment.

Chinese strategic culture, with its emphasis on preemption and preserving initiative, could come into play. Perhaps the captain of a PLAN ship sees fit to fire at an MSDF vessel. The Japanese vessel returns fire, because its commander believes that doing so is the proper response and does not wish to be overruled by cautious civilian bureaucrats in Tokyo. Planes of the two air forces get involved. The longer the encounter goes on, predicts one American naval expert, the more likely it is that Japan's "significantly more advanced naval capabilities would, if employed, almost certainly cause the destruction of PLAN units, with significant loss of life."⁴

Quite quickly, commanders in the field would have to inform their headquarters in each capital about the incident. Would they convey a totally accurate picture, or would they shade reality to put themselves in the best possible light? Would they necessarily know exactly what happened? When a Chinese naval fighter jet collided with a U.S. reconnaissance aircraft off the island of Hainan in April 2001, the local command probably lied to those higher up about which side was responsible. By

the time the Central Military Commission in Beijing reported to civilian leaders, the story of the encounter between the two planes was very different from the truth. Failure to tell “the whole truth,” however, is certainly not unique to the PLA.

In the Diaoyu/Senkaku scenario, the odds are that civilian and military decision-makers in Tokyo and Beijing would not receive a completely accurate picture. They would have to respond in a fog of uncertainty, giving free rein to a variety of psychological and organizational factors that would affect the handling of information. The military services would have a monopoly on information, impeding the voicing of contrarian views. The preexisting beliefs of each side about the other would distort their views of the reports from the field. Each side also would be likely to judge its own actions in the best possible light and those of the adversary in the worst. Groupthink, the temptation to shade reports so that they are consistent with what are assumed to be the leaders’ views and a tendency to withhold contrarian views in a tense situation would be at play.

So, there is a real chance that decision-makers in each capital would receive a picture of the incident that was at variance with the “facts,” a picture that downplayed the responsibility of its units and played up that of the other side. Working with distorted information, they then would have to try to prevent the clash from escalating into a full-blown crisis without appearing to back down. At that point, crisis management institutions in each capital would come into play, and they most likely would not respond well. Policymakers in each capital might miscalculate in responding.⁵

The first response element to consider is the interface between senior military officers and civilian officials. In China, the interface between the military, party and government hierarchies occurs at only a few points. The most significant point of contact is at the top, in the Central Military Commission, where the party general secretary and PRC president (currently Hu Jintao) is usually chairman. But that person may be the only civilian among about ten senior military officers. Moreover, the PLA guards its right to speak on matters of national security and its autonomy in conducting operations, so the institutional bias in this instance is likely to be against restraint. On the Japanese side, civilian control has been the rule, but the autonomy of the Self-Defense Forces has increased since the late 1990s; moreover, senior officers have resented their exclusion from policymaking circles. Therefore, in the event of a clash there would likely be tension and disagreement between “suits” and “uniforms” over how to respond.

Next is the issue of the structure of decision-making in Japan and China. In both, bottom-up coordination between line agencies is difficult at best, so if initiatives are to occur, they have to come from the top down. Yet in theory and often in practice, the “top” in each system is a collective: the Cabinet in Japan and the Politburo Standing Committee in China. The need for consensus on matters of war and peace is particularly acute.

Neither the Japanese nor the Chinese system is flawless when it comes to handling fairly even routine matters. Coordination among line agencies is often contentious, which slows down any policy response. The Chinese system is segmented between the civilian and military wings of the hierarchy. Policy coordination mechanisms exist that facilitate top-down leadership, with Chinese leaders probably more dominant than their Japanese counterparts. But tensions still exist between the priorities of the core executive and those of the bureaucracies.

In more stressful situations, it is likely that, first, leaders receive information from below that is biased and self-serving, and ineluctably view that information through a lens that distorts the images of both their own country and the other. Second, they act in the context of a security dilemma, in which military capabilities, recent experiences on specific issues, and sentiments about past history shape the perception of each of the intentions of the other. Third, each decision-making collective relies for staff support on bodies that themselves are a collection of agency representatives: in Japan the group working under the

deputy chief cabinet secretary for crisis management and in China both the appropriate civilian leading group and the Central Military Commission, each of which has its own perspective. Neither system has shown itself adept at responding to situations of stress that do not rise to the level of seriousness of a military clash. Neither, therefore, is likely to do well in the conflict scenario envisioned here.

Fourth is the matter of domestic politics. Although each government would have reason to keep such a clash secret, the Japanese side would probably be unable to do so because the government is rather porous and the media would see little advantage—commercial or otherwise—in suppressing a “hot” story. A leak from the Self-Defense Forces, the Ministry of Foreign Affairs, or the Ministry of Defense is all but certain. That would energize the Japanese press, with its predilection for viewing security issues in zero-sum terms. Once the news became public in Japan, it would undoubtedly stir up the Chinese public, whose hard-edged, anti-Japanese nationalism circulates quickly on the Internet and is a vocal and influential force. It is a tide against which Chinese leaders and officials, worried about domestic stability and defensive about inevitable charges of softness, are reluctant to swim. If in this instance, large demonstrations erupted, the regime would be more inclined to a tough response. Thus, the PLA’s preference for firmness and public nationalistic outrage would combine to squeeze civilian leaders.

