

THE
**CENTRE
OF GRAVITY**
SERIES

**AN AUSTRALIA-JAPAN
ALLIANCE?**

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ABOUT THE SERIES

The *Centre of Gravity* series is the flagship publication of the Strategic and Defence Studies Centre (SDSC) based at The Australian National University's College of Asia and the Pacific. The series aspires to provide high quality analysis and to generate debate on strategic policy issues of direct relevance to Australia. *Centre of Gravity* papers are 1,500-2,000 words in length and are written for a policy audience. Consistent with this, each *Centre of Gravity* paper includes at least one policy recommendation. Papers are commissioned by SDSC and appearance in the series is by invitation only. SDSC commissions up to 10 papers in any given year.

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EXECUTIVE SUMMARY

- Australia and Japan seem to be moving towards an alliance.
- There is a strong convergence of values, economics and key allies.
- Yet the move, driven by the rise of China, carries significant risks.
- Australia needs to think carefully about the overlap of interests, not just values between Australia and Japan, before signing anything.

POLICY RECOMMENDATION

Australia should push the pause button on the idea of a strategic alliance with Japan. For all the values and outlooks we share, Australia's strategic interests are quite different from Japan's, and the real risks to Australia far outweigh the potential benefits.

Bold new ideas are rare in Australian strategic policy, but right now there is a big one brewing. The Government seems to think that Australia should build a much closer strategic relationship with Japan, and some even speak of a formal alliance in the not too distant future. Already interaction with Japan on strategic and defence issues has quietly but substantially expanded over the past few years. Expectations are almost certainly being raised about Australia's willingness to go further, not just in Tokyo but in Washington and Beijing as well.

And yet in Australia there has been no serious discussion, either in public or (one suspects) within Government, about whether a closer strategic relationship with Japan would serve our long-term interests. Maybe it is time to pause and reflect before things go much further. One sign of how far Australia's strategic relations with Japan have already gone is the establishment of annual 2+2 meetings of Japanese and Australian Defence and Foreign Ministers. Such meetings are rather unusual, and suggest that there is a substantial agenda of strategic business to be dealt with. But, the statement issued after this year's meeting in September is even more telling. Here are the key paragraphs:

Australia and Japan are natural strategic partners sharing common values and interests, including a commitment to democracy, the rule of law, protection of human rights and open markets.

Australia and Japan share a common strategic objective of ensuring long-term peace, stability and prosperity in the changing strategic and security environment in the Asia-Pacific region and beyond.

To help achieve that objective, Australia and Japan are committed to working even more closely on security and defence matters in the following ways:

Deepening exchanges and working together to strengthen regional cooperation on issues that have the potential to undermine the stability of the region.

Ensuring mutual support for our respective alliances with the United States, which continue to help underwrite peace, stability and prosperity in the Asia-Pacific, and working together as active partners to maintain and strengthen comprehensive US engagement in the region.

Such language can often be dismissed as mere verbiage, but there are two reasons to take this stuff more seriously. The first is that it was made with Japan, which since the Pacific War has obsessively avoided any hint of a strategic relationship beyond its alliance with the US. This is probably the most forthright statement of common strategic purpose that Japan has made with any country except America since 1945. So for Japan it is a big deal.

The second is the wider regional strategic context, which gives the statement real significance. At a time when US-China strategic rivalry is clearly escalating, this language unambiguously commits both countries to support 'strengthened' US engagement in Asia – in other words, the Pivot. And at a time when Japan's relations with both China and South Korea are strained by serious disputes, this language seems to put Australia on Japan's side, against two countries which are very important to us. So we have waded into pretty deep water here.

Moreover these words are being backed with more concrete ideas, the most significant of which involves submarines. Japan has a formidable submarine capability, backed by an equally formidable technological and industrial base, and the Government is seriously thinking of seeking Japanese involvement in the project to replace the Collins class. Some people even speak of buying some of Japan's excellent boats. Japan seems keen, which again marks a major departure from long-standing policies. And Canberra's willingness to contemplate a major role for Japan in such a key Australian capability shows how confident they are that the relationship is only going to get much closer.

This is not all the Gillard Government's idea. In fact John Howard can claim credit for initiating the present trend towards closer defence links with Japan. In his last year in office he flew to Tokyo himself to sign a modest but significant 'joint declaration' on security cooperation, and at that time he expressed his willingness to go much further and sign a full-scale alliance treaty. But since then the strategic uncertainties and risks of the Asian century have become more daunting, and the idea of drawing closer to Japan seems to have loomed larger and larger in Canberra's thinking about how to manage them.

“Why is Tokyo so interested in a closer relationship with Australia that it is willing to overturn decades of strategic seclusion?”

Of course there is a lot to be said for an alliance with Japan. Australia shares a great deal with Japan, including a still-vital economic relationship, close alliance with the US, a strong convergence in values and outlook, and a strong commitment to regional stability. Australia's relationship with Japan since the war is in many ways our closest and most successful in Asia. And despite two decades of economic stagnation, Japan is still Asia's second richest and most powerful country. For many decades it will continue to have the strategic weight of a great power, if it chooses to use it.

