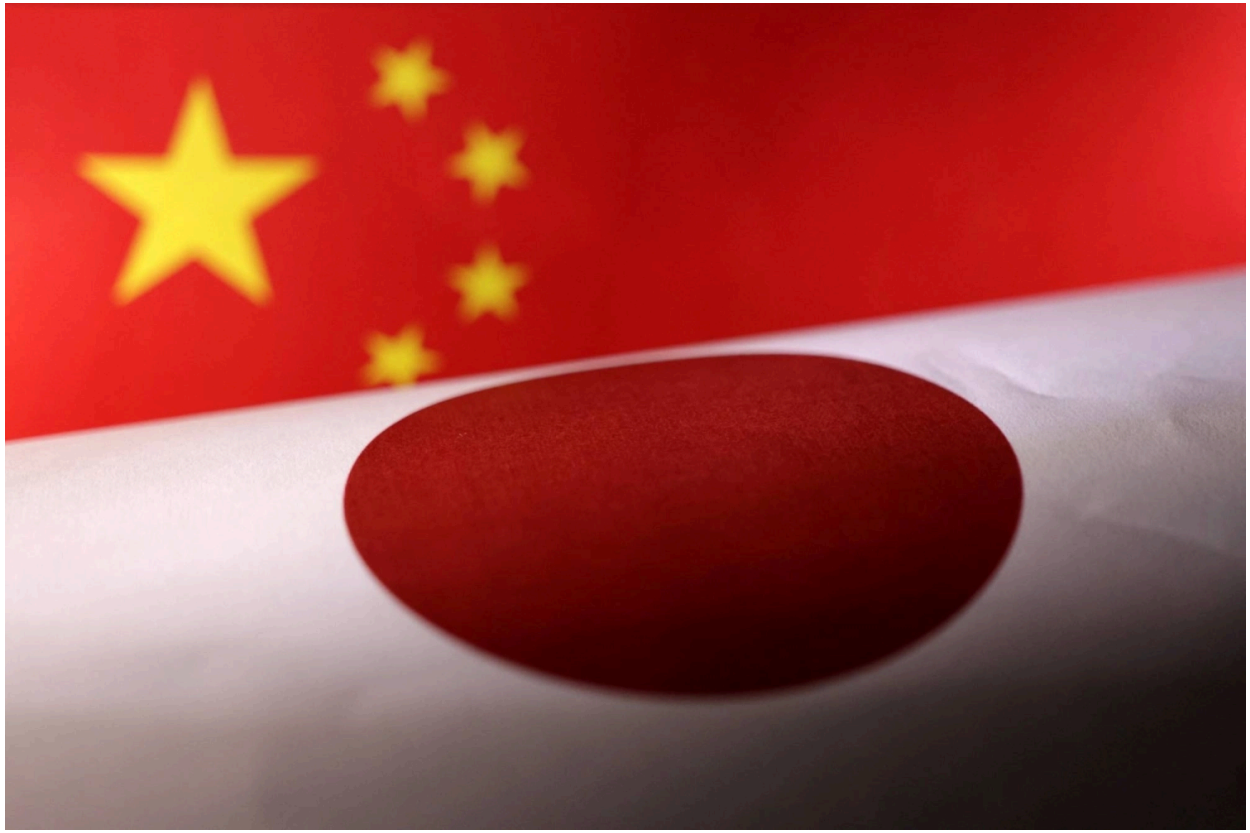
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Asia for China? Tokyo's answer to Beijing's coercive strategy

Japan must not sacrifice strategic principle for diplomatic optics



Prime Minister Sanae Takaichi should defend Japan's right to speak on Taiwan and other security issues at this month's APEC summit in Shenzhen, China, rather than trade it for a handshake with Xi Jinping. | REUTERS

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As the Asia-Pacific Economic Cooperation (APEC) conference approaches in Shenzhen, China, this month, Prime Minister Sanae Takaichi faces mounting pressure to choose between diplomatic optics and strategic principle.

A high-profile encounter with Chinese President Xi Jinping during the Nov. 18-19 gathering may offer the appearance of improved relations, but it should not come at the expense of Japan's right to speak candidly about Taiwan and cross-strait peace.

When Xi froze high-level communication with Takaichi following remarks last November, Beijing followed a familiar authoritarian playbook. Addressing the strategic realities facing Tokyo, Takaichi stated that a Chinese military assault on Taiwan would directly threaten Japan's security, potentially creating an "existential" crisis that could require deploying Japan's Self-Defense Forces to defend the country and protect its citizens.

Rather than respond through diplomatic engagement, Beijing launched a sustained campaign of information manipulation and economic coercion. State media and so-called wolf warrior diplomats circulated inflammatory narratives accusing Tokyo of reviving 1930s-style imperial militarism and even plotting to "recolonize Taiwan."

This rhetoric relies on a distorted account of Japan's military posture. According to the Stockholm International Peace Research Institute, the world's largest military spenders in 2025 were the United States ($954 billion), China ($336 billion), Russia ($190 billion), Germany

($114 billion) and India ($92.1 billion). Japan ranked 10th, with military expenditure of $62.2 billion, equivalent to 1.4% of gross domestic product. Tokyo's defense adjustments are transparent, constitutionally constrained, nonnuclear and are directed toward deterring potential aggression by neighboring states, not territorial conquest.

Yet in Beijing's political lexicon, objective truth is secondary to strategic utility. When facts fail to persuade, economic punishment and narrative warfare take their place.

