

# Asia-Pacific Security Studies



## *Japan Gets Serious about Missile Defense: North Korean Crisis Pushes Debate*

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### Conclusions

Prime Minister Koizumi's recent decision to "accelerate consideration" of Japan's participation in the United States ballistic missile defense (BMD) program signaled that while obstacles remain, a consensus on moving toward deployment of a missile defense system is not far off.

This study was written by Dr. David Fouse, Assistant Research Professor in the APCSS Research Division. The study incorporates findings of a research trip to Tokyo in March 2003. Dr. Fouse holds doctorates from The Graduate Institute for Advanced Studies in Tokyo and the University of Hawaii. His research interests include Northeast Asian security issues with a special focus on Japan. His past research has dealt with the development of postwar Japanese security policy, Japanese domestic politics and United States-Japan bilateral relations.

The North Korean nuclear crisis has created a sense of vulnerability among the Japanese public that has for the most part silenced criticism of BMD on pacifist grounds, opening the debate to more practical issues such as cost, feasibility and strategic considerations.

The North Korean crisis also has magnified the importance of the U.S.-Japan alliance, raising the stakes for Japanese cooperation on issues such as BMD. Most analysts inside Japan believe alliance maintenance will be a key factor in deciding the BMD issue.

Improvements in the performance of the United States Patriot 3 interceptor systems during Operation Iraqi Freedom increased the technical credibility of BMD inside Japan, helping to win over domestic opposition.

The influence of Chinese objections in shaping Japanese approaches to a BMD system has decreased due to China's success in modernizing its own ballistic missile capabilities and its misuse of the "history card."

Although Japan appears to be ready to move forward with the deployment of a layered missile defense system, the United States faces the possibility of alienating key support groups inside Japan if it does not tactfully handle the issue of the future of the joint research and development project. If an off-the-shelf purchase of U.S. developed SM-3 technology is approved, it will be critical to the long-term health of the alliance that the United States avoids the perception that it is exploiting Japan's sense of vulnerability to North Korean missiles in order to benefit its own defense industry.

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At the May 23, 2003 U.S.-Japan summit meeting Prime Minister Koizumi indicated both that missile defense was an important issue for Japan's defense policy and that he planned to "accelerate consideration" of his country's participation in the United States missile defense program. Thus, after 20-some years of flirting with the idea of developing a missile defense system, Japan is finally moving toward a decision on whether to move forward with the project. Revelations regarding a covert North Korean nuclear weapons program in October 2002 have provided stimulus for a more substantive debate regarding Japan's strategic vulnerability than has been previously possible in the antimilitarist postwar era. Japan's policy makers are currently weighing a variety of factors that will influence their final decision on whether to move forward with development of a missile defense system. Cost, technical feasibility, the impact on Japan's strategic relationship with China, maintenance of the Japan-United States security alliance and the ability of the government to resolve legal questions intertwined with missile defense will all have a significant impact on the final decision. Among these, the importance Japan places upon strengthening its alliance with the United States will most likely play a key role in fostering support for missile defense, though the pace of Japan's cooperation may be influenced by how the current North Korean crisis evolves.

### **Japan's Historical Involvement with BMD**

Japan's interest in the United States missile defense program dates from the mid-1980s, when the U.S. Department of Defense solicited participation by allied countries for the Reagan administration's Strategic Defense Initiative (SDI). Although Japan declined to participate at that time, Japanese companies did cooperate with U.S. industry in a major study of missile defense systems entitled the Western Pacific Basin Architecture Study (WestPac) in 1990. When that study was completed in 1994, the United States and Japan initiated a "Bilateral Study on BMD" to better understand the ballistic threat to Japan and to study alternative architectures for a Japanese missile defense system.

These efforts received increased impetus after North Korea's test firing of its Taepo Dong-1 missile in August 1998. Reports of the solid-fuel three-stage missile soaring across Japan and into the Pacific Ocean ignited public concern about the country's vulnerability to ballistic missile attacks. Four months later the Japanese Security Council made a decision to cooperate with the United States on research for the Navy Theatre Wide (NTW) Defense System (which was later absorbed into the Sea-Based Midcourse Defense System [SMD]).

