

JAPAN'S MILITARY SPENDING AT A CROSSROADS

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Japan's military budget has held steady at below one percent of its GDP. Japan spends heavily on personnel for its Self-Defense Forces, support of U.S. bases in Japan, and development of its ballistic missile defense and space development. Yet in recent times, the Japanese business community has also demanded an amendment to Article 9 of the constitution for the promotion of military-civil integrated space development and an end to the ban on arms exports. With the future of Japan's security policy still uncertain after the election of the new Hatoyama administration, innovative disarmament cooperation would better serve the stability of the region than Japan's development of high-tech, offensive military capabilities.

Key words: East Asian security, Japan, military spending

Introduction

In September 2009, a historic political change occurred in Japan, leading to the formation of a coalition government led by the Democratic Party of Japan (DPJ) with Hatoyama Yukio as prime minister. In the previous month's general election, the

* Translated by Meri Joyce.

Liberal Democratic Party (LDP), which had ruled Japan consistently since 1955, went down to an overwhelming defeat and was ousted from government. This was the first time in post-World War II Japanese history that a vote by the people brought about a change in government.¹

Resistant to change and with a strong desire to avoid confrontation, the LDP and the governmental bureaucracy had gradually become fused in their management of the nation. While many citizens may have had complaints or been dissatisfied with the status quo, this unified ruling structure also seems to have provided a sense of security. So why did the Japanese public reject the LDP in 2009? The serious economic crisis, the resulting social unease, and the failure of the bureaucratic institutions to deal with these crises all played a part in the political upheaval.

From 2001 on, the Koizumi Junichiro administration spent nearly six years pushing neoliberal reform in response to globalization under the name of “structural reform.” While earlier administrations made certain moves in this direction, the Koizumi reforms clearly signalled the end of the “Japanese model” whereby the state and corporations jointly provided lifetime security for citizens. With the collapse of this system, one in three workers—or, in the case of young or female workers, more than half—became irregular employees. At the same time, the media repeatedly reported on cases of bureaucrats wasting money or spending state funds for private purposes. The DPJ’s success in winning the hearts and minds of the Japanese public stemmed at least in part from its declaration of a “de-bureaucratized rule.”

To verify and reduce unnecessary spending within the administration, the new government established the Government Revitalization Unit under the cabinet. In drafting the 2010 budget,

1. A non-LPD coalition government ruled in 1993-1994, but it was initiated by an LDP faction, which split from the party and formed a coalition with other parties. Thus, it cannot be said that voters changed the government. Within less than a year, in 1994, the LDP came back to power by forming a coalition with the Socialist Party.

which totalled more than 95 trillion yen (\$950 billion), the DPJ government has aimed to cut as much as 3 trillion yen (\$30 billion) as part of its public reconsideration of each and every government program. It has specifically targeted inefficient public works projects and governmental corporations in collusive relationships with the bureaucracy. As they suffer through the economic crisis, people are watching with great interest the television programs featuring sensationalist denouncements of wasteful bureaucratic expenditure.

But so far, despite all of these efforts to cut spending, the government continues to treat one sector as "untouchable." Japan's military expenditures remain beyond criticism and serious revision.

Japan's Military Budget

In 2009, Japan's military budget was 4.774 trillion yen.² This represents 0.94 percent of Japan's GDP and 9.2 percent of the central government budget. According to the Stockholm International Peace Research Institute (SIPRI), Japan's military spending in 2008 was \$46.3 billion, making it the seventh-largest military spender after the United States, China, France, the United Kingdom, Russia, and Germany.³

During the past decade, Japan's military expenditures have largely remained at the same level or even decreased slightly. In 1999, for instance, the total was 4.932 trillion yen, and the budget has remained flat or declined at around one percent or less a year. The expenditure has been within 0.9 percent and 0.99 percent of the GDP, just short of the cap of one percent that has been the informal limit the Japanese government has adhered to since 1967.⁴ The ratio of military expenditures to general policy

2. Japan Ministry of Defense, *Defense of Japan 2009* (Annual White Paper), http://www.mod.go.jp/e/publ/w_paper/2009.html.

