A Region in Flux
Situating India in Sino-Japanese Ties

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Abstract

Since the onset of 2020, the COVID-19 outbreak has exploded into a full-blown pandemic with far-reaching implications for Asia’s security dynamics and exacerbated flashpoints of tension among rivals, throwing the continent into unrest. Sino-Japanese ties, one of the flashpoints of the region, have significantly worsened amid intensifying geopolitical friction in the East China Sea, with China’s maritime adventurism putting Japan’s security apparatus on high alert. In this context, this article explores the future of Sino-Japanese relations while situating them in India’s perspective and evolving strategic outlook. It evaluates the tensions and turfs in Sino-Japanese ties based on the ups and downs in their relationship in the historical and contemporary times with a distinct focus on the East China Sea as a region of immense strategic importance for their political affirmations. It further examines a revisionist China’s grand strategy and advancing military and naval capabilities and the development of a nonpacifist Japanese power, to argue that Sino-Japanese ties will only become more turbulent in the near future. The article sets this discussion within the context of a more assertive, post-Galwan India that has pursued deeper security partnerships with Indo-Pacific countries, especially Japan, to map New Delhi’s Indo-Pacific calculus as Sino-Japanese ties undergo change.

Introduction

Simply put, Asia is a region in flux. Within a matter of a few months, the COVID-19 outbreak that originated in Wuhan, China, exploded into a full-blown pandemic with far-reaching consequences in Asia and the world at large. However, instead of prompting competing states to work in concert to resolve issues raised by the pandemic, the situation has only exacerbated the flashpoints of tension among countries in the region. The Beijing–Washington rivalry is at its worst yet; with the United States and China engaging in a war of words in relation to the origin and spread of the coronavirus and an increasingly assertive China looking to project its military and economic might in the region, the security environment in the Indo-Pacific is in a precarious state. China’s aggressive
posturing—its border standoff with India, security threats toward Taiwan, imposition of a draconian national security law in Hong Kong, increasingly forceful behavior in the South China Sea (SCS), and a quickly souring relationship with the United States—has put the entirety of the Indo-Pacific region on edge.

Most recently, Japan has borne the brunt of Chinese belligerence. In July 2020 alone, two Chinese vessels intruded into Japanese maritime territory near the disputed Japanese-administered Senkaku Islands (known as Diaoyu in China) in the East China Sea (ECS), twice within four days. These ships reportedly stayed within Japan's maritime boundary for a record time of 39 hours and 23 minutes and attempted to approach Japanese civilian fishing boats before Japan's naval vessels stopped them. On August 2020, China lifted its ban on fishing in the ECS in a bid to strengthen its claims of an extended continental shelf boundary. In December 2020, tensions heightened once again as two Chinese vessels illegally entered Japanese waters near the Senkaku Islands. By comparison, China has also reportedly sent military planes on frequent sorties—1,157 in 2020 compared to an average of 720 per year from 2013 to 2018—putting Japan on alert and draining its military personnel.

Japan and China’s dispute over the Senkaku/Diaoyu cluster of islands and the ECS is not a new one. Neither are China’s persisting forays in the region. Claimed by Japan in 1895, the islands have largely been under Japan’s effective jurisdiction for the past 125 years. However, in the 1970s, China started asserting a historic claim over the strategically placed islands, leading to a heightening of tensions in the region. Since 2012, when Tokyo formally brought the Senkaku Islands under state control, Japan has faced repeated intrusions into its maritime territory by Chinese government vessels. The Senkaku/Diaoyu Islands are of great strategic interest to China and Japan from economic and security perspectives. Geographically placed to the northeast of Taiwan, the islands are situated near critical shipping routes; believed to have immense potential for oil and natural gas reserves;
and surrounded by rich fishing areas. Both states also have overlapping claims to an EEZ in the maritime region. Consequently, the ECS region holds great strategic significance, not only for China–Japan ties but also in a larger context of changing regional dynamics in Asia.

In fact, China and Japan’s tumultuous relationship can be traced back a millennium. In contemporary times, since the end of World War II in particular, Sino–Japanese ties have undergone a series of ups and downs. From sharing barely any diplomatic relationship after the war, the two regional powers developed close ties in the 1980s. As China began to pursue liberalization and open its economy during the Cold War, Japan emerged as the state’s critical developmental, knowledge, and technological partner. Japan provided China some of the largest aid packages and developmental support. Arguably, China could not have grown so expansively and rapidly without Japanese assistance. The Tiananmen Square incident quickly put brakes on the previously robust Sino–Japanese ties. Instead of the close partnership Japan had hoped to foster with its neighbor, Tokyo was faced with the emergence of a far–from–moderate Beijing that has little regard for international liberal norms.

China and Japan have distinctly competing and, therefore, incompatible visions for the region. With both being formidable economic and military powers, their complex relationship is a source of concern for the Asian region—and one which could potentially lead to the world’s next great conflict. With the onset of the pandemic and China’s mounting aggression, it would seem that China and Japan are set on a collision course. As the United States is Japan’s staunch and historic security ally, a conflict between Japan and China would mandate that the United States enter the conflict to defend Japan—possibly leading to a war between two of the world’s largest powers. Even as frictions between the neighboring states escalate, can they break a thousand–year–old pattern of irritable troughs and friendly peaks to build sustainable relations? Or will they fall back into their long history of clashes—as their flaring tensions in the ECS currently suggest—with disastrous results for the Indo–Pacific region?

