

A night-time photograph of the Tokyo Tower, illuminated in orange and red, standing prominently against a dark blue sky with a hint of sunset. The city lights of Tokyo are visible in the background, creating a vibrant urban scene.

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Shaping the Future of the Indo-Pacific

New Perspectives on Alliances, Security,
and Cooperation in a Changing Region

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About YSF

Funded by and conducted in partnership with the Sasakawa Peace Foundation, the Young Strategists Forum seeks to develop a new generation of strategic thinkers and equip them with the skills to successfully navigate a world in flux. Since the inaugural Young Strategists Forum in March 2012, GMF and SPF have built a vibrant program centered on the theme of the US-Japan alliance and security dynamics in the Indo-Pacific region. Held in Tokyo, the program emphasizes the importance of pursuing purposeful grand strategic objectives through an innovative combination of lectures, a 36-hour simulation exercise, meetings with policy makers, diplomats, senior journalists and leading academics, and a study tour that includes a visit to a military facility. Participants are selected through a competitive process, open to emerging leaders — academics, journalists, policy makers, politicians, business professionals, and military officers — between the ages of 28 and 42, from the United States, Europe, Japan, and other like-minded Asian countries. Since its creation, the Young Strategists Forum has cultivated a vibrant network of emerging foreign policy leaders. 162 individuals have participated in the Young Strategists Forum, many of whom have risen to prominent positions in their respective professions.

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Shaping the Future of the Indo-Pacific

Introduction by Dr. Sayuri Romei

For more than a decade, the German Marshall Fund of the United States (GMF), in partnership with the Sasakawa Peace Foundation, has convened emerging leaders in national security, foreign policy, and geoeconomics through the Young Strategists Forum (YSF) in Tokyo. The forum brings together rising professionals from government, the military, think tanks, academia, and the private sector across the United States, Europe, Japan, and the broader Indo-Pacific. Through a rigorous strategy simulation, discussions with senior Japanese officials and experts, and a growing alumni network spanning hundreds of participants, the YSF strengthens the professional relationships that underpin long-term cooperation among like-minded partners.

At the 2026 Young Strategists Forum, held in Tokyo from February 6–10, participants took part in a strategy simulation led by Dr. Zack Cooper of the American Enterprise Institute. They also met with senior officials from Japan's National Security Secretariat and Ministry of Defense, as well as experts from the University of Tokyo, Keio University, the National Institute for Defense Studies, and the Sasakawa Peace Foundation.

This volume brings together essays written by participants following the forum. Drawing on both their professional expertise and the discussions in Tokyo, the authors examine the evolving strategic environment in the Indo-Pacific and explore opportunities for deeper cooperation among the United States, Japan, and other like-minded partners.

The volume opens with essays on alliances and regional alignment. **Antonia Mayer** argues that the Trump administration's "America First" approach has made US security commitments appear more conditional, prompting allies such as Japan and India to strengthen their own capabilities, diversify partnerships, and hedge through broader diplomatic engagement. **Tomonori Kumata** contends that, because a formal "Asian NATO" is politically unrealistic, the region should instead develop a flexible, land-force-centered "lattice of trust" built on multilateral coordination and resilient logistics. **Ryosuke Sawayama** examines how the United States and Japan can strengthen economic resilience against Chinese coercion by developing interoperable mechanisms that help strategic industries absorb shocks.



The second section focuses on Japan's evolving security strategy. **Kohei Koketsu, Sangho Lee,** and **Kotaro Abe** compare Japan's defense industrial base with South Korea's export-oriented model, arguing that Japan must strengthen government-industry coordination and expand long-term industrial partnerships to become a more competitive defense exporter. **James Wesley Hutto** and **Kanica Rakhra** explore the evolution of Japan's Free and Open Indo-Pacific (FOIP) vision, concluding that Tokyo faces difficult trade-offs between promoting liberal values, emphasizing a rules-based order, and maintaining its pragmatic dual-track approach. **Olivier Schmitt** argues that Japan's acquisition of long-range counterstrike capabilities has outpaced the development of the intelligence, doctrine, industrial capacity, and alliance integration needed to employ them effectively. **Eric Feinberg** examines Japan's postwar intelligence system, arguing that its fragmented institutional structure is increasingly ill-suited to today's security environment and growing expectations for allied burden-sharing. **Kelly Primrose** analyzes Japan's response to the 2026 Strait of Hormuz crisis, demonstrating the resilience of its long-term energy strategy while highlighting the need to better prepare for a conflict closer to home.

The final section broadens the focus to partnerships and challenges across the Indo-Pacific. **Tom Corben** argues that Australia's acquisition of Japan's Mogami-

class frigates should serve as the foundation for a deeper defense partnership encompassing industrial integration, force posture, cybersecurity, and advanced technology cooperation. **Keome Rowe** examines the rise of transnational scam centers in Southeast Asia, arguing that these highly organized criminal ecosystems have become a major threat to regional security, governance, and economic resilience. **Julia Pallanch** explores India's expanding relationship with Taiwan, concluding that it will continue to grow pragmatically through economic and technological cooperation while remaining constrained by India's commitment to strategic autonomy and its relationship with China. Finally, **Wella Andany** and **Natsumi Shiino** argue that the suspension of US development assistance in Indonesia has created an opportunity for Japan to expand its influence by leveraging its FOIP vision and its long-standing emphasis on transparent, capacity-building development cooperation.

Taken together, these essays demonstrate the breadth of challenges facing the Indo-Pacific: from alliance management and economic security to defense-industrial cooperation, intelligence reform, energy resilience, and regional development. They also reflect the perspectives of a new generation of policy practitioners and scholars whose ideas will help shape the future of cooperation among the United States, Japan, Europe, and other partners in the region.

America First in the Indo-Pacific

Alliance Strain and Regional Realignment under Trump 2.0

By Antonia Mayer et al.

The advent of the second Trump administration marked a significant shift in US foreign policy toward the Indo-Pacific. Washington's increasingly transactional approach—grounded in the “America First” doctrine—has generated uncertainty among allies and partners, who now question the extent of US commitments in the event of regional conflict. This paper analyzes the implications of this policy shift for Indo-Pacific countries, focusing on Japan and India. It first outlines the differences between previous and current US approaches, highlighting emerging tensions with allies. It then examines how Japan and India have responded, particularly through evolving relations with China and Russia, before assessing broader regional implications.

The Evolution of US Strategy in the Indo-Pacific

The United States' 2022 Indo-Pacific Strategy identified the United States as an “Indo-Pacific power” and emphasized the region's centrality to US security and prosperity.¹ In this document, the Biden administration framed the People's Republic of China (PRC) as the primary strategic competitor, noting its ability to combine “economic, diplomatic, military and technological” tools to expand influence and exert coercion.² To counterbalance China, Washington promoted a “free and open” Indo-Pacific, governed according to international law and strengthened cooperation with like-minded partners, including European allies.³

By contrast, the Trump Administration's National Defense Strategy (NDS), released earlier this year, signals a shift in priorities. Rather than dealing with multiple challenges simultaneously, the strategy ranks them according to the so-called “Trump corollary” to the Monroe Doctrine, prioritizing the Western Hemisphere. While the Indo-Pacific remains vital, Trump's first priority—called “line of effort” in the document—is “Defend the homeland”, while the second is “Deter China in the Indo-Pacific Through Strength, Not Confrontation”. A key feature is increased burden-sharing. The United States has signaled it will reduce defense subsidies to allies, expecting greater responsibility from partners. This is exemplified by demands that NATO members raise core military spending to 3.5% of GDP and total security spending to 5%.⁴

Recalibrating Washington's approach to the Indo-Pacific according to Trump's “America First” motto has strained relations with allies. By explicitly ranking priorities, the 2026 NDS raises concerns about US reliability. The shift away from multilateral engagement—particularly in trade, environment, and development—marks a departure from earlier efforts to promote a “free and open” Indo-Pacific. Instead, Washington favors denial-based deterrence centered on military superiority. At the same time, while pressuring partners to increase defense spending, the Trump 2.0 administration has cast doubt on security arrangements. The decision to review the AUKUS submarine deal to ensure that it aligns with the “America First” agenda and that it fits within US security interests and industrial capacity

has weakened allies' perceptions of US resolve and deterrence capacity in a Taiwan Strait contingency, while tense relations with India have undermined the Quad. Disregarding soft power tools, including foreign aid, trade frameworks, and cultural initiatives, has further eroded US influence. The dismantling of USAID, stagnation of the Indo-Pacific Economic Framework (IPEF), and tariffs on partners have prompted regional actors to reassess ties with Washington and broader strategic alignments.⁵

Japan's Strategic Recalibration: Rearmament, Hedging, and Alliance Adaptation Under Trump 2.0

Japan has responded through a dual-track adjustment: accelerating long-planned defense reforms while hedging against excessive dependence on Washington. Although Tokyo remains committed to the US-Japan alliance, growing concerns that relying upon the United States to provide security, particularly in a Taiwan contingency, may no longer be fully prudent have pushed Japan toward a more autonomous and diversified regional posture.⁶ A first consequence has been acceleration of Japan's military normalization. While many reforms predate Trump's return, renewed doubts about US reliability have added urgency. Tokyo has moved faster on building counterstrike capabilities, strengthened defenses in the Nansei Islands, and expanded operational contingency planning in the East China Sea and around Taiwan.⁷ Earlier debates framed rearmament largely as a response to China and North Korea; they are now increasingly linked to uncertainty over whether the United States would bear the costs of regional escalation under a more transactional alliance logic.⁸

The burden-sharing agenda promoted by Washington has reinforced this trend. US demands that allies assume greater responsibility have not been rejected in Tokyo; rather, they have been internalized and reinterpreted as justification for expanding Japan's own strategic agency. The commitment to raise defense spending toward 2% of GDP, once controversial, has increasingly been treated as a floor rather than a ceiling.⁹ This shift has gone beyond budgetary measures to include institutional adaptation, including tighter coordination between the Self-Defense Forces and civilian agencies, enhanced defense/industrial cooperation, and greater emphasis on resilience in supply chains, cyber defense, and critical infrastructure.

At the same time, Japan has responded by intensifying minilateral and regional diplomacy. Uncertainty surrounding AUKUS and broader concerns about the long-term stability and dependability of US policy have encouraged Tokyo to strengthen partnerships beyond the bilateral alliance. Security cooperation with Australia has deepened, ties with the Philippines have expanded, and Japan has increased support for Southeast Asian maritime capacity-building.¹⁰ These efforts reflect not a departure from the alliance, but an effort to ensure that regional deterrence does not depend exclusively on US political resolve.

A more sensitive adjustment has involved Japan's posture toward China. Tokyo has not pursued accommodation in the way some regional actors have explored, but it has shown renewed interest in stabilizing relations with Beijing to manage risks.¹¹ This has included renewed diplomatic engagement, efforts to stabilize economic ties, and attempts to preserve high-level communication channels despite ongoing tensions in the East China Sea. Economic interdependence remains substantial, and Japanese policymakers have sought to prevent US-China

confrontation from eliminating the diplomatic space necessary for crisis management and de-escalation.

Japan's domestic politics have also evolved. The debate over defense self-reliance, once confined largely to conservative circles, has broadened. Issues that were once largely taboo even to raise—including nuclear-sharing discussions, the sustainability of host-nation support arrangements, and doubts about the future durability of alliance reciprocity—have moved closer to the policy mainstream.¹² Even without breaking fundamentally from its postwar orientation, Japan, in the uncertain Trump era, has made strategic contingency planning more explicit. The result is not alliance rupture, but alliance adaptation. Japan is neither bandwagoning with China nor abandoning reliance on the United States. Rather, it is pursuing a strategy of reinforced alignment combined with selective hedging: strengthening military capabilities, diversifying security partnerships, and preparing for scenarios in which US support may be delayed, conditional, or politically contested.¹³ Ironically, a US strategy intended to extract greater allied contributions may be accelerating precisely the kind of strategic autonomy in Japan that Washington historically approached with caution.

India's Strategic Autonomy as a Response to Trump 2.0

India's foreign policy is rooted in strategic autonomy, which entails engaging multiple competing powers without forming permanent alliances, so as to maintain independent decision-making power and exploit the competition between different power centers to advance its own national interests. Delhi's relation with the West has traditionally been pragmatic and interest-driven, focusing on economic cooperation, defense ties, and balancing China's rise.¹⁴

Initially, New Delhi welcomed Trump's return, anticipating a resumption of his good relationship with Prime Minister Modi. Instead, relations deteriorated. US immigration restrictions affected Indian nationals, while India faced one of the highest reciprocal tariffs imposed by the Trump administration. In May 2025, Trump claimed credit for brokering a ceasefire between India and Pakistan—a claim rejected by New Delhi. Shortly thereafter, his meeting with Pakistan's Army Chief, Field Marshal Asim Munir, further strained bilateral ties.

Economic relations have also suffered. Although US-India trade exceeded \$200 billion in 2024 (an 8.3% increase from 2023),¹⁵ the imposition of a 25% tariff, followed by an additional 25% penalty for purchasing Russian oil, had significant consequences. The Indian rupee depreciated from 83.67 per dollar in 2024 to 90.45 in 2026,¹⁶ while net FDI inflows fell from \$44 billion in FY20 to \$1 billion in FY25.¹⁷ In February 2026, US tariffs were reduced to 18% in exchange for India lowering trade barriers and halting Russian oil imports, bringing them into line with those imposed on regional peers such as Vietnam, Thailand, and Bangladesh (19–40%).¹⁸

Faced with US unpredictability, India diversified its partnerships. Relations with China improved, exemplified by Modi's meeting with Xi Jinping at the SCO summit in Tianjin, where both leaders pledged to be "partners, not rivals",¹⁹ announcing the resumption of direct flights (previously suspended following the 2020 Himalaya border clashes). Trade with China skyrocketed, with shipments reaching \$2.2 billion in 2025, a 90% increase driven by electronics and high-tech products.²⁰ While remaining wary of alienating Washington, India extended overtures also to Russia. Modi and Putin posed together last September at the SCO summit, and met again in December in India, to further their "special and privileged strategic partnership".²¹

Simultaneously, India has expanded its economic network. Although exports to the United States in non-tariffed sectors (electronics, pharmaceuticals, and agricultural products) continued to grow,²² Delhi has pursued alternative markets, signing a Comprehensive Economic and Trade Agreement with the UK in July 2025, initiating talks with Mexico,²³ and concluding a landmark free trade agreement with the EU in January. India has also positioned itself as a key player in the India-Middle East-Europe Economic Corridor (IMEC), aimed at reducing shipping times and costs bypassing the Suez Canal, while providing an alternative to China's Belt and Road Initiative.²⁴ With respect to Russia, bilateral trade rose from \$8.1 billion in 2020 to \$68.72 billion by March 2025, largely due to discounted oil imports.²⁵ Despite narrowing under Western pressure, the trade imbalance remains significant: between December 2024 and December 2025, Indian exports to Russia fell by 11.5% (from \$418 million to \$370 million), while imports declined only marginally (from \$4.28 billion to \$4.17 billion).²⁶ Indian reliance on Russian defense supplies also persists, with imports totaling \$6.52 billion in 2024.²⁷ Looking ahead, India is likely to further strengthen ties with Moscow to find ways to expand its presence in the Russian market once the war in Ukraine is over.²⁸

Regional Implications: Fragmentation, Hedging, and the Future of Indo-Pacific Order

The responses of Japan and India point to a broader regional trend: Trump 2.0 has not triggered a collapse of US influence, but it has intensified doubts about the durability of the regional order Washington helped construct. The principal effect has been strategic hedging around the United States.

Across the region, states are adapting to a perception that US commitments may become more conditional, transactional, and narrowly tied to American domestic priorities. This has encouraged diversification of security and economic partnerships, particularly among middle powers seeking to reduce exposure to strategic shocks.²⁹ ASEAN states, already wary of major-power rivalry, may respond by reinforcing multi-alignment strategies rather than choosing sides more decisively. Current US partners are not considering breaking with Washington, but are trying to build structures to ensure their safety and stability under unpredictable and erratic conditions.

