

## IV. Japan's national defence policy reforms

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In light of increasing security concerns related to China and North Korea, Japan began reforming its national defence policy under Prime Minister Shinzo Abe in 2012.<sup>1</sup> Japan's current defence programmes reinforce its missile defence capability and address China's rising air- and sea-power capabilities. Furthermore, Japan is adjusting its force structure and deployment patterns to deter China from seizing the disputed Diaoyu/Senkaku Islands, while simultaneously renegotiating the terms of its defence cooperation with the United States. In July 2014 Japan reinterpreted Article 9 of its constitution to establish a right to collective self-defence, a move that provides greater support to US military operations in Asia. Significantly, in March 2014, the Abe administration decided to end Japan's decade-long ban on weapon exports in order to support the domestic defence industry as well as US allies that have territorial disputes with China. Japan's ambitious effort to reform its national defence policy is perceived in China—and in certain circles in South Korea—as a process of remilitarization that may potentially present a long-term national security threat. Furthermore, the reluctance of the Abe administration to apologize for Japanese atrocities committed during the World War II against China and Korea does not help to ease regional tensions.

### Constitutional and institutional reforms in the Abe administration

On 1 July 2014 Abe proposed new security legislation that, if passed, would be the most substantial revision of Japan's defence policy since 1947. The proposed legislation reinterprets Article 9 of Japan's post-war constitution, allowing its military forces to exercise the right of collective self-defence.<sup>2</sup> Under the proposal, three conditions have to be met in order for Japan to exercise this right: (a) the Japanese people's right to life, liberty and the pursuit of happiness is endangered; (b) there is no other way to protect the Japanese people; and (c) only the minimum necessary use of force is allowed.<sup>3</sup> This formulation leaves room for interpretation and significantly

<sup>1</sup> Japanese Ministry of Defense, *Defense of Japan 2014*, Annual White Paper, 2014, <[http://www.mod.go.jp/e/publ/w\\_paper/2014.html](http://www.mod.go.jp/e/publ/w_paper/2014.html)>; and Japanese Ministry of Defense, *National Defense Program Guidelines for FY 2014 and beyond*, 17 Dec. 2013, <[http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217\\_e2.pdf](http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217_e2.pdf)>.

<sup>2</sup> Japanese Ministry of Foreign Affairs, 'Cabinet decision on development of seamless security legislation to ensure Japan's survival and protect its people', 1 July 2014, <[http://www.mofa.go.jp/fp/nsp/page23e\\_000273.html](http://www.mofa.go.jp/fp/nsp/page23e_000273.html)>.

<sup>3</sup> Press Conference by Prime Minister Abe, 1 July 2014, <[http://japan.kantei.go.jp/96\\_abe/state ment/201407/0701kaiken.html](http://japan.kantei.go.jp/96_abe/state ment/201407/0701kaiken.html)>.

gives Japan more leeway for taking and justifying military action. For example, collective self-defence would allow Japan to respond militarily to an attack on the USA. However, these reforms still need to be approved by the Japanese Parliament. The decision to revise Japanese defence policy is part of a larger effort to ‘normalize’ Japan’s military policy, one of the priorities of the Abe administration in face of growing tensions with China in the East China Sea. This normalization ambition is framed as a contribution to international security. The Japanese National Security Strategy of December 2013 states that ‘the international community expects Japan to play a more proactive role for peace and stability in the world’ when referring to the principle of international cooperation.<sup>4</sup>

Japan’s reforms have been encouraged by the USA but raised concerns in China, and even in South Korea, another US ally. US Secretary of Defense Chuck Hagel welcomed collective self-defence as a ‘contribution to regional and global peace and security’ that would make the Japanese–US alliance even more effective.<sup>5</sup> China reacted to the policy with criticism, urging Japan ‘to respect the legitimate security concerns of its Asian neighbours’ and calling the creation of the ‘China threat’ a Japanese Government propaganda tool.<sup>6</sup> South Korea also expressed concerns.<sup>7</sup> While countries engaged in territorial disputes with China—such as India, the Philippines and Viet Nam—have refrained from public support of Abe’s proposal, they might also see Japanese reforms as an opportunity to balance China’s growing military power.

