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# Quiet Deterrence

— Building Japan's  
New National Security Strategy

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U.S.-Japan Strategic Vision Program  
Rebuild Japan Initiative Foundation



**RJIF**

Rebuild Japan Initiative Foundation

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## QUIET DETERRENCE

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Illustration: Sachiko Maruyama

Rebuild Japan Initiative Foundation (RJIF)

11F Ark Hills Front Tower RoP

2-23-1 Akasaka, Minato-ku, Tokyo 107-0052, Japan

Phone +81-3-5545-6733

Fax +81-3-5545-6744

URL <http://rebuildjpn.org/en/>

## Preface

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The Rebuild Japan Initiative Foundation (RJIF) is a think tank established with the aim of forming a vision for the rebuilding of Japan in the wake of the Great East Japan Earthquake and subsequent accident at Fukushima Daiichi Nuclear Power Station. It was conceived by three people – M. James Kondo (then Country Manager, Twitter Japan), Takeshi Niinami (then President & CEO, Lawson, Inc.), and myself.

At the end of September 2011, coinciding almost precisely with RJIF's official registration, the Independent Investigation Commission on the Fukushima Nuclear Accident (hereafter referred to as the "Independent Investigation Commission") was launched. This commission delved into the fundamental causes of the accident, examined the adequacy of the accident response, and analyzed the political and organization-cultural structures that contributed to the failure of Japan's nuclear safety regulations. The resulting report was published initially in Japanese (Discover 21, Inc., 2012) and subsequently in an English language edition by Routledge (The Independent Investigation Commission on the Fukushima Nuclear Accident, The Fukushima Daiichi Nuclear Power Station Disaster: Investigating the Myth and Reality, Routledge, 2014). What this report reveals is that the risks associated with operation of nuclear power plants have been deliberately downplayed as "unanticipated" and discussion thereof effectively rendered taboo by what has been called Japan's "nuclear mura (the Japanese word for village or community)," comprising nuclear advocates in industry, government, and academia, along with local leaders hoping to have nuclear power plants built in their municipalities. It describes how Japanese nuclear safety regulation and operation customs have been mired in the "governance failure" that is deeply ingrained within such nuclear mura toward suppressing inconvenient opinions. Further to these two points, the report also sheds light on an "autocratic system of the peacetime and routine" that has made no attempt to develop crisis management leadership.

This failure in Japan's safety structures, as laid bare by the Fukushima nuclear accident, raised the specter of doubt in the minds of the Japanese public concerning defects in the "national fabric" of a "nation of human security." It also elicited questions about flaws in Japan's structures as a "nation of national security." Furthermore, the Fukushima nuclear accident may have been the gravest crisis the nation has faced in the post-war period, but it also presented the greatest crisis yet for the post-war Japan-United States alliance. (For more on this issue, please refer to my own work, *Countdown to Meltdown*, published by Bungeishunju Ltd., 2012.)

It was with the amalgamation of all such issues in mind that RJIF sought to address as a major research theme the rebuilding of Japan-U.S. relations in the age of 21st century geopolitics. And it is to our great benefit that we have been able to invite former Assistant Secretary of State for East Asian and Pacific Affairs Kurt M. Campbell (Co-Chair of the Board of Directors, Center for a New American Society [CNAS]; Founding Partner, Chairman and CEO, The Asia Group) and former Special Assistant to the President for National Security Affairs and Senior Director for Asia Michael J. Green (Senior Vice President for Asia/Japan Chair, Center for Strategic and International Studies [CSIS]; Associate Professor, Edmund A. Walsh School of Foreign Service, Georgetown University) to join RJIF as distinguished guest scholars, with whom we have launched various efforts in this direction.

In particular, during his residency at the RJIF offices in Akasaka, Tokyo, spanning more than two months over the summer of 2013, Dr. Green worked to further deepen research on Japan-U.S. security relations, engaging in high-level exchanges of opinions with Japanese policy makers including Prime Minister Shinzo Abe. The work conducted by Dr. Green was the catalyst for formation of a team comprised of diplomacy and security experts, headed by Associate Professor Ken Jimbo of Keio University under the RJIF umbrella. The team engaged in a process of ongoing dialogue with Dr. Green, out of which was created an initiative for a new national security strategy for Japan. Dr. Campbell also joined our discussions when he visited Tokyo in July, 2013.

The primary outcome of this initiative was the “Quiet Deterrence” report, the full version of which also included comments from Drs. Campbell and Green. The monthly magazine Chuo Koron featured a summary of this report in its January 2014 edition.

In Japan it is more often than not the case that security policy is debated through the narrow prisms of constitutional and legal theory, which serves only to blur the logic and potential of security policies that are backed by sound intelligence. We believe that this “quiet deterrence” strategy, founded on the realities and contexts of the upheavals occurring in the international political sphere of the Asia-Pacific region, is of significance in that it has been practically conceptualized in accordance with security policies and seeks out new horizons for Japan’s national security strategy.

Research Associate Izumi Wakugawa has served as staff director for this program (coordinated at the time of its inception by Fellow Mikiko Fujiwara). Ayumi Teraoka, who is a graduate student in Asian Studies of Georgetown University, has served as program assistant.

June 23, 2014

**YOICHI FUNABASHI**

(Chairman, Rebuild Japan Initiative Foundation)





# Rebuild Japan Initiative Foundation

## U.S.-Japan Strategic Vision Program

### Member List

#### [ U . S . ]

<b>Kurt M. CAMPBELL</b>	RJIF Distinguished Guest Scholar Former Assistant Secretary of State for East Asian and Pacific Affairs, Co-Chair of the Board of Directors, Center for a New American Society; Founding Partner, Chairman, CEO of The Asia Group, LLC
<b>Michael J. GREEN</b>	RJIF Distinguished Guest Scholar Senior Vice President for Asia/Japan Chair, Center for Strategic and International Studies Associate Professor, Edmund A. Walsh School of Foreign Service, Georgetown University

#### [ J A P A N ]

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<b>Nobumasa AKIYAMA</b>	Professor, Graduate School of Law, Hitotsubashi University
<b>Toshihiro NAKAYAMA</b>	Professor, Faculty of Policy Management, Keio University
<b>Nobuhiro AIZAWA</b>	Associate Professor, Graduate School of Social and Cultural Studies, Kyushu University
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<b>Mikiko FUJIWARA</b>	Fellow, Rebuild Japan Initiative Foundation
<b>Ayumi TERAOKA</b>	Graduate School of Arts and Sciences, Georgetown University

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# Foreword and Assessment

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KURT M. CAMPBELL and MICHAEL J. GREEN

It has been our distinct honor and pleasure to work with the authors of this report over the summer of 2013 at the Rebuild Japan Initiative Foundation in Tokyo and to now provide a scene setter for the publication of *Quiet Deterrence* as an alternative for Japan's National Security Strategy. The United States needs a strong, confident and proactive Japan to help uphold a just and stable international order. The authors of this report outline a strategic vision that would achieve just that.

The report is significant for three reasons. First, it suggests an alternative to the Abe administration's own national security strategy, and does so from an independent viewpoint. Many of the concepts in these pages are reflected in the government's draft, but the analysis and candor here are not easily matched in an official report. Second, the authors represent the best and brightest of Japan's rising strategic thinkers, with backgrounds in military strategy, regional affairs, energy, economics and diplomacy. Third, the authors (in our view) accurately represent the diversity of views within the mainstream of Japan's emerging strategic community. They are patriots but not ultra-nationalists; realists but not hawks; idealists but not pacifists. They assess Japan's world role based on an understanding of the sources and applications of national power. Unlike earlier generations of Japanese strategic thinkers, they can take no refuge in high levels of national economic growth, images of pan-Asian solidarity, or free-riding on the U.S.-Japan alliance. Their recommendations for national strategy are therefore well aligned both with the emerging dynamics of international relations in the Asia Pacific and with Japan's own domestic political scene. This is a highly credible national strategy, and one that should be reassuring to Japan's friends, neighbors and allies.

We believe we can offer a useful opening scene-setter for the report with observations in three areas: the importance of grand strategy in an era of changing power dynamics; the significance of Japan's new National Security Council in historic and international perspective;

and a preliminary assessment of this *Quiet Deterrence* as an alternative for Japan's National Security Strategy.

## **Grand Strategy in an Era of Changing Power Dynamics**

In *Democracy in America*, de Tocqueville observed that:

*A democracy can only with great difficulty regulate the details of an important undertaking, persevere in a fixed design, and work out its execution in spite of serious obstacles. It cannot combine its measures with secrecy or await the consequence with patience.<sup>1</sup>*

This observation could apply as easily to Japan as a democracy as it does the United States. Numerous scholars and journalists over the years have dismissed Japan's incapacity for strategic thought. Kent Calder has described Japan as a "reactive state"<sup>2</sup> and Michael Blaker concluded in his exhaustive studies of Japan's negotiating style that Tokyo consistently loses the initiative in international affairs by letting domestic bureaucratic and factional feuds undercut external diplomacy.<sup>3</sup> Japan has had more leadership changes than any other member of the G-8 and post-war history is replete with examples of Japan reeling from external "shocks" it did not anticipate and could not manage (soy beans, the dollar, the opening to China, the Gulf War, etc.). When asked about Japan as a strategic player, French President Charles deGaulle once famously dismissed the Japanese leadership as "transistor salesmen."

And yet, as Trotsky once observed, "you may not be interested in strategy, but strategy is interested in you!" All major states in an anarchic environment engage in some form of grand strategy because they must do so to survive. That strategy may be highly dysfunctional and inefficient, but what matters is whether it is effective. Japan's postwar strategy of aligning with the United States, minimizing risk in international affairs, and focusing on economic growth was undoubtedly effective. The famous Yoshida Doctrine, though never articulated as such, had a

clearly defined set of ends, ways and means –the foundations of grand strategy. It was based on an accurate assessment of the emerging international order and the distribution of power. To be sure, the Yoshida Doctrine was repeatedly challenged –by Hatoyama Ichiro, Kishi Nobusuke and Nakasone Yasuhiro, in particular –and it went through multiple iterations. But the same could also be said of the American Cold War strategies of containment towards the Soviet Union or three centuries of British grand strategy towards the European continent. “Strategy” was a bad word in post-war Japan, starting at is does with the Chinese character for “war.” But Japan had the outlines of a coherent, sustained and domestically supported grand strategy. A state does not require a Bismark or a Kissinger to pursue generally consistent goals over time.

The problem, of course, was that the Yoshida Doctrine was premised on economic growth as both the end and the principle means of Japanese strategy. With the collapse of the economic bubble in the 1990s the country went through almost two decades of drift, and the magnitude of the demographic and economic restructuring challenges remain daunting, in spite of the initial success of Abenomics. Yet over this same post-Cold War period, certain Japanese leaders (particularly Hashimoto, Obuchi, Koizumi and now Abe) began exploring a broader context for statecraft, focusing on non-economic ways to manage the shifting power dynamics in the Asia Pacific region and maintain Japanese influence and security. This “reluctant realism” has reached its apex with the election of Abe Shinzo as Prime Minister. It is characterized by a focus on the rise of Chinese power and a response premised not on band-wagoning with Beijing, but rather balancing through internal and external ways and means. Internally, the focus has been less on increasing the aggregate measures of Japanese military power (the defense budget has only risen incrementally under Abe and nuclear weapons are off the table), and instead on institutional changes that allow more efficient application of Japanese power. The formation of a National Security Council is one important example. Externally, the focus has been on alignment –not only with the United States, but also with other like-minded maritime democracies along the Indo-Pacific

axis—in order to maintain a favorable balance of power and influence as China grows.

## **Japan's NSC in Historical and International Comparison**

Prime Minister Abe's decision to establish Japan's first National Security Council system reflects his desire to strengthen his own ability to formulate, articulate and implement grand strategy in an era of uncertain power. Japan's post-war political system has been characterized by institutionally weak prime ministers and the stove-piping of bureaucracies. In part this was the result of political culture. Japan's clan system allowed the warlords to check the center's power, beginning with the Seventh Century constitution promulgated by Prince Shotoku to limit his own authority at the behest of the nobles (not unlike the Magna Carta in England five centuries later). Even during the Second World War, the rivalries between the Army and Navy ensured that the Prime Minister was only first among equals and the Emperor a source of legitimacy rather than decision-making. Japan's stove-piped national security system also reflects U.S. strategy after the war, since the lack of unity-of-command within Japan enhanced American influence and control over Japan's future trajectory.

Over the past few decades, however, successive American administrations have found that Japan's lack of coordinated decision-making is a major liability for the U.S.-Japan alliance. A series of Japanese Prime Ministers have also endeavored to solidify central decision-making through administrative reforms. The process began with Nakasone Yasuhiro in the 1980s, but picked up momentum in the wake of the 1990-91 Gulf War, the 1995 Kobe Earthquake and Aum Shinrikyo chemical attacks on the Tokyo subway system. Prime Minister Hashimoto Ryutaro's Administrative Reform Council in 1996 led to recommendations to reinforce the authority of and staff support for both the Cabinet and the Prime Minister to enhance their control in responding to emergencies, leading to the establishment of the Deputy Chief Cabinet



Secretary for Crisis Management.<sup>4</sup> Bilaterally, Hashimoto and his successors strengthened coordination with the April 1996 Japan-U.S. Joint Declaration on Security, the 1997 review of U.S.-Japan Defense Guidelines, and passage of the Regional Crisis Law in 1999. In addition, the 1999 Cabinet Law shifted the initiative for policy formation from the Cabinet to the Prime Minister. Further administrative reforms in January 2001 gave the Prime Minister more control over the number of personal assistants he can appoint and opened the jobs to non-bureaucrats and non-members of the Diet. Koizumi continued the centralization of power with the October 2001 Anti-terrorism Special Measures Law and the 2003 Contingency Law, both of which enhanced the Prime Minister's authority over the Self Defense Forces in times of crisis.

This trend towards centralizing authority over national security and foreign policy represents a departure from Japan's post-war pacifism, stove-piping, and passivity, but not a return to pre-war militarism. In fact, Japan is very much in line with trends around the world. The establishment of Japan's National Security Council is therefore timely and necessary in both historical and international perspective.

### **Preliminary Assessment on “The Alternative for Japan's National Security Strategy”**

The authors of *Quiet Deterrence* stress that the new NSC will have three key functions. The first is to serve as a “launching pad for designing mid- to long-term strategic packages such as a national security strategy.” This is necessary because declining relative economic power means that Japan must integrate all instruments of national power to sustain and advance its international position. Stove-piping is no longer a luxury Japan can afford. However, as veterans of the U.S. NSC process, we can offer a number of cautions. First, articulating a coherent strategic package will depend on whether the Prime Minister himself cares about foreign policy and has a consistent worldview. Abe clearly does. Moreover, he is likely to be in office for multiple years and therefore able to attract quality staff from outside the bureaucracy (and

to ensure that the bureaucracy does not just wait him out). Second, launching foreign policy strategies from the White House is much easier than ensuring those strategies are implemented. The latter requires buy-in from the relevant bureaucracies and not dictate by fiat from above. And third, foreign policy strategies must be based on more than catch-phrases and slogans –they must accurately reflect both the emerging international system and a set of policies that domestic opinion will sustain.

