

CHAPTER IV

INFLUENCING FACTORS BEHIND SHINZO ABE DECISION OF REVOKING SELF-IMPOSED MILITARY EXPORT BAN IN 2014

This chapter aimed to answer the research fundamental question of the reason behind Shinzo Abe decision in revoking the self-imposed military export ban in 2014. It explains the influencing factors that could ensure the decision maker to revoke this policy despite of the three anomalies on why status quo was ideal for Japan; (1) United States security umbrella, (2) robust economic development and (3) Japan's society support of pacifism.

A. Domestic Politics Factor : Shinzo Abe Domination in Parliament

In the Foreign Policy Decision Making Model introduced by William D. Coplin, the first influencing determinant was the domestic politics factor. It explained on how the domestic political system openness within a country would allow its domestic actors to participate and influence the foreign policy decision making. One of the domestic actor was political party, also known as partisan influencer within the system. According to Coplin, partisan influencer would influence the decision maker within the policy making by participating in the parliament, representing a party (Coplin, 2003). On the Japan military export ban lift in 2014 under Shinzo Abe administration, the context would be on the partisan influencer.

This subchapter would answer the anomaly of the ability of Shinzo Abe administration to pass militaristic policies despite of the Japanese society robust and rooted pacifism for decades. It would include the analysis on how the partisan influencer made this policy passed. Within this subchapter, this research would contextualize the partisan influencer as the Liberal Democratic Party (LDP), the biggest, the most powerful and dominating party within Japanese

parliament, which was also stood on conservative ideas (Crespo, 1995). The context would make more correlation to the concept when by fact Shinzo Abe was the chairman of the Japanese LDP and had a full access to channel his interest in the foreign policy decision making using his power as LDP chairman in parliament.

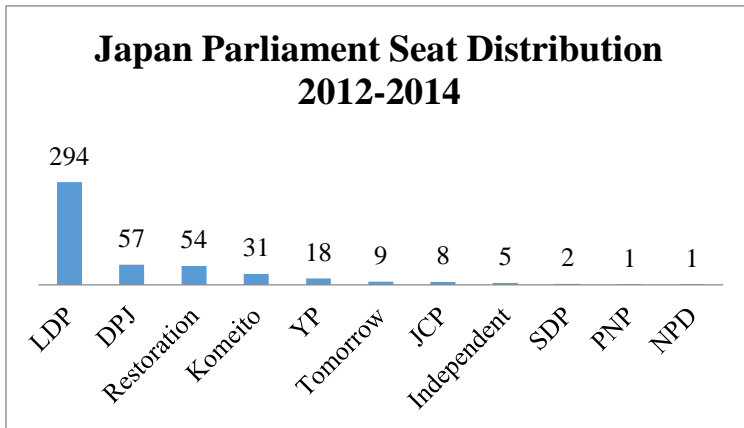
It was known that Liberal Democratic Party had been dominating Japan parliament since its establishment in 1955, as it has been sitting in power from 1955 until this research is conducted in 2018 (Costantini, 2015). The Liberal Democratic Party of Japan power was only interrupted in 1993-1994 period where the small number of the party member split to the other coalition and in 2009-2012 where the opposition Democratic Party of Japan beaten Liberal Democratic Party in election (Krauss & Pekkanen, 2010). Liberal Democratic Party of Japan position had been very decisive in the decision making in the government, as the power is centralized within Japanese diet (parliament), where the party was dominating for decades and rarely taken over by its opposition (Crespo, 1995). Therefore, it could be understood that whoever had an access to channel its interest within this party, would also have access to put his interest in the decision making process.

On 26 September 2012, Shinzo Abe was elected as the President of Liberal Democratic Party of Japan in which on that time was an opposition party against Democratic Party of Japan, beating Shigeru Ishiba (Jingya, 2012). He later brought Liberal Democratic Party of Japan back in power after winning the general election later in December 2012 (Reed, Scheiner, Smith, & Thies, 2013). Shinzo Abe was officially sworn as the Prime Minister of Japan in 26 December 2012 as he won 328 voices out of 480 in the Diet (Fackler, Ex-Premier Is Chosen to Govern Japan Again, 2012). Ever since, it could be inferred that Shinzo Abe had successfully pursued its ability as a powerful partisan influencer, as its party was back in domination in the parliament.