Naturally, the future of Sino–Japanese ties is of great concern to the entire region. The evolving Sino–Japanese ties have deep–seated implications that will shape many countries’ foreign and security policy, including that of New Delhi’s, in times to come. Situated directly in China’s neighborhood, India shared a precariously stable relationship with China, complicated by boundary disputes, China’s support of India’s long–time adversary Pakistan, and the shadow of the 1962 Sino–Indian War. At the same time, India depends on Chinese imports, with China being one of its leading trade partners. On the other hand, under Prime Minister Narendra Modi’s leadership, India has sought to deepen its
diplomatic, cultural, economic and security ties with Japan and sees the world’s third-largest economy as one of India’s crucial partners in the Indo-Pacific region.\(^{13}\) Yet, although bilateral ties among China, Japan, and India have been subject to wide scrutiny in media as well as academia, there have been hardly any studies examining the dynamics of these three key Asian powers, which will likely be central to shaping the coming era.

In this context, this article explores the future of Sino-Japanese relations in both historical and contemporary times. It focuses on the ECS as a region of great strategic importance for China’s and Japan’s political affirmations. In particular, the article examines China’s and Japan’s outlook on their interests in the ECS and predicts if the rising tensions could potentially escalate to a full-out confrontation in the immediate future. The article will situate these frictions within a larger discussion of the Sino-Japanese rivalry. For this, it will analyze China’s and Japan’s foreign and defense policies vis-à-vis each other to better understand how they may shift in light of the recent highly charged international political environment. As a part of this discussion, the article will also explore the scope and potential for an enhanced regional security infrastructure in Asia in the times to come. This includes strengthened bilateral, trilateral, and minilateral platforms, including the Quadrilateral Security Dialogue (Quad).

Notably, this article will situate the above discussion, examining the Sino-Japanese maritime rivalry, emerging economic and geopolitical issues and Indo-Pacific undercurrents, in the Indian context. In other words, this article will inquire into the volume and extent of the power rivalry between China and Japan while drawing implications for India in a highly contested regional theater.

**Warm Peaks and Rough Valleys: An Overview of Sino-Japanese Ties**

China and Japan have historically shared a rather turbulent relationship. In modern times, their ties can be best studied by dividing them into three eras: 1949–1972, 1972–late 1980s, and 1990s–present.

**The Pre-Normalization Period**

During the 1949–1972 period—recognized as one of “pre-normalization”—there existed no official diplomatic relations between China and Japan apart from a few backchannels of communication.\(^{14}\) While adapting to a new postwar reality, the emergence of a new bipolar world order, and an intensifying Cold War, both states were structurally constrained in their foreign policy vis-à-vis each other. Furthermore, the Chinese people held a deep and tenacious resentment for Japan
due to its actions during the Sino-Japanese war of 1937-45, the occupation of Manchuria, and the infamous massacre at Nanjing—and what they saw as Japan’s subsequent unwillingness to explicitly address these transgressions.

The Post-Normalization Period

However, the subsequent period (1972–late 1980s), regarded as one of “post-normalization,” saw a boost in Sino-Japanese ties brought on by China’s economic reforms, trade liberalization, and opening up policies along with Japan’s overt attempts to engage with its neighbor. After the signing of the Treaty of Peace and Friendship between the two states in 1978, Japanese aid to China rose dramatically, as Japan emerged as a key developmental, technological, and economic partner for China. Over the next 40 years, until official development aid stopped completely in 2018, Japan provided approximately ¥3.65 trillion in assistance to China. In the 1980s, this amounted to a staggering 70 percent of Japan’s total foreign aid. This aid was used in a variety of infrastructure projects spanning across railroads, ports, and energy sectors and was the key reason for China’s rapid and expansive growth. In addition, Tokyo also initiated a cultural exchange program between the states at the public and private levels.

Contemporary Sino-Japanese Ties

Nevertheless, since the 1990s, there has been a burgeoning of tensions in Sino-Japanese ties with a reemergence of persisting emotional controversies related to Japan’s aggression during the World War II. As China continued to demand greater penance, there was a growing consensus in Japan that its engagement strategy was wholly miscalculated. Despite overtures at engagement with China to achieve its modernization vision, Japan saw the emergence of an increasingly assertive China with ambitions for the region distinctly different from its own. In fact, the rising “strong, Communist-led one-party state, angry and harboring revengeful sentiments toward Tokyo” was arguably Japan’s worst fear.

Reconciliation has been further hindered by frictions between the two states over maritime territorial disputes, energy security, Japan’s deepening security alliance with the United States, Taiwan’s status as a sovereign entity, and a hustle for regional leadership. As a result, strategic competition and economic cooperation have marked Sino-Japanese ties since the beginning of the century, leading to a downturn in bilateral ties with brief sunny peaks in between.
India’s Stake in the Sino-Japanese Rivalry

In modern history, India has shared somewhat incompatible relationships with China and Japan. Post-independence, India saw China as a fellow Asian country that had emerged from the clutches of imperialism and was looking toward crafting a bright future. However, while India staunchly adhered to a principle of nonalignment, China adopted a communist ideology during the Cold War. India’s acceptance of the Dalai Lama and Tibetans fleeing Chinese oppression stressed Sino-Indian relations considerably. Furthermore, famously, India’s political leadership saw China as a key partner with multiple avenues for cooperation, until the Sino-Indian border dispute quickly escalated into an all-out war in 1962. Following the war, China–India ties only resumed after nearly three decades, with Indian Prime Minister Rajiv Gandhi’s visit to China in 1988 to normalize the relations. Nevertheless, the border dispute has been a source of constant tension between the two neighbors over the decades. China’s support of Pakistan, especially under the China-Pakistan Economic Corridor (CPEC) of the Belt and Road Initiative (BRI), which was earlier known as “one belt and one road” (OBOR), and at the United Nations Security Council (UNSC) with respect to the Kashmir issue, has been a sore point for New Delhi.