A second implication concerns China. While US pressure has been intended to strengthen deterrence, uncertainty about American commitments may create openings for Beijing to expand influence through diplomacy, economic statecraft, and selective coercion. Regional states may become more willing to compartmentalize security concerns and deepen economic engagement with China where strategic circumstances demand it.³⁰ Such dynamics could weaken efforts to sustain a coherent balancing coalition.

Third, the regional security architecture may become more decentralized. If confidence in US-led structures erodes, minilateral formats such as trilateral partnerships, issue-specific coalitions, and functional security arrangements are likely to gain importance. This could increase flexibility and burden-sharing, but also produce fragmentation, overlapping commitments, and weaker strategic coordination in crisis scenarios.³¹

The long-term risk is therefore not abrupt US withdrawal, but gradual erosion of institutional trust. Indo-Pacific order has depended not only on military power, but on confidence in the political reliability of US commitments. Once doubts about that credibility

take root, they can generate adaptive behavior that becomes difficult to reverse.

For Washington, this presents a strategic paradox. A policy designed to push allies toward greater burden-sharing may indeed produce more capable partners. But if pursued through coercive pressure and ambiguous commitments, it may also encourage greater autonomy, looser alignment, and a more fragmented regional order. For Indo-Pacific stability, the critical question is whether alliance adaptation can be managed in ways that preserve deterrence without undermining the political cohesion on which deterrence ultimately depends.³²

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Constructing “Networked Denial” in the Indo-Pacific

Strategic Effects of Multilateral Land Power Cooperation and the Challenges of Escalation Control

By Lieutenant Colonel Tomonori Kumata

Introduction

The strategic environment in the Indo-Pacific is undergoing a structural shift. Unlike Europe, the Indo-Pacific lacks a formal collective defense organization like NATO. The traditional hub and spoke system is now being supplemented by what we can call a “lattice” of multilateral cooperation.

The ongoing dispersion of US hard power to other theaters such as the Middle East has fueled a fear of abandonment among regional allies. However, ensuring the credibility of extended deterrence is vital for regional stability.¹ In this context, while extended nuclear deterrence by the United States remains the bedrock of Indo-Pacific security, the responsibility for conventional deterrence—the critical ladder to the nuclear level—must be increasingly shared by regional partners.

However, the realization of a treaty-based “Asian NATO” remains improbable due to complex regional sensitivities. Therefore, the imperative is to generate the effects of collective defense from a functional perspective. This paper proposes leveraging the Land Power Network (LPN) to construct a de facto collective defense architecture—a “lattice of trust”—forged by practitioners on the ground.

The recently released US National Defense Strategy (NDS 2026) explicitly mandates the establishment

of a “strong denial defense along the First Island Chain (FIC),” asserting that enabling regional allies to contribute to this collective defense is essential for maintaining a favorable balance of power.² This strategic guidance aligns with the architecture proposed in this paper.

The Changing of the Strategic Environment and the Role of Land Power

In recent years, a shared recognition has emerged among the United States and its Indo-Pacific allies and partners—particularly Japan, Australia, and the Philippines—that the Indo-Pacific should be viewed not as multiple fragmented regions, but as a single, interconnected “One Theater”.³ Within this context, land forces’ posture serves as the foundation for regional stability and trust-building among allies. Land power possesses inherent stability and visibility through its physical ties to bases and local communities. Unlike other domains that signal primarily during crises, the presence of soldiers, assets, and materials on land acts as a persistent signaling mechanism, conveying predictable deterrence in peacetime and reducing miscalculation risks.

For instance, exercises like Balikatan (Philippines), Southern Jackaroo (Australia), and Yama Sakura (Japan)—originally bilateral exercises between the host nation and the United States—have increasingly come to involve three or more partners, including additional regional militaries as observers or active participants.⁴ Furthermore, the annual Land Forces Summit (Japan, United States, Australia, Philippines) and various regional Land Forces Dialogues demonstrate strategic multilateral alignment.⁵ These frameworks function not merely as venues for sharing a strategic overview during peacetime, but as platforms to accumulate tacit understandings regarding how each nation's military will operate in a crisis.

Within the US-Japan alliance, land forces' sensor-to-shooter network works as an "inside force" and cooperates with naval and air "outside forces." These efforts make an adversary's calculation more complex.⁶ Extending this logic multilaterally, the LPN, acting as an inside force, works in concert with outside forces from external nations. By continuously overlapping their sensors—including intelligence, surveillance, and reconnaissance (ISR), electronic warfare, cyber, and law-enforcement capabilities—the partners can detect early indicators and project clear peacetime signaling through multilateral exercises.

By making multilateral involvement inevitable, each node of this lattice reinforces the others, so the LPN functions as a strategic asset to prevent an adversary from isolating and targeting a single nation.

However, translating this peacetime net into a genuine denial capability requires a more sophisticated mechanism, as the LPN's inherently multilateral and dispersed nature complicates decision-making and signaling during a crisis.

The Paradox of Multilateral Cooperation: "General Deterrence" vs. "Immediate Deterrence"

"General deterrence" is the maintenance of a military balance and political relationships during peacetime, thereby denying an adversary any opportunity to attack. By strategically arranging their land forces in a lattice formation along the FIC, and cultivating mutual trust during peacetime, the allied nations generate a persistent signal. This compels the target state to understand that changing the status quo will incur tremendous costs.⁷

Nonetheless, once a crisis shifts to the "immediate deterrence" phase—where the adversary demonstrates clear intent to attack, forcing an urgent choice between withdrawal and engagement—the multilateral and dispersed nature of the LPN can become a risk factor that undermines escalation control. Patrick Morgan points out that swift decision-making and unambiguous signaling are prerequisites for successful immediate deterrence; it is within this multilateral context that the coordination dilemma emerges.

For instance, consider a scenario where a competitor escalates coercive actions in the South China Sea. If the Philippines adopts vigorous countermeasures (acting as an accelerator) while Japan or Australia takes a cautious stance due to domestic political constraints (acting as a brake), the signaling toward the competitor will produce a cacophony—much like a vehicle simultaneously revving its engine and squealing its brakes—rather than a coherent message. The adversary might misinterpret this lack of cohesion as a lack of commitment, thereby accelerating its attempts to create *faits accomplis* on the ground. Furthermore, as physical and institutional interconnectedness deepens through frameworks like ACSAs (Acquisition and Cross Servicing Agreements)

and reciprocal access agreements, the forces and supply lines of partner nations become inextricably linked. This creates a political risk of entrapment—a scenario where a localized clash involving one nation could automatically drag the others into a wider conflict. Fearing this consequence, the militaries of each nation will inevitably be compelled to more cautious decision-making.

The strengthening of the LPN may also create a security dilemma by offering a sense of containment to the competitor, paradoxically destabilizing the fragile strategic balance. The more robust the LPN becomes, the more the competitor will avoid direct military confrontation, opting instead for gray-zone activities—such as militia harassment, cyberattacks, and economic coercion—aimed at the vulnerabilities of partner nations within the network. An overreaction would provide the competitor with a pretext for escalation, whereas a failure to react would undermine the network's credibility. Unless this paradox is resolved, the LPN risks becoming a modern Maginot Line—an entity that is merely circumvented.

In this context, to avert a catastrophic conflict resulting from either acquiescence to revisionism or inadvertent escalation, it is imperative—as Bill Emmott points out—for status quo powers to construct a sophisticated and comprehensive deterrence strategy. Such a strategy must render armed aggression “inevitably catastrophic and therefore inconceivable”.⁸

“Virtual Collective Defense” Actualized through Function

To address the instability in immediate deterrence—namely, the risk of unsynchronized national decision-making and ambiguous signaling—it is necessary

to adopt an approach that generates a substantive collective defense effect through functional cooperation, instead of waiting for formal treaties. This essay proposes the following three institutional designs.

1. Cooperation in Situational Awareness: Indo-Pacific Multilateral Coordination Center (IP-MCC)

First, to ensure the promptness of decision-making and the clarity of messaging—both critical to escalation control—the Indo-Pacific Multilateral Coordination Center (IP-MCC) should be established. This would expand existing bilateral frameworks, such as the US-Japan Bilateral Operations Coordination Center (BOCC), into a multilateral architecture. The IP-MCC would be initially anchored by the core four partners discussed in this paper—Japan, the United States, Australia, and the Philippines—while leaving open the possibility of phased participation by additional partners such as the Republic of Korea, Canada, or the United Kingdom, depending on political permission and operational needs.

The core function of the IP-MCC would be to aggregate information gathered by the sensors of each nation and maintain a Common Operational Picture (COP) in near real time. This would bridge the perception gap between the threat observed by one nation and that observed by another, thereby preventing overreactions stemming from misperception or delays in response caused by the diffusion of responsibility.

Equally important is the unified management of signaling and narratives directed at the competitor. By coordinating military options and activities—such as troop deployments and the public announcement of exercises—through the IP-MCC, the network can project a carefully calculated message as a collective

whole, preventing unilateral mis-signaling by any single nation. This is the mechanism that operationally underpins the desired clarity of messaging.

While it does not currently target a specific threat, the seeds of this multilateral coordination initiative are already emerging. For instance, in the Japan-United States-Australia command-post exercise Yama Sakura, nations such as the Philippines have begun participating as observers.⁹ Coupled with the employment of the Standing Multilateral Deterrence Force (SMDF) detailed in the next section, this center will enable the continuous projection of synchronized signaling.

2. Visualization of Denial Power: Standing Multilateral Deterrence Force (SMDF)

Second, to elevate the LPN from ad hoc engagements to a persistent denial capability, it is imperative to establish a Standing Multilateral Deterrence Force (SMDF) modeled on NATO's enhanced Forward Presence (eFP).¹⁰ This would ensure that multinational units from nations such as Japan, the United States, Australia, and the Philippines maintain a continuous rotational presence in key locations, including the Philippines and Japan.

However, unlike in the European theater, heavy armored units are unsuitable here. The deployed SMDF would consist of highly mobile, distributed Cross-Domain Task Forces equipped with surface-to-ship missiles and electronic warfare capabilities.

By physically integrating these multinational forces, the LPN confronts the strategic competitor with the inevitability that an attack on one nation will immediately draw multiple countries into the conflict. In other words, these units function as a strategic tripwire. An attack on any of them would trigger the exercise of individual self-defense rights, which in

turn would activate the US-Japan, US-Philippines, and ANZUS alliances, effectively collective defense mechanism even in the absence of a formal multilateral treaty.¹¹

However, given the vast, maritime-centric nature of the Indo-Pacific, managing a unified multilateral chain of command for this SMDF poses an operational challenge. Therefore, applying NATO's Framework Nations Concept—assigning a lead nation for each regional sector—offers a pragmatic solution.¹² For instance, the Northern Sector would be led by Japan, hosting US and Australian forces, while the Southern Sector would be anchored by the Philippines. Establishing these dynamic tripwires tailored to the region's geography, underpinned by a clear framework of shared responsibility, would elevate the LPN into a potent instrument of deterrence by denial.

3. Resilient Logistics Network Supporting Dispersion: Resilient Logistics Architecture (RLA)

Finally, it is imperative to address the physical foundation required to operationalize frameworks such as the IP-MCC and SMDF. The inherent risk of distributed operations lies in logistics. The severance of supply lines or the depletion of PGM (precision-guided munition) stockpiles would immediately weaken the credibility of deterrence by denial.

Consequently, with the construction of the LPN, there is an urgent need to integrate the supply lines enabled by bilateral ACSAs into a unified multilateral logistics network for pooling and sharing the prepositioning of fuel, ammunition, and medical supplies. Specifically, this entails establishing common logistics hubs in the Philippines and the Nansei (Japanese Southwest) Islands, enabling the United States, Japan, and Australia to mutually resupply and flexibly redistribute standardized vital materials.

Operating under the assumption that supply lines themselves will be targeted during a contingency—an environment defined as Contested Logistics¹³—it is essential to construct a RLA that disperses and builds redundancy not only into combat units but also into the logistical architecture itself. A posture that imposes high attack costs on the adversary enhances resilience and sustains the deterrence effect.

Conclusion: The Pragmatic Resolution of Collective Defense Without a Treaty

In the near future, the realization of a treaty-based “Asian NATO,” as discussed by former Japanese Prime Minister Ishiba, remains highly improbable.¹⁴ As Ely Ratner recently argued in *Foreign Affairs* (2025), concluding a formal collective defense treaty encompassing Japan, the United States, Australia, and the Philippines faces considerable difficulties.¹⁵

However, as the regional security environment grows increasingly severe, it has become imperative—and eminently feasible—to generate the effects of collective defense from a functional perspective. In peacetime, the LPN sustains general deterrence through its persistent presence as a strategic asset. Conversely, during a crisis demanding immediate deterrence, the IP-MCC ensures the agility and clarity of decision-making, while the SMDF provides a visible mechanism for escalation management.

We, the land force practitioners entrusted with the defense of our respective nations, must not only engage in the modernization of our equipment but also assume the role of regional stabilizers through the cultivation of intellectual interoperability with allied and partner nations. Ultimately, the effectiveness of deterrence in the Indo-Pacific relies not solely on the

text of formal treaties, but rather on the strength of the “lattice of trust” forged by the practitioners on the ground.

This essay does not reflect governmental perspectives or the views of the author’s organization. It merely constitutes a part of the author’s academic research.

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Strengthening US–Japan Economic Resilience

By Ryo (Ryosuke) Sawayama

Introduction

In early 2026, the Chinese government escalated economic pressure against Japan after Prime Minister Sanae Takaichi linked a potential Taiwan contingency to Japan's own security, prompting China to frame Japan as sliding toward remilitarization. China's Ministry of Commerce announced restrictions on exports of dual-use items and later added Japanese entities to its export-control lists, signaling that access to critical inputs could become contingent on political compliance.¹

Beijing's economic coercion is often characterized by ambiguity, making it costly for firms that are forced to comply; firms delay or reroute shipments as they try to interpret ambiguous end-use language.² This is precisely why China favors informal or legally ambiguous instruments.³ Such vague measures without a formal declaration of sanctions preserve plausible deniability and slow attribution of state responsibility, making it harder for the target government to determine whether to respond to the measure as a commercial or a political issue.⁴ This leads firms to self-protect unevenly; rather than forming a united lobby that advocates for addressing the political cause of the issue, some firms pursue technical fixes that reduce their own exposure, while others lobby for narrow relief rather than creating the foundations for long-term resilience.⁵

If coercion works by triggering over-compliance and uneven private adjustment, then, to resist it, Japan needs implementable tools that reduce uncertainty,

share costs, and keep strategic firms operating. But domestic policy is not enough. Many of the levers that matter to firms—export controls on chokepoint technologies, trade finance and insurance capacity, access to alternative markets, and credible signaling to the coercer—are shaped by the alliance context and by US policies that Japanese firms must anticipate and align with.⁶ Coercers also benefit when allies respond in parallel but uncoordinated ways; China, for example, can exploit asymmetric dependence bilaterally by targeting specific sectors, supply chains, or smaller partners to test resolve and peel off weak links.⁷ Existing policy debates often frame the answer as “collective resilience,” meaning tighter allied coordination to deter coercion.⁸ Here, I adopt a narrower emphasis: For US–Japan coordination to matter in practice, it must help firms absorb shocks quickly through interoperable guidance and backstops, so that coercion fails to generate leverage even before questions of retaliation arise.

