

Chapter 5 The Future of Japan's Diplomacy and Security and Recommendations

General remarks

On December 16, 2022, the Cabinet approved three documents: *National Security Strategy*, *National Defense Strategy*, and *Defense Buildup Program*. The *National Security Strategy* was revised for the first time in nine years (issued in 2013), while the *National Defense Strategy* (formerly the *National Defense Program Guidelines*) and the *Defense Buildup Program* (formerly the *Mid-Term Defense Program*) were revised for the first time in four years (last revised in 2018).

The newly formulated *National Security Strategy* first recognizes that the free, open and stable international order that has expanded worldwide since the end of the Cold War is facing serious challenges as the balance of power changes and geopolitical competition intensifies while, at the same time, various global challenges have arisen, resulting in a complex intertwining of aspects of confrontation and cooperation in international relations. The document also states that the international community is undergoing rapid changes as the center of gravity of global power shifts to the Indo-Pacific region and, citing the example of Russia's invasion of Ukraine, it notes that unilateral changes to the status quo by force or attempts for that purpose are being made and that moves to challenge the international order are accelerating.

The document then discusses security developments involving China, North Korea and Russia, in that order. China's attempts to change the status quo in the Senkaku Islands and Spratly Islands and its increasing pressure on Taiwan are described as "a matter of serious concern for Japan and the international community" and "an unprecedented and the greatest strategic challenge". North Korea had been positioned as a "threat" in the 2013 *National Security Strategy*, but its expanded nuclear missile operational capability has resulted in it being described more strongly as "an even more grave and imminent threat to Japan's national security than ever before". Russia's continued aggression against Ukraine is a "threat" to Europe and "strong security concern" in the Indo-Pacific region, including Japan, coupled with its strategic coordination with China.

In response to these security challenges, diplomatic capabilities are listed as the first item of the main elements of comprehensive national power, and Japan's priority strategic approach is "diplomacy to prevent crises, proactively create a peaceful and stable international environment, and strengthen a free and open international order," focusing on strengthening the Japan-US alliance and cooperation with Australia and other like-minded countries. This *National Security Strategy* then notably advocates

the fundamental reinforcement of defense capabilities as the last guarantee of national security, and asserts the need to possess counterstrike capabilities that leverage stand-off defense capability among others. The development and prototype production of upgraded Type 12 Surface-to-Ship Missiles and the introduction of Tomahawk Cruise Missiles are explicitly mentioned in the *Defense Buildup Program*.

These counterstrike capabilities are the capabilities that the government has chosen not to acquire up to now as a matter of policy decision, although the government's view has been that these capabilities are "legally within the purview of self-defense and thus permissible," thus symbolizing the description "the strategic guidance and policies under this *Strategy* will dramatically transform Japan's national security policy after the end of WWII from the aspect of its execution". The *National Security Strategy* also clearly states that these counterstrike capabilities do not change Japan's exclusively defense-oriented policy, and that preemptive strikes remain impermissible.

The *National Security Strategy* also states that in FY 2027, Japan will take the necessary measures to make the level of its budget, for both the fundamental reinforcement of defense capabilities and complementary initiatives, reach 2% of the current GDP. In the *Defense Buildup Program*, the amount of money required for defense buildup over the five-year period FY2023-FY2027 is estimated to be around 43 trillion yen.

One of the main features of this *National Security Strategy* is that it addresses economic security, which was not included in 2013. This move reflects the fact that the international balance of power has changed and the scope of security has expanded from traditional areas to include the economy and technology. The *National Security Strategy* expresses concern that "some states, not sharing universal values, are exploiting unique approaches to rapidly develop their economies and science technologies, and then, in some areas, are gaining superiorities over those states that have defended academic freedom and market-economy principles," pointing out that these are "attempts to revise the existing international order".

Based on the international situation described in Chapters 1 through 4 and the issuance of the *National Security Strategy* and the two other documents, the following recommendations are made for respective areas and regions.

Security and defense

The new *National Security Strategy* lays out the course that Japan should take as it pursues a "three-front strategy" against the powers to change status quo, namely, China, Russia and North Korea. In other words, to prevent the status quo from being changed by force in Asia, Japan needs to drastically strengthen its defense capabilities and deepen cooperation with the US and other like-minded nations to restore the

balance of power in the region, which is becoming favorable to the powers attempting to change the status quo. The US, which deploys its military globally, cannot concentrate its resources in Asia alone, while China has been expanding and bolstering its conventional forces in Asia over the past two decades. Moreover, China seems to have set course to increase its strategic nuclear capabilities. If the strategic balance between the US and China reaches parity in the next 15 years or so, a “stability/instability paradox” may arise in which nuclear war becomes less likely but at the same time it becomes easier to change the status quo with conventional forces. It would not be an exaggeration to say that avoiding this is the main aim of the latest revision of the strategy.

