

# SWP Comment

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## A New Course for Japan's Security Policy

The Historic Decision on Military Armament

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In recent weeks, Japan's government under Prime Minister Kishida Fumio has implemented significant adjustments to the country's security policy. In December 2022, Tokyo published a new National Security Strategy along with two other defence-related strategic documents. In doing so, the government decided, among other things, to significantly increase Japan's defence budget to 2 per cent of its gross domestic product by fiscal year 2027. During bilateral alliance meetings in mid-January 2023, Japan and the United States addressed the implications of the new strategic documents and discussed possibilities for closer cooperation. By making far-reaching decisions such as on the acquisition of so-called counter-strike capabilities, Tokyo is seeking to respond to a rapidly deteriorating security environment. Even though some of the announced steps are indeed historic for Japan, they have been the topic of discussion for a while now and can therefore be seen as part of the evolution of Japanese security policy that has been occurring for years.

Japan's new National Security Strategy was published almost ten years after the country issued its first-ever such document under then-Prime Minister Abe Shinzo in 2013. The National Security Secretariat was established by Abe in the same year to improve coordination between ministries and agencies in policymaking, and it played a key role in crafting the 2023 strategy. Japan's security environment has significantly deteriorated since the first strategy was published, therefore the new document provides insight into how Tokyo seeks to respond to the new challenges. Over the past decade, Abe Shinzo was a key player in driving reforms to Japan's security policy; and even after his resignation as prime

minister in 2020, he continued to exert influence. Following his death in July 2022, the new strategy paper thus charts the course of Japan's security positioning in the post-Abe era.

The new National Security Strategy is complemented by two defence-related policy documents that were published at the same time: the National Defence Strategy and the Defence Buildup Program, the latter of which functions as a plan for the buildup of military capabilities over the next five to ten years. Comprising almost 130 pages in English, the three texts offer deep insights into Japan's strategic direction.



## Japan's security concerns

The new documents put on full display the fact that Japan is deeply concerned about regional and international security developments. Indeed, the National Security Strategy states that Japan is facing the “most severe and complex security environment” since the end of World War II. Various countries are challenging the existing international order, and given Russia's aggression against Ukraine, Tokyo believes that a similar development could occur in the Indo-Pacific or East Asia. Japan is directly flanked by three nuclear powers – China, North Korea and Russia – which are expanding their military capabilities and activities in its vicinity.

Whereas the 2013 strategy voiced “concern” with regard to China, the new document labels the People's Republic as the unprecedented “greatest strategic challenge”. This description is similar to the formulation used in the US National Security Strategy of October 2022, which describes China as the “most consequential geopolitical challenge”. The months leading up to the strategy had seen intense political discussion within Japan's governing coalition between the Liberal Democratic Party (LDP) and the junior partner Komeito on whether the term “threat” should be used. Komeito, which has traditionally maintained close relations with China, spoke out against it, stressing that Japan should strive for a stable bilateral relationship. Accordingly, the strategy cites the goal of building a “constructive and stable relationship with China”, aiming to prevent escalating tensions.

China's official 2022 defence budget is almost five times larger than Japan's, even though its actual spending is likely even higher according to Japan's new Defence Strategy. Externally, China is increasingly assertive and is intensifying its military activities near Japan. Beijing's threatening posture vis-à-vis Taiwan is also discussed in detail in Japan's new security documents. The 2013 security strategy only briefly mentioned Taiwan, as it was written at a

time when Beijing had better relations with the Kuomintang-led government in Taipei.

Japan's new security strategy describes North Korea as an “even more grave and imminent threat”. The increased frequency of North Korea's missile tests and the technological advances that they have revealed have led Japan to this assessment, even if Tokyo had already described the regime's developments as threatening in the 2013 document. In 2022, North Korea conducted around 100 missile launches, one of which saw a missile fly over the Japanese archipelago for the first time in five years. In terms of the advancement of North Korean weapons technology, Japan's defence strategy reflects concern about the regime's growing ability to complicate or evade missile identification, tracking and interception, whether through the use of road-mobile launch vehicles or solid-fuel propelled missiles with irregular trajectories.