The second function the authors of *Quiet Deterrence* highlight is the NSC role in presiding over crisis management functions. The U.S. NSC is powerful in part because it is responsible both for longer-term policy strategy and immediate crisis response. A number of observations from the U.S. NSC experience are relevant in this regard. First, a well-considered long-term strategy is indispensable when responding to near-term crises. For example, the U.S. NSC knew that it was important to strengthen shared leadership among Asia’s democratic states and thus moved quickly to form the U.S.-Japan-Australia-India “Quad” to integrate disaster relief efforts after the 2004 Asian Tsunami. Every decision in a crisis has potential long-term consequences and no government has time to decide its long-term strategic objectives in a crisis if they have not done so beforehand. Second, leaders may not choose to utilize established NSC procedures in a crisis. President Kennedy did not use Eisenhower’s deliberative NSC process when confronted with the Bay of Pigs and Vietnam (in a way it was fortunate, in the other perhaps not). Prime Minister Kan Naoto’s response to the September 2010 crisis over the Senkaku islands with China was also ad hoc and outside of normal decision-making channels. It will therefore be important for the Prime Minister, his National Security Advisor and Chief Cabinet Secretary to decide at the beginning of their administration how they intend to manage crises and to make that clear to the NSC staff. The worst case scenario would be multiple crisis management threads, with one run by the Chief Cabinet Secretary (a politician), one by the National Security Advisor (presumably from the Foreign Ministry), and one by the Cabinet Crisis Management Office (from the National Police Agency). Finally, as the author’s note, it will be critical to develop the

“capacity to collect information from various channels and sources and subsequently to integrate, analyze, and present a set of appropriate policy options to the Prime Minister.” In the United States the intelligence briefings for the President are completely independent from the NSC to prevent politicization of intelligence, but the NSC does have a critical responsibility to provide all relevant information to the President (including intelligence and also diplomatic and other sources) so that he can make decisions based on an integrated assessment of what is happening. We think intelligence briefings to the Prime Minister should be independent from the NSC, but the NSC should have the authority to request assessments from the Intelligence Cabinet Counsellor to do their own work.

The third function the author’s highlight for Japan’s new NSC is the ability to manage high-risk situations that are in the grey zone between “wartime” and “peacetime.” In our view, it is important to think about this function in terms of proactive development of policies to “shape” the strategic environment to Japan’s advantage rather than merely managing potential crises as they hit the inbox. The NSC will itself be a powerful tool in that regard, particularly as a channel to other NSCs in the United States, Korea, and now China. However, NSC staff must be extremely careful not to become too operational or to supplant the role of the Foreign Ministry in managing Japan’s diplomacy. Even Kissinger eventually stumbled on China policy because he and the NSC could not manage all aspects of the complicated U.S.-China relations and associated domestic politics. Japan’s NSC will have a critical duty ensuring that the Defense, Trade and Finance Ministries do not undercut foreign policy messages at critical junctures, but would be more effective as a coordinating body rather than the deciders of policy.

There is no certainty about how Japan’s NSC will develop. There are important variables, including whether subsequent Prime Ministers will have the political longevity or interest in foreign policy to attract the best and brightest staff. When the Truman administration passed the landmark 1947 National Security Act that established the NSC in the United States, few would have predicted the variation and scale of what was to follow. Nevertheless, the bottom line is that Japan’s new NSC will offer a powerful tool to streamline and improve the efficiency

of Japan's national security strategies. It is an institutional change that, in itself, could help to revitalize Japanese national power from within. The draft National Security Strategy prepared by the members of the RJIF study group demonstrates why.

## **The Ends, Ways and Means of a New Grand Strategy: Assessing the Alternative**

*Quiet Deterrence* is a smart and systematic enunciation of ends, ways and means grounded in the mainstream internationalist view of Japan's future world role. The authors rightly assess the importance of global trends to Japan's national security, particularly what they call "geo-economics" and the contested global commons, but it is in Asia that Japan's own national security is most directly at risk and where smart strategy will make the biggest difference to the community of nations.

The report stresses that "the rise of Chinese power has emerged as the dominant force shaping the evolving power game formula in Asia," and the authors rightly examine external balancing strategies that Japan can pursue to preserve a rules-based Asian order. Asia is the most dynamic and important part of the world, and China the greatest source of uncertainty about Asia's future. A smart Asia strategy will be Japan's most important contribution to peace and stability for the next 50 years.

The authors put the U.S.-Japan alliance as the cornerstone for Asia-Pacific stability and state what no American should forget: that "no other regional partner could replace Japan in its role as a host nation supporting a forward U.S. presence." But reflecting trends in Japanese strategic thinking over the past two decades, they state unequivocally that Japan must expand its strategic and economic partnerships with major players, and seek "a consortium of like-minded seafaring nations along the 'long littoral' across the Indo-Pacific region."... particularly focused on Australia, India, Korea and ASEAN." This strategy

is absolutely consistent with the U.S. “pivot” or “rebalance” to Asia. Indeed, U.S. policy requires it.

The broad program proposed by the report strikes us as exactly right, combining diplomatic, economic, soft power, and military tools (and appropriately, in that order). Only with an effective NSC, could such a strategic program be coordinated and advanced. We would add four considerations that might shape the next iteration of such a strategy for Japan’s actual NSC:

First, the focus on a consortium of like-minded states in the “long littoral” is sound and is not “containment” in the traditional sense of the word because the strategy does not focus on limiting these nations’ economic and political relationships with Beijing. However, several nations in the long littoral, such as India and Vietnam, have sensitivities to China that will limit their readiness to join any explicit multilateral club that is aimed at China. These nations share Japanese concern about China’s use of coercion and welcome a more active Japan, but Japanese foreign policy will have to be subtle and agile to avoid the appearance of any of these nations rejecting closer alignment with Tokyo. In other words, asking for too much security can result in negative answer that hurts Japanese security in the end.

Second, while opinion polls and elite opinion in the long littoral are all highly positive towards Japan’s world and regional role, the same cannot be said of Korea. From an American perspective, Korea is the most important of these third nations. Korea is a like-minded democracy, a U.S. ally, and the geostrategic prize Beijing would most likely to deny Tokyo and Washington in the future (particularly after unification). We have confidence in the Korean peoples’ identification with the open rules-based order sought by the United States and Japan, but worry that Japanese political leaders’ narrative on the interpretation of the past is playing directly into Chinese conceits that Korea can be neutralized in the future. We would not expect the authors of this or the official Japanese national security strategy to necessarily be explicit about the burdens of the past, but it is a reality in Japan’s strategic and

diplomatic landscape that cannot be ignored.

Third, while the authors focus appropriately on both deterrence/dissuasion and also reassurance in shaping China's decisions as a rising power, our sense is that a smart China strategy will require more nuanced reassurance strategies than detailed here. The authors note rightly that multilateralism will be an important regulator on Chinese behavior –but that will be true until it is no longer true. In other words, Beijing is influenced by the influence of other states in the ASEAN-centered multilateral process in Asia, but the Chinese have also been willing to sabotage or ignore that process as well. Direct Japan-China mechanisms for communication, transparency and conflict resolution will have to be increased.

Finally, we are impressed with the centrality of values in this foreign policy strategy. Japan has an unambiguous stake in the preservation of a rules based order and the authors are right to state that human rights and democracy should be considered not as a “should” but as a “must.” This consistency is a contrast to the confused U.S. debate about norms in foreign policy since Iraq (President Obama has described the role of human rights and democracy very differently in various speeches over his tenure). It is also important, however, to recognize that putting this principle into practice in statecraft is not easy. Is Myanmar's economic opening critical to sustain, even if human rights abuses have re-emerged? Can Japan develop a long-term strategic relationship with Vietnam when Hanoi's policies on religious freedom and dissent are at such odds with the rest of the states in the prospective coalition on the long littoral? These are not easy questions (and we two differ on them in many respects), but the practicalities of implementing a values-based foreign policy strategy have to be debated not only within Japan's NSC, but also with bilaterally with the United States and other like-minded countries. It will be important to be realists in the short-term, but idealists in the longer-term.

Perhaps the greatest value in the establishment of an NSC and the creation of a national security strategy document will be the opportunity it

presents for allies and partners of Japan to think about how they align statecraft with a more dynamic Japan. For that reason, the authors of *Quiet Deterrence* have done the region and their own government an enormous service.

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  3. MICHAEL BLAKER, *Japanese International Negotiating Style* (New York: Columbia University Press, 1977); Blaker, *Case Studies in Japanese Negotiating Behavior* (Washington, D.C.: U.S. Institute of Peace, 2002).
  4. See Cabinet Law Article 15 for the role of Deputy Chief Cabinet Secretary for Crisis Management ([http://www.kantei.go.jp/foreign/constitution\\_and\\_government\\_of\\_japan/cabinet\\_law\\_e.html](http://www.kantei.go.jp/foreign/constitution_and_government_of_japan/cabinet_law_e.html))





# Introduction

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Japan's next generation faces an age of dynamically shifting power balances in the Asia-Pacific region, in which the regional security outlook becomes increasingly complex and uncertain. It is crucially important for Japan to envisage the strategic environment of the 21st century, to reestablish national priorities, to assess and reallocate national resources, and to reinvigorate Japan's role in the region and on the global stage. This requires strategizing of Japan's national interest in the transforming world.

Any strategy must begin with identification of the role Japan wants to play in this world. The country's modernization process, from the nineteenth century to the present, has been spearheaded by dynamic industrial networks across the globe. The core driver of Japan's vibrant economy continues to be trade and investment in the interdependent world. Thus, sustaining a secure, liberal, and rule-based international order conducive to vibrant business activities is indispensable to Japan's national strength. At the same time, globalization and the rise of emerging states, which has resulted in a shift of economic gravity from Europe toward Asia, create opportunities for Japan to reengage in a dynamic Asia-Pacific region. In this context, realizing a secure and prosperous Asia-Pacific is Japan's foremost strategic priority.

The prerequisite for peace and prosperity of the Asia-Pacific region in 21st century is to realize a plural security community in which conflict and war are highly unlikely. The reality, however, is that the region is beset by the risk of serious strategic confrontation. As described below, Japan's diplomatic and security policies now face domestic and international environments of unprecedented complexity:

- The rise of China, the change of distribution of power, the uncertainty of the direction in which China is moving, and its assertiveness towards other countries;

- The realignment of the United States global strategy and ‘rebalancing’ to the Asia-Pacific region;
- Destabilization of the Korean Peninsula, unexpected scenarios of the unification process, and the possibility of Korea distancing itself from the United States and Japan after reunification of the North and South;
- The ‘Balkanization’ of Northeast Asia (conflicts and divisions related to the territorial and historical problems of Japan, China, and South Korea, and global tension resulting from them);
- Increase in Japan’s energy costs and the destabilization of its energy security;
- The public debt risks of both Japan and the United States, and potential shrinking of their external commitments;
- The population decline and deteriorating national strength of Japan;

National security strategy should look to the future and formulate an action plan based on a risk assessment of domestic and international environments. It is essential for national security strategy to set forth clear priorities based on proactive realism, upon which limited resources should be put to strategic use to identify national interests. Redefining of such national interests—referred to here as “strategic national interests”—can only be achieved through strategic actions.

At the core of “strategic national interests” are the preservation of Japan’s national territories, waters and airspace, and the protection of the Japanese people. It is also in “strategic national interests” to deter any external force from compromising security and changing the status quo. What is needed is a construct for assuredly effective “quiet deterrence,” built up with a firmness of will and level-headed actions.

Unlike conventional deterrence, which aims at preventing the opponents’ aggression or coercion by making their cost-benefit calculation more costly than inaction, or simply making it ineffective or unsuccessful in achieving their goals, quiet deterrence aims to avoid unnecessary provocation and escalation while cultivating capability to deter, defend

and deny possible aggression. Quiet deterrence goes beyond a military strategy. It is a strategic concept for shaping the regional security order, which achieves the balance of power without security dilemma without suppressing the rise of China or outdoing China, while accommodating tremendous uncertainties associated with the rise of China.

In the military dimension of quiet deterrence, it is important that Japan will firmly maintain the determination and stance of protecting one's country on one's own. Japan needs to enforce own defense capability profile to expand the area of responsibility, especially in Southwest island chain. Japan will close the window of opportunity for creeping expansion of Chinese maritime activity by regularized intelligence, surveillance and reconnaissance (ISR) and by ensuring air and maritime superiority vis-à-vis China. Japan's increased responsibility in the low and medium intensity conflict will ensure seamless U.S. military engagement in higher intensity conflict, thereby function as an escalation control. Most critical element of the successfully extended deterrence is the deployment of the U.S. combat-ready troops on Japanese soil. Without in-theater logistical and basing support, pre-planned military operations and augmentation of U.S. forces cannot be achieved. In this regard, U.S. bases in Japan, especially in Okinawa, remain to be a foundation of deterrence and escalation management.

In the political dimension, China's political system is being increasingly vulnerable to the rising political awareness of the public. Nationalism influences the governance by the Chinese Communist Party (CCP). Hence, Japan's deterrence posture must be quiet so as not to cause an outbreak of reactive Chinese nationalism and not to tempt the Chinese government to inflame nationalism. The essence of quiet deterrence is to maintain strategic communications with China, to carry out risk and crisis management simultaneously, to stabilize the bilateral relationship and maintain peace. This is generally rather close to the domain of "dialogue" in the categorization of "dialogue and deterrence". Deterrence is precisely comprehended in the continuation of dialogue, and dialogue becomes serious when deterrence works.

In the normative dimension, memories of the Second World War still haunt Northeast Asia, and overshadow deepening regional integration in East Asia. Interpretation of history could easily turn into a political game over the legitimacy of the post war liberal order, which Japan has played a critical role in laying the foundation of. Japan should realize that it is in the national interest of Japan not to undermine its good record of global citizenship in the process of building this order. Japan should strengthen its influence by building upon the trust it gained over time, which is a central asset for Japan. Quiet deterrence is a 'diplomatic sense' to prevent others from setting a political agenda over the legitimacy in their favorable terms, while striving to keep fairness in history.

