Japan's Defence Build-up and its Meaning for Asia

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Abstract

For the past twenty years Japan has been following a slow and steady path toward military normalisation and in the coming decade it seems increasingly likely to finally reach this goal. Yet, this is not a sign of either increasing militarism or decreasing pacifism within Japan, but rather is in keeping with the realist policies which have directed the state for decades. The changes will have implications for Japan’s defence industry, which will in turn have significant impact upon Japan’s alliance ties, bilateral relations with China and the potential military strategies it will be able to pursue in coming decades. This paper examines the current state of the Japanese defence industrial system and considers the inherent potential within policies that Japan sets in the areas of weapons production, military procurement and arms sales, to influence regional security.

This paper expresses the views of the author and not the views of the European Institute for Asian Studies.

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1. Introduction

The Japanese defence system has attracted heightened attention in recent years due both to an increase in regional security tensions and changes that seem to herald an end to a prolonged downward trend in defence production. The two most significant developments are a 2011 relaxation of prohibitions on the export of defence equipment and an upcoming increase in the 2014 defence budget. While these are only the latest of a series of incremental steps toward military normalisation that have been taking place since the early 1990s, they have generated claims that Japan is either re-embracing militarism or forsaking its pacifist values. The fact of the matter is that Japan is neither militarist nor pacifist but rather a conformist, realist state that follows dominant international trends, albeit with an underlying normative influence toward anti-radicalism that requires change to be made in slow steady steps. These changes have seen, and will continue to see, Japan’s security policy grow incrementally closer to those of the other great powers. These changes will result in greater focus on both defence production and the regional arms trade, the former seeing significant new additions to Japan’s military capabilities and the latter seeing some of these dispersed among allied states.

The choices that Japan makes in its military and procurement strategies, particularly given its role as the primary US ally in Asia, will thus have significant impact on the doctrines of both its regional allies and potential enemies. Yet, this is not simply a matter of increasing military capability. Japan’s defence procurement and trade choices will help set the strategic options available to both it and other Asian nations and give clear signals of how each nation intends to navigate the tense US-Chinese competition for regional dominance. Japan’s key role in this dynamic makes its defence policy a reasonable barometer of regional stability. While it remains at present deeply attached to the US-Japan alliance, the realisation of a fully ‘normal’ military might see it develop more room to act independently of the US. Conversely, defence choices which leave it reliant upon the US for key military capabilities could instead leave it incapable of following a security policy that deviates from US leadership. Regardless of which strategy Japan chooses to follow, the choices it makes now and in the coming years in the areas of weapons production, procurement and trade, will have significant security and diplomatic impact and will have lasting ramifications for regional relations for decades to come.

2. Japan’s security norms

Japan’s US-imposed constitution and its renunciation of the use of force as a tool of statecraft have long offered the state a patina of pacifist virtue. These supposedly pacifist norms were seen by Katzenstein as having a constraining force on Japanese militarism, something Berger believed had its roots in a post-World War Two stigmatization of the populace, while Hook spoke of the “persistent strength of anti-militaristic attitudes in Japan” including “resistance to a major build-up in the military”. 2 Such views continue to persist, with Metraux arguing that it has been pacifist political ideology, rather than the nature of Japanese political compromise coupled with the low prioritization of security issues, which has forestalled constitutional reform. 3 Oros, meanwhile, predicted that Japan would remain

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tightly bound, for the foreseeable future by three “core tenets” of Japanese anti-militarism: no traditional armed forces, no use of force except in self-defence, and no participation in foreign wars. Metraux’s arguments have since been challenged by Panton’s examination of the constant reinterpretation the constitution has undergone since its very inception, a process which has only gathered pace in recent years and seems increasingly likely to bring about a full-scale revision of the Constitution’s peace clause, something that would almost certainly invalidate the first of Oros’ core tenets. The second of these is being challenged by increasingly vocal calls for Japan to develop a pre-emptive strike capability, while the third is already open to debate based upon Japan’s moral, logistical and financial support for US wars ranging from Korea and Vietnam, to the Gulf War and the Invasion of Iraq.

