

East Asian Security Quarterly  
A View on Regional Political-Military Developments  
Kuni Miyake, Ken Jimbo and Yuki Tatsumi  
October-December 2015

January 2016

(Disclaimer: the views expressed here are just those of ours at CIGS Foreign Affairs and National Security Team and do not represent CIGS or any other governments / organizations in Japan or elsewhere.)

Dear Readers,

A bit belated New Year's Greetings from Foreign and National Security Policy Team of CIGS. The last quarter of 2015 was filled with important developments in the world.

On November 13 2015, the world was shocked by the terror attacks that raged in Paris. The incident shut down several major European cities including Brussels. Despite French police's best effort, including the raid in residential area in northern Paris a few days after the terrorist attacks, the main planner of the incident is still at large at this writing. With over 100 people dead and many more injured, the world was forced to recognize the scope of global reach that ISIS now has. The incident, together with the rape incidents in Germany on the New Year's eve and January 1, made many of the European governments, which have been accepting refugees from Syria and other war-torn countries, to question whether they should maintain the current refugee acceptance policy.

A couple of important multilateral agreements were signed in the last quarter of 2015. While each country still faces uphill battles in passing domestic laws to implement the agreement, the conclusion of Trans-pacific Partnership (TPP) negotiation was a major victory for all the countries that have committed themselves to the process, and particularly for the United States which pushed the agreement as one of the pillars of its "rebalance to Asia-Pacific region" strategy. Also, the COP 21 Paris Agreement on climate change agreed upon in December was a major step forward toward getting the countries—both developed and developing nations—on board with the commitment to address the global warming.

In Asia, the tense United States-China exchange over China's behavior in the South China Sea continued. In October, the US dispatched *USS Lassen* to sail through as a "freedom of navigation" operation in the waters near an artificial feature which China built in the South China Sea. However, the confusion over what the operation really intended—confusion started when some in the US suggested the operation was to exercise of "the right of free passage" which, if it indeed was the case, implies US acknowledgment of China's claims around the artificial feature—in the following days made the actual impact of the operation questionable. During his trip to Asia in November 2015 in conjunction with his attendance at ASEAN Defense Ministers' Meeting-Plus (ADMM Plus), US Secretary of Defense Ashton Carter continued to call for a halt of any unilateral actions that would physically change the status quo in the South China Sea, to which Chinese did not respond. As China continues to take measures to assert its territorial claims in the South China Sea, this issue promises to be one of the challenges Washington will have to deal with in 2016 as well.

Back in Tokyo, the Abe administration shifted its focus to economic issues after the Diet approval of the security legislation in September 2015. Even so, Japan remained active in diplomacy for the last quarter of 2015. It had a very productive "2 plus 2" with Australia, and signed two important agreement—General Security of Military Information Agreement (GSOMIA) and the agreement of defense technology transfer—during Prime Minister Abe's visit to India in mid-December. Above all, Japan's agreement with South Korea on the resolution of the so-called "comfort women" issues came as a pleasant surprise. While it remains to be seen whether the agreement can be fully implemented, it was a first step forward toward the Japanese and South Korean governments' working together to find a final solution to this tragedy, thereby removing a major emotional obstacle against promoting practical cooperation between the two countries.

We hope you will find this short overview and the following analyses of East Asian security developments helpful.

<Tokyo>

The Abe administration has shifted its focus to economic issues after the security legislation was approved by the Diet in September 2015. Much of the last quarter of 2015 was spent on the debate on tax reforms, on how to encourage business to invest more by providing tax incentives, etc.

In the meantime, however, Japan remained active in its effort to strengthen its partnership in the Asia-Pacific region. In November, Japan and Australia held a very successful meeting of

the “2+2” Foreign and Defense Ministerial Consultation. Tokyo and Canberra agreed that the Japan-Australia relations is a “special strategic partnership” that stands on the shared values. The two governments also agreed to further institutionalize their bilateral defense ties, including working toward an agreement to facilitate reciprocal arrangement that would encourage their joint operations, exercise and training.

In December, Japan and India signed two important agreements—GSOMIA and the defense equipment transfer agreement—for its defense ties during Prime Minister Abe’s trip to India. These two agreements are essential elements in Japan’s effort to promote security relationship with India, especially the defense cooperation. In particular, with the signing of a bilateral defense equipment transfer agreement, there is now a renewed hope that the two governments can finally reach an agreement on the sale of Japanese US-2 rescue aircraft to India which, if successfully completed, would mark a major achievement for Japan after revising its arms export principles in April 2014.