As one step towards the redefining of such "strategic national interests through Quiet Deterrence," we propose the following pillars of a strategic vision for Japan:

- Defending global commons and a rule-based liberal international order
- Managing the new balance of power in the Asia-Pacific through maintaining the U.S.-Japan alliance, enhancing ties with emerging powers, and constructively engaging China
- Advancing the power-web of alliance, alliance plus-one, alliance plus-sum, and complex patterns of regional security cooperation
- Demonstrating global leadership and promoting Japan's soft power
- Overcoming population, energy and financial constraints by economic growth and structural reform

In order to secure the future of the Asia-Pacific, we must actively project our influence abroad. Since the end of World War II, the regional order has been predominantly crafted and maintained by the role of the United States. As the global balance of power shifts, led by China's rapid rise in regional affairs, the diplomatic formula for managing regional order has begun to diversify. In an age of dynamic power shifts, however, our national interest requires Japan's full and seamless engagement in regional affairs. To formulate a solid rule-based order,

Japan must assume leadership in embedding the global commons in such domains as maritime, space, and cyberspace into compatible regional commons. Toward a sustainable regional order, moreover, Japan should navigate and preserve stable major power relations by ensuring strong U.S. engagement in Asia and should encourage China's constructive involvement in the region. To rebalance the distribution of regional powers, Japan should empower and build the capacities of emerging states in Asia, as well as promoting the institutionalization of regional economic and security frameworks. History has been and probably will remain a contentious issue in our region. A conversation on history needs to take place but should not hinder the needed cooperation to tackle the issues facing the region in the future.

As the major interface to projecting Japan's power abroad, the Japan-U.S. alliance must be reinvigorated as the cornerstone of stability in East Asia. The alliance also needs to adapt to the new power balance in Northeast Asia, provide tailored and effective extended deterrence, pursue resilient operations, and constantly upgrade role and mission sharing between the two services. Fulfilling these goals will require modification of the Japan-U.S. Defense Cooperation Guidelines and the upgrading of Japan's role as an alliance partner, including a decision to lift the ban on exercising collective self-defense. Japan also needs to expand the scope of strategic partnerships abroad with Korea, Australia and India. Japan's new engagement in Southeast Asia through the capacity building of the Association of Southeast Asian Nations (ASEAN) littoral states represents our decisive commitment to securing the maritime order in the South China Sea. This power-web, anchored by complex patterns of security networks, provides a renewed opportunity for Japan to multiply its power in the region.

Japan's defense strategy and the future role of the Self-Defense Forces are also in need of further evolution. The Dynamic Joint Defense Force concept adopted in the National Defense Program Guidelines (NDPG, 2013) systematically demonstrates the Japan Self Defense Forces (JSDF) operational capacity to deal with increasingly severe security environment including so-called 'gray-zone' conflict, by emphasizing

continuous and seamless intelligence, surveillance, and reconnaissance (ISR) operations, especially in the southwest of Japan. China's rapid increase in maritime activities surrounding Japan's main archipelago, particularly in the seas around the Senkaku Islands, requires Japan's indigenous and more robust role in a low- to medium-intensity conflict at sea. Seamless coordination between the Japan Coast Guard and the Japan Maritime Self Defense Force should be enhanced for deterrent and stable escalation management capacities.

Japan's foreign policy starts at home. There will be no ground for strong foreign commitments without domestic foundation of comprehensive national power. Therefore, revitalizing the Japanese economy through a vibrant growth strategy is the only path to sustain Japan's national resilience through overcoming fiscal constraints and addressing societal shift in the aging population. Promotion of a peaceful environment in the Asia-Pacific, particularly in Northeast Asia, is essential for Japan's growth strategy.

Conducting the business of national security strategy demands strong leadership that mobilizes the whole of the government to advance Japan's national interests. In this context, the establishment of Japan's National Security Council (NSC) represents a major, decades-spanning institutional change, and we must capitalize on this opportunity to advance the country's strategic, effective, and timely decision-making for national security. The NSC must bring about innovation of national security decision-making by fostering 1) strategy-driven approach, 2) integration and inter-agency approach and 3) credibility, predictability and continuity. The NSC brings together the Prime Minister, the Chief Cabinet Secretary, key ministers, and the NSC Bureau to play a centralized role in analyzing, evaluating, deciding, and delivering the national security agendas.

February, 2014

Japan-U.S. Strategic Vision Program  
Rebuild Japan Initiative Foundation (RJIF)





[ CHAPTER 1 ]

# Japan in the New Strategic Environment

## **The Strategic Context of the 21st Century**

The strategic environment surrounding Japan at the dawn of the 21st century is highly complex and uncertain. In a globalized world, Japan's economic interests, trade, investments, production, and business networks reach across the globe. The open and competitive world economic system has enabled Japan's high economic performance as well as her access to critical energy and resources. In the dynamic pace of change prevailing in the global economy, Japan's interests remain constant: Sustaining a secure, liberal, and rule-based international order that ensures vibrant business activities is indispensable for Japan's national strength.

In the 21st century, the world is experiencing a major power transition from West to East. The global political economy's center of gravity in the coming decades is increasingly shifting away from the G7 to the emerging economies, leading to a diversification of the worldwide distribution of wealth. Continuing to dominate as the first among equals in this century, however, the United States stands as the power still at the forefront. The United States' strategic 'pivot' or 'rebalancing' to Asia is, in this context, crucial for the stability and dynamic growth of the Asia-Pacific region. Moreover, Japan continues to play an indispensable role as a gateway for the United States' ongoing engagement in the region. The Japan-U.S. alliance remains the cornerstone of Asia-Pacific stability, and no other regional partner could replace Japan in its role as a primary host nation supporting a forward U.S. presence.

At the same time, reallocating Japan's diplomatic and economic resources to invest in emerging states and economies has become equally important in the current global climate. Looking ahead to 2030, Japan must expand strategic and economic partnerships across the globe in transforming world political economy. China, India, Brazil, and Russia, followed by numerous emerging economies, have grown to constitute a major portion of the world's GDP in the last two decades. Japan has no choice but to enter into this new global economic playing field to advance its strategic portfolio. This will require active regional



and global engagements; we must expand our networks of cooperation with emerging partners throughout the Asia-Pacific and globally to ensure collective capacity and promote dynamic growth.

## **Balance of Power and the Strategic Rivalry in the Asia-Pacific**

Shifts in the balance of power are a more conspicuous reality in East Asia than on a global plane. Such change is centered, undoubtedly, in the unprecedented rise of Chinese power and influence in the region. In 2010, China surpassed Japan's nominal GDP and became the world's second-largest economy. The shift of relative power superiority from Japan to China, for the first time since the early twentieth century, created a bilateral relationship wherein China's GDP and military expenditure are consistently larger than Japan's—and the gap is rapidly widening. As Japanese anxiety about China's military buildup, strategic intentions, and the potential for tension escalation grows, these concerns have in turn fueled a bitter domestic debate in Japan about its national security strategy.

The maritime capability gap between China and the Association of Southeast Asian Nations (ASEAN) littoral states is also rapidly growing. China's rapid procurement of patrol ships, surveillance vessels and aircraft, submarines, and new-generation fighters is bound to consolidate its maritime and air superiority vis-à-vis ASEAN neighbors. In tandem with China's economic advancement, ASEAN is increasingly feeling the pressure of China's assertive diplomacy and charm offensive, with China's 'divide and rule' approach toward the region being showcased in the diplomatic standoff in the South China Sea and in China's heavy involvement in the Cambodian chairmanship in 2012.

The rise of Chinese power has emerged as the dominant force shaping the evolving power game formula in Asia. In particular, the strengthening of China's air and naval power and of its missile capability is heightening the country's anti-access capabilities with regard to areas

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where China's claimed interests are involved, while also heightening its area denial capabilities in regions where U.S. forward-deployed forces had previously reigned supreme. In the context of this upgrading of the People's Liberation Army's (PLA) capabilities, China is exerting greater influence on regional issues, including those involving the Taiwan Strait, the Korean Peninsula, the East China Sea, and the South China Sea. Moving forward, Japan's security strategy in the Asia-Pacific region must be based on a sound assessment of China's dynamically changing status in the power distribution of the Asia-Pacific, of China's perspective on and strategy for the Asian security order, and of how much Japan, the U.S.-Japan alliance, and other regional partners can realistically shape the strategic choices of China (see also 'Enhancing Strategic Relations with Australia, India, South Korea and Russia,' Chapter 3).

## **Geopolitical Threats and Risks**

In addition to the strategic challenge derived from China's rise, the security environment in Asia encompasses numerous geopolitical threats and risks. Heightened tensions in the Korean Peninsula, contested territorial claims in the East and South China Seas, and unresolved Taiwan-Mainland cross-strait relationship issues still remain as brewing sources of potential conflict.

North Korea constitutes imminent threat and could yield catastrophic consequence to Japan's security with its nuclear weapons development, ballistic missile technologies and special operations force. In particular, series of missile and nuclear tests in past decades increased the potential for miniaturizing nuclear weapons for warheads and equipping them on ballistic missiles. The North Korean regime under the new leadership overshadows the predictability of its policy directions, but provocative rhetoric and behavior remain the same.

At the sub-strategic level, tensions between Japan and China over the Senkaku Islands have involved intrusions by Chinese official and

paramilitary vessels into Japan's littoral territories—and the frequency of such instances has been increasing. Such activities, if not properly dealt with, could eventually change the status-quo by threatening Japan's territorial integrity by undermining Japan's administrative control over and access to natural resources in the territory, and potentially compromise its freedom of navigation. The confrontational situation in the area has not yet escalated to the level of armed conflict, but a diplomatic resolution remains a difficult proposition. Such a resolution would require law enforcement capabilities along with firm assurances to contenders that Japan is squarely committed to and capable of maintaining and controlling the order and security of the territory.

## **Goeconomic Security Challenges**

Japan's peace and prosperity are deeply embedded in the globalized economy. The global supply chain, resource development, financial transactions, and communication are all keys to maintaining the vitality of Japanese society. The global goeconomic environment is rapidly and dramatically changing with the rise of emerging economies such as China and India, growing geopolitical insecurity such as violent extremists and socio-political instability in resource rich regions such as the Middle East and Africa, and increasing tensions over global commons that constitute critical infrastructure to sustain the global economy. Thus, managing the dynamic transformation of the goeconomic environment, along with defending and strengthening the prevailing global liberal economic institutions, are critical goals for Japan's peace and prosperity.

Today's goeconomic reality requires Japan to broaden the horizon of its strategy geographically as well as conceptually. Goeconomic reality, which affects Japan's strategic choices, mainly consists of three elements. First, with the increasing influence of emerging economies, it becomes more difficult to maintain and strengthen the prevailing global liberal economic institutions. Traditional guardians of the liberal order are increasingly challenged by the state-capitalism. Second,

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the global energy and resource demand and supply landscape are also challenged by the emerging economies. Furthermore, geopolitics over energy increases its complexity as the socio-political instability of the Middle East has been intensified after the ‘Arab Spring’ and the ‘shale revolution’ emerged. Third, the critical global infrastructures such as cyberspace and outer space, sea lane of communications, or ‘global commons,’ remain relatively vulnerable to various threats and risks, and require the establishment of rules and norms of governance to ensure safe, fair and open access.

## **Risks of Energy Security**

The Middle East, in particular, is at once Japan’s largest energy trade partner and an epicenter of political instability. After the ‘Arab Spring,’ the political and security environment in the Middle East is fluctuating and deteriorating. In addition, in the medium- to long-term perspective, demographic and economic changes in Middle East may trigger shifts in energy politics. Some of the energy supplier states may eventually become consumer states. Were such major supplier states as Saudi Arabia to undergo this kind of transition, politics over energy prices in the markets might be significantly strained.

As Japan continues to rely heavily on oil and gas supplies in the Middle East as its major source of energy access, the region’s potential destabilization should be perceived as an imminent threat to Japan’s survival. With this in mind, Japan must engage more actively in Middle East affairs, working to help nurture regional stability in the wake of the Arab Spring movements.

## **Contested Global Commons**

The great maritime common—which provides us the most benefits when regarded as an open, free highway rather than as a defensive barrier—constitutes Japan’s strategic hinterland. In other words, good

maritime order, or ensuring legitimate use of the seas for navigation and resource exploitation is a pillar of Japan's security and prosperity. Stability in Asia has traditionally rested on the balance between the maritime powers and the continental powers in Asia, where neither side could project sufficient conventional weapons into the realm of the other. However, good order at sea is now being challenged in the 'long littoral' along the Indo-Pacific region by growing sea denial capabilities and excessive maritime claims to reshape the navigational regimes—including high seas freedom in exclusive economic zones (EEZs)—established in the Law of the Sea.

Today, the vibrant global economy rests heavily on free and fair access not only to the global maritime commons, but also to outer space and cyberspace (see also 'Good Order in the Global Commons,' Chapter 2). Japan is among the advanced spacefaring nations that can independently place satellites into orbit and a responsible cyber faring nation that commits itself to the free flow of information and resilient cyberspace. Outer space provides a platform for communications and for research and investigation, while cyberspace has come to play a major role in transmitting and sharing information, making it a platform now indispensable for all kinds of activities in Japan as elsewhere. Globalization has proliferated advanced technologies and doctrines around the world, and our defense forces and critical infrastructure have become vulnerable to asymmetric sudden attacks in the process.

Ensuring good order in those global commons is now essential to the further development of the global economy and to stability in the international system. Whether the Law of the Sea is able to continue to maintain good order at sea depends on the outcome of the ongoing 'struggle for law' in the maritime commons. As the number of users of outer space and cyber domains will continue to grow, we need common understanding as well on good governance of space and cyber commons.

The development and use of outer space in particular has direct linkages with national security, and some states engage in space development

for national prestige (see also ‘Good Order in the Global Commons,’ Chapter 2). However, as activities in outer space expand, space debris increases. The protection of the environment in outer space as on land has thus become an urgent issue. The international community now faces a turning point in space governance as major states seek an international code of conduct in that frontier. Outer space still remains a realm of international cooperation, but the international community needs transparency and confidence-building measures (TCBM) for sustainable space security.

## **Severe Accidents and Natural Hazards**

The Great East Japan Earthquake and Fukushima nuclear accident laid bare the extent to which mega natural disasters and severe industrial accidents such as those at nuclear facilities can seriously affect the safety and security of citizens, society, and the state in various ways. Indeed, such risks may even have security implications in terms of the very survival and viability of a country.

The world at large has experienced and witnessed various natural and man-made disasters in the past decades, giving rise to huge human and economic damages. Hurricane Katrina in 2005, for example, caused a 0.8% drop in U.S. GDP. The 2011 flood in Thailand, meanwhile, incapacitated the production facilities of Japanese companies and led to interruptions in the supply of critical parts on associated assembly lines. Mega disasters and severe industrial accidents may cause damage not only within the national economy, but also have effects that spill over into global production and supply chains.

Under such circumstances, the competitiveness of a country is no longer evaluated based on economic growth and technological innovativeness alone. Rather, the resilience of social and economic systems against disasters and the quality and effectiveness of crisis management are now equally important elements in determining a country’s competitiveness through ensuring the consistent maintenance


of economic activities. Sitting atop an intersection of seismic activity and with the threat of mega earthquakes still looming on its horizon, Japan must make it a priority to strengthen the resilience of social and economic infrastructures, improve preparedness, and build stronger disaster relief and management capacity.

## **Resource and Fiscal Constraints**

In order to envision a viable national security strategy, it is increasingly important to effectively manage certain domestic socio-economic conditions. In particular, the long-term demographic shift taking place in Japan will have profound implications for our mid- to long-term security strategy. The aging of Japanese society may pose some constraints in both resource allocation and policy options for achieving national strategic goals. An important part of national security strategy is to identify and implement measures to overcome such socio-economic constraints and build a sustainable and robust foundation for economic strength.

