Aborting a Sub Contract: An Illusion of Japan-Australia Alliance

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After much ado about the acquisition of twelve extra-large conventional submarines, Australia finally gave a contract to the DCNS, or a French state-owned industrial group specialized in naval defense and energy. The decision went against the Japanese wishful anticipation that the Soryu-class sub would surely be the Australia’s choice given the proven performance satisfying major operational needs in cruising range, stealthiness, and uninterrupted underwater cruising capability, among others. Instead, Australia took the French bid of building a conventional derivative of the nuclear-powered Barracuda-class sub that now exists only on paper. The country rashly took significant technological risks. It begs the question about why the country compromised technological standards, putting priority on other considerations.

Apparently, Australia was pleased with the contractual terms on local sub-building and employment. The DCNS outdid the Japanese bidder in public relations and off-set techniques. Japan was inexperienced in arms export under the extant legacy of the longtime self-imposed stringent restrictions that were lifted only recently, which would have made the bit a very first precedent. Yet, many Japanese sub-builders and naval planners inwardly feel relieved from concern about the possible compromise of super-secrets involved in technology transfer for sub-building in Australia. They also feel easy about the good prospect that their meticulous and inflexible sub-building plans under the limited domestic capacity will not be strained and, at worst, disturbed. To note, only Japanese defense strategists are vexed with the miscarried bit.

Also, evidently, Prime Minister Malcolm Turnbull made an about-face against the Japanese bit, soon after his visit to China this April with some one thousand Australian business leaders. Due to his well-known deep personal and business connections with China, his decision was perhaps influenced by Chinese pressures exerted during his visit. The real issue is, however, the replacement in last September of then-Prime Minister Tony Abott who was bent on the bit, with Turnbull. The replacement reflected a power struggle within the ruling Liberal Party, which may or may not suggest a strategic reorientation in security policy that is anchored to the emerging distribution of the nation’s public opinion. This will become obvious through a general election scheduled to be held in the coming July.

Thus, strategic analysis has paramount importance in evaluating Australia’s decision on the sub contract. It has to be noted that the
Barak Obama administration had pressed Australia to acquire Japanese subs, neither German nor French, as shown by the report on Australia-Japan-US maritime cooperation that was published in April this year by the Center for International and Strategic Studies (CSIS), a very influential Washington-based think tank. With the decision deadline approaching, however, the administration suddenly loosened its grip on Australia, rendering it to freely choose one of the three bids, while barefacedly mentioning of the principle of no intervention in domestic affairs. This effectively left Japan at the altar.

The George W. Bush administration already encouraged Japan and Australia to strengthen security cooperation under the growing shadow of U.S. economic structural vulnerabilities that came to light with the crisis of subprime lending in 2006. This cast some doubt about U.S. fiscal capability to sustain its military hegemony vis-à-vis rising China. Japan and Australia had the Joint Declaration of Security Cooperation in 2007. Mired in the continuing aftereffects of the great financial crisis of 2007-2008, the two countries also concluded the Acquisition and Cross-servicing Agreement in 2010, the Information Security Agreement in 2012, and the Agreement concerning the Transfer of Defence Equipment and Technology in 2014. These laid out solid institutional foundation on which to build a more robust security relationship through arms trade.

Consequently, Japan-Australia security relations have reached the stage of “special strategic partnership”, or a politico-military alignment, which is short of constituting an alliance.

Nonetheless, it has become increasingly obvious that, with its hegemonic power weakening, the U.S. wants to see the alignment elevated to an alliance. In tandem with the institutionalization of Japan-Australia alignment, the U.S. in fact nudged the two to shoulder security burden on its behalf in militarily checking China in the South China Sea. Given that advanced extra-large conventional subs are a superb military instrument to rattle the saber against China, the U.S. virtually pressed the two to form a de facto alliance in which Australia acquires the Japanese subs. This involves Australia’s dependency on the military secrets of Japanese sub-related technologies that are essential for maintenance and upgrade for the next thirty years, or the average time span of a newly commissioned sub. Trickily enough, there exists exceptionally strong gluing effect embedded in the sub deal.

