China – Japan Action Reaction and the Impact to
Instability in Asia Pacific

Angel Damayanti & Herto Bastian Abul

Centre of Security and Foreign Affairs Studies (CeSFAS)
Department of International Relations
Faculty of Social and Political Sciences
Christian University of Indonesia
Jakarta, 2012
## List of Contents

### Chapter 1 Introduction
- 1.1 Background .......................................................... 2
- 1.2 Research Questions .................................................. 3
- 1.3 Research Objectives .................................................. 4
- 1.4 Concept & Theories ................................................... 4
- 1.5 Methodology .......................................................... 7
- 1.6 Research Design ....................................................... 7

### Chapter 2 China’s Defence Strategy
- 2.1 The Development of China’s Defence Policy ......................... 8
  - 2.1.1 Protracted People’s War by Mao Zedong ....................... 8
  - 2.1.2 People’s War under Modernization by Den Xiaoping .......... 9
  - 2.1.3 Limited War under High-Tech Condition ..................... 10
- 2.2 China’s Current Defence Policy ..................................... 10
  - 2.2.1 China’s Military Expenditure ................................... 17
  - 2.2.2 China’s Military Personnel ...................................... 21
  - 2.2.3 China’s Military Equipment ..................................... 23
    - A. Ballistic and Cruise Missile ................................... 23
    - B. Naval Forces ...................................................... 24
    - C. Air Defence Forces .............................................. 25
    - D. Ground Forces .................................................. 26

### Chapter 3 Japan’s Strategy to Respond China
- 3.1 Japan’s Threat Perception ........................................... 27
- 3.2 Perception on China ................................................ 28
- 3.3 Japan’s Responses .................................................. 35
- 3.4 The US Involvement ................................................ 36

### Chapter 4 Security Dynamics in Asia Pacific and Sino-Japan Relationship
- 4.1 Security Dynamics in Asia Pacific .................................. 39
  - 4.1.1 Securing SLOCs ................................................ 42
  - 4.1.2 Economic Prosperity ............................................ 43
  - 4.1.3 Dealing with Transnational Crimes ........................... 44
- 4.2 Sino-Japan Action-Reaction ......................................... 45
- 4.3 Pacific States Responses ........................................... 47

### Chapter 5 Conclusion .................................................. 50
Chapter 1

Introduction

1.1 Background

The rise of China, both in military and economic over the last decade, has drawn attention to international politics, especially in Asia Pacific region. Its defence expenditure, which increased 11.7 – 20.3 per cent\(^1\) annually, according to many observers, has brought instability to the region. Although the government of China has acknowledged that its military expenses are reasonable and at appropriate level for its economic development, it inevitably leads other states in the region to seek greater military capabilities. They may strengthen their forces both quantitatively and qualitatively. In other words, Pacific countries endeavor to enhance their military power by increasing their respective defence budget as well as military collaboration with other countries in order to counter China.

Apparently, the security dilemma has occurred in the region. China has increased its military expenditure very drastically. The rise of China’s military power subsequently causes Pacific countries mainly those that continue to have territorial disputes with China, to feel vulnerable and less secure. This situation then forces them to put in more efforts to modernize their defence capabilities as a response. This is particularly true for Japan, which will be the focus of this research. In response to China military – as well as in relation to North Korea’s nuclear program – Japan has strategically changed its defence policy. Instead of Russia being a threat as in the case during the Cold War era, China and North Korea are now considered a threat. This is clearly mentioned in 2010 Japan’s Defence White Paper.

As declared by its authorities, Japan decides both to empower its self-defence power and strengthen its alliance with United States. To enhance its defence power, Japanese government has revised its defence strategy over the last ten years. They also arrange a New Defence Program Outlines (NDPO) starting from 2001 which mainly prepared JSDF (Japan Self-Defence Forces) to support the US campaign war on terrorism in Afghanistan and United Nations Peace Keeping Operation. Therefore for

the first time, after its security agreement with US in 1951, Japanese government has approved its defence forces to own power projection capabilities. This strategy then continued until 2009, as proposed in National Defence Program Guideline 2005-2009, with a stronger cooperation with US and to play a greater role in both regional and global security. Furthermore, Japan has recently proposed “Dynamic Defence Force” strategy, which permits its Defense Minister to shift the land forces to mobile forces.

Furthermore, with regards to Sino-Japan relations, the action-reaction strategies between two neighboring countries not only promote tensions for both parties but also create insecurity for other Pacific states. Although the superpowers in the region have a strong economic cooperation, their defence policies may create instability in Pacific region. This is particularly true as currently tensions coupled with some unresolved problems on territorial dispute remains existed. This is not to mention the perception of China as a revisionist power in the way it approaches Taiwan. These situations seem less likely to support peace and stability in the region.

1.2 Research Questions

By looking at the above description, thus this research is aiming to establish an account on Japan’s responses against China’s defence policy and its impact to instability in Pacific region. This research will particularly analyze the change on Japan’s strategy and how this strategy is implemented. Thus, here are some questions that will be answered in this research:

1. How does Japan view the security dynamics in Asia Pacific, and particularly the China military strategy?
2. Why and what factors have triggered Japanese government to transform its policy?
3. What is the impact of China and Japan shifted military strategies towards the stability in Asia Pacific?

1.3 Research Objectives

This research mainly aims:

1. To describe China’s and Japan’s respective military strategy.
2. To analyze the factors and reasons why Japanese government transforms their policy in responding China’s strategy.
3. To examine the Japanese government’s military strategies and how they are implemented.
4. To examine the impact of the ‘action-reaction’ military strategy between China and Japan in Pacific region.

1.4 Concepts & Theories

Every country certainly has their respective national interests, which involve their goals, objectives and aims. This interest includes the wealth, health and education of people in certain state. In addition, national interests covers protection and security to their territory, people and natural resources from any threats that may come from internal or external power. National interests are so important that every decision makers will consider prior to decide their policy. All countries around the world may prioritize her national interest differently. Yet, according to May Rudi national interests essentially involve security and prosperity.\(^3\)

Etymologically, security comes from Latin words, ‘securus’ which means liberation from uneasiness, or a peaceful situation without any risks or threats.\(^4\) As acknowledged by many observers, concept of security now has developed into non-military and multidimensional issues, such as environment, poverty, illegal drugs, human trafficking, illegal migrant, terrorism and infectious diseases.\(^5\) However, traditionally, security remains associated with one’s military capability in dealing with other’s military force. Moreover, military power is essentially needed by states for

---


certain goals and it can vary from one state to another. Buzan perceives that military capability is used to act intentionally and physically against an object or an unwilling person either defensively or offensively.6

Similarly, Art tries to broaden the purposes of deployment of military forces by stating that it serves at least four utilities: defense, deterrence, compellence7 and swaggering. Although Art explained the differences of these purposes explicitly, in practice, these purposes can be overlapping. It may not be easy to distinguish each of these purposes when they are implemented. To some extent it is difficult to ascertain whether a state’s military power is used for defence, offence or both goals - particularly for states which have disputes for certain period of time. In addition, it is difficult to determine whether its military force is for deterrence or simply swaggering strategy.

Military power can be used both as threats and as rewards.8 Notwithstanding, in this anarchical system the realist scholars will argue that military power will make you feel more threatened than being rewarded. This perception is heightened when a neighbor state acquires more power than your state. Regarding this, Rousseau argues that the weak position of one’s military power increases the perception of threat. This happens because nothing in this self-help international system can prevent one state from using force against others to resolve a conflict.9

Accordingly, threat perception can be created when a state feels insecure or less secure due to other’s arms modernization. Although Cohen says a threat can be inferred either from a certain signal of intention or the adversary’s capability,10 the perception itself is worsened when the motives and the reasons behind the other’s military build-up are ambiguity. Moreover, it is not easy to figure out a state’s military acquisition purpose by examining its motives and reasons, stated in the government’s documents or declared by its spokesmen. A state may explain its intention and justification to modernize its weapon through defence diplomacy as well as confidence-building

---

6 Ibid., p. 131.
measures but these actions cannot stop others from having their own perception towards its strategy.

This situation certainly provokes security dilemma, which defined by Kegley and Wittkopf as:

“The central problem faced by all sovereign states in an anarchic global system in which a state’s arming for ostensibly defensive purposes provokes other states to arm in response, with the result that the national security of all declines as their armaments increase.”

Furthermore, Posen perceives security dilemma as a situation when a state put efforts to enhance its security. This will accordingly evoke reaction from other states and in the end it will lead the initial state to feel less secure. Similarly, May Rudi explains security dilemma as a process where all parties feel insecure. This happens when defensive military posture of a state is perceived as an offensive one by others. In response to this perception, other states then arm themselves to secure their interests. In other words, security dilemma happens when a state’s modernization of weaponries considered as a threat by others. Buzan also confirms that when the action-reaction component of the arms dynamic remains strong, the security dilemma is active.

Butfoy explains how this security dilemma is caused by the sense of threat especially when there is uncertainty in others’ perception. About this, Jervis perceives that security dilemma can evoke tensions. This in turn provokes states enter to arms race. Regarding such relationship, Intriligator and Brito define "arms race" as an interactive acquisition of weapons by two or more states. Hollist also emphasizes the Richardson’s proposition, which mentions that states increase their military capabilities primarily in response to the increasing armaments expenditure of an identifiable

13 T. May Rudy, op. cit., p.169.
opponent. Glaser also notifies that the state’s security environment causes the arms race. Moreover, he postulates that arms races are more likely when states are equally powerful.

1.5 Methodology

This research will focus on Japan’s threat perception, in relation to China military strategy. To what extent China policy is considered as a threat by Japan and what is the impact of Chinese and Japanese military strategy in the Asia Pacific region are the main question in this research. Accordingly, this research will conduct area studies methodology focusing on Asia Pacific. In order to collect data that are needed to support our argumentation, we will conduct library research as well as interviews. The researchers will collect data from books, journals, newspapers, magazines, coupled with some documentations form Japanese government such as its White Defence Papers and reports regarding their strategy that are published. In addition, interviews will be carried out with the Japanese Embassy in Jakarta, Indonesia. This is important for gaining direct information and confirmation about Japan’s position in some issues with regard to Chinese government’s military strategy.