Budget allocations for the project remained relatively small over the first few years. The Japanese Defense Agency (JDA) allocated \$8 million in the fiscal year (FY) 1999 budget and followed with incremental increases over the next two years (\$15.5 million in FY 2000 and \$28 million in FY 2001). In February 2001 it was reported that the BMD joint study would be completed by 2003 or 2004, at which time Japan would decide whether or not to go beyond the research stage to develop and deploy the SMD system. Later that month the joint effort was extended until 2006 due to delays of the U.S. testing program for SMD.

The BMD issue in Japan became further complicated after President Bush's speech on missile defense in May 2001. In this speech no distinction was made between United States national missile defense (NMD) and systems designed to protect U.S. troops and allies in various theatres across the globe—commonly referred to as theatre missile defense (TMD). While Japan's government gave cautious support for the new integrated concept of BMD, the announcement raised new concerns within Japan regarding the integration of U.S. and Japanese defense systems. Defense Agency Director-General Nakatani stated in June 2001 that Japan would not participate in the U.S. missile defense program if it violated the current interpretation on the right of collective self-defense, which does not allow

Japan to provide military support to another state in circumstances where Japan itself is not under attack. During the same month Prime Minister Koizumi suggested the possibility that the U.S. missile defense program could lead to an arms race during Diet interpellation, throwing grave doubt over Japan's continued participation in the project.

### **North Korean Threat Drives New Interest in BMD**

The tone of Japan's debate with regard to the development of BMD took a dramatic turn in the fall of 2002. The first step in this process came when Prime Minister Koizumi's celebrated attempt to push forward normalization with North Korea was scuttled over the abduction issue in early September. Hopeful aspirations for better relations between the two nations quickly turned to bitterness when the negotiations over the return of Japanese kidnap victims and their families in North Korea broke down. Shortly thereafter Prime Minister Koizumi reshuffled his cabinet, replacing Defense Agency Director-General Nakatani with a young politician known for favoring the active use of the Self Defense Forces to accomplish policy objectives. The new Director-General, Shigeru Ishiba, had long maintained that the conventional government interpretation of the Constitution should be changed to allow Japan to exercise its right of collective self-defense.

The significance of this change in the Defense Agency's profile was magnified in October when a secret nuclear weapons program in North Korea was revealed. During the escalation of tensions that followed, Director-General Ishiba attempted to bring Japan's strategic vulnerability home to the Japanese public by highlighting the country's inability to defend itself against North Korean missiles. At a November 5 meeting of the Lower House Security Committee Ishiba emphasized that missile defense is one option for dealing with an adventurous state that is not affected by deterrence, stating, "If research results are produced and found beneficial, we will move to the development stage. We should make every effort to achieve such research results as soon as possible." Shortly before U.S. Undersecretary of Defense Douglas Feith visited Japan in mid-November, Ishiba reminded his fellow Japanese that North Korea had already deployed some 100 ballistic missiles capable of reaching major Japanese cities and stated flatly, "missile defense is indispensable for Japan's security."

Despite Director-General Ishiba's strong show of support for missile defense in the first few months following the North Korean revelations, the larger political establishment in Tokyo remained cautious in its approach to the BMD issue. Following a meeting with U.S. counterpart Donald Rumsfeld on December 17, Director-General Ishiba issued a statement indicating that Japan wished to "study the [joint missile defense] program with an eye toward a future move to development and deployment," yet even this moderate show of support was quickly rebuffed by Chief Cabinet Secretary Fukuda in Tokyo. Fukuda argued that the necessity of Japan developing a missile defense, how Japan would deal with the costs and how the system would fit into Japan's defense policy were all issues that must be studied. Officials close to Prime Minister Koizumi argued that pushing forward with Japan's missile defense program with the United States was unrealistic. "How many years will it take until such a defense shield is actually deployed?" asked one Koizumi aide. At year's end the Koizumi administration continued to hold to the position that it would be much more realistic to persuade North Korea to abandon its nuclear weapons and missile development program through negotiations.