Of the above cases, the 1990 Gulf War and the failure of Japan’s USD 13 billion funding commitment to win it anything more than international scorn, was the turning point at which Japan began to take practical steps to upgrade its own military capability, led by politicians such as Ozawa who called for ‘normalisation’, an economically proportional level of military parity with the world’s other great powers. The 1992 International Peace Cooperation Bill, which finally permitted Japanese military participation in peacekeeping operations (PKO), was one of the first steps in a process which has more recently seen: the dispatch of troops to Iraq, refuelling operations in the Indian Ocean, the export of jointly-developed weapons to the US, the export of unarmed military vessels, the upgrading of the Defence Agency to a full Ministry, the dispatch of warships to fight piracy and the establishment of Japan’s first post-World War Two overseas military base. Japan has also supported the concept of aggressive humanitarian intervention by its allies in conflicts such as the 2011 Libyan Civil War and the on-going Syrian Civil War.

These changes have at times, such as by Arase and Rikki, been framed as a resurgence of Japanese militarism, yet, military issues remain a low political priority for Japan and this ‘normalisation’ is merely standard realist policy re-establishing itself in line with what should be expected of a state of Japan’s size. Izumikawa argued that Japan’s post-World War Two security policy could be considered an anomaly from a realist perspective and that it has been constrained by normative anti-militarist values. Yet, the adoption of the first National Defence Policy Outline in 1976 provided a clear shift from competing ideologies toward a more focused realism, with studies of the relevant policy documents revealing that such anti-militarist factors were marginal at best and dominated by realist concerns. Since then Japan’s military build-up has followed a steady, incremental pattern in line with what realist policies would suggest, including a post-Cold War downgrading of conventional forces and refocusing on ballistic missile technology, while the country’s nuclear policy provides what Levite calls “the most salient example of nuclear hedging to date”. Yasuo found that pacifist norms have no independent causal effect on defence spending, which instead

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requires institutional motives and other material factors for politicians to take an interest.\(^{12}\) As such, Japan’s security policy is perfectly consistent with Twomey’s view of the country as a defensive realist, in which maintenance of a robust defence is vital yet expansionism is seen as counterproductive.\(^{13}\) Lind further clarified Japan’s policy as being one of ‘passing-the-buck’, in which lip-service is given to pacifist beliefs in order to let allies do all the heavy military lifting.\(^{14}\) This strategy does, however, require the maintenance of a minimum level of military power so that it might quickly respond itself should its allies fail to address a significant threat. Historically this would lead to a pattern of Japanese military expansion any time the US failed to respond to regional threats, a pattern which Lind shows has been on-going for several decades. Kawasaki, in contrast, felt that Japan was a ‘post-classical realist’ with an overall goal of reducing regional tension. Japan’s defence policy since the 2010 Senkaku incident, in which competing claims between Japan and China for ownership a number of small islands saw a dramatic increase in tension between the two states, show clearly that this has not been the case. Instead Japan has followed a policy of normalising its military at a slow steady pace that accelerates only in response to crises. In doing so Japan adheres to its strongest underlying security norm which is a deeply embedded aversion to any sudden or radical change unless such change is required to address an unexpected threat.

### 2.1 Anti-radicalism

Any plausible claim Japan might have made to being a truly pacifist state ended during the 1970s, a period in which the idea of ‘peace’ became subsumed, in Japan, into the concept of family well-being and economic security. In an analysis of prime ministerial speeches, Edstrom found that by the 1990s a focus on 'peace' was being replaced with an equivalent focus on ‘prosperity’.\(^{15}\) Japan had, however, by virtue of its Peace Constitution, come to regard itself as inherently peaceful and the promotion of peace simply came to mean maintenance of the status quo.\(^{16}\) During this period defence issues were effectively ‘desecuritised’, seen as something that should not, regardless of actual capabilities, be publicly advanced, altered or advocated in any form. Japan thus developed a reputation as a “defence allergic nation” within which politicians, businessmen and academics were hesitant to establish connections with military affairs.\(^{17}\) This is part of a long standing pattern in which the vast majority of the Japanese public show resistance to anything which might disturb the status quo.\(^{18}\) Nonetheless, as Curtis found in his study of the Japanese political system, there is a willingness to “accept change to the extent that it maintains the status quo”.\(^{19}\) Miyashita, in turn, found that public acceptance of defence related reform is always far more permissive in periods with a clear external threat, while during periods of regional stability and peace they become increasingly resistant.\(^{20}\) Thus Japanese defence policy has,

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by breaking small taboos and allowing for a period of adjustment to allow the changes to become accepted, been able to steadily push the envelope on the remaining security restrictions. Despite the advances made in recent years, they are simply part of a long-standing process of gradual reform and Japan is in no way set to suddenly become militarily aggressive, a conclusion also reached by Hagström and Williamson in their analysis of the state’s military reforms.\textsuperscript{21} Japan should, therefore, be considered neither militarist nor anti-militarist/pacifist, but rather an ‘anti-radical’ realist who is set to continue on a path of steady and quite predictable incremented normalization.