The key to realizing the new strategy is an increase in defense spending. Japan's defense spending, which has been effectively kept at around 1% of GDP since the 1970s, is to be raised to 2% of GDP. The figure of 43 trillion yen, the total defense spending for the five years through FY2027, is 1.6 times the size of the current medium-term defense force development plan. This will enable Japan to upgrade its stand-off defense capability as a counterattack capability, its integrated air defense missile defense, its unmanned asset defense, and its sustainability and resiliency in preparation for the “new battles” of missile attacks, hybrid warfare, asymmetric attacks, and nuclear threats, as indicated in the *National Defense Strategy*. With regard to financial resources, however, the conclusion has not yet been reached, including on the proposal for tax increase. It is necessary to arrive at the conclusion on stable financial resources as soon as possible with the understanding and support of the general public.

Counterattack capabilities are intended to thwart a second or subsequent strike from an adversary, as it is difficult to respond only by strengthening missile defense capabilities given that China and North Korea are qualitatively and quantitatively improving their missile capabilities. In other words, counterattack capabilities are positioned as part of denial deterrence to neutralize the other party's attack, invalidating concerns that these may lead to a first strike or exceed the scope of exclusive defense. The Japanese government has been vague about the kind of targets it will use its counterattack capability against, but it is believed that it will primarily target moving vessels and partially attack fixed targets such as air and naval bases to prevent the adversary from gaining air and sea superiority.

However, the development and acquisition of these standoff capabilities will take several years, and it is necessary to carefully assess whether the development of hypersonic missiles, which the US military is also struggling with, as well as the range extension of domestically produced anti-ship missiles, will go as planned. To mitigate this development risk, the Tomahawk cruise missiles, which already have a proven track record, will be introduced, but it will take several years of system and software modifications to install them on surface ships and submarines, and the missiles need to be supported by US space assets

for guidance.

While working to acquire a stand-off capability, Japan should make maximum use of its existing equipment. In particular, there is an urgent need to resolve reduced aircraft operating rates due to parts shortages, to stockpile ammunition and fuel, including precision-guided bombs and interceptor missiles, and to fortify defense facilities by burying command posts. In addition, protection of defense production bases is important, but whether subsidies and expansion of sales channels will be sufficiently effective in the face of the increasing withdrawal of defense-related companies is another serious issue. It is also necessary to expand the use of civilian transportation capabilities and airport and port facilities on a regular basis from the perspectives of force dispersion, mobile deployment, and citizen protection. Of course, it is essential, too, to secure SDF personnel, the core of the defense force, and create an environment in which they can demonstrate their individual capabilities. However, the new *National Defense Strategy* calls for optimization rather than capacity expansion, and the question of whether the limited number of personnel can handle the expanded missions remains a major challenge.

Based on the *National Defense Strategy*, a permanent Joint Command will be created to reinforce the SDF's integrated operational structure. This will eliminate situations in which the Chief of the Joint Staff is required to assist the Minister of Defense while also directing unit operations. The Air SDF will be renamed the Aerospace SDF to step up space utilization. The SDF as a whole will be empowered to take on cyber defense, and active cyber defense will be introduced to penetrate suspicious access sources in order to prevent attacks. This is because it is widely recognized that cyberspace is already in a state of warfare, and that passive cyber defense, which can only respond in the event of a contingency, is not sufficient to deal with the situation. These circumstances require a revision of the law to enable active defense while ensuring the secrecy of communications as stipulated in Article 21 of the Constitution.

As described above, Japan's defense capability needs to be fundamentally strengthened and, at the same time, Japan and the US should deepen their cooperation and establish an integrated deterrence posture. The division of roles in the Japan-US alliance has been referred to as the "shield and spearhead," with the SDF primarily responsible for defensive operations and the US military for offensive operations involving striking power. Even if the SDF comes to possess the ability to counterattack, this division of roles will not essentially change. For this reason, there is no need to immediately revise the Guidelines for Japan-US Defense Cooperation, but it is necessary to reconcile the two countries' understanding of defense cooperation through RMC (roles, missions, and capabilities) consultations and to formulate joint operational plans as soon as possible. With the creation of a joint command post in the Self-Defense Forces, the two countries should also consider how to strengthen cooperation in terms of command

and control between Japan and the United States. In addition, the new *National Security Strategy* calls for deepening extended deterrence talks between Japan and the US in order to improve the reliability of extended deterrence, and it is necessary to fully examine what kind of deepening of cooperation is possible between Japan and the US, which do not share nuclear strike missions like NATO.