Under Prime Minister Modi’s strategy of engagement with equilibrium, India sought to bring power parity to its ties with China and emerge as a peer partner. The two neighbors are also engaged in cooperation through a number of multilateral platforms such as the BRICS bloc (Brazil, Russia, India, China and South Africa), the Russia–India–China trilateral, the Asian Infrastructure Investment Bank, the Shanghai Cooperation Organization, and the New Development Bank of the BRICS. Moreover, both share robust economic ties: one of its major economic partners, China has emerged as one of India’s largest trade partner in 2020, supplying approximately 14 percent of India’s imports and a market for 5 percent of India’s exports for 2019–20. In a mark of India’s dependency, import figures are further skewed when it comes to auto parts, electronic components, consumer durables, application programming interfaces, and leather goods. Accordingly, under Modi, India has attempted to stabilize ties, while at the same time projecting the image of a major regional power committed to a rules-based international order. India’s stand against Chinese aggression at Doklam in a (successful) attempt to maintain the status quo at the border is testament to this.

However, since the Galwan Valley incident—the most violent clash along the disputed India-China border since 1975—there has been a marked strategic
shift in India’s China policy. Amid rising anti-China sentiments, India has taken several steps toward a strategic decoupling from China. For instance, India is looking at diversifying its supply chain nexus by limiting Chinese imports, calling for a boycott on all Chinese products, reviewing procedures for foreign direct investment from neighboring countries, and partially decoupling its trade ties with Beijing. In the digital sector, this has translated to India’s decision to ban an unprecedented number of Chinese apps believed to be a risk to its national security.

On the other hand, India and Japan have shared “cordial” ties since first establishing diplomatic relations in 1952— one of Japan’s first treaties after World War II. Since the beginning of the century, under the three consecutive Prime Ministers Atal Bihari Vajpayee, Manmohan Singh, and Narendra Modi, this relationship has continued to develop and upgrade into a “Special Strategic and Global Partnership” as of 2014. Modi and Japanese Prime Minister Shinzō Abe declared their resolve to further India–Japan ties into a “deep, broad-based and action-oriented partnership, which reflects a broad convergence of their long-term political, economic and strategic goals.” In the economic sector too, both states share close ties, with the Japanese private sector becoming increasingly active in India. Over the coming years, Japan further expects India to improve the ease of doing business in the country to boost deeper trade relations. Through bilateral summits, Japan’s rising investment in India’s infrastructure development (¥3.5 trillion over the next five years) and maritime security cooperation (like the Malabar Exercises), India and Japan are looking to enter a new era with ties based on their shared commitment to a free and open Indo-Pacific region.

A key source of synergy in India–Japan ties stems from their shared interest in shaping the regional order and their joint partnership via numerous trilateral, minilateral, and multilateral platforms, including the Quad, the Australia–Japan–India trilateral, and the Japan–America–India trilateral. Furthermore, India’s Act East Policy and its Africa outlook are largely in convergence with Japan’s Expanded Partnership for Quality Infrastructure, leading to joint initiatives aiming for an intercontinental cooperation factoring Asia and Africa.

Nevertheless, there is considerable scope for India and Japan to expand defense ties, especially in the maritime sector, through military sales, agreements, and exercises. Until now, their security cooperation has been limited by their differing perspectives on China. India, for instance, has been extremely cautious in refraining from appearing “anti-China” and has restricted, therefore, any activities that China may constitute as being openly hostile. However, in the post-pandemic and
post-Galwan order, with regional power dynamics shifting quickly, India is taking increasingly bold decisions regarding China. It is quickly rethinking its priorities and reevaluating its risks in the region. This makes it an influential player moving forward, with the China–Japan rivalry posing critical implications for India’s national security and its ambitions of major power status.

**A Fractious Trough: The East China Sea**

A central aspect of Sino-Japanese relations since 2012 is the two countries’ territorial dispute over the Senkaku/Diaoyu Islands. As discussed previously, China and Japan (along with Taiwan) have claims on territory in the maritime region due to its strategic placement and rich natural reserves. Tensions between the two states have been high ever since, only exacerbated by China’s growing military capabilities and Japan’s deepening security alliance with the United States.

Over the years, China and Japan have been investing heavily in their military (air and naval) capabilities along the region. For instance, Japan has upgraded its radar technology, signals intelligence, and patrol capabilities. Tokyo has also strategically invested in improving Japan’s defense architecture along its nearby islands (Yonaguni, Ishigaki, Miyako, Kume, Okinawa, Okinoerabu, and Amami Ōshima) in response to China’s regular patrols testing Japanese control over the disputed waters. This involves posting of Japan Coast Guard and Japan Ground Self-Defense Forces troops along with an upgrading of the bases and construction of new facilities. In the past couple years, Tokyo has accelerated its efforts to introduce multiple new defense initiatives, including deployment of antiship and surface-to-air missiles. As of 2020, plans are also underway to test and introduce Type-12 surface-to-ship missiles and hypersonic antiship missiles. Since Miyako and Ishigaki are located within 100 nautical miles of the Senkaku Islands (and 200 nautical miles from the nearest Chinese point), this makes the region within Japan’s missile range.