3. Regional security relations

In reacting to Japan’s military reforms, many of its neighbours seem to have developed an understanding of this ‘military predictability’. While in the early 1990s regional reactions to calls within Japan for ‘normalisation’ were entirely negative, Japanese participation in PKO was a turning point, which showed Japan could use its military in a cooperative and limited fashion. Concerns eased gradually, with the turn of the century showing a significant reduction in opposition to remilitarisation.\textsuperscript{22} China’s rise and willingness to use the threat of force in regional disputes have since seen many states in the Asia-Pacific region approach Japan as a potential defence ally.

While Australia has stated that it would remain neutral in any dispute between Japan and China, it supports an increased Japanese military presence in the region and in January 2013 formally established an Acquisition and Cross Servicing Agreement to strengthen bilateral military ties. Japan and India have also conducted joint naval exercises in 2012, while a bilateral summit in July 2103 outlined a potential defence relationship that would include joint development and production of defence equipment.\textsuperscript{23} Japan has also been waiting since April 2012 to sign a defence agreement with South Korea (delayed by internal South Korean politics) that would permit sharing of military intelligence and potentially lead to further agreements on cross-servicing or joint development.

This kind of loose bilateral agreement is consistent with Menon’s argument that the age of formal alliances in East Asia is coming to an end, with a more fluid dynamic of temporary alliances of convenience taking greater precedence.\textsuperscript{24} The region’s most significant forum, the Association of Southeast Asian Nations (ASEAN), has found its members being courted by four great or rising powers (Japan, the US, China and India). One direct result is the increased inability of the group to present a united front. In ASEAN’s relations with China, both Cambodia and Laos now block any decision contrary to the interests of their new trade partner, a weakness that may undo the political bond between the Southeast Asian states, leaving them to stand alone in territorial disputes. This impacts Vietnam and the Philippines in particular, involved as they are in territorial disputes with China over the ownership of holdings in the South China Sea (Vietnam contests the Spratly and Paracel Islands, while the Philippines contests the Spratlys, Scarborough Shoal and Macclesfield Bank).

In 2012 both Vietnam and the Philippines signed agreements with Japan for defence cooperation relating to: the exchange of delegations, personnel training, defence industrial


\textsuperscript{23} Kumar, S.D.V. (2013, 13 July). India, Japan look to bolster defence ties. \textit{The Hindu}.

production, humanitarian assistance, search and rescue operations and maritime security. July 2013 also saw the first meeting of Japanese and Philippine Defence Ministers in over a decade, with Japan committing itself to the defence of outlying Philippine islands. The following month saw the second Vietnam-Japan Defence Policy Dialogue in Tokyo.

This is part of the growing consensus toward a cautious acceptance of Japan’s domestic push for ‘normalisation’ and a greater role in regional security affairs. In fact, a vacuum exists within regional Asian security relations that Japan can easily fill, as a rallying point for state’s disconcerted by China’s growth, as a supplier of cutting-edge military equipment and as a partner in future joint development. The latter two possibilities are well-served by a growing appetite among Asian states for military equipment, with regional arms imports from 2007 to 2011 increasing 185 per cent over previous levels. During this period the top five international importers of arms were India, South Korea, Pakistan, China and Singapore, while Asia & Oceania was the top regional importer accounting for 44 per cent of all imports. Practically every country in the region has been making major investment in its air and sea capability, including big-ticket items such as aircraft carriers and submarines. At the same time, many of these states have adhered in the past to what Samuels referred to as techno-nationalistic patterns of defence procurement which emphasized domestic research and development of military systems to avoid dependence upon external suppliers and, where possible, introduce foreign technological innovations to indigenous manufacturers. The downside of such a policy is that manufacturers are shielded from true market conditions and frequently suffer from inefficiency and cost-overruns, while the state’s defence industrial capacity grows bloated on subsidised prestige projects. Having itself suffered from such problems in the past, Japan’s recent relaxation of arms export prohibitions sets the stage for it to use either military sales or joint development of equipment to create bonds with many of these states. Yoshide Soeya, director of the Institute of East Asian Studies at Keio University framed Japan's goals as wanting "to build our own coalition of the willing in Asia to prevent China from just running over us".

