



A NEW DAWN FOR THE RISING SUN

Strategic and economic pressures focus minds in Tokyo, and in Wellington too.

By Peter Bale

Expect to hear much more about Japan and its importance to security and economic stability in the Pacific this year as Tokyo transforms its military capabilities and its readiness to stand up to a more assertive China.

Wellington can be expected to begin to engage far more with Tokyo as a critical part of the Indo-Pacific alliance, which may pose important and sometimes uncomfortable questions for New Zealand whether under Labour or a National government, from how publicly to align with the

more bellicose language from Washington and Canberra about China, and maybe most critically domestically, whether we need to increase defence spending.

Tokyo is emerging from two decades of economic stagnation, though if stagnation looks as good as daily life in Japan, then maybe we all need to think about its benefits. This has been a period of super-low inflation, negligible growth, and a dramatically ageing population.

It's emerging, too, from a much longer period of post World War II military stagnation — a defence posture forced on Japan by American victors. Now, 70 years on, the United States wants the country to adopt a more competent and red-blooded position in which it takes greater responsibility for its own defence and joint defence with its western allies.

Both the economic and military shifts are dramatic and have their roots in one Japanese leader — former prime minister Shinzo Abe. Abe was assassinated last July for reasons evidently not related to either of his most famous policies: so-called Abenomics, and a

Then-Prime Minister Shinzo Abe reviewing a parade of Japan's Self-Defence Forces in 2018. The late Abe pushed for Japan to muscle up its military capabilities.

determination to rearm and refocus Japan militarily into a less defensive and bolder nation. (His alleged killer was apparently motivated by a hatred of the Korean Unification Church, aka the Moonies, with which Abe and his father had historic links.)

Abenomics, coined in Abe's second term as prime minister in 2012, was all about a government-directed reflationary plan to halt decline, loosen monetary policy, and make Japan more competitive. It was only partially successful as the country confronted the fundamentals of a shift from exports to domestic consumption, a plan thwarted by an ageing population, factors that in some ways loom for the vastly larger China.

The more aggressive and less apologetic military stance was rooted in Abe's wartime family



history and his belief the country had to have forces commensurate with its economic scale and strategic position in the northern Pacific. He masterminded the so-called “Quad” between Japan, the United States, India, and Australia — a grouping that is increasingly relevant to New Zealand as preparedness against China is reframed as Indo-Pacific security.

Half a year after his killing and three years since he was last premier, Abe’s legacy is taking shape in official Japanese policy in which defence spending will nearly double and the country will emerge as a far more capable ally to that Quad alliance and a pricklier military foe to deter Chinese adventurism or other threats, like North Korea.

There are global factors — highlighted by Chinese exercises against Taiwan and the reality of the Russian invasion of Ukraine — that sit behind the shift. Like Germany, Japan is being pushed by the United States to carry more weight — Japan expects to double defence spending to two per cent of gross domestic product, the target Germany has long failed to reach but which is a core objective of the North Atlantic Treaty Organisation members. It’s worth remembering that New Zealand, Australia, Japan, and South Korea were all invited to last year’s NATO summit in Madrid

At last April’s Japan-NZ summit meeting in Tokyo, Jacinda Arden and Japanese Prime Minister Kishida Fumio agreed to strengthen bilateral security and defence cooperation.

in a signal of the increasing scope of the alliances.

New Zealand, which spends about 1.3 percent of GDP on defence, can expect similar pressure to invest more and increase its defence capabilities if it wants to keep a place at the table with its allies. And that’s where the shift in Japan starts to really matter to New Zealand and its delicate dance with Beijing — a balance between disagreement and embrace of our largest trade partner — and carrying our weight and reinvesting in old friendships.

“Japan’s just making these big changes right now,” Geoffrey Miller, a geopolitical analyst at Victoria University of Wellington’s Democracy Project, told *North & South*. “There are massive increases to the defence budget, and almost overnight to their policies. I do wonder whether New Zealand will end up doing something and we’ve got this defence policy review underway — I wouldn’t be surprised if we’re also going to try to hit the two per cent target.”

Wellington has arguably neglected Tokyo for years. Four

decades ago, Japan, not China, was the emerging economic superpower and it faced the same kind of phobias — perhaps rooted in racism — that it was too powerful, made too much stuff we wanted. Tokyo was a difficult diplomatic rival for Wellington with struggles over whaling, agricultural protectionism, and fishing. In the Muldoon years we had the so-called “Fish for Beef” dispute. By 1990 — after a huge diplomatic effort to remove friction and a sort of national commitment to learn Japanese and understand it better — Japan had become our second-largest export market.

Fast-forward to now and New Zealand and Japan find themselves allies facing a more assertive China and a more mature trading, tourism, and investment relationship. We’re both committed to the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), Japan is our fourth-largest trading partner, a critical source of inward investment. When she and Abe met in 2019, Jacinda Arden said they had a “shared commitment to the rules-based international system . . . especially in the Indo-Pacific region where we share mutual goals”.

“The likes of New Zealand and Japan, perhaps have had more independent foreign policies — Japan’s coming out of World War II and New Zealand with its nuclear-free line,” says Geoffrey Miller. “There are some sort of commonalities in some ways in which Japan and New Zealand may be able to work together in the future.”

Former Prime Minister Arden had been expected to go to Beijing after a subtle and apparently effective diplomatic dance with Premier Xi Jinping at an APEC summit late last year. And now, visits by New Zealand leaders to Tokyo would not be unexpected. Whoever is in the hot seat the need to meet the demands of being part of the Indo-Pacific alliance and stay connected to the Five Eyes intelligence network demands attention and probably investment. ■