Nevertheless, Tokyo is aware that it has a long way to go if it is to match China’s exponentially increasing military capabilities. Moreover, with China’s expanding military prowess, Beijing has become increasingly aggressive in the region. Although Chinese ships have been deployed for patrolling in the disputed region almost continuously since 2012, in recent months Japan has faced a marked shift in the duration and assertiveness of China Coast Guard (CCG) vessels. This rising aggression, in context of a devastating pandemic, has complicated the security dynamics in the region and consequently holds acute implications for India.
Rise of a Revisionist China

China’s Grand Strategy

To understand the emerging rivalry in the Indo-Pacific, it is first and foremost vital to examine the emergence of China as a preeminent regional power. Since the onset of the twenty-first century, China has been set on expanding its
“comprehensive national power.” Under Xi Jinping’s ideology, this has meant a return to its glory during the Middle Ages, leading to the rise of a revisionist China. Beijing’s strategy is apparent and well-elocuted: securing its status as a global great power through the creation of a prosperous China with a “world-class” military. Although there is little clarity on what such a military entails, for the immediate future, it can be interpreted as creating a military comparable to that of the United States.

The Chinese Communist Party (CCP) has pursued the nation’s strategic objectives in a carefully calibrated manner so that Beijing’s actions fall just below the threshold of provoking an outright armed conflict with the United States. China’s actions in the ECS (as well as its pursuit of maritime claims in the SCS and its territorial claims with India and Bhutan) are examples of this. In all its regional disputes, China has shown that it is willing to use military and nonmilitary coercive measures “to advance its interests and mitigate opposition from other countries.” At the same time, CCP leadership under Xi is committed to bolstering China’s military and naval power commensurate with that of a great Chinese power, by building a more capable People’s Liberation Army (PLA) and a People’s Liberation Army Navy (PLAN).

In recent years, China has mobilized a plethora of economic, foreign policy, and security tools to realize its larger vision of reverting to its Middle Ages status. With a specific focus on boosting its domestic technological industry, China continues to thrust its manufacturing industry under the “Made in China 2025.” The push for increased innovation and progress in technology is closely aligned with China’s military modernization objectives. The Civil-Military Integration initiative—a key pillar in the Chinese grand strategy for defense modernization—further encourages the private sector to enter the defense market in an array of areas such as hardware, personnel, training, infrastructure, and logistics. China has focused extensively on developing sectors such as cyber, space, and artificial intelligence alongside traditional fields of air, sea, and land, thereby preparing itself for new forms of warfare that are sure to be central to future conflicts.

**Advancing Military and Naval Capabilities**

One key indicator of China’s growing focus on developing defense capabilities is the growth in defense spending. In a show of transparency, China joined the UN Standardized Instrument for Reporting Military Expenditures in 2007 and publicly reports its defense expenditure for every fiscal year. For the past 20 years, official figures and external estimates show that China’s defense budget has steadily increased in nominal terms. It currently stands second only to the United States and exceeds Japan, South Korea, the Philippines, and Vietnam combined.
In May 2020, China announced that its yearly defense spending for 2020 would rise to 1.268 trillion yuan (approximately 178.6 billion USD)—up 6.6 percent from 1.19 trillion yuan (approximately 177.5 billion USD) in 2019. Although this growth percentage is lower than previous years in absolute terms, it is significant when taken in context with the recently slowing Chinese economy in light of the pandemic. In 2019, China’s military expenditure grew by 7.5 percent; whereas, its gross domestic product (GDP) grew by 6.1 percent. Although it is already recovering from the slowdown caused by the pandemic, China’s growth remains low by its own standards. Despite such low projections, China’s substantial expenditure on military is an indication of the leadership’s commitment to military modernization and transforming the PLA into “world-class forces” by 2035.

Figure 1: Comparison of official and external Chinese military expenditure (2010–2020)

However, how much China actually spends on its military remains a matter of wide speculation, with estimates from the US Department of Defense and the Stockholm International Peace Research Institute (SIPRI) being considerably higher. For instance, SIPRI’s estimate for China’s 2019 defense expenditure was
1.5 times the official declaration. Furthermore, since Beijing does not declare accurate cost data for military goods and services, it is difficult to interpret the budget in terms of purchasing power parity rates relative to that of competitor states. Therefore, it is generally believed that after factoring for differences in labor and operational costs, in real terms, China’s annual military spending is precariously closer—about 75 percent—to that of the United States. This approach provides a much more comprehensive understanding of China’s military might and its rising global power.

When looking at the Sino-Japanese ties, Beijing’s naval prowess is of particular interest. The PLAN is Asia’s largest force in terms of amphibious combatants and vessels (with more than 350 submarines and ships and 130 surface combatants). It boasts of multirole platforms with advanced antiship, antiair, and antisubmarine radars and weapons. As of 2019, the PLAN has launched its first domestically constructed aircraft and a Yushen-class assault ship, and it is expected to acquire long-range precision-strike capabilities from vessels to land-based targets soon. Furthermore, the PLAN may be supported by the CCG and the People’s Armed Forces Maritime Militia on a mission-critical basis.

**China’s Rising Power Projections**

China’s advancing military prowess has translated in its neighborhood policy, with Beijing increasingly projecting its might in Indo-Pacific, particularly along its territorial and maritime disputes. This includes China’s adventurism in the SCS, its policies with regards to the Indian Ocean Region (IOR), its assertiveness in Taiwan, its draconian imposition of a new national security law in Hong Kong against the long-standing one country–two systems principle, its standoff with the Indian Army along their shared disputed border at Galwan Valley, and its unilateral attempts to change the status quo in the ECS.