Should Japan succeed it will have a pivotal role in guiding such a coalition and may find itself faced with a choice between pursuing a strategy driven by its US ally, or one more focused on purely Asian security needs. While Japan and the US share many strategic aims there are some points of diversion. The US response to China’s growth is far from cast in stone, yet a report from the Center for Strategic and Budgetary Assessments introduced the concept of 'Air-Sea Battle’. This is, in essence, the ability to safely conduct power-projection operations against Chinese assets in the region, and quickly become one of the dominant strategic options for response. Others do exist, such as ‘Offshore Control’, which would aim to blockade China and lure Chinese forces into blue water areas that play to US strengths, yet they share a common intent, to prevent a Chinese challenge to US regional hegemony. In contrast, Japan’s strategic goals, while certainly influenced by a fear of...

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Chinese expansion are focused on what the Japan's 2010 National Defence Policy Guidelines referred to as 'gray-zone disputes', i.e. conflict for control of disputed littoral territories.\(^{32}\) While US and Japanese aims may seem superficially compatible there are some key points of diversion, in particular the fact that Japan's main conflict with China (Chinese claims to Japanese territory) stands a far stronger chance of seeing diplomatic settlement than the US area of contention (China's regional expansion in general). Furthermore, should Japan fail to reach a peaceful solution there is a possibility that conflict might remain small scale and limited purely to the area(s) of dispute. This was the case with a 1988 clash between China and Vietnam over the South Johnson Reef which, even though it left more than 70 dead, failed to develop into wider conflict. The previously mentioned anti-radical norms would see immediate pressure within Japan for a return to the status quo rather than escalation and any Japanese prime minister failing to at least switch the dispute from the military to the diplomatic or economic arenas would likely find themselves becoming a scapegoat for the public and political backlash. For the US, conflict with China could be hoped to achieve some benefits in regard long-term strategy, such as diminishing China's appetite or capability for Pacific expansion. Japan, on the other hand, should consider any conflict it enters with China as a failure of policy as, regardless of the military outcome, Japan would be left with a powerful and embittered neighbour who would pose an on-going and constant threat to Japan's security for the foreseeable future.

There is an important divergence therefore between strategies aimed at the broader containment of China and those seeking to safeguard specific territorial holdings. As the primary US regional ally, Japan's stance on these matters is likely to influence other key states such as the Philippines and Vietnam, or even peripheral players such as Australia and India. Yet, any divergence from a broader US-driven strategy would require reconsideration of the defence systems and capabilities that Japan is developing, something which requires considerable forward planning. Systems such as the recently ordered F-35 fighter and widely deployed Patriot missile batteries are responses to a threat of broader conflict and the call by the US for its allies to engage in 'burden-sharing'. Other initiatives such as the Ground Self Defence Force's on-going development of a dedicated Marine force and the strengthening of the Japan Coast Guard speak more specifically to potential gray-zone disputes. Japan, therefore, seems to be doing its best to maintain the capability to address either eventuality, although its commitment to the alliance has only deepened with the adoption of a policy of Dynamic Defence Cooperation (DDC), which includes joint training, intelligence sharing and shared basing.\(^{33}\) The increasingly tight bond between the militaries of the two states, only heightens the importance of choices made by Japan in systems acquisition and production. There are two specific reasons for this, the first being the amount of room such systems leave Japan for strategic manoeuvring within the alliance, and the second being the message that they send China. In the first instance, former ASDF commander-in-chief Toshio Tamogami was among those expressing concerns that over-dependence on the US for key weapons systems will prevent Japan from taking any stance that goes against US interests.\(^{34}\) Dian agrees with such assessments, and sees a greater degree of indigenous production offering far more flexibility for Japan to not only act independently of the alliance but also exert greater bargaining power within it.\(^{35}\) The second

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factor, China’s view of Japan’s procurement policy, is important because of the danger of the current arms build-up in Asia becoming an arms race, something which would only destabilize regional security as a whole.