With the demographic shift, Japan's working population will shrink, which is likely to constrain economic growth unless the country continues leading in innovation on transforming economic and industrial structures. The attenuation of the economy would, in turn, spur another decline in tax revenue. In the meantime, the senior population (those over the age of 65) will reach 31.8% in 2030, and a significant portion of the national budget must be dedicated to social welfare expenditure if the current social welfare system is to be maintained. This would be a major constraint against allocating toward a proper defense budget. Given that China will be progressively expanding its military expenditure in the years to come, such fiscal constraints would prevent Japan from responding in turn with increases in its own defense budget and may thus pose a serious challenge in establishing a stable strategic relationship vis-à-vis China.

Further, the level of household savings is declining, which will



affect market capacity to absorb Japanese government bonds (JGB). Currently, the balance of Japanese public bonds (including JGB) has reached a record high of 1,000 trillion yen (10.46 trillion U.S. dollar) in total. But shrinking household savings would limit the market's JGB absorption capacity.

In order to sustain the government's endeavor to strategize on national security, a stable budget for national defense must be secured. Ongoing review and rationalization of the current fiscal budget allocation will continue to ensure sufficient fiscal resources allocated for security purposes. At the same time, step-by-step increases on consumption tax, though unlikely to affect overall macro-economic growth, needs to be implemented. Public relations activities targeting a wide range of approaches will help to mobilize public understanding and political support for budgetary allocation to national security.

More fundamentally, ensuring sustainable economic growth should be identified as an indispensable element to support viable national security strategy. Resilient and competitive technological foundations and industrial structures are essential. Therefore, the government needs to stimulate private investment in key technology areas, which would contribute to enhancing the Japanese competitiveness and advantage in the global market.





[ CHAPTER 2 ]

# Strategizing Japan's National Interest

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# Security Dimension

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## **Defending Japanese People, Territory, Assets, and Infrastructure**

Defending Japanese people, territory, assets and infrastructure is a top priority in Japan's defense strategy. Since the end of the Cold War, the probability of large-scale conventional military aggression targeting Japanese territory has declined considerably. However, Northeast Asia remains a region where weapons of mass destruction (WMD) are being amassed alongside conventional forces, and where military posturing and technologies are in a state of constant modernization. Northeast Asia is also an epicenter of great power competition. Thus, Japan remains exposed to risks and threats that vary in nature and intensity, and we need to reassess priorities and tailor our responses accordingly.

Japan's defense strategy needs an effective multi-layered structure that comprise of indigenous defense capability, robust Japan-U.S. alliance and various types of regional security cooperation. At their core, Japan's defense doctrine and posture needs constant updating to adapt to the dynamic security environment. As illustrated in the National Defense Planning Guideline (2013), Japan needs to build a highly effective joint defense forces in dealing with emerging challenges. These challenges include North Korea's missile and nuclear threats, China's maritime challenges and escalation scenarios, and various asymmetrical threats like terrorism. All requires Japan's defense force which enables conducting a diverse range of activities to be seamless as well as dynamic and adapting to situations as they demand.

## **Peace and Security in Northeast Asia: The Korean Peninsula and Taiwan Strait**

### **Korean Peninsula**

The Korean Peninsula and the Taiwan Strait have long been Japan's two most essential geo-strategic regions, with direct ramifications for Japan's security. Japan has based its North Korea policy mainly on the 2002 Pyongyang Declaration, in which the abduction issue is given high priority alongside missile and nuclear issues. Japan has expressed its determination to bring the issue to a complete resolution. To do so, Japan will need to enhance its strategic communications with North Korea while retaining a solid deterrence posture and readiness for normalization talks.

Trilateral security cooperation among Japan, the United States, and South Korea has also been a reliable framework for Japan to deal with the North Korea threat. In addition to political, bureaucratic, and defense exchanges, dialogues, and arrangements, various levels of training and exercises among the JSDF, the U.S. Forces, and the Republic of Korea (ROK) Forces provide useful and effective opportunities to enhance interoperability and crisis-management capabilities among the three like-minded forces. Japan will continue to utilize such opportunities.

Japan also needs to further strengthen its security cooperation with South Korea on a bilateral basis (see also 'Enhancing Strategic Relations with Australia, India, South Korea and Russia,' Chapter 3). South Korea is Japan's most important neighbor, sharing a set of basic values in common. The bilateral relationship has tended to be subject to the vagaries of the prevailing political situation, but the shared security concerns, including the continuing North Korea threat and the emerging Chinese military rise, will occasionally remind Japan and South Korea of the practical necessity for more direct security cooperation between them. The immediate next step Japan needs to take is to work with South Korea to define a common strategic vision and objectives for the peace and prosperity of the region and beyond.

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From a long-term perspective, an eventual reunification of the Korean Peninsula cannot be precluded from Japan's strategic calculation. Given the existing broad consensus that reunification of the peninsula should (peacefully) be (initiated by South Korean and) guided by the principle of liberal democracy and market mechanism, Japan will clarify its full support for such a reunification and be prepared to work with South Korea toward it. Future Japan-South Korea security cooperation should be designed with this long-term vision in mind.

### **Taiwan**

Across the Taiwan Strait, interdependence between the two sides has increasingly been deepened over the last decades in terms of trade, cultural, and people-to-people exchanges. However, on the security front, China has not abandoned use of force as a means to resolve the Taiwan issue and maintains its anti-secession law and a considerable number of ballistic missiles against Taiwan. Taiwan is no doubt a mature democracy with a growing identity and universal values of its own. Meanwhile, the Taiwan Relations Act, passed by the U.S. Congress in 1979, has been the only de facto security guarantee provided to Taiwan by the U.S.

Although Japan does not have formal diplomatic relations with Taiwan, we cannot ignore the strategic value of Taiwan. Japan continues to see Taiwan as a successful example of democratization and as an indispensable member of the liberal-order community in the region and worldwide. Japan will also continue to maintain and strengthen its practical relations with Taiwan and seek ways to contribute to the enhancement of Taiwan's security environment.

### **Good Order in the Global Commons**

To secure the contested regional and global commons, Japan commits itself to:

1. Building rules and regimes by working with the United States, regional friends, and other international community members,



including potential adversaries, to develop international rules, agreements, and regimes to preserve the openness of the regional and global commons.

2. Engaging key actors by building the capacities of state and non-state actors that have the will to responsibly protect and sustain free and fair access to the regional and global commons.
3. Restructuring Japan's hard power to defend the contested commons by cultivating capabilities to sustain the openness of the global commons through a whole-of-government approach, preserving freedom of action for the JSDF in commons that are contested, and developing capabilities that will enable military operations when any commons are rendered inaccessible.

Good order at sea requires a liberal approach to the international law of the sea, as reflected in the UN Convention on the Law of the Sea (UNCLOS). Such an approach assumes freedom of navigation in maritime commons as a community right, protects the sovereign rights of littoral states over maritime resources, and promotes peaceful solutions to maritime disputes. In addition, Japan will take leadership to promote good seamanship through the 1972 International Regulations for Preventing Collisions at Sea 1972 (COLREGS)—or the 'Rules of the Road'—for all vessels and a regional incident at sea agreement (INCSEA) for warships based on the Code for Unalerted Encounters at Sea (CUES)—which provides safety measures and procedures, and the means to facilitate communications when ships and aircraft make contact—developed by the Western Pacific Naval Symposium (WPNS).

Japan will seek a consortium of like-minded seafaring nations along the 'long littoral' across the Indo-Pacific region. This consortium aims at expanded capacity building programs for navies and maritime law enforcement agencies in Southeast Asia, South Asia, the Horn of Africa, and the South Pacific. At the same time, it provides a good opportunity to engage emerging maritime powers such as China for counter-piracy, fishery conservation, conflict prevention, disaster relief, and humanitarian assistance programs as part of confidence building measures.

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In the outer space domain, Japan commits itself to taking a proactive role to realize a code of conduct, based on the 2010 EU Code of Conduct for Outer Space for free and fair use of and access to outer space and for debris removal. However, it is essential for Japan to prevent any rule that may hinder development of the country's own rockets and missile defense system or impose restrictions on the possession of satellites. Similarly, a comprehensive ban on ASAT is not in Japan's interests.

In cooperation with the United States, Japan will facilitate space diplomacy for regime building, space situational awareness (SSA), civil uses such as global positioning and remote sensing, and TCBM toward strengthening the alliance. To that end, it is vital for Japan to complete its own surveillance and early warning satellite system and to enhance SSA capabilities. In this regard, the European Union (EU) is another important partner not only for outer space regime building but also for global monitoring for environment and security (GMES). In the Asia-Pacific, Japan can utilize the Asia-Pacific Regional Space Agency Forum (APRSAP) to engage with China, Russia, India, and ASEAN member states. Domestically, the government should support business and research institutions for research and development and human capital development.

Satellites are not equipped to defend themselves. While future satellites might include defenses of some type, it will be difficult to overcome the advantages that an attacker inherently has. It is important for Japan, meanwhile, to create a framework to ban ASAT tests in outer space to prevent any attack against Japanese and U.S. satellites. On the other hand, Japan will continue to jointly develop state-of-the-art missile defense technologies with the United States. The technologies developed for missile defense could be effective against satellites of hostile states, since it is easier to attack satellites than ballistic missiles. In addition, Japan will take measures to protect satellites and ground-based space facilities from cyber-attacks, to which satellite operations are particularly vulnerable.

Users of the cyber domain oppose intervention by states and

international organizations in cyber governance. But since the security problem has become too serious to ignore, good governance in the cyber domain needs to be sought. As a free country, Japan will continue to work on the protection of internet freedom as an important diplomatic agenda. It is also important for Japan to take a lead in banning cyber espionage. Additionally, Japan will engage actively in international efforts to define cyber-attacks—particularly regarding when states can acknowledge a cyber-attack as a use of force and how states can retaliate under international law.

Cyberspace is a virtual domain that is more vulnerable than the other traditional commons. Japan will continue to work with like-minded state actors such as the United States, EU/NATO, and India. Given that Taiwan has been closely monitoring Chinese cyber activities, cooperation with Taiwan should be carefully pursued. Engagement with host states of potential attackers is also vital for confidence building and crisis management. The Cyber Security Center, which is to be established in FY 2015, should facilitate the necessary ‘multi-stakeholder approach’ to internet governance, involving not only governments, but also businesses and civil society, which have enabled the internet to drive economic growth throughout the world.

Cyber security in peacetime is essential to prevent cyber-attacks in wartime. Japan will seek deterrence by both punishment and denial. Technologically, deterrence by denial is easier. Japan will develop an active cyber security posture by developing attack detection, monitoring, and denial capabilities. The key to deterrence by punishment is to identify the responsibility of attack, rather than the actual attackers, by tracking the attacks, investigation based on behavior-based algorithms, cyber forensics, intelligence sharing, and mega data analysis. Accordingly, Japan will have multiple cross-domain retaliation options and will also construct deterrence in cyberspace in terms of extended deterrence and collective self-defense with the United States.

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# Economic Dimension

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## Balanced and Sustainable Growth

Sound economic growth is a cornerstone of Japan's national power. Only with the stable financial resources thus mobilized can a government formulate an adequate budget for security measures. Economic growth also ensures that the safe and culturally rich Japanese way of life can be maintained and advanced, and creates a solid political base to support the government's policies. Economic competitiveness also brings some measure of diplomatic leverage. A large and active domestic market will attract foreign companies. Moreover, high fiscal revenues backed by stable economic growth frees up greater financial resources for a variety of diplomatic actions including increased official development aid. Overall, being a supreme economic power in Asia enables Japan to maintain its primacy in rule-making activities in this increasingly influential region of the world.

While economic growth is an indispensable premise for our national security, it must be pursued in a balanced and sustainable manner. Japan takes responsibility for mitigating the catastrophic outcomes of global climate change. Our economic prosperity cannot be designed to benefit the current generation alone. Rather, Japan's economic growth and competitiveness must be pursued with due consideration to future generations' welfare as well. In fact, Japan has endeavored in earnest to use less energy to generate each unit of economic growth in the past, and has thereby become the most energy efficient economy in the world. Japan will continue to be a model economy for all the world's developing economies to emulate in achieving both economic prosperity and energy efficiency at once. It is our responsibility to share our experiences with other countries in how best to achieve a more



balanced and sustainable economy toward avoiding future climate change-related catastrophes.

## **Sustainable Energy Supply**

The primary goal of Japanese energy policy is to establish a resilient energy supply structure. In addition to domestic energy resource scarcity, mounting political uncertainties in the Middle East in the wake of the Arab Spring, active piracies along the SLOCs, and political tensions in the South and East China Seas are posing new threats to Japan's energy supply. We must reinvigorate measures in place to guard against unexpected energy supply disruption. Given the significance of a stable energy supply to our economic prosperity, formulating a strong energy strategy must be a central agenda for our national security and be dealt with accordingly as an inter-agency issue including sectors from economy, trade, and industry to foreign affairs, defense, and science and technology.

Enhanced energy supply resilience will be realized through reduction of energy import dependence. In this way, our economy will be made less vulnerable to external shocks to the energy supply and our trade balance will improve through minimizing energy imports. Central to such efforts will be to utilize nuclear power plants of confirmed operational safety, as no other available renewable energy is at a sufficient level in terms of both cost and volume. We have accumulated extensive and readily available operational expertise in nuclear power generation. In order to secure public acceptance for nuclear power generation in the wake of the Fukushima Daiichi nuclear disaster of 2011, we must guarantee capable, transparent, and independent regulatory functioning to oversee nuclear power generation and take every possible action to avoid a similar incident.

In addition, under the changing rules of the game in energy resource acquisition caused primarily by active equity acquisitions on the part of energy-hungry emerging countries, we must reexamine the roles

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of government and private firms. In order to defend the liberal economic order, we must respect market mechanisms and fully utilize the dynamics of private firms. Our tightening fiscal budget may make it more difficult to finance public funding for resource development. Yet we must also identify the limits of such market liberalism. Energy resource development requires a massive upfront investment of both time and capital, which sometimes conflicts with the private sector's need to ensure capital efficiency. In such cases, the government should step in to facilitate Japanese firms' investments in energy resource development. In order to make this public-private partnership more effective and integrated, the government and private firms must realize that much closer communication is required to understand each other's needs and resources. Moving forward, the Japanese government must also encourage Japanese energy firms to consolidate into larger entities with more capital available to undertake risky energy development projects.

Yet lowering import dependence is only one side of the coin. Actions to improve Japan's resilience must also accompany an effective energy resource acquisition policy. In this regard, our strategy will take a maritime approach, aiming to ensure open and liberal trade of energy resources, stable seaborne energy supply flows to the Asia-Pacific region from various sources, and security of the SLOC energy resources. As Japan relies for most of its fossil fuel supply on seaborne imports, open and liberal energy trading is the primary premise of our stable energy supply. Against this backdrop, developing and securing additional energy supply flows from North America, Eastern Russia, and Africa will make all Asia-Pacific energy importers more resilient against external supply shock.