In fact, in tandem with China’s rising military and economic power, the CCP has made every effort to create conditions that nurture China’s global vision and facilitate its national rejuvenation. The above-stated activities in China’s immediate neighborhood seek to secure and advance Beijing’s expanding strategic interests in its peripheral region. Such military activities, coupled with a rather coercive form of diplomacy (often termed as the “wolf warrior” approach), have only served to put the region on alert and cause concern among China’s neighbors—particularly India and Japan, two countries that share territorial disputes with the rising dragon.
India’s Mounting Frustrations with China

Over the years, India has become increasingly vexed with China. Even as both states cooperated on several matters, including economically, there exists an overwhelming negative opinion for China among the Indian population, which has been reaffirmed amid the COVID-19 pandemic, the Galwan Valley border dispute in June 2020, and the skirmishes that followed. A poll conducted by *India Today* found rampant and unprecedented anti-China sentiments among Indians: 59 percent of respondents believed India should go to war with China, 84 percent saw China’s actions as Xi betraying Modi, and 91 percent supported banning of Chinese apps and companies. A second survey, the IANS-CVoter Snap Poll, conducted on social media, found that 68.3 percent of respondents saw China as a bigger threat than the historical rival, Pakistan. Such overwhelming opinion is only further incited by a loud, independent media, making the current border issue a remarkably emotional one. Therefore, the dispute has taken central stage in Sino-Indian relations, overshadowing their existing areas of cooperation and likely hampering ties in the coming era. The conventional idea that China’s rise could be peaceful and inspire mutual growth has clearly receded.

Yet the border dispute is far from the only problem between the two neighbors. India views China’s close ties with Pakistan as an imminent and critical problem. China has repeatedly raised the Kashmir issue at the UNSC since last year, much to India’s frustration. Most recently, in August 2020, India’s Permanent Representative to the UN, T.S. Tirumurti, revealed that, with the backing of China, Pakistan made an unsuccessful attempt to bring up Kashmir under the UNSC’s “Any Other Business” section, which was shot down as a bilateral issue by “almost all countries,” with the United States and France taking lead. An official response by India’s Ministry of External Affairs (MEA) “firmly [rejected] China’s interference in [their] internal affairs,” urging Beijing to “draw proper conclusions” from their consistent but pointless attempts. Furthermore, New Delhi issued a rather strong statement in response to fairly benign remarks by the Chinese Foreign Ministry Spokesperson Wang Wenbin in which he expressed the hope that the issue could be resolved peacefully through dialogue and that both sides could “jointly safeguard peace, stability and development” in the region. India’s MEA issued an immediate statement saying that China had “no locus standi whatsoever” and was “advised not to comment on the internal affairs of other nations.”

New Delhi is clearly losing patience, with increasingly harsher and angrier responses emerging from the government.

In addition, India has vigorously objected to the 46 billion USD CPEC, a part of Beijing’s ambitious BRI, arguing that the project violated India’s sovereignty.
and territorial integrity on account of its planned construction through Pakistan-occupied-Kashmir. More importantly, New Delhi has also challenged the transparency, openness, and financial responsibility of the connectivity initiative and asked China and Pakistan to cease their activities.\(^{67}\)

**The Way Forward**

Against such rampaging negative sentiments and worsening conditions between India and China, a clinical and dispassionate analysis of the situation is essential to better understand where Sino-Indian ties stand and, ultimately, how they may be improved. Looking through the structural lens, the key factors affecting ties involve economy, technology, geopolitics, and culture.

In 1980, India and China were roughly the same size in terms of their GDP; however, their growth in the following three decades was on completely different trajectories, with China growing consistently at a rate of almost 10 percent.\(^{68}\) By 2019, India’s GDP (2.875 trillion USD) is almost five times smaller than that of China (14.343 trillion USD).\(^{69}\) India is also significantly dependent on China in terms of trade: Beijing is a leading trade partner and one with which India has a persistent trade deficit. Although this negative trade balance is steadily yet slowly decreasing, it remains glaring.\(^{70}\) Subsequently, economic growth and reducing trade dependency on China, insofar as possible, has emerged as a policy goal of the Indian administration, and this invariably impacts India’s China policy on the whole. Modi’s impetus on manufacturing in India, his push for the Supply Chain Resilience Initiative (SCRI) with Japan and Australia, and the bold banning of Chinese apps and products are examples of this, but such measures have only served to create more hostility between the two states.\(^{71}\) As India pursues its economic goals further, relations are unlikely to improve in the coming decade.

On a similar note, technology has impacted India–China ties. In the modern age, India and China’s largely tranquil coexistence has been characterized with antagonism and a “frenemy” relationship—as described by some analysts—wherein technology has equipped both sides to overcome their geographical barriers and confront each other directly, especially as they pursue contradictory strategic and economic interests.\(^{72}\) For instance, China’s connectivity projects in Nepal, which involve the construction of a highway perilously close to the Indian border, are perceived to be a national security threat by India.\(^{73}\) The cultural gap between the two states only undermines their prospects for deeper cooperation. This gap is exemplified by their lack of structural and institutional cultural exchanges, which Modi and Xi had planned to address by enhancing people-to-people exchanges in 2020 through 70 events but were put on hold amid the current uncertain climate.\(^{74}\) Both states have drastically distinct cultural contexts, with few and ineffective
mechanisms to bridge their gap, causing a misconception of the other’s actions. Resolving tensions therefore requires a rebuilding of lasting trust through institution of closer and more effective diplomatic channels and using technology advantageously.\textsuperscript{75}

The most influential factor in India and China’s continued frictions, however, is the current geopolitical environment, which institutes their bilateral conflict in the overarching great-power competition between China and the United States.\textsuperscript{76} India has long shared cordial ties with Washington and Beijing simultaneously; however, in the past two years, as Washington launched a major international campaign to contain China, this has become exceedingly difficult. And while India has the sovereign right to pursue security partnerships, its decision to join the Quad 2.0 was undoubtedly perceived by Beijing as New Delhi’s unfettered support of Washington’s “anti-China” cause.\textsuperscript{77} This stands true for not only India’s ties with the United States but also for its enhancing security alliances with Japan and Australia.\textsuperscript{78} On the other hand, India is distrustful of China’s outreach in its backyard—South Asia and the IOR. While the BRI and Beijing’s presence in the IOR may be China’s effort to build better ties and enhance connectivity in the region, New Delhi views such measures as a way of undermining India’s security dominance in its traditional sphere of influence.\textsuperscript{79} Such misapprehensions and conflicting interests on both sides, combined with the overarching geopolitical contest, are only likely to add to the antagonism.