<The United States>

The Obama administration had a couple of big victories on the issues that President Obama is personally committed to. One is the conclusion of Trans-Pacific Partnership (TPP) in October, and the other is the COP 21 Paris Agreement on climate change in November 2015.

However, as the United States already entered a “political season” with the presidential elections one year away, how to navigate Congress to implement these two landmark international agreements is most certainly a challenge for the Obama administration. Already, the House Speaker Paul Ryan made it clear that he does not intend to allow TPP to be considered, even at the committee level, until the concerns of major congressional members are resolved. Also, as the Congress with Republican majority has been making constant efforts to undo Obama administrations high-priority domestic programs—the so-called “Obamacare”, for instance—it will be a big political challenge for the Obama administration to navigate its relations with Congress for the remaining 12 months of its term.

Middle East and Asia-Pacific (China, to be more specific) dominated Washington’s foreign policy agenda in the last quarter of 2015. In particular, the November terrorist attacks in Paris, followed by the shooting in California, created an intersection between the foreign policy issue of the threat posed by Muslim extremist terrorist groups and the domestic issue of immigration in the context of how to ensure that the United States keep potential terrorists from immigrating into the United States. Especially after it turned out that one of the perpetrators of the shooting in California was a lawful permanent resident of the United States,

this issue has quickly emerged as a high-profile political issue in the presidential campaign debate. As situations in Iraq, Afghanistan and Syria continue to deteriorate, the Obama administration increasingly faces challenges for its unwillingness to commit more decisively to fight against ISIS and other extremist groups that are inspired by ISIS.

In the Asia-Pacific region, the United States continues to struggle in its relations with China. There is a marked shift to a hardened stance within Washington in its view toward China. Even if some point to the significance of continued engagement with China by referring to the US-China agreement on climate change as a precursor to the successful conclusion of the COP21 Paris Agreement in December, China is increasingly viewed in Washington as a major power that challenges the existing international order and the values that represent such order. Particularly in Congress, the frustration is mounting as China continues to be assertive in the South China Sea and the Obama administration seems to be unable to change the Chinese behavior. The letter issued by Senator McCain to Secretary of Defense Carter to “clarify” the nature of the operation conducted by *USS Lassen* in the South China Sea early November is a manifestation of congressional frustration vis-à-vis the Obama administration.

<China>

While the Japan-China relations have somewhat improved in the fourth quarter of 2015, China has maintained, though slightly less than in the third quarter, its assertive foreign policy especially in such areas as the South China Sea. However, what the Japanese leaders were getting increasingly concerned about was not political. It was rather “It’s the economy, stupid!” indeed.

Their concerns became real soon when the long-expected sharp decline of the stock prices started in the Shanghai market on January 4, 2016. Although the Chinese economy shows several symptoms of slowdown, the fluctuating Shanghai composite stock prices are no reflections of the economic fundamentals in China at this moment. However, that is not enough because the international market reactions are likely to create new economic “realities” in 2016, that worries the political and economic elites in Tokyo very much.

With such economic difficulties, together with not-stable-yet domestic political situations, the Chinese Communist Party leaders seem to become less assertive externally and more cautious in economic policies. Despite the fact that the Chinese economic measures to deal with such difficulties are by no means liberal and are much more authoritarian, Beijing seems to realize

that China needs a more cooperative international environment to deal with the difficulties and therefore should also deal with Shinzo Abe's Japan.

There is an unconfirmed but persistent rumor in Tokyo that Shinzo Abe secretly plans to call the "double elections" in which the two houses of the Diet (Japan's Parliament) will have elections at the same time. Political pundits in Tokyo are divided on this matter. Some say the double elections are impossible because the Komei Party, the LDP's ruling coalition partner, is adamantly opposed to the idea. Others, however, claim that the double elections in July 2016 will be the only chance for Prime Minister Abe and his ruling coalition (and partners) can win a two thirds' majority in both houses so that the Abe administration can propose an amendment to the existing constitution of Japan which has never been amended yet.

Conventional wisdoms tell us the following:

- a) Nobody can guarantee that the double elections will help the LDP and its partners increase the number of their seats in both the lower and upper houses of the Diet.
- b) The Komei Party's opposition to the double elections is so strong that two simultaneous elections are politically impossible.
- c) Having said that, a "phased double," meaning one election at a time and the lower house election to be held on a date three months or more after the upper house election now scheduled in July 2016, might still be a possibility.
- d) If Prime Minister Abe decides to call a general election of the lower house, the main issue can be a question about whether the government should re-raise the consumption tax rate from 8 to 10 % on April 2017. Prime Minister Abe officially denies the re-raise, unless "another Lehman shock-like economic crisis takes place in the future."
- e) A Chinese economic crisis may convince Prime Minister Abe to take a chance in 2016.