Nuclear arms control and disarmament

The revision of the international order by force or aggression, as well as the use or threat of use of nuclear weapons for such purposes, must never be tolerated. Russia's aggression against Ukraine has made it clear that we cannot rule out the possibility that such risks could materialize in Northeast Asia where Japan is located. Under these circumstances, as the *National Security Strategy* indicates, it is important for Japan to strengthen its deterrence capabilities, including extended (nuclear) deterrence provided by the United States. At the same time, precisely because actors engaged in strategic competition, including Japan, are pursuing the quantitative and/or qualitative enhancement of deterrence and reaffirming the importance of nuclear deterrence, there is also an urgent need to reinvigorate nuclear arms control and disarmament, which have constituted the nuclear order along with nuclear deterrence, for preventing an arms race as a sequel to a security dilemma and intentional/inadvertent escalation to use nuclear weapons, and maintaining a certain stability in strategic competition and deterrence relations therein.

This will also contribute to maintain and defend the rules-based international order that Japan values. Japan is expected to exercise leadership and promote ever more proactive nuclear arms control and disarmament diplomacy, such as: establishing confidence-building measures and crisis management mechanisms that will reduce the likelihood of the use of nuclear weapons, which is an urgent agenda; engaging China which is conducting active nuclear modernization in nuclear arms control and disarmament in short- and mid-term, including improvement of its transparency; buttressing the NPT and other multilateral frameworks for nuclear arms control and non-proliferation; and establishing norms toward a world without nuclear weapons in the mid- and long-term. It is important that Japan, as the only country to have suffered atomic bombings during wartime, make its unique efforts, including to lead international discussions toward the next NPT Review Conference through the "International Group of Eminent Persons for a World without Nuclear Weapons," and to promote efforts to deepen the international community's accurate understanding on the realities of nuclear weapons use, including on the occasion of G7 summit meeting.

Economic security

The *National Security Strategy* describes "(e)conomic security is to ensure Japan's national interests, such as peace, security, and economic prosperity, by carrying out economic measures," and states that "Japan will ensure the self-reliance of its economic structure, as well as advantages over other countries and ultimately

the indispensability of its technologies”. Specific measures to achieve this include: strengthening supply chains by securing stable supplies of critical goods including rare earth; expanding the scope of the prior screening system for government procurement in the field of critical infrastructure; bolstering information security, including security clearances; developing advanced technology and protecting this technology; and taking steps against economic coercion. These measures are to be implemented in alignment with the ally and like-minded countries, as well as in cooperation with the private sector. Indeed, cooperation among countries that share common interests and norms as well as public-private cooperation are essential for effective economic security policies. This is because, as people, goods, money and information move across borders, no one government has a monopoly on all technologies, and cutting-edge technologies also emerge in the private sector.

The challenge for the future will be to implement the policies outlined in the *National Security Strategy* in concrete terms. For example, the *National Security Strategy* calls for further stepping up support and developing systems for information gathering, development, and fostering of advanced critical technologies. In this regard, it is also necessary to strengthen support measures and systems for STEM education. International collaboration in STEM education, which is already being promoted between the US and Japan and in the Quad, could be expanded. Specific measures to deal with economic coercion also deserve consideration. Given that the *National Security Strategy* states that “Japan will enhance its own measures to counter against unfair trade practices and economic coercion, including through working to solidify international norms in cooperation with its ally and like-minded countries,” it would be beneficial to share an early warning mechanism for supply chain disruptions with ally and partners, to design mechanisms for the flexible exchange of critical supplies and resources with ally and partners, and to form international rules and norms to ensure the effectiveness of these measures. Public-private cooperation is also important in these efforts. Strategic implementation of economic security measures based on the *National Security Strategy* is expected to ensure Japan’s national interests, such as peace, security and economic prosperity.