### *New capacities in the armed forces*

While collective self-defence is framed as a ‘proactive contribution to peace’ by the Abe administration, it seems to be mainly determined by growing concerns about Chinese military modernization efforts. In December 2013 the newly formed Japanese National Security Council and Cabinet approved new national defence programme guidelines (NDPG), which included planning for a defence budget increase to ensure ‘maritime supremacy and air superiority’.<sup>8</sup> Under the guidelines, Japan plans to build

<sup>4</sup> Japanese Ministry of Defense, *National Security Strategy*, 17 Dec. 2013, <[http://japan.kantei.go.jp/96\\_abe/documents/2013/\\_icsFiles/afieldfile/2013/12/17/NSS.pdf](http://japan.kantei.go.jp/96_abe/documents/2013/_icsFiles/afieldfile/2013/12/17/NSS.pdf)>, p. 3.

<sup>5</sup> US Department of Defense, ‘Hagel welcomes Japan’s new collective self-defence policy’, 1 July 2014, <<http://www.defence.gov/news/newsarticle.aspx?id=122591>>.

<sup>6</sup> Chinese Ministry of Foreign Affairs, Press conference of Foreign Ministry Spokesman Hong Lei, 1 July 2014, <[http://www.mfa.gov.cn/mfa\\_chn/fyrbt\\_602243/t1170302.shtml](http://www.mfa.gov.cn/mfa_chn/fyrbt_602243/t1170302.shtml)> (in Chinese); and Yushan, D., ‘Abe’s Faustian flirtation with spectre of war’, Xinhua Net, 1 July 2014, <[http://news.xinhuanet.com/english/indepth/2014-07/01/c\\_133451601.htm](http://news.xinhuanet.com/english/indepth/2014-07/01/c_133451601.htm)>.

<sup>7</sup> ‘South Korea voices concerns over Japan’s push for collective self-defence right’, Xinhua Net, 11 Feb. 2014, <[http://news.xinhuanet.com/english/world/2014-02/11/c\\_133106502.htm](http://news.xinhuanet.com/english/world/2014-02/11/c_133106502.htm)>; and ‘Japan’s collective self-defence won’t lead to military action in South Korea’, *Korea Times*, 31 Aug. 2014.

<sup>8</sup> Japanese Ministry of Defense, *National Defense Program Guidelines for FY 2014 and beyond* (note 1), p. 14.

a dynamic joint defence force, with emphasis on intelligence, surveillance and reconnaissance (ISR) capabilities, mobility and amphibious operations capabilities.<sup>9</sup> The guidelines include an ambitious acquisition programme over the next five years, with an increase of the submarine fleet from 16 to 22 units and of major surface combatants from 47 to 54 units.<sup>10</sup> This ambitious acquisition plan supports the Abe administration's focus on the defence of Japan's southwestern islands to deter China from using military means over the Diaoyu/Senkaku Islands.

The 2014 Defence White Paper confirmed those plans.<sup>11</sup> After years of relative stagnation, defence related expenditure in 2014 increased moderately by 131 billion yen (\$1.1 billion) to 4 885 billion yen (\$41.1 billion).<sup>12</sup> The trend data in the Defence White Paper shows that defence expenditures were constantly falling from 2003 onwards and then started to increase again in 2012. However, current expenditures remain below those of the early 2000s, when defence-related expenditures reached a peak of 4 939 billion yen (\$41.6 billion in 2002, for a regional comparison see table 7.1).<sup>13</sup>

#### *Arms exports as a foreign policy instrument*

On 1 April 2014 the Abe administration adopted new policy guidelines covering arms exports.<sup>14</sup> The new guidelines lifted the self-imposed ban on arms exports and defence industry cooperation adopted by Japan in 1967. Under the new rules, transfers of defence equipment and technology are permitted if they contribute to the 'active promotion of peace' and 'Japan's security'. The lifting of past restrictions represents a growth opportunity for Japan's modern defence industry, which had been solely focused on the domestic market. Japan currently follows a cautious export policy with a case-by-case approval procedure that supports foreign and security policy goals rather than trade interests.

<sup>9</sup> Japanese Ministry of Defense, *National Defense Program Guidelines for FY 2014 and beyond* (note 1), p. 15.

<sup>10</sup> Japanese Ministry of Defense, *Medium Term Defense Program FY 2014-FY 2018*, 17 Dec. 2013, <[http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/Defense\\_Program.pdf](http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/Defense_Program.pdf)>, pp. 8, 33.

<sup>11</sup> Japanese Ministry of Defense, *Defense of Japan 2014* (note 1), p. 172 f.

<sup>12</sup> Japanese Ministry of Defense, *Defense of Japan 2014* (note 1), p. 42.

<sup>13</sup> Japanese Ministry of Defense, *Defense of Japan 2014* (note 1), p. 174.