1.6 Research Design

To answer the research questions as abovementioned, this paper will be divided into five chapters. The first chapter involves introduction, research question, research objectives, concepts and theories, methodology and research design. Chapter 2 will explain China’s military strategy. This is important as to examine Japan’s perception on China’s policy and how it is feeling threatened by the policy this research should initially describe the Chinese government’s military strategy. This chapter will be continued by an analysis on Japan’s perception towards China’s military policy and how Japanese government subsequently responses it. Chapter 4 will explain the impact of Sino-Japan defence strategy towards stability in Pacific region. And eventually, this research will provide conclusion in Chapter 5.

---


Chapter 2
China’s Defence Strategy

2.1 The Development of China’s Defence Policy

Over the last decade, China has significantly performed its development, both in economic and military. In conjunction with her economic development, Chinese government confirms its military budget enhancement. When the Chinese government issued her National Defence White Paper - 2010 on March 2011, they declared that the implementation of its peaceful development is combined with the pursuit of defence military strategy.

The spokesman of China’s Ministry of National Defence mentioned that for defensive purpose, the expenditure was mainly used for the personnel, training and maintenance, and equipment. He explained that the increase of China’s military budget in the last two years is for improving the People’s Liberation Army (PLA)’s living standards of both active and reserve forces. The budget is also allocated for supporting the diversified military tasks in terms of military operations other than war (MOOTW), and encouraging the Revolution Military Affairs (RMA) in this country.

The idea about strengthening China defence system itself has actually begun since 1930s. This was where there were two main strategic components, namely territorial and coastal defence system. This part, therefore will explain the development of China defence policy, starting from Mao Zedong era.

2.1.1 Protracted People’s War by Mao Zedong (1930s)

Mao Zedong, the Chinese Communist Revolutionary, developed the so-called Protracted People’s War strategy in 1930s. It was the period when there was a civil war between the supporters of Chinese government (Kuomintang) and Communist Party of China (CPC). Chiang Kai Sek led Kuomintang and oppositely Mao Zedong conducted Chinese Communist. Mao’s People War strategy ultimately emphasizes on human power. Accordingly, operation of infantry and guerilla war was the main core of their

---

defence system. In this system, land territorial defence was obviously being attended more than coastal area. Mao’s concept, which also called Maoist Triad, is a strategy to gradually beat the enemy by defence in depth. Essentially, this concept is carried out in defensive, stalemate and offensive operation.22

According to Mao Zedong, human power, in a greater extent, is more powerful than weapon. Therefore, the fundamental concept in People's War is how to maintain the support from the population and to draw the enemy fall into the interior where the population will destroy them. People's war aims to deter any attacks, to survive from any offensives, and to destroy the aggressors. However, we may say that Mao Zedong emphasized land defence rather than air and maritime defence due to less sophisticated weaponry at that time.

2.1.2 People’s War under Modernization by Den Xiaoping (1980s)

In 1980s, People's War doctrine was revised to be People's War under Modern Condition, developed by Den Xiaoping. The concept is different from People's War by Mao Zedong as it moved away from reliance on troops over technology.

There are 4 (four) main things that were laid in Den Xiaoping's doctrine23:

1. Human or population power and weaponry are both essential to deal with warfare in the future.

2. To change perspective about war as an unlimited or inevitable thing to be avoidable one or postponed-able. This leads to an understanding that war can be used as deterrence strategy to any countries aiming to attack China.

3. To change the strategy of letting enemy go further into interior. This is a strategy of deterring enemy from going into the territory.

4. The importance of China's military defence. Beside human power, the sophistication of weaponry will also determine its success in a war.

---


2.1.3 Limited-War under High-Tech Condition (1992)

In the beginning of 1990s, China's strategic defence was revised once again and the then development was emphasized more on naval power. China's military operation was also emphasized more on the use of high sophisticated weaponry. Military power on air, ocean, and land were developed to have rapid response capability in order to deal with regional war or low intensify conflicts around China.

When Jiang Zemin took office in 1992, China's defence modernization was more developed with the doctrine of Limited War under High-Tech Condition. This doctrine was aimed at preparing China to face the possibility of limited war in the future which tent to be a choice in solving problems instead of confronting unlimited war. This doctrine emphasizes the importance of the role of high technology in facing the future war. The modernization aims to develop People Liberation Army, which is small in number but big in knowledge and high technology.

2.2 China’s Current Defence Policy

Essentially, the Chinese government pursues a national defence policy that is defensive in nature. The Constitution of the People's Republic of China (PRC) and the National Defence Law of the PRC, which is enacted in accordance with the Constitution, specifies the tasks of the Chinese armed Forces. This is to mention their role to consolidate national defence, resist aggression, defend the motherland, safeguard the people's peaceful labor, participate in national construction and serve the people wholeheartedly. China has always attached primary importance to safeguarding state sovereignty, unity, territorial integrity and security, and has been working hard for a peaceful international and a favorable peripheral environment for China's socialist modernization drive.

In details, the recent China's defence policy as mentioned in its 2000 National White Paper has the following main aspects:

---


1. Consolidating national defence, resisting aggression, curbing armed subversion, and defending state sovereignty, unity, territorial integrity and security. China's efforts in defence modernization are purely for self-defence. China spares no effort to avoid and curb war, as well as to solve international disputes and questions left over by history through peaceful means. However, in view of the fact that hegemon and power politics still exist and are further developing, and in particular, the basis for the country's peaceful reunification is seriously imperiled, China will have to enhance its capability to defend its sovereignty and security by military means.

2. Building and consolidating national defence independently and through self-reliance. China stresses self-reliance as the basis for safeguarding state security, and insists on making national defense policies and development strategies independently. China does not seek alliance with any country or bloc of countries, nor does it participate in any military bloc. China builds its defence science, technology and industry and develops its weaponry through self-reliance.

3. Implementing the military strategy of active defence. Strategically, China pursues a principle featuring defensive operations, self-defence and gaining mastery by striking only after the enemy has struck. Such defence strategy combines efforts to deter war with preparations, to win self-defence wars in time of peace, and strategic defence with operational and tactical offensive operations in time of war. While basing themselves on existing weaponry and carrying forward their fine traditions, China's armed forces seek to adapt to profound changes in the world's military sphere, and prepare for defensive operations under modern, especially high-tech conditions.

4. Building a lean and strong military force in the Chinese way. In line with the general requirements of being qualified politically, competent militarily, and having a fine work style, a strong sense of discipline and adequate logistical support, the Chinese armed forces strive to strengthen their overall development and form a revolutionized, modernized and regularized people's army with Chinese characteristics. China adheres to building the armed forces by enhancing their quality, strengthening the armed forces by relying on science and technology, and managing the armed forces according to law, and is endeavoring to transform its armed forces from a numerically superior to a qualitatively superior type, and from
a manpower-intensive to a technology-intensive type, as well as to train high-quality military personnel and improve the modernization level of weaponry in order to comprehensively enhance the armed forces' combat effectiveness.

5. Combining the armed forces with the people and practicing self-defence by the whole people. China adheres to the concept of people's war under modern conditions, and exercises the combination of a streamlined standing army with a powerful reserve force for national defence. The reserve force and militia are maintained at an appropriate scale, with an optimized structure and an enhanced level of training. In the light of the principle of combining peacetime footing with wartime footing and the army with the people, and having reserve soldiers among the people, China works hard to popularize and promote defence education, perfect the defense mobilization system and enhance the defence mobilization capacity.

6. Subordinating national defence to, and placing it in the service of, the nation's overall economic construction, and achieving their coordinated development. Developing the economy and strengthening national defence are two strategic tasks in China's modernization efforts. The Chinese government insists that economic development be taken as the center, while defence work be subordinate to and in the service of the nation's overall economic construction. Meanwhile, along with economic development, the state strives to enhance its national defence strength, to effectively support the armed forces in their efforts to improve their quality and to form a mechanism which enables national defence and economic development to promote each other and develop in harmony.

7. Safeguarding world peace, and opposing aggression and expansion. China resolutely opposes hegemonism and power politics, and combats the policies of war, aggression and expansion. China also objects to any country imposing in any form its own political system and ideology on other countries. China does not seek military expansion, nor does it station troops or set up military bases in any foreign country. China opposes arms race, and supports the international community, in its efforts to promote world and regional peace, security and stability.
Furthermore, in China’s White Paper 2002, Chinese government added its national defence policy with two important things:\(^{26}\):

- To accelerate national defence development and achieve national defence and military modernization. China follows an approach of coordinating national defence building and economic development, striving for a high cost-effectiveness and promoting defence and military modernization on the basis of economic growth. Taking Mao Zedong's military thinking and Deng Xiaoping's thinking on armed forces building in the new period as the guide to action, and fully implementing the important thought of the "Three Represents," the Chinese military persists in taking the road of fewer but better troops with Chinese characteristics, pushes forward the various reforms in response to the trend in military changes in the world, and strives to accomplish the historical tasks of mechanization and IT application, thereby bringing about leapfrog development in the modernization of the military.

- To stop separation and realize complete unification of the motherland. China possesses a small number of nuclear weapons entirely for self-defence. China undertakes not to be the first to use nuclear weapons, and not to use or threaten to use nuclear weapons against non-nuclear-weapon states. China does not participate in any nuclear arms race, and never deploys any nuclear weapons beyond its borders. China maintains a small but effective nuclear counterattacking force in order to deter possible nuclear attacks by other countries. Any such attack will inevitably result in a retaliatory nuclear counterstrike by China. China has always kept the number of its nuclear weapons at a low level. The scale, composition and development of China's nuclear force are in line with China's military strategy of active defense. China's nuclear force is under the direct command of the Central Military Commission (CMC). China is extremely cautious and responsible in the management of its nuclear weapons, and has established strict rules and regulations and taken effective measures to ensure the safety and security of its nuclear weapons.