For Japan, Russia's invasion of Ukraine is a clear breach of international law that shakes the foundations of global order. Fittingly, the last security strategy's call for increased cooperation with Moscow is nowhere to be found in the new document. Instead, it focuses on Russia's military buildup in the Far East, including on the Kuril Islands, which are claimed by both sides.

Tokyo is also concerned about Russia's strategic cooperation with China, including in the form of joint naval or air force exercises. Nevertheless, the strategy differentiates between the security situation in Europe, where the threat from Russia is “significant and direct”, and that in the Indo-Pacific, where Tokyo sees reason for “strong [...] concern”.

## A comprehensive approach with Abe-era features

Japan's new strategy documents see military and non-military factors as closely intertwined. For example, it recognises that certain states use hybrid warfare by trying to manipulate public opinion in other

states (information warfare); it also highlights that military and non-military means are put to use to challenge territorial status quos.

In Japan's view, the economy is an integral part of national security. Increasingly, states are taking advantage of economic dependencies to assert their interests and exert pressure on others. Security policy must therefore consider factors such as the vulnerability of supply chains or competition for advanced technologies. With this in mind, Japan is clearly anchoring the issue of economic security within its new strategy. Indeed, Tokyo had already focused its attention in this direction under Abe Shinzo when he established an economic department within the National Security Secretariat in April 2020. Additionally, in May 2021 under the Kishida government, the Japanese parliament also passed a law to promote economic security.

In line with this comprehensive approach to security threats, the strategy also mentions transnational risks such as climate change and infectious diseases, which, according to Tokyo, will require more international cooperation to mitigate. However, the document primarily focuses on the immediate threats to Japan that emanate from inter-state tensions.

In order to meet the myriad challenges of the day, the new strategy envisages an approach that makes full use of national instruments of power, whether in the realm of diplomacy, military, economy, technology or intelligence. To this end, cooperation between different ministries and agencies is to be improved, a goal that Abe Shinzo had also pursued by way of the creation of the National Security Secretariat in 2013. However, it will remain challenging to overcome the traditional pillars of Japanese bureaucracy that grant individual ministries significant policymaking autonomy. Another goal that will be difficult to achieve is ensuring that the military has better access to civilian research and technology, and engages in strengthened cooperation with the scientific community. Abe already pursued this goal during his time in office but

without much visible success, in part because many Japanese universities and scientific associations have committed themselves to conducting research exclusively for civilian purposes. So far, they have been slow to cooperate with the military despite funding incentives to do so.

The continuation of Abe's foreign policy agenda is also evident in the new strategies' use of two key concepts that he championed as prime minister, i.e. the vision of a Free and Open Indo-Pacific (FOIP), based on free sea lanes, open markets, international law and common rules, and the "proactive contribution to peace", a catchphrase used by Abe to call for a more active Japanese security policy.

### **Investment in defence: the Japanese *Zeitenwende***

In response to the deteriorating security environment, Japan intends to "comprehensively strengthen" its defence architecture in the coming years. By fiscal year 2027, it plans to increase its defence budget to 2 per cent of its gross domestic product (GDP) and to maintain this level thereafter. Between fiscal years 2023 and 2027, Tokyo plans to spend a total of 43 trillion yen (about 303 billion euros) on defence, more than 1.5 times as much as outlined in the current five-year plan.

For Japan, this would be a drastic – and historic – increase. For decades, the country has adhered to (with minimal exceptions) a self-imposed political convention from 1976 that dictates it spend no more than 1 per cent of its GDP on defence. In doing so, it had wanted to abide by its post-war constitution by ensuring that it would not become a military power that posed a threat to other countries.

Even though the planned budget increase to 2 per cent of GDP is significant, it does not automatically correlate to a doubling of defence spending, as Tokyo is changing the basis of its calculation. Budget items that previously fell outside of the defence budget will be included in it in the future,

including, for example, funds for the coast guard. According to some estimates, the actual increase could therefore be around 1.6 times its previous expenditure.