3. Stockholm International Peace Research Institute (SIPRI), *SIPRI Yearbook 2008*.

4. Japan's military expenditure has been less than one percent of GNP (or

spending (the government budget) has also slightly declined, from 10.5 percent in 1999 to the current 9.2 percent.

In the past ten years, military expenditures in the whole East Asia region have increased by more than 55 percent. The major cause for this is the expansion of China's military spending, which is estimated to have tripled during the past decade. In recent years Japanese military expenditure was sometimes the third or fourth largest in the world, but in comparison to China's marked increase, Japan's ranking has dropped. Meanwhile, South Korea's military expenditures, which ranked eleventh in the world in 2008, have almost doubled in the past ten years.⁵

In a breakdown of Japan's 2009 military budget, Self-Defense Force (SDF) salaries comprised 44 percent; purchase of equipment including weapons, aircraft, and ships made up 17 percent; research and development 2.5 percent; base-related costs (including the burden of maintaining U.S. forces stationed in Japan) 9 percent; and other costs related to the realignment of U.S. forces in Japan, 1.5 percent.

The breakdown of equipment purchases comes to \$1.6 billion for aircraft, \$1.9 billion for ships, \$1 billion for missiles, \$1.1 billion for firearms and vehicles, and \$1.2 billion for ammunition. Particular importance has been placed on the modernization of the Air Self-Defense Force's F-15 fighter planes and the upgrade of warning and surveillance radars. In addition, the government allocated around \$1.1 billion for "dealing with ballistic missile attacks" and around \$600 million toward "efforts for development and use of space" for the purpose of "enhancing operational infrastructure" of the ballistic missile defense (BMD) system.⁶

GDP since 2001) since 1967, with the exception of 1995-1997.

5. These figures are based on the SIPRI Military Expenditure Database, www.sipri.org.

6. *Defense of Japan 2009*.

Self-Defense Forces Jobs Program

The first characteristic that jumps out from such a breakdown of Japanese military expenditures is the large-scale “employment” of Self-Defense Force personnel. As of March 2009, the number of SDF personnel is 140,000 in the Ground SDF, 42,000 in the Maritime SDF, and 44,000 in the Air SDF. Including 2,000 Joint Staff Office personnel, this is a total of almost 230,000 people. Yet even this is only 92 percent of the SDF's full staffing of around 250,000.⁷

In recent years, the Ministry of Defense has been investing much more energy in recruiting SDF personnel. The ministry has aggressively promoted the SDF as a career choice for high school graduates, particularly in Japan's underdeveloped countryside. These campaigns have been organized jointly by the local authorities and the SDF. Simple yet large SDF recruitment billboards are particularly prominent in towns and villages that have few shops and factories. More recently, elaborate television commercials have also been added to this recruitment drive. The slogan for such advertising is “Make Peace Your Job,” and much is made of the job's salary and benefits. In its pamphlets, the SDF emphasizes its role in disaster and humanitarian relief and in international operations. The Shibuya area in central Tokyo is the heart of youth culture, a spot where many youth who have left home gather, and where drug problems are endemic. In 2008, the SDF established a recruitment center, or *jieikan*, in this area.⁸

In September 2009, the unemployment rate in Japan reached 5.3 percent, and 3.63 million people are without jobs, an increase of 920,000 since the previous year. The unemployment rate for young people is around 10 percent.⁹ Given such difficult economic circumstances, the employment provided by SDF garrisons, especially in rural areas struggling to promote industry,

7. Ibid.

8. The SDF recruitment website is at www.mod.go.jp/gsdf/jieikanbosyu/.

9. Statistics Bureau, Ministry of Internal Affairs and Communications, www.stat.go.jp/data/roudou/sokuhou/tsuki/index.htm.

is significant.

Although the government is carrying out commercial campaigns and efforts to gain new SDF recruits, the number of personnel has not reached its full complement. This is not unrelated to the SDF's activities overseas, including deployment of troops to Iraq and logistical support to the war in Afghanistan. Participation in these campaigns has rendered the title of "Self-Defense" meaningless. The fact that the SDF is no longer the safe career choice "providing meals, gaining flying qualifications and yet not having to go to war" is now clear to all.

