



US-Japan Deterrence in the New Domains

Abstract and Background

On Tuesday September 20, 2022, the US-Japan NEXT Alliance Initiative held a bilateral dialogue to discuss deterrence prospects in the space, cyber, and electromagnetic domains. The event took advantage of the Washington visit by Sasakawa Peace Foundation project members, Mr. Sugio Takahashi (Head of Defense Policy Division at Japan's National Institute for Defense Studies) and Mr. Junichi Fukuda (Sr. Research Fellow, Sasakawa Peace Foundation), who shared some early findings of their group's research entitled "US-Japan Deterrence in the New Domains." The Sasakawa Peace Foundation project involves a working group of Japanese defense specialists from different organizations conducting related research and interviews. The project and this dialogue event considered two trends that complicate US and Japanese approaches to deterring adversaries' use of force. These trends include a shifting regional military balance and technological advances along with operational needs that demand more integrated and combined force concepts. The in-person event was attended by sixteen Washington-based think tank and government representatives. Mr. Takahashi and Mr. Fukuda spoke in their personal capacities.

Opening Presentation

Mr. Takahashi opened the dialogue by detailing the background of their project, which is concerned with the potential erosion of alliance deterrence stemming from insufficient understanding of the roles played by new domains of cyber, space, and the electromagnetic spectrum.

Mr. Takahashi noted some comparative advantages for China in the space and cyber domains such as the ability to mobilize vast national resources with few avenues for public opposition or privacy rights. The state can also control content more easily. For their part, the United States and Japan have stronger and deeper private sectors, which can be mobilized to deal with challenges such as supporting Ukraine against Russia's invasion. The United States has demonstrated this capacity (e.g., in Ukraine, the Middle East, and elsewhere), but in Japan there are legal and cultural obstacles to developing stronger cooperative ties between the country's military and private sector in the space and cyber domains. Mr. Takahashi said that this can lead to reduced national readiness for responding to complex crises.

Mr. Takahashi encouraged participants to think of these new domains in an integrated manner, rather than developing deterrence concepts for each domain independently. In this sense, "all domain" deterrence might be a better characterization of what they are pursuing. In the counter-space realm, for example, there are kinetic options but also non-kinetic options (e.g., cyber and spectrum) that can work in tandem. Mr. Takahashi pointed out that in cyberspace, utilizing specific malware tools usually can be used only once, unlike their kinetic counterparts, so the timing and coordination of cyber-attacks with kinetic actions are critically important and this may cause a rapid escalation in a crisis when one side decides to employ kinetic actions.

The security environment around Japan has changed dramatically in the past two decades, as has government and public will to address these growing challenges. But Mr. Takahashi said that a large gap remains between the threats that Japan faces and Japan's readiness to meet them. To bridge this gap, new thinking and infrastructure development are needed. Both of these relate to the defense budget debate taking place in Japan.

To the former, Mr. Takahashi called for more creative development in theory and testing regarding the development of defense strategy. To the latter, he pointed to the vital issue of revamping the

Self-Defense Forces (SDF) with sufficient resources, a viable theory of victory, and modern doctrine. Although there is now a broader political consensus in Japan for defense capacity improvements, the focus has shifted to bolstering SDF readiness, specifically in areas of training, equipment sustainment, and logistics capacity. Mr. Takahashi noted that the last structural update to the SDF was in 2003, when the SDF decided to deploy ballistic missile defense within strict budget constraints, and while the SDF and Ministry of Defense (MOD) face fewer political constraints than before, they must use this current window of likely increased budget resources to effectively build the capabilities to meet the threats posed by a merging of traditional and new domains.

Mr. Takahashi was cautiously optimistic about the road ahead, believing that meaningful new resources would be made available to MOD and the SDF. He suggested that funding would best be focused on improving readiness, missile defense, and strengthening resilience. He also urged attention be given to fielding counterstrike capabilities and dealing with the threat posed by hypersonic weapons. Their project will try to support MOD's development of an appropriate strategy to meet the new challenges.

Discussion Summary

A. Defense Budget

In the group discussion portion, the first topic raised by participants was the potential increase of defense spending in Japan. An American participant asked about budget sustainability and how the new spending might be balanced between building new capabilities versus improving readiness through personnel retention and completing deferred maintenance and the like. A Japanese participant responded that new defense funding could reach a net gain of around 1 trillion Yen per year or more, for nearly a 20 percent increase. He argued that in the big picture of Japan's overall budget and given the economic devastation that could be caused by war, then investing to deter conflict to this scale should be seen as both manageable and economically prudent. Many roundtable participants agreed that much of the new spending should (and would likely) be directed at less visible readiness and resilience needs, such as improving sustainment, logistics, training, stockpiling munitions, hardening bases, and improving the quality of life for SDF personnel. Though Japan would develop some new capabilities.