Identifying the Issue

Economic coercion succeeds when the target concludes that absorbing pain is more costly than conceding. Given this, a resilience-first deterrence strategy aims to make coercion fail by reducing exposure and shortening the window in which pressure can bite. If strategic firms can keep operating and adapt quickly, coercion is less likely to force political concessions.⁹

Credibility depends on observable capabilities that change adversary expectations and reassure domestic actors that they will not be left to absorb losses alone. Four indicators capture the core requirements: speed (move within days with rapid assessment, firm guidance, and initial support), predictability (pre-agreed steps), distribution (clear cost-sharing and offsetting instruments to prevent coalition fracture), and reversibility (explicit off-ramps and review so measures can be suspended once coercion stops).¹⁰

Large Japanese firms are already building elements of resilience, but unevenly and often defensively. Survey evidence shows heightened attention to geopolitical risk, with large firms more likely to establish dedicated economic security functions and diversify procurement sources.¹¹ This is a start, but also the bottleneck. Resilience measures impose costs that can undermine competitiveness.¹² Without credible support, firms will push back or quietly hedge by reducing exposure in ways that make sense for individual firms but weaken sector-wide resilience.¹³

The core policy question for the US–Japan alliance is therefore how to change firm behavior without requiring permanent decoupling from China: that is, what firm-facing guidance, de-risking instruments, and targeted incentives can make rapid adaptation the default rather than the exception?¹⁴

In this regard, Japan is not starting from zero. In response to growing concerns about supply-chain disruption and coercion risk, the central government has increased its regulatory capacity and now exercises more leverage over critical infrastructure, sensitive technologies, and firm behavior than it did a decade ago. The centerpiece is the 2022 Economic Security Promotion Act (ESPA).¹⁵

ESPA matters for firms because it creates implementable levers across critical infrastructure,

supply assurance, strategic technology support, and patent nondisclosure, backed by finance and subsidies that make adjustment feasible.¹⁶ It tightens oversight of designated critical infrastructure operators through notification and screening requirements, supports stockpiling and production capacity for designated critical goods, and provides R&D and commercialization support for strategic technologies. Across these pillars, grants, interest subsidies, and special loans reduce the cost of reinforcing production bases, stockpiling inputs, and diversifying supply sources.¹⁷ While Japan is developing an increasingly substantial toolkit, the remaining problem is whether it can be made interoperable with allies when coercion occurs. ESPA is primarily a domestic architecture. When coercion occurs, the problem for the alliance is to synchronize firm expectations, risk assessments, and support mechanisms across the US–Japan boundary, so that private actors do not fragment into unilateral, defensive hedging that undercuts collective resilience.¹⁸

Policy Implications

Information and execution speed

Without authoritative information from the government, firms are left to infer whether economic measures by a coercer are politically motivated, what compliance posture the government expects, and what support can be expected. Under ambiguous coercion, the uncertainty of such matters tends to produce over-compliance, which is exactly what coercers exploit.¹⁹ Specifically, because informal gray-zone restrictions rely on legal ambiguity, risk-averse private firms frequently cut off entirely legal trade preemptively to avoid regulatory penalties. Providing more

information means building a standing, secure, firm-facing channel that can be activated rapidly when coercion either occurs or is about to occur. This could take the shape of rapid advisories delivered to a vetted set of strategic sectors or concise “red flag” indicators activated by particular disruptions (for example, sudden licensing delays or unexplained customs holds concentrated in a product line), paired with compliance guidance clarifying what is required, what is optional, and what support is available.²⁰ However, while more speed and clarity reduces confusion and self-deterrence, it also increases coordination burdens (vetting participants, protecting sensitive information, avoiding disclosure that triggers retaliation) and can sharpen signaling in ways that raise escalation risk if attribution is wrong.

De-risking and backstops

Information reduces uncertainty, but it does not cover losses. The second component of responding to economic coercion involves keeping exposed firms from exiting, over-complying, or lobbying for concessions because they cannot absorb short-run shocks. In this regard, pre-negotiating a shared menu of de-risking tools such as trade finance, insurance coverage, and near-term cashflow is important. A more substantial approach would coordinate bridge finance, export credit, and credit insurance so targeted firms can keep paying suppliers, substitute inputs, and divert exports rather than freeze activity.²¹

Japan’s ESPA already offers domestic instruments to make adjustment feasible. The alliance value-add is to align triggers and eligibility standards so firms do not face different systems that move too slowly in a crisis. More generous backstops are coalition-friendly and reduce corporate pushback, but they require money and clear rules. If eligibility is too broad, the package

becomes industrial policy by stealth and attracts domestic criticism; if it is too narrow, it fails to prevent coalition-fracturing distributional fights.²² The most credible designs therefore prioritize a small number of strategic sectors, publish ex ante criteria, and pair support with transparency and periodic review.

Firm-level resilience requirements

Backstops can help firms stay afloat in the face of coercion, but resilience-first deterrence ultimately depends on reducing vulnerability before coercion occurs. An important consideration for policymakers is how much the state asks strategic firms to internalize resilience costs in peacetime. While governments may rely on voluntary diversification and stockpiling, this leads to uneven levels of preparedness because costs are immediate while benefits are uncertain, and firms tend to under-invest in the absence of incentives or requirements.²³ Therefore, governments should consider tying the most valuable benefits, subsidies, and certain licenses to measurable resilience standards for a narrow set of critical nodes—not to broad decoupling mandates. These standards could be strengthened by requiring firms to disclose their reliance on designated suppliers for specified inputs and maintain contingency plans for switching suppliers or drawing down stockpiles during a coercion episode. Precedents for conditionality exist in other contexts, such as sourcing-linked benefits in US industrial policy, but the alliance should treat these as defensive requirements paired with support, not as punitive restrictions.²⁴

Putting the dials together

A resilience-first approach is most credible when the dials move in tandem. Faster guidance without backstops can leave firms exposed and politically mobilized against resistance; backstops without standards can become an expensive substitute for pre-commitment; standards without secure channels and off-ramps risk miscommunication and escalation. The practical policy task is therefore to start with low-regret measures, build interoperability, and reserve the highest-intensity settings for a narrow strategic set and for moments when evidence of coercion is strong. This dial-based framing also makes it easier to scale beyond the bilateral alliance: Other partners can plug into exercises, early-warning indicators, and backstop templates without committing to automatic retaliation.²⁵

One cross-cutting constraint is escalation control. Because informal coercion is designed to preserve plausible deniability, the alliance should pair faster guidance and stronger support with disciplined evidence thresholds, proportionality, and explicit off-ramps (sunset clauses, review points, and conditions for suspension once coercion stops). The G7 Coordination Platform on Economic Coercion offers a useful template for framing this approach as consultative and legally grounded, emphasizing regular consultation, collaborative assessment, and exploration of coordinated responses consistent with domestic legal systems.²⁶

Scaling beyond the bilateral

If the US–Japan alliance can operationalize firm-facing mechanisms, they can scale without becoming a treaty project. The core components—secure channels for rapid guidance, shared early-

warning indicators, and pre-negotiated backstop templates—are modular because they specify procedures rather than demanding automatic retaliation. Other allies can opt in at the level of capacity and comfort: participating in scenario exercises for strategic sectors, adopting common red flag standards for identifying coercion-like disruption, and aligning eligibility rules for finance and insurance backstops that keep firms operating during shocks.²⁷ This kind of plug-in architecture lowers the political threshold for cooperation. It allows wider Indo-Pacific partners to share information and coordinate practical support even when they differ in exposure to China, legal authorities, or tolerance for escalation.²⁸ Over time, routine participation can socialize common expectations and reduce the scope for coercers to peel off the most vulnerable members, without requiring a formal mutual-defense commitment.²⁹

Conclusion

Adversaries need only create enough uncertainty and concentrated pain that firms over-comply, investment flows pause, and domestic coalitions pressure governments to back down. For the US–Japan alliance, the task is to translate political intent into firm-level execution that is fast, predictable, and politically sustainable. Joint statements help at the margin, but without operational capacity they are easy to test and cheap to ignore. Absent operational capacity, coercion will be repeated because the private sector bears the first costs in an unstructured way; with interoperable guidance, backstops, and calibrated resilience standards, firms can adapt quickly and coercion is less likely to deliver leverage.

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Japan's Long-Term Defense Industrial Strategy

A Comparison with South Korea

By Kohei Koketsu, Dr. Sanghoe Lee and Kotaro Abe

The Indo-Pacific security environment is characterized by intensifying great-power rivalry, rapid military modernization, and growing demand for advanced naval and air capabilities. Regional states are investing heavily in stand-off weapons, integrated air and missile defense, and undersea warfare, increasing the importance of resilient defense industrial bases and secure supply chains.

Japan has responded by overhauling its security documents, increasing defense spending, and relaxing longstanding restrictions on arms exports. At the same time, South Korea has rapidly emerged as a major arms exporter, supported by an export oriented industrial structure and strong government–industry coordination. This evolving landscape presents both competitive pressures and opportunities for Japan's defense industry.

This study examines the structural characteristics, strengths, and weaknesses of Japan's defense industrial base and export regimes in comparison with South Korea. It addresses three interrelated questions. First, how do the industrial structures and corporate strategies of Japan and South Korea differ with respect to defense production and exports? Second, what institutional and governance arrangements—such as export control rules, financial support schemes, and public–private coordination mechanisms—explain the divergent export performance of the two countries? Third, how can Japan design a longterm defense industrial strategy that leverages its technological strengths

while addressing its institutional and supplychain vulnerabilities?

Japan's Defense Industry at a Turning Point

Japan's defense industry is anchored by diversified conglomerates such as Mitsubishi Heavy Industries (MHI) and Kawasaki Heavy Industries (KHI), in which defense activities account for only a minor share of total corporate revenues. As domestic procurement volumes remain limited, weak profitability has encouraged many firms to shift their focus to commercial markets. Because few companies in Japan are exclusively dependent on defense production, exiting the defense business is often a viable option. As a result, more than 100 companies have withdrawn from the defense sector over the past two decades. Such withdrawals have contributed to the gradual erosion of Japan's defense industrial base and supply-chain resilience.

The 2014 transition to the “Three Principles on Transfer of Defense Equipment and Technology” marked a historic departure from Japan's decades-long (since 1976) de facto arms export ban.¹ The new framework replaced the previous near-total ban on arms exports with a more permissive regime that allowed defense exports and international joint development projects under certain conditions. This regulatory easing has already produced concrete

outcomes: the approval of Patriot missile exports to the United States, participation in the Global Combat Air Programme (GCAP) with the United Kingdom and Italy, and the successful bid of the MHI's upgraded Mogami-class frigate for Australia.² In a further landmark move, in 2026 the Japanese government is proceeding to abolish the restrictive "five categories" (rescue, transport, warning, surveillance, and minesweeping) that had previously limited the scope of exportable equipment.³

Japan's Acquisition, Technology & Logistics Agency (ATLA), established in 2015 as an agency under the Ministry of Defense, now serves as the government's central node for coordination with industry stakeholders, including private-sector companies, conducting joint research and development and aligning operational and performance requirements. In 2023, ATLA's function was expanded to provide financial support for modifying the specifications and performance of defense equipment for transfer under the Act on Strengthening the Defense Production and Technology Base.⁴

Japan's principal strength lies in its advanced engineering capabilities, particularly in advanced radar systems and naval platforms. However, structural weaknesses persist: ATLA and domestic firms have traditionally prioritized domestic procurement focused exclusively on supplying the Japan Self-Defense Forces, which has contributed to high unit costs and a limited ability to tailor products to diverse international requirements.

The selection of the upgraded Mogami-class frigate by Australia can be a transformative success case. Australia's needs—large operational areas and limited personnel—were well matched by the upgraded ship, with its small crew requirement and long range. The Royal Australian Navy also appreciated the commitment by the Japanese Maritime Self-

Defense Force (JMSDF) to prioritize rapid delivery of the first ship to Australia over domestic production for its own use. Its versatility, including mine-sweep capabilities and a 32-cell Vertical Launching System (VLS) capable of accommodating various missiles, is attracting interest not only from Australia but also from New Zealand and Indonesia.⁵

Lessons from South Korea

Under the leadership of the Defense Acquisition Program Administration (DAPA), South Korea's defense industry has successfully transitioned from a domestically focused procurement system to an export-driven ecosystem led by specialized and highly integrated prime contractors such as Hanwha Aerospace and Korea Aerospace Industries (KAI). Defense exports reached \$15.4 billion in 2025,⁶ reinforcing a trend that has already elevated South Korea into the ranks of the world's top ten arms exporters.⁷ This trajectory reflects the combination of strong corporate mass-production capabilities and proactive government support, which stands in sharp contrast to Japan's current domestic-oriented defense production.

South Korea's core competitiveness stems from its government-wide "Team Korea" approach.⁸ Rather than leaving firms to compete independently, the government systematically backs corporate proposals with diplomatic, financial, and military instruments, including direct presidential involvement in high-level "top sales" diplomacy. Negotiations the Philippine Department of National Defense and Korean defense companies illustrate how government-to-government (GtoG) security cooperation can drive corporate contracts.⁹

In addition, the government has amended laws to raise the Export–Import Bank of Korea’s (KEXIM) statutory capital limit from KRW 15 trillion to 25 trillion to finance large-scale exports to Poland, enabling prompt capture of the surge in demand triggered by the war in Ukraine.¹⁰ In the naval domain, HD Hyundai Heavy Industries’ contract to supply two frigates to the Philippine Navy underscores how projects achieve maximum sustainability when ship construction is combined with government-backed security cooperation, follow-on support, and industrial participation packages.¹¹

South Korea’s rapid growth in defense exports is underpinned by three main success factors: high cost effectiveness, rapid delivery schedules, and comprehensive government-led package deals. At the same time, this state-driven mega-deal model has revealed clear structural limitations.

First, it relies heavily on state-backed financing. The urgent need to increase KEXIM’s capital ceiling for the Poland deal demonstrates how large-scale exports can simultaneously increase South Korea’s fiscal burden and heighten buyers’ debt risks. Second, Korea still lacks sufficiently robust global maintenance, repair, and overhaul (MRO) infrastructure. While Korean firms have been successful in selling large platforms, the establishment of long-term maintenance hubs and parts supply chains has lagged behind the pace of exports, even though major systems will remain in service for several decades. Third, the Korean model continues to depend on foreign core technologies.¹² Despite offering local construction and extensive technology transfers, South Korea still relies on Western suppliers for critical items such as fighter engines and naval sensors, exposing its exports to third-party export control and supply risks.

These structural constraints within South Korea’s state-driven mega-deal model offer several broader

lessons for Japan as it seeks to expand its own defense exports and strengthen its defense industrial base.

First, the role of a central “control tower” is critical. Compared with South Korea’s DAPA, ATLA’s current mandate appears more limited in coordinating integrated diplomatic, financial, and industrial efforts.

Second, the Korean case underscores the importance of a sustainable, multilayered financial architecture. Reliance on a single policy bank highlights concentration risks, suggesting the value of a more diversified and coordinated framework.

Third, the comparison points to the importance of moving beyond exporting finished products. Korea’s relative weakness in long-term MRO highlights the strategic significance of supply chain integration, including local industrial participation and lifecycle support.

Flagship Case and the Way Forward

As a maritime nation with exclusively defense-oriented policy—under which it relies on its ally, the United States, for strike capabilities—Japan has traditionally focused on strengthening anti-access/area denial (A2/AD) capabilities in the maritime domain, where it possesses a competitive edge underpinned by advanced technologies.¹³ Given rising development and modification costs as well as a still limited defense budget, Japan should prioritize transferring key equipment and reinventing its supply chains, while continuing licensed production and the Foreign Military Sales program for other items to ensure efficiency.

Priority countries for defense equipment transfer cooperation should be like-minded partners where enhanced interoperability contributes to strengthening collective deterrence in the region—that is, key security partners such as the Philippines and Australia. Strengthening cooperation with other like-minded Indo-Pacific countries geographically close to Japan's sea lanes is also well worth considering. In fact, ten out of the twelve OSAs (Official Security Assistance agreements) implemented between FY2023 and FY2025 have been allocated to coastal or island states in the Indo-Pacific.¹⁴

In April 2026, Japan and Australia successfully signed procurement contracts for the first three upgraded Mogami-class frigates to be delivered by Japan.¹⁵ Japan's first full-fledged defense equipment transfer was enabled by strong government–industry cooperation led by a public–private committee including senior officials of the Ministry of Defense (MoD) and other relevant ministries as well as executives from defense contractors. An additional eight vessels are planned to be constructed at the Henderson Defense Precinct in Western Australia.¹⁶ The primary challenge here lies not in the vessels themselves but in the joint development of defense production and technological bases in Australia.