Although China carries out a peaceful development policy, settlement of the Taiwan issue and realization of the complete reunification of China embodies the fundamental interests of the Chinese nation. As mentioned in its 2000 National Defence White Paper, the Chinese government upholds the basic principle of "peaceful reunification, and one country, two systems" for settling the Taiwan issue, carrying forward the eight propositions on the development of relations between the two sides of the Taiwan Straits and the promotion of the peaceful reunification of China. The Chinese government has consistently adhered to the one-China principle and will never give in or compromise on the fundamental issues concerning state sovereignty and territorial integrity.

This means that the change of Taiwan regional leaders cannot change the fact that Taiwan is a part of Chinese territory. Chinese government confirms that the settlement of the Taiwan issue is entirely an internal affair of China. The Chinese government firmly opposes any country selling arms to Taiwan, or entering into military alliances in any form with Taiwan, as well as outside interference in any way. The Chinese government will do its utmost to achieve peaceful reunification, and advocates settling differences through dialogues and negotiations on the basis of the one-China principle.

However, if a grave turn of events occurs leading to the separation of Taiwan from China in any name, or if Taiwan is invaded and occupied by foreign countries, or if the Taiwan authorities refuse, sine die, the peaceful settlement of cross-Straits reunification through negotiations, then the Chinese government will have no choice but to adopt all drastic measures possible, including the use of force, to safeguard China's sovereignty and territorial integrity, and achieve the great cause of reunification. The "Taiwan independence" means provoking war again, and fomenting splits means relinquishing peace across the Straits. The Chinese People's Liberation Army (PLA) unswervingly takes the will of the state as its supreme will and the national interests as its supreme interests. It has the absolute determination, confidence, ability and means to safeguard state sovereignty and territorial integrity, and will never tolerate, condone or remain indifferent to the realization of any scheme to divide the motherland.27

Some additional for China’s Defence Strategy is also found in China’s White Paper 2004. They are:

• To take the road of composite and leapfrog development. Going with the tide of the world's military development and moving along the direction of informationalization in the process of modernization, the People's Liberation Army (PLA) shall gradually achieve the transition from mechanization and semi-mechanization to informationalization. Based on China's national conditions and the PLA's own conditions, the PLA persists in taking mechanization as the foundation to promote informationalization, and informationalization as the driving force to bring forward mechanization. The PLA will promote coordinated development of firepower, mobility and information capability, enhance the development of its operational strength with priority given to the Navy, Air Force and Second Artillery Force, and strengthen its comprehensive deterrence and war fighting capabilities.

• To build a strong military by means of science and technology. The PLA works to improve its combat capabilities by taking advantage of scientific and technological advances and aims at building qualitative efficiency instead of a mere quantitative scale, and transforming the military from a manpower-intensive one to a technology-intensive one. Implementing the Strategic Project for Talented People, the PLA focuses on training a new type of high-caliber military personnel. It works to build up a complete system of weaponry and equipment by stepping up development of new- and high-tech weaponry and equipment while upgrading those in active service. In an innovative spirit, the PLA endeavors to improve its training system as well as the means and methods of training so as to raise its military training to a higher level. Relying on national economic, scientific and technological development, the PLA is devoted to improving the level of scientific management and achieving a higher overall cost-effectiveness in military expenditure so as to modernize the armed forces with less input and better results.

• To deepen the reform of the armed forces. Based on the transformation of modern warfare and the requirements of the socialist market economy, the PLA seeks to achieve development and breakthroughs in the process of reform and innovation. The PLA develops its military theories in an innovative spirit, and explores the
laws of building the army and conducting operations under the condition of informationalization. In accordance with the principle of making the troops smaller and better, as well as more integrated and efficient, and with emphasis on adjusting the organizational structure and reforming the command system, the PLA works to build and further improve the military structure and organization to make them appropriate in size, optimal in structure, streamlined in institutional set-up and flexible and swift in command. The PLA also works to readjust and regulate the relationship within the military as well as that with the government and society so as to put in place policies and mechanisms, which will help motivate officers and soldiers.

• To step up preparations for military struggle. The PLA takes as its objective to win local wars under the conditions of informationalization and gives priority to developing weaponry and equipment, to building joint operational capabilities, and to making full preparations in the battlefields. Meanwhile, it adheres to the people's war concept and develops the strategies and tactics of the people's war. To meet the requirements of integrated and joint operations, the PLA endeavors to establish a modern operational system capable of giving full play to the overall efficiency of the armed forces as well as the national war potentials. The PLA conducts more training and exercises with specific objectives in order to raise its capabilities in coping with various crises and contingencies.

• To carry out military exchanges and cooperation. In line with the national foreign policy, the PLA conducts military cooperation that is non-aligned, non-confrontational and not directed against any third party. The PLA takes part in the UN peacekeeping operations and international counter-terrorism cooperation. While promoting military exchanges in various forms, the PLA works to establish security dialogue mechanisms in order to create a military security environment featuring mutual trust and mutual benefit. It takes part in bilateral or multilateral joint military exercises in non-traditional security fields so as to enhance the joint capabilities to cope with threats in those fields. The PLA learns from and draws on the valuable experience of foreign armed forces, and introduces, on a selective basis, technologically advanced equipment and better management expertise from abroad to advance the modernization of the Chinese armed forces.
2.2.1 China’s Military Expenditure

China's defence expenditure falls into the following categories: personnel expenses, costs for maintenance of activities, and costs for equipment. Personnel expenses mainly cover the salaries, allowances, food and clothing of officers, non-ranking cadres, enlisted men and civilian employees. Costs for maintenance of activities mainly cover training, construction and maintenance of facilities and running expenses. Costs for equipment mainly cover research, experimentation, procurement, maintenance, transportation and storage. China's defence expenditure covers not only the active forces, but also the militia and reserve forces. Support for some retired officers, the education of the children of military personnel, and other social spending are also provided by the defence expenditure.

China’s defence expenditure grows higher year by year due to its good economic condition. The graphic below shows the Gross Domestic Product of China yearly from 2000 to 2011.

**Table 1. : Graphic of China’s GDP 2000-2011**

In its 2002 White Defence Paper, China said that the increased defence expenditure in recent years has primarily been for the following purposes:

1. Increase of personnel expenses. Along with the socio-economic development and the per-capita income rise of rural and urban residents, it is necessary to improve the living standards and conditions of military personnel. The past

---

decade has witnessed the increase of the board expenses in the armed forces on five occasions, and an 84% salary raise for officers and 92% allowance raise for soldiers.

2. Establishment and gradual improvement of a social security system for servicemen. In accordance with the requirements of the market economy, China has, since 1998, established such systems as injury and death insurance for servicemen, medical insurance for demobilized servicemen and housing subsidies for servicemen, and adjusted and enhanced living expense standards for PLA retirees.

3. Increase of expenses of a maintenance nature. Since the armed forces stopped commercial activities in 1998, the budget for training has increased year by year. With the gradual improvement of living facilities and progressive office automation, expenses of a maintenance nature have kept rising.

4. Increase of expenses spent on cooperation with the international community in anti-terrorism activities.

5. Appropriate increase of expenses for the improvement of military equipment to enhance defence capabilities under the conditions of modern technologies, particularly high technologies.

While in 2004, the increased part of China's defence expenditure has primarily been used for the following purposes:

1. Increase of the salaries and allowances of the military personnel. It is necessary to raise the salaries and allowances of the military personnel in associated with the socio-economic development and the per-capita income rise of urban and rural residents. In the light of the unified wage adjustment policy for the personnel of state organs, China has raised the salary rates of officers, civil cadres and non-commissioned officers; the allowances of conscripts and cadets under the supply system; and the pensions of the retired.

---

2. Further improvement of the social insurance system for servicemen. In December 2003, the Provisional Measures on Social Insurance for Unemployed Accompanying Spouses of PLA Servicemen was formulated, to guarantee their basic living standard and provide them with social insurance subsidies.

3. Support for the structural and organizational reform of the military. China once again downsizes its military by 200,000, and has to increase the expenses on the resettlement of the discharged surplus personnel accordingly.

4. Increased investment in the development of high-caliber talents in the military. The PLA has established and refined an incentive mechanism for talented people, improved conditions in military educational institutions, and entrusted non-military colleges and universities with the education of qualified personnel, so as to ensure the achievement of the PLA's Strategic Project for Talented People.

5. Moderate increase of equipment expenses. This is aimed at promoting the leapfrog development of weaponry and equipment, and stepping up preparations for military struggle.

Recently, in 2010, the increase in China's defence expenditure has primarily been used for the following purposes:

1. Improving support conditions for the troops: Along with the economic and social development and the improvement of people's living standards, the PLA has adjusted servicemen's salaries and allowances, increased funding for education and training, water and electricity supplies and heating, upgraded logistics support for grass-roots units in a comprehensive and coordinated way, and improved the on-duty, training and living conditions of border and coastal defense forces and units in remote areas and harsh environments.

2. Accomplishing diversified military tasks: China has increased investment in improving MOOTW (Military Operation Other Than War) capabilities, in supporting earthquake rescue and disaster relief operations, in escort operations.

---

in the Gulf of Aden and waters off Somalia, in flood control and emergency rescue operations, and in international rescue operations.

3. Pushing forward the Revolution in Military Affairs (RMA) with Chinese characteristics. In view of the upward trend in purchasing prices and maintenance costs, China has moderately increased the funds for high-tech weaponry and equipment and their supporting facilities.

2.2.2 China’s Military Personnel

The armed forces of the PRC are composed of the PLA both the active and reserve components, the Chinese People's Armed Police Force and the militia. The active components of the PLA are the country's standing army, which mainly undertake the task of defensive military operations, and help to maintain social order, if necessary, in accordance with the law.

The PLA is composed of three services - the Army, Navy and Air Force - and an independent arm, the Second Artillery Force. The Army has such arms as the infantry, artillery, armor, engineering, communications, anti-chemical warfare and Army aviation, as well as other specialized units. The Navy has such arms as the surface, submarine, naval aviation, coastal defence and marine corps as well as other specialized units. The Air Force has such arms as the aviation, surface-to-air missile and antiaircraft artillery, radar, and airborne, as well as other specialized units. The Second Artillery Force is composed of the strategic missile, conventional missile, and other specialized units.