These factors all make Japan a friend worth having, and they no doubt explain Canberra's interest in a stronger strategic relationship with Tokyo. But they do not tell the whole story. To get a fuller view we need to see it

from Japan's side. Why is Tokyo so interested in a closer relationship with Australia that it is willing to overturn decades of deeply-entrenched strategic seclusion? The answer of course is China.

China's rise poses an immense challenge to Japan's post-war strategic posture. Tokyo is very worried about China. It fears that China will use its growing power to squeeze Japan economically, politically and eventually even territorially. Those fears are understandable. Moreover the stronger China becomes, the less sure the Japanese are that America will protect them, because the costs and risks of doing so increase as China's power grows. So Tokyo is anxious to strengthen its alliance with America, and to enhance the US position in the wider region. It hopes to help build a regional coalition to support itself and the US against China.

Perhaps some in Japan even think of Japan itself one day leading a regional coalition against China, if America's power in Asia eventually fades. Australia is not the only target of this policy: India, Vietnam and others would all be valuable potential members of this

coalition. But Australia has proved the most willing to embrace Japan as an ally, and so things have moved furthest and fastest with us.

And this is our problem. Whatever Canberra might say, from Tokyo's perspective a closer defence relationship with Australia is all about lining us up to support them against China, and that is the way Washington and Beijing will see it too, which is why Washington likes it and Beijing doesn't. The question is whether this is in our interests or not. That depends partly on the broader question of how best to respond to China's rise. Tokyo and Washington believe that we should resolutely defend the old US-led order, refusing any accommodation of China's ambitions.

We in Australia haven't decided yet whether we agree with that, or whether we incline more to seeking some kind of compromise that gives China more space but retains a strong US role as well. The Government is still pretending that there is no choice to be made. But, our enthusiasm for an alliance with Japan, like our agreement to host US Marines in Darwin, clearly put us in the US-Japan camp, supporting what is in effect a policy of containing China. So with these policies the Government is making a choice, even as they say there is no choice to make.

This is itself a very good reason to push the pause button on the alliance with Japan and think carefully about what it means for our wider regional diplomacy – just as the Government seems to have quietly decided to slow the growth of US military deployments to Australia. Today in Asia every strategic issue bears on the fundamental question of the future roles of the US and China in the Asian order, on which the future of Asia, and Australia, depends. We would be very unwise to make choices about our future relationship with Japan without considering this context very carefully.

But even in its own terms we need to ask some searching questions about what a closer defence relationship with Japan would really deliver to Australia, and what it would cost. Like others, I find the idea of access to Japan's submarine expertise appealing. However we must balance these attractions against the risks of relying for such a critical capability on a country which is, for better or worse, so deeply engaged in the strategic affairs of our own region, and whose future posture and policies are inevitably, at a time of great strategic flux, so unclear. These risks are arguably much lower with more distant European suppliers.

People often use the word loosely, but at its heart a strategic alliance is an agreement between states to go to war in support of one another in some more or less well-defined circumstances. That makes it a very special kind of relationship and one not to be entered into lightly or without careful consideration of the implications. There are two questions we need to ask ourselves before talking too freely of an alliance with Japan. Under what circumstances would we go to war to support them? Under what circumstances would they go to war to support us?

It would be naive to regard these questions as far-fetched or hypothetical, because in the end they are what alliances are all about, and the answers to them provide the underpinning for much of the day-to-day business of successful alliances like ANZUS and NATO. Nor does it take much effort to imagine the circumstances in which such choices might arise. Since the 2+2 talks in Sydney, Japan and China have been drawn into an increasingly acrimonious dispute over the Senkaku/Daiyo Islands which carries a modest but very real risk of an armed clash which could quickly escalate into war. If that happened,

“We need to ask some searching questions about what a closer defence relationship would deliver and cost”

Japan would seek its allies' support.

So the question for us is, if we were Japan's ally, would we go to war with China to support them over the Senkakus? The answer is clear as soon as the question is asked. In anything like today's strategic circumstances, our interests and Japan's are simply not closely enough aligned to make an alliance workable.

The same is true the other way round. In a future conflict with Indonesia over West Papua – again not entirely improbable – is there any reason to expect that Japan would come to our aid at the expense of its relationship with Indonesia – an Indonesia set to be much more important in regional power politics than we are? The answer again is clear. The fact is that for all our close alignment of values and outlook, Australia and Japan have rather different strategic interests because our strategic geography is different. And when alliances are tested, it's interests that count, not values.

This is not to say that one day, in different strategic circumstances, an alliance with Japan might not make sense for Australia. If the US withdraws from Asia, and we face a China intent on regional hegemony, then alliance with Japan might be one of the options open to us. But not the only one, and not necessarily the best. And until that happens we should give top priority to building a policy aimed at avoiding that kind of predicament. An alliance with Tokyo has no place in such a policy.

POLICY RECOMMENDATION

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