

RESOLVED:

Japan Is Well-positioned to Counterbalance China in Southeast Asia



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FROM THE EDITOR

Japan has strengthened its relationship with Southeast Asia over the past several decades in terms of political, security, and economic cooperation. A recent [poll](#) found that over 90 percent of ASEAN respondents describe relationships with Japan as friendly and reliable. However, China has made considerable efforts to bolster its regional diplomacy and influence in Southeast Asia by strengthening its economic relationships and asserting its maritime interests coercively in the South China Sea.

In the sixteenth issue of the Debating Japan newsletter series, the CSIS Japan Chair invited Dr. Nobuhiro Aizawa of the Wilson Center and Mr. Ben Bland of the Lowy Institute to share their perspectives on Japan's ability to counterbalance China in Southeast Asia.



Dr. Nobuhiro Aizawa
Japan Scholar, Wilson Center
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Over the past decade, China has strengthened its position in Southeast Asia, primarily through economic power—providing short-term financial incentives—and military power—advancing its control over the South China Sea. The Chinese government is increasingly determined to shape the political environment in Southeast Asia in its favor, making it benign to China’s one-party system. ASEAN countries should expect China to use financial incentives, advanced technology, and dominant military capability to enhance its regional influence. As we have seen in the [aftermath of the](#) International Court of Justice arbitration rulings against the Philippines, stronger economic relations with China can be used as leverage for political pressure. China’s goal of fulfilling the “China dream” can be interpreted as a desire to create a Sino-centric Asia.

Despite these trends, Japan is well-positioned to counterbalance China in Southeast Asia. Below are three areas in which Japan will be able to make a difference in preventing a Sino-centric Asia.

The first area is in the geoeconomic/political arena. One of China’s significant diplomatic strengths is its ability to frame its relationships vis-à-vis smaller Southeast Asian states into asymmetric power relationships. This is especially the case for countries with lesser connectivity to the global market, such as Cambodia, Laos, and Myanmar, as China attempts to fold them into a Sino-centric economic structure. On the other hand, Japanese engagement in Southeast Asia is stronger with countries that have larger economies and more regional economic connectivity: Thailand, Indonesia, Singapore, and the Philippines. Japanese engagement is connecting intra-regional business and governmental networks in Southeast Asia, preventing China from taking advantage of these countries and mitigating the creation of a China-led system.

In the geopolitical realm, the asymmetric reality in military capability between China and Southeast Asia is even clearer. Given limitations to military cooperation, Japan can counter China in the region



Mr. Ben Bland
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At first sight, Japan looks well-placed to counterbalance an ever more assertive China in Southeast Asia. It has economic heft, as one of the region’s leading trade partners and providers of foreign direct investment. It carries increasing geopolitical weight, as diplomatic and security linkages are intensified under the aegis of Prime Minister Shinzo Abe’s vision for a Free and Open Indo-Pacific (FOIP). And Tokyo’s soft-power appeal is stronger than ever. Southeast Asian policy elites see Japan as the region’s most trusted external partner, as well as their top travel destination, according to a [recent survey](#) by Singapore’s Institute of Southeast Asian Studies.

However, it would be a mistake to confuse Japan’s improved standing in the region for its ability to counterbalance China. That is another challenge altogether—one that is less about the strength of Japan’s own foreign policy and more about relative power, the perception of future power, and the difficulties of coalition-building in a fractious era.

The Lowy Institute’s [Asia Power Index](#) shows that Japan is smart about converting its extensive but limited resources into impressive levels of influence in the region. But it still scores way below China, which has an economy nearly three times larger than that of Japan and much better prospects for future growth. Even if they admire Japan, Southeast Asian policymakers see China as the region’s pre-dominant economic and strategic power, and most expect Beijing’s position to strengthen in the coming years.

Of course, Tokyo understands that it cannot compete with China alone. Abe’s vision for regional engagement is built on the foundations of the Japan-U.S. alliance, supported by a web of deepening relationships with fellow U.S. allies such as Australia, and other nations concerned about rising Chinese power, from India to Indonesia. The Trump administration has seriously diluted the benefits of the U.S. alliance for Japan by simultaneously rolling back the intensity of its regional engagement and taking a more aggressive but unpredictable approach in Asia. Abe’s search for a

primarily through diplomatic and technological support. Diplomatically, it can raise issues in regional institutions on behalf of Southeast Asia regarding Chinese assertive actions that are too risky for Southeast Asian leaders to raise themselves. For example, Japan is well-positioned to be a vocal actor in meetings such as the ASEAN plus three (APT) and ASEAN Defense Ministers Meeting (ADMM) plus. Second, security issues are increasingly evident in non-traditional domains and so-called “gray zones,” for example, through the use of fishing boats to support maritime sovereignty claims. Japan can provide technological support to strengthen the [maritime domain awareness](#) (MDA) of Southeast Asian countries.