In view of the tense security situation, Japan's long-standing adherence to the 1 per cent convention is just as remarkable as the new budget increase. Indeed, this limitation has been politically controversial for decades. During the Cold War era, then-Prime Minister Nakasone Yasuhiro officially abolished the ceiling in 1986, even if actual defence spending only came to slightly exceed 1 per cent during his tenure. In recent years, the self-imposed restriction has come under much more scrutiny. Kishida's predecessors Suga Yoshihide and Abe Shinzo both stressed that Japan was not bound by the limit. In its 2021 election manifesto, the LDP also set the goal of raising the defence budget to 2 per cent of GDP.

At that time, however, it was unclear whether sufficient political will could be mustered to fulfil this promise. In this context, the continued deterioration of the security situation throughout 2022 – especially the tensions surrounding Taiwan – boosted the position of those in favour of a budget increase. The war in Ukraine played a central role in this insofar as it showed the Japanese public the tangible risk of a military conflict. A survey by the *Yomiuri Shimbun* newspaper in December 2022 found that 51 per cent of respondents approved of the plans for the budget increase, while 42 per cent rejected them. In the Japanese context, this is a high approval rating. Nevertheless, the result also underlines the fact that there is still a great deal of scepticism in Japanese society about the application of military means.

Concerns about the security situation also grew among the junior coalition partner Komeito in 2022. Komeito, with its traditionally anti-militarist position, had until then rejected a significant increase in defence spending. However, in December 2022, it ended its resistance due to what party leader Yamaguchi Natsuo described as “recent severe changes in the national security environment”.

## Unclear funding and fuzzy priorities

It is still unclear how the increase in defence spending is to be financed, but the main options for doing so seem to be by increasing national debt, raising taxes and/or by reallocating other expenses to the defence budget. Prime Minister Kishida is critical of issuing additional government bonds in view of the high national debt that currently stands at about 230 per cent of GDP. Instead, he favours the second two options, proposing to finance about a quarter of the budget increase through tax hikes and the rest through reallocations and other measures. In this context, increases in tobacco tax, corporate income tax and personal income tax are being discussed.

Nonetheless, Kishida's plans face strong headwinds. The majority of the population rejects tax increases, and while the parliamentary opposition is nearly unanimously in favour of increasing the defence budget, they criticise Kishida's proposal to finance it. There is even resistance to Kishida's plans within the ranks of his own LDP. In view of the fragile economy, several LDP politicians have cautioned against tax increases and instead voiced preference for increasing the national debt. Kishida's plan to reallocate budgets is also likely to meet considerable resistance, especially when concrete expenses are identified and potentially defunded. It therefore remains to be seen whether the prime minister will actually be able to mobilise the full amount of funds for the budget increase.

Japan will also need to detail the military capabilities that it will prioritise acquiring in the coming years. The defence strategy identifies seven areas in which the armed forces' capacities are to be expanded: so-called “stand-off” capabilities, integrated air and missile defence, unmanned systems, cross-domain capabilities, command and intelligence, mobility of troops and civil protection, and resilience of the armed forces. Currently, Tokyo is also focusing on stockpiling ammunition and maintaining its equipment, as it has apparently drawn

lessons from the war in Ukraine. It is also focusing on the acquisition and development of missiles, especially long-range missiles, with the aim of expanding its counter-strike capabilities.

### **Counter-strike capabilities: the offense-defence debate**

According to the National Security Strategy, Japan needs to develop the capability to carry out “effective counter-strikes against the opponent’s territory” in the case that it is struck with missiles or projectiles, so as to thwart further attacks. Counter-strikes are to be limited to the minimum necessary for self-defence, as Tokyo explicitly rules out pre-emptive attacks.

In recent years, Tokyo has already invested in missiles with shorter ranges of around 200 kilometres. These are intended to provide defence against threats in Japan’s immediate vicinity, for example, in the event that an adversary attempts to land on one of Japan’s remote islands. When it comes to long-range missiles, however, Tokyo had renounced weapons that could reach other countries. Once again, this was largely due to the anti-militarist sentiments of the Japanese public.

Now, however, Japan is planning to procure and develop various missiles with ranges of at least 1,000 kilometres. To this end, it wants to improve the radius and functionality of its own Type 12 anti-ship missile. By fiscal year 2027, it also aims to procure American Tomahawk cruise missiles with a range of around 1,600 kilometres. In addition, Japan is developing hypersonic missiles; nonetheless, these probably will not be operational until the 2030s.