The military export ban lift decision was passed during the Shinzo Abe 2012-2014 cabinet, in which Liberal Democratic Party of Japan was strongly back in domination. It

could be seen by the seats distribution after the 2012 Japan General Election below.

Diagram 5 4.1 Japan General Election Result 2012



Source : D'Angelo, S., & Luo, Y. (2012). *After a landslide victory, Japan's LDP returns to power*. Brussels: European Parliament.

As campaigned, Shinzo Abe main agenda was to solve the 20 years Japan economic stagnation and bolder foreign policy against the territorial tension against assertive and dominative People's Republic of China (Lindsay, 2013). On this case, to achieve the balance against the rising People's Republic of China in East China Sea, the stance taken by Shinzo Abe and his fellow conservatives was to bring Japan to a more militarized form, by gradually rearming Japan shift from pacifism (Fackler, Ex-Premier Is Chosen to Govern Japan Again, 2012). Here could be seen that there was a matching situation to make the militarization agenda in balancing People's Republic of China had a bigger possibility to exist; Shinzo Abe domination in parliament and his idea of remilitarization. Therefore, it was quite bold that the Liberal Democratic Party led by Shinzo Abe would more likely winning the debate or voting in the Diet.

It is known that the majority of Japanese society is pacifist with the more than 50% percentage of them against any militaristic policies (Kohut, 2013). However, it did not constrain Liberal Democratic Party to be chosen by the majority of society and seized the huge majority of the parliament. It was because in Japan, there was no other party that had more experience in creating policies and holding the government other than Liberal Democratic Party (Ito, 2012). The Liberal Democratic Party was even more dominating when the major opposition party, Democratic Party of Japan, was losing society trust after its short 3-year period (2009-2012) due to unstable leadership and its inability to handle its reform promises (Kushida & Lipsy, 2013). Therefore, Japanese society best choice was Liberal Democratic Party, despite of its militaristic and conservative agenda

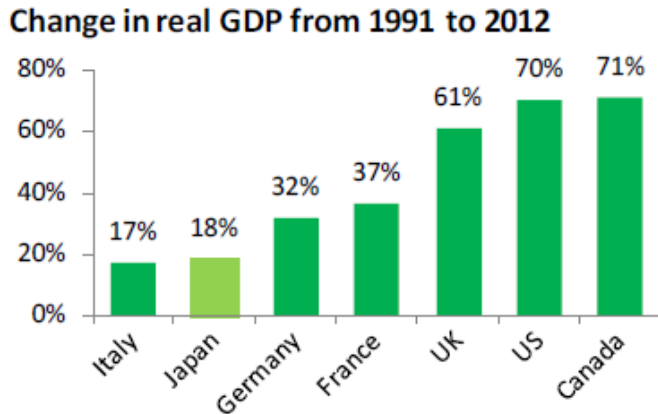
B. Military-Economic Factor : Stagnant Economy during Military Budget Increase Plan

The second determinant was the military and economic factor. Coplin argued that this determinant was mainly about on how an economic strength improvement of a country may lead to a stronger military ability of a state. The specific of an economic strength is the production capacity and the trade balance of the state, while the military power would particularly seen as the number of weaponries, troops and also the military training quality (Coplin, 2003). On this case, this subchapter would talk about the agenda of economic revitalization that would accelerate the Japan military budget increase through this military export ban lift in 2014.