The second area concerns an updated governance model for Southeast Asia. As advanced tools of surveillance, such as biometric smartphone apps and facial recognition cameras, have become increasingly available for government use, governments must decide how to balance safety and freedom. Japan is in a position to share a governance model that keeps this balance. Japanese citizens enjoy cheap universal health care, high levels of freedom of speech, and high income per capita despite Japan’s large population of over 100 million. Japan’s governance model stands in contrast to China’s “surveillance state,” which provides safety at the expense of freedom. Japan’s message is clear. Freedom and safety are not a trade-off. Securing both is suitable for Southeast Asian countries with young aspiring populations seeking balanced growth and innovation. If that goal is shared, Japan is ideally positioned to cooperate with Southeast Asia on enhancing governance standards that guarantee both freedom and safety.

The third area is in human resource development. [Since the late 1990s](#), Japan has prioritized human resource development in Southeast Asia. One of the most pressing challenges Southeast Asia faces is growing inequality—both within respective countries and among ASEAN nations. Middle-income countries in Southeast Asia are in a hurry to [get rich before they get old](#). Economic disparity can also easily ignite hostility and lead to identity politics, which undermines unity and political tolerance of Southeast Asian social diversity. [Japan’s biggest contribution](#) can be to help the Southeast Asian middle class. Specifically, Japan is strengthening its investments in vocational and professional training for small- and medium-sized enterprises (SMEs), especially in non-service sectors,

rapprochement with China is, in part, a response to Washington’s lack of reliability. In this environment, Japan starts to look more like its Southeast Asian neighbors, hedging between a revisionist China and a capricious United States.

In the absence of U.S. leadership, some analysts hope Japan will anchor an informal concert of middle and emerging powers that together can counterbalance China’s growing weight in Asia. Many look to India and Australia, which are part of the Quadrilateral Security Dialogue with Japan and the United States, as key “like-minded” constituents in any such arrangement, as well as other nations such as South Korea, Indonesia, and Vietnam. However, while all these countries fear potential Chinese hegemony in Asia, they differ greatly in how they approach Beijing. And while Japan’s expanding network of bilateral and minilateral relationships with these countries is positive for the region, these countries have shown little desire to bandwagon against China.

Japan also suffers from several internal constraints that hamper its ability to be a more effective strategic player in Southeast Asia. The burden of history still weighs heavily on Japan’s international position, despite the progress made since former prime minister Takeo Fukuda’s landmark speech in 1977—when he promised that Japan would not seek to become a military power again and would work with Southeast Asia as an equal partner.

The post-Second World War “Peace Constitution” limits Japan’s potential to provide direct military balance to China in Southeast Asia, although Tokyo has stepped up its maritime security cooperation and assistance with the Philippines and Vietnam. Japan’s prickly relationship with South Korea prevents these two important North Asian U.S. allies from working together more effectively to counter China. And, sensitive to the legacy of invasion in Southeast Asia, Tokyo remains cautious about using its diplomatic weight in the region too overtly—in contrast to Beijing’s increasingly forthright if not forceful diplomacy. When Southeast Asian diplomats complained that Japan’s FOIP looked too much like a plan to contain China, Tokyo [toned down](#) its rhetoric to talk of a FOIP “vision” rather than a “strategy.”

Given these constraints, Japan has played its hand in Southeast Asia well, enhancing its position as a key economic partner and bolstering its reputation as a

such as agriculture, fisheries, and various manufacturing industries. At the most recent ASEAN summit, held virtually on June 27, Philippine president Rodrigo Duterte [echoed the importance of human capital development](#) when he said that SMEs are increasingly important because resilience in local manufacturing production is a key to sustaining the economy. By putting human capital development at the forefront of its Indo-Pacific strategy, Japan can help address ASEAN's middle-income trap, providing another outlet of support to offset China's economic influence and pressure.

In all three areas, Japan's contributions can maintain a strong and stable Southeast Asia, securing the regional order of a multipolar Asia. During Covid-19, we are learning that distrust between governments is fatal in times of crisis. Looking forward, Japan's biggest asset is favorable public opinion of Japan in Southeast Asia and more importantly the favorability of Southeast Asia in Japan. This explains why the Japanese decision to [reopen travel routes first to Vietnam and Thailand](#) was met with very little public objection. Japan inarguably has limits. But ultimately, this mutual public trust puts Japan in a strong position to counterbalance a Sino-centric Asian order, especially in a post-Covid-19 future.

trusted and predictable player in regional politics. However, it is hard to see how Japan alone, or a motley concert of partially like-minded countries, can act as an effective counterweight to China without more reliable and engaged U.S. leadership in the region. Tokyo's own hedging between Washington and Beijing is a testament to that.

Until and as when there is a change in the United States, the best Japan can hope for is to offer more options to Southeast Asia. This will, at least, help to maintain Japan's influence and the high regard in which it is held.

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His first book—*Generation HK: Seeking Identity in China's Shadow*—was acclaimed as a “David versus Goliath tale” by the *Sydney Morning Herald* and commended by the *Times Literary Supplement* for its “lively prose” and “illuminating” comparisons. Ben comments and writes on Asian politics for a wide range of international media outlets, including Al Jazeera, Bloomberg, CNN, the *Financial Times*, Reuters, and the *Washington Post*. He has an MA in Southeast Asian studies from the School of Oriental and African Studies at the University of London and an undergraduate degree in history from the University of Cambridge.

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