4. Japanese weapon systems

Bitzinger argues that recent arms spending in Asia cannot be termed an ‘arms race’ as it has occurred simply due to increased prioritization of military affairs rather than in reaction to the capabilities of others. 36 This is true to the extent that in many Asian states recent military growth has largely been a delayed reaction to earlier economic growth and an effort to match the investment levels of more powerful states. The US and Russia respectively invest 4.7 and 4.4 per cent of their GDP in their militaries. By comparison, in Asia Singapore is by far the largest investor at 3.6 per cent, with other states ranging between this and Japan’s low of 1 per cent. At the same time, the surge in defence procurement has not simply been an effort to achieve parity, instead it has also been driven by regional tensions, particularly the growth of China and the threat many nations feel due to this. Military planning will always take account of the capabilities of potential opponents and seek the most efficient means of countering them. Systems used for ballistic missile defence (BMD) and anti-submarine warfare (ASW) are designed to counter very specific enemy systems and are currently the most expensive and strategically important weapons programmes in Asia. While defensive in nature, they can in turn prompt other nations to ensure their deterrent threat remains credible and thus bolster their own capabilities. Such choices, if done in a tit-for-tat manner, give rise to the classic security dilemma. This is only exacerbated by the fact that while the systems in question might perform at a mediocre level once deployed, they will be assessed by opponents at their optimum capability (i.e. their best possible performance) and responses will tailored to meet this unlikely scenario in a self-perpetuating cycle of escalation. Whether or not this actually crosses into the field of a clear-cut ‘arms race’ ignores the fact that it is already having a destabilizing effect upon regional relations. Even within the scope of an arms build-up, however, the specific systems chosen, e.g. whether they are offensive or defensive in nature, or whether they degrade an opponent’s deterrent capability, can have ameliorative or deleterious effects upon the state of regional tensions. Though these forces may be subtle, the choices Japan makes in its weapons systems invariably produce such effects.

4.1 The F-35

Japan’s selection for its next generation F-X fighter had the potential to send a different signal to the one it ultimately did. In October 2007 the Eurofighter Typhoon seemed to be the most likely candidate with Japan’s Defence Minister stating that it was the best alternative to the US F-22 (which had been restricted from foreign sales). The choice of the European fighter would have signalled a departure from Japanese reliance upon US suppliers and supported the aforementioned flexibility within the alliance relationship that Japan had at that point lacked. However, after several years delay, the Lockheed Martin F-35 was instead chosen. Not only did this signal a revitalisation of alliance ties (which had waned slightly under Japan’s Hatoyama administration) but the F-35 was also seen as a more capable ground strike system, in comparison to the Typhoon which instead excelled as an air-interceptor. 37 The choice could thus be interpreted by China as representing both

36 Bitzinger, China’s defence technology and industrial base in a regional context: arms manufacturing in Asia.
Japan’s diplomatic commitment to the alliance and her investment in the Air-Sea Battle strategy of power projection.

Apart from its diplomatic message, the choice may hurt Japan in other ways. The F-35 is now likely to be far more costly to Japan than the Typhoon, especially once the higher price of locally manufactured components is factored in. Where the Typhoon was both combat-tested and available for immediate delivery, the F-35 is set for deployment in 2017, opening up both a production gap in Japan’s aeronautics industry and a capability gap in her air force which must struggle on for several more years with refitted older models. On top of this, a series of significant mechanical problems with the F-35 have seen it run behind schedule and over cost leading to cancellations in orders from other states that could push Japan’s unit price and delivery date even higher. A final indignity for Japan is that the F-35’s technical specifications were reportedly stolen by hackers from the servers of a key manufacturer (the UKs BAE Systems) and seem to have been used in the development of China’s J-31 stealth fighter, something which might compromise both the security and market value of the F-35 itself. While Japan still has the option of cancelling the majority of its order the government currently has no plans to do so with a Ministry of Defence spokesman stating, “If we don’t buy until all the glitches are eliminated, it would be too late”.  

4.2 Ballistic missile defence

A casual acceptance of glitches in highly expensive systems might also apply to Japan’s investment in ballistic missile defence. Japan’s involvement in the US missile programme began in the 1980s but only became active joint development after North Korean missile tests in 1998 saw the government grant an exemption to weapon-related export prohibitions. Since then over JPY 900 billion has been spent on the related PAC-3 (Patriot), SM-3 and Aegis systems, yet their effectiveness remains unproven and many are sceptical of BMD’s merit. In practice BMD is not a shield for an entire country but rather, particularly in Japan’s case, targeted at defending specific military assets. Even so, in analysing US BMD systems in Okinawa, Hoyler found that it would be relatively easy for China to simply swamp the defences with more offensive missiles than the Patriot batteries would be capable of intercepting. Pradun concurred, highlighting the ease with which an attacker could use dummy missiles to force the expenditure of limited stockpiles of multi-million-dollar interceptor missiles. These scenarios also assumed a reasonable level of interceptor success, yet even this is called into doubt by analysis that suggests that intercept test results have either been inflated or that the tests themselves have failed to simulate real-world conditions. In such a real world scenario Takahashi considers BMD as practical only against a limited strike involving one or two missiles but feels that swarming tactics would not be used against Japan as this would cross the threshold for US intervention. This consideration becomes moot, however, should China feel that conflict with the US is

inevitable as their openly stated strategic doctrine is such a case would be to launch swarming attacks against US bases within Japan.43