Notwithstanding some reticence on the part of the policy elite, polls in 2003 have demonstrated that the Japanese public has taken Director-General Ishiba's warnings to heart. In a survey conducted by the Cabinet Office in January, nearly 80 percent of the respondents said they believe Japan could be drawn into a war. Seventy-four percent cited North Korea as the biggest area of security concern. With



television and the printed media keeping the North Korean issue before the Japanese public's eyes on a daily basis, left-leaning pacifists have been virtually silenced on the BMD issue. Sensing the shift in public sentiment, the "boei-zokugaiin" (Diet members who specialize in defense issues) joined Mr. Ishiba in cultivating public support for missile defense as the North Korean crisis dragged on.

### **Build or Buy? United States Offers Japan Off-the-Shelf SMD**

In February 2003 reports began to surface that the United States had consulted Japan regarding an off-the-shelf purchase of an SMD system it plans to begin deploying on Aegis destroyers in 2004. After completing a successful test of the new SM-3 interceptor developed by Raytheon Corporation in November 2002, U.S. Defense Secretary Rumsfeld urged Japan to purchase these missiles for its Aegis destroyers at his meeting with Director-General Ishiba in December 2002. In addition to providing a defense to North Korean missile attacks at a much earlier date than would be possible under the joint research program, the U.S. system is said to be available at substantially lower cost. Reports indicate that it would not cost more than 100 billion yen (U.S. \$830.5 million) to outfit Japan's four existing Aegis destroyers with the system. This compares with previous cost estimates of nearly 1 trillion yen (U.S. \$8.35 billion) for deployment of an SMD system developed jointly by Japan and the United States.

During a period of tightening budgets the new proposal holds an obvious appeal for those inside the Japanese government concerned with maintaining the alliance while limiting costs. In the past both the Ministry of Foreign Affairs and the powerful Ministry of Finance have supported purchasing off-the-shelf defense systems from the United States as a way to enhance alliance strength and lower overall defense costs.

How the proposed sale of SM-3 missiles developed in the United States will affect the joint research project remains unclear at this time. If the sale leads to abandoning the joint research project it could erode support within the Japanese defense industry for participation in the missile defense program. Memories of the controversial joint program to develop the FS-X fighter are still fresh in Japan and could lead to complications in BMD cooperation if the situation is not handled delicately by the United States. In the earlier case, the Japanese government reluctantly agreed to cooperate in the joint development project, despite its strong desire to develop an indigenous fighter. Just as soon as the deal was signed, however, a backlash within the U.S. Congress and Chamber of Commerce erupted over the wisdom of technology cooperation with the United States' main high-tech competitor. Japan was eventually forced to renegotiate the terms of transfer in the co-development project to protect the U.S. lead in aerospace technology, leaving the country with a bitter taste regarding joint development and production agreements with the United States.

The JDA intends to incorporate a plan for SMD in a review of the National Defense Policy Outline due out later this year. The United States has also announced that it plans to strengthen interoperability with the Self-Defense Forces, based upon the assumption that Japan will deploy a U.S. missile defense system. Doing so will undoubtedly raise objections from critics who believe an integrated missile defense system will violate Japan's self-imposed ban on collective self-defense.

### **BMD and the Problem of Collective Self-Defense**

Despite waning public criticism of BMD many politicians have remained reticent, unwilling to commit their support to the project. One of the key issues inhibiting support is whether deployment of a full-scale missile defense system will necessarily involve Japan in a relationship of collective self-defense with the United

States. The government has long maintained that while Japan possesses the right of collective self-defense delegated to all sovereign nations in the UN charter, it cannot exercise this right based upon its own interpretation of Article Nine of the Constitution. Critics of the BMD program have argued that the highly integrated system of command, control, communication and intelligence (C<sup>3</sup>I) necessary for missile defense will involve Japan and the United States in a de facto state of collective defense. Critics also argue that with SMD systems capable of boost phase interception, it would be impossible to determine which country an enemy missile has targeted before interceptor missiles were launched, with the possible consequence of embroiling the country in situations where Japan itself is not the subject of attack.