Japan’s new security posture has caused a stir because its post-war constitution has been interpreted as only allowing an exclusively defensive policy (*senshu boei*). However, even in 1956, the Japanese government declared that counter-strikes against missile bases were constitutional if Japan was attacked and there were no other

appropriate means of defence. According to Japan’s 2022 White Paper, Tokyo defines offensive weapons as those designed for mass destruction of another country, such as long-range strategic bombers or inter-continental ballistic missiles. Along these lines, the Japanese government argues that its previous renunciation of long-range missiles was a political choice rather than a constitutional requirement.

For years now, Japanese security experts have voiced doubts as to whether the country’s missile defence systems offer sufficient protection in the face of China and North Korea’s missile arsenals. China’s military buildup in particular is causing concern. While China now possesses around 2,000 medium-range missiles that can reach Japanese territory, the US has not deployed such ground-based conventional missiles in Asia – in accordance with the Intermediate-Range Nuclear Forces Treaty with Russia that was valid until 2019. This conventional military imbalance is seen in Tokyo as a considerable risk to stability.

Bolstered by cooperation with the US, the new Japanese medium-range missiles are therefore intended to help deter potential attacks. According to experts, the aim is not to achieve deterrence by threatening retaliatory strikes with unacceptable losses for the opponent (deterrence by punishment), but rather to ensure deterrence by reducing the chances that an attack will be successful (deterrence by denial). Some within Japan point to adversarial military facilities, such as command centres or ammunition depots, as potential targets of counter-strikes, but the security strategy fails to elaborate on this.

This explains why the Japanese government sees no contradiction between its desired counter-strike capabilities and the country’s long-held defence-oriented policy. Still, there are some critical voices among the opposition that question this logic.

Considering that Japan already possesses systems such as F-35 fighter aircraft, small Izumo-class aircraft carriers and short-range missiles, it is clear that the country already possesses the technical capabilities to per-

form limited offensive operations against potential aggressors. What makes the decision announced in the security strategy so historic, however, is Japan's first official admission that it believes it can only ensure its security by developing such capabilities.

Japanese public opinion is divided on this front. A December 2022 poll found that 50 per cent of respondents supported plans to develop counter-strike capabilities, while 43 per cent opposed them. A few years ago, more would have likely stood in opposition to such a direction. Certainly, the issue will continue to be the subject of debate. Critics not only call out the offensive nature of the missiles, but also question whether Japan is contributing to an arms race in the region as a result of its approach to armament. It is also unclear whether Japan can launch counter-strikes if it exercises its right to collective self-defence. In 2014, Tokyo had announced that the constitution grants the country this right under certain conditions. In parliamentary debates, however, government representatives have denied that counter-strikes would be possible in cases of collective self-defence.

## Alignment with the US

Japan's new security posture has far-reaching implications for its alliance with the US. In addition to the meeting between Prime Minister Kishida and US President Joe Biden in mid-January 2023, the foreign and defence ministers of both countries met in Washington in so-called 2+2 talks where they discussed the implications of Japan's change of course for bilateral cooperation. The US reaction to Japan's plans could hardly have been more positive. According to the joint statement, Biden praised "Japan's bold leadership" in developing its defence capabilities. US Secretary of State Antony Blinken and Secretary of Defence Lloyd Austin also praised Tokyo's announcement that it would increase defence spending and develop counter-strike capabilities.

Through its armament, Japan is becoming an even more capable ally of the US.

This is significant given the country's increasingly important role in US security policy in recent years. Considering Washington's increasing focus on China as the key challenger to American supremacy, its alliance with Tokyo is of immense strategic value, as are its forces stationed in Japan. In the event of a conflict over Taiwan, American military operations would hardly be feasible without Japanese support.

The joint statement also shows that the two partners' security policy orientations are aligned. Biden and Kishida emphasise that their cooperation is "unprecedented" and anchored in the shared vision of a free and open Indo-Pacific as well as in a set of common values.

Through its high-level engagements with Washington, Tokyo has made it clear that its security policy remains firmly grounded within the context of the alliance. While the development of capabilities will give Japan more political weight within the alliance, it will not realistically enable Tokyo to exercise more autonomy in the context of US-Japan security ties. Its military imbalance vis-à-vis China is far too great for Japan to contemplate such a course.