China has frequently stated that their own missile proliferation would likely occur as a response to expansion of the US BMD system.44 In relation to Japan’s participation, China has previously expressed the view that it is significant not for its strategic impact but for its political effect in making Japan increasingly dependent on the US and, through this, encouraging the US to act in a more unilateral fashion in Asia.45

As such, BMD’s value as a system is questionable in both diplomatic and military terms and at present its key impact is to bind Japan closer to the US and increase tensions with China. During the Hatoyama administration there were suggestions that funding for BMD would be cut due to it being “almost totally useless”. 46 Yet, succeeding administrations have reconfirmed their commitment with the Ministry of Defence releasing an interim defence report in July 2013 that pledged to strengthen its missile defensive capability and is reportedly considering purchasing two further Aegis destroyers to supplement the four in operation and two currently under construction.47 While these steps are intended to bolster Japan’s security, the only demonstrable impact in the near-term is likely to be a corresponding surge in Chinese missile production and an overall increase in tension.

4.3 Izumo-class (Type-22) Helicopter Destroyer

Japan’s naval capabilities are to be further buoyed by the planned addition of two Type-22 Helicopter Destroyers, the first of which, the Izumo, was launched in August 2013 (giving its name to the ship class) and is expected to enter service in 2015. The vessels will be larger versions of the current Hyuga-class Helicopter Destroyer and are effectively aircraft carriers by another name. Fielding actual ‘fighter’ carriers would, however, be another incremental step on the path to normalization and one which Japan is, as yet, not prepared to take. As such, the helicopter destroyers are focused on Anti-Submarine Warfare (ASW). Yoji Koda, former Commander in Chief of the Japanese Navy, likened the US-Japan alliance to a sword and shield relationship, with Japan filling the latter role in which ASW would be the central component. 48 While it has been speculated that the vessels might be adapted to permit an offensive capability using either cruise missiles, unmanned aerial vehicles (UAVs), or F-35B STOVL49 fighters developed for the US Navy, Koda considers this improbable.50 This is hardly surprising, as while ASW operations are far less glamorous than ‘Top Gun’ style aeronautics, they are no less strategically valuable and give Japan a role in the alliance where it can clearly take the lead. On the other hand, developing an offensive strike capability (as the most recent Ministry of Defence reports call for) would offer Japan greater independence from relying upon the US to provide its deterrent threat and, depending upon

49 Short take-off and vertical landing.
the state of US-Japan relations, should not automatically be seen as increasing Japanese militarism.

Perhaps more surprising is the fact that the Izumo-class does not appear to have been optimised for participation in Humanitarian Assistance and Disaster Relief (HADR) operations. In the wake of the 2011 Tohoku triple-disaster US amphibious-landing ships played a crucial role in relief operations and the Izumo-class could easily play a similar role. One problem, however, is that it has not been designed with a well-dock that would allow easy deployment of trucks and other vehicles (as is present on the far smaller Osumi-class landing ships). This failure to combine the landing capability of the Osumi-class and the airlift of the Hyuga-class will compromise not only future Japanese HADR operations, but also their participation in regional operations that might have been used to bolster such goodwill as the US achieved from their ‘Operation Tomodachi’ relief efforts following Tohoku. Despite government claims that the new vessel will play a role in HADR operations, some Chinese analysts have already linked the development of the Izumo-class to increasing Japanese militarism, something a more clearly defined HADR capability might have helped offset. Given the severe constraints imposed by Japan’s limited budget, flexible systems like the Izumo are highly practical, yet only insofar as their potential is fully exploited.