Relations with countries and regions and multilateral cooperation

United States

The *National Security Strategy* regards the Japan-US alliance as playing an indispensable role not only for the security of Japan but also for the realization of peace and stability in the Indo-Pacific region and throughout the international community, and refers to the importance of deepening Japan-US cooperation in this region and strengthening the alliance in all areas, including diplomacy, defense and economics. In addition to boosting its own defense capabilities and deepening Japan-US defense cooperation, Japan is expected to reaffirm the value of the Japan-US alliance in defending and promoting an international

order in the Indo-Pacific region based on common values and the rule of law, and further enhance its effort to realize the “Free and Open Indo-Pacific (FOIP)” through coordination with the United States bilaterally and through frameworks such as the Quad. The importance of the US-Japan alliance enjoys wide recognition among experts and the public in both countries. However, as partisan confrontation and “inward-looking” political tendencies grow in the US, efforts should be made to further augment understanding and support for Japan as a reliable partner based on common values and the importance of the Japan-US alliance, transcending partisan differences within the US; it is also important to continue and step up efforts to further broaden and deepen the foundations of the Japan-US relationship through steady activities such as personal exchanges.

China

Concerns regarding China's assertive efforts across a range of fronts, including diplomacy, military, and economic spheres continue to escalate, and the *National Security Strategy* recognizes that China's military activities and other trends are “a matter of serious concern to Japan and the international community” and “an unprecedented and the greatest strategic challenge”. Based on its analysis of security risks, Japan needs to enhance its security responses based on the Japan-US security system and by seeking greater cohesion with other nations that share values such as democracy. At the same time, the *National Security Strategy* also recognizes that “Japan and China both have important responsibilities for the peace and prosperity of the region and the international community,” and mentions the importance of close communication with China and the possibility of cooperation in areas such as economic and personnel exchange in ways that will benefit both Japan and China.

Japan should assert what it needs to assert to China and openly communicate its concerns, while at the same time striving to find areas of common interest and cooperation and increasing dialogue aimed at resolving common issues such as climate change. It will be all the more important to communicate with China through various channels and opportunities to accurately grasp China's intentions and policy trends. It will also be necessary to ensure Japan's interests in the economic sphere by, for example, encouraging the creation of an orderly business environment while ensuring economic security, as well as to promote regular personnel exchanges between Japan and China.

Korean Peninsula

The *National Security Strategy* calls for strengthening strategic cooperation between Japan and the ROK, as well as among Japan, the US and the ROK, including on security aspects, with responses to North Korea in mind, as the ROK is an extremely important geopolitical and security neighbor of Japan. As North Korea's nuclear and missile development accelerates, cooperation with the US and South Korea

in the areas of diplomacy and security is becoming increasingly important, and further deepening cooperation among the three countries in all aspects of security, from aligning policies toward North Korea to conducting joint military exercises, is essential. With regard to South Korea, it is important to make early progress in pursuing closer cooperation in defense, including the resumption of GSOMIA and the conclusion of ACSA, and it is also desirable to resolve bilateral concerns as soon as possible through close communication between the two countries.

With regard to North Korea, the *National Security Strategy* makes no mention of cooperation between North Korea and China or Russia, but it is hard to deny that the international situation has essentially shifted to a confrontation between the two camps as geopolitical competition intensifies. This reality makes it even more complicated and difficult to deal with North Korea, which has accelerated its nuclear and missile development and “has become an even more serious and imminent threat” to Japan’s security. In addition to enhancing cooperation with the US and South Korea, it would be beneficial for Japan to encourage better understanding of the growing threat posed by North Korea and Japan’s policy responses thereto as well as to increase the effectiveness of sanctions on North Korea through cooperation with the G7 nations, Australia, the EU, and other countries with which Japan has much in common in terms of policy and through outreach to Asian countries and the rest of the international community.

Russia

The *National Security Strategy* states that Japan’s basic policies regarding relations with Russia are to respond in a manner that protects Japan’s national interests in light of the severe security environment in the Indo-Pacific region, to prevent Russia from taking actions that undermine the peace, stability, and prosperity of the international community in cooperation with allies and like-minded countries, and to resolve the Northern Territories issue and conclude a peace treaty with Russia. Japan’s fundamental stances on resolving the Northern Territories issue and concluding a peace treaty remain unchanged. Japan, as a member of the G7, has joined sanctions against Russia and demanded Russia’s immediate withdrawal from Ukraine. Russia has declared these moves by Japan “unilateral and unfriendly,” suspended negotiations for the conclusion of a peace treaty, halted visa-free exchanges, announced its withdrawal from joint economic activities on the four northern islands, and even banned politicians from the ruling party and other Japanese government officials from entering the country.