Japan economy had been stagnant for about two decades, leaving People's Republic of China to overtake Japan's position as the second largest economy in the world in 2010 (Sharp, 2017). Also known as the "Lost Decade", Japan economic struggle since 1990s was caused by three factors; weak growth, deflation and high public sector debt (Harari, 2013). It could be seen that Japan economic growth was boldly lower than several economic giant in the world as its GDP only grew 18% within twenty years, as figure 3 shown. The slow and stagnant economic growth was mainly caused by

Japanese aging population, causing a downslide of working age people by 40% in 2050, predicted (Harari, 2013). It could be seen by the Japan economic stagnation in number on graphics below.

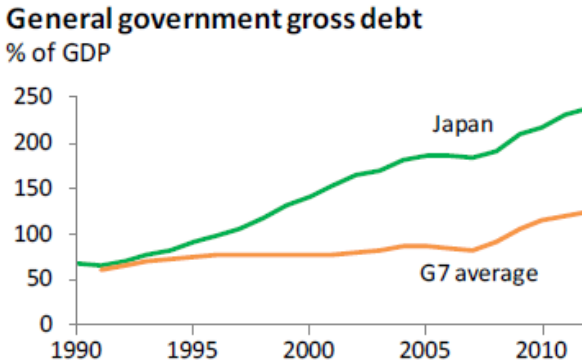
Diagram 6 4.2 Japan GDP Growth Comparison



Source: Harari, D. (2013). *Japan's economy: from the "lost decade" to Abenomics*. London: House of Commons Library.

Due to the low economic growth, the Japanese society buying purchasing power was decreasing as well, causing a low market price for goods and services, leading to the low interest for business investors (Harari, 2013). It was the parameter of the deflation in Japan during the "lost decade". Meanwhile, it caused an increase government gross debt due to the increasing demand of pension funds for aging population (Harari, 2013).

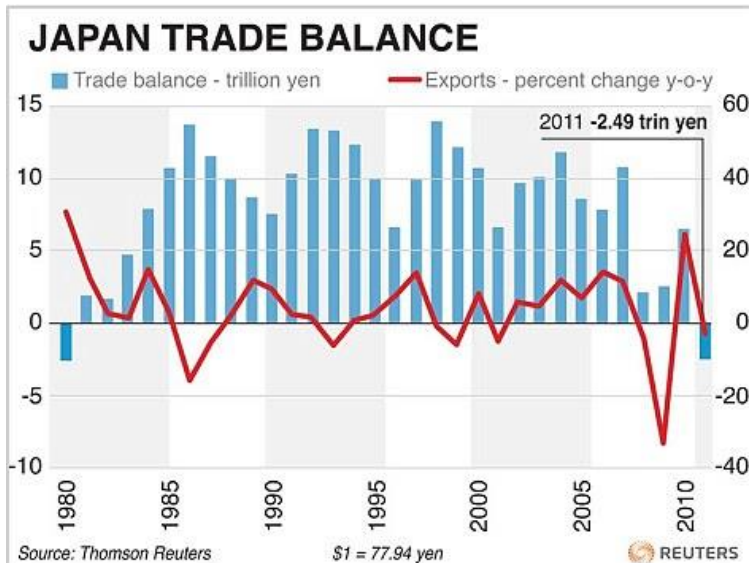
*Diagram 10 4.3 General Government Gross Debt
1990-2010*



Source: Harari, D. (2013). *Japan's economy: from the "lost decade" to Abenomics*. London: House of Commons Library.

Contextualized with the international level consequence of the economic stagnation, Japan since two decades ago in the term of trade was also shown a bold rate of fluctuation. Since 1990, Japan trade balance had not reflected a significant positive sign of reviving to a more stable posture. Added by the Eastern Japan Tsunami in 2011, the expectation of bouncing back was harder to catch. Reuters reported that following of the tsunami, Japan had it biggest economic deficit since decades. The deficit shown that Japan trade income was 1.475 trillion yen (\$18.59 billion) while its expenditure for import was 1.468 trillion yen, as the tsunami and the high exchange rate of Yen also discourage the global demand of Japanese product (Reuters, 2012). The more detailed graph of the downside was shown as below:

Diagram 19.4.4 Japan Trade Balance 1985-2011



Source : DailyMail. (2012, January 25). *Japan posts first trade deficit in 30 years as manufacturers feel financial aftershock of tsunami*. Retrieved March 21, 2018, from DailyMail News:

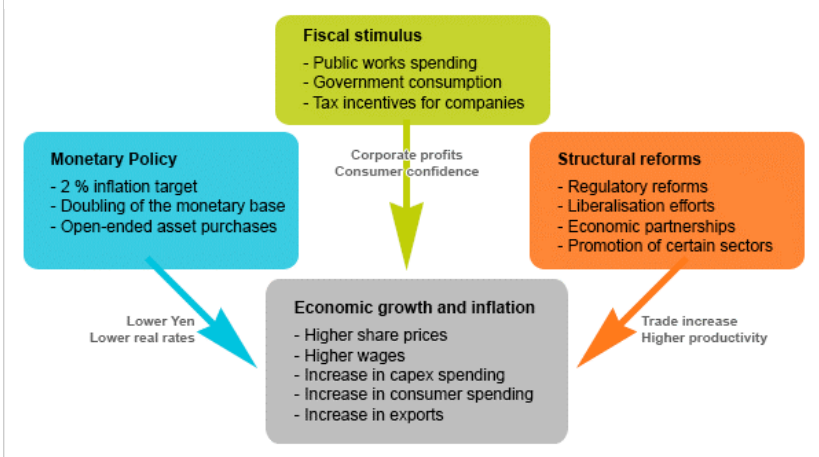
<http://www.dailymail.co.uk/news/article-2091445/Japan-posts-trade-deficit-30-years-manufacturers-feel-financial-aftershock-tsunami.html>

The diagram above shown that since the 1990s, Japan trade balance had been showing the struggle of achieving the stability after the major downside in 1986-1987. Three decades following the first surplus, in 2011 Japan had its worst economic deficit in their economic history ever.

Due to the extreme stagnation, Shinzo Abe in 2012 came with an economic strategy called “Abenomics” on his second administration. Abenomics was an economic plan offered by Shinzo Abe to bring Japan from the decades-long stagnation by “three arrows” namely fiscal stimulus, monetary

policy and structural reforms (McBride & Xu, 2017). The details of the Abenomics strategy were as shown below:

Diagram 20 4.5 Abenomics in detail



Source : Breene, K. (2016, February 16). *Why is Japan's economy shrinking?* Retrieved January 18, 2018, from World Economic Forum: <https://www.weforum.org/agenda/2016/02/why-is-japans-economy-shrinking/>

To be known, Abenomics served a greater political purpose compared to its economics goal: to provide Japanese society with economically good feeling as a legitimate reason for Shinzo Abe to allocate more of the state budget to pursue his militarization agenda against People's Republic of China (Holland, 2016). The concrete proof of this premise was the increase of military budget in 2013, just a year after Abenomics went into implementation (Mauricio, 2013). While, military export ban lift in 2014 was also aimed to achieve the political purpose of Abenomics too.

As seen from the three arrows in Abenomics, this research perceived that the military export ban lift in 2014 was contingent upon the structural reform, the third arrow. It was fit with the Abenomics third arrow since military export was a

form of promotion of a certain sector that for decades could not be expanded, besides the fact that it also boldly aimed to increase trade and productivity. It would provide Japan economy a positive impact due to two reasons; (1) Weaponries, especially aircrafts, vessels and ships were high-cost major products, therefore the trade deals would bring a high profit in a short period and (2) since Japan defense industry comprised of high and secretive technologies, the production would be conducted within Japan and it would lead to the stimulation of Japanese domestic economic industry gear (Sakai, 2015). The second point would occur since the production process from parts to ready to use goods would involve so many other business sectors to supply the counterparts, like what ideally happened in manufacturing industries. Therefore, military industry designed to possess a vivid role in the championing Abenomics third arrow.