Japan's shipbuilding industry has long been supported by a highly integrated ecosystem and a skilled workforce. In contrast, Australia faces a lack of shipbuilding personnel, and merely dispatching engineers from Japan will not resolve the issue. The transfer of the ecosystem itself—including design, production, quality control, procurement, and MRO capabilities—is necessary along with the long-term development of local personnel to sustain it. As it takes time to develop personnel familiar with Japanese systems, it is also effective to incorporate systems and equipment that Australia is already

accustomed to into transferred platforms as much as possible. Indeed, ATLA has already announced that it will provide subsidies to MHI, Mitsubishi Electric, and NEC to modify the specifications and performance of their defense equipment for the frigates mandated under the Act on Strengthening the Defense Production and Technology Base.¹⁷ Support under the Act, however, is currently limited to production at domestic facilities (to be delivered to MoD)¹⁸ and thus additional support for companies establishing local production overseas is required. In the “Mogami Memorandum” signed at the contract signing ceremony, the two defense ministers reaffirmed Japan's support for the establishment of a sustainment base and shipbuilding capability in Australia, representing an encouraging first step toward mandate expansion.¹⁹ Australia's long-term budgetary commitment is also a positive sign of its determination to enhance its naval capabilities and industrial sustainment.²⁰ Localization efforts need to be accelerated under strong leadership within the new government–industry framework through early scope delineation of domestic production and external procurement as well as by ensuring the interoperability of security clearance systems for the smooth handling of sensitive technical information.

In conclusion, several key recommendations can be drawn for Japan's long-term defense industrial strategy. First, Japan should adopt a more integrated government–industry approach by strengthening ATLA's role and combining diplomatic, financial, and industrial instruments into competitive package offers, including export finance, ODA (Official Development Assistance), and OSA. Second, Japan should prioritize the transfer of maritime A2/AD capabilities to like-minded partners in the Indo-Pacific, where interoperability contributes to collective deterrence. Third, defense equipment transfer should be pursued not as one-off exports of finished products but as long-term industrial

cooperation. As illustrated by the upgraded Mogami-class frigate case, this entails local production, MRO capability development, and supply chain integration in partner countries, materialized through human resource development and modifications tailored to the recipient.

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Dual-ing Orders

Japan's Free and Open Indo-Pacific Challenge

By Dr. Wes Hutto and Dr. Kanica Rakhra

Introduction

The United States and its allies, in response to a rising China, are increasingly shifting their foreign policy language to engage the region in a more holistic manner. Diplomatic rhetoric now largely distinguishes between a liberal international order and a rules-based order that detaches conceptually the classical liberal ideology so common to the postwar international order in exchange for a distinct Indo-Pacific rhetoric that focuses on trade rules and infrastructure investment.

Japan, as an allied power, bases its Indo-Pacific strategy on this bifurcation. The rules-based character of Japan's Free and Open Indo-Pacific (FOIP) strategy, announced in 2016, emphasizes the institutional and legal aspects of order-building, downplaying liberal values such as human rights and democratic principles. The purpose was to attract non-liberal Indo-Pacific governments to buy into the historical institutions of the rules-based order without having to enact domestic liberal reforms. On paper, this seems like a proposition that Indo-Pacific states would appreciate: Avoid the sermonizing of a "liberal hegemon," while still receiving resources to develop infrastructure and secure foreign investments. Japan's linguistic turn, however, has yet to bear fruit. In the sections that follow, we identify three reasons that Japan's new rhetoric has fallen on deaf ears.

Japan and the Free and Open Indo-Pacific

Japan's postwar foreign policy served primarily to amplify US values through *kokusaishugi*, or "liberal internationalism", making Japan a regional representative of Cold War liberalism. This was in line with the Yoshida Doctrine, the first Japanese Prime Minister's policy of maintaining a tight alliance with the United States, building limited armed forces, and pursuing economic growth through international trade.¹ FOIP presents "a less intrusive version of the liberal international order", one that relies on international law, free trade, and dispute resolution without the irritations associated with advocacy of liberal values.² Japan uses FOIP to propagate such an order, initiating engagement with regional players through its multilateral and trilateral partnerships, while opening its diplomatic aperture with partners through the Indo-Pacific Economic Framework (IPEF) and the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).³

But ten years on, success still eludes the FOIP.

The first reason is the resistance from Southeast Asian countries. The regional grouping of the countries (Association of Southeast Asian Nations, or ASEAN) treats FOIP with caution, intent on keeping ASEAN centrality as the main theme of any diplomatic cooperation or engagement. ASEAN's Outlook on the Indo-Pacific concept, promoted in a joint statement with Japan in 2025, notes commonalities with the FOIP strategy, citing the need to uphold "the rules-

based regional architecture”.⁴ Yet several passages in the joint statement can be read as resistant to Japan’s coalition-building efforts. For example, the document asserts the centrality of “ASEAN-led mechanisms” while ASEAN and Japan “deepen ... cooperation with other external partners ... towards the realisation of an open regional architecture capable of adapting to changes”;⁵ this language suggests a rejection of any expanded coalition that might appear to challenge China.

Yet Japan continues to engage ASEAN. By 2022, Japan had invested over \$250 billion in ASEAN, almost \$100 billion more than China.⁶ While the Southeast Asia Survey claims that Japan remains the most trusted major power in the region (66.8% of ASEAN-10 survey respondents noted they were “confident” to “very confident” in Japan’s “respectful and cooperative approach to the region”⁷), Chinese capital investments through its Belt and Road Initiative still receive priority over Japan’s development aid projects such as the one in Indonesia.⁸ Even in countries where Japanese presence is large, Chinese presence is not diminished in any way.⁹ In essence, the ASEAN way relies on multiple diplomatic, economic, and security channels cutting across the Indo-Pacific dual hierarchy, and as Japan attempts to co-opt these, it finds its historical embeddedness in a US alliance problematic.

Second, Japan’s FOIP strategy complicates its relationship with South Korea, creating a problem in its backyard. Japan’s economics-focused Southeast Asian rhetoric clashes with South Korean statements that place liberal values front and center: “First, as a liberal democracy built through struggle and sacrifices, the Republic of Korea supports a free Indo-Pacific. We will uphold international norms and strengthen a rules-based order built on the universal values including freedom, democracy, the rule of law, and human rights”.¹⁰ Without a shared commitment

to the liberal order, Ellen Kim worries, “Any sign of discord or weakness in bilateral or trilateral cooperation could embolden North Korea and weaken U.S.-ROK-Japan security cooperation”.¹¹

Japanese-South Korean cooperation is also marked by different national narratives, stemming from conflicting historical memories of Japanese imperialism. In 2020, the South Korean public reportedly maintained lower levels of trust in Japan than it did in North Korea—making it “the only electoral democracy in the world” to report such numbers.¹² In the past these political bumps-in-the-road were smoothed through US mediation and a shared commitment to democracy, human rights and other liberal values. Putting the liberal agenda on the back burner thus weakens the space for cooperation between the two Northeast Asian states and further strengthens a rising China.

Third and most important in Japan’s FOIP strategy has been managing a rising China. Beijing’s rise is in part due to the rules-based international order with its inherent values of free trade and economic openness. Integration of China into the rules-based international order is typically marked by its 2001 acceptance into the World Trade Organization, which was met with high expectations of market and political liberalization.¹³ Yet concerns persist that China cheats in some of its trade practices by discriminating against foreign products, stealing the intellectual property of foreign producers, and “rigg[ing] regulations that erect trade barriers by favoring Chinese companies”.¹⁴ Indeed, it was accusations of intellectual property theft and China’s flooding of the steel market that led up to the US–China trade war. Nevertheless, academics generally agree that “China is a rule taker, not a rule breaker”.¹⁵

Where China has found liberal-order institutions wanting, it has built its own institutions, such as

the Asian Infrastructure Investments Bank (AIIB). In practice, the AIIB prioritizes infrastructure funding over the liberal “good governance” priorities of the World Bank.¹⁶ Even if AIIB is intended to complement the Western institutions’ operations, the rules by which it operates implicitly place pressure on them to change. Thus, China’s contestation of the liberal aspects of these international structures undermines them, and it creates institutions that—intentionally or inadvertently—challenge these structures as well.

This raises a question for Japan’s rhetorical strategy: If the objective of promoting a rules-based order in the Indo-Pacific is to broaden a coalition to counter China’s rise, does the turn away from liberalism benefit the rules-based order or aid in China’s efforts to subvert and challenge that order?

Japan’s Strategic Dilemma

Since 2016, Japanese foreign policy has developed a vision for the region with itself as a leader of a “Free and Open” Indo-Pacific. In one corner of the Indo-Pacific, Japan still exists as the liberal international order’s Northeast Asian representative. On the other side, Japan approaches Southeast Asian states with a commitment to respect their sovereignty and independence while encouraging deeper acceptance to a rules-based trade regime and investment structure. The bifurcated rhetorical strategy is meant to create a coalitional counterbalance to a China that is increasing both its influence and assertiveness across the region.

It is not Japan alone that is adopting this strategy. The Indo-Pacific strategies of other US allies all emphasize the importance of a rules-based order while downplaying liberal commitments.¹⁷ These strategies contain ordering assumptions that “aims at a

businesslike relationship with the other major powers, that respects their fundamental interests and avoids involvement in their internal affairs”.¹⁸ Yet the United States and its allies remain democracies, and for many of them, liberal values define their engagement with other states. This is in line with Acharya’s concept of multiplexity¹⁹ which refers to the coexistence of competing global orders, marked by interdependence and globalization.

Japan thus faces a strategic dilemma and has three options moving forward. First, Japan can recommit to liberal values across the Indo-Pacific, leveraging its relationships with South Korea and the United States and ceding ASEAN influence to China, while retaining its own influence in the Northeast. Second, Japan could change the status quo by committing to a rules-based order across the Indo-Pacific. While this strategy might—with some convincing—grow Japan’s coalition as a counterbalance to Chinese influence in the Southeast, it will do so at the expense of its relationship with RoK and cede influence to China in the Northeast. Finally, Japan could maintain the new status quo and continue bifurcating its ordering rhetoric between Northeast and Southeast Asia. As outlined above, this strategy is internally conflicted, offering two distinct visions for the Indo-Pacific to different neighbors.

Can Japan form a dual coalition that is on one side committed to a liberal international order and on the other side committed to a rules-based order—balancing market liberalization with non-liberal domestic practices? In committing to back these “dual-ing orders” in the Indo-Pacific, Japan is trading consistency for pragmatism in a multiplex world. If good policy is about creating options, we do not see two better options than these.

The views expressed in this article do not necessarily reflect those of the US Air Force or the Department of Defense.

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Counterstrike Is Not Deterrence

Japan's Strategic Challenge

By Dr. Olivier Schmitt

Japan's acquisition of long-range strike capabilities represents a significant shift in its defense posture. The 2022 National Security Strategy committed Tokyo to developing "counterstrike capabilities" backed by a historic expansion in defense spending.¹ By early 2026, the first systems became operational: upgraded Type-12 missiles deployed to Kyushu, Hyper Velocity Gliding Projectiles entering service, and the destroyer JS Chokai completing Tomahawk integration.²

But procuring missiles is not the same as building deterrence. Japan has acquired the hardware for long-range strikes faster than it has developed the doctrine, targeting infrastructure, and command authorities needed to make that hardware deter adversaries.

This gap matters because deterrence depends on adversary perceptions of capability and will, not just physical weapons systems. Incomplete deterrence may invite probes by adversaries who sense bluff.

The Deterrence Deficit

Japan's counterstrike posture currently suffers from four critical gaps that collectively undermine its deterrent effect: kill chain dependency on U.S. assets, doctrinal ambiguity, limitations in the defense industrial base, and extended deterrence integration gaps.

Kill Chain Dependency. Effective deterrence requires adversaries to believe you can find, track, and successfully engage their high-value targets. Japan cannot yet do this independently. The country operates a small constellation of intelligence-gathering satellites designed for monitoring North Korea, not for the persistent surveillance and targeting of mobile missile systems across thousands of square kilometers.³ Independent intelligence, surveillance, reconnaissance and targeting (ISRT) resources are "indispensable" for credible counterstrike capability, yet Japan remains dependent on U.S. systems for target acquisition, battle damage assessment, and most other elements of the kill chain.⁴ Tokyo plans satellite constellation expansion, but these investments lag years behind missile deployments.⁵ For mobile targets, Japan currently lacks the data links and persistent surveillance needed for successful engagement.⁶

Adversaries know that any Japanese counterstrike capability requires US targeting support, which transforms every potential Japanese strike into a question of American resolve. This dependency matters for deterrence. An adversary might be less deterred by the prospect of American-enabled Japanese retaliation, particularly if that adversary has methods for degrading US ISR assets or compelling US restraint.

Doctrinal Ambiguity and Legal Opacity. Japan's declaratory policy weakens rather than strengthens deterrence. The government has consistently refused to specify which countries, scenarios, or types of

attacks would trigger a counterstrike. The 2022 strategy describes counterstrike as a “minimum necessary measure” against missile launchers and invasion forces but offers no operational definition of this term.⁷ The careful framing of counterstrike as a component of “integrated air and missile defense”, designed to keep the capability within Japan’s constitutional constraints, creates confusion about when and how these weapons might be used.⁸

More damaging is the deliberate opacity around the legal conditions for a strike. Japan officially maintains that preemptive strikes are illegal, but senior officials have suggested that attacks on fueled and erected missiles with clear hostile intent would not constitute preemption.⁹ This position, ironically, risks making Japan appear to be cheating on its own declaratory limits.¹⁰ The ambiguity may be politically necessary at home, but it is strategically counterproductive: Adversaries most respect deterrence when they understand precisely which behavior will be punished.

Industrial Base and Sustainment Shortfalls. Japan’s missile acquisition timelines assume a permissive environment for procurement, deployment, and logistics. They do not account for the realities of high-intensity conflict or sustained deterrence competition. Japan’s defense-industrial base has contracted significantly over the past decades, with limited capacity for surge production of the munitions needed to sustain deterrence.¹¹ Ammunition stockpile expansion faces local political resistance, with new depot construction requiring years of negotiation between the Ministry of Defense and prefecture governments.¹² Therefore, conventional deterrence-by-punishment is structurally difficult, and Japan’s approach places “real limits on the targeting doctrine it can credibly adopt.”¹³

Sustaining deterrence is more demanding than achieving it. Adversaries will test resolve through gray-

zone operations and military buildups designed to probe deterrent credibility.

Extended Deterrence Integration Gaps. Japan’s counterstrike capability exists within the US extended deterrence framework, but the integration is incomplete. Japan’s confidence in US security guarantees remains high for “naked, aggressive, overt” attacks that resemble Cold War scenarios, but much lower for the gray-zone challenges and sub-conventional threats that are more likely.¹⁴ Japan’s conventional strike systems are designed primarily for the high-end conventional scenarios where extended deterrence already works reasonably well. They are less relevant for the gray-zone contingencies where extended deterrence is most uncertain.

The nuclear question compounds this problem. Acquiring strike capabilities forces Japan to confront its historical allergy to discussing nuclear deterrence because conventional missiles operate under (and depend upon) the US nuclear umbrella.¹⁵ Yet Japan has done little to address this integration challenge, leaving the relationship between conventional counterstrike and nuclear extended deterrence implicit and unexamined.

The Three Intertwined Challenges of Deterrence

Japan’s approach to building deterrence suffers from three conceptual challenges that procurement alone cannot solve.

