

Benefits and challenges of Japan-NATO cooperation: grand strategic, strategic, and practical level of analysis

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Theme

This paper analyses the benefits and challenges of cooperation between Japan and NATO at the grand strategic, strategic and practical levels, and discusses the policies required to overcome these challenges.

Summary

Enhanced [Japan-NATO cooperation](#) could bring substantial benefits from the perspective of the grand strategic level and the strategic and practical level. The benefit of the grand strategic level is that it provides a unique and effective framework for Japan, Europe and the US to maintain and strengthen a free and open rules-based international order. The benefit of the strategic and practical level is that enhancing information and intelligence sharing and cooperation on defence equipment will lead to strengthening the defence capabilities, resilience and deterrence of both Japan and Europe. Meanwhile, the challenge at the grand strategic level is to avoid Japan-NATO cooperation being seen as NATO's 'enlargement to the Indo-Pacific' and the narrative being exploited by opponents within and outside the Alliance. The challenges at the strategic and practical level, especially for Japan, would be its inadequate defence structure, such as cyber defence, defence industry and public-private cooperation. If Japan and NATO can overcome these challenges, their cooperation can be effective in maintaining and strengthening the rules-based international order.

Analysis

Introduction

Much attention has been paid recently to [cooperation between NATO and its Indo-Pacific partners](#), including Japan. However, NATO-Japan cooperation is not a new phenomenon. In the post-9/11 era, Japan and NATO began working together on global security issues such as Afghanistan and counter-piracy. This led to cooperation under the [Individual Partnership and Cooperation Programme \(IPCP\)](#), agreed in 2014, and the development of diplomatic relations, as evidenced by the establishment of the Japanese Mission to NATO in 2018. But it is also true that much of the cooperation to date has been more symbolic. Meanwhile, future cooperation under the [Individually Tailored Partnership Programme \(ITPP\)](#) agreed between Japan and NATO in 2023 –which shares a larger strategic vision– will be at a different stage compared with cooperation under the IPCP, which only defined the basic direction of cooperation. Nevertheless, it still seems unclear what the benefits of Japan-NATO cooperation might be, as it is in its

infancy. The ITPP also covers the four-year period of 2023-26, but it remains undetermined what effects and challenges lie during that period and beyond. This paper therefore identifies the benefits that Japan-NATO cooperation would bring to the international security environment and the challenges it might face until 2026 and beyond.

Benefits at the grand strategic level: upholding and strengthening the international order

In the late 2010s and into 2020, European countries began to show their interest in the Indo-Pacific. This was because China's assertiveness and its political influence over Europe through its economy could no longer be ignored. It was also around this time that NATO began to refer to the Indo-Pacific region. NATO's 2019 London Summit Declaration described China as posing 'opportunities and challenges' to NATO, and the perception of it as a 'challenge' has continued ever since. NATO's growing interest in China also encouraged a trend towards cooperation with Japan, which shares common values with NATO.

Russia's aggression against Ukraine in 2022 took NATO-Japan cooperation to a higher phase. Japan, the Republic of Korea, Australia and New Zealand (Indo-Pacific Partners) attended the NATO Summit in Madrid in 2022 for the first time. At the Summit, NATO adopted the new Strategic Concept, which states that 'The Indo-Pacific is important to NATO because developments in the region can have a direct impact on Euro-Atlantic security'. Indo-Pacific Partners also attended the following NATO Vilnius summit in 2023, and this trend is becoming almost regular.

When it comes to NATO-Japan cooperation, at the Madrid summit, Japan and NATO confirmed that they would upgrade the IPCP to the new one. Subsequently, at the Vilnius Summit, Japan and NATO announced that they had agreed on the ITPP. According to the ITPP, 'upholding and strengthening the Rules-Based international order is very important'. Although there is no direct reference in the ITPP to what is the rules-based international order, but in line with the wording of the document, it can be said that that the international system that emphasises the 'common values of freedom, democracy, human rights and the rule of law'. In this context, NATO and Japan are 'reliable and natural partners' because they 'are each determined to safeguard' that kind of international order. This can be regarded as their supreme strategic interest and even their grand strategic objective.

Then what are the benefits of NATO cooperating with Indo-Pacific Partners at the grand strategic level? Of course, the Indo-Pacific Partners do not expect NATO as a military alliance to be involved in the defence of the Indo-Pacific. However, NATO has another character as a political alliance. In other words, NATO also functions as a diplomatic forum for maintaining US and European coherence. Indeed, the purely military threat to the Euro-Atlantic region is posed by Russia. Still, given the current situation in which NATO perceives China's foreign policy as the 'systemic challenges', there is great potential for NATO as a political alliance in which the US and Europe maintain transatlantic coherence and diplomatic alignment in addressing the challenge posed by China 'in Europe'.