Supporting U.S. Forces Japan

The second key characteristic of Japan's military spending is the ratio of expenses allocated to U.S. forces in Japan. Although under the bilateral Status of Forces Agreement Japan's financial responsibility for contributing to the construction and renovation of U.S. bases in Japan is not clear, the Japanese side has voluntarily supported these initiatives through *omoiyari yosan* or "sympathy budgetary allocations."

Through these allocations, Japan has provided a cumulative total of over \$20 billion for the construction and renovation of U.S. bases under the "Facility Improvement Program" (FIP). A large proportion of this is housing-related, such as accommodation for families of U.S. military personnel, but it also includes entertainment facilities, hospitals, repair of ships and aircraft, and the construction of port facilities. These efforts add up to 12,000 construction or renovation projects on sixty-six U.S. bases throughout Japan.¹⁰

In light of Japan's current financial difficulties, the government is leaning toward a reduction of construction and renovation as part of the FIP. However, within the recent realignment

10. "Bei Kichi Seibi ni 2 Cho En Cho: 'Omoiyari' Yosan 30 Nen" (The 'Worrisome' Implications of Surpassing a 2 Trillion Yen Budget), *Shimbun Akatata*, June 23, 2009, at www.jcp.or.jp/akahata/aik09/2009-06-23/2009062301_01_1.html.

of the U.S. forces, many new expenses are cropping up such as training relocation costs. For example, in order to relocate training of U.S. marines based in Okinawa to SDF facilities in Japan, a cumulative total of \$100 million was spent between 1997 and 2008 for the construction of specialized facilities within existing SDF facilities.¹¹ In addition, expenditures are rising for newly created budget categories such as the relocation of the U.S. air base in Futenma and the construction of a new base at Henoko in Okinawa, the relocation of training facilities for U.S. Air Force fighter planes, and the relocation of the marines to Guam.

The issue of costs related to the U.S. forces Japan and their realignment could potentially become a point of political dispute between the new U.S. and Japanese governments. President Obama and Prime Minister Hatoyama raised the issue of the relocation of the Futenma Air Base, for instance, at their November 2009 meeting.¹² The new coalition government's policy mentions "reduction of the burden of Okinawa," and is suggesting a "reexamination" of the Futenma Air Base relocation issue, including a potential relocation to another prefecture in Japan or else overseas. On the other hand, the United States wants to speedily implement the previous agreement of relocating the base to Henoko, within Okinawa prefecture. Furthermore, in November 2009, the government included contributions to salaries for workers at U.S. bases as part of the "sympathy budgetary allocations" in the list of projects to be examined for budget reductions.¹³ It is not easy to predict how further negotiations on this issue will develop and what influence this will have on the financial burden of Japan in relation to the U.S. military.

11. Ibid.

12. See Joint Press Conference by President Obama and Prime Minister Hatoyama, November 13, 2009, at www.kantei.go.jp/foreign/hatoyama/statement/200911/13usa_kaiken_e.html.

13. For details, visit the Government Revitalization Unit, www.cao.go.jp/sasshin/index.html.

BMD and Space Development

The third characteristic requiring attention is expenditures on ballistic missile defense. In 1998, when North Korea conducted a test that sent a long-range rocket over Japan, Japan decided to commence joint research on ballistic missile defense with the United States. Over the next five years, Japan spent around \$150 million on this joint research. Then in 2003, Japan decided to introduce both the Aegis ship-based BMD (SM-3) and the PAC-3 (*Patriot Advanced Capability 3*) systems, announcing that the “high technical feasibility” of the systems was confirmed.¹⁴

In announcing the decision to acquire BMD, the cabinet made the following comment in relation to overall defense expenditures:

When carrying out such a large-scale program as the BMD system preparation, the Government of Japan will carry out a fundamental review of the existing organization and equipment of the Self-Defense Forces . . . in order to improve the efficiency, and, at the same time, make efforts to reduce defense-related expenditures to take the harsh economic and fiscal conditions of Japan into consideration.¹⁵

This policy of “selection and concentration” mandates the investment of huge sums into BMD even if this requires reductions in expenses in other fields.