The first challenge is temporality. Deterrence is not a capability you acquire; it is a relationship you maintain. It requires continuous signaling, credible demonstration, and adaptation to adversary countermeasures. Japan has treated counterstrike

as an acquisition program with defined endpoints (missile deliveries, ship modifications, base construction) rather than as an ongoing strategic competition requiring sustained investment in ISR, doctrine development, and alliance coordination.

The second is comprehensiveness. Effective deterrence requires integrated capabilities across the entire spectrum of conflict, from gray-zone operations to high-intensity warfare. Japan's current approach creates a "missing middle": insufficient capabilities between missile defense and nuclear extended deterrence. This gap invites adversary salami-slicing strategies that stay below the threshold of counterstrike while exceeding the scope of missile defense.

The third is credibility. Deterrence depends on adversary assessments of both capability and will. Japan has focused heavily on demonstrating capability (through procurement announcements, exercise participation, and alliance coordination) while leaving questions of will deliberately vague. The constitutional and political sensitivities that drive this ambiguity are understandable, but they undermine deterrent effectiveness. An adversary facing a clear and present threat is more likely to be deterred than one facing an ambiguous and conditional one.

Building Effective Deterrence

Closing Japan's deterrence deficit requires changes in four areas: targeting infrastructure, declaratory policy, industrial resilience, and alliance integration.

Accelerate Independent Targeting Capabilities.

Japan should prioritize ISR investments over additional missile procurement in its next defense budget cycle. This means accelerating satellite

constellation deployment, expanding commercial ISR partnerships, and developing indigenous unmanned surveillance systems capable of persistent monitoring.¹⁶ The goal should be independent target acquisition and battle damage assessment for at least fixed targets by 2030, with mobile target engagement capabilities following by the early 2030s.

Tokyo should also establish a Joint Targeting Center within the Japan Joint Operations Command that can plan and coordinate strike operations across the Self-Defense Forces.¹⁷ This center should begin realistic targeting exercises against simulated adversary military infrastructure, building the operational experience needed for credible deterrence.

Clarify Deterrent Threats Through Structured

Ambiguity. Japan cannot eliminate all ambiguity from its declaratory policy, as constitutional constraints and political sensitivities will not permit explicit threats against named adversaries. But it can replace the current "deliberate opacity" with "structured ambiguity" that provides adversaries with clearer redlines while preserving political flexibility at home.

This means issuing, even in classified form, clearer internal guidance on triggers and authorities for counterstrike operations.¹⁸ It means addressing the legal contradiction around preemption rather than preserving it as a source of confusion.¹⁹ And it means developing targeting doctrine that identifies categories of targets (missile launch facilities, command nodes, logistics hubs) and types of scenarios (invasion preparation, sustained missile attacks) that would prompt response, without naming specific countries or locations.

Build Resilient Industrial Capacity. Japan should treat ammunition and munitions production as a national security priority equivalent to energy security or food security. This means expanding domestic production

capacity through industrial partnerships, diversifying supply chains across multiple manufacturers, and pre-positioning stockpiles in hardened storage facilities across the archipelago.²⁰

Japan should also negotiate co-production agreements for critical munitions components with the United States, Australia, and potentially European partners, reducing single-source dependencies that could be exploited by adversaries. The goal should be indigenous production of sufficient munitions to sustain deterrent operations for at least six months without external resupply.

Integrate Conventional and Nuclear Extended Deterrence. Japan and the United States should develop a more explicit framework linking Japanese counterstrike capabilities to US extended deterrence commitments. This does not require Japan to acquire nuclear weapons or abandon its non-nuclear principles. It does require acknowledging that Japanese conventional strike operations would likely occur within scenarios where US nuclear extended deterrence is also engaged.

As research shows, well-developed conventional counterforce capabilities can actually deemphasize the role of nuclear weapons in regional deterrence by providing intermediate escalation options between conventional defense and nuclear response.²¹ Japan should make this case explicitly to its public, framing counterstrike not as movement toward militarization but as a contribution to escalation management and crisis stability.

Expand Alliance Targeting Cooperation. Japan should regularize the sharing of intelligence about targeting with Australia and key European partners facing similar long-range strike challenges. This does not require formal defense commitments, but

it does mean expanding the scope of intelligence cooperation beyond the traditional US-Japan bilateral framework.

Given the global nature of the targeting challenge, burden-sharing in ISR and targeting infrastructure can benefit all parties. Japan's investments in space-based surveillance, for instance, could support European deterrence needs in exchange for European contributions to Pacific ISR coverage.

Conclusion

Japan's counterstrike capability remains more aspiration than accomplishment. Procurement success has not translated to deterrence effectiveness because deterrence requires more than missiles: It requires the targeting infrastructure, declaratory policy, industrial resilience, and alliance coordination to make those missiles credible in adversary calculations.

Closing this gap requires treating deterrence as a strategic competition requiring sustained investment, not an acquisition program with a definite endpoint. The missiles Japan has bought are necessary but not sufficient. Building a full deterrence capability will require completing the strategic architecture that gives those missiles meaning.

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Escaping Japan's Postwar Intelligence Trap

By Dr. Eric Feinberg

One of the most consequential effects of Japan's defeat in World War II was the discrediting of its national security establishment. Because power had been concentrated in the Imperial military and security services, those institutions were widely held responsible for leading the country to ruin, humiliation, and occupation. Under the postwar constitution drafted by the United States, Japan legally renounced war and embarked on a path of antimilitarism, and postwar leaders came to treat the institutional authorities associated with coercion, secrecy, and internal surveillance as politically suspect. This political climate made a strong, centralized intelligence apparatus seem less like a standard national security function and more like a risk to democratic legitimacy.

That aversion translated into an intelligence architecture that was deliberately decentralized. Tokyo dispersed responsibilities across ministries, kept legal authorities narrow, and relied heavily on voluntary interagency cooperation because the Cabinet lacked clear statutory authority to compel access, task agencies, or impose uniform standards across the system. This postwar decentralization preserved anti-militarist principles and assuaged domestic political concerns, but it imposed predictable costs on performance: Senior leaders lacked rapid, integrated strategic warning; cross-government information fusion was slow; the Cabinet struggled to set and enforce national intelligence priorities; and information-protection standards varied across ministries.

That inherited posture is now colliding with what Japan has characterized as the most precarious security environment since World War II. China's accelerating military modernization, persistent gray-zone coercion, sustained espionage, and coordinated influence efforts have raised the premium on intelligence integration, rapid warning, and disciplined protection of classified information. In the past, Tokyo leaned on Washington to compensate for weaknesses in these areas, but that reflex is becoming increasingly tenuous in a climate of sharper burden-sharing demands and more conditional alliance expectations from the Trump administration.¹ To preserve decision advantage and remain a credible intelligence partner to Washington, Japan must move beyond its postwar model and build a more centralized structure capable of effective interagency coordination and meaningful contributions to alliance planning and operations.

The ascent of Prime Minister Takaichi Sanae makes this shift more politically plausible than at any other time in the postwar period. February's snap election left her Liberal Democratic Party (LDP) with a two-thirds supermajority in the House of Representatives, smoothing the path to institutional reform.^{2,3} But legislative leverage alone will not ensure sound policy design or enduring public support. In recent Diet debates, opposition parties have warned that proposed reforms could lead to human rights violations, political misuse, or inadequate privacy protections.^{4,5}

Origins of Japan's Postwar Constraints

Japan's postwar intelligence limitations did not emerge organically but were consciously designed to constrain institutions associated with opacity and overreach, curbing their size, authorities, staffing, and integration. In his seminal 2019 book, *Special Duty: A History of the Japanese Intelligence Community*, MIT scholar Richard Samuels described the resulting apparatus as "small, non-comprehensive, uncoordinated, underfunded, and, because of lingering political sensitivities (especially regarding the use of spies), unnecessarily baroque".⁶ In an interview with Samuels, historian Kotani Ken argued that the government "has never succeeded in managing the central intelligence system effectively", to the point that many observers have concluded that "Japan has no intelligence community".⁷

Intelligence responsibilities are scattered across institutions with different sources, authorities, and incentives around sharing information. The Ministry of Foreign Affairs (MOFA) handles overseas diplomatic reporting. The Ministry of Defense (MOD) and Self-Defense Forces (SDF) focus on military intelligence. The National Police Agency (NPA) and Public Security Intelligence Agency (PSIA) carry much of the domestic security and counterintelligence burden. Because no single national manager can routinely compel access, set cross-government requirements, or enforce sharing standards, sensitive reporting remains siloed and interagency collaboration is voluntary.

The Cabinet-level hub intended to aggregate and synthesize reporting, the Cabinet Intelligence and Research Office (CIRO, or Naichō), lacks meaningful authority and access and is often denied even routine visibility into key information streams. Samuels notes that CIRO was "often referred to as 'Japan's CIA'" but

"was anything but", and its directors "often could not even read MOFA cables".⁸ These access limits left the Cabinet structurally dependent on individual ministries for core reporting streams and forced senior officials to piece information together themselves rather than rely on professional analysis.

The legal regime governing intelligence compounded the same problems. Viewing expansive intelligence authorities as steps toward domestic surveillance and the revival of coercive state power, Tokyo long avoided comprehensive espionage and counterintelligence statutes with clear definitions, authorities, or penalties. That left agencies with a narrower and more disjointed legal toolkit than international peers, fostering caution and inconsistency. Security rules varied across ministries, investigations and prosecutions were difficult to pursue, and foreign intelligence services operating in Japan often faced few penalties if exposed.

During most of the postwar period, Japan's alliance with the United States lowered the immediate costs of these shortcomings as American intelligence could provide strategic warning, high-end technical collection, analytic synthesis, and a global reach that Japan could not replicate. A journalist quoted by Samuels described the relationship as a "master-servant relationship (shujū kankei)" in which Japan consigned itself to subordination by its own lack of capacity.⁹ The result is a system with capable pockets of activity but profound and enduring weaknesses.

Objectives of Reform

The reform package being advanced under Prime Minister Takaichi includes institutional and legal changes intended to strengthen national intelligence coordination, tighten counterintelligence defenses,

and build capabilities Japan has historically neglected or constrained.¹⁰

First, the government aims to centralize intelligence coordination at the cabinet level by transforming CIRO into a more independent body. Under pending legislation, CIRO would be reconstituted as a National Intelligence Bureau serving as the secretariat to a prime minister-chaired National Intelligence Council, with the Bureau breaking down silos and improving the integration of intelligence reaching senior decision-makers rather than functioning as a supplemental aggregator. The Council would set intelligence strategy and priorities at the cabinet level, coordinate information flows across ministries and agencies, and receive more integrated intelligence products. The bill—passed by the House of Representatives on April 23 and now under consideration in the House of Councillors—tasks the Council with formulating a medium- to long-term intelligence strategy by gathering and analyzing information from across the government, rather than merely exercising supervisory functions.¹¹ The design is an intelligence analogue to the National Security Council and National Security Secretariat established in December 2013, which improved policy-domain coordination. Takaichi announced the Council and Bureau in her February 20, 2026, Diet policy speech;¹² the Cabinet submitted the bill on March 13; Lower House committee deliberations began on April 2; and the bill cleared the House on April 23 following adoption of a supplementary resolution on personal-information protection.¹³ Upper House deliberations opened in early May, with the government targeting a July launch of the new bodies at an initial staffing of roughly 700.¹⁴

Second, the government plans to begin recruiting career-track intelligence officers through the national civil service exam beginning in fiscal year 2027, alongside expanded mid-career hiring of private-

sector specialists. Establishment of a stand-alone foreign intelligence service of the kind proposed by former NSS Secretary General Yachi Shotaro has been reserved for a subsequent phase of reform.¹⁵ Together, these initiatives would turn overseas intelligence collection and tradecraft training into standing national functions, reducing reliance on dispersed ministerial channels and ad hoc rotations while creating clearer roles, career paths, and institutional ownership than the current system provides.¹⁶

Third, the reform agenda extends beyond reorganization to include a legal package aimed at strengthening counterespionage and counterintelligence authorities, including possible measures such as a foreign agent registration system.¹⁷ Proponents argue the legislation would both strengthen domestic security and make Japan a more credible partner for deeper intelligence cooperation with key allies and partners – especially the Five Eyes countries of Australia, Canada, New Zealand, the United Kingdom, and the United States – by demonstrating a stronger capacity to protect sensitive information from foreign penetration, particularly by Beijing.¹⁸

Finally, the reform push treats cybersecurity as a core intelligence enabler. In July 2025, the government reorganized the National Center of Incident Readiness and Strategy for Cybersecurity into a Cabinet-level National Cybersecurity Office headed by the National Cyber Director,¹⁹ while also identifying cybersecurity as a priority area for workforce development backed by public-private investment. Within the broader reform package, this cyber pillar is meant to improve detection of and response to cyber-enabled espionage and influence activity while raising government-wide information-protection standards needed for sensitive intelligence handling and partner sharing.²⁰

Takaichi's Opportunity and the Harder Test

Cumulatively, these measures would make real progress in moving Japan beyond the fragmented system described by Samuels toward one with national-level institutions, clearer legal tools, and more defined pipelines for collection, analysis, and security. The central question is whether Takaichi's government can enact them and make them stick.

The political conditions are unusually favorable. February's snap election left the Liberal Democratic Party with an outright two-thirds supermajority in the House of Representatives, giving the government control of the lower-house agenda, the votes needed to pass enabling statutes and reorganize cabinet bodies, and a stronger basis for sustaining funding across multiple budget cycles. Many of the key reforms have moved beyond the conceptual stage into active consideration, though the anti-espionage legislation has been shifted to a second phase rather than a parallel bill,²¹ with the government planning to convene an expert panel in summer 2026 and to submit related bills in the autumn extraordinary Diet session or the next regular session;²² a foreign-agent registration regime is among the measures under consideration.²³

A more difficult constraint is public legitimacy, especially for reforms that expand secrecy authorities or domestic-security tools. Public sensitivity to any strengthening of government intelligence functions is deeply rooted. After the most recent intelligence reform—the 2013 Special Secrets Protection Act, allowing the government greater classification authorities—was enacted, a Kyodo News poll found that 82% of respondents wanted the law revised or abolished, fearing an erosion of press freedom and public access to information.²⁴ At the same time, the Japanese public seems more conscious of the

declining security environment than a decade ago and more open to change. A recent government survey found 68% of respondents identified China's expanding military power as Japan's leading security concern, while a record 94% reported a favorable view of the Self-Defense Forces.²⁵ Even so, heightened threat awareness has not displaced civil liberties concerns. Opposition parties warn the bill could invite human rights violations or political misuse;²⁶ Takaichi and Chief Cabinet Secretary Minoru Kihara have countered that the proposed system would not unnecessarily infringe privacy and that existing personal-information law provides adequate safeguards.²⁷

The hardest challenge will be implementation: building a professional intelligence cadre, enforcing interagency intelligence sharing, inculcating a culture of information-security discipline, sustaining national-level political commitment, and ensuring bureaucratic persistence, not just creating new legislation.

Why the Alliance Stakes Are Rising

These reforms matter not only as a domestic modernization project, but also as a test of Japan's value within the alliance. As Washington places greater emphasis on burden sharing and demands more allied contributions to deterrence, intelligence capacity becomes a measure of strategic credibility. These new actions will bear directly on whether Tokyo can provide timely strategic warning, fuse reporting quickly enough for crisis decision-making, protect sensitive information to allied standards, and contribute more meaningfully to joint planning and operations.²⁸

For much of the postwar era, Japan could function with a fragmented intelligence system because

the United States could compensate for many of its weaknesses. That is becoming a less sustainable model. The regional security environment is more dangerous, the operational premium on speed and integration is higher, and tolerance in Washington for asymmetric dependence is diminished. The January National Defense Strategy urges allies to raise total security-related spending to 5% of GDP and core defense spending to 3.5%,²⁹ and the Special Measures Agreement governing Japan's host-nation support expires in March 2027. Together, these factors raise the operational stakes for Tokyo's intelligence contribution.³⁰

Japan is therefore confronting more than a bureaucratic debate. It is deciding whether it can build intelligence institutions suited to current strategic demands rather than to political inhibitions inherited from 1945. To preserve decision advantage and remain a high-value intelligence partner to the United States, Japan will need to move beyond a postwar architecture that once seemed politically prudent but now carries mounting strategic costs.