Moreover, the threats and challenges facing Europe are not only purely military, but also encompass a wide range of areas such as cyber, space, emerging and disruptive technologies (EDTs), disinformation and economic security. While NATO can play a leading role in addressing such threats and challenges, it is often the EU and individual European governments that address, manage and regulate them in practice. In this respect, US-EU cooperation and NATO-EU cooperation have also become much more essential.

In 2021 the US and the EU established the [Trade and Technology Council \(TTC\)](#), an important framework for economic security. Generally, [US-EU cooperation through the TTC](#) is also regarded as a measure to address economic security concerns about China. However, in the wake of Russian aggression against Ukraine, the TTC has also been operated as a mechanism for the US and EU to coordinate sanctions against Russia. Regarding NATO-EU cooperation, they issued [the third Joint Declaration in 2023](#), which specified the need for NATO and the EU to work together to address not only Russia's threat but also China's assertiveness and challenge.

Japan is also pursuing security cooperation with the EU. In the 2010s, the EU's approach to the Indo-Pacific was mainly focused on connectivity, but in 2021 [the EU published its Indo-Pacific Strategy](#), which showed its willingness to engage in security and defence as well. The [Japan-EU summit in 2023](#) also agreed to promote their cooperation not only on economic security, but also on security and defence. Accordingly, as the boundary between military and non-military has become blurred, and given the current state of NATO-EU and Japan-EU cooperation, it is now imperative that Japan-NATO cooperation becomes increasingly important at the grand strategic level in order to synergise trilateral cooperation between Japan, the US and Europe.

Benefits at the strategic and practical level: enhancing resilience and deterrence

According to the ITPP, strategic objective 1 is to 'strengthen dialogue and consultations', strategic objective 2 is to 'promote practical cooperation and enhance interoperability', and strategic objective 3 is to 'enhance their individual resilience across the peace-crisis spectrum'. While strategic objective 1 is fundamental to advancing Japan-NATO cooperation, strategic objectives 2 and 3 would be more significant to generate tangible benefits of the cooperation.

In order to 'practical cooperation' within strategic objective 2, [a Japanese document on the ITPP](#) states that information-sharing capabilities need to be improved. What exactly this information-sharing capability means is unclear, but arguably it includes cyber defence and information management capabilities. NATO and Japan have already established cooperation on cyber defence in the IPCP, and Japan has learned a lot from NATO so far, especially through the Cooperative Cyber Defence Centre of Excellence (CCDCOE). In addition, Japan has revised its [National Security Strategy \(NSS\)](#) and [National Defence Strategy \(NDS\)](#), indicating its willingness to implement active cyber defence. If Japan implements this, it would lead to [further cyber cooperation between Japan and NATO](#).

With regard to 'enhanced interoperability', which is part of strategic objective 2, cooperation in the field of defence equipment is an indispensable factor, which includes sharing technological development through joint development and standardisation of defence equipment. Recently, Japan has become very active in defence cooperation with European countries. A typical example is [the Global Combat Air System \(GCAP\)](#), which was established between Japan, the UK and Italy in December 2022. In addition, [Japan has joined the Multilateral Industrial Security Working Group \(MISWG\)](#), which consists mainly of NATO members. This is expected to promote further joint development, production and standardisation of defence equipment between Japan and NATO members in due course.

Such enhanced information-sharing capabilities and defence cooperation will lead to strategic objective 3, to 'enhance their individual resilience across the peace-crisis spectrum'. Enhanced information-sharing capabilities can promote defence knowledge exchange between NATO and Japan, which share many common challenges posed by their neighbours, such as hybrid threats, anti-access/area-denial capabilities, intermediate-range ballistic missiles and information warfare. More opportunities for Japan and NATO to exchange information on these common issues will help promote mutual understanding between Japan and Europe.

In this context, the cooperation already initiated through the CCDCOE can also serve as a model for promoting Japan-NATO cooperation in areas other than the cyber domain. The CCDCOE is composed of practitioners and experts from various countries. The Japanese Ministry of Defence sends personnel there, and private companies also participate in the exercises. NATO has established about 30 [Centres of Excellence \(COEs\)](#), and it is well known that each COE works with industry, government and academia to develop knowledge that contributes to policy in various functional areas. Cooperation similar to that of the CCDCOE, which will involve the Japanese authorities, researchers and the private sector, should be pursued by other COEs in the future and will contribute to addressing the contemporary hybrid threats.