So far, the US and Japan have neither joint planning nor integrated command structures within the alliance. The division of roles between the partners has so far seen Japan act as the "shield" that can identify enemy forces in the event of an invasion and hold them off while the US maintains and deploys offensive capabilities as the "sword". If Tokyo acquires counter-strike capabilities, this division loses clarity. Consequently, the allies must rethink and reform the bilateral processes of consultation, decision-making and command. They also need to come to an agreement on the circumstances under which counter-strike capabilities would be used, on potential targets and strategic intent, and on division of operational responsibilities. Even though Japan plans to acquire new reconnaissance satellites, it is likely to remain dependent on US intelligence and surveillance data for its counter-strike capabilities in the future. Accordingly, in the January joint statement,

both sides announced deepening cooperation to ensure effective use of counter-strike capabilities. In addition, the Biden administration has signalled its support for Japan's purchase of Tomahawk cruise missiles, which the US has only ever supplied to the UK up until now.

Washington and Tokyo intend to cooperate more closely on other issues as well. Both sides' troops are to share more infrastructure such as airports and seaports as well as ammunition depots. The exchange and evaluation of intelligence information is to be improved through a bilateral office (the Bilateral Intelligence Analysis Cell) that was created in November 2022. The two sides will also intensify their research into new, critical technologies, such as autonomous systems, and develop systems to intercept hypersonic missiles.

The US and Japan also seek to cooperate more closely in the realm of cyber security. They already agreed in 2019 that – under certain circumstances – cyber-attacks could be considered armed attacks in the context of their security treaty. In its new National Security Strategy, Japan announced the introduction of an active cyber defence strategy, according to which it may penetrate enemy servers in order to neutralise them in the event of a cyber-attack. Japan and the US are also planning for closer cooperation in the operational area, in setting security standards of government software and in supporting the capability building of like-minded states in the Indo-Pacific.

January's joint statement also touched on the issue of economic security. The US pushed for Japan and the Netherlands to join it in enacting the October 2022 export controls that are intended to impede China's access to technology for semiconductor manufacturing. According to media reports, the three countries agreed on joint measures in the end of January, but refrained from making an official announcement. The Netherlands had stressed several times that such controls are within its national competence.

Still, it is unclear whether this has resolved the trade policy differences that

exist between Japan and the US. After all, China is an important market for Japanese companies operating in the field of semiconductor technology; they do not want to lose market share to competitors from other countries.

The US and Japan also intend to advance cooperation with other partners, such as countries from Southeast Asia and the South Pacific, as well as with the Quad partners Australia and India, and with NATO and the EU. Trilateral cooperation between the US, Japan and Australia is to be expanded, as is trilateral cooperation with South Korea, whose President Yoon Suk-yeol is working to settle the dispute with Japan over compensation of wartime forced labourers.

## Japan and Europe as partners

Japan's new strategy documents are driven by the recognition of the close interconnection between regional challenges and global developments, including shifts in power. Tokyo's security perspective – which, in the past, was often narrowly focused on its immediate environment or partnership with the US – has broadened. In this context, the war in Ukraine has highlighted the linkages between the Euro-Atlantic and Indo-Pacific security order. In addition to cooperating with the US and regional partners, Japan will therefore follow the trend of recent years and seek stronger ties with Europe on security policy issues.

The new National Security Strategy lists a number of possible measures to intensify cooperation with Europe (and other partners), whether through dialogues, bilateral military exercises, joint armament projects, or agreements on cross-servicing and reciprocal access of troops. In December, Japan already announced a joint project with the UK and Italy to develop a new fighter aircraft – a significant step for Tokyo, which has so far only pursued major armament projects with the US.

For Germany and Europe, closer security cooperation with Japan offers opportuni-

ties, not only because Tokyo is an important player in the Indo-Pacific, but also because it shows a willingness to take on more responsibility at the global level. It is unlikely that any other country resonates to such a degree within American strategic debates on the Indo-Pacific and China. In view of the increased importance of the G7 format, Japan is a key partner for Germany, especially since it assumed the presidency this year.

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