It has been the established policy to build a streamlined military with Chinese characteristics. Since the mid-1980s, China has twice downsized its military by a total of 1.5 million. In September 2003, the Chinese government decided to further reduce 200,000 troops by the end of 2005 to maintain the size of the PLA at 2.3 million. The current restructuring, while cutting down the numbers, aims at optimal force structures, smoother internal relations and better quality.

Rebalancing the ratio between officers and men. By streamlining structure, reducing the number of officers in deputy positions, filling officers' posts with non-

---

commissioned officers (NCOs) and adopting a system of civilian employees, the number of the PLA officers can be substantially reduced to optimize the ratio between officers and men.

Improving the system of leadership and command. The emphasis is put on streamlining the staff offices and the directly affiliated organs at the corps level and above, so as to compress the command chains and further improve the operational command system to strengthen the command functions. The numbers of offices and personnel are both reduced by about 15% by adjusting staff functions, dismantling and merging offices and reducing the numbers of subordinate offices and assigned personnel.

Optimizing the composition of the services and arms of the PLA. The Army is streamlined by reducing the ordinary troops that are technologically backward while the Navy, Air Force and Second Artillery Force are strengthened. The make-up of troops and the size of the services and arms are optimized with an increasing proportion of new- and high-tech units.

Deepening the reform of joint logistical support. The PLA continues to adopt the system of joint logistical support at military area commands. The scope of joint logistical support is further enlarged and the number of logistical organizations and personnel are reduced while the rear hospitals, recuperation centers and general-purpose warehouses formerly under the administration of the services and arms are all integrated and reorganized into the joint logistical support system. An integrated tri-service joint logistical support system gradually takes shape, thus improving the overall efficiency.

Realigning the organizational structure of military educational institutions. The PLA aims at improving the structure and system for educating military personnel in both military and civilian educational institutions, and speeding up the establishment and improvement of a new educational system. This new system focuses on pre-assignment education, which is separated from education for academic credentials. In accordance with the requirements for running educational institutions intensively on a proper scale, the PLA has optimized the system and structure of educational institutions by cutting down on those that are not essentially different from their civilian counterparts, and those that are more than necessary, and merging those that are co-located or have similar tasks.
2.2.3 China’s Military Equipment

A. Ballistic and Cruise Missiles

China has the most active land-based ballistic and cruise missile program in the world. It is developing and testing several new classes and variants of offensive missiles, forming additional missile units, qualitatively upgrading certain missile systems, and developing methods to counter ballistic missile defenses. The PLA is acquiring large numbers of highly accurate cruise missiles, such as the domestically-produced ground-launched DH-10 land-attack cruise missile (LACM); the domestically produced ground- and ship-launched YJ-62 anti-ship cruise missile (ASCM), which is outfitted on the domestically produced LUYANG II-class guided-missile destroyer (DDGs); the Russian SS-N-22/SUNBURN supersonic ASCM, which is outfitted on China’s SOVREMENNYY-class DDGs acquired from Russia; and, the Russian SS-N-27B/SIZZLER supersonic ASCM, which is outfitted on China’s Russian-built, KILO-class diesel electric submarines.

By December 2009, the PLA had deployed between 1,050 and 1,150 CSS-6 and CSS-7 short-range ballistic missiles (SRBM) to units opposite Taiwan. It is upgrading the lethality of this force, including by introducing variants of these missiles with improved ranges, accuracies, and payloads. China is developing an anti-ship ballistic missile (ASBM) based on a variant of the CSS-5 medium-range ballistic missile (MRBM). The missile has a range in excess of 1,500 km, is armed with a maneuverable warhead, and when integrated with appropriate command and control systems, is intended to provide the PLA the capability to attack ships, including aircraft carriers, in the western Pacific Ocean.

China is modernizing its nuclear forces by adding more survivable delivery systems. For example, in recent years the road mobile, solid propellant DF-31 and DF-31A intercontinental range ballistic missiles (ICBM) have entered service. The DF-31A, with a range in excess of 11,200 km, can reach most locations within the continental United States (CONUS). China may also be developing a new road-mobile ICBM, possibly capable of carrying a multiple independently targeted re-entry vehicles (MIRV).

---

B. Naval Forces

The PLA Navy has the largest force of principal combatants, submarines, and amphibious warfare ships in Asia. China’s naval forces include some 75 principal combatants, more than 60 submarines, 55 medium and large amphibious ships, and roughly 85 missile-equipped patrol craft. Construction of a new PLA Navy base on Hainan Island is essentially complete. The base is large enough to accommodate a mix of attack and ballistic missile submarines and advanced surface combatants. The base, which has underground facilities, provides the PLA Navy with direct access to vital international sea-lanes and offers the potential for stealthy deployment of submarines into the South China Sea.

The PLA Navy has also reportedly decided to initiate a program to train 50 pilots to operate fixed-wing aircraft from an aircraft carrier. The initial program, presumably land-based, would be followed in about four years by ship-borne training involving the ex-VARYAG—a former Soviet Kuznetsov-class aircraft carrier—which was purchased by China from Ukraine in 1998 and is being renovated at a shipyard in Dalian, China. The PLA Navy is improving its over-the-horizon (OTH) targeting capability with Sky Wave and Surface Wave OTH radars. OTH radars could be used in conjunction with imagery satellites to assist in locating targets at great distances from PRC shores to support long-range precision strikes, including by anti-ship ballistic missiles.

In addition, China has an active aircraft carrier which is aimed for research and development program. The PRC shipbuilding industry could start construction of an indigenous platform by the end of this year. China is interested in building multiple operational aircraft carriers with support ships in the next decade. China continues production of its newest JIN-class (Type 094) nuclear powered ballistic missile submarine (SSBN). China may field up to five new SSBNs. One JIN-class SSBN has entered service alongside two new SHANG-class (Type 093) nuclear-powered attack submarines (SSN), four older HAN-class SSNs, and China’s single XIA-class SSBN. China is further expanding its current force of nuclear-powered attack submarines and may add up to five advanced Type 095 SSNs to the inventory in the coming years.

China has 13 SONG-class (Type 039) diesel-electric attack submarines (SS) in its inventory. The SONG-class SS is designed to carry the YJ-82 ASCM. The follow-on to the SONG is the YUAN-class SS, as many as four of which are already in service.
China may plan to construct 15 additional hulls for this class. The YUAN-class SS are armed similarly to the SONG-class SS, but also include a possible air independent propulsion system. The SONG SS, YUAN SS, and SHANG SSN will be capable of launching the new CH-SS-NX-13 ASCM, once the missile completes development and testing.

The PLA Navy continues its acquisition of domestically produced surface combatants. These include two LUYANG II-class (Type 052C) DDGs fitted with the indigenous HHQ-9 long-range surface-to-air missile (SAM); two LUZHOU-class (Type 051C) DDGs equipped with the Russian SA-N-20 long-range SAM; and four (soon to be six) JIANGKAI II-class (Type 054A) guided-missile frigates (FFG) to be fitted with the medium-range HHQ-16 vertically launched naval SAM currently under development. These ships reflect the leadership’s priority on an advanced anti-air warfare capability for China’s naval forces, which has historically been a weakness of the fleet. China has deployed some 60 of its new HOUBEI-class (Type 022) wave-piercing catamaran hull missile patrol boats. Each boat can carry up to eight YJ-83 ASCMs.

C. Air Defence Forces

China has based 490 combat aircrafts within unfueled operational range of Taiwan and also had the airfield capacity to expand that number by hundreds. Many of these aircraft are upgrades of older models. However, newer and more advanced aircraft make up a growing percentage of the inventory.

China is upgrading its B-6 bomber fleet (originally adapted from the Russian Tu-16) with a new variant that, when operational, will be armed with a new long-range cruise missile. The PLAAF has continued to expand its inventory of long-range, advanced SAM systems and now possesses one of the largest such forces in the world. Over the past five years, China’s efforts have included the acquisition of a number of SA-20 PMU2 battalions, the most advanced SAM system offered for export by Russia, and the introduction of the indigenously designed HQ-9. China’s aviation industry is developing several types of airborne early warning and control (AEW&C) aircraft. This includes the KJ-200, based on the Y-8 transport, for AEW&C as well as
intelligence collection and maritime surveillance, and the KJ-2000, based on a modified IL-76 transport airframe.

D. Ground Forces.

The PLA has about 1.25 million personnel in its ground forces, with roughly 400,000 based in the three MRs opposite Taiwan. China is upgrading ground forces units with modern tanks, armored personnel carriers, and artillery. Among the new capabilities acquired by, or under development for, PLA ground forces are Type 99 third-generation main battle tanks, a new-generation amphibious assault vehicle (AAV), and 200-mm, 300-mm, and 400-mm multiple rocket launch systems.

In 2009, the PLA focused training and exercises on command and control, joint ground and air coordination, mobility and mobilization in information warfare, and assault operations. In addition to the active ground forces, China has a reserve force of some 500,000 (as of 2008) and a large militia that can be mobilized in wartime to support the war effort within their home provinces. Although China plans to reduce the size of the organized militia from 10 million to 8 million by the end of the 11th Five Year Plan (2006-2010), all males between 18 and 35 years of age not currently serving in the military are technically part of the militia system.
Chapter 3
Japan’s Strategy to Respond China

3.1 Japan’s Threat Perception

This part particularly elaborates Japan’s perception on China’s military strategy. Japan particularly enunciates its view regarding the security situation in Asia Pacific in general, in her 2011 White Defence Paper. In this paper, Japan perceives the region as considerably dynamic in political, economic, ethnic, and religious diversity. Yet, the conflicts between countries and region remained existed in the region. This also appoints to the territorial claims and reunification issue that continue to plague the Asia Pacific region after Cold War.