4.4 Missile systems

Another area of recent defence investment that can act either as a compliment or alternative to ‘air-sea power’ are Japan’s cutting-edge missiles systems. Apart from those under development as part of BMD, Japan has considerable expertise in developing air-to-surface, surface-to-air and surface-to-surface systems. Mitsubishi Heavy Industries (MHI) are currently developing the ASM-3, an air-to-surface missile with a range of 200km and which some consider Japan’s ‘carrier killer’ anti-ship missiles. Other systems enjoying recent boosts include both the ‘Type-96’ and ‘Middle-Range’ multipurpose missile systems, both of which are designed for targeting armoured vehicles and are likely planned to act as part of ground-based littoral defences. Bridging the gap between these will be the Type-12 surface-to-surface system; land-based like the multipurpose systems, but designed to target ships in the same way as the ASM-3 (with which it shares common roots). Holmes and Yoshihara highlighted the potential inherent in these systems to establish a Japanese form of ‘anti-access’ doctrine and argued that a robust deployment to the ‘first island chain’ (stretching from Japan through the Okinawan islands) would be capable of turning the East China Sea into a “no go zone for Chinese surface forces”. Sayers suggests that for such a strategy to work it would require combining a number of asymmetric deterrents, these are small and relatively low-cost systems such as: fast-attack missile boats, diesel attack submarines, mine warfare, attack helicopters and land-based SSMs. At present, however, there has been a relatively modest investment in SSM capability compared to SAM systems (only JPY 12.2 billion for the former compared to JPY 57.7 billion for the latter) which given a lack of focus on other asymmetric systems, suggests that, base defence rather than broader area denial is the primary focus of missile development.
4.5 ATD-X Shinshin (F-3)

Weapon system development is a long-term process that requires considerable advance planning and R&D so it should be no surprise to find that Japan is already in the early stages of developing a sixth-generation fighter (the F-3) that is currently projected to enter service in the 2030s. As a preliminary ‘proof of concept’, a prototype (the ATD-X) is being developed to test specific elements that may be incorporated into the later F-3. The system is expected to include a variety of innovative features, including: cloud-shooting (the ability for missiles fired by one plane to be guided by another), fly-by-light controls, anti-stealth radar, networking with sensor drones and directed energy weaponry. The key question regarding the F-3 itself, however, is the extent to which it will remain an indigenous programme. The US Air Force has already begun plans for its own sixth-generation fighters and it is possible that the F-3 itself might be shelved, seeing Japan instead opt for joint development of a single system. Such concerns have already been expressed by Japanese industry executives, and should they come to pass, it will mark another missed opportunity for Japan to assert its independence in security affairs. Whichever choice is made, the impact will be felt not simply in regard to access to technology, development partners and potential markets, but also in terms of the strategic options available, or unavailable, to Japan.

5. Future defence production and trade

Japan’s defence manufacturing industry itself has been in decline for more than a decade and has been described as a ‘boutique’ industry, focusing on small-run custom systems that offer poor economy of scale and make them difficult to sustain on the country’s limited budget. Japan’s own Ministry of Defence has highlighted on-going problems of declining production levels, loss of skilled workers and the departure of suppliers from the defence sector. The recent relaxation of export prohibitions has, however, given the industry a shot in the arm and opened up the path for broader joint development with states other than the US.

In February 2013 Japan reached an agreement to supply the Philippines with 10 Coast Guard Patrol Boats costing USD 11 million each. The Defence Ministry has stated it may offer similar vessels to Vietnam in what defence analyst Tetsuo Kotani described as an effort to build a network of mini-Japan Coast Guards in the south China Sea. Australia has also been exploring the possibility of pursuing joint development with Japan of a replacement for its Collins-class submarines, while former Japanese Defence Minister Toshimi Kitazawa suggested that Malaysia and Vietnam might also become future buyers of Japanese submarine systems.

May 2013 saw Japan establish a Joint Working Group with India to pursue the sale of US-2 patrol planes by Japan. In June, Japan initiated discussions with France to begin joint development on as yet undetermined military projects. This was followed in July by the formal ratification of an agreement between Japan and Britain to pursue joint development

58 Fackler, Japan Is Flexing Its Military Muscle to Counter a Rising China.
59 AFP. (2013, 8 June). France and Japan to work together on development of military equipment. Agence France Press.
of military systems. Originally initiated in 2012 the agreement is likely to first focus on relatively innocuous systems such as chemical protection suits and mine detectors, yet these ties could lead to more significant deals such as Japan engaging in licensed production of Britain’s Future Combat Ship or Merlin helicopters, or reinvigorate the Typhoon’s appeal, should problems continue to plague the F-35.

Clearly a new period of opportunity seems to have arrived for Japan’s defence manufacturers, and while they have not yet recovered from a decade of declining production levels there is likely to be ample local projects to keep them busy until joint development begins to show dividends. Among the major defence contractors Kawasaki Heavy Industries will continue to produce P-1 and C-2 planes as well as CH-47JA and MCH-1010 helicopters, while Mitsubishi heavy Industries (MHI) and Mitsui will share development of a number of destroyers and minesweepers with MHI also responsible for producing tanks and howitzers. Fuji Heavy Industries will work on SH-60K and AH-64D helicopters and Komatsu will continue to produce the Ground Self-Defence Force’s (GSDF) armoured vehicles.