Culture and capital

The absurd lengths of this campaign became apparent when Beijing's ideological apparatus targeted Sanrio and its internationally beloved mascot, Hello Kitty. Following Sanrio's promotional merchandise tie-up with the Japanese television spy thriller "VIVANT," Chinese state media erupted over the show's portrayal of Chinese espionage. In a scathing editorial, the state-run Global Times declared that "Hello Kitty should not dance with Japan's right wing," warning that cultural enterprises associated with Tokyo's conservative leadership risked losing access to the Chinese market. Sanrio was subsequently forced into a public apology and commercial retreat.

When an iconic cartoon character is framed as a national security threat, it reveals how pervasive Beijing's coercive apparatus has become. How can an open, democratic society preserve its strategic autonomy and constitutional liberties when an illiberal neighbor routinely weaponizes supply chains, market access, arbitrary customs inspections and hostage diplomacy to silence politicians, executives and entertainers?

Some foreign policy realists argue that the United States has also wielded economic leverage, tariffs and defense commitments to pressure Japan to increase military spending, open its agricultural markets or invest in American manufacturing. But the comparison is fundamentally flawed. Although the alliance with Washington has experienced political friction and economic disagreements, the United States remains a treaty-bound democratic ally governed by the rule of law.

Tokyo and Washington share thousands of institutional, commercial and personal relationships through which differences are resolved within negotiated frameworks. Washington does not impose arbitrary exit bans, detain Japanese business executives on questionable espionage charges or orchestrate international smear campaigns

designed to undermine Japan's postwar standing as a trusted, peace-loving nation.

Japan's three pillars

Faced with sustained, asymmetric pressure from an autocratic neighbor, Japan cannot afford either emotional overreaction or total economic decoupling. Instead, Tokyo is managing the geoeconomic challenge posed by China through a multilayered strategy built on three pillars: engagement, resilience and deterrence.

The first pillar is sustained societal and institutional engagement. Japan's approach is not — and has never been — about containment. Tokyo remains a critical economic partner of China and continues to extend diplomatic courtesies and humanitarian condolences during domestic crises and natural disasters. Within multilateral frameworks, Japan helped anchor the ASEAN-centered Regional Comprehensive Economic Partnership and maintains an open, rules-based posture toward applications to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Nowhere is the engagement pillar more evident than in education. At International Christian University in Tokyo, I have the privilege of

teaching and hosting Chinese graduate and undergraduate students each year. These students immerse themselves in Japan's open society, master the Japanese language with extraordinary speed and demonstrate a genuine commitment to fostering mutual understanding.

In our seminars, we frequently discuss the striking historical parallels between today's Chinese students in Japan and intellectuals of the late Qing Dynasty, such as Liang Qichao and Lu Xun, who traveled to Meiji-era Tokyo to study modernization, institutional reform and constitutional governance. Like their predecessors, today's students seek ways to reconcile China's cultural heritage with modern transparency, democratic values and the international rule of law. They remind us that the Chinese people and the authoritarian state that governs them are not the same.

The second pillar is economic resilience. For decades, Japan helped build China-centered regional supply networks. However, as Australian National University and YCAPS researcher Hanh Nguyen and I argued in an article on asymmetric interdependence, Beijing can turn economic integration into geopolitical leverage. Regulatory unpredictability in China, the memory of black swan disruptions such as the COVID-19 pandemic and the weaponization of critical

resources have forced Japanese corporations to reassess their exposure.

Empirical research underscores this shift. In its recent "Survey of 100 Japanese Companies on Economic Security," the Tokyo-based Institute of Geoeconomics found that a large majority of major Japanese corporations are prioritizing supply chain realignment and diversifying primary operations into Southeast Asia, India and North America. This selective diversification does not mean abandoning China's consumer market. Rather, it helps ensure that no single geopolitical flash point in the Taiwan Strait or East China Sea can paralyze the Japanese economy.

The third pillar is credible deterrence. Economic resilience alone cannot counter Beijing's coercive actions. Japan must maintain the military capabilities and alliance infrastructure necessary to deter gray-zone incursions around the Senkaku Islands, protect sea lines of communication through the South China Sea and discourage military adventurism across the Taiwan Strait.

Across Southeast Asia, Europe, North America, India and Australia, Japan is increasingly recognized as an important regional security actor. Its partners understand that Tokyo's defense modernization is a

measured response to the coordinated military modernization programs of China, Russia and North Korea.

Handshakes versus autonomy

As the APEC meeting in Shenzhen approaches, Takaichi faces a choice that extends beyond the optics of a personal encounter with Xi. A handshake may offer a temporary diplomatic reprieve, but it cannot come at the cost of Japan's sovereign right to articulate its security interests. Recent history suggests that yielding to Beijing's pressure will not produce lasting stability. It will invite further economic intimidation and encourage future campaigns against Japanese society, industry and sovereign policymaking.

As I argue in my forthcoming book, "Asia for Asians or Asia for China? Deciphering China's Grand Strategy," Beijing's regional ambition is not fundamentally about an egalitarian "Asia for Asians." It is about constructing an authoritarian, hierarchical order: an "Asia for China."

Japan must reject this false choice. Rather than pursue bilateral optics with Beijing at any price, Takaichi should continue strengthening Japan's network of mutual trust with the Association of Southeast Asian Nations, the "Quad" and European partners. By combining

steady diplomatic engagement with robust supply chain resilience and credible deterrence, Japan can show other middle powers how to operate in the shadow of a giant without surrendering democratic freedoms or strategic autonomy.

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KEYWORDS

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