\section*{Rise of a Nonpacifist Japanese Power}

\textbf{Japan’s Transformation under Abe}

Much like India, Japan’s complex and multifold China outlook has undergone momentous change in recent years. Abe’s second term in office, starting in 2012, coincided with the revival of tensions in the ECS, significantly shifting dynamics between the historical Asian competitors. Amid this, Abe shaped a dynamic China policy that is nationalistic yet pragmatic. As a form of \textit{seikei bunri}, or separation of economics from politics, Tokyo has sought to build trade ties with China despite political differences.\textsuperscript{80} Although ties remained exceedingly cold until 2014—with Abe’s visit to the Yasukuni Shrine enforcing an environment that had little room for bilateral dialogue and more importantly, harmed critical economic relations—his administration made a concerted effort to moderate its tone toward the rising China.\textsuperscript{81}

In November 2014, Abe finally met Xi in Beijing, on the sidelines of an Asia-Pacific Economic Cooperation Summit, where he waited to greet his Chinese
counterpart in a marked departure from protocol, and both leaders affirmed a commitment to build a “mutually beneficial relationship based on common strategic interests.” The landmark meeting was a turning point in Sino-Japanese bilateral ties, initiating numerous high-level meets between the two states, including several between Abe and Xi. Abe largely avoided debates on Japan’s wartime history with China and made a conscientious and successful effort to keep ties on track even against the backdrop of the 70th anniversary of World War II in 2015, which many feared would inflame hostilities. Since 2017, bilateral relations improved further as Abe emphasized potential for deeper cooperation in the BRI—provided that it was open, transparent, and fair. Xi and Abe’s “historic” telephone conversation in 2018, the first of its kind, elevated diplomatic ties further, as both leaders affirmed their commitment to bilateral ties and peace on the Korean Peninsula, while marking the 40th year of China-Japan Treaty of Peace and Friendship. Later in 2018, Abe visited Beijing for a bilateral summit, the first in seven years held independent of any multilateral meeting. Finally, 2020 was to mark Xi’s first visit to Tokyo, which was postponed due to the pandemic amid popular and political calls to cancel it altogether owing to heightening tensions.

However, despite this thaw in hostilities, Abe simultaneously and pragmatically pushed for Japan’s increased security independence, primarily through advancing military capabilities and modernization, overturning of the pacifist Japanese constitution, a robust Indo-Pacific agenda, enhanced security partnerships with “like-minded” states, and most recently, for reduced reliance on the Chinese economy. These changes can be attributed to a shifting calculus in Japan over China’s intentions for the region and in the ECS. Despite a “normalization” of Sino-Japanese ties under Abe, the Japanese public opinion of China has remained negative. According to a Genron NPO annual poll, 90.1 percent of the Japanese people held unfavorable views of China in 2013—the worst since the poll was first conducted in 2005. This number rose to 93 percent in 2014. Not much has improved since then: the 2019 poll recorded 84.7 percent of respondents as having negative opinions on China; a Pew Research Center survey echoed these findings. There is an evident lack of affinity among the public and a “fatigue over what are seen as cynical Chinese demands for Japan to submit on history and territory.” Such overwhelming negative opinion has mobilized conditions for a deterioration in Japan’s hedging behavior and invariably seen a shift to a soft (and moving toward a concretely hard) balancing of China through a diplomatic “encirclement” and reinforcing of the US-Japan alliance.

In light of this, Abe vigorously advocated for an amendment of the war-renouncing Article 9 of Japan’s pacifist constitution, in line with the legacy of his grandfather and former Prime Minister Nobusuke Kishi. In a 2017 keynote
speech to parliament, Abe highlighted his “firm conviction” that the discourse on constitutional reform would develop further against the background of a “severe” security environment facing Japan.\(^9^4\) Although Abe’s health forced him to step down in September 2020, his Liberal Democratic Party (LDP) continues to support a revision of Article 9 to explicitly include the Japan Self-Defense Forces (JSDF) so as to institute them constitutionally as well as enable provision of a first-strike capability.\(^9^5\) Although the issue still faces strong opposition,\(^9^6\) the debate is ongoing, especially under US pressure to bolster Japanese capabilities so that Tokyo can act as a full-fledged US ally. However, any formal acquisition of presumptive strike capabilities would likely raise Beijing’s ire, with China’s state-sponsored media already hinting at consequences of doing so. For instance, there was an outlash in the Chinese media in response to Japan’s agreement to host a US Aegis Ashore land-based antimissile system.\(^9^7\)