Thanks to the ongoing shale revolution, the potential of the North American energy supply is increasing. We encourage the United States to minimize its restrictions on oil and gas exports to the Asia-Pacific. Russia, meanwhile, has two options for exporting its energy resources: 1) the continental pipeline and 2) maritime tanker exports. The country has historically depended on the continental pipeline to Europe but

now faces a serious problem in the rapid demand destruction occurring in the aftermath of the Euro fiscal crisis. Russia is thus now changing its traditional continental approach and has shown more interest in increasing maritime exports to Asia. Japan will work to accelerate Russia's maritime export strategy in the years ahead. At the same time, the active involvement of Russia's liquefied natural gas projects in the Russian Far East and Sakhalin will promote Russia's maritime endeavor.

This maritime-based energy resource acquisition strategy cannot, of course, be realized solely by Japan. We must collaborate with the United States, who shares Japan's interests in this strategy, and also with ASEAN countries that will rely more on seaborne energy resource imports from outer regions in the future.

Climate change, though it may not seem an imminent threat to our security, is in fact a significant and urgent security risk, threatening to cause serious food shortages, unusual and potentially destructive climate phenomena, epidemic disease, and mass displacement. It is our generation's mission to take immediate actions to mitigate against such unfavorable climate change-related impacts looming on the horizon. Japan, as the most energy-efficient economy in the world, must initiate a global carbon emissions reduction framework based on pragmatism. Such a framework must be both effective in reducing carbon emissions and flexible enough to facilitate the participation of all major emerging countries. Target systems based on energy efficiency benchmarking such as through measuring the energy intensity of GDP growth, for example, are more likely to be accepted by a larger number of developing countries, while a pledge and review system to monitor emissions will provide the flexibility and lower hurdles necessary for those developing countries to freely join the global framework.

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# Normative Dimension

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## Japan as a Normative Power in the World

Despite the relative decline in the size of its economy, Japan should maintain and, moreover, increase its influence in shaping the normative foundation of the emerging world order. In a connected world, a goal nations should pursue cannot be defined solely from a narrowly defined national interest perspective. National interest has to be embedded in global norms. Japan should not limit herself as a regional middle power but should accept and willingly assume the role as a responsible global power. There is a sentiment in Japan that we should be satisfied with a limited international role, as the domestic issues we face—such as population aging, budget deficits, and ongoing recovery efforts from 3/11—are in themselves a daunting challenge. However, an inward-looking Japan is in itself a contradiction, since the peace and prosperity we have achieved for the past half a century was a direct result of Japan looking outward. This continues to be true today.

Japan is, after all, no longer a rising nation, but a mature nation with a responsibility to play a major part in laying the foundation for a peaceful, prosperous, and stable international order. To this end, Japan must reaffirm the basis of its strength. At home, democracy, rule of law, human rights, social justice, and the market economy will continue to be the guiding principles. These principles, when projected outward, will serve as a pillar of the rule-based liberal international order, which will benefit every nation willing to participate and take responsibility in its maintenance. It was precisely this order that led the economic growth and the development of democratic institutions in many Asian countries. And the lessons will continue to be applicable to other parts of the world. Japan should continue to emphasize the principles of

freedom, openness, justice, and rule-based order, all of which have contributed to achieving stability, but at the same time must play a facilitating role for the traditional order to adapt to challenges posed by the newly emerging regional dynamics. Globalization comes with its own host of merits and demerits; Japan should encourage the former and tame the latter, shaping globalization into a process fairer for every nation.

To play this facilitating role, Japan's ability to form a durable and flexible coalition will be absolutely crucial. For this, a facility to nudge, to influence, to convince, and in some cases, to coerce will be needed. Today, competitions among nations are not solely about which can overwhelm the other with hard power. Rather, the forefront of international politics is about participating in the process of rule-making to govern the international order. Although this is not about a clash of physical strength, competition is fierce nonetheless. A strong nation must have the ability to contribute to the process and enhance global governance, but at the same time embed its national interests in the negotiated outcome. To this end, Japan must further enhance its capacity as a global normative power.

### **Rule of Law, Human Rights, and Liberal Foundations**

Despite the global economic crisis of the previous decade, globalization will remain an undeniable trend. It will accelerate with the further development of Internet technology and communication tools, and with means of transportation becoming more accessible to many. As a result, the level of interdependency will increase to a level never before experienced. We are already at a historic stage where people, goods, money, and information transcend national boundaries at an unprecedented quantity and speed. Although the merits of globalization are undeniable—namely in the world becoming smaller and people more interconnected—the negatives are clearly there as well. The threats to human security and to people's survival, livelihoods, and dignity are diversifying and intensifying. Those threats include

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the internationalization of domestic conflicts, terrorism, the spread of infectious diseases, issues of human trafficking and refugees accompanying the expansion of migration, economic crises, spread of poverty-related problems, environmental and climate change issues, and natural disasters.

In order to cope with this tectonic shift, and to deal with the negative effects of globalization, it will be necessary to increase the level of governance at the national, regional, and global levels. The right mix of coordination among the three levels of governance must be sought for each specific issue. As already outlined, rules are in the making in areas such as the environment, finance, trade, cyberspace, maritime affairs, and outer space. Rather than responding passively to the issues as they arise, Japan intends to become an active promoter of rule-making, with the recognition that it is the obligation of a nation such as ours to put maximum effort into reaching a just, fair, and effective order of governance. In this regard, the guiding principle here will be found in universal values such as rule of law, human rights, and liberal foundations. Japan has a major stake in maintaining and deepening these values, as the country relies ultimately on an international order grounded in these values. However, we firmly believe that enhancement of these values will benefit not only Japan, but also any nation willing to become an active stakeholder.

Quite often, ‘universal values’ are criticized as being a cover for ‘western values.’ Japan, a nation with a distinct cultural heritage and experience, knows quite well that differences in ‘values’ arise out of distinct historical, cultural, religious, and moral perspectives and experiences. However, we recognize the undeniable reality that, as the world shrinks, universal values are emerging and taking root. This is not solely a matter of moral appeal, but is fundamental in shaping an order of governance that will be fair and agreeable to all parties. In other words, promoting universal values is not a matter of ‘should’ but of ‘must.’ When pre-modern Japan faced the world in the late 19th century, our forefathers made a conscious decision that Japan would become a nation positioned between the West and the East. Out of such origins,


we believe that Japan has a unique role in promoting universal values and will not hesitate to do so.

## **Development Assistance**

Official development assistance (ODA) is one of Japan's most important and effective diplomatic tools. Japan's ODA is highly regarded, hence, in many parts of the world, the Japan International Cooperation Agency (JICA) is literally the face of Japan. More recently, ODA is also an important means of expressing Japan's gratitude for the solidarity shown by the international community in response to the Great East Japan Earthquake.

Although the total amount of Japan's ODA has shrunk in recent years, we need to invest utmost efforts into maintaining the current level—and preferably reversing the downward trend. Further reduction of ODA would hurt Japan's stature and limit Japan's diplomatic options. There is a need to convince the Japanese public that ODA is not just about a spirit of charity, but is closely tied with Japan's strategic interests. In order to achieve a free, prosperous, and stable international community, Japan needs to assist countries that share universal values and strategic interests. In light of current budgetary constraints, there is a need to streamline ODA activities and to further enhance effective and strategic application of existing initiatives. In essence, the goal of ODA is to bring stability, security, and prosperity to both the world and Japan. We will achieve this through building peace, expanding markets, enhancing knowledge, and building lasting ties between Japan and our international partners.

The current pace and nature of globalization leaves many vulnerable to transnational threats. Terrorism, climate change, pandemics, poverty, and internal conflicts that spill over borders pose a direct threat to the well-being of the individual. Recognizing this fact, Japan has pursued an approach to ODA based on the notion of human security. Fundamentally, human security seeks to offer protection with a view to



enhancing the problem solving capability of the individual. Japan has played a major part in the evolution of this concept and will maintain an active role in its application.

Moving forward, Japan is primed to step into a more strategic use of ODA toward securing safety and enhancing stability. Already the country has provided technical assistance and training for coast guards and national police in this direction. Helping to build the capacity of coastal states in Southeast Asia through the use of ODA is an area that Japan must now further explore.

Thus far, ODA and plans to involve the JSDF in peacekeeping operations have, in principle, been planned and implemented separately. However, many of the development activities conducted under the notion of human security involve activities in conflict zones. There, the boundaries that used to divide multi-national forces, peacekeeping under the mandate of the United Nations, development assistance from international organizations, and non-governmental sector activities are becoming blurred, as all are ultimately involved in nation-building in some way or another. In many of the failed states today, such as in Afghanistan, we see these activities taking place not sequentially but simultaneously. Japan will seek to redesign its development strategies so that it can play a more active, comprehensive role in such realms.

In the meantime, traditional development assistance activities such as poverty reduction, education, infrastructure building, and peace building—at which Japan excels—should be maintained despite the difficult budgetary constraints. This is important not simply because such endeavors boost Japan's reputation, but because these activities will ultimately pave the way to peace and security—terms clearly beneficial to us all.





[ CHAPTER 3 ]

# Advancing Japan's Security Strategy

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# National Defense Policy

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## Operationalizing Dynamic Joint Defense Force

Japan's 2013 National Defense Policy Guidelines (NDPG) adopted a Dynamic Joint Defense Force, placing emphasis on developing advanced technology and information, command and communications capabilities and achieving readiness, mobility, flexibility, sustainability, robustness and connectivity in terms of both tangible and intangible resources while giving consideration to the establishment of broad infrastructure for logistical support.

As a geographical focus, the NDPG called for reinforcement of defense preparations for southwestern regions of Japan. This decision was guided by China's growing activities both in the air and at sea, alongside the sea change in the military balance of power. Risks and threats to Japan's southwestern region could be classified as either 1) low intensity (i.e., violation of maritime interests by intrusion of fishing boats or marine observation vessels) or 2) medium/high intensity (i.e., destruction of base [U.S. Forces and JSDF] and logistics infrastructure [ballistic/cruise missiles, special forces, and cyber-attack], and attack and invasion of Japan's numerous islands regions). In essence, the design of the Guidelines boils down to initiatives borne out of two core concepts: 1) managing Japan's own Dynamic Defense, and 2) dynamically maintaining and reinforcing joint actions with the U.S. and U.S. extended deterrence.

To protect Japan's maritime interests, Japan will continue to build a defensive wall along the Nansei Islands by reinforcing the JCG, enhancing ISR capabilities, and introducing amphibious operation capabilities. The Japan-U.S. alliance is still the key to defeating Anti-Access/Area Denial (A2/AD) threats. Primary roles for Japan under the

allied Air Sea Battle (ASB) include tactical air operations, antisubmarine warfare (ASW), and air defense. Also critical will be the formation of a rapid-response multi-task force for mine-sweeping, escort missions, fleet air-defense, and law enforcement in distant seas such as the Persian Gulf.

The most important challenge in the maritime domain is to prevent any armed conflict among maritime powers. ASB is not a strategy but a tactical concept that can escalate an armed conflict in the maritime commons. Japan and the United States should develop 'offshore control', or a distant blockade against hostile maritime powers, to slow a crisis down and reduce escalatory pressure. Offshore control does not rely on cyber and space domains, but would require cooperation from other regional countries along the 'long littoral' such as Australia and India.

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## Japan-U.S. Alliance

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### Upgrading Roles, Missions and Capabilities

Toward meeting newly emerging security challenges, Japan will review and upgrade current roles, missions, and capabilities (RMC) with the United States as part of upgrading the Guidelines for Japan-U.S. Defense Cooperation. Based on the Common Strategic Objectives (CSO), both regional and global, agreed upon between Japan and the United States at the Security Consultative Committee (SCC or '2+2') meeting in February 2005, the JSDF and USFJ have so far placed primary emphasis on 1) defense of Japan and responses to situations in areas surrounding Japan, including responses to new threats and diverse contingencies, and 2) efforts to improve the international security environment, such

as participation in international peace cooperation activities.

The 2007 RMC review included international disaster relief (DR) operations, establishing a bilateral Chemical, Biological, Radiological and Nuclear (CBRN) Defense Working Group, strengthening ballistic missile defense (BMD) and operational capability, and enhancing BMD system capabilities, among other components. Building on this, the 2011 review deepened and broadened security and defense cooperation in expanding joint training and exercises; further studying joint and shared use of facilities; expanding cooperation in ISR activities; transferring SM-3 Block II to third parties; establishing a regular bilateral extended deterrence dialogue; establishing space, cyber, and trilateral/multilateral cooperation; refining humanitarian assistance and disaster relief (HA/DR), counterterrorism, maritime security, and counter-piracy operations; exploring joint measures to tackle environmental challenges; and enhancing the CBRN Defense Working Group, among other initiatives.

Through the past eight years of bilateral defense cooperation between Japan and the United States, both allies have come to a converged recognition that new security challenges tend to emerge not only from 'gray zone' situations in which there is no clear distinction between peace and contingency, but beyond them as well. This marks a fundamental, structural change to the security situation the two allies are facing. To meet the emerging challenges while building on the aforementioned RMC reviews, Japan will work to upgrade RMC especially in the following areas:

- Enhancing ISR capabilities and operations, mobile deployment capabilities (light-armored units), amphibious operation capabilities, and joint operations among the JCG, the JSDF, and the USFJ.
- Enhancing Japan's own air-sea capabilities to deal with challenges from 'gray zone' situations to low-medium intensity conflicts.
- Building Japan's own capability to manage and control escalation procedures and timelines in both peace and crisis times.
- Enhancing Japan-U.S. defense cooperation for high-end operations in an A2/AD environment, including joint studies and exercises.

- Enhancing regional defense capacity building and revitalizing ODA activities in East and Southeast Asia toward helping regional friends and partners to improve their maritime security.

In addition to reviewing and upgrading RMS, Japan must jointly re-examine the existing CSO. Finally, reviewing and upgrading RMC should be synchronized with Japan's efforts to eliminate the existing constraints on Japan's defense policy, including the issue of collective self-defense rights, and to take legal measures to protect national and bilateral security and defense intelligence, among other key interests.

<b>Exercising the Right of Collective Self-Defense</b>
It is widely known that Americans played a primary role in writing the postwar Japanese Constitution during the occupation in 1946. The document contains a clause that proclaims that Japan forever renounces war and refrains from possessing a military, by which the intention of the United States was to prevent Japan from turning into a powerful enemy again. The ensuing strategic condition soon left a huge gap between this <i>de jure</i> statement and the <i>de facto</i> practice of it. The Korean War brought the incipient Cold War into Asia, forcing Japan effectively to rearm, and catapulted Japan and the United States into devising a security treaty upon termination of occupation. The treaty was revised in 1960, with stipulations of the United States' obligation to defend Japan.
The Japanese government has upheld an official interpretation of the Constitution that, when it comes to conflict overseas, its involvement would be limited to exercising the 'right of self-defense.' It states, too, that the forces it



possesses are considered to be not a 'military' but 'self-defense forces.' A third official position is that, although the Constitution allows the right of collective self-defense, the government does not agree with any exercise thereof, as such an action would undeniably go beyond the scope of the stated purpose of an absolute minimal capacity for self-defense.