Another American participant asked about Japan's investment priorities in these new capabilities and how they might relate to the commercial sector. Another participant added that this might also connect to certain legal or policy changes by the government. A Japanese participant responded with the idea that an overarching goal should be to offset or neutralize China's missile advantages, and part of this could be achieved by increasing the "fog of war" on China's side by dispersing and cloaking Japanese capabilities. Japan needs to complicate Chinese targeting options. Expanding the concept of a defense industrial base in Japan and strengthening government-private sector ties in various aspects of national security can help this effort. Another Japanese participant added that China desires a quick conflict, and therefore the ability to endure will be important, ensuring that any engagement will be drawn out, which should help deter aggressive action. An anti-access and area denial capability will also be important, via such systems as new long-range anti-ship cruise missiles.

On the topic of technology, an American participant raised a concern about the "Huawei problem," wondering to what extent Chinese technology is embedded in our critical infrastructure that could complicate actions in the event of a conflict. A Japanese participant responded that it was a concern in Tokyo but one that was being addressed. Overall, participants recognized the delicate balance that governments need to strike when partnering with the private sector, protecting security but not overburdening firms with rules, costs, and restrictions or limiting too much their commercial opportunities if they are perceived as acting as an extension of the government. It can be done, but the legal and information sharing infrastructure for public-private defense cooperation in Japan in particular will have to be improved to make this work effectively.

An American participant added that another way to maximize investment and lines of effort is in deepening these networks with allies and partners. Capabilities in outer space, for example, could be made more resilient if collective defense is further developed and applied to space. She said that it is important to direct work in conjunction with allies so that we become a force multiplier for each other. Another American participant concurred and said that a key US and Japan advantage is the alliance network, and both the US and Japan recently have done well to articulate this fact.

An American participant asked about where the government was on the counterstrike capabilities debate. A Japanese participant responded that there are three ways in which this could be developed, but the most politically popular way of developing that capability is by extending the range of existing ground- and ship-launched cruise missiles. Related to this, a Japanese participant voiced some frustration on the part of Japanese policy makers who believe that US officials and military officers have no appetite to include Japan in decision making regarding counterstrike operations, thus necessitating Japan's development of its own national options. Although policy makers from both countries regularly urge Japan to develop counterstrike in an alliance (i.e., well-coordinated) context, making this happen effectively will require officials in both countries to genuinely share information and decision-making responsibilities. Existing command and control relationships might need to adapt to these new operational demands.

B. Taiwan

As the discussion shifted to the topic of Taiwan, Senior Director Schoff asked what Tokyo's thoughts were about evolving US policy towards Taiwan and the Taiwan's security and diplomatic situation itself. A Japanese participant responded with his view that US policy seems to be changing only modestly, and that the most dramatic departures from tradition such as President Biden's comments on defending the island or Speaker Pelosi's Taiwan visit seemed more to be personal actions rather than signs of a major US policy change. The participant noted that China was perhaps perceiving greater change in US policy than was actually the case, and it was thus reacting aggressively in response. In the short term the situation should be manageable, but longer-term trends favoring Chinese strength vis-à-vis Taiwan were concerning, and this is what is driving the need for enhanced alliance deterrence over time.

An American participant asked about possible Japanese plans to build underground shelters in Okinawa or develop evacuation plans for smaller southwestern islands in the event of a military crisis involving China and Taiwan. A Japanese participant responded that the building of shelters was unknown to him but seemed unlikely given the islands geological characteristics, however government officials are looking at options to house possible refugees or evacuees around Okinawa or in neighboring prefectures in case of a Taiwan contingency. Officials have taken note of the huge refugee logistical challenge caused by Russia's invasion of Ukraine, for example, and they will likely develop plans just in case.

At the close of the event, Senior Director Schoff thanked the participants for contributing and Mr. Takahashi and Mr. Fukuda for sharing their research project's early findings. The roundtable contributed to greater mutual understanding about how these difficult challenges are being considered in each country, and the NEXT Alliance Initiative will convene follow-up discussions to sustain this bilateral dialogue.

*The **US-Japan NEXT Alliance Initiative** is a forum for bilateral dialogue, networking, and the development of joint recommendations involving a wide range of policy and technical specialists (in and out of government) to stimulate new alliance connections across foreign, security, and technology policy areas. Established by Sasakawa Peace Foundation USA with support from the Nippon Foundation, the goal is to help improve the alliance and how it serves shared interests, preparing it for emerging challenges within an increasingly complex and dynamic geostrategic environment. Launched in 2021, the Initiative includes two overlapping lines of effort: 1) Foreign & Security Policy, and 2) Technology & Innovation Connections. The Initiative is led by Sr. Director Jim Schoff.*