<sup>14</sup> Japanese National Security Council, 'Implementation guidelines for the three principles on transfer of defense equipment and technology', 1 Apr. 2014, <<http://www.mofa.go.jp/files/000034954.pdf>>; and Wezeman, S. T., Béraud-Sudreau, L. and Wezeman, P. D., 'Developments in arms transfers, 2013', *SIPRI Yearbook 2014*, p. 257.

**Table 7.1.** Defence expenditures in East Asia 2005–14 in millions, in constant US dollars<sup>a</sup>

|                    | 2005   | 2006   | 2007   | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    |
|--------------------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|
| China              | 71 425 | 83 850 | 96 702 | 106 592 | 128 701 | 136 220 | 147 258 | 161 409 | 174 047 | 190 974 |
| Japan <sup>b</sup> | 61 288 | 60 891 | 60 574 | 59 139  | 59 735  | 59 003  | 60 452  | 60 017  | 59 396  | 59 033  |
| Korea,<br>South    | 24 722 | 25 613 | 26 774 | 28 525  | 30 1120 | 29 912  | 30 884  | 31 490  | 32 385  | 33 142  |
| Mongolia           | 52     | 64     | 84     | 79      | 52      | 64      | 87      | 107     | ..      | ..      |
| Taiwan             | 9 413  | 9 030  | 9 555  | 9 729   | 10 479  | 9 904   | 9 998   | 10 350  | 10 330  | 10 135  |

.. = no data available.

<sup>a</sup>The table excludes North Korea because of the lack of a credible exchange rate between the North Korean won and the US dollar.

<sup>b</sup>The figures for Japan are much lower than the constant (2011) prices due to the fall in the Yen since 2011.

Source: SIPRI military expenditure database <<http://www.sipri.org/databases/milex/>>.

Indeed, an arms export and defence technology cooperation strategy is emerging in support of greater security ties with several countries in the region, such as Australia, India and Viet Nam. In July 2014 Australia and Japan signed a bilateral agreement on the transfer of defence equipment and technology. The agreement focused on the joint development of stealth submarine technology since Australia is embarking on a programme to replace its current submarine fleet with new air-independent propulsion ships.<sup>15</sup> The Abe administration welcomed the agreement as an opportunity for transfer and joint development of defence equipment and technology.<sup>16</sup> Furthermore, Japan is promoting the export of ShinMaywa US-2 amphibious aircraft to the Indian Navy.<sup>17</sup> Japan has already supplied civilian coast guard ships to the Philippines, and following the lifting of the export ban countries like Indonesia and Viet Nam could potentially be interested in military equipment.<sup>18</sup> In August 2014 Japan offered to sell six used naval patrol ships worth approximately \$4 million to Viet Nam in order to strengthen its maritime surveillance capabilities.<sup>19</sup>

<sup>15</sup> Australian Department of Defence, 'Defence Minister David Johnston hails defence science and technology accord with Japan', 8 July 2014, <<http://www.minister.defence.gov.au/2014/07/08/minister-for-defence-defence-minister-david-johnston-hails-defence-science-and-technology-accord-with-japan/>>; and Kallender-Umezu, P. and Pittaway, N., 'Japan, Australia Deal Poses Tech Issue', *Defence News*, 15 June 2014, <<http://www.defencenews.com/article/20140615/DEFREG03/306160010>>.

<sup>16</sup> Japanese Ministry of Foreign Affairs, Prime Minister Shinzo Abe's interview with *The Australian*, "'Special Relationship' between Australia and Japan begins', 8 July 2014, <[http://www.mofa.go.jp/p\\_pd/ip/page4e\\_000114.html](http://www.mofa.go.jp/p_pd/ip/page4e_000114.html)>.

<sup>17</sup> Takahashi, K., 'Japan, India agree to push for US-2 amphibian deal', *IHS Jane's*, 6 Jan. 2014.

<sup>18</sup> 'Japan steps up maritime engagement with Philippines, Vietnam', *Reuters*, 12 May 2015.

<sup>19</sup> 'Japan gives Vietnam six navy ships amid regional tension', *BBC News*, 1 Aug. 2014, <<http://www.bbc.com/news/world-asia-28599397?utm>>.

Furthermore, on 17 July 2014 Japan agreed to export missile-interceptor parts to the USA. Sensor-related technology is also being exported to the United Kingdom for a joint research project on air-to-air missile guidance and control technology. Mitsubishi Heavy Industries will be the main manufacturer and partner in both projects.<sup>20</sup> Japan is also contemplating selling the Kawazaki P-1 maritime patrol craft to the UK.

<sup>20</sup> 'Japan OKs first major military tech deal since arms export ban eased', Reuters, 18 July 2014.