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Australia-Japan security relations: Improving on a 'best friends' relationship

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Abstract

This paper argues that there are two key initiatives identified in Japan's *National Security Statement* for which Australia could play a supporting role to enhance the bilateral relationship and achieve mutual security benefits for both nations. They are 'defense equipment and technology cooperation' and 'building a comprehensive defense architecture to firmly defend Japan'.

It argues that cooperating with Japan on mutually-beneficial defence research and capability projects will benefit both nations economically through better access to markets and by allowing both to gain access to technology and expertise developed in the other nation. It identifies the JSF project as a priority, along with existing cooperative research on maritime hydrodynamics.

In terms of Japan 'building a comprehensive defense architecture', the paper argues that it is not in the interests of either Australia or Japan to pursue a bilateral security alliance. However, Australia should seek to work with Japan to reform and strengthen regional and global security institutions. It identifies that a more proactive and assertive East Asia Summit and a more modern and representative UN Security Council, with Japan playing a larger role in both, would provide significant benefit to both nations.

Australia-Japan security relations: Improving on a 'best friends' relationship

Introduction

In 2013, Prime Minister Abbott described Japan as both Australia's 'best friend in Asia' and a 'strong ally'.¹ According to the Department of Foreign Affairs and Trade, the relationship is built on mutual economic reliance and a 'shared commitment to democracy, human rights and the rule of law, as well as common approaches to international security'.² In 2007, the Australian and Japanese Prime Ministers signed a joint declaration on security cooperation, which was enhanced in April 2014 by the 'Japan-Australia Economic Partnership Agreement'.³

In addition to the direct relationship with Australia, Japan has a large indirect role in Australia's strategic environment because of its relationships with the US and China. Japan and Australia share a strong security relationship with the US through their respective bilateral security alliances, and both have the US as a major trading partner.⁴ Both also count China as their key economic trading partner.

However, the China-Japan relationship is strained because of territorial disputes, Japan's concerns regarding China's military modernization, and China's view that Japan has not atoned for its actions in the lead-up to and during World War 2.⁵ In its December 2013 *National Security Statement*, Japan identified its security environment as 'becoming ever more severe', identifying a number of challenges, dominated by China and North Korea.⁶

While the Australia-Japan bilateral relationship is strong, this paper will argue that there are two key initiatives identified in Japan's *National Security Statement* for which Australia could play a supporting role to enhance the bilateral relationship and achieve mutual security benefits for both nations. They are 'defense equipment and technology cooperation' and 'building a comprehensive defense architecture to firmly defend Japan'.⁷

'Defense equipment and technology cooperation'

The 'defense equipment and technology cooperation' initiative described in the *National Security Statement* is effectively an opening of Japan's defence industry to global markets. In 1967, Japan had introduced 'three principles' in relation to its arms exports, severely restricting the sale of defence-related goods. In 1976, the principles were further tightened to ban the export of defence equipment to countries that were communist, the subject of UN-sanctions or directly involved in conflict. Exports to other countries were also restrained.⁸

As a result, defence-related industrial firms in Japan have been restricted to competing for Japan's relatively small, internal market. Moreover, most such companies have significantly diversified into other products, with only four per cent of their sales, on average, being for defence-related equipment.⁹ As a consequence, there has been little incentive to innovate or achieve economies of scale. Contrast this with the global consumer technology market, where Japan is a prolific producer of sophisticated, high-tech products, suggesting that both Japan and the rest of the world may have missed significant opportunities for defence-related innovation and sales because of Japan's export control policies.¹⁰

Increased defence technology cooperation between Japan and Australia, particularly enabled by the economic partnership agreement, will benefit the security and economy of both nations. It will facilitate Australian access to advanced Japanese technology, allow Japan's defence industry access to a much larger market, and provide increased opportunities for the defence industries of both countries to sell to and work collaboratively with each other.

In April 2014, the Australian and Japanese Prime Ministers agreed to develop a framework for cooperation on defence equipment and technology, and specifically to focus initially on marine

hydrodynamics.¹¹ In July 2014, the two leaders signed a formal agreement, codifying a commitment to share defence technology and conduct joint defence-related research and development.¹² It also mandated the establishment of a joint committee to allow both countries to mutually determine technologies to share, or projects on which to undertake joint research and development.

The Australian Department of Defence had previously expressed interest in gaining access to Japanese submarine propulsion technology, which potentially would be of significant benefit for Australia.¹³ However, Australia needs to ensure that the selected projects and capabilities represent a clear benefit to both nations. As Peter Jennings of the Australian Strategic Policy Institute (ASPI) points out:

The Japanese want to know what's in it for them—just as we would if they were eyeing a piece of our technology. So an urgent task for Australia should be to demonstrate to Japan that the benefits of collaboration will run both ways.¹⁴

Arguably, the first project on which Australia should seek to work collaboratively with Japan is the F-35 Joint Strike Fighter (JSF) project. In December 2011, Japan selected the JSF as the next-generation fighter capability for the Japanese Air Self Defense Force, potentially involving a number of Japanese defence industrial companies in final production and assembly.¹⁵

With Australia also a partner in the JSF, a mutual benefit may be realised in terms of pricing—due to economies of scale in production—and in the long-term sharing of innovations that the other nation may develop to improve the JSF.¹⁶ In addition, with the Australian Government seeking to be a regional maintenance centre for the JSF, and with Australia's extensive land-based testing and training areas, mutual benefits could be realised in joint training, exercising and maintenance.¹⁷