Japan-Russia relations have cooled to an unprecedented degree, and there is little hope of a recovery for some time. Nevertheless, it is necessary to continue to negotiate with the Russian side on issues directly related to Japan’s national interests, such as fisheries around the four northern islands and gas development in Sakhalin, and it is important to maintain relations for this purpose. It will be important

for Japan to seek dialogue with Russia in areas that are in Japan's national interest to the extent that it is compatible with its principled policy toward Russia, and to deepen frank exchanges of views on security issues, including those related to Ukraine.

Europe

As discussed in the *National Security Strategy*, Japan needs to further strengthen cooperation, including on security, with European countries, the EU and NATO, with whom it shares common values, as the global balance of power changes. European countries are also taking a growing interest in the Indo-Pacific region, and increasing their activities such as dispatch of ships and aircraft and participation in joint military exercises, although there are some differences in the level of interest and involvement. In order to maintain the commitment of European countries and organizations and to strengthen cooperation with Japan, it will need to continue to encourage these countries and organizations to better understand the strategic importance of the Indo-Pacific region and the seriousness of its security environment. Cooperation within the framework of the G7, of which Japan will assume the presidency in 2023, would also be beneficial in strengthening relations with European countries. It is important, too, that Japan continue its active support for Ukraine with regard to Russia's aggression against Ukraine, which poses the greatest security threat to European countries and has a serious impact on their economies, and expectations for Japan's role as the G7 presidency are also high in this regard.

Indo-Pacific

Regarding the Indo-Pacific, the *National Security Strategy* refers to universalization of the FOIP vision, a free and fair economic zone, connectivity, maritime security, and the rule of law as measures to realize the FOIP, and calls for the strategic use of ODA. The new plan to promote FOIP, to be announced in the spring of 2023, is expected to make the vision more concrete in order to universalize the FOIP vision. It is important to further strengthen the long-lasting cooperation in which Japan has been engaged, such as the provision of quality infrastructure and human capacity development, to support the economic and social development of ASEAN countries and Pacific island countries affected by the COVID pandemic, the war in Ukraine, and climate change. Cooperation in the provision of equipment and supplies and infrastructure development to improve the security and deterrence capabilities of the like-minded countries of the region is also an important initiative for strengthening security in the Indo-Pacific region, and its active promotion is expected.

Defense cooperation with Australia has been particularly increased in recent years, and it is important to pursue it further by building up concrete bilateral cooperation between the two countries. It is also important for the trilateral defense cooperation among Japan, the US and Australia to expand its scope

and become more concrete. Greater defense cooperation with the Philippines is also needed. Japan's early conclusion of reciprocal access agreements (RAA) and promotion of multilateral defense cooperation, including joint exercises among Japan, the US, Australia and the Philippines, would also contribute to regional peace and stability. It is important to continue promoting defense cooperation and interoperability with India, including the first joint air force training exercise scheduled in January 2023. Since Japan and India will chair the 2023 G7 and G20 meetings, respectively, close diplomatic cooperation as the host countries is expected.

Middle East and Africa

In the Middle East and Africa, there are signs of easing of tensions within the region, among Arab countries, Turkey, Israel and Iran, as the US presence declines, and China's growing presence in the region is also noteworthy. As the regional order remains in flux, the Global South, including the Middle East and Africa, which is strongly affected by the war in Ukraine and economic sanctions against Russia, is expected to have a greater voice, partly due to the rapid population growth in India and Africa. Japan has been committed to aiding Afghanistan, promoting peace in the Middle East, supporting Palestine, and resolving the Iranian nuclear issue, and it should continue to work on these issues and strengthen relations with the countries of the Global South through bilateral and multilateral frameworks.

Multilateral cooperation

The *National Security Strategy* states that "Japan will lead efforts to strengthen the functions of the United Nations, including reform of the UN Security Council". Although there are organizational and structural challenges in reforming the UN, such as the special status of permanent members of the Security Council in addition to the difficulty in reaching a consensus or obtaining support by an overwhelming majority for any reform proposal, many member states share the sense of crisis that the UN is in serious dysfunction. It is hoped that Japan will take advantage of its two-year term as a non-permanent member of the Security Council starting in 2023 to move discussions on UN reform forward. At the same time, it is also important to build on Japan's long-standing efforts to make the Security Council more transparent in its operations, and to strengthen its contribution to efforts to address global issues by leveraging its strengths, such as its initiatives in the areas of human security and health areas.

As the free and fair trade regime faces difficulties, it is also important to contribute to maintaining and developing international and regional economic orders and strengthening international norms through initiatives in the Indo-Pacific region such as the frameworks of the CPTPP, RCEP and IPEF, as well as to maintain and strengthen the multilateral trade regime centered on the WTO. ■