Against this backdrop, the Japanese aggressive sub bidding signified its acceptance to reinforce anti-China military containment with Australia on behalf of the U.S. The bottom line is that Japan will continue the current strategy to depend on the weakened U.S. hegemon as its sole security guarantor. Looking closely, however, this relies on the uncertain assumption that the U.S. will continuously be able to play a
hegemonic role, if with good supplementary and complementary supports from Japan and Australia. Also, the support must not be effective enough for the U.S. to totally subcontract the anti-China containment to the two allies. Thus, it is crucial to see if Australia will jump on the U.S.-Japan bandwagon.

No wonder that Australia conducted careful strategic analyses, as shown by pros and cons about the Japanese sub bid on the website of the Lowy Institute for International Policy, a Sydney-based think tank that plays a central role in national debate\(^1\). Notably, the debate arguably leaned toward, if not totally settled on, rejection of the bid, which involves the judgment against formation of a de facto alliance with Japan.

Today, Australia depends on the U.S. as its sole security guarantor, but does not have formal treaty-based alliance with Japan. This means that Australia has no obligations to defend Japan nor to fight with Japan against China. Needless to say, Australia’s enhanced security cooperation with Japan appears as if it is a virtual alliance based on the two separate U.S.-led bilateral alliances where the U.S. plays a hub role to produce such a drama, but in fact is a mere reflected effect of its alliance with the U.S. For Australia, this script remains good if and only if the U.S. hegemon is able and willing to honor its defense obligations to the country.

Otherwise, the virtual alliance may be a meaningless overstretch that would entrap Australia in possible Japan’s open hostility against China, which entails high risks to put Australia’s national security in jeopardy.

At the time when the U.S. hegemony seems uncertain over a mid-term, Japan has chosen to put all of its eggs into one basket: the bilateral alliance with the U.S. The choice, of course, is very risky, but, at least from a Japanese perspective, is relevant particularly because China has recently exhibited its naked aspiration to be a regional hegemon. Given its geographic proximity to the aspirant, a nuanced balancing strategy of cooperation with China and autonomy vis-à-vis the U.S. is a luxury for Japan. In the worst scenario in which the U.S. hegemon either withdraw its security commitment to Japan or get completely debilitated, Japan has to squarely face a hard choice of being strategically independent as a militarily full-fledged great power or being on China’s orbit as a Finlandized state.

Contrarily, Australia is unwilling to bet on the uncertain future of the U.S. hegemony, while currently taking advantage of it. The country does not have to confront such a hard choice but, given a great distance from China, can take such a nuanced balancing strategy. For Australia, enhanced alignment with Japan in the context of the “virtual” trilateral alliance with the U.S. and Japan simply serves as a useful military stick against China in building an informal

\(^1\) <http://www.lowyinterpreter.org/page/About-The-Interpreter.aspx>
Institutional framework that enables the strategy.

In nutshell, this analysis of the sub issue has revealed divergent Japanese and Australian strategic calculations and risk-taking behaviors that are consequent upon their disparate geo-strategic conditions vis-à-vis China and perceptions on the prospect for the U.S. hegemony. Essentially, Japan and Australia are in the same bed but with different dreams. In Japanese eyes, Australians are coward, while, in Australian eyes, Japanese are reckless.

More importantly, the sub issue is epiphenomenal to the state of the U.S. hegemony. The issue may be a harbinger that all the seemingly narrow, specific defense-related issues will inescapably be colored by default with grand-strategic debates on the process toward a multi-polar world after hegemony. Then, the question to be raised has to be which will come first, the debilitation of the U.S. global hegemony or the miscarriage of a China’s would-be regional hegemony. Until a final answer is in our hand, political leaders and security policy makers across the world have to live with much ado about correct choices in individual security policy options without any good confidence.

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