Since then, Japan’s spending on the BMD systems has been \$1.1 billion in 2004, \$1.2 billion in 2005, \$1.4 billion in 2006, \$1.8 billion in 2007, \$1.1 billion in 2008, and \$1.1 billion in 2009. In addition, in a separate category from BMD are closely related “key categories” that include “dealing with developments in military scientific technology” (\$1.2-1.8 billion per year) and the “building of an advanced information communications net-

14. Kawasaki Akira, “Missile Defense-Donyu No Muteiken,” *Sekai*, No. 720 (November, 2003).

15. “Preparation of Ballistic Missile Defense System, etc,” adopted by the Security Council of Japan and approved by the cabinet on December 23, 2003, in *Defense of Japan 2008*, pp. 425-27.

work" (\$1.6-2.1 billion per year).¹⁶ The expansion of investments in high-tech military technology and information communications networks related to BMD has also been integrated in the military transformation begun under the U.S.-led Revolution in Military Affairs (RMA) in the 1990s.

This is also bringing change to Japan's space development. In 1969, Japan determined through a Diet resolution that space development would be "limited to peaceful purposes." However, the development of military technology including BMD is inextricably linked to a space-based information communications network. Japan's defense community and industries have long raised concerns that the "peaceful use" principle would be an obstacle to space development. Partly in response to these concerns, the LDP government enacted the Basic Law of Outer Space in 2008, with the support of the DPJ, in order to regulate space development to "contribute to peace or security for the international community, and the security of our own nation." According to the official interpretation of this law, space development for defense purposes was now possible. Soon after, the government included \$600 million for "space development" in the 2009 defense budget.¹⁷

The Role of the Business Community

Lobbying for Military-Civilian Scientific Integration

In 2005, at the height of the Koizumi reforms, the Nippon Keidanren (Japan Business Federation) announced a collection of recommendations entitled "Looking to Japan's Future: Keidanren's Perspectives on Constitutional Policy Issues." This paper

16. These are based on the figures that appeared in Japanese yen in *Defense of Japan 2004-2009*, but are converted into U.S. dollars at the rate of 100 yen per dollar for the sake of convenience.

17. Since many other ministries and agencies, and not just the ministry of defense, have space-related budgets, a full accounting of Japan's space programs is difficult.

argued that:

In Japan, there has been a tendency to distinguish, from a pacifistic perspective, defense-related scientific technology from other scientific technologies. From now on, Japan should promote efforts to ensure its citizens' safety and security and to help realize international peace, breaking down the barrier separating defense and civilian purposes in scientific technology. In relation to this, the principle of the peaceful use of outer space that has restricted utilization of most advanced technologies for defense purposes and the Three Principles on Arms Export should be reviewed and further relaxed, with a view toward the development of advanced scientific technologies.¹⁸

Within this paper, Keidanren proposed amending Article 9 of the Japanese constitution—particularly the second clause that prohibits the maintenance of armed forces—and “clarifying the maintenance of the Self-Defense Forces” as well as “making clear that Japan can cooperate with activities that contribute to international peace, in partnership with the international community.” At the same time, it proposed a change in the current interpretation of the constitution whereby Japan cannot exercise the right to collective self-defense, as this “denies activities to support allies, and is holding back steps towards the realization of Japan as a state which can be trusted and respected by the international community.”