This *de facto-de jure* gap yields a political dilemma whose implications are quite consequential. The United States would be obligated to defend Japan in accordance with the security treaty, but Japan would be legally barred from reciprocating. Consider a highly plausible scenario, in which an American naval fleet, engaged in a collective operation with the Japan Maritime Self Defense Force (JMSDF) in preparation for missile launches, was confronted with an unannounced guerrilla-type attack. Suppose, further, that the attack led to a situation short of the need to exercise self-defense from Japan's perspective. Participation by the JSDF would violate the Constitution—given the current interpretation.

Another plausible situation surrounds the issue of whether Japan's Aegis-equipped fleets should intercept ballistic missiles aimed at U.S. territories like Hawaii, a capacity to be acquired in the near future. Legally speaking, this is a non-debate, because the Constitution does not allow the JSDF to engage in operations. In short, these scenarios—the exercise of self-defense to guard American fleets or to shoot down ballistic missiles targeting an ally—are essentially outside the allowable options for Japan.

This is the official position of the Japanese government regarding Article 9 of the Constitution—and one that has

enjoyed broad support by a public predominantly predisposed toward pacifism. Intellectuals on this side assert that, once the right of collective self-defense is allowed in practice, the 'safety valve' would be lifted and Japan would be perpetually pulled into wars fought by the Americans. While some argue that the actual wording of the Article needs to be revised in lieu of reinterpretation, this idea amounts to one against exercising collective self-defense in that the chances for Article 9's revision are politically nil.

On the other hand, those in favor of constitutional reinterpretation contend that the current interpretation would undermine Japan's ability to cooperate effectively as an ally of the United States. More specifically, they point out that if the right of collective self-defense remains ruled out, it confines the Japanese government to a limited set of defense options in a time when strategic environments shift rapidly, due in part to advancement of ballistic missile technology and other such capabilities for defensive purposes. Since they agree that constitutional revision is politically nearly unattainable, many believe that reinterpretation by the presiding Cabinet will be the next best option.

Japan is the only country in the world whose government does not countenance the right of collective self-defense. The public, in general, continues to show little interest in the matter. Yet a problem as critical as this one requires broad public awareness and greater participation. Meanwhile, a few not-unimportant neighboring countries are quite sensitive to any change in the way Japan understands and exercises its self-defense. To minimize room for misunderstanding by key relevant states abroad regarding the intention of constitutional reinterpretation, public diplomacy will play a crucial role from the outset of the debate.

## **U.S. Forward Presence in Japan and the Okinawa Base Issue**

U.S. forward-deployment of bases and personnel in Japan has been an essential source of Japan's deterrence power against external threats throughout the Cold War and thereafter. For the United States, U.S. forward-deployed forces in Asian nations, including Japan, have been indisputable signals of U.S. commitment to the obligations of the Japan-U.S. Security Treaty to defend Japan and maintain peace and stability in Asia during those years. The U.S. bases in Okinawa, in particular, have played the most critical role in maintaining the aforementioned deterrence power. In fact, the US Marine Corps in Okinawa have been an indispensable component of U.S. responses to contingencies on the Korean Peninsula and across the Taiwan Strait.

In 2012, the United States announced its plan to redistribute the deployment of the Marine Air-Ground Task Force (MAGTF) in the Asia-Pacific as part of its review of force postures in the region. The hub of this plan is relocation of the Marine Corps in Okinawa. On April 27, 2012, the joint statement of the Security Consultative Committee ('2+2') was released, announcing that adjustments will be made to plans outlined in the 2006 U.S.-Japan Roadmap for Realignment Implementation ('Realignment Roadmap'). Although the Roadmap stipulated 8,000 Marines relocating from Okinawa to Guam, the joint statement indicated that a total of approximately 9,000 Marines would be relocated from Okinawa to locations outside of Japan, and that the authorized strength of the US Marine Corps forces in Guam would be approximately 5,000 personnel. The joint statement also clarified that the United States plans to locate



the MAGTF in Okinawa, Guam, and Hawaii.
Prime Minister Abe made it clear that Japan would implement the realignment of U.S. bases in Japan in accordance with the existing agreements with the United States, and would seek to reduce the burden on Okinawa while maintaining deterrence. Japan and the United States will work together to promptly advance the relocation of Marine Corps Air Station (MCAS) Futenma and the Okinawa Consolidation Plan. The return of land currently being occupied by US MCAS Futenma will become possible in fiscal 2022 or later. Overall, the Realignment Implementation in Okinawa can be summarized as follows:
MCAS Futenma (total return, shared use approximately 481ha)
1. Base facility for helicopters: The Futenma Replacement Facility will be constructed in the area from Oura Bay to south coast of Camp Schwab.
2. Base facility for aerial refueling tankers: Relocation to Iwakuni (deploy on a rotational basis to JMSDF Kanoya Base and Guam).
3. Base function for contingency use: Tsuiki and Nyutabaru Air Bases and others.
Shared Use:
<ul style="list-style-type: none"> <li>• Camp Hansen is used for JGSDF training</li> <li>• JSDF will use Kadena Air Base for bilateral training with US Forces, while taking into account the noise impact on local communities</li> </ul>
Land Returns:
<ul style="list-style-type: none"> <li>• The remaining facilities and areas in Okinawa will be consolidated, thereby enabling the return of significant land areas south of Kadena Air Base (A detailed consolidation plan is being developed)</li> </ul>

- Army POL Depot Kuwae Tank Farm No. 1 (total return, approximately 16ha)
- Makiminato Service Area (Camp Kinser) (total return, approximately 274ha)
- Naha Port (total return, approximately 56ha) (A replacement facility will be constructed in the Naha Port and Harbor Plan Urasoe-Pier district)
- Camp Kuwae (Lester) (total return, approximately 68ha); Camp Zukeran (Camp Foster) (partial return, some of approximately 596ha)

Regarding the role of MCAS in Japan, in the wake of the natural disasters of March 2011, U.S. forces in Asia responded quickly and worked seamlessly with the JSDF. During Operation Tomodachi, the proximity of MCAS Futenma to Marine ground and logistics units was critical to the rapid deployment of supplies and personnel in transporting Marine assets within four hours of being tasked. In fact, helicopters, fixed-wing C-130 aircraft, personnel of the 31st MEU, the 3rd Marine Logistics Group, and the 1st Marine Air Wing from Okinawa were dispatched for HA/DR operations.

With the rise of China in economic and military terms and the advent of the U.S. rebalancing strategy in the Asia-Pacific region, the role of U.S. forward presence in Okinawa is also becoming more critical. In particular, in light of the increasingly assertive and reinforcing Chinese maritime and naval activities in the East China Sea, including those around the Senkaku Islands, the strategic value of U.S. forward presence to Japan's own security is becoming even more significant. Japan will need to redefine the value in its future strategy toward China in general and in its response to the Senkaku issue in particular.

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## Alliance Plus-One, Alliance Plus-Sum and Regional Cooperation

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### Enhancing Strategic Relations with Australia, India, South Korea and Russia

Japan's strategic cooperation with key like-minded stakeholders in the Indo-Asia-Pacific region including Australia, India, Korea and the ASEAN countries, has been vital to Japan in maintaining a rule-based order and is gaining new momentum as the United States reinforces its rebalancing strategy in the region. Japan will utilize this network as a multi-layered front against China's accelerated targeting of the so-called Island Chains and beyond and also as a dynamo for further regional economic development.

Japan's strategic relations with Australia, which is the United States' most reliable Pacific ally and shares common values, have developed steadily since the 1950s. The 2007 Joint Declaration on Security Cooperation has made relations even more robust against the common emerging security challenges. To wit, Australia is the only country after the United States with whom Japan has signed and ratified a General Security of Military Information Agreement (GSOMIA) and an Acquisition and Cross-Servicing Agreement (ACSA). Australia is also a solid leg of the Japan-U.S.-Australia Trilateral Security Dialogue and an active participant in the associated series of pragmatic and effective trilateral joint training and exercises. Japan will continue to enhance and institutionalize its strategic cooperation with Australia moving forward.

Similarly, Japan signed the Joint Declaration on Security Cooperation with India in 2008 and, since then, has been increasingly active in promoting more pragmatic and effective strategic cooperation with

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the vibrant democracy and rapidly rising economy. Based on the Joint Declaration, an Action Plan was issued in December 2009, and other various frameworks of a security dialogue between Japan and India have been established, including an Annual Sub-Cabinet/Senior Officials 2+2 dialogue. It is also notable that Japan-U.S.-India Trilateral Security Cooperation, including the participation of JMSDF in the ‘Malabar 09,’ co-hosted by the United States and Indian Navies in 2009, has been instrumental in strengthening the bilateral security cooperation between Japan and India as well. Japan’s strategic cooperation in naval and maritime cooperation, as well as cooperation in economic and cultural areas, will be further strengthened in the years ahead.

Japan came close to signing a GSOMIA and had intensively discussed the possibility of an ACSA with South Korea in 2012 (see also ‘Enhance strategic relations with Australia, India, South Korea and Russia,’ Chapter 3). This indicates a mutual agreement on the fundamental need for closer strategic cooperation between the two Northeast Asian allies of the United States in the region. Although these processes have been suspended mainly due to the issue of history, and the bilateral relationship could continue to be subject to the political situation of the time, the shared security concerns and challenges—including the existing North Korea threat and the emerging Chinese military influence—will continue to remind both Japan and South Korea of the practical necessity for more direct security cooperation. Japan will certainly never cease to seek ways to enhance its strategic cooperation with South Korea.

Japan’s relation with Russia needs a cautious and pragmatic approach. Although a settlement of the Japan-Russia Peace Treaty remains to be not promising, both countries are able to dramatically enhance strategic cooperation. Such areas include energy security, development in the Far East and Siberia, and the development of new seaborne trade routes using the Arctic Sea. The two countries share interests in each of these domains and might fruitfully set precedents for cooperation before tackling a politically more intricate issue like territory. Meanwhile, Tokyo needs to cultivate trust with Moscow on security-

related issues like defense exchange and strategic dialogue, especially given the rapid rate of the latter's military modernization.

## **Strengthening Ties with ASEAN**

Japan's national interests are deeply entwined with sustaining Southeast Asia's waters as an open and peaceful zone, free from military conflict. As 95% of Japan's energy supplies are shipped and 40% of exports and imports traded through this channel, keeping Southeast Asian waters peaceful and open is of prime strategic importance for Japan. Thus, the direction of Japan's strategy in this area will be to proceed without hesitation in assuming an active and leading role to secure Southeast Asian seas as a global commons—a sea with freedom of navigation for prosperity.

Foremost among the challenges we face in this arena are the territorial disputes in the South China Sea. Territorial disputes between China and ASEAN littoral countries, especially the Philippines and Vietnam, have created serious obstacles to maintaining the area's peace and openness. The fundamental challenge here is the asymmetric power among the conflicting parties. Both Vietnam and the Philippines lack capacity in countering either military or economic assertive measures taken by the Chinese.

Strategies to maintain open Southeast Asian seas encompass three pillars. The first pillar is to enhance the security capabilities of our peer littoral states in Southeast Asia. To this end, technical cooperation from coast guards and monitoring systems in maritime Asia should be enhanced. Demonstrating Japan's naval security capabilities will also be critical to becoming a reliable regional partner in times of need. The JCG, under the initiative of the National Security Council (NSC) will assume a primary role in supporting security measures and building confidence in ASEAN littoral states, which will, in turn, set the foundation for overall peace in maritime Asia in this era of dynamic changes in the regional power structure.

The second pillar for maintaining open Southeast Asian seas relies on diplomacy. With respect to the strategic importance for Japan of having freedom of navigation in the South China Sea and the Malacca straits, enhancing the level of partnership with Southeast Asian littoral states—especially the Philippines, Malaysia and Indonesia—is critical. And among these three countries, Indonesia holds the primary importance. Indonesia has been a *de facto* ally to Japan since gaining independence, and for Indonesia, Japan has been the only country in ‘the West’ to stand firmly at its side throughout its republican era. As the center of various Asia-Pacific regional architectures, Indonesia now holds increasing diplomatic power. With a view to its own national interests in maintaining geopolitical freedom in maritime Asia, Japan simply cannot afford to lose a friendly Indonesia. Thus, it is of great importance to enhance this diplomatic relationship.

Finally, the third pillar in support of open seas in Southeast Asia is development—on two planes. The first is to support ASEAN’s development as a whole especially in the field of upgrading connectivity among nations and cities in the region. For example, constructing an East-West highway corridor in continental Southeast Asia from Vietnam to Myanmar will greatly contribute to trans-national development and also to Japanese corporate activity, which has been active in the region as well. This is particularly important as Japan’s national interest currently relies not only on the maritime Asia passage for its energy supply and trade, but also on ASEAN’s regional development as a whole as the region increasingly has become a crucial part of the global supply chain for Japan. The second plane is development of the social resilience of the ASEAN countries, especially the littoral zones of the Philippines, Malaysia, and Indonesia. Regional security starts from the resiliency of local society. Unlike the urban centers, the coastal cities and regions among these countries (e.g., Mindanao, Sabah, Sarawak, Kalimantan and Sulawesi) are relatively underdeveloped. Cooperation and commitment in the local development of this particular region must not be overlooked, as these areas have been an area of civil conflict, with potentially harmful ramifications for the overall architecture of peace in the region.

Through such strategies, Japan has the opportunity to demonstrate its commitment to bolstering the littoral zone of ASEAN on every level for the sake of freedom of navigation of the Southeast Asian waters. The coming years will certainly see continued endeavors in this direction.

### **Japan-China Relations: “Quiet Deterrence” and “Strategic Partnership”**

It is imperative that Japan actively participates in the construction and maintenance of the international order through establishing strategic partnerships with China. History has repeatedly shown that the existing international system has destabilized as a result of emerging countries' actions to challenge it. Minimizing the chances for systemic destabilization requires a situation wherein emerging states find an interest in supporting rather than contesting the international system as 'responsible' powers. Japan needs to help create such a condition.

It goes without saying that both China is highly important to Japan, as permanent members of the UN Security Council and as formidable military and nuclear powers. Japan needs to create a proactive strategy toward China to achieve the following objectives: 1) to deepen trust in diplomatic relations; 2) to see China playing a responsible role in international society; and 3) to build and develop a cooperative relationship with China on such matters as energy and non-traditional areas of security.

Be that as it may, China is a developing nation, and given the current situation in which there are severe tensions in relations between Japan and China, the question of how best to approach China is certainly a difficult one. This issue can be classified into short-term and mid- to long-term processes. In the short term it will be necessary to strategically reopen dialogue with China in order to break through the current diplomatic impasse. At such a time it will be critical to take care not to give China the mistaken impression that Japan has conceded that a territorial issue exists between the two countries. It would be advisable for

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the Japanese government to use diplomatic means to persuade China to return to a 'normal' situation in which diplomatic dialogue is held on a regular basis.