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From Hormuz to the South China Sea

Planning for Japan's Energy Resilience Amid Maritime Disruptions

By Kelly Primrose

Introduction

Japan's near-total dependence on imported fuel is a structural vulnerability that has driven decades of strategic planning around stockpile strategies, fuel innovation, decarbonization, and supply security. Policymakers must balance the risks and rewards of various energy sources while pursuing policy goals like supplier diversification, decarbonization, safety, and supply-demand balancing. However, Japan's economy, and thus its modern energy resource planning, has developed in peacetime for the past 80 years. It is unclear from an outside perspective how deeply defense considerations have been integrated into policy documents like Japan's Strategic Energy plans. The 2026 Iranian blockade of the Strait of Hormuz offers a timely lens through which to examine this question, as Japan has drawn on its foresighted oil and petrochemical stockpiles to stabilize domestic markets and assert diplomatic leadership amid the crisis. In this paper, I will review the status of Japanese energy policy and consider how Japan has leveraged the successes of its energy policies to project regional leadership in the Iran crisis. I will then turn to a more complicated question: whether this approach would still succeed if conflict were to break out closer to home. Drawing out the key differences between these two scenarios, the paper concludes with recommendations for how Japan might adapt its energy policy to better withstand the unique risks posed by a potential conflict in East Asia.

Japan's Seventh Strategic Energy Plan

Japan's government has produced Strategic Energy Plans since 2003 in recognition of the national security vulnerabilities created by its dependence on energy imports. Japan's economy is currently powered approximately 83% by coal, oil, and natural gas, 6.5% by nuclear power, and 10.5% mixed between hydropower and renewables.¹ Across combined imports of fossil fuels, nuclear fuel, and renewable energy components, Japan imports about 87% of the fuels and components needed to power its economy.² At present, the only fuels Japan can produce domestically are biofuels and burned waste, which constitute a minor portion of total generation.³ Geothermal power is the only technology that could, in my estimation, permit Japan to achieve a degree of true energy independence, though it is stymied by regulatory barriers and cultural opposition. Nuclear is a close second, as its fuel rods can produce power for 3 to 5 years following their importation.⁴ However, the March 11, 2011, disaster at the Fukushima nuclear power plant severely damaged public trust in nuclear power and spurred a national boycott of the technology. Japan's energy import dependence has risen since 2011 as a result, and this trend is only growing despite some restarts of nuclear reactors in recent years.⁵

Within this context, Japan's Seventh Strategic Energy Plan (SEP7), ratified in February 2025, aims to steer Japan to a more balanced position. First, it prioritizes reinvigorating Japan's nuclear sector by targeting

20% nuclear power generation by fiscal year 2040.⁶ Second, SEP7 is the first such plan to propose multiple pathways for Japan's decarbonization progress, likely out of recognition that Japan will need to adapt its decarbonization policies based on its own political will to act and real-world factors such as adapting to the COVID-19 pandemic. This is a necessary concession to reality, given that Japan's progress in restarting its fleet of nuclear reactors and deploying renewables has generally lagged the targets called for in previous SEPs. The 2025 plan also accounts for the uncertainties in natural gas markets caused by Russia's invasion of Ukraine and concerns about supply chain dependencies in wind and solar manufacturing.⁷ Still, SEP7 retains ambitious targets for low-carbon energy production in recognition that Japan must more evenly spread demand across energy types to insulate itself from supply shocks.

SEP7 also takes economic security considerations into account when considering Japan's future energy mix. It emphasizes the importance of diversity to energy resilience, both in the diversity of its fossil fuel suppliers and in the types of energy generation used nationally.⁸ I imagine that both lessons will take on even larger roles in future editions once the lessons from Iran's 2026 blockade of the Strait of Hormuz and the consequent disruption of global oil and gas transport have been thoroughly digested.

Given that policymakers have already recognized the importance of integrating economic security concerns into the SEP, I propose that they take the additional step of integrating national security concerns as well. It is safe to assume that wars will be one of the last human activities to decarbonize, if they do at all. With that in mind, fossil fuels should be prioritized for situations where power generation truly cannot be allowed to fail: on military bases, in military vehicles, and in essential services like hospitals and cybersecurity centers. SEP7 already claims that Japan

will prioritize decarbonizing and electrifying demand, but this initiative takes on new urgency when we consider the risks to Japan's energy flows posed by a potential conflict in East Asia.

Japan's Regional Leadership Amid the Iran Crisis

Japan has played a critical role in calming markets and protecting East Asia's regional stability since the outbreak of the February 2026 conflict pitting the United States and Israel against Iran. Prime Minister Sanae Takaichi and her government have proactively managed public perception of the crisis' impact on Japan's economy. They correctly understood that managing public perception of oil scarcity was as important as the actual scale of said scarcity, if not more so. This is despite a Hormuz blockade being previously cited as an example of a potential "survival-threatening situation," the formal criterion needed to activate Japan's Self-Defense Forces.⁹ Japan's extensive strategic petroleum reserve and strong domestic refining capacity have helped insulate it from the blockade's immediate impacts.¹⁰ This gives Japan leeway to project its influence outward to regional partners, such as by offering its neighbors over \$10 billion in aid for energy procurement.¹¹ Prime Minister Takaichi has also emerged as one of the few global leaders capable of speaking to both US and Iranian leadership, and she has used this position to repeatedly urge both sides to seek a swift and peaceful resolution to hostilities.¹²

War in East Asia Would Be Different

While the Hormuz blockade provides invaluable data on how Japanese energy companies, supply chains, and financial markets respond to unexpected shortages, observers should be careful not to extrapolate these responses too far beyond their circumstances. Despite the very severe disruptions caused by the Hormuz blockade, Japan faces minimal risk of a direct attack on its homeland. The luxury of distance enables it to leverage its extensive strategic reserves, long-term contracts, and domestic refining capacity to effectively mitigate the direct impacts on its economy. Additionally, while the Hormuz blockade severely restricts energy shipments, with second-order effects on petrochemicals and fertilizers, it is not a critical trade artery for the Japanese economy writ large.¹³

Many of these advantages would not apply in an East Asian conflict. Regardless of where hostilities might erupt, Japan's homeland would likely face a high risk of direct attack. Additionally, about 40% of Japan's entire trade balance flows through the South China Sea.¹⁴ A major disruption to this critical trade route could pose an existential threat to Japan's economy. While this is also true for many of its potential regional adversaries, Japan does not have significant domestic energy generation capacity to fall back on if trade through the South China Sea were to stall. Although it is likely that Japan will shift its procurement to receive more American oil and natural gas cargoes following the 2026 blockade of the Strait of Hormuz, Japan will remain sensitive to overdependence on a single supplier. We can expect that while US fossil fuel cargoes to Japan will increase, they will not make up a majority share of the nation's fossil fuel imports. Therefore, any disruption to trade in the South China Sea would still pose an existential threat to Japan's energy generation. If an adversary were to combine

this stranglehold with a direct attack on Japan's strategic oil reserves, that could deal a one-two punch that it may not be able to endure.

Recommendations & Conclusion

In such a dire situation, Japan's victory would be predicated on its ability to survive long enough to secure additional cargoes of oil and natural gas from the United States. All existing resources would need to be split between military and civilian usage which could unduly limit Japan's strategic options. For the sake of scenario planning, I will make a few assumptions about Japan's energy mix in this imaginary conflict. First, I will assume that Japan will gradually, but not completely, shift its oil supplier preferences to a more balanced mix of regional origins instead of continuing to rely primarily on Middle Eastern suppliers. This is where American oil and natural gas suppliers will play a critical role in boosting Japan's energy security moving forward. However, Japan will still likely avoid shifting entirely to American sources out of a desire for greater supplier diversification. Given the high volumes of cargoes Japan receives from Australia, its economy will thus continue to be highly vulnerable to a major shipping disruption in the South China Sea. The potential damage from this eventuality is such that Japan should develop its future Strategic Energy Plans with this possibility in mind and take aggressive measures to shift civilian energy demand to low-carbon sources. By considering this a matter of national security and resilience, Japan can ensure that its military will have access to the fuels it will need without causing undue hardship to civilians. This could free up valuable and limited resources to support a potential war effort with minimal impact on public morale.

I also recommend that Japan fast-track research and development for advanced geothermal systems (AGS), a nascent technology that would grant it a degree of energy independence without damaging its culturally significant hot springs. Japan has been slow to tap into its geothermal endowment due to concerns about pollution to the hot spring systems that hold a central role in its national identity and tourism economy.¹⁵ AGS utilizes a closed-loop system of pipes that pass through hot rock to create steam for thermal power generation. These systems can be built anywhere hot, dry rocks sit close to the surface, thus abating many of the concerns of hot spring owners. Its advantages for Japan's energy independence are so great that I believe the significant research and development investments needed to develop the technology will pay off handily in a future worst-case scenario.

Japan's energy policy has proven remarkably resilient in the face of the Hormuz blockade, validating the wisdom of its decades of investment in strategic reserves and refining capacity. Yet the very conditions that have allowed Japan to weather this crisis from a distance would largely disappear in a conflict closer to home. A war in East Asia would expose Japan to direct attack and threaten the South China Sea trade routes that underpin its economy, leaving the country with far less room to maneuver than it has enjoyed during the current crisis. Closing this gap will require Japan to treat energy security as inseparable from national security: prioritizing low-carbon demand shifting to preserve fossil fuels for military and essential civilian use and accelerating investment in technologies like advanced geothermal systems that offer a genuine path to self-sufficiency. Absent these adaptations, Japan's success in navigating the Iran crisis may prove a poor guide to its prospects in a conflict where distance, time, and diplomatic leverage may no longer be on its side.

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Don't miss the forest for the trees

Lessons from AUKUS for the Australia-Japan Mogami deal

By Tom Corben

Introduction

In August 2025, Australian Deputy Prime Minister and Minister for Defence Richard Marles announced that Canberra had selected the Mogami-class frigate, produced by Japan's Mitsubishi Heavy Industries, as the Royal Australian Navy's future general purpose frigate.¹ Formalized in April 2026, the deal will see Mitsubishi deliver 11 vessels to Australia beginning in 2029, with the first three vessels to be constructed in Japan and the remaining eight to be built in Australia.² The agreement has been heralded as a groundbreaking development for the bilateral special strategic partnership, overcoming the ghosts of Tokyo's ill-fated pitch to sell Soryu-class submarines to Canberra in 2016,³ and adding defense industrial cooperation to the tapestry of bilateral defense cooperation that has grown rapidly since the signing of the updated Joint Declaration on Security Cooperation in October 2022.⁴

Yet the Mogami agreement could be much more than just an arms deal or a strategic signal. Appreciated in its full context, the deeper industrial partnership that it portends could become the connective tissue for a wider defense partnership, aligning shared production and maintenance capabilities with force posture initiatives and exercise regimes; driving development of a shared industrial security architecture; and promoting other forms of capability cooperation alongside the delivery of the Mogami-class frigates to Australia, if not before then.⁵

There is a ready template for what this might look like. AUKUS—a defense partnership between Australia, the United Kingdom and the United States—offers several key lessons for what Canberra and Tokyo should seek through the Mogami arrangement. AUKUS is primarily supposed to deliver a new nuclear-powered submarine fleet to Australia beginning in the 2030s. In reality, however, AUKUS is also propelling the modernization of the wider US-Australia defense relationship, linking force posture initiatives, combined operations, federated defense production and maintenance, and greater technology and information sharing into a cohesive agenda.⁶ Mogami could do the same for Australia and Japan. Though the precise requirements and objectives of defense industrial collaboration differ between the two relationships, the ways in which AUKUS has underwritten a more holistic approach to US-Australia defense cooperation should be front of mind for Tokyo and Canberra as they work to advance their own marquee defense industrial initiative.

The “glue” for bilateral defense cooperation

Firstly, Australia and Japan should seek to utilize the Mogami agreement to create the shared industrial underpinnings for the broader Australia-Japan defense partnership. AUKUS is the archetypal reference point. Indeed, its implementation plan makes clear the links between Australia's submarine acquisition and the shared industrial capabilities that both countries seek to bring to bear in support of their

independent and collective defense requirements in Asia. This connection is already apparent in Phase One of the three-stage AUKUS Optimal Pathway, which involves US Virginia-class and UK Astute-class nuclear-powered submarines conducting more frequent rotations through HMAS Stirling in Western Australia.⁷ This includes major maintenance schedules conducted by Australian personnel to support longer-term US submarine deployments and preparing Australia's workforce to take charge of its own fleet in the 2030s.⁸ In addition, Australian sailors now regularly serve on American submarines deployed to the Indo-Pacific, and many are undertaking specialized training at the United States Navy Nuclear Power School.⁹ Australia is also making targeted investments in the US submarine industrial base to ease the burden on American shipyards, and exploring options to produce US-origin missile systems on Australian shores to meet shared demands.¹⁰ More than simply paving the way for Australia to take delivery of Virginia-class and to eventually co-produce a new AUKUS-class of submarines with the United Kingdom, all of these initiatives are intended to drive deeper interoperability and integration across the full spectrum of defense cooperation.

The Mogami could serve much the same purpose for Australia and Japan. Plans to increase Japan Self Defense Force (JSDF) visits to Australia for joint training, with the potential of establishing a more regular rotational presence akin to US or Singaporean initiatives in northern Australia, would only benefit from a certified local industrial capacity to maintain and resupply visiting Japanese assets.¹¹ Australia and Japan could also consider creating maintenance schedules for JSDF Mogami-class frigates (and other common capabilities like the F-35 Joint Strike Fighter) at Australian facilities,¹² supporting bilateral exercises, and prolonging JSDF regional activities such as the annual Indo-Pacific Deployment.¹³ Both countries would benefit from the development of greater

shared defense industrial capacity to support more complex, impactful and persistent forms of bilateral military cooperation in the region.

Preparing the enabling environment

Like AUKUS, the Mogami deal will require closer alignment between Australian and Japanese industrial security measures on cybersecurity, information-sharing, and technology release protocols. Even Australia and the United States, already incredibly close partners in information-sharing and technology development, needed to pursue such reform to enable AUKUS. It's no coincidence that AUKUS Pillar II—the component of the agreement concerned with developing other advanced military systems and technologies—has often been framed as a driver of long-overdue regulatory harmonization as much as a vehicle for delivering new defense capabilities.¹⁴ For instance, substantial changes were required in all three countries' regulatory structures to minimize legal and procedural barriers across the three nations.¹⁵ Though progress has been made, analysts believe that export controls are likely to be but the tip of the iceberg for a wider industrial security alignment effort.¹⁶

Australia and Japan would also benefit from early attention to harmonizing their industrial security measures. For instance, both countries will need to coordinate their respective efforts to overhaul their national defense cybersecurity settings, particularly with respect to information-sharing and cybersecurity standards.¹⁷ To that end, in April 2026 the two countries' defense authorities signed a "Letter of Intent between the Department of Defence of Australia and Ministry of Defense of Japan Concerning a Defence Cyber Partnership".¹⁸ Furthermore, reforms to Japan's 2014 Three Principles on Transfer of

Defense Equipment and Technology made in April 2026 could facilitate transfers of lethal defense technologies to Australia,¹⁹ but they will need to be considered against Canberra's own defense export control regulations, amended in 2024 to meet US conditions on reexports and information security in ways which could complicate cooperation with Japan.²⁰ Harmonizing these settings will be essential to sharing sensitive technologies on the Mogami-class frigates themselves, and also those that would be part of broader collaboration on drones, missiles, or other advanced capabilities.