Japanese government revealed her threat perception by firstly stating its concern over North Korea's nuclear and ballistic missiles issues. The concern was intensified by the situation in November 2010 when North Korea revealed uranium enrichment program to a visiting US expert. North Korea further stated that the program, equipped with thousands of centrifuges, has been in operation. This indicates the possibility of nuclear development by North Korea since the previous two announcements of nuclear tests in October 2006 and May 2009.

According to Japan, North Korea has made significant advancements in its nuclear plan. North Korea has also enhanced its ballistic missile capability. By carrying out this program North Korea obviously poses a significant threat for Japan as well as the peace and stability in Asia Pacific and the international community. North Korea has also repeatedly carried out military provocations, in the case of artillery firing at Yeonpyeong Island (South Korea) in November 2010.33

In its 2011 White Paper, Japan also clearly mentions Russia as its concern. Under President Medvedev, Russia is pursuing its national interests to be a country with global influence. Thus, Russia is now developing its military posture in line with its resources against the backdrop of its economic development. This is to mention Russian’s strategy to downsize its troops, reform its organizational aspects, rebuild its readiness

---

postures, and modernize its military personnel including the development of new equipment. Recently, Russia has also deployed its navy and air forces in joint military training coupled with its strategic bombers. In the Far East, Russia continues to operate its vessels and aircrafts as well as large-scale exercises.\textsuperscript{34}

\subsection*{3.2 Japan’s Perception on China}

Although North Korea and Russia have become a concern, China currently poses the biggest threat for Japan. In its White Defense Paper, like in 2005 – 2011, Japan has always revealed potential threats that might come from China. In Japan’s observation, China has come to a considerably economic development, which has affected its military power. This confirms that China has opportunities, potentials and capabilities to advance its military modernization.

As far as Japan is concerned, China reduces the quantity of its PLA personnel, mainly in army. Yet Chinese government approved to increase the quality of its military equipment, particularly naval and air forces, as well as nuclear and missile capabilities. Moreover, China is improving its joint operational capabilities, namely to conduct practical exercises, to cultivate and acquire highly-capable human resources for administering operations as well as to improve the domestic defence industry. Many of PLA’s equipment are still outdated, thus the current military modernization efforts is to improve its capabilities. Nevertheless, China does not show a clear, specific future vision of its military modernization. For Japan, there is a concern regarding how China’s military power will impact the regional situation and its security, which is to be carefully analyzed.

Ultimately, Japan worries about the lack of transparency over the rising China’s defence budget and its military procurement. PLA operations nearby Japan’s territory also intensify its concerns. Japan's White Defence Paper in 2009, 2010, and 2011 perceived that China has not disclosed specific information on its possession of weapons, procurement goals or past procurements. This is in addition to the volatility of PLA’s organization and locations of major units, records of main military operations and exercises, and a detailed breakdown of China national defence budget.

\textsuperscript{34} Ibid.,
China has released its defence white papers every two years since 1998 and conducts dialogues with other governments. However, China has not yet achieved the levels of transparency as expected by many countries in the international society. For example, as for a detailed breakdown of national defence spending, China announced only the total amount and general purposes of the three categories: personnel, training and maintenance, and equipment. Moreover, the report for the United Nations Instrument for Reporting Military Expenditures submitted by China in 2009 was not completed in accordance with the standard format used by Japan and many other nations, whereby a detailed breakdown of military expenditure is required. The information was almost as simple as that provided in China's defence white papers without further details.  

Japan states that the amount of the defence budget announced by China is considered to be only part of its actual military expenditures. It is believed that the announced defence budget does not include all the equipment procurement costs as well as research and development expenses. With the lack of transparency over its military policy, China’s procurement of weapons and its activities have obviously intensified Japan’s concerns.

According to Japan’s observation about China in White Defense Paper 2009 – 2011, The Chinese Air Force and Navy have approximately 1,980 combat aircrafts in total. The number of fourth-generation modern fighters is rising steadily. Japan believes that China is domestically mass-producing J-10 fighters and carrying out import and licensed production of Su-27 fighters as well as Su-30 fighters equipped with anti-surface and anti-ship attack capabilities from Russia. China is believed to import highly sophisticated long-range surface-to-air missiles from Russia in order to improve air defence capabilities. China has also begun to enhance the electronic warfare and intelligence capabilities for its aircraft in addition to increased actual reconnaissance flights against surrounding countries. In September 2007, H-6 medium-range bombers flew into Japanese air defence identification zone over the East China Sea to advance nearby the Japan-China median line.

---

35 Ibid., p. 55
36 Ibid., p. 60
37 Ibid.,
Of the biggest concerns over China is the possession of nuclear weapons. China owns various types and ranges of ballistic missiles such as intercontinental ballistic missiles (ICBM), submarine-launched ballistic missiles (SLBM), intermediate range ballistic missiles/medium range ballistic missiles (IRBM/MRBM), and short-range ballistic missiles (SRBM). The survivability and readiness of China’s ballistic missile forces are under improvement by updating liquid propellant type to a solid propellant one. Moreover, Japan also believed that China is increasing performance by extending ranges, improving precision, introducing MIRV and other means.

China possesses approximately 30 ICBMs as a strategic nuclear force. The majority of which have been fixed-type missiles with liquid fuel propellant systems. In general, this type of missile requires time to inject liquid fuel immediately before launching, and thus signs of a launch can be detected beforehand and may invite a preemptive attack. For this reason, Japan believed, China has developed the DF31, which is a new mobile-type ICBM with a solid fuel propellant system mounted onto a transporter erector launcher (TEL), and the DF-31A, an extended model of the DF-31, which appears to have already been deployed. Regarding SLBMs, the country currently appears to be developing the JL-2, a new SLBM with a range of approximately 8,000km, and constructing Jin-class nuclear-powered ballistic missile submarines (SSBN) to carry the missiles. Now that the DF-31 and the DF-31A have been deployed, once the JL-2 reaches a level of practical use, Japan believes more that China’s strategic nuclear capabilities will improve by a great margin.

As for the IBRM/MRBM covering the Asia-Pacific region including Japan, China has deployed liquid-fuel-propellant DF-3 and DF-4 missiles. China also deploys the DF-21, which can be transported and operated on a TEL. These missiles are capable of carrying nuclear warheads. It is believed that China is currently developing conventional-warhead anti-ship ballistic missiles based on the DF-21, which could be used to attack ships at sea including aircraft carriers. China is also believed to be developing the DH-10, a cruise missile with a range of 1,500km or longer. Once available for actual operation, those missiles might complement ballistic missile forces, covering the Asia-Pacific region including Japan. In addition to IBRM/MRBM, China also possesses a 100 plus dozens of H-6 (Tu-16) medium-range bombers that are

---

38 Ibid., p. 77-78
39 Ibid.,
capable of carrying nuclear warheads. Concerning short-range ballistic missiles (SRBM), China possesses a large number of DF-15 and DF-11, and they are likely to have been deployed against Taiwan.\textsuperscript{40}

In the meantime, Japan also observed China’s ground forces as the largest in the world with approximately 1.6 million personnel. In 2009 China carried out "Stride 209" exercise, which traversed across military regions and were deemed its largest ever exercises of this type, and it also carried out similar "Mission Action 2010" exercises in 2010. These exercises are believed by Japan to have been designed to verify and improve capabilities necessary for deploying army units to distant areas, such as the army's long-range maneuvering capabilities and logistical support capabilities, including the mobilization of militia and public transportation.\textsuperscript{41}

The naval forces consist of three fleets-the North Sea, East Sea, and South Sea Fleets. The Chinese Navy has approximately 950 ships, including approximately 50 submarines, with a total displacement of approximately 1.34 million tons. The Chinese Navy introduced modern Kilo-class submarines from Russia and is actively constructing new types of domestic submarines to enhance its submarine force. Additionally, the Navy is increasing surface combatant ships with improved air defense and anti-ship missile capabilities, and is increasing and improving landing ships and supply ships.\textsuperscript{42}

Japan also noticed that China continues to put forth efforts for space development. China has launched various satellites into space using indigenously produced rockets, successfully conducted manned space flights, and launched a lunar orbiter. In September 2008, China launched the Shenzhou-7 manned spaceship and its astronaut successfully performed China’s first extravehicular activities. As it appears that in China’s space development military and non-military uses laser beams to hamper satellite functions. Japan has opinion that China is having interest in cyber warfare and they are believed to have organized and be currently training a cyber-warfare-specialized unit.\textsuperscript{43}

\textsuperscript{40} Ibid.,
\textsuperscript{41} Ibid.,
\textsuperscript{42} Ibid., p. 79.
\textsuperscript{43} Ibid., pp. 54-55
Japan recognizes that China’s interest in anti-satellite weapons and cyber warfare can be attributed to the increasing reliance of information gathering and command as well as communication in military sector. These are vital for swift and efficient exercise of military strength, on satellites and computer networks.

China’s military operation obviously leads Japan to insecurity. In her White Defence Paper 2005 – 2011, Japan revealed some of its objections towards China’s military operation around Japan’s territory. In November 2004, for example, Chinese nuclear-powered submarine navigated in Japanese territorial water. This can be seen as a breach of international law. In addition, Chinese naval vessels have been observed conducting exercises and information gathering activities in the waters. Other naval vessels as well as Chinese government ships have also been observed engaging in apparent oceanographic research within the exclusive economic zone of Japan.