To make matters worse, at least some of China’s nationalistic citizens have tools with which to mount their own tough response: cyber warfare. They would mount an array of attacks on Japanese institutions, which in turn would anger the Japanese public and incline the government to take a stronger stance itself. Inexorably, the spiral would descend.

None of the steps in this scenario is certain. If a clash between China and Japan occurred, it would not necessarily mean that the two governments could not contain and prevent the incident from escalating. Yet each loop in the downward spiral would increase the probability that subsequent, reinforcing loops would occur, and their cumulative effect would be to reduce Tokyo and Beijing’s chances of succeeding in their efforts to manage the crisis.

The United States Factor

If such a clash occurred, it would pose a serious dilemma for the United States. The U.S. commitment to defend Japan, enshrined in Article 5 of the Mutual Security Treaty, applies to “territories under the administration of Japan.” The Senkaku/Diaoyu Islands are under Japan’s administrative control, even though Washington takes no position on which state (China or Japan) has sovereignty over them under international law. Successive U.S. administrations have reaffirmed that application, suggesting that the United States would be legally obligated to assist Japan if the People’s Liberation Army attacked or seized the islands. In the more ambiguous contingency of a fight over oil and gas fields in the East China Sea, Washington would not be legally obligated to render assistance to Japan, but Tokyo would likely pressure it to do so.

In any clash over the islands or some other part of the East China Sea that could not be immediately contained, Tokyo would thus look to Washington for help in standing up to China’s probable reliance on coercive diplomacy. Washington seeks good relations with both China and Japan. It does not want to get drawn into a conflict between the two, especially

one that it believed was not necessary to protect the vital interests of either. A Senkaku scenario is not, from the U.S. perspective, the issue where the American commitment to Japan is put to the test. But Washington would understand that not responding would impose serious political costs on its relations with Tokyo and would raise questions about U.S. credibility more broadly among other states that depend on the United States for their security. Congressional and public opinion would probably favor Japan or, at least, oppose China.

Avoiding a Tragedy

If such an accidental clash is not in Chinese, Japanese, or American interests, what should be done to avoid it?

First, the two governments should take steps to reduce the most likely source of conflict: the unregulated interaction of coast guard, naval and air forces in the East China Sea. There are a variety of conflict-avoidance mechanisms that could be employed. The U.S.-Soviet Incidents at Sea Agreement is a useful precedent.

Second, the two militaries should continue and expand the exchanges and dialogues that have resumed in the last few years. Moreover, they should be sustained even if minor tensions arise (China has a tendency to suspend exchanges in those cases).

Third, the two governments should accelerate efforts to reach a follow-up agreement to implement the “political agreement” governing the exploitation of energy resources in the East China Sea. That will remove another potential source of tension.

Objectively, these are relatively easy steps. They have been hard to take but they should be pursued. Even more difficult are initiatives that would remove the underlying sources of conflict: resolution of the Diaoyu/Senkaku Islands dispute; reaching a broader and mutually acceptable approach to resource exploration in the East China Sea; remedying the institutional factors in each country that would turn small incidents into crises and make crisis containment difficult; creating mechanisms that would ameliorate the mutual mistrust fostered by China’s rise and any strengthening of the U.S.-Japan alliance; gearing the alliance to shape China’s rise in a positive, constructive direction; and mitigating memories of the past so they do not cloud the future.

All of these projects are very difficult. They are constrained by bureaucratic resistance and political opposition. But it is not in either country’s interest to see a deterioration of what can be a mutually and peace-promoting relationship.

Richard Bush, a senior fellow at the Brookings Institution, is the director of the Center for Northeast Asian Policy studies. He is the author of numerous books including The Perils of Proximity China-Japan Security Relations (Brookings Press, 2010).

¹ In order to maintain neutrality on the territorial dispute, I use both the Japanese and Chinese names in this policy brief.

² “Sino-Japanese Rivalry: Implications for U.S. Policy,” INSS Special Report (Institute for National Strategic Studies, National Defense University, April 2007), p. 3 [<http://libweb.uoregon.edu/ec/e-asia/read/SRapr07.pdf>].

³ As it did concerning a Taiwan fishing vessel in 2008.

⁴ Bernard D. Cole, “Right-Sizing the Navy: How Much Naval Force Will Beijing Deploy,” in *Right-Sizing the People’s Liberation Army: Exploring the Contours of China’s Military*, Roy D. Kamphausen and Andrew Scobell, eds. (Carlisle, PA: Strategic Studies Institute, U.S. Army War College, 2007), pp. 543–44.

⁵ Thus, the annual report on China of the U.S. Department of Defense warns that China’s neighbors could underestimate how much the PLA has improved; China’s leaders could overestimate the PLA’s capabilities; and both might ignore the effect of their decisions on the calculations of others. Office of the Secretary of Defense, “Military Power of the People’s Republic of China 2009,” March 2009, p. 20 [http://www.defense.gov/pubs/pdfs/China_Military_Power_Report_2009.pdf].