Abenomics in the following year kept on contributing toward Shinzo Abe political agenda for militarizing Japan. In 2015, Shinzo Abe administration recorded the highest military budget ever in the country history with 4.98 trillion Japanese Yen allocation, under the framing to catch up People's Republic of China assertiveness (Panda, 2015). Not only that, the major shift of Japan security posture also occurred in 2015 as Japan passed a new legislation that possessed it with collective self-defense right, allowing Japan to send military troops abroad (Soble, 2015). This militarization agenda could not be disassociated with the economic revival that Japan had through Abenomics. It was because; the more a country had economic power, the bigger ability it had to increase its military power (Friedberg, 1991).

C. International Context : Backing Up United States Declining Hegemony in Asia

International context determinant strongly argues that what happened within the international level may affect the foreign policy of a country. Coplin specified it into geographical, economic and political circumstances within the international community (Coplin, 2003). On this subchapter, it

would be contextualized in political aspect, on the United States decline and shifting grand strategy in Asia during Barack Obama administration that impacted Japan security posture.

The Japan military export ban lift policy was passed when United States went under Barack Obama administration. Barack Obama took offshore balancing as his grand strategy in leading United States in international community (McGrath & Evans, 2013). Offshore balancing, also known as selective engagement, is a grand strategy that push United States to engage internationally but more selective, since aggressive and impulsive grand strategy such as primacy would trigger a bigger threat toward United States itself (Worley, 2012). The major pushing factor of offshore balancing application of grand strategy was the economic constraint of United States (McGrath & Evans, 2013). Contextualized with the United States real engagement in the world, besides United States was declining economically, it was still devastatingly battling out in the Middle East and Africa, causing a blurry focus in Asia-Pacific (Mière, 2013). Therefore, United States allies in Asia-Pacific, had to take the burden share of United States to maintain its hegemony in the region.

Linked out with Japan, since the end of the Cold War Japan had been faced into a dilemma and confusion of United States commitment toward the two country security alliance, which was robust in surviving the Cold War tension. The confusion came from an unpredicted situation for decades even for Japanese strategic experts; the fall of Soviet Union, which meant Japan was losing its common threat and interest with the United States for long decades Cold War (Mahbubani, 1992). Subsequently, Japan had been given more burdens to keep United States commitment in the alliance.

Obama offshore balancing kept Japan required to take more burden sharing in the Alliance. In 2010, Japan and United States signed a pact that required Japan to pay Okinawa Base maintenance expenses in supporting United States military power there, meaning United States was no longer taking the full burden and expenses in protecting Japan

(Slavin & Sumida, 2010). In this notion, this research perceived that United States economy was in decline. However, in 2013, Columbia Broadcast System reported that United States were oddly increasing its military budget instead of reducing the troops deployment (CBS, 2013). This anomaly represents the selective engagement of United States in allocating its power in engaging in global community, impacting Japan in spending more on burden sharing.

As seen, offshore balancing required United States allies to increase its military capability, in the case for Japan, it was remilitarization. In the return of Shinzo Abe into its second tenure, Japan had been a vanguard to shore up this Obama grand strategy; to face the rise of People's Republic of China (Mière, 2013). Shinzo Abe gradual remilitarization in the form of revoking military export ban in 2014 was proven to be welcomed by United States, as Japan Minister of Defense Itsunori Onodera disclosed that United States Secretary of State Chuck Hagel appreciated such policy since it was a constructive step into a deeper bilateral alliance and technology cooperation (Onodera & Hagel, 2014). United States State Department spokesperson Marie Harf also stated that Washington embraced this policy as it would allow Japan to modernize its military to take part in 21st century global marketplace. (McNeill, 2014).