Furthermore, as stated in the White Defense Papers, in September 2005, Maritime Self-Defence Force P-3C patrol aircraft observed that a total of five Chinese naval vessels, including one Soveremenny-class destroyer, were sailing near the Kashi gas field (Tianwaitian in Chinese) in East China Sea and some of them (a total of three vessels including the Soveremenny-class destroyer) circled around the said gas field. In October 2006, a Chinese Song-class submarine surfaced in the vicinity of the U.S. aircraft carrier Kitty Hawk in international waters reportedly near Okinawa.\(^{44}\)

In October 2008, four Chinese naval vessels, including a Soveremenny-class destroyer, passed through the Tsugaru Strait to advance to the Pacific Ocean. This was the first identified passage by Chinese surface combatants through the strait. These ships traveled southward in the Pacific and sailed between Okinawa Island and Miyako Island to take a route circling Japan. In November 2008, four naval vessels, including a top-of-the-line Luzhou-class destroyer, passed between Okinawa Island and Miyako Island and headed to the Pacific Ocean. While in December 2008, two Chinese maritime research ships conducted navigation operations not permitted to foreign ships under international law such as hovering and cruising within the territorial waters of Japan near the Senkaku Islands.\(^{45}\)

\(^{44}\) Ibid., pp 80-83
\(^{45}\) Ibid.,
In addition to activities at waters near Japan, China is enhancing its activities in the Spratly Islands and Paracel Islands, over which it is engaged in territorial disputes with neighbors, including some ASEAN countries. In November 2008, a flotilla of vessels consisting of a Luyang II-class destroyer, a Yuzhao-class amphibious ship and other vessels reportedly exercised in waters near the Spratly Islands. In March 2009, Chinese ships including a naval intelligence collection vessel, a Bureau of Maritime Fisheries patrol ship, and trawlers approached a U.S. Navy acoustic research ship operating in the South China Sea to obstruct its operations. Other incidents also occurred in the same month.\footnote{Ibid., p. 55}

From all the PLA’s maritime activities, Japan believes that China has some objectives by doing so. Japan breaks the detail of objectives down to four points, based on geographic location and economic globalization as well as the fact that China explicitly states in its laws and other means that its navy assumes the role of safeguarding maritime rights and interests and protecting maritime safety\footnote{It is stated in Security Environment Surrounding Japan in Defence of Japan (White Defence Paper) 2009, 2010, and 2011}:

1. to intercept naval operations by enemies in waters as far as possible from the country in order to defend Chinese territory and territorial waters. Behind this is an increase in effectiveness of long-range attacks due to recent progress in science and technology.

2. to develop military capabilities to deter and prevent Taiwan’s independence. For example, China will not allow any foreign intervention in solving the Taiwan issue and realizing the unification of China. If China aims to hold back by force foreign intervention into Taiwan, which is surrounded by the sea, it needs to enhance its military operational capabilities at sea.

3. to acquire, maintain, and protect maritime rights and interests. China is engaged in exploring and drilling oil and gas fields as well as building facilities and surveying for such facilities in the East China Sea and South China Sea. It is believed that the aims of the naval vessels operating near the drilling facilities of the Kashi oil and gas fields in September 2005 included
the demonstration of their naval capabilities of acquiring, maintaining, and protecting maritime rights and interests.

4. to defend the sea-lanes of communications for China. The background of this is the fact that the sea-lanes of communications, including crude oil transportation routes from the Middle East, are extremely important lifelines for the increasingly globalizing Chinese economy.

Japan also sees that in its military modernization, China appears to give particular priority to the Taiwan issue as an issue of national sovereignty and territorial integrity, and for the time being it will probably aim for the improvement of military capabilities to prevent Taiwan’s independence and other efforts. However in recent years, China has begun to work on acquiring capabilities for missions other than the Taiwan issue. The military trends of China draw attention from countries in the region, as the country has been steadily growing as a major political and economic power in the region.

Furthermore, Japanese government is concerned with the Sino-North Korea relationship. This is particularly appointing the support to North Korea’s regime from Chinese government.48 China has confirmed the strengthening of its military ties with North Korea, amid continuing tensions regarding the nuclear disarmament talks. China remains North Korean’s most important diplomatic ally and is a key source of food and fuel.49 Many observers perceive that Chinese government strongly supports North Korea, as China fears that the collapse of the North Korean regime could send many problems for this country. This is to mention a massive flow of desperate, starving refugees into northeastern China and lead to a pro-U.S. government setting up across its border.50

The fact that Japan-China’s economic relations are strengthened is true. Yet, not their political and security relations.51 The memory of Japan’s invasion to China in World War II and their over territorial claims towards Senkaku/Diaoyu islands are still

---

49 China vows closer military ties with North Korea accessed from http://www.huffingtonpost.com/huff-wires/20111118/as-china-nkorea/ in 23 May 2013
affecting their relations. Thus, Japan views China’s effort to modernize its military power is an attempt that is not only aimed at dealing with non-traditional threats but also traditional threats. It can be used, firstly as a tool to expose its position in global politics. Secondly, it is used to force Taiwan with regards of its independence and eventually to repel Japan from Senkaku/Diaoyu islands, as it is written in Japan’s Defence White Paper 2010:

“In its military modernization China appears to give particular priority to the Taiwan issue as an issue of national sovereignty and territorial integrity, and for the time being it will probably aim for the improvement of military capabilities to prevent Taiwan’s independence and others, but in recent years, China has begun to work on acquiring capabilities for missions other than the Taiwan issue. The military trends of China draw attention from countries in the region, as the country has been steadily growing as a major political and economic power in the region.”

3.3 Japan’s Responses

Japan has seen China’s arms build-up particularly in navy capabilities as a threat since they remain had East China Sea dispute to settle. Japan-China negotiation on the oil and gas deposits in this sea has not come to end yet. Therefore, the escalation activities of Chinese naval near the gas and oil field in the Senkaku/Diaoyu islands have led to Japan’s concern. Regarding this issue, a retired Lieutenant General and Corps Commander of Japan’s Northern Army, who later became a professor at Teikyo University, says, “We do not have any concern about their land forces, only maritime forces like the navy and missiles. A drastic expansion of that kind of capability could be a threat in the future.”

In response to China’s armed forces modernization and North Korea’s nuclear proliferation program, Japan has revised her defence strategy over the last decade. Japanese government arranged a New Defence Program Outlines (NDPO), starting from 2001. The strategy mainly prepares JSDF (Japan Self-Defence Forces) to support the US campaign war on terrorism in Afghanistan and United Nations Peace Keeping Operation. Yet, for the first time, after its security agreement with US in 1951, Japan

---

was approved its own power projection capabilities that made it procured UH-60JA multi role helicopters, Hawk surface-to-air missiles, landing ship tank for helicopters and destroyer-helicopter ships.\textsuperscript{54}

The above strategy certainly applied with a stronger cooperation with the United States (US) and an intention to play a greater role in both regional and global security. To support its global goals, Japan has also proposed “Dynamic Defence Force” strategy, which permits its Defence Minister to shift the land forces to mobile forces. Recently, Japan is acquiring six new submarines, equipped with two more warships with Aegis missile and building three additional ground-based missile defense units – systems.\textsuperscript{55} Not to mention, Japan is benefitted from its security agreement with US. The agreement allows the Japanese government to develop and deploy it missile defence systems, primarily with US technology.

For Japan, in the Asia Pacific region, where China’s military power significantly increased coupled with the lack of transparency and elements of uncertainty remain existed, the presence of the US military is extremely important. This is vital to achieve regional stability. Japan and other countries have established bilateral alliances and friendly relations with the United States and, accordingly, they allow the stationing and deployment of U.S. forces in their territories. Some efforts are being made by Japan to engage in multilateral security dialogues, including the ASEAN Regional Forum, the ASEAN Defence Minister's Meeting-Plus (ADMM-Plus), and conferences hosted by non-governmental institutions with the participation of relevant defense ministers, as well as bilateral and multilateral joint exercises.

\textbf{3.4 The US Involvement}

At the same time, in November 2011 the US government has once again performed its intention to play a greater role in Asia Pacific. In front of the Asia Pacific leaders during East Asia summit in Indonesia, President Obama specifically explained the vital role of Pacific Rim for the US interest. Ultimately, Obama urged the need to secure and

\textsuperscript{54} www.iiss.org/Easysiteweb/getresource.axd?AssetID=699&Type=Full.pdf accessed on 8 October 2011.

protect the US’ and her partners’ interest in maritime Asia Pacific.\textsuperscript{56} The initiative to focus more on Asia Pacific has actually been proposed since 2001. The US Department of Defence published her defence strategy that demands her armed forces to provide flexible capabilities for wider purposes and contingencies as they intended to expand their overseas presence from Middle East to Pacific littoral.\textsuperscript{57}

This statement obviously confirms the US’s willingness to stretch out their strategic plan to Pacific region, and it is usually associated with their influence and power. Moreover, to implement their defence strategy in Asia Pacific, the US military power needs sufficient capabilities since, as noted earlier, Pacific region is not free from disturbances. In addition, these capabilities should be flexible as it is mainly directed for dealing with traditional and non-traditional threats, including the humanitarian assistance and disaster relief.

The 2001 US defence strategy is subsequently supported by its 2007 maritime strategy, which also confirmed the shift of US’s focus to Pacific oceans.\textsuperscript{58} This maritime strategy essentially allows the US sea services, namely the US Navy, Marine Corps and Coast Guard, to cooperate and station a credible combat power in the Western Pacific and the Indian Ocean. This US’s seapower is particularly aimed to protect their vital interests and promote greater collective security, stability, and trust, as well as to defend their national security and to defeat adversaries in war.\textsuperscript{59}

Furthermore, the US Secretary of Defence, Robert Gates in June 2010 mentioned that as part of Pacific nations, the US sets Asia Pacific region within its defence priorities in broader context.\textsuperscript{60} These priorities according to Bradford, clearly demonstrates that maintaining safe, secure sea-lane and upholding the principle of freedom of navigation in Pacific waters is at the very core of the US interests.\textsuperscript{61} In so


\textsuperscript{60} The speech can be accessed from http://www.defense.gov/speeches/speech.aspx?speechid=1483

doing, Erickson confirms that the US has launched new direction for its maritime strategy since 2005. He explained that Adm. Michael Mullen, has been calling for a series Global Maritime Partnerships that brings the maritime force of friendly nations to join together to provide collective security against threats in the seas.  

This means the US naval forces realized they could not handle all problems at sea alone due to its size and complexities. Therefore they are committed to collaborate with others, namely Japan, the Philippines, and Australia, in maintaining the security of the Pacific and global maritime commons.