Supporters of the project have attempted to downplay any connection between BMD and the collective defense issue. Director-General Ishiba has stated that the only real issue is whether Japan truly possesses the right to defend itself against ballistic missile attack. Recent remarks made by Cabinet Legislative Bureau Director-General Osamu Akiyama also indicate that the government may attempt to sidestep the issue of collective self-defense in its deliberations on BMD. Akiyama's comments bear weight because his bureau is directly responsible for the government's interpretation on constitutional issues. Speaking in a House Budget Committee meeting Akiyama stated, "When Japan judges that the probability of missiles flying toward our country as a target is considerably high, Japan may regard them as objects to which the self-defense right can be applied. It is against the spirit of our Constitution to deny this right to intercept the missiles [under such a situation]." Thus the interception of ballistic missiles would be deemed constitutional even if the targets of the attack missiles cannot be predetermined accurately.

Should the government permanently adopt the Akiyama interpretation it will remove a major obstacle to development and deployment of a missile defense system in Japan. Supporters within the dominant Liberal Democratic Party (LDP) must, however, first convince its coalition partner Komeito (Clean Government Party) to support this interpretation before moving forward. Doing so may involve some level of difficulty, however, as Komeito has been a strong supporter of the prohibition on collective self-defense in the past.

As part of a dual-track approach to the problem LDP members have engaged in negotiations for a new interpretation of the Constitution that would allow for a "limited" right of collective self-defense. Under the new interpretation the right to collective self-defense would be invoked only in specific circumstances deemed crucial to Japan's national security. Japanese experts note that gaining consensus on the new Constitutional interpretation would be sufficient to permit the BMD program to move forward.

### **PAC-3 Performance in Iraq War Helps Overcome Domestic Opposition**

While public concern over developments on the Korean peninsula makes it increasingly likely that a political consensus on the legality of missile defense will be achieved, proponents of BMD must still make the case for its technical viability. Critics inside Japan have long been skeptical of the idea of "hitting a bullet with a bullet," despite U.S. government claims to the contrary. In this respect the BMD program in Japan received a major boost from reports of the improved performance of the Patriot 3 (PAC-3) antimissile batteries during Operation Iraqi Freedom.

Despite two "friendly fire" incidents, reports indicated that the upgraded Patriot antimissile systems with new "hit-to-kill" warheads performed significantly better than their forerunners in Operation Desert Storm. One of the war's most important converts was Naoto Kan, leader of Japan's largest opposition party (the Democratic Party). After observing the performance of U.S. and Kuwaiti anti-missile batteries in the first two weeks of the

Iraq war, Kan—who had formerly opposed missile defense—announced that he no longer doubted its feasibility. Kan's change of stance removed a major roadblock to Japan's acquisition of a layered missile defense system. Defense planners would like the system to eventually include both sea-based midcourse interceptors and PAC-3 batteries aimed at missiles in the terminal phase.

The success of the PAC-3 in Iraq was picked up by other political actors in Japan wary of being caught behind shifting public opinion. As the war in Iraq wound down in April, Prime Minister Koizumi, who had contradicted Director-General Ishiba several times over the previous six months, indicated that his government and the ruling bloc should discuss "upgrading" the nation's existing air-defense system, including the possible deployment of an advanced version of the Patriot system. Although the PAC-3 systems alone would not be capable of effectively intercepting ballistic missiles launched from North Korea, its introduction is expected to present far fewer obstacles to Japanese policy makers. The air force in Japan already deploys some 27 PAC-2 batteries across the country, which means that, unlike the Aegis system, the PAC-3 can be can be introduced without major debate. As Taku Yamasaki, secretary-general of the governing Liberal Democratic Party, recently stated, "the PAC-3 can be dealt with as an improvement on the model already in place."

Latest reports indicate that the Japanese Defense Agency will request funds for purchasing both the SMD and PAC-3 systems from the United States during FY 2004. Given budget limitations and outstanding legal issues surrounding SMD, it remains unclear at this time whether that request will be fully supported in the Diet. The political risks involved in challenging the Defense Agency have, however, clearly risen in recent months.