The objectives of quiet deterrence are not to incur China's reactive assertiveness and not to cause an outbreak of Chinese nationalism and not to tempt the Chinese Government to enflame Chinese nationalism. The deterrence must also be quiet for Japan and the United States to jointly address this challenge by fully exercising the Japan-U.S. alliance. The essence of quiet deterrence is effective strategic communication, through signaling to China on strong mutual commitment of US-Japan alliance, partnering with Australia, South Korea and Southeast Asian Countries to induce China to work cooperatively for maintenance of regional security global commons, and strengthened dialogue with China itself, in particular on risk and crisis management.

Japan-China strategic rivalry could face long and tough roads unless both find a grand bargain to reach new *modus vivendi*. Japan-China relations are too important to fail for regional and global security and economy. In the meantime, Japan should maintain 'quiet deterrence' against China's attempt to change the status-quo by force.

Yet a fundamental strategic principle is clear and remains the same: to create a condition whereby China finds its interests in building and maintaining an amicable relationship, rather than a hostile one, with Japan. The reality of deep economic interdependence between Japan and China is often overshadowed by nationalistic sentiments over political disputes. Overcoming this strategic mismatch is both countries' urgent task. The most significant questions will be whether the escalation of tensions between the two countries can be held in check and whether a crisis-management mechanism can be implemented. Having the Japan-U.S. alliance at its core, the multilateralism will also be essential in Japan's strategic approaches. A number of dimensions necessitate cooperation, including North Korea's nuclear program, energy development in the East China Sea, and code building on the use of the high seas. A persistent effort to convince China to return to the diplomatic table for cooperation is essential not only on economic



but also on security matters.

Japan's pursuit for quiet deterrence is also favorable in Southeast Asia. The greatest challenge for Japan's security policy towards Southeast Asia is to deal with Southeast Asia's complexity in its major power relations. Southeast Asian countries are often divided over how best to deal with regional security issues. This is due to their different national interests, geopolitics, and preferences of their diplomatic relations with China. Most Southeast Asian countries prefer to avoid facing with a strategic choice whether to take side of U.S., Japan or China. Instead, Southeast Asia is interested in maintaining the balance of power among major states that is preferable to Southeast Asia's strategic position.

Pressuring Southeast Asian countries to take the side of Japan against China (and the United States against China) will likely jeopardize Southeast Asia's cohesiveness, which is the central element of her strength. Southeast Asia will not perform a collective balancing against China. Japan's desirable principles should be based on quiet deterrence against China, then should include the following: 1) encourage Southeast Asia's own initiatives towards the ASEAN Security Community in 2015 to further materialize the effectiveness of intra-regional security cooperation, 2) smartly assist to build the security capacity of Southeast Asian littoral states, to minimize the security dilemma, through financing, training and capacity building.

<b>Japan's Territorial Integration Policy and the Future of the Asia-Pacific</b>
An international order based on the rule of law is absolutely essential for ensuring Japan's safety and prosperity.
But the circumstances surrounding the country's territorial

and maritime interests pose increasing challenges. The Northern Territories and Takeshima are currently occupied by Russia and South Korea, respectively. While Japan and Russia agreed in the 1993 Tokyo Declaration to resolve their dispute 'on the principles of law and justice,' South Korea refuses to acknowledge the very existence of a dispute and, rejecting any judicial resolution, continues to occupy Takeshima. China has also made assertions with no legal grounds under international law to justify repeated and dangerous provocations seeking to threaten Japan's effective control of the Senkaku Islands.

The disputes over the Northern Territories and Takeshima are about the past. Even with disputants making opposing claims, it is still possible to manage such disputes and identify peaceful means of resolution. As Japan seeks to resolve these territorial issues peacefully without resorting to the use of force, there is no danger of the disputes leading to armed conflict. However, the outcome of the current struggle over the Senkakus will have significant implications for the future of the Asia-Pacific. China is challenging Tokyo over the Senkaku Islands in order to weaken the liberal international order that was established after World War II. If the confrontation is resolved peacefully, a bright future will be within closer reach for the region. If it is, on the other hand, resolved through coercion, the region is more likely to confront a future defined by Chinese hegemony. And were it to be resolved through war, the region would, of course, face a decidedly dark future.

To resolve the disputes over the Northern Territories and Takeshima and ensure that China's provocations over the Senkaku Islands do not lead to a confrontation between Japan and China, the effectiveness of Japan's own foreign

policy and defense efforts as well as of the Japan-U.S. alliance must be maintained and enhanced. At the same time, Japan must ensure that international public opinion has an accurate historical and legal perspective on the issues through conducting sophisticated public diplomacy to inspire the support of the international community in urging the other claimants to comply with international law.

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# Global Engagement

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## UN and the Global Non-proliferation Regime

Japan should have an effective strategy to manage the governance crisis confronting international institutions and should utilize international institutions, in turn, for enhancing its strategic environment. Such international institutions as the United Nations as well as the nuclear non-proliferation regime, in particular, should be better utilized for enhancing the peace and security environment globally.

Ideally, the United Nations could serve as an important platform to discuss, establish, and consolidate norms for dealing with threats to international peace and security. In particular, threats posed by non-traditional sources of risk, such as terrorism, humanitarian disasters caused by either armed conflict or natural disaster, and global health problems including pandemics. In light of their trans-border nature and the scale of their impacts, such threats cannot be addressed by any one state acting in isolation. Moreover, in cases of humanitarian crisis, it may at times even be inappropriate to leave the issue to be dealt with

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by the sovereign state, as the state itself could constitute the cause of the crisis.

Since unilateral action by any state, including the United States, to restore peace has become more difficult in terms of legitimacy, effectiveness, and sustainability, the role of the United Nations as a mechanism to lend the requisite legitimacy to international collective action against humanitarian crises is crucial. However, the United Nations as a global governance institution faces its own governability crisis and sometimes fails to address security and humanitarian crises. These failures arise out of two problematic ‘divides.’ First, while new notions such as ‘responsibility to protect’ or ‘human security’ assume more involvement by the international community in cases of deteriorating human rights and humanitarian conditions within a state, a persistent belief in national sovereignty can bar effective action. The international community remains divided over the prioritization between traditional national sovereignty and these new international security concepts. Second, and partly related to the first point, major powers in the UN Security Council—in particular, the United States and Russia—are fundamentally divided, and the Security Council thus sometimes fails to form an international consensus on how to deal with crises. In this context, Japan must step up to proactively involve itself in shaping international norms to legitimize multilateral actions against humanitarian crises.

Proliferation of WMD is among the gravest concerns for international peace and stability. Acquiring nuclear weapons capability could well prove a major game changer for regional security dynamics. Therefore, preventing the proliferation of nuclear weapons should be placed as a high priority in Japan’s security policy. Given their mounting energy demands, growing economies in the developing world are liable to turn to nuclear power as a source to fill the gap. For example, many countries in the Middle East, where Iranian nuclear ambitions and nuclear-armed Israel pose serious challenges, have expressed interest in introducing nuclear technology. Increasing reliance on nuclear energy might thus result in the spread of potential nuclear aspirants in terms

of political will and technological capability.

Under such circumstances, without properly dealing with on-going proliferation crises such as North Korea and Iran, and without properly ensuring non-diversion of nuclear technology into military purposes, the risk of nuclear proliferation will only escalate. In cooperation with the United States and other like-minded countries, Japan, which has technological capabilities and policy expertise, needs to proactively work to strengthen the IAEA and other multilateral mechanisms as well as to put in place bilateral commitments, in order to further effectuate the non-proliferation regime.

### **Strengthening the Global Economic and Energy Regime**

Ultimately, the primary source of Japan's national power lies in its economic strength. Our economy is, in turn, deeply embedded in the globalized economy, and our economic strength cannot be reinforced without engaging in international economic transactions. Hence, strengthening the liberal international economic order and enforcing rules of law, both of which facilitate our economic transactions abroad, will be critically important to our national security. Yet ensuring such a liberal economic order cannot be realized by Japan's efforts alone. Rather, forming an economic cooperation regime with like-minded countries is the most effective means to achieve such an end goal, given the recent deadlock in the Doha Development Round. We must reaffirm that our economic cooperation regime has strategic implications not only in terms of economic growth but also for national security.

Among several options for an international economic cooperation regime, the Trans-Pacific Partnership (TPP) will be the most highly prioritized one for Japan. Including other major developed economies in the Asia-Pacific such as the United States and Australia, as well as prospective emerging economies like Vietnam and Malaysia, the TPP includes a well-balanced group of member economies in the region.

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And the benefits to TPP membership are extensive. Sustainable economic growth is realized based on solid rules of law, a transparent dispute settlement system, and sound labor and environment standards—all of which are included in the TPP's coverage. Participating in the TPP will contribute to raising Japanese employment by attracting international companies and encouraging Japanese companies to stay. Finalizing and implementing the TPP in a timely manner will therefore contribute greatly to solidifying the bright prospects opened up to all member economies, Japan included.

The expansion of TPP membership to a larger number of countries undoubtedly enhances its benefits. Considering Japan's interdependent relationship with neighboring economies, inviting them into the partnership is very important. We must collaborate with our negotiating partners to design and construct a TPP attractive enough to attract the attention and interest of neighboring countries such as China and South Korea.

Participating in the negotiation of the TPP also represents for Japan a great opportunity to review the existing regulatory and administrative frameworks and to reform them to enhance our national competitiveness. Agriculture has been the main focus of domestic reform. We will thus turn this TPP negotiation into a springboard to encourage the domestic agricultural sector to explore a more outward-looking and innovative business model under the new conditions.

With a view to the significance of trade strategy for Japan, a control tower to oversee all trade-related negotiations, such as a Japanese version of the Office of the United States Trade Representative (USTR), will be established in order to mobilize necessary resources and achieve the most ideal outcome in our trade negotiations. Personnel with close ties to the Prime Minister and Chief Cabinet Secretary will be appointed to serve as chief of the office, which will oversee and control the vast network of different trade negotiations.

Japan needs also to address some structural changes in the global

energy market. First, although the magnitude of the impact is still disputable, the so-called 'shale revolution' certainly has the potential to affect patterns of energy trade—and even politics over energy. The European energy market, for example, has already been affected by the U.S. shale revolution, which brought cheap U.S. coal into the European market and pushed down the price of Russian natural gas. Further, if the United States achieves self-reliance and reduces its dependency on the Middle Eastern energy supply, the terms and motives of U.S. involvement in the Middle East will change. This may have some impact as well on the U.S.-Japan partnership in the defense of SLOCs and the stability of the Middle East. Second, the rising energy demand in emerging economies has the potential to render the energy procurement environment more competitive. Indeed, severe competition among consumer states in the search for energy resources has already begun. Third, political instability, social and economic factors, and the rise of energy nationalism in producer states may overshadow the stability of the energy market in the future. In this context, energy nationalism involving excessive government involvement in energy trade and investment must be minimized.

Clearly, the present circumstances demand a comprehensive strategy to hedge such risks in the energy market. A more resilient energy mix based on increased utilization of nuclear power must be pursued. Building cooperation among consumer states will also help to create more leverage in shaping market dynamics. For example, reform of natural gas markets—which is regionally compartmentalized, with the price of natural gas in the Asian market pegged to that of oil—will only be possible through close cooperation among consumer states. As all Asian countries face their own energy shortage problems, if Japan could overcome its own post-3/11 energy problem and revitalize the economy, the country would be held up as a model country for other Asian countries in its energy supply approach. Such achievements would ultimately contribute to the maintenance and rejuvenation of Japan's prestige in the region. Minimizing the impact of nationalism in energy politics will also be pursued through consecutive dialogues in arena such as the International Energy Forum and the G20, where both

major energy producers and consumers meet.

## **Disaster Relief as National and Human Security**

Japan's strategic goal of 'security' means far more than the absence of military conflict. In 2011, we reconfirmed that nonmilitary sources of conflict, too, can take lives and destroy whole cities on an unprecedented scale. Maintaining security requires a broader and more inclusive vision encompassing areas such as environment, health, food safety, and freedom. We cannot be secure without disaster prevention, we cannot build peace without alleviating poverty, and we cannot develop without sustaining the environment and protecting basic freedoms. These fundamental conditions of what we now understand in the concept of 'human security', together with 'national security,' are all interrelated and mutually reinforcing. Thus, we would take the initiative in pursuing this goal both regionally and on a global scale.

In particular, among the prime challenges of our time is environmental degradation. Notably, there are two aspects to this crisis. First is the growing frequency of major natural disasters, caused mainly by global climate change. Second is irresponsible development giving rise to serious environmental degradation, such as through pollution, especially in the rapidly developing economies. It is thus necessary to overcome both of these challenges to enhance security at both national and individual levels.

Japan's main strategy will lie in assuming a vanguard role in global protection against environmental degradation. In this, our greatest advantage is our experience at home. We have set a standard for development-cum-sustainability despite numerous environmental challenges to date. It is this model of a resilient society that we can hold up and share with our friends. Toward formulating this resilient society model as a basis for national and human security, two key foundations could be fully utilized as part of Japan's strategy: 1) advanced technology and 2) education.



Advanced technologies such as energy-efficient and renewable technologies, flood control/water management systems, and recycling technologies are among the best capital we hold. Japan's energy-efficient technology-based standard of development must be set as the new standard of free, fair, and sustainable economic competition and business practice. This would secure a space for Japanese corporations' activities overseas to be both fair and just. And moreover, as we now know that 21st century crises and social conflicts often spring from environmental issues, an energy-efficient technology-based standard of development will ultimately contribute to securing peace and social order in neighboring countries. Second, higher education in this field must be supported in order to gain intellectual hegemony in the area of environmental studies. Japan is now in a position to make significant intellectual contributions to the global society in ways that could also contribute to preventing environmental issue-based conflict through a non-military approach.

In sum, the government should upgrade Japan's environmental and disaster management technologies to a higher strategic level. Both environmental issues and disaster management will be core concerns for human security, peacekeeping, and new development goals in the 21st century. And Japan is in a unique position to make a genuine difference on a global scale. We cannot hesitate in doing so and, moreover, cannot afford to miss this golden opportunity.





[ CHAPTER 4 ]

# Strategy in Action

## **The Role of the National Security Council (NSC)**

The Japanese government established its own National Security Council (NSC) by greatly expanding the legal mandate of the existing Security Council and Cabinet Secretariat. An NSC is an organization specialized in national security and crisis management and designed to assist the Prime Minister in making important policy decisions. Its main functions include the integration and coordination of security policy deemed to be of vital interest to the nation.

The legislation establishing the Council provides a list of tasks the NSC to fulfill. Foremost among these responsibilities are the design of overall approaches to dealing with situations of armed attacks, anticipated or not; grave exigencies that would require the Prime Minister's decision, such as hijackings and terrorist attacks; and other critical matters pertaining to national defense. The proposed NSC differs from the existing Security Council in that, in addition to the tasks given to the latter, the new NSC is also responsible for foreign policy in relation to national security and related issues. Previously, these tasks have been within the purview of the Foreign Ministry; since the NSC came into force, it has taken over this responsibility.