Mogami Pillar II?

Finally, while the Mogami deal has provided ample political momentum to the Australia-Japan defense partnership, the frigates will not themselves be the capability that will test the bounds of regulatory alignment or shared industrial capacity. Indeed, AUKUS is already driving the development of new industrial capacity and collaboration on advanced capabilities well before the arrival of Australia's first Virginia-class submarine.²¹ These activities are testing and demonstrating the new "art of the possible" for defense industrial and technology collaboration.

Encouragingly, Australia and Japan are looking to do the same. The defense ministers of both countries have already highlighted collaboration on missile production and drone development as near-term priorities, initiatives that would meet acute operational needs and ease shared industrial pressures.²² For instance, some analysts have suggested that Japan's Type 12 anti-ship missile could offer Australia an alternative to American Tomahawk missiles, stockpiles of which have been heavily strained by US operations in the Middle East.²³ In turn, Australia's own investments in solid rocket motor production, leading

capabilities like the Ghost bat unmanned aircraft, and expansive missile testing ranges make it an attractive partner for Japanese companies looking for secure locations to test, evaluate and produce new missile and unmanned systems.²⁴ Such collaborations would go to fulfill both countries' stated needs for greater numbers of these systems, and would also serve as pathfinder projects to test and amend industrial security frameworks and policy settings well before the first Mogami-class frigate arrives in Australia.

Conclusion

In sum, AUKUS offers important lessons for Australia and Japan as they pursue their own marquee defense industrial project. Properly harnessed, the political momentum afforded generated by the Mogami deal should drive the development of a shared industrial base to support the full spectrum of the bilateral defense relationship; prompt greater alignment across national industrial security policies; and facilitate a range of pathfinder projects to deliver an early proof of concept for expanded bilateral defense industrial cooperation well ahead of the initial frigate delivery date of 2029. AUKUS is already delivering in all three ways for the Australia-US alliance: there is no reason it cannot do the same for Australia and Japan.

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Fraud as a Security Threat

Disrupting Transnational Scam Networks in Southeast Asia

By Keome Rowe

Introduction

Scams and fraud have become one of the most pervasive and lucrative forms of organized crime in the world. In 2024 alone, global losses were estimated to exceed \$1 trillion, with more than half of adults worldwide reporting exposure to scam attempts.¹ What was once considered opportunistic crime has evolved into a highly organized global industry.

At the center of this transformation is the rise of transnational scam centers—industrial-scale operations that combine cybercrime, human trafficking, and illicit finance. Concentrated in parts of Southeast Asia, particularly in Myanmar, Cambodia, and Laos, these networks exploit weak governance, digital connectivity, and illicit cross-border financial networks ranging from underground banking systems to cryptocurrency to operate at scale.

US government estimates indicate that Americans alone lost at least \$10 billion in 2024 to Southeast Asia-based scam operations, a 66% increase over the previous year.² Scam networks are no longer peripheral criminal activity; they are a rapidly expanding global industry with direct implications for security, governance, and economic resilience.

The Industrialization of Transnational Scamming

Modern scam operations are not loosely connected actors but structured, transnational enterprises.

Across Southeast Asia, many operate from centralized compounds in border regions or special economic zones where oversight is limited or contested. These sites function as self-contained operational hubs, resembling closed campuses that integrate housing, food, entertainment, workspaces, security, and logistical support.

Real-world examples illustrate the scale and organization of these systems. Along the Thai–Myanmar border, projects such as Shwe Kokko have evolved into purpose-built enclaves hosting multiple scam operations within a single complex.³ Originally promoted as casino, real estate, and “new city” investment projects in weakly governed border regions, many of these sites expanded rapidly following the COVID-19 pandemic and Myanmar’s 2021 military coup. In several cases, casino operations that had been established by TCOs in weakly governed border regions lost their customer base during the COVID-19 lockdowns, prompting operators to pivot to cyber-enabled fraud as an alternative revenue stream. Permissive governance environments, now-underutilized casino infrastructure, and wartime patronage systems created favorable conditions for these organizations to embed themselves within local conflict economies.

Many of these sites now function as hubs for transnational crime networks engaged in cyber-enabled fraud, illicit gambling, money laundering, trafficking in persons, and other illicit activities. In parts of Myanmar, scam operations have become increasingly integrated into broader conflict economies in which armed actors, militias, and

criminal syndicates derive financial and political benefit from cyber-enabled fraud activities. These facilities often include dormitories for workers, large office floors with rows of computer terminals, on-site security, and supporting logistical infrastructure, allowing scam operations to function at industrial scale.

Inside these hubs, operations are highly organized and hierarchical, often resembling legitimate corporate structures. Managers oversee teams assigned to specific scam typologies—such as investment, romance, or impersonation scams—with performance tracked through quotas, scripts, and metrics. Specialized units handle functions such as financial transactions, cryptocurrency laundering, and technical support, allowing operations to scale efficiently and adapt quickly. Beneath this corporate-like structure, reporting by OHCHR and UN experts has documented that many compounds rely on trafficked labor, coercion, violence and restrictions on movement to sustain operations.⁴

These compounds function, in effect, as criminal co-working spaces—facilities where multiple criminal groups operating in parallel, sometimes leasing space within the same complex. This shared-infrastructure model increases efficiency and resilience. While raids or enforcement actions may disrupt individual operators, they often fail to dismantle the broader ecosystem because infrastructure, financial networks, management structures, and protection arrangements remain intact. In many cases, different groups maintain separate operational teams, digital platforms, financial channels, and victim pipelines while relying on common logistical infrastructure such as office space, housing, internet access, security, and transportation networks.⁵ As a result, disruption of one operation may have limited impact on neighboring groups, and displaced actors can often relocate or rapidly reconstitute operations elsewhere. As US law

enforcement has described them, these networks are “sophisticated, well-resourced criminal enterprises” operating across borders and targeting victims globally.⁶ Smaller operations—based in apartments, villas, or office spaces—often serve as nodes within this broader ecosystem, reinforcing the adaptability and resilience of the scam industry.

Today’s digital affordances and complex networked financial systems make this industrial fraud ecosystem possible. Scam networks leverage digital platforms, automated messaging, artificial intelligence tools, and social engineering techniques to target victims worldwide, while illicit proceeds are moved through cryptocurrencies, fintech channels, online payment systems, and layered transactions designed to obscure financial flows. The result is a business model that is at once geographically concentrated and digitally global.

A System Built on Exploitation

Behind the digital infrastructure lies a complex and varied labor system. Some workers are recruited through fraudulent job advertisements and, upon arrival, have their official identification and travel documents confiscated and are forced to conduct scams under threat of violence, debt bondage, or sexual exploitation.⁷

Others participate more voluntarily, drawn by commission-based pay structures in what functions as a competitive, high pressure sales environment. In practice, the line between coercion and economic motivation is often blurred—and both dynamics serve to sustain and expand scam center operations at scale. Reports indicate that workers are often required to meet daily quotas targeting victims abroad, including U.S. citizens.⁸ Estimates suggest

that hundreds of thousands of individuals globally—roughly 300,000 in Southeast Asia alone—have been trafficked into scam operations.⁹ This scale makes clear that the scam economy is not only a financial crime issue, but also a major human trafficking challenge.

This dual dynamic, in which individuals may be simultaneously perpetrators and victims of exploitation, complicates enforcement responses and demands a differentiated approach. Effective strategy must distinguish between those coerced into participation and those who are willing participants, applying appropriate law enforcement, prosecutorial, and humanitarian tools to each. Treating all actors as victims risks undermining accountability, treating all as criminals risks missing opportunities to disrupt recruitment and coercion networks at their source.

How Scam Networks Persist

Despite increasing enforcement actions, scam networks remain highly resilient. Crackdowns on individual compounds frequently result in geographic displacement and operational adaptation rather than systemic disruption. When one operation is shut down, others emerge, relocate across borders, or fragment into smaller and more mobile structures.

Following major raids in Myanmar, for example, operations continued elsewhere with limited long-term impact.¹⁰ This resilience stems from several reinforcing factors: decentralized operational structures, reuse of infrastructure from casinos and online gambling networks, flexible labor recruitment models that draw from both coerced and voluntary workforces, enabling rapid scaling and replacement of personnel following enforcement actions.

In practice, these dynamics allow scam networks to absorb pressure, adapt quickly, and preserve core capabilities even when individual sites are disrupted. Raids on compounds in Myawaddy and Sihanoukville, for example, temporarily reduced activity at targeted sites but were followed by rapid reconstitution of operations across the border or in adjacent facilities—with leadership structures, financial networks, and victim pipelines largely intact. That is why tactical successes rarely translate into systemic disruption.

From Crime to Security Threat

The scale and sophistication of scam networks have prompted a shift in how governments perceive the threat. Increasingly, these operations are viewed not only as criminal enterprises but as broader security challenges.

US sanctions actions have linked scam networks to transnational criminal organizations, human rights abuses, and illicit financial systems.¹¹ A 2026 executive order further identifies scam centers as coordinated campaigns conducted by transnational criminal organizations targeting Americans.¹² This framing reflects a broader recognition that scam networks operate at the intersection of economic security, governance, and transnational crime.

The order calls for a whole-of-government response integrating law enforcement, financial tools, diplomacy, intelligence, and private-sector engagement.¹³ It also emphasizes accountability for jurisdictions that fail to address these activities. This policy shift is important because it recognizes that scam centers are not simply a regional nuisance but part of a wider challenge to institutional integrity, digital trust, and public safety.

Toward a Coordinated Response

Addressing scam networks requires a comprehensive and coordinated approach. First, governments should adopt differentiated screening frameworks to distinguish between coerced individuals and willing participants, ensuring trafficked persons are identified, screened, and protected while maintaining appropriate accountability for complicit actors.¹⁴ Second, targeting financial infrastructure is critical. Disrupting cryptocurrency laundering, shell networks, and illicit financial flows can weaken the economic foundations of these operations. Third, expanded collaboration with technology companies, telecommunications providers, financial institutions, financial intelligence units (FIUs), and civil society organizations is necessary to detect and disrupt scam activity before it becomes established. Regional and international bodies—including the Financial Action Task Force (FATF) and its Asia/Pacific affiliate – (APG) should be leveraged to strengthen Anti-Money Laundering (AML)/Countering the Financing of Terrorism (CFT) frameworks, improve FIU information sharing, and close the regulatory gaps that scam networks exploit to move and launder proceeds. Fourth, Indo-Pacific partners should develop stronger multinational frameworks for intelligence sharing, evidence collection, and coordinated enforcement. The Indo-Pacific must take the lead because Southeast Asia has become a central hub for transnational scam networks exploiting cross-border governance and enforcement gaps. Fifth, governments should invest in digital forensics, blockchain analysis, and AI-enabled monitoring tools to keep pace with evolving criminal tactics.

In this context, the Association of Southeast Asian Nations (ASEAN) is uniquely positioned to play a central role—and has already begun to do so. The ASEAN Anti-Online Scams Working Group has facilitated U.S. sponsored workshops and supported

bilateral cooperation memoranda of understanding among member states.¹⁵ The 6th U.S.-ASEAN Cyber Policy Dialogue (October 2025, Singapore) further emphasized strengthening operational partnerships to dismantle transnational scam networks, and the ASEAN Cybersecurity Cooperation Strategy (ACCS) 2026-2030 establishes a regional framework for sustained collaboration.¹⁶ Combating online scam centers was also a central agenda item at the 38th Annual U.S.-ASEAN Dialogue (June 2026, Jakarta).¹⁷ However, ASEAN's response remains fragmented and constrained by sovereignty concerns. The practical next step is not to create new architecture, but to strengthen existing mechanisms—expanding the Working Group's mandate to include real-time intelligence sharing, joint enforcement planning, and standardized victim-screening and protection protocols.¹⁸ Such an approach would build on established ASEAN-centered cooperation while closing the cross-border enforcement gaps that scam networks currently exploit.

Finally, coordinated diplomacy should be used to address governance gaps and encourage accountability in jurisdictions where scam networks operate. Taken together, these measures would move policy beyond episodic raids toward a more durable strategy aimed at disrupting the ecosystem that allows scam centers to thrive.

Conclusion

The expansion of transnational scam networks represents a defining challenge for the Indo-Pacific. These operations exploit globalization, digital connectivity, and governance gaps to generate significant illicit profits while undermining economic security and public trust.

Tactical enforcement successes alone are insufficient. As long as the underlying ecosystem remains intact, these networks will continue to adapt and expand. The challenge is therefore not only to disrupt individual operations, but to reshape the conditions that allow them to thrive.

Addressing this challenge requires a systemic response that integrates law enforcement, financial regulation, diplomacy, and humanitarian considerations. The effectiveness of that response will shape broader efforts to counter transnational threats in an increasingly interconnected world.

The views expressed are the author's own and do not necessarily reflect those of the US Government.

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India-China Tensions as a Catalyst for India-Taiwan Engagement

By Julia Pallanch et al.

Introduction

Diplomats and scholars have often discussed relations between India and China, and rightly so. As they are the world's most populous countries, the relationship between the two Asian giants is and will be pivotal in shaping the economics and politics of the future. Throughout history, bilateral ties have often been tense, with, for instance, the two fighting a war over their disputed border in 1962. Furthermore, with India overtaking Japan as the world's fourth largest economy in 2025, the economic aspects of Sino-Indian ties will also have a clear impact on the global economy.

However, an aspect of Indian foreign policy that is oftentimes overlooked, but is nonetheless consequential, is the country's informal ties to Taiwan. India, like the majority of countries, does not have formal diplomatic relations with Taiwan, yet relations between the two can be traced back to India's pre-independence era: Chiang Kai-shek met with both Mahatma Gandhi and Jawaharlal Nehru in 1942, despite objections from Prime Minister Winston Churchill.¹

Since then, ties between the two actors have developed, especially in recent years. Taiwan is home to advanced manufacturing industries, including advanced semiconductor manufacturers. There are therefore clear economic opportunities for Indian companies. These must be looked at in an increasingly volatile geopolitical context, in which ties with China have stabilized over the years but have by no means

fundamentally changed; underlying tensions relating to their border dispute remain, even if New Delhi and Beijing have managed to set up guardrails to manage future disputes. Underlying border tensions that led to armed conflict near the disputed territory of Aksai Chin as recently as June 2020 have not vanished.² Progress has been made on developing diplomatic mechanisms, however, including protocols for disengagement and patrolling agreements that were agreed upon by the two sides in October 2024.³

This article will explore the role India seeks to play in the Indo-Pacific region, with a focus on ties to Taiwan, and specifically seeks to shed light on Sino-Indian ties and how these impact relations with Taiwan. While foreseeing what will happen in a pivotal region such as the Indo-Pacific is always difficult, it is likely that ties between India and Taiwan will remain pragmatic, focusing on realizing mutual economic interests without, in India's case, jeopardizing ties to China.

India's strategic priorities in the Indian Ocean and how Taiwan fits into them

India's strategy in the Indo-Pacific is one that seeks to maintain the region as "free, open and inclusive". As Prime Minister Modi highlighted in his 2018 Shangri-La keynote address, India's understanding of the Indo-Pacific concept is not "directed at any one country" and respects "sovereignty and territorial integrity as well as equality of all nations".⁴ Such a definition of a "free and open" Indo-Pacific corresponds well to

the nature of Indian foreign policy in general, which ultimately seeks to maintain strategic autonomy. India's Indo-Pacific strategy rests on four pillars: issue-based partnerships through regional forums, avoiding alliances of containment, a gradual evolution of the regional order rather than revolution, and highlighting the importance of regional groupings for future order.⁵ As such, India emphasizes ASEAN centrality within the Indo-Pacific regional architecture and promotes international law and freedom of navigation. Considering that 90% of India's trade is conducted through the Indian Ocean, freedom of navigation is crucial for the country's economic prosperity.