### **Balancing Strategic Concerns in the Post-9/11 World**

One of the major criticisms of BMD in Japan has been the possible negative impact deploying such a system would have on Japan's relationship with China and other countries in the region. China began expressing its opposition to a joint U.S.-Japan missile defense plan in 1995. Foremost among Chinese concerns is that BMD deployment in Japan could weaken China's limited nuclear deterrent by minimizing its effectiveness against the United States. The Chinese government has argued that this will force it to expand and modernize its own nuclear arsenal in order to overcome a BMD system. Another Chinese fear is that a mobile SMD system deployed by Japan could be used to defend Taiwan and therefore increase Japanese influence over Taiwan, while buttressing Taiwan's desire for independence. The Chinese also believe that BMD in Japan could act as a shield for early-stage development of Japan's own nuclear capability.

Japanese patience with Chinese views has been on the wane for some time. China's test firing of M-9 missiles in the direction of Taiwan during the cross-straits crisis of 1996 alarmed many Japanese about Chinese intentions in the region. President Jiang Zemin's official visit to Japan in September 1998 caused further strain in the relationship. While insisting that Japan issue China a formal written apology for suffering caused during the war, Jiang Zemin was unwilling to make a reciprocal promise to leave the past behind (as South Korean leader Kim Dae Jung had done ear-

lier that year), causing the Japanese public to cool on the relationship even further.

Inside Japan's Ministry of Foreign Affairs (MOFA), officials of the China and Mongolian Affairs Bureau have lost influence to those in charge of managing the alliance with the United States. Although officials in charge of the U.S. alliance have probably always wielded greater power inside MOFA, the fall of the "China Hands" has certainly influenced the ministry's stance with regard to the pace and extent of BMD cooperation. Japanese defense analysts are also quick to point out that China had begun modernizing its missile arsenal long before Japan took a serious interest in BMD and that its involvement in weapons proliferation has contributed to the current crisis on the Korean peninsula, leaving it little room to make demands regarding Japan's defense policy.

Regardless of the level of Chinese objections, the United States has sworn to move briskly ahead with development of its missile defense system. And, in the post-9/11 world the United States has demonstrated that it is not willing to stand idly while its allies make up their minds with regard to strategic cooperation. Japan is therefore faced with the proposition of either getting on board soon or getting left behind. Most analysts inside Japan believe the latter is not a real option for Japan at this time.

### **Conclusions and Cautions**

The North Korean crisis has made the political decision on BMD in Japan a more complicated political calculation than ever before. Whereas in the past most politicians saw very little to gain from involving themselves in defense issues, ignoring the growing sense of public anxiety over these matters no longer appears to be politically viable. Though several issues remain in the process of consideration, momentum now favors those who support Japan's involvement in the missile defense program. Barring a quick resolution of the North Korean crisis, Japan appears ready to move forward. The improved performance of Patriot 3 missile batteries during Operation Iraqi Freedom helped to allay fears regarding the technical feasibility of BMD and thereby contributed to the formation of a political consensus among the major political parties around participation in the U.S. missile defense program. Whether or not the defense budget for FY 2004 will include funds for both the PAC-3 and SM-3 missile systems may not be finalized until Diet deliberations early next year.

The United States, for its part, must nonetheless use caution in solidifying Japanese participation in the BMD program. The United States must be careful to demonstrate that its interest in Japan developing BMD is as much out of concern for Japanese security as to protect U.S. forward deployed forces. Washington must also be careful not to repeat the fiasco of the FS-X fighter program, by allowing Japan to feel jilted about its participation in the BMD joint research program. Japan's decision on purchasing SM-3 missiles developed in the United States should be determined by its own strategic concerns and should not affect the joint research program. Finally, it is critical that Japan feel assured that adopting missile defense would not in any way weaken the U.S. nuclear umbrella. Washington must continue to reaffirm to the Japanese that the umbrella is aimed at threats that can be deterred, while BMD is designed for those that cannot.



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