**Table 1. Revision of Article 9 of the Japanese Constitution.** A timeline of key moments under Abe.

<table>
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<tr>
<th>Year</th>
<th>Description</th>
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<tr>
<td>1972–2014</td>
<td>During this period, the administration adhered to the official interpretation of Article 9: one allowing for collective self-defense in theory. However, deploying forces beyond Japanese territory remained illegal.</td>
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<td>2007</td>
<td>Under Abe’s first term, Japan’s Defense Agency was elevated to the status of a ministry, the Ministry of Defense (MOD).</td>
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<td>2012</td>
<td>The Abe-led LDP released a draft of an amended Article 9 of the constitution that legitimized Japan’s right to self-defense and the role of its armed forces.</td>
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<td>2014</td>
<td>Abe’s cabinet approved the “reinterpretation” of Article 9 based on a report of the government’s Advisory Panel on Reconstruction of the Legal Basis for Security. The new interpretation expanded the scope under which Japan could exercise its right to self-defense to include any situation that could threaten Japan’s survival instead of being limited to a response toward an armed attack. Abe’s administration pushed through a controversial security bill - the Seamless Security Legislation to Ensure Japan’s Survival and Protect its People - in response to an increasingly complex security environment. Based on a new interpretation of Article 9, the law allows for Japan’s right to and participation in collective self-defense.</td>
</tr>
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<td>2015</td>
<td>The change was ratified through the approval of 10 new statutes based on Abe’s reinterpretation, collectively recognized as the Legislation for Peace and Security, with broad objectives of securing peace and stability for Japan, the region, and beyond. The MOD established an Acquisition, Technology and Logistics Agency under its purview, in a sign of Japan’s goal to develop enhanced military capabilities.</td>
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<tr>
<td>2017</td>
<td>Japan announced plans to deploy two Aegis Ashore land-based ballistic missile defense radar systems, primarily to counter North Korea.</td>
</tr>
<tr>
<td>2020</td>
<td>Defense Minister Taro Kono announced a cancellation of the deployment of the Aegis Ashore system, citing high costs and technical difficulties. The announcement came amid strong opposition within Japan and economic slowdown. Tokyo is reportedly considering deployment of specially constructed missile defense warships in place of Aegis Ashore, with the sole purpose of countering ballistic missiles.</td>
</tr>
</tbody>
</table>

Source: Prepared by the authors based on various official and news articles\(^9^8\)
Additionally, under Abe, Japan consistently increased its defense spending by a total of almost 10 percent. According to MOD reports, Japan’s defense budget for fiscal year (FY) 2020 was an unprecedented 5.07 trillion yen (47 billion USD); in December 2020, Japan approved a record defense budget of 5.34 trillion yen (51.2 billion USD) for 2021; by comparison, in FY2012, this figure stood at 4.65 trillion yen.\(^99\) Data from international sources, such as SIPRI and World Bank, paint a similar picture (see fig. 3).\(^100\) This increasing budget is propelled by the LDP’s ambitious plans to enhance the JSDF’s capabilities to conduct “cross-domain operations” by boosting competence in critical fields like space, cyberspace, and technology in addition to those in conventional air, maritime, and land domains.\(^101\) In essence, Tokyo aims to build a formidable defensive power that possesses the ability to respond to the current changing security circumstances, in striking similarity to China’s much more expansive goals discussed earlier. The LDP’s push for collective self-defense, combined with rising military expenditure and a broadened defense agenda, is indicative of Tokyo’s goals to maintain its position as an influential Asian power.

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\(^{100}\) Figure 3. Japan’s military expenditure (2010–2020) based on SIPRI estimates and Government of Japan’s declarations

Japan’s budget not only defies the 1 percent threshold in keeping with the Abe Doctrine but also employs a number of other creative ways to meet the country’s
security needs amid a shifting geopolitical dynamic. One such tool Abe employed is building engagements and security partnerships with countries in the Indo-Pacific and the world at large. With his landmark “Confluence of the Two Seas” speech at the Indian parliament in 2007, Abe led the charge in revitalizing the Quad 2.0, which has swiftly gained momentum in the past few years. He has also brought the Free and Open Indo-Pacific strategy to the center of Japanese foreign policy, firmly establishing Japan as a regional power. As a part of this new outlook, Japan has pursued deeper bilateral ties and multilateral engagement with countries like India, Australia, and the United States, even as Tokyo sought to solidify its relationship with China. Trilaterals like India–Japan–Australia and Japan–India–America, along with platforms like the Blue Dot Network, have been introduced to form avenues for deeper cooperation among states with shared values. However, with the US–China rivalry intensifying in recent years, these engagements have an underlying agenda of containing what the West perceives to be Chinese aggression.

Japanese Post-Abe China Policy and Asia’s Geo-Politics

Prime Minister Yoshihide Suga, who succeeded Abe in September 2020, has so far largely followed the central principles of Abe’s China policy. Although he took charge during a time of deep geopolitical uncertainties, Suga’s brief tenure has seen a whirl of diplomatic maneuvering. Following in the footsteps of Abe, Suga visited Vietnam and Indonesia as part of his first official overseas trip in office. The strategically astute move was symbolic of Japan’s continued commitment to a free and open Indo-Pacific and its interest in building durable regional security partnerships to safeguard a rules-based order. Suga also hosted the foreign ministers of India, Australia, and the United States for a critical Quad 2.0 meeting, adding further credence to Japan’s Indo-Pacific outlook of forging a shared regional strategy between like-minded states that constrains Chinese belligerence. These high-profile meetings were followed by a state visit with the Australian Prime Minister Scott Morrison, described as a “pivotal moment” in bilateral ties, where they further bolstered defense ties to counter China’s rise.