These positions of Japan's business community must be understood within the contemporary context of global developments in the military industry. In this age, integration of the military industry beyond national borders is accelerating. Within the high-tech and information and communication fields, the boundary between military and civil technology is becoming

18. Nippon Keidanren, “Wagakuni no Kihon Mondai wo Kangaeru: Korekara no Nihon wo Tembo Shite” (Looking to Japan's Future: Keidanren's Perspectives on Constitutional Policy Issues), January 18, 2005. Original Japanese text at www.keidanren.or.jp/japanese/policy/2005/002/honbun.pdf. Outline in English at www.keidanren.or.jp/english/policy/2005/002.html. Quoted is an unofficial translation from the original Japanese text.

more and more ambiguous. Demands for the amendment of Article 9 of Japan's constitution led by the business community are not a revival of militaristic rhetoric but rather a strategy to develop a competitive industry within the global economy. The two substantive demands are for the promotion of military-civil integrated space development and an end to the ban on arms exports. Central to these demands is the removal of laws and legal interpretations limiting the Self-Defense Force's international activities—to be more specific, integrated operations with the U.S. military—and this includes legalizing the right to exercise collective self-defense.

Keidanren not only repeatedly lobbied for the legislation of the Basic Law of Outer Space but also, after the law's enactment, actively lobbied for the formulation of a Basic Plan for Space Policy based on the new law. Subsequently formulated in June 2009, the Basic Plan for Space Policy included the "promotion of new space development uses" in the security field, such as information-gathering and warning and surveillance, positioning the space industry as a "21st Century strategic industry," and calling for the industry's strengthened international competitiveness. It also provides an adequate budget for this purpose. However, in its current difficult financial situation, the government has been careful to stress the need for "balance" and "streamlining" with other state policies.¹⁹

Industry Response to the Arms Exports Ban

Japan has a unique policy that bans arms exports under the so-called Three Principles on Arms Exports. The Three Principles began as a policy in 1967 that banned the export of arms to communist bloc countries, countries subject to arms exports embargo under UN resolutions, and countries involved in or likely to be involved in international conflicts. In 1976, the gov-

19. Strategic Headquarters for Space Policy, "Basic Plan for Space Policy," June 2009, http://www.kantei.go.jp/jp/singi/utyuu/keikaku/pamph_en.pdf.

ernment widened this principle to ban arms exports more generally by announcing that it would also “refrain” from exporting arms to all other countries as well. This policy is based on the pacifism of the Japanese constitution and the position of not contributing to international conflicts.²⁰

In 1983, however, based on the U.S.-Japan Security Treaty, the Japanese government decided that the provision of arms technology to the U.S. military would be an exception to this principle. Furthermore in 2005, at the commencement of the U.S.-Japan joint development of BMD systems, Tokyo decided that exports in the field of BMD would also be an exception.²¹

Major industry figures continue to call for the further easing of the Three Principles on Arms Exports. In the current situation, the destination for equipment developed by Japanese corporations involved in military armaments is limited to the Japanese government. However, as the government is tending toward containing military expenditures, the amount of purchases is limited, and thus an increase in prices is unavoidable. In other industrialized countries, including the United States and the European Union, the arms industry works toward cost reductions through joint international development, while undertaking a process of large-scale mergers and restructuring. The Japanese business community, trying to keep up with such trends, is aiming for a “strengthening of international competitiveness.” It advocates reconsideration of the Three Principles and reform of arms procurements.²²

20. For details of the Three Principles, see www.mofa.go.jp/policy/un/disarmament/policy.

21. Statement by the Chief Cabinet Secretary at the Adoption of Mid-Term Defense Program (FY 2005-2009), December 10, 2004, and Statement by the Chief Cabinet Secretary, “Japan-US Cooperative Development of Advanced SM-3 Missiles for Ballistic Missile Defense,” *Defense of Japan 2008*, December 24, 2005, pp. 409-11 and 429.

22. For example, refer to the report of the Research Institute for Peace and Security (RIPS) Symposium, “Japan’s Arms Exports Ban and Arms Procurement: Present Conditions and Challenges,” held in Tokyo on October 5, 2007. This symposium was supported by Defense Production Committee, Nippon Keidanren, and the American Chamber of Commerce in Japan. See www.rips.or.jp/from_rips/pdf/rips_sympto.pdf.