Furthermore, it would be ideal if Japan and NATO could even share their defence intelligence. This would lead to a better understanding about the US as a common ally of Japan and Europe. That is, sharing information between Japan and Europe about how US forces will operate in Europe and the Indo-Pacific in the event of a NATO contingency or a contingency around Japan, and how much Japan and Europe can rely on the US in such a situation, will have a meaningful impact on the respective defence plans of Japan and Europe.

Defence equipment cooperation between Japan and NATO is also an important means of strengthening resilience. Russia's aggression against Ukraine has reminded people of the fact that once a war has begun it is difficult to end it in the short term. In order to resist such a protracted invasion, the defence industry needs to be strengthened, as ammunition could be seriously depleted. Japan's 2022 NSS and NDS mentioned reinforcing the defence production and technology base as defence capabilities themselves. Japan has little experience in international joint development of defence

equipment, and cooperation with NATO member states in this area will enable it to acquire better technology and know-how, which will enhance its own defence industry.

In this context, it is also important to promote the standardisation of defence equipment. Obviously, no one assumes the possibility of a Japan-NATO joint operation in the Indo-Pacific. However, if a contingency occurs and is protracted, it might be difficult for Japan to continue to deal with the situation alone, even if it strengthens its defence industry. In this case, if Japan and NATO standardise their defence equipment, they may have the option of cooperating in the supply of ammunition from NATO countries to Japan. This would also require strengthening the military supply chain between Japan and Europe. This endeavour will lead to an improvement of Japan's warfighting sustainability, which will strengthen its resilience and generate an effect of deterrence by denial against potential aggressors. This cooperation related to information sharing and defence equipment will contribute to upholding and strengthening the free and open, rules-based international order.

Challenges at the Grand Strategic Level: discrepancies within the alliance and room for misleading communication

The above-mentioned Japan-NATO cooperation will progress only under ideal circumstances. In reality, there are many potential concerns and challenges. One of the challenges at the level of grand strategy is the instability of transatlantic relations, although the discrepancies between the US and Europe and even among Europeans are traditional. For example, it is well known that US-European relations have deteriorated recently under the Trump Administration. At that time, Japan maintained its relations with the US while developing its relations with the EU, as represented by the agreement on [the Economic Partnership Agreement](#) and [the Strategic Partnership Agreement](#). In this way, Japan has no alternative but to seek cooperation with the US and Europe individually when transatlantic relations are in a slump. This is a loss of diplomatic synergy between Japan, the US and Europe, and is not a favourable situation for pursuing the upholding and strengthening of the liberal international order among countries with shared values. The possibility of such a situation resurging is not remote. While transatlantic coherence is its greatest strength, it is also its greatest vulnerability.

Even if the transatlantic alliance is in a positive state and is pursuing its Indo-Pacific policy, there are negative repercussions if NATO's role and purpose have not been clarified. Japan-NATO cooperation is by no means NATO's 'enlargement to the Indo-Pacific', but its purpose for NATO is to deal with 'challenges from the Indo-Pacific' 'in Europe'. Therefore, the aim of Japan-NATO cooperation is to uphold and strengthen the free and open international order based on the rule of law by improving the capability of both Japan and Europe to deal with the problems on their own fronts and within their respective areas of responsibility, with the US as their common ally.

Clarifying this basic premise is necessary for NATO and Indo-Pacific Partners, including Japan, to develop their cooperation. If there is any room for recognising this cooperation with Indo-Pacific Partners as NATO's 'enlargement to the Indo-Pacific', it could send the wrong signal to both NATO member states and Indo-Pacific countries. On the NATO side, such as [France's opposition](#) to the opening of a NATO liaison office in Tokyo and

Turkey's refusal to support NATO's activities in the Indo-Pacific, it provides rhetorical space for such members to insist that this is NATO's 'enlargement to the Indo-Pacific' and creates obstacles to cooperation with Indo-Pacific partners from within the Alliance. This not only undermines NATO's coherence, but also creates an image of failure in cooperation between NATO and Indo-Pacific Partners, which is detrimental to the upholding and strengthening of a free and open rules-based international order.

On the Indo-Pacific side, China has consistently denounced NATO cooperation with Indo-Pacific Partners as NATO's 'eastward expansion'. While South-East Asian countries have not taken an official stance on this matter, they appear to be less supportive. Thus, if the relationship between NATO and its Indo-Pacific Partners is not yet defined, but only the momentum for cooperation is building, cooperation will not proceed properly, or even cause concern. In particular, South-East Asian countries are very important partners for Japan, and if they have concerns about Japan-NATO cooperation, Japan will need to gently explain to them the reality and purpose of cooperation.