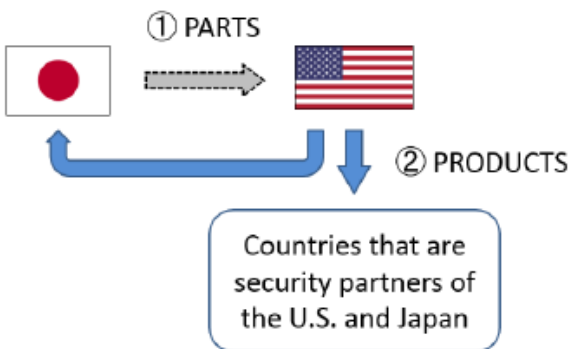
Even though United States seemed to be no longer able to pay the full expenses in maintaining its military presence in Asia, particularly Japan, Barack Obama still considered Asia as an important geopolitical asset through the establishment of "Rebalancing Asia" agenda (Sugai, 2016). Obama Rebalancing Asia agenda lies on his belief on the importance of Asia-Pacific (mainly East Asia and Southeast Asia) as the prospective economic asset for United States in the future, therefore his administration had to protect it against the challenging hegemonic power, namely People's Republic of China (Goldberg, 2016). Since it is in line with Shinzo Abe interest in achieving balance of power against People's Republic of China, supporting the United States hegemonic

agenda was a must, to prevent the declining hegemony of United States in Asia.

The warm welcome by United States came with a notion that it would help United States reducing its burden on its rebalancing Asia agenda (Hughes, 2017). This military export ban lift, that would also allow abroad defense technology hardware transfer and joint defense projects, would increase the intensity of United States- Japan security alliance as it would reduce United States defense expenses on Japan through two mechanisms:

- As Japan, subsequent to this policy, later was able to be involved in abroad joint development and production, Japan would supply its weapon parts to United States to be assembled in United States, finally distributed to United States and Japan allies (Hirose, 2014). This joint defense project by United States and Japan would push Japan to be playing a more vital role in the defense projects instead of only relying on United States (Hirose, 2014). This scheme worked as seen in the figure below.

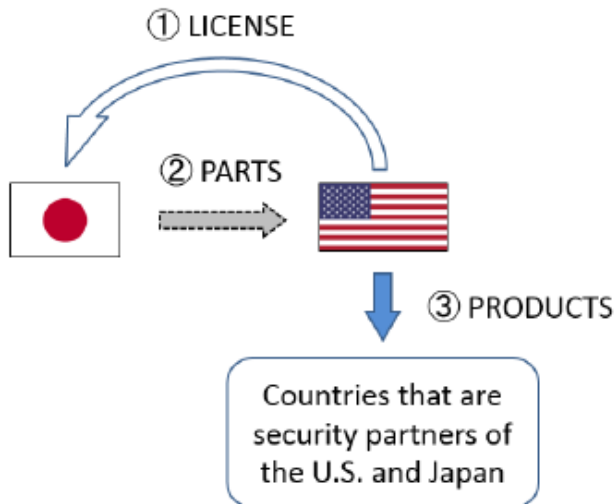
Diagram 29 4.6 Japan Supply Support to United States



Source : Hirose, T. (2014). *Japan's New Arms Export Principles: Strengthening U.S.-Japan Relations*. Washington, D.C: Center for Strategic and International Studies (CSIS).

- By the new three principles, Japan would also be able to attain the license of producing the United States parts in Japan in a condition where United States must be reducing or stopping producing them in United States (Hirose, 2014). It means that Japan helped United States to cover the burden of weaponries parts, either it was Japanese or United States based product. It worked as shown in the figure below.

Diagram 30 4.7 Japan License in Producing United States Weaponries Part



Source : Hirose, T. (2014). *Japan's New Arms Export Principles: Strengthening U.S.-Japan Relations*. Washington, D.C: Center for Strategic and International Studies (CSIS).

The major immediate breakthrough following the policy is that in July 2014, the Japan National Security Council agreed to allow Mitsubishi Heavy Industries to produce high

technology sensor as the supply of Raytheon PAC-2 Aircraft, a United States weapon brand (Hirose, 2014). Therefore, based on those two mechanism, Japan military export ban lift in 2014 could strengthen United States-Japan alliance by supporting Obama agenda in balancing People's Republic of China in the sense of declining economic power of United States.