Also, the United States is pushing the agenda forward, as seen in Defense Secretary Robert Gates' recent request for Japan to relax the Three Principles to export anti-missile interceptors to Europe.²³

While "special procurements" for the Korean War in the 1950s did in fact serve as a springboard for post-war Japanese economic development, Japan has largely been able to create a model of economic development that does not rely on military demand. Japanese corporations involved in armaments also have a civilian sector that is their main production, and the ratio covered by the armaments sectors within the corporations is extremely low in comparison with corporations in the United States and Western Europe. However, this model is now at a turning point. On the one hand, information communication technology is developing rapidly in a form that encompasses both the civilian and military sectors. On the other hand, because of the economic crisis, the military sector is now being forced to "select and concentrate" through mergers and restructuring in order to survive. In this situation, Keidanren presented a set of recommendations to the government in July 2009 calling for the "establishment of policy for the defense industry."²⁴

One issue that industry is not focusing attention on is corruption. In 2007, news broke of then-Vice Defense Minister Moriya Takemasa, the top bureaucrat at the ministry of defense, receiving entertainment favors over a long period of time from a certain company in connection with procurement contracts for defense equipment. Moriya was subsequently arrested. This incident symbolized the close and corrupt relationship between Japanese industry and the bureaucracy in charge of Japanese military affairs. However, media coverage of the incident soon subsided, and this scandal failed to make the long "untouchable" issue of defense procurements more subject to public scrutiny.

23. "U.S. Urges Japan to Export SM-3s," *Japan Times*, October 25, 2009, at <http://search.japantimes.co.jp/print/nn20091025a2.html>.

24. Nippon Keidanren, "Waga Kuni no Boei Sangyo Seisaku no Kakuritsu ni Muketa Teigen" (Turning Points in the Establishment of the Nation's Defense Industry Policy), July 14, 2009, at www.keidanren.or.jp/japanese/policy/2009/064.html.

The Path Ahead

Buying Time

It is not easy to predict Japan's future path. The outlines of Japan's security policy—the realignment of the U.S. forces in Japan, BMD, space development, and the demands of the business sector—were all established during the Bush-Koizumi era. The Obama and Hatoyama administrations might uphold this new status quo, or they might set off in very different directions.

The Hatoyama government is, for now, buying time before making any major decisions on basic security policy. Under the previous government of Aso Taro, a report by an advisory panel to the prime minister on Japan's future security was presented in June 2008. The key thrust of this panel was to change constitutional interpretation in order to allow the exercise of the right to collective self-defense. This report was essentially the supreme expression of the “defense reform” built by the Bush and Koizumi regimes.²⁵ According to this plan, revision of the National Defense Program Guidelines and the Mid-Term Defense Program were also planned for the end of 2009. However, Prime Minister Hatoyama decided to postpone revision of defense policy by one year. He has also announced the establishment of a new panel of experts.

Currently, the United States spends 42 percent of the \$1.46 trillion dollars of annual global military expenditures, and East Asia is responsible for 13 percent. Furthermore, military expenditure in East Asia is increasing at a speed which is pronounced even on an international scale. East Asia, home to an enormous U.S. military presence, is becoming the world's largest weapons market. Japan has considerable latent potential to contribute to the freezing and reduction of regional, and global, military expenditures. Although Japan's military expenditures remain quite high by global standards, Japan could set an important

25. Council for Rebuilding the Legal Foundation for National Defense, <http://www.kantei.go.jp/jp/singi/anzenhosyou/houkokusho.pdf>.

example for other countries by not increasing this amount and remaining within a standard of less than 1 percent of the GDP.

The key issue is whether Japan will continue to develop high-tech military technology relating to BMD or not. The Japanese government and the Japanese public must answer a set of questions connected to these systems. Do they really function? What exactly is this system trying to protect, and from what? Is Japanese industry and technology just being mobilized in order to assume the place of U.S. defense? Is there a calm, efficient, and alternative method to removing the missile threat other than developing intercepting missiles?