In R&D, Japan continues to lag behind other nations, expending only 1.5-2 per cent of its defence budget in this area, compared to 11.9 per cent for the US, 8.3 per cent for South Korea and 3.2 per cent for the UK. In recent years Japan’s Technical Research and Development Institute has shown a prioritization of air systems, specifically missile, fighter and radar systems. While this is understandable given Japan’s electronic expertise, other areas remain surprisingly under-developed. Despite being a world leader in industrial robotics, Japan has made little effort to develop military systems. Though some minor projects exist (such as the Hand-deployed Scout Robot and the Urban Movement Robot), their level of funding is insignificant compared to the amount of support the US gives similar projects being carried out by its Defense Advanced Research Projects Agency (DARPA). Drone technology is another area where Japan should be at the cutting-edge, yet TRDI has requested only a relatively modest JPY 3 billion over the next four years for a missile detecting UAV that it hopes will be operational by 2020 and seems content to rely primarily on purchases of the US Global Hawk for its needs, with plans to introduce the system by 2015.

The Asia-Pacific region has now become the second biggest market for UAV systems (after the US) with USD 590 million in purchases in 2011, a figure expected to increase to USD 1.4 billion by 2017. For Japan to remain merely a customer in this sector, rather than a producer, would represent a failure to capitalise on its capabilities in the development of sensors, electronics and other subsystems required for the production of UAVs.

A similar lack of ambition seems to exist in Japan’s development of asymmetric systems such as missile boats. As of 2012, China had at least sixty 220-tonne Houbei-class fast-attack missile boats, with some analysts suggesting they will soon field up to 100. Each is armed with up to 8 surface-to-surface cruise missiles and 12 surface-to-air missiles and, at an estimated cost of from JPY 1.4-3.6 billion apiece, they represent a significant threat to Japan’s own JPY 70 billion destroyers. Given the current territorial disputes in both the East China Sea and South China Sea, such vessels would, if developed, almost certainly find

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a market. Moreover, perhaps counter-intuitively given their offensive nature, they might act as a more stabilizing deterrent system than BMD, i.e. preventing China from using pure naval supremacy to dominate the ASEAN states in the same way China hopes the Houbei will work against US power.

6. Conclusion

When Japan’s defence export prohibitions were finally relaxed in 2011 it was unclear whether the move would be enough to resuscitate what had become an industry in steep decline. Since then, especially during 2013, it has become clear that Japan is investing significant effort in building bilateral ties that will make strong use of the potential for joint development, a policy that will see Japan become (for the first time in the post-war period) a significant player in the international arms export market. Apart from the financial implications of this change it is clear that Japanese defence production will have an impact upon regional affairs in a variety of ways. Such bilateral trade ties that Japan either maintains or develops will act as a tool of foreign policy to strengthen and deepen its alliances. Apart from this, the choices it makes in procurement will set the strategic options that are available to it on the military level. Finally, these choices will also send a clear signal to potential foes (i.e. China and to a far lesser extent North Korea or Russia) regarding how fixed or flexible its long-term strategies will be. A commitment to developing offensive strike capability might suggest either a commitment to the US idea of Air-Sea Battle, or an attempt to reduce US dependency. A choice to develop asymmetric counter-measures would open up potential for Japan’s own ‘area denial’ strategy. A decision to either cancel outstanding orders for the F-35 or to follow a non-US path with the development of the F-3 would act as another sign of increasing independence. In each case the choices would have important ramifications not just for Japan’s security policy but for its bilateral ties with both the US and China.

Japan has been on a slow steady path to military normalization for almost two decades and is now finally on the cusp of attaining this status. It is not, as many have attempted to paint it, either reawakening the expansionist militarism of World War Two, or rejecting some longstanding ethos of pacifist idealism. Instead it is simply continuing the same pattern of incremental steps it began in the 1990s. As such, the next decade will finally see Japan take part in Asian-Pacific affairs as a normal military power for the first time since World War Two. Although it remains, at present, deeply committed to the US-Japan alliance, it is impossible to predict what path its future will follow: committed to the alliance, more fully independent, or balancing between the US and China. Whatever path is chosen, the decisions it makes in the coming years, regarding its military production, procurement and trade, will help define its alliance relationships and long-term military strategies and show how Japan intends to utilize its renewed military strength as a tool of statecraft. Dramatic shifts of policy should not be expected though. As with its slow and steady progress to this point, changes in Japanese security policy ‘post-normalisation’ are certain, barring the sudden rise of existential threats, to follow a similar path of gradual, incremental evolution.
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