Geopolitical context of India-Taiwan relations

The India-Taiwan relationship has been gaining traction despite a complex geopolitical environment. For one, their respective ties with Beijing provide a ceiling for informal engagements that goes beyond Delhi's adherence to the "One China" policy. Border tensions surrounding the "line of actual control" (LAC) have always strained relations between the two giants, and have escalated most notably in 2017 with the Doklam conflict (in which India intervened on behalf of Bhutan) and again in 2020, when simmering tensions erupted in deadly hand-to-hand combat in the Galwan Valley, causing casualties on both sides of the conflict for the first time in 4 decades and prompting India to refuse to reaffirm commitment to the "One China" policy.⁶

While the strain in India's relationship with China creates a strategic space for the nation to deepen ties with Taiwan—particularly in the technology and economics domains—Delhi's relationship to Taipei is embedded in its preference for strategic autonomy. As such, it is a careful balancing act aimed at fostering

its relationship with the island without endangering further the relationship to Beijing—which, despite the tensions, surpassed the United States in 2025–2026 and became India's largest trading partner with a volume of bilateral trade of \$151.1 billion.⁷

Border disputes are not the only tinder in the Sino-Indian relation, as both have fundamentally conflicting foreign policy interests and priorities, as well as competing outlooks for the future of the world order, despite both being BRICS founding members and Shanghai Cooperation Organisation partners. India is wary of Beijing's flagship global initiatives, which it sees as opaque, aimed at fostering economic dependency, and most critically, a threat to its sovereignty and its security interest. These security fears underlie India's opposition to the China-Pakistan Economic Corridor (CPEC), which would validate Pakistani claims over contended territory, as well as to the "String of Pearls" strategy. India fears that the installations associated with this strategy could evolve from commercial assets to dual-use military bases with the potential for strategic encirclement.

Indian leaders' distrust of China's global ambitions drives their understanding of the importance of a free and open Indo-Pacific—most notably through initiatives such as the Quad and AUKUS—and reinforces the virtues of a multiply-aligned foreign policy strategy (which have become even more evident with the Trump 2.0 administration). Despite being strategically aligned on China, the United States displays an increasingly transactional and decreasingly predictable foreign policy that has highlighted the importance of weaving a network that goes beyond traditional partnerships. As they find themselves on the same side of a broader strategic equation, simmering tensions with Beijing and security concerns in the Indo-Pacific push India and Taiwan closer together.

The rationale behind India-Taiwan ties: what's in it for each of them?

When Prime Minister Modi was elected to a third term in 2024, he responded to President Lai Ching-te's congratulatory message with a statement clarifying that he "look[ed] forward to closer ties as we work towards [a] mutually beneficial economic and technological partnership"⁸. India and Taiwan have both adopted policies that promote trade and cooperation with partners in the region. India's Act East policy of 2014 (itself an evolution of the 1992 policy known as "Look East") seeks to deepen trade ties with Southeast Asia, while Taiwan's 2016 New Southbound Policy similarly seeks to boost ties to countries in its neighborhood. While neither of these strategic initiatives specifically targets Taiwan, in the first case, or India, in the second, trade ties between the two have nevertheless increased. In 2024, bilateral trade exceeded \$10 billion for the first time.⁹

Initiatives such as "Make in India" and "Self-Reliant India" provide an opportunity for Taiwanese firms to contribute to the Indian government's ambition to position the country as a global manufacturing hub, which includes a focus on semiconductor chips. Foxconn has invested \$1.5 billion in a factory in Tamil Nadu, and Powerchip Semiconductor Manufacturing Corp (PSMC) has agreed to cooperate with Tata Group to set up a semiconductor fab in the state of Gujarat (Prime Minister Modi's home state and where he served as chief minister between 2001 and 2014). The investment plan is backed by India's \$11 billion incentive scheme to promote domestic semiconductor manufacturing capabilities.¹⁰ While these are specific examples, they nevertheless point towards a clear complementarity between the two actors: As India seeks to improve its manufacturing capacity, Taiwanese firms and businesses can play a key role in developing the Indian tech ecosystem.

For Taiwan, this can be a way to diversify its partnerships with pivotal countries in the region in an increasingly volatile strategic environment. Taipei has actively been using its companies and technological know-how in its informal diplomacy to foster closer ties. This happens alongside the activities of the Taipei Economic and Cultural Centre (TECC) in India, which promotes high-level delegations, cultural exchanges and policy dialogues.¹¹ This is not to propose that any country can replace the United States's role in supporting Taiwan (defined in the Taiwan Relations Act of 1979, which established unofficial relations between the US and Taiwan and specified that arms sales to Taiwan for defensive purposes would remain American policy and that a non-peaceful effort to "determine the future of Taiwan" would be of "grave concern to the United States"). But it suggests how countries in the region can (and do) seek to broaden their partnerships.¹²

Conclusion

The state of the Sino-Indian relationship will always affect Delhi's relationship with Taiwan: the tenser its relationship with Beijing, the greater the space for its ties to Taipei to grow. While India is unlikely to jeopardize its ties with China, a pragmatic form of cooperation with Taiwan is likely to continue. Such cooperation will focus on fulfilling economic interests and promoting technological development. This corresponds to the role that India seeks to play geopolitically, as well: An India that seeks to maximize its strategic autonomy also needs to develop its economic strength and technological advancement.

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Contesting Influence

China and Japan in Indonesia After the United States' Strategic Withdrawal

By Wella Andany and Natsumi Shiino

Turbulence, shifting priorities, and geopolitical changes are common in foreign policy, yet some shifts can leave lasting impacts; specifically, they may create opportunities for emerging powers to expand their influence.

The United States has long exercised soft power through the United States Agency for International Development (USAID), established in 1961 under President John F. Kennedy. Designed to coordinate economic and humanitarian assistance abroad, USAID has helped strengthen political and economic ties with developing countries.¹ In the Asia-Pacific region, these development programs have supported institutional capacity, economic growth, and diplomatic partnerships, reinforcing broader US strategic interests.

This approach became particularly visible in the region during the Obama administration through the 2011 Pivot to Asia initiative, which sought to deepen US diplomatic, economic, and security engagement in the Asia-Pacific as the region gained geopolitical importance. Both the long-term involvement of USAID in the region and the more recent refocusing on it these efforts exemplify how development assistance has functioned not only as humanitarian support but also as a strategic tool for sustaining US influence and partnerships in the Indo-Pacific.²

However, in President Trump's second administration, US foreign assistance has undergone a dramatic reassessment, claimed to better align aid with stated national interests.³ In February 2025, the White House

issued a statement sharply criticizing USAID for waste and abuse, framing restructuring as necessary to improve accountability and focus resources on programs that serve US strategic objectives.⁴

The decision to eliminate USAID's programs reflects a broader shift in US policy away from long-standing development commitments, prioritizing aid that directly serves the administration's geopolitical and domestic objectives.

USAID Withdrawal in Papua, Indonesia

One of the USAID programs affected was the Kolaborasi Project in Papua, Indonesia. The \$10 million project aimed to enhance the capacity of local governments in planning, budgeting, and evaluating development projects, while promoting the active participation of Indigenous Papuans in development. This initiative had the overarching goal of optimizing Indonesia's Special Autonomy (Otsus) funds to accelerate the welfare of communities in the country's poorest provinces; it was intended to run for five years (2022–2027) but was cut short in 2025.⁵

A source familiar with the matter said the program has significantly helped local governments identify their needs and allocate funds for critical long-term development areas such as health, education, and enhancement of the local economy. "Unfortunately, because the funding was halted due to US

government policy, we cannot assess the full impact of the initiative”, she said.

The source who worked directly in the program and preferred not to be quoted by name said the sudden abandonment of the program has left a gap that local governments and NGOs have tried to fill. But limited budgets and resources have made it difficult to maintain the same level of effectiveness, leaving communities struggling to cope with reduced services.

She argues that the loss was felt not only by the communities but also by the United States itself. “In Papua, America has lost its visibility. People saw the program as coming from American taxpayers’ money that was helping the Indonesian government and supporting development through collaboration in Papua. It was a great form of outreach. Of course, the country’s soft power has diminished”.

We also spoke to Darynaufal Mulyaman, assistant professor of international relations at the Universitas Kristen Indonesia, who said that support that disappears abruptly creates a trust gap. “At the perceptual level, the abruptness of the withdrawal sends a signal that is legible, and damaging, across the entire Indo-Pacific. For Indonesia and other developing partners in the region, USAID’s retreat reinforces a narrative already circulating in regional capitals: that American engagement is conditional, cyclical, and ultimately subordinate to Washington’s domestic political weather”, he explained.

The cuts not only disrupt development programs but also risk long-term geopolitical consequences. “At the structural level, the vacuum created is not neutral. It is immediately legible to competing external powers as an invitation”, Mulyaman said.

With this vacuum created, other actors are poised to step in, most notably China, which is likely to expand its economic and strategic influence in Indonesia. It has already established itself as a key partner, financing major projects such as the country’s first high-speed railway, running to the country’s new capital in Nusantara. China also remained Indonesia’s top trading partner in 2025, with Indonesian exports to China reaching \$58.24 billion, nearly a quarter of total exports between January and November of that year, far exceeding exports to the United States and India combined.⁶

Beyond trade, high-level diplomatic engagement has translated into significant economic commitments. During President Prabowo Subianto’s state visit to Beijing in 2024, Indonesia secured \$10.07 billion in Chinese investment commitments across sectors including healthcare, biotechnology, renewable energy, and manufacturing.⁷

However, some analysts point to concerns about low transparency, insufficient accountability mechanisms, and potential influence on local decision-making autonomy.⁸ The last of these concerns shows that the contest over filling the vacuum after the US pullout is not only about development outcomes. Rather, it turns on competing governance models and the normative direction of the Indo-Pacific as a whole.

Mulyaman argues that China’s Health Silk Road and Global Development initiatives possess the financial and logistical capacity to move rapidly and visibly into spaces vacated by Western actors. Their interventions in peripheries like Papua tend to be fast, highly visible, and framed in the language of South-South solidarity and non-conditionality. However, these interventions frequently lack transparency, accountability mechanisms, and genuine investment in local ownership. They construct dependency rather than capacity. In conflict-sensitive regions

like Papua, where the legitimacy of external actors is always scrutinized by local communities with historically sharp memories of external exploitation, China's characteristically close orientation toward the Indonesian state elite, rather than toward local civil society and community structures, limits the depth of its penetration at the grassroots level.

Japan's Opportunity Through FOIP

Japan enters this space with a fundamentally different institutional equity. Decades of Official Development Assistance (ODA) under successive ODA frameworks, combined with the strategic architecture of the FOIP vision, have built an Indonesia-Japan relationship grounded in technical cooperation, transparency norms, quality infrastructure, and long-term investment in human capital. For Papua specifically, Japan's emphasis on governance capacity, service delivery systems, and locally accountable development practices offers what the region actually requires: not fast-moving capital, but patient, norm-embedded, capacity-building cooperation that leaves local institutions stronger rather than more dependent.

Japan represents a model of Asian modernity—technologically advanced, institutionally rule-of-law-oriented, culturally prolific, and deeply embedded in Indonesian societal memory—that functions as the acceptable face of the Western-aligned order.

“Japan is, in the most useful analytical framing, the non-Western West. This makes Japan uniquely positioned as a strategic partner for non-aligned states like Indonesia that seek the institutional benefits of Western-aligned security frameworks without the political costs of visible subordination

to American grand strategy”, Mulyaman further explained.

Against this backdrop, Indonesia's strategic passivity is not neutrality. It is a form of unilateral disarmament in a competition that other powers are pursuing actively. Bebas Aktif, Indonesia's non-aligned foreign policy principle, maintains the country's independence by refusing to join military alliances or global power blocs, while remaining proactively engaged in international diplomacy to promote global peace and national interests. This environment demands precisely the kind of selective, sovereignty-preserving, capacity-enhancing engagement that FOIP's architecture enables. Indeed, Japan's framework does not demand formal alliance commitments. It does not require Indonesia to take explicit positions on Taiwan. It does not compromise Jakarta's ability to maintain diplomatic and economic relationships with Beijing. What it offers, in exchange for deepening security and development cooperation, is exactly what Indonesia needs and what Bebas Aktif was designed to secure: the material capacity to defend Indonesian interests without dependence on any single external patron.

Japan's support is backed by the program's transparency, local ownership, and institutional strengthening.⁹ Over the decades, Japan has assisted the Indonesian government across a wide range of development sectors.¹⁰ Japan's approach focuses on building systems and human resources that endure beyond the project cycle, in contrast to those prioritizing quick wins. These attributes correspond to Papua's needs, as the administrative independence of the local government will need to be supported in the long term.¹¹

Papua's Dana Otsus Fund—Can the FOIP Model Work?

One of the most important elements affecting the support of Papua's development is the governance of the Special Autonomy Fund (Dana Otsus). This substantial fiscal transfer by the central government, amounting to roughly \$600–800 million annually (approximately IDR 9–12 trillion), is expected to finance development and localized services by the local authorities.¹² Nevertheless, the influence of Dana Otsus is often undermined by the local government's low performance. The lessons from Japanese administrative capacity-building are well placed to overcome these challenges.¹³

Although the FOIP vision is often seen as a security framework, it also provides a broader governance-oriented structure built around the rule of law; quality infrastructure; and human security.¹⁴ Thus, it can be used as a practical guideline in the case of Papua, not a simple diplomatic slogan.

First, the respect for rule of law and governance principles embodied in the FOIP are directly related to (and can serve as models for) Dana Otsus's transparency and governance. Administrative reforms such as increased disclosure of fiscal data and the introduction of a third-party auditing system can be useful instruments to promote responsible budgeting while discouraging misuse. Second, quality infrastructure and growth are connected to the challenges faced by isolated areas in Papua, such as access to the public welfare system, education, and strengthening of the digital infrastructure. Japan is prepared to provide high-impact programs, including know-how in building a remote-learning system, telemedicine support, and enhanced digital connectivity. Third, human security, in Papua's case, involves ensuring the full inclusion of the indigenous community and other local governance.¹⁵

The actual implementation can come in various pathways, including the collaboration with other like-minded parties. For Papua, where logistical challenges affect many districts and political administration is largely fractured, such combinations may allow more resilient solutions.

That being said, Japanese efforts to wrap Papua in the FOIP structure would be accompanied by several risks, including political sensitivity, elite capture, capacity shortage, and security fluctuations.¹⁶ Therefore, careful risk management will be required, with tactics such as gradual introduction in a culturally acceptable form, conflict sensitivity analysis, and implementation of a monitoring system. These practices are deeply embedded in Japan's cooperation over time and thus may be adapted to Papua's complex sociopolitical system.

The final important factor in Japan's successfully taking a role in Papuan development is integrating clear success metrics and an exit strategy from the outset. Concrete outcomes can be tracked by setting measurable indicators, such as improved transparency in budgetary data, stronger administrative capacity through civil-service training, and enhanced primary health coverage. At the same time, it is desirable to gradually scale down Japan's commitment to the project while internalizing the systems within the local government's structures.

Conclusion

Japan does not need to act as a "replacement" for the United States. Instead, it can position itself as a key partner in maintaining the continuity and quality of development efforts in the region. By integrating the principles of the Free and Open Indo-Pacific with its long-standing development cooperation approach,

Japan could support development initiatives in Papua and the greater part of Indonesia while contributing to broader regional stability at a time of increasing strategic uncertainty.¹⁷

Should Japan step out from the United States' shadow and assert a more independent role in the region, its influence could extend far beyond Indonesia. Greater Japanese investment and engagement in the Indo-Pacific could help shape a new era of regional cooperation, fostering shared prosperity, sustainable development, and a more stable and inclusive regional order. In a time of growing geopolitical polarization, the region may benefit from a leader that is not only reliable but also committed to cooperation, stability, long-term development, and shared prosperity.

The views expressed in this paper are those of the authors and not those any government, institute, or organization that they belong to.

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