Toward Innovative Disarmament Cooperation

Japanese and U.S. development of missile defense and related technology is clearly stimulating a backlash from China. This, in turn, helps China justify the modernization of its nuclear missile forces, leading to the promotion of a regional arms race and a worsening of the regional security environment. It is possible, through coordinated regional diplomacy and strengthened transparency and verification measures, to remove the nuclear and missile threats in a cooperative manner. Such an approach would increase confidence within the region, improve the security environment, ensure that regional resources are not being wastefully invested in military purposes, and bring us closer to building a sustainable peace in East Asia.²⁶

To the extent that the realignment of U.S. forces reinforces U.S. regional and global power projection capabilities—rather than functioning as a cost-saving mechanism or as a means to enhance collective security—the backlash in Northeast Asia will be strengthened. If North Korea were to view the realignment of U.S. bases in Japan and South Korea as a threat, it will be less

26. Proposals of civil society to limit and reduce military spending and to create peace mechanisms in the region include: Cheong Wooksik, Hsu Szuchien, Kawasaki Akira and Park Jungeun, "Sekai-teki Kiun wo Tsukami, Tohoku Ajia ni Heiwa Mekanizumu wo," *Sekai*, No. 793 (July, 2009).

likely to follow through on denuclearization. If the relocation of U.S. bases leads to the construction of new bases within Japan or elsewhere, and increases expenses to that end, a key opportunity will have been lost. In order to serve the purpose of regional peace, the realignment of U.S. bases must be used to close redundant bases and promote their withdrawal.

The new Hatoyama government is reexamining and trying to readjust the alliance with the United States in the name of “equal partnership” while also calling for the creation of an East Asia Community. Japan must not be misunderstood as reviving its early 20th-century ambitions for military hegemony in the region. The military spending issue can be a breakthrough for Japan, a way to show its commitment to peace while contributing to the construction of a new regional order. Japan should initiate negotiations with China and Korea toward a mutually coordinated freeze and reduction in military expenditure. Rather than abandoning its ties with the U.S. military industry, Japan should use the arms-export ban principle to negotiate and establish a regional framework to curb the arms trade and weapons proliferation.

In 1967, Prime Minister Sato Eisaku introduced Japan’s Three Non-Nuclear Principles: not possessing, producing, or permitting the introduction of nuclear weapons. The Diet established these principles as national policy through a resolution in 1971. However, despite the “non-introduction” provision, considerable evidence indicates the existence of secret deals between the U.S. and Japanese government to allow the transit and port-calls of nuclear-weapons-equipped vessels, even since 1960. The Hatoyama government has established a commission to look into these secret deals. It is important to legalize these three principles to prevent a reintroduction of nuclear weapons into Japan. Legalizing the Non-Nuclear Principles will also create momentum for a nuclear weapon free zone in Northeast Asia that would, in turn, strengthen the nonproliferation regime in the region.²⁷

27. In 2008, the DPJ presented a model treaty for a Northeast Asia nuclear weapon free zone. See also Peace Depot, www.peacedepot.org/e-news/

Despite the advocacy of Keidanren, a concentrated investment in high-tech, military-civilian integrated technology would not lead to overall benefits for the Japanese economy. Such investments would have little economic effect for the vast majority of the Japanese labor force working in small or mid-size business. If Japan were to throw away its reputation as a “peaceful nation,” which it has maintained throughout the post-war era, the Japanese economy, so dependent on trade with Asia and the Middle East, would necessarily suffer.

Instead of viewing the Self-Defense Forces as a way to boost employment, the Japanese government should establish an independent organization with straightforward humanitarian purposes such as disaster relief.²⁸ Through exchange and humanitarian activities with and in neighboring countries, such an organization could reduce military expenditures and build regional confidence.

The development of innovative cooperation for disarmament is now needed. At this critical juncture in history, only a cooperative-security approach can lead the way to the creation of a new order of peace.

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[nwzfz/nwzfztop1.htm](http://www.nwzfz/nwzfztop1.htm).

28. This was a civil society proposal to establish a Peace Fundamental Law that contains the idea of separating humanitarian elements from the present SDF as an independent body. Refer to Maeda Tetsuo, Yoshioka Tatsuya, Iijima Shigeaki, and Kodama Katsuya, *Heiwa Kihon Ho* (Toward Enduring Peace) (Tokyo: Kobunken, 2008).

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