---

Chapter 4

Security Dynamics in Asia Pacific and Sino-Japan Relationship

4.1 Security Dynamics in Asia Pacific

Asia-Pacific region is an essential maritime environment. Historically, this area became a great arena of contact between civilisation and of imperial wealth and power. Today, it becomes the stage for over half the world’s trade and the interests of great and potential great powers such as US, China and Japan. Subsequently, globalisation process has also affected Pacific maritime security environment. Tangredi, specifically mentioned that globalisation changes the maritime security environment and therefore impacts to the military forces that operate in and from the maritime environment.

Lawrence S. Prabhakar notes in his article that the Asia Pacific region is a globalised maritime environment with the emphasis not only on states’ economic improvement but also on an increasingly significance of transnational maritime threat to its security. The number of economic cooperation in Asia Pacific has increased due to its attractiveness to states’ economic development. The principles of trade liberalization are arguably giving positive effects to national welfare.

In addition, the regionalism has been strengthened since a global free trade is still far from complete. Accordingly, many states in Asia Pacific region pursue their economic growth through cooperation. Their cooperation is in turn articulated and implemented in free trade agreements, both bilaterally and multilaterally namely APEC (Asia Pacific Economic Cooperation), TPP (Trans-Pacific Partnership) and AFTA (ASEAN Free Trade Area).

Nonetheless, the economic growth and cooperation in Asia Pacific region is also associated with an increasing numbers of transnational threats, which happens at sea. Kimberley Thachuk and Sam J. Tangredi define transnational threats as crime activities perpetrated by non-state actors that not only go beyond national borders but also have global impact. Based on this definition, they subsequently distinguish the transnational crime perpetrators into two types of non-state actors, namely terrorist groups and organized criminal groups.\(^\text{67}\)

With regards to terrorist groups, some decades ago their activities were more politically driven and therefore threatened only the security at national level. In the last decade, their activities are more intensely carried out and globally directed. In addition, they are also using same methods that carried out by organized crime groups to finance their organizations. This is to mention drug trafficking, arms smuggling, money laundering, human trafficking, and piracy. Accordingly, Thachuk and Tangredi conclude that the line between terrorist motivations and criminal enterprises recently becomes gradually blurred.

In the case of maritime Asia Pacific, terrorist attacks have become a major problem. Some militant Islamic groups, such as Jemaah Islamiyya in Indonesia, Moro Islamic Liberation Front and Abu Sayyaf in the Philippines were predicted to have connection with Al Qaeda. Subsequently, some terrorist observers are perceived that these groups have an intention to attack the Strait of Malacca.\(^\text{68}\) Once this attack happens, it obviously creates a huge economic damage. This damage in turn impacts not only the local government but also other states that rely on Malacca Straits, particularly the US, the main target of the Al Qaeda.

In relation to piracy threats, as reported by IMB (International Maritime Bureau), there were 544 pirate attacks in the Strait of Malacca, Singapore, Indonesian and Malaysian coastal waters from 2003 to 2007.\(^\text{69}\) It was nearly 36% of all piracy attacks in

\(^\text{67}\) Kimberley L. Thachuk and Sam J. Tangredi, “Transnational Threats and Maritime Responses,” in *Globalization and Maritime Power*, can be accessed from http://www.isn.ethz.ch/isn/DigitalLibrary/Publications/Detail/?ots591=0c54e3b3-1e9c-be1e-2c24-a6a8c7060233&lng=en&id=110807


all seas in the world. However, ICC (International Chamber of Commerce) Commercial Crime Services reported that the number of piracy crimes in the Strait of Malacca has dropped lately. This happens due to the increase and aggressive patrols by the littoral states authorities since July 2005. Although the pirate attacks can be reduced, it remains concerned by some states in Asia Pacific region as there were at least 50 incidents of piracy happened in Indonesia, Malaysia, Singapore Straits and the South China Seas in the first six months of 2011.70

Interestingly, as mentioned by Chinese government in its White Defence Paper 201071, the Asia Pacific security situation has become more complex. The threats not only come from non-traditional actors such as those mentioned above, but mainly from states. Indeed, traditional security continues to become the most concerning problems in this region. Some of these traditional problems are related to sea territorial boundaries such as that happen in South China Sea as well as East Sea with their overlapping claims. This is not to mention the unsolved sovereignty problem of Chinese-Taiwan relationships with regards to ‘One China’ policy, and in turn this tension influences the US-Sino relationship.

In addition, there is also tension in Pacific region, which is caused by arms dynamics and as a consequence, it leads to military competition. This happens particularly between China and Japan lately. This military competition subsequently also triggers military alliances between major powers and developing countries in this region, such as military exercises carried out by Australian, India, Japan and the US. However, this alliance intensifies the tension itself. Furthermore, the complexity of nuclear proliferation in North Korea that has been developed since the late 1950s remains a problem in this region.

These traditional as well as non-traditional threats inevitably force Pacific states to employ certain strategies to deal with the existing and potential problems. There are at least three factors that affect the defence development particularly on naval power in Asia-Pacific region. This is to mention the importance role of SLOC, the increased of

---

economic prosperity in Pacific States, and an increase in transnational crimes in maritime Pacific.

4.1.1 Securing the SLOCs

Seas hold a vital function for humankind for centuries. They have provided a great benefit such as for navigation and transport, as a source of food and mining, recreation and tourism, materials for building and art as well as energy source and production of fresh water. In the globalisation era, sea becomes more important as nation welfare most likely depends on the free trade, which primarily uses sea. Geoffrey Till mentions there are two reasons why states choose the sea-based trading system. Firstly, it is cheaper and safer to travel and to send goods by sea, and secondly, it arguably makes big profits to states that use the system.

Sea is the medium by which 90 percent of world trade has been transported. This also confirms the vital function of the maritime Asia Pacific for making the goods possible to flow around the world. Nearly 60,000 vessels pass through the Strait of Malacca carrying various cargoes every year. The Strait of Malacca is becoming very important since it is the main entrance and the shortest sea route for vessels that brings oil and petroleum from Persian Gulf to East Asia. Further, approximately 30% of the world’s trade and 50% of its oil products pass through the Strait of Malacca, from the Persian Gulf to Japan, South Korea, China, and other Pacific states, including the U.S.

Based on the above description, Pacific countries depend on the free flow of this strait notably for their economic as well as military interests. In accordance with this interest, they need to adopt such a maritime strategy and naval development to secure and to protect the Sea Lanes of Communications (SLOCs) in maritime Asia Pacific. The US Navy and Marine Corps, for example, in 1994 published their strategy in a white paper entitled “Forward...From the Sea,” which was rearticulated from the

---

74 Sam J. Tangredi, *op.cit.*,
previous paper in 1992 “....From the Sea.” This strategy primarily allows US maritime authority to deal with a global maritime threat as well as to project power and influence across broad oceans, primarily in maritime Asia Pacific. This is important, as they need to protect the US vital interest, in the sense of economic, political and military, which is perceived global in nature and scope.77

4.1.2 Economic Prosperity

As a set of processes involving the growing multi-directional flows of people, objects, and information,78 globalisation is perceived to bring economic growth and national welfare to states. And since the globalisation relies on the sea security, many maritime strategists assume that maritime security is a prerequisite for a stable and growing global economy. After all, most of the world commerce travels across the high seas has become a source of national welfare. The national welfare to a greater extent positively influences the naval development, which in turn supports their economic growth. The successful American economy, for example, is the basis for American political and military power, as well as her sea power, in the world.79

The economic growth coupled with the essential function of navies to protect their sea-based trading system in globalization era inevitably lead states to increase their defense expenditure, particularly for their naval capabilities. China is the case. As her economic has grown over the last decade she also increased her defence expenditure 11.7 – 20.3 per cent annually.80 Despite the fact that Chinese government did not openly publish their naval spending they allow PLA Navy to build its naval and missile forces by procuring nuclear-powered submarines, frigates, amphibious landing craft warships, fighter bombers, aircraft missiles and air-craft carrier as well as destroyers.

These destroyers are also completed with supersonics and anti-ship cruise missiles. China has actually started these procurements since the year 2000.81

4.1.3 Dealing with Transnational Crimes

With such ease and at great speed flows, globalisation brings not only positive impacts but also a number of negative aspects. This is to say the borderless diseases, natural disaster, transnational crimes, and terrorism.82 Kimberley Thachuk and Sam J. Tangredi further distinguish the transnational crime perpetrators into two types of non-state actors, namely terrorist groups and organized criminal groups.83 Nonetheless, the difference between terrorist and criminal organizations has become gradually unclear. Terrorist groups carry out the same methods that are used by organized crime groups to finance their organizations namely drug trafficking, arms smuggling, money laundering, human trafficking, and piracy.

Although the probability of terrorist attack in maritime Asia Pacific is low,84 a number of piracies and the possibility that terrorist groups use piracy model for their financial support create concern to Pacific states. As reported by International Maritime Bureau (IMB), there were 544 attacks in the Strait of Malacca, Singapore, Indonesian and Malaysian coastal waters from 2003 to 2007.85 Despite the largely decrease in the number of attacks as reported by the Commercial Crime Services, some Pacific states remain concerned with this problem. There were at least 50 incidents of piracy

82 George Ritzer, op.cit, pp. 230-254;
happened in Indonesia, Malaysia, Singapore Straits and the South China Seas in the first semester of 2011.86

In addition to non-traditional threats, states in Pacific region basically continue to face existing traditional problems. This is to say the territorial boundaries dispute not only in land but mainly in sea, such as that happens between China and Japan as well as China and some Southeast Asia countries with regards to the East and South China Seas. There is also vulnerability between China and Taiwan in the sense of sovereignty issue, which then influences the Sino-U.S relations. This is not to mention the nuclear proliferation, which head for instability in the region. To deal with these traditional and non-traditional threats, Pacific states obviously have to set up certain naval and defence strategy. This is particularly true for China and Japan.

4.2 Sino-Japan Action-Reaction

The previous chapters have explicitly explained how Japan feels vulnerable due to China defence strategy, particularly the PLAN modernization. In turn, Japan reacted in the similar way by changing her defence strategy.87 As above-mentioned, Japan replaced its Cold War era defence strategy into the so-called “Dynamic Defence Force” which shifted its view about China and permits Japan Self Defence Forces to have power projection. This is an additional to Japanese strategy to strengthen its allies with the US and collaboration with other Pacific States. The military collaboration can be seen through the Global Maritime Partnership Strategy, initiated by the US.

