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**Advisory Panel to Comprehensively Discuss Defense Capabilities as
National Strength**

Summary of Funabashi Statement

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Introduction: Deterrence is Essential to Maintaining Peace; Capability over
Intention

The greatest tool to maintain peace is to develop and maintain deterrence capabilities. In order to avoid fighting, countries must always be prepared to fight. Maintaining deterrence capabilities requires that you accurately understand both the intention and capability of the other party. Additionally, it requires those other parties to understand your own capabilities and intentions.

However, Japan is surrounded by China, North Korea, and Russia – all countries that pose a threat to Japan. These countries are characterized by authoritarian regimes based on a dictator. In such regimes, the policy-making process is opaque and intentions are hard to pin down. It is therefore important to understand these countries based on their capability as opposed to their

intentions. At the same time, it is crucial to make sure they understand Japan's capabilities.

As the balance of power in the Asia Pacific changes drastically, it is essential for Japan to enhance its capabilities in order to develop and maintain deterrence.

1. Warfighting & Sustained Defense Capability

Fortunately, Japan's Self-Defense Forces have remained untested on whether they can be effective in actual combat and whether they can handle sustained fighting. However, defense is preparing for contingencies, and defense is key in deterrence to prevent contingencies from occurring. Real deterrence and adaptability are only possible when there is a defense force that can respond to real combat and sustained fighting.

In particular, the most important and urgent task for the defense force is the creation of a standing joint command capable of promptly executing cross-domain operations on land, sea, and air, as well as space, cyber and electromagnetic, and the appointment of a standing joint commander.

At the same time, it is necessary to sustainably strengthen its defense infrastructure in space, cyber, and other areas, its defense-related industrial

infrastructure, research and development, and defense-related human resources to make full use of cutting-edge technologies.

As for strengthening of combat capabilities, Japan must work with the United States, its ally, to pursue mutually beneficial solutions that are optimal and cost effective.

2. Scrap and Build

Japan's defense capabilities are inadequate in countering new threats, including the growing maritime challenges over the Senkaku Islands and the Taiwan Strait, as well as space, cyber, and missile threats. In exploring defense capabilities and defense spending, Japan should adhere to the "scrap and build" principle of delineating between what should be prioritized and what should be dismissed based on an accurate assessment of threat dynamics. When increasing defense spending, the allocation of the budget for the Ground, Maritime, and Air Self-Defense Forces must not be left to the inertia of legacy and organizational (branch) vested interests. The spending should not be made an excuse to maintain the budgetary harmonization among the services based on the concept of "basic defense."

To maximize the cost-effectiveness of dynamic, threat-oriented defense development, it should be used as a lever to break through bureaucratic

sectionalism and precedents, and to promote operational integration and innovation among the three services.

3. Establishment of a "national cyber power" and a cyber security tsar directly under the Prime Minister

In today's world, "national cyber power" is becoming an increasingly important measure of national strength. The ability of governments and the private sector to leverage cyberspace, promote innovation, and defend digital assets and human resources will determine national power and wealth. The government should set goals and establish policies to improve Japan's "national cyber power."

Cyberspace is always in a state of 'unpeace' and is a constant battlefield. There is no established international order or rules, and neither deterrence nor balance of power is entirely effective. Cyber war defenses require attacks, and attacks require intelligence, such as constant monitoring of data flows. In addition, the resilience to get up after every fall will be crucial.

Japan has yet to establish an integrated, top-level organization directly responsible for cyber security. The country should establish a cyber tsar post as well as organizations (including through public-private partnerships) that report directly to the Prime Minister, along with the Secretary General of the National Security Secretariat and the Deputy Chief Cabinet Secretary for Crisis Management.

Finally, Japan's current legal system restricts cyber intelligence activities and cyber offensive attack. This is restriction that must be overcome.

4. Maritime National Standards of "Asia's Maritime Security Initiative"

It is necessary to clearly recognize the acute importance of Japan's Coast Guard's law enforcement activities in the defense of Japan's surrounding waters, which consist of four seas. The Coast Guard can contribute to establishing "peace at sea" in Asia as a law enforcement agency based on the 'rule of law' by extending its philosophy and framework for pursuing "peace at sea" not only in the East China Sea but also in the South China Sea, and by cooperating with the Philippines, Indonesia and Vietnam. The role and functions of Japan's Coast Guard should be strengthened, particularly its operational and maintenance costs that allow it to operate sustainably.

The "Maritime Asia Security" that supports such law enforcement coordination acts as a deterrent against the gray zone (militarization and weaponization) of "peace at sea." For that purpose, the "Asia's Maritime Security Initiative" should be set forth as a maritime national standard. Such a standardization itself can serve as a deterrent. Although the "Asian Maritime Security Initiative" may not match the NATO-defined requirements, which essentially rely on military organizations and their budgets, it is still important for these efforts in spending on Asia's maritime security to be recognized internationally.

5. Citizens are "stakeholders" who protect the country: the structure of a country as a "national security state"

When considering national security for the next generation, there are two things we need to keep in mind.

The first is the sense of ownership as a nation that it is its own responsibility to protect itself. The Japan-U.S. alliance will not work unless Japan continues to have a clear intention and ability to defend itself. Friendly nations will not seriously cooperate with Japan: "The world helps those who help themselves."

The second is the sense of ownership citizens must have in understanding that protecting the country is the job of the entire nation.

It has become increasingly important to protect the lives, safety, and human rights of each individual and safeguard society and the state itself. This also includes the country's values, as well as protecting its public against the threat of nuclear accidents, climate change, pandemics, and other non-military threats, including data theft, political coercion to change individual behavior, and disinformation that seeks to divide society and politics. It is crucial for each citizen to be aware of their own personal stake in these contingencies and create a system to prepare for such situations. The time has come to create a new social contract on how societies should respond to emergencies, as well as the rights and obligations of those involved. We should pursue a new version of a "national security state." The foundation for this new security state will be each individual's sense of ownership as a citizen of the state.

In asking the public for an increase in defense spending, it is important to have the public accept this reality with this sense of ownership, and to ask the public to shoulder the financial burden of defense spending. The government has a responsibility to articulate the necessity of this prioritization and spending to the public to the best of its ability.