More specifically, three key areas stand out wherein the NSC is to play a leading role. First, to be effective, the NSC must function as a launching pad for designing mid- to long-term strategic packages such as a national security strategy. Doing so requires the gathering of a pool of talented officials from both inside and outside the government who are capable of making and coordinating national security policy that cuts across the traditional boundaries of bureaucracy.

Second, the NSC needs to preside over crisis management functions. It is important to note that modern-day crises like the 9/11 terrorist attacks and the Fukushima nuclear plant accidents allow very little time for political decision-making. NSC officials will need to cultivate organizational readiness to effect policy coordination quickly under conditions that are typically short on actionable information. This, in

turn, requires building a capacity to collect information from various channels and sources and subsequently to integrate, analyze, and present a set of appropriate policy options to the Prime Minister; to facilitate timely decision-making; and to oversee policy implementation by responsible ministries and agencies.

Third, the NSC must acquire an ability to respond to a host of high-risk situations that may or may not involve arms. These terms easily cut across the erstwhile threshold between ‘wartime’ and ‘peacetime.’ Whereas the postwar Japanese government used to define armed attacks demanding a state-directed response and other easy-to-capture scenarios as threats, contemporary ‘threats’ may be far less dramatic but with consequences just as far-reaching. For instance, a mere collision between a Chinese fishing boat and a JCG patrol ship could potentially escalate into armed engagement between China and Japan, even bringing in the United States. This is not merely an arm-chair exercise. The politics of the Senkaku Islands dispute, for example, have involved not only China and the United States, but also Taiwan, South Korea, and Russia.

Responding effectively to such matters will require careful preparation and close coordination on the part of the NSC with relevant organizations including the Foreign Ministry, the Defense Ministry, the Ministry of Land, Infrastructure, Transport, and Tourism (MLIT), the National Police Agency, and the affected local municipalities. Externally, the NSC needs to be in close contact with its U.S. counterpart. This external dimension is critical to precluding conflict escalation, because it allows the Japanese and U.S. NSCs to anticipate how neighboring actors could respond and to determine how best to respond in turn before a crisis occurs or the situation further deteriorates. No existing ministries or agencies can take on all of these roles; the NSC alone will have such a capacity.

The policy areas for which the proposed NSC is responsible for are quite wide in scope. Organizational effectiveness, as hinted at earlier, lies in anticipation and preparation. This will enable the NSC to



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effectively address a whole spectrum of crises from high-intensity situations that threaten state survival and citizens' lives and assets, to low-intensity examples such as isolated ship collisions. Perhaps the biggest task at hand is to create a united national front by breaking the existing bureaucratic stovepipes.

## **Leadership and Inter-Agency Approach**

We envision to significantly enhance our inter-agency policy coordination capabilities under the newly established NSC to integrate and utilize all the tools of the Japanese government in fostering a whole-government approach to guiding the Prime Minister's decision-making in the fields of foreign policy and national security. The NSC should provide a renewed organizational platform for speedy, integrated decision-making by the Prime Minister and cabinet members under various national emergency situations.

In recent years, intergovernmental rivalry and weak cross-agency integration have been criticized as key obstacles to quick and coordinated decision-making by the government, particularly in the fields of foreign policy and national security. The NSC is expected to provide a strengthened cross-agency forum that will allow the Prime Minister to gather his key cabinet members to the decision table in a speedy and flexible manner under the support of an experienced staff independent from bureaucratic interests. The Prime Minister, Chief Cabinet Secretary, and ministers of the Ministry of Foreign Affairs (MOFA) and the Ministry of Defense (MOD) who are members of the NSC's 'Four Cabinet Member Meeting' are expected to form a core decision-making body to lead these key decisions.

The NSC Secretary General, meanwhile, to be appointed by the Prime Minister, will play a key role in leading the NSC. This individual will be in charge of the overall operations of the NSC, setting policy agendas, promoting inter-agency coordination, interacting with foreign counterparts, and managing staff. The NSC Secretary General supported

by two Assistant Chief Cabinet Secretaries in charge of foreign policy and national security matters, respectively, and manages approximately 50 to 60 staff members consisting mainly of secondees from key ministries (MOFA, MOD, and the JSDF) and political appointees from academia and other related fields. The NSC staff will accelerate inter-agency policy coordination on a daily basis, to reduce and streamline the decisions that the key cabinet members have to make.

Certain details of the NSC's organizational attributes are yet to be determined, but will be particularly important in ensuring the council's effectiveness. The NSC Secretary General should be served by a non-politician, with rich experience and knowledge in the fields of foreign policy and national security. This individual, moreover, should enjoy the strong personal trust of the Prime Minister. The physical office of the NSC Secretary General should be located within the Prime Minister's office, with direct and constant access to the Prime Minister and Chief Cabinet Secretary. Finally, the NSC should be equipped with a permanent 'Situation Room', or a designated headquarters facility within the Prime Minister's office, providing secure IT and video conferencing capabilities to various key domestic stakeholders and foreign counterparts.

## **Intelligence and Risk/Crisis Management**

### **Intelligence**

The establishment of a strong and independent intelligence capability that can accurately assess what is currently happening in the world is an essential component in the design of a nation's security strategy. At present, while a number of key ministries house certain intelligence units and capabilities—including the Cabinet Intelligence Research Office (CIRO), the Public Security Intelligence Agency (PSIA), the Defense Intelligence Headquarters of the MOD, the Public Security Department of the National Police Agency, and the Intelligence and Analysis Service of MOFA—a long tradition of sectionalism and inter-agency rivalry, combined with weak political guidance in this field,

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have long served as roadblocks to information sharing and integrated intelligence analyses (i.e., all-source analyses) across the government agencies.

The establishment of the NSC provides a unique opportunity to address these domestic challenges as well as to expand cooperation with our allies in the intelligence arena. The NSC will have legal authority to make intelligence demands of the intelligence community, serving as an intermediary between politicians' personal interests and the intelligence community. The Director for Cabinet Intelligence should serve as the central voice to deliver regular all-source intelligence briefings to the key members of the cabinet, at the same time discouraging direct reporting from institutions that might wish to circumvent this protocol. The government should accelerate its efforts to unify security clearance standards across agencies, while fostering greater information sharing with the United States and other allies on the national security issues by implementing Act on the Protection of Specially Designated Secrets, went into force at the end of 2013, for enhancing the secrecy of important national security information. These changes, however, will require strong political leadership and determination by the top government officials, especially the Prime Minister and Chief Cabinet Secretary.

### **Crisis Management**

Having an experienced and resilient crisis management capability within the government is also extremely important in protecting our national security and other interests, as shown in the challenges and lessons from the recent 3/11 earthquake. The Deputy Chief Cabinet Secretary for Crisis Management is operationally in charge of handling various national emergencies, including natural disasters, terrorist attacks, and nuclear disasters, but excluding matters relating to national defense. However, as the potential threats to national security become increasingly complex and varied in form, the distinction between national defense issues and other crisis management issues becomes less obvious, exposing the government to dangerous ambiguities regarding the ownership of certain emergency situations. We



should work to specify in advance the details of such emergency operation plans, where the demarcation between the NSC and the Deputy Chief Cabinet Secretary for Crisis Management's team is not necessarily clear. In this way we can avoid any counter-productive confusion in an emergency situation.

The government's crisis/emergency communication capability should also be strengthened. Japan is unique in the sense that the Chief Cabinet Secretary, who is second only to the Prime Minister in the government's decision-making hierarchy, also serves as the administration's official press secretary, hosting two daily press conferences. Therefore, under a national emergency situation, a tremendous administrative workload is placed upon the Chief Cabinet Secretary, risking compromise of both the government's crisis reactions and/or external communication. To address this organizational challenge, Japan should appoint a designated press secretary, especially in anticipation of national emergency situations.

## **Legal Foundation of the National Security Policy**

The fundamental objective of national security policy is to defend the nation and contribute to regional and global peace and security under the constitutional spirit of pacifism and international cooperation. Due to the lack of umbrella law on national security policy, the Basic Plan on National Defense of 1957 is meant to provide legislative guidance on national security. However, the Basic Plan is not legally-binding and provides only general guidance. It is time to establish an umbrella law which regulates all laws on national security—including, for example, the Act on Establishment of the Security Council, the Self Defense Force Act, the Armed Attack Situations Response Act, the Act on a Situation in the Areas Surrounding Japan, the Civil Protection Act, the Disaster Countermeasure Basic Act, and the Act on Cooperation in the UN Peacekeeping Operations.

The umbrella law—the Basic Act on National Security—should provide

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the following guiding principles to unify the existing acts as well as any new legislation. The Basic Act should further strengthen and facilitate a whole-of-government approach to achieving national security while promoting civilian control by strengthening Diet supervision of the JSDF. The Act should also effectively regulate the administrative shift from peacetime to wartime and vice versa.

### **1. Objectives**

The fundamental objective of national security is to achieve national, regional, and global peace and security under the constitutional spirit of pacifism, a free and democratic society, and international cooperation.

### **2. Legality of the JSDF**

The JSDF defends the nation, maintains peace and stability in the Asia Pacific, and facilitates international cooperation under strict civilian control.

### **3. Right to Self-Defense**

Japan can exercise the right to individual and collective self-defense under the UN Charter. The exercise of self-defense needs to be conducted under strict civilian control and Diet supervision. A law that regulates collective self-defense is necessary.

### **4. International Cooperation Activities**

Given the fact that the security of Japan rests heavily on the stability of the regional and global environment, Japan should proactively participate in international cooperation activities, especially those that are UN mandated, when participation meets national objectives. A permanent law on Japan's participation in international cooperation activities is urgently needed.

### **5. Intelligence Security**

A law that regulates intelligence security is indispensable to achieving national security. However, due consideration must also be paid to civil liberties.

## 6. Arms Exports

To achieve national security, a robust defense industrial infrastructure needs to be maintained. Accordingly, arms trade and transfers of defense technologies meet the national interest. However, due caution must be exercised so as not to facilitate international conflict.

## 7. Whole-of-Government Approach

To achieve national security, it is vital to integrate the nation's political, economic, diplomatic, military, cultural, and scientific resources. To that end, ministerial cooperation should be promoted across the board.

## 8. Territorial Integration

Defending national territory is the fundamental responsibility of a state. A territorial security law is urgently needed to deal with the situation in the East China Sea.

## Advancing Japan's Soft Power

In the context of national security, the issue at stake is not whether or not Japan would be favorably regarded, but rather, whether our view of the world and the norms and values we cherish would be understood and supported. In other words, the question to be asked should be, how Japan's soft power would contribute to creating a strategic environment that is favorable to Japan. In this respect, soft power is extremely important. Ideally, it would create an intellectual space where Japan's foreign policy decisions and national security actions can be implemented with wide support. This is not to degrade activities such as cultural promotion and exchange. However, despite the overlap between the two concepts, soft power in the context of national security is quite different from traditional public diplomacy. It directly involves Japan's core national interest and should complement the actions taken to pursue those interests.

Hence, soft power in the context of national security is not about

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generally introducing Japanese culture to the outside world. Rather, it should be tailored so as to contribute to the specific national interest targets Japan is pursuing. In light of budgetary constraints, it is not realistic to compete in the sheer magnitude of information Japan sends out. Therefore, a strategic mindset is absolutely necessary. The message should be closely coordinated with the policy implementation actors and crafted with a deep understanding of the audience in mind. Soft power in the context of national security does not exist in a vacuum. This suggests the need for an interagency coordinator to oversee strategic communication whose portfolio is quite different from that of a public diplomacy officer. It is worth noting in this context that, apart from certain contentious issues, Japan's ideas and messages are widely accepted around the world. Notably, on those few contentious matters, there is an undeniable difference in views. Although it does not involve clashes of raw physical power, the clashes are fierce nonetheless; it is anything but soft.

Needless to say, the most sensitive and difficult issues relate to history. There are two sides to the issue. First is how we can convince the interested parties, and second, how the outside world perceives our message and our reaction to the issue. Regarding the former, there is no easy solution but to clearly, calmly, and persistently state Japan's position using every platform available. Regarding the latter, quick and emotional responses on the Japanese side have frequently created misunderstandings that are often lumped into a single phrase, 'rise of nationalism'. This characterization itself has, at times, sparked strong emotion from the Japanese side, resulting in a negative backlash. Precisely because the issue is sensitive, the silent majority in Japan has been rather quiet, which only reinforces the unfortunate impression that this single phrase accurately portrays what is going on in Japan. It may sound paradoxical, but we must first talk about the issue among ourselves to deepen our understanding of how the outside world perceives it.

Precisely because it is fundamentally an issue of messaging, we must have a clear understanding of how the message will be received by the


intended audience. Soft power in the national security context is not simply about making a bold statement; it is about achieving foreign policy goals. In some cases, it might even be wise to deemphasize the issue. The main pillar of the message should always be that, for the past half a century, Japan has been upholding the firm belief that human rights and democracy are of the utmost importance, and that we intend to build relationships with our neighbors with an eye to the future.

### **Investing in the Next Generation's Human Capital**

It is of the utmost importance for Japan to establish a center for developing cutting-edge technology and knowledge, as this is the ultimate source of Japan's national strength. Japan has been lagging behind in globalizing its academic and research institutions; there is now no time for delay. Japan's lack of global competitiveness in this respect fundamentally harms Japan's national interests in the long run. We must not hesitate in investing in cultivation of a future generation able to compete globally.

Japan is in the process of opening up its policy apparatus to civil society. The NSC is one such example, with its establishment geared toward expanding the horizon of Japan's policy options and adapting flexibly to newly emerging issues and circumstances. However, civil society institutions are not fully prepared at this stage to provide personnel able to function in such an environment, simply because the 'revolving door' culture did not exist. Although think tanks could be a catalyst, there are only a limited number of independent public policy research institutions in Japan robust enough to conduct their own research. These institutions should be supported mainly by civil society to foster their independence and healthy distance from the government.

Likewise, Japan has only a limited number of experts specializing in national security issues and policy. Their mobility is low, and too many of them see their career as being static. They are dispersed across universities, think tanks, the media, political parties and private



enterprises. A sense of community among these people should be cultivated, as this would contribute to policy-generating discussions and help promote vital center realism on Japan's national security policy. It will be difficult to expect this community to evolve into a pool of potential players overnight. However, without the broadening of the intellectual basis for security policy, an effort to expand Japan's diplomatic horizon will be incomplete.

Japan has been in relative stagnation for quite some time. Despite this, the Japanese people are living rather comfortably. But, in some respects, this comfort prevents us from investing in the future. Investing in the future inevitably means giving up some of the benefits we enjoy today. However, without bold, forward-thinking action, there is no way that Japan can take off again. In the end, the only way Japan can sustainably take on the constructive role elaborated on in this document is by investing in the future.



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# Truth, Independence and Humanity

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