Although Chinese and Japanese governments have shown dramatic power acquisitions both quantitatively and qualitatively, it is too early to evaluate if they are heading for war. The gap of military capability between China and Japan is still too big, which causes Japan not to activate war initially. As a comparison, the table below

---

shows what China and Japan navies have in details, as reported by the U.S. Central Intelligence Agency.

<table>
<thead>
<tr>
<th>Military Strength</th>
<th>China (3rd world rank)</th>
<th>Japan (9th world rank)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Military Personnel</td>
<td>2,285,000</td>
<td>239,430</td>
</tr>
<tr>
<td>Active Military Reserves</td>
<td>800,000</td>
<td>57,899</td>
</tr>
<tr>
<td>Total Aircraft</td>
<td>5,176</td>
<td>1,953</td>
</tr>
<tr>
<td>Total Land-Based Weapons</td>
<td>47,575</td>
<td>5,220</td>
</tr>
<tr>
<td>Total Naval Units</td>
<td>972</td>
<td>110</td>
</tr>
<tr>
<td>Towed Artillery</td>
<td>25,000</td>
<td>480</td>
</tr>
<tr>
<td>Merchant Marine Strength</td>
<td>2,012</td>
<td>673</td>
</tr>
<tr>
<td>Major Ports and Terminals</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Aircraft Carriers</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Destroyers</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>Frigates</td>
<td>47</td>
<td>36</td>
</tr>
<tr>
<td>Submarines</td>
<td>63</td>
<td>16</td>
</tr>
<tr>
<td>Patrol Coastal Craft</td>
<td>332</td>
<td>6</td>
</tr>
<tr>
<td>Mine Warfare Craft</td>
<td>52</td>
<td>29</td>
</tr>
<tr>
<td>Amphibious Operations Craft</td>
<td>233</td>
<td>25</td>
</tr>
<tr>
<td>Defense Budget / Expenditure</td>
<td>$100,000,000,000</td>
<td>$70,495,000,000</td>
</tr>
<tr>
<td>Coastline Coverage</td>
<td>14,500 km</td>
<td>29,751 km</td>
</tr>
</tbody>
</table>

Source: U.S. Central Intelligence Agency Report

In addition, to some observers, China-Japan interdependence in economies restrains both states from doing regrettable actions. Moreover, an increased in non-traditional threats, namely natural disaster, illegal smuggling, piracy and terrorist attacks call states for collaboratively dealing with them. With respect to overlapping claims on the Senkaku/Diaoyu actually perform Japan and China mutual interests. Their common interest, in turn, forces them to manage the dispute cooperatively.

---

88 World Military Strength Comparison can be accessed from http://www.globalfirepower.com/countries-comparison-detail.asp

However, Sino-Japan action-reaction on military strategy and weapon modernization cause an inevitable security dilemma in the region. Their military strategies not only promote tensions for both parties. It also creates insecurity and provokes tension for other Pacific states. Currently tensions due to arms race, coupled with some unresolved problems with neighboring countries, such as overlapping claims on South China Sea and Taiwan issue, clearly trigger instability in East Asia.

In addition, diplomacy carried out by Chinese government in accordance with a big number and capability of military equipment tend to cause its neighbor states to perceive that China is going to intimidate them. This is true particularly for Taiwan, Vietnam and the Philippines. Regarding this, Hu Jintao confirms that China’s peaceful development mechanism - which is aimed to justify her weapon modernization - is mainly used for China-Taiwan reunification and protecting China’s national sovereignty. Essentially, this emphasizes what Al Capone says, "You can get further with a kind word and a gun than you can with just a kind word."91

4.3 Pacific States Responses

As above-mentioned, China’s military strategy as well as Japan’s response, has also led its neighbors in Pacific Region to react in a similar strategy. As they feel threatened by both defence strategies, they precisely publish their defence development. As confirmed in its Defence Policy, Vietnam, for example, has developed its defence powers and closely coordinated defence-security and diplomatic activities in the last decade. The 2006 defence budget was increased 20.89% from USD 781.34 million to USD 987.70 million. It was then increased 28.85% in 2007 and became USD 1,388.26 million. It was slightly decreased in 2008, but then dramatically increased to become USD 2.6 billion in 2011 and USD 3.3 billion in 2012.92

Like Vietnam, the Philippines have also established a tranformation in its defence strategy since 2003. Under the Philippines Defence Reform, the government focuses on

91 "The Untouchables" accessed from http://www.imdb.com/title/tt0094226/quotes
10 key areas, such as improvement of operational and training capacity, improvement of logistics capacity, personnel management systems, and level expertise, optimizing the defence budget and improving management controls, and also increasing the capability of the Armed Forces of Philippines to conduct civil military operations. Initially, along with the US, the defence reform is directed to respond the 9/11 terrorist’s attack. Yet, the program is specifically containing the mission to protect the Philippines national territory and its Exclusive Economic Zone from external aggression and transnational threats.

Moreover, the Philippines government has performed an assertive stand towards China with regard to Scarborough Shoal issue, since 1994. A recent standoff has just ensued when a Philippine navy surveillance plane sighted eight Chinese fishing vessels anchored in a lagoon at Scarborough in April 2012. Based on a report form Filipino sailors, the Philippines navy then deployed its largest warship, the BRP Gregorio del Pilar to the region.

The Philippines later withdrew its warship, but China sent out two Fishery Law Enforcement Command vessels. China’s act obviously provokes standoff to escalate, with the Philippines requesting a diplomatic resolution to the crisis but refusing to retreat. Bilateral relations have quickly deteriorated, as China introduces restrictions on imports of Philippine bananas and calls on tour groups to leave, causing a severe blow to the Philippine economy. Moreover, the Chinese media is talking of war and provoking both citizens, although a fishing ban implemented by both sides may let tensions subside.

Instability in the region, to some extent, is also caused by both Japan and China historical record. Japan was an invader during the World War II and created severe pains for many Pacific states. Thus, its military development and defence cooperation with US might be considered a threat. Similarly, China is assumed as a revisionist

---

94 www.guardian.co.uk/world/2012/apr/11/philippines-china-stand-off-south-china-sea
95 http://www.guardian.co.uk/world/2012/apr/11/philippines-china-stand-off-south-china-sea accessed on 12 June 2012
power in the way it dominates Pacific waters and approaches Taiwan. Although China
government tries to manage some negotiations and arrange economic cooperation with
Southeast Asian countries and Taiwan, they still use “carrot and stick” approaches.
China combines its financial assistances with coercion and intimidation to support its
goals. This can be clearly seen, for example, in its “One China” policy, as President Hu
Jintao ratified the “Anti-Secession Law” in March 2005. 97

97 Wu-ueh Chang and Chien-min Chao, “Managing Stability in the Taiwan Strait: Non-military Policy
Chapter 5
Conclusion

The decision made by Chinese Government to modernize her military capabilities, which is supported by her amazing economic growth, certainly has its own purpose and logical rationale. As they said, it is mainly used for defensive purpose, such as for the personnel training and equipment maintenance. It is also aiming to improve the PLA’s living standards as well as to support the diversified military tasks in terms of military operations other than war (MOOTW) and PLA’s Revolution Military Affairs. The latter is vital, as China has to deal with both traditional and non-traditional threats. Moreover, during the implementation of her defence strategy over the last decade, China has also been publicizing her peaceful military rise through diplomacy as well as media.

Chinese government may explain their peaceful development. However, it is not fully understood by her neighbor states in Asia Pacific. They perceive oppositely, in particular Japan. The reality of China and Japan as major powers in Pacific region is a truth. Economic developments in the two countries coupled with military power signalize their superior. Their trade and investments interdependence as well as common interest in Senkaku/Diayou islands, certainly encourage their positive relationship and cooperation. Nonetheless, a significant transformation in China’s defence power since 2000s, to a greater extent, brings tension to the relationship between China and Japan, as well as instability to the Pacific region.

Instead of being more confident, Japan feels less secure with the PLA military development. Japan then shifts her defence strategy that views China and North Korea as her threat. Accordingly Japanese government transforms her military posture and spends more military expenditures. Japan also relishes mutual defence cooperation with the United States and strongly utilizes their strategic partnership, together with other Pacific states, such as the Philippines and Australia. The strategy inevitably brings both countries to enter into arms race.

The arm dynamic between China and Japan, in turn, promotes tension between two states as well as their neighbors in the region. The tension obviously causes Asia Pacific region become unstable. Instability is Asia Pacific is also worsened by the assumptions
of other countries in the region for these potential superpowers. These perceptions come up with their history and behavior in connection with some existing problems, mainly China. As a response, other Pacific states also conduct military modernization, in particular those who have territorial claims on South China Sea. Yet, this counter-balance strategy leads Pacific states to an unresolved tension. This tension subsequently impacts to the instability of Asia Pacific region.

Political issue and territorial disputes coupled with historical suspiciousness cause the relationships of Pacific states to become more vulnerable. Although economic interdependence prevents their robust military activities, the tension should be sent down to maintain the peace and stability in the region. This ultimately needs political willingness from all parties in Asia Pacific region, particularly China and Japan, to self-restrain, build trust one to another and arrange comprehensive strategic partnerships. The latter should also be conducted with other Pacific states in a cooperative way.
References

Books/Articles/Journals


Sisodia and G.V.C. Naidu (eds), New Delhi, Institute for Defense Studies and Analyses, 2005.


Tan En Bok, George. “Strategic Doctrine”, in Program Peningkatan Kemampuan Militer Republik Rakyat China (RRC) accessed from www.library.upnv.ac.id on 18 June 2012.


Websites:


http://www.guardian.co.uk/world/2012/apr/11/philippines-china-stand-off-south-china-sea

http://www.guardian.co.uk/world/2012/apr/11/philippines-china-stand-off-south-china-sea accessed on 12 June 2012


World Military Strength Comparison can be accessed from http://www.globalfirepower.com/countries-comparison-detail.asp