Challenges at the strategic and practical level: the future direction of Japan's security reform

In addition to the challenges at the grand strategic level, there are also several challenges at the strategic and practical levels that have been identified above as important areas for cooperation. For example, in the context of strengthening information-sharing capabilities, there are several obstacles to sharing defence intelligence due to its classified nature. Even within NATO, the amount of information that can be shared between member states is limited, and it is more difficult to share it with NATO partners.

It also goes without saying that if Japan and NATO intend to advance their information-sharing or even defence intelligence cooperation, Japan will also need to improve its capabilities relating to these areas. For example, Japan and NATO have promoted cooperation on cyber defence capabilities. However, there are more than a few sceptical assessments of Japan's cyber capabilities, and if Japan is to further promote cyber cooperation with NATO, it is imperative to improve its own cyber defence capabilities.

Japan's Ministry of Defence has set a target of increasing the number of cyber personnel in the Self-Defence Force to around 4,000 by the end of FY2027. The Japanese government is also planning to reorganise its cyber security structure. Currently, the National Centre of Incident readiness and Strategy for Cyber Security (NISC) is positioned as the organisation in charge of cyber security, but it only has the function of providing advice and information to other ministries, agencies and private companies. NISC could therefore be expanded and reorganised to give it new powers, such as command and control of units relating to cyber defence. This newly planned cyber security organisation could also have the authority to command and control active cyber defence operations. However, in order to implement active cyber defence, it is likely that several laws will need to be reinterpreted and amended. In any case, there are many challenges to strengthening Japan's cyber defence capabilities, including increasing the number of personnel and enhancing reorganisation and legislation. However, if these

can be successfully delivered, the possibilities for cooperation between Japan and NATO will also increase.

There are also challenges in terms of defence equipment cooperation that could lead to greater interoperability and resilience between Japan and NATO. Japan has self-imposed [the Three Principles on Transfer of Defence Equipment and Technology](#), which restricted it from exporting defence equipment to other countries. However, this has been also an obstacle to Japan's participation in the international joint development of defence equipment, as it also banned exports to third countries from Japan's partners. As a result, Japan has little experience and know-how in the international joint development of defence equipment. The Japanese government is currently [trying to revise and relax this regulation](#) in order to accelerate the strengthening of Japan's defence production and technological base, in particular to promote the GCAP for the time being. Still, Japanese political parties and [public opinion](#) appear to be divided on this revision. The Japanese government will need to strategically communicate that the revision is not aimed at commercial interests, but primarily at strengthening the defence production and technology base as defence capabilities in themselves.

It is also essential to further intensify cooperation between the public and private sectors, whether in improving information sharing capabilities or in defence equipment cooperation. When it comes to areas such as cyber, space and EDTs, as well as other dual-use technologies, it is evident that cooperation between the government and the private sector is crucial. In this context, some lawmakers and experts in Japan are considering the need to establish [a strict security clearance mechanism](#) for the private sector that cooperates with the government in these areas. This is essential not only for Japan's security, but also to facilitate further cooperation with the US and European countries, which operate similar security clearance systems.

Conclusions

This paper has analysed the benefits and challenges of Japan-NATO cooperation from the perspective of the grand strategic and strategic and practical levels. The result is as follows. The benefit of the grand strategic level, which is very obvious, is that it provides a unique framework for maintaining diplomatic synergies between Japan, Europe and the US in order to uphold and strengthen a free and open international order based on the rule of law. The benefits at the strategic and practical level are primarily that the enhancement of information-sharing capabilities enabling the exchange of knowledge and even intelligence, can have a meaningful impact on the respective defence plans of Japan and Europe.

The other benefit at this level is that cooperation on defence equipment can enhance interoperability, thereby strengthening resilience and deterrence. On the other hand, in terms of challenges at the grand strategic level, if there is room for Japan-NATO cooperation to be understood as NATO's 'enlargement to the Indo-Pacific', it will not only create discrepancies within NATO, but the rhetoric will also be exploited by potential opponents and raise concerns among some Indo-Pacific countries such as South-East Asian countries that it will deepen the division of the world. To avoid such a situation,

both NATO and Japan need to communicate more clearly and strategically the purpose of their cooperation. There are also some challenges at the strategic and practical level for the Japanese side, such as the need to strengthen its cyber defence capabilities, defence industry and public-private cooperation mechanism.

Thus, although Japan-NATO cooperation has some challenges to overcome, its benefits will be dramatically effective for the principle of upholding and strengthening the free and open rules-based international order, because their strategic and practical cooperation will enhance their respective resilience and serve as a deterrent to potential aggressors, and it would contribute to the realisation of the principle as the grand strategy objective.