Nevertheless, with Japanese general elections due to take place in late 2021, Tokyo’s China policy remains highly uncertain. However, any pragmatic assessment suggests that should Chinese aggression along the ECS continue, it will result in prolonged period of tension. With no impending signs of de-escalation in Sino-American ties, Japan will likely be forced to put its hedging strategy on the back foot and align with the United States for security matters more openly. As this occurs, Sino-Japanese ties are likely to enter a phase of frosty relations. Abe’s decisions to induce companies to move manufacturing away from China
The future of Sino-Japanese ties has deep-seated implications for the entirety of the Indo-Pacific region; for India, the developments in their relations will shape the nation’s foreign and security policies in the times to come. Deteriorating China–Japan relations will undoubtedly impact India’s own relations with the two Asian powers. During his term, Abe built on his own personal connection with India to elevate their ties to a Special Strategic Partnership, with deep bilateral cooperation and alignment on multilateral platforms. Through Japan’s investment in India’s infrastructure development and finding common ground in their outreach to Southeast Asia and Africa, both states found new momentum and synergy in their ties.

At the same time, India’s border standoff with China at the Galwan Valley has resulted in a shift in New Delhi’s foreign policy outlook, particularly in the context of China. The incident and its aftermath have witnessed a much more assertive New Delhi, which is seemingly more open to deeper entanglements in the Indo-Pacific, such as with its Quad partners Japan, Australia, and the United States. Now, with India’s mounting frustrations with China coming to a head, both have found synergy in pursuing greater cooperation as a means of balancing China’s rising power. Japan, for instance, has lent India support by condemning China’s attempts to unilaterally change the status quo at the Line of Actual Control. While India and Japan’s alliance need not be exclusively an anti-China effort, the fact that both states are faced with an assertive China means that they can, and must, find synergy in their China outlooks. In fact, greater coordination in this aspect can help the two states—both of which have large and advancing militaries—better respond to China’s assertiveness and leverage their security partnership for better outcomes in negotiations.

However, any such effort would be contingent on India and Japan’s continued synergy. For this, both states must adjust their foreign policies vis-à-vis one another. For instance, in the near future, as the situation escalates further, India may have to reevaluate and recalculate its own position on the ECS dispute. New Delhi has studiously avoided any statement on the Senkaku Islands maritime dispute; but as it seeks to gain greater agency in the region, a situation where the Indian government may need to take a position cannot be ruled out in its entirety. Adding to such a context, India and Japan’s already deep partnership must be institutionalized, and new or lacking areas of cooperation must be explored further. New Delhi’s ambitions to become a more proactive regional power in the Indo-Pacific can find common ground with Japan’s desire to pursue security independence, as both states
synchronize their long-term vision to emerge as nodal powers in a multipolar world order.

Here, it is vital to note that China–Japan–India dynamics hold significant implications for the entire region or Indo-Pacific at large, especially the United States. Amid rising tensions with China, a strong security bond with Japan, and a slowly evolving security partnership with India, Asia as a whole has swiftly become a priority in the US foreign policy outlook. China’s future actions and Japan and India’s responses to them will undoubtedly shape Washington’s Indo-Pacific calculus in the coming times. With slim hopes of reviving friendly ties with a revisionist China, Washington’s priority will be to form critical alliances in the region with like-minded partners. It has already pushed this agenda for the past few years under initiatives like the Quad. Now, as dynamics shift in the post-pandemic world, Washington will want to maximize the situation to further bolster its own sphere of influence in the Indo-Pacific region in preparation for what could evolve into a new, high-stakes cold war.

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Notes


22. The questions of who was responsible for starting the war as well as India’s military and intelligence failure at the time remain widely debated. Contrary to popular perceptions, some scholars argue that Prime Minister Jawaharlal Nehru’s India Forward Policy directive, issued in November 1961, pushed for building extensive posts and patrolling along India’s definition of the border. See: Neville Maxwell, India’s China War (London: Cape, 1970), 221–24; and Prem Shankar Jha, “Why It Is Imperative That Indians Come to Know What Happened in 1962,” Wire, 5 June 2020, https://thewire.in/.
34. Japanese cooperation has resulted in India’s Delhi Metro, with ongoing efforts for the development of a high-speed railway system based on Japanese Shinkansen technology.


50. Calculated based on average Yuan to USD exchange rate for 2020. 1 USD = 7.10 RMB.

51. Calculated based on average Yuan to USD exchange rate for 2019. 1 USD = 6.70 RMB.


75. For an excellent discussion on how diplomatic channels can be made more effective and recommendations that India and China can employ to rebuild trust, see: Kanti Bajpai, “China and India: A New Diplomacy,” Asia Research Institute, National University of Singapore, accessed 8 September 2020, https://ari.nus.edu.sg/.


83. Japan’s actions during World War II and its subsequent surrender are deeply sensitive issues for Japanese and Chinese populations. While Abe’s predecessors apologized for their country’s actions, Abe staunchly refused to do so. His statement on the eve of the 70th anniversary of WWII’s end was carefully crafted such that it acknowledged and regretted past aggressions and echoed “heartfelt apologies” but did not address the historical mistrust. The statement led a backlash among the Chinese public and media, but official ties stayed on track. See: Shinzo Abe, “Statement by Prime Minister Shinzo Abe on the Seventieth Anniversary of World War II,” Prime Minister of Japan and His Cabinet, 14 August 2015, http://japan.kantei.go.jp/; and Christopher W. Hughes, “Japan’s ‘Resentful Realism’ and Balancing China’s Rise,” *The Chinese Journal of International Politics* 9, no. 2 (2016): 109–50, DOI: 10.1093/cjip/pow004.

84. Shinzo Abe, “Asia’s Dream: Linking the Pacific and Eurasia,” Speech by Prime Minister Shinzo Abe at the Banquet of the 23rd International Conference on The Future of Asia, Prime


Duggal & Panda


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