'Building a comprehensive defense architecture to firmly defend Japan'

Notwithstanding its significant alliance relationship with the US, Japan's security has largely been predicated on addressing its own specific threats with its own internal capabilities, particularly those provided by the Japanese Self Defense Force. However, in the *National Security Statement*, Japan articulated a policy of becoming a 'proactive contributor to peace', including by becoming more active diplomatically in contributing to regional and global security.¹⁸ It also announced the first increase in defence expenditure for 11 years, with a 0.8 per cent increase in 2013 and a planned 2.6 per cent increase over five years.¹⁹ In addition, Japan has created a National Security Council, to be chaired by the Prime Minister, to facilitate improved coordination within the national security community.²⁰

Despite enhancing its own capabilities, Japan continues to regard the US alliance as the 'cornerstone' of its security, especially in a regional environment which includes a nuclear-armed North Korea and a more assertive and militarily-capable China.²¹ Australia could seek to upgrade its own relationship with Japan to a security alliance. However, that would unlikely provide Japan with any real enhancement over and above its alliance with the US. It would also likely antagonise Australia's key economic partner in China, which already considers the bilateral relationships between the US and Japan, South Korea and Australia as a method of containing its development and as 'the outdated thinking of [the] Cold War structure in the region'; China has also asserted that a 'military alliance which is targeted at a third party is not conducive to common regional security'.²²

Another option would be for Australia to work with Japan to seek reform of existing regional and global security architectures for the benefit of both nations. The primary focus of this effort should be on strengthening existing regional forums as the first priority, and reforming global forums as a secondary activity, albeit more difficult and less likely of success.

Regionally, there are two key security-focused dialogues or forums that contain all of the key nations in the region, namely the ASEAN Regional Forum and the East Asia Summit, both of which have both provided useful opportunities for dialogue and discussion on regional issues.²³

Such dialogue and discussions can be very useful. However, because their focus tends to be on consensual decision-making and non-interference in internal issues, neither has been particularly effective in establishing a true regional approach to security.²⁴

Globally, the key security body is the UN Security Council. Unlike the regional forums, the UN Security Council is a decision-making body, where action is taken based on supported resolutions.²⁵ However, its structure and voting process arguably require reform. Its permanent membership is based on a post-World War 2 legacy, and the veto powers of its permanent members undermine its decision-making effectiveness.²⁶ Asia has only one permanent member, namely China, despite being the region with the most significant economic growth and a number of complex security dilemmas.²⁷ To date, calls for UN Security Council reform have not been successful, largely because current permanent members do not want to lose their relative power, while regional rivals of countries seeking to become permanent members have no reason to see them succeed.²⁸

For its part, Japan has strong claims to a permanent seat on the Security Council, given it is the world's fourth-largest economy and the largest financial contributor to the UN.²⁹ However, to be considered a serious contributor to any multilateral security architecture, it is generally accepted that Japan will need to reinterpret and, in the future, likely revise its constitution.³⁰

Article Nine of Japan's constitution (also known as the 'pacifist clause') has traditionally been interpreted as allowing Japan to defend itself if attacked but not to project force or come to the defence of an ally if it is attacked.³¹ In July 2014, the Japanese cabinet reinterpreted this clause to allow the Japanese Self Defense Force to come to the aid of a friendly country, using the minimum force possible, but only if Japan itself and its citizens are threatened.³² Prime Minister Abe has specifically indicated that this will not be used to allow Japan to become involved in UN-authorized coalitions.³³

However, a regional or global multilateral security institution such as the UN Security Council would reasonably expect Japan not only to be a financial member but also a potential force contributor should another member require support. Japan currently contributes to UN peacekeeping operations but only with significant caveats.³⁴ Prime Minister Abe has publicly expressed his desire to eventually review the constitution to allow 'collective and pro-active self-defence', a fundamental right of a state under the UN Charter. The reality, though, is that any such review would require a two-thirds majority of support in both houses of Japan's parliament, as well as the support of the Japanese people through a referendum, which is considerably more problematic than Prime Minister Abe's rhetoric would suggest.³⁵

Conclusion

The existing Australia-Japan bilateral relationship is strong. The two countries have an existing bilateral declaration on security cooperation dating from 2007 and a bilateral economic partnership agreement that was finalised in 2014. However, in a security environment that Japan considers is 'becoming ever more severe', Australia should continue to identify areas of cooperation with Japan to further enhance the bilateral relationship and achieve mutual benefit for both nations. This paper has argued that initially Australia should seek to support Japan in two key initiatives from its *National Security Statement*, namely 'defense equipment and technology co-operation' and 'building a comprehensive defense architecture to firmly defend Japan'.

Cooperating with Japan on mutually-beneficial defence research and capability projects will benefit both nations economically through better access to markets for their respective defence industries, and by allowing both to gain access to technology and expertise developed in the other nation. The paper has argued that cooperation on the development and implementation of the JSF project should be considered a priority, along with existing cooperative research on maritime hydrodynamics. More broadly, Australia should continue to actively pursue opportunities that represent a mutual benefit to both countries.

In terms of Japan becoming a 'proactive contributor to peace', the paper has argued that it is not in either Australia's or Japan's interest to seek a bilateral security alliance. However, Australia should seek to work with Japan to reform and strengthen regional and global security institutions for the benefit of both nations. In particular, a more proactive and assertive East Asia Summit and a more modern and representative UN Security Council, with Japan playing a larger role in both, would provide significant benefit to both nations in managing regional and global security tensions.

Notes

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