<South Korea>

The Japan-South Korea agreement on the resolution of the so-called "comfort women" issue was perhaps the biggest development in Japan-South Korea relations in the past several years. There were signs that the South Korean government—President Park, in particular—is more willing to work for the improvement of its relations with Tokyo. On December 17, the Seoul Bureau Chief of Sankei Shimbun, who was prosecuted on the ground of defamation of President Park, was set free as the Seoul Central District Court ruled him not guilty. On December 23, South Korea's constitutional court dismissed the claims by the families of former forced laborers that the 1965 Japan-South Korea Basic Agreement is unconstitutional as it denies the individuals' right to demand compensation. The South Korean governments'

involvement has been rumored in both cases, confirming the mood in the South Korean government that wants to find an opening to improve its relations with Japan.

Even so, the agreement on December 28, 2015 between Tokyo and Seoul took the world by surprise. Under this agreement, the Japanese government would make one-time cash contribution to the funds of a new foundation that will be established by the South Korean government. In the agreement, Japanese foreign minister Kishida also stated Prime Minister Abe's "most sincere apologies and remorse" to all the comfort women victims *as the Prime Minister of Japan*, in a direct attempt to quiet the critics of the 1993 Kono and the 1995 Murayama statements, who claim that they are a mere reflection of the *personal* feelings of those politicians, and cannot be considered as the *official* government apologies. Above all, the most significant is that the settlement by implementing this agreement will mark "the final and irreversible" resolution of the so-called "comfort women" issue. If implemented successfully, the agreement would prevent the South Korean government from criticizing Japan on this issue any longer in the international arena.

There is already strong opposition within South Korea, particularly among the NGOs that claim to support the victims of comfort women. By the same token, the agreement is not exactly popular in Japan, either, particularly among the conservatives many of whom have stirred media in the past for their statements that deny Japan's wrongdoings during World War II. The agreement was certainly a difficult political decision for President Park but was also a difficult one for Prime Minister Abe as well.

This agreement needs to be looked at in the context of Prime Minister Abe's effort to put the "ghost" of World War II—which Japan is still haunted by to this day—finally to bed by building a minimal national consensus within Japan on how to reflect on its past. His speech in front of the US Congress in April 2015 was the first step in this effort. He took it one step further with his statement for the 70<sup>th</sup> anniversary of World War II in August 2015. Now, with this bilateral agreement, his effort saw another step forward.

<Southeast Asia>

The third ADMM-Plus in Kuala Lumpur, Malaysia in November 2015 was widely referred as a 'failure' given major disagreements among Defense Ministers over issuing the joint declaration. Many observers have criticized with disappointments that it represented the ADMM-Plus's institutional inability over reaching a consensus on addressing desirable principles, norms and common goals to the disputes in the South China Sea, especially when the situations are at stake. Some recalled the ASEAN Summit in 2012 in Cambodia with reminiscence, where we

saw the failure to sign the joint declaration, also due to the disagreement over the South China Sea. Subsequent failures would lead to a general perception by observers that the ASEAN-led dialogue model and "ASEAN-Centrality" find themselves irrelevant to address issues of real security concerns.

One should not overestimate what the ADMM-Plus could achieve; however, the ADMM-Plus faces a three major fault lines (or *triple-mismatch*) as demonstrated in 2015 Meeting.

**1) Mismatch on Common Positions:** ADMM-Plus is unable to reach a consensus beyond modest common denominator among participants. When zero-sum issues were discussed on the table, ADMM-Plus would not create power to transform or coordinate into plus-sum game but would prefer to avoid confronting such issues. For Example, in 2015 ADMM-Plus, Malaysia's original draft of the joint declaration incorporated the term 'freedom of navigation' and reached general agreement with China over terminology to be used<sup>i</sup>. However, adopting such ambiguous wording was clearly not in the United States' and 'a number of ASEAN countries' favor as they insisted the 'South China Sea' must be clearly mentioned. Then, it was reported that China "lobbied to keep any reference to the South China Sea out of the declaration"<sup>ii</sup>. Obviously, there were mismatch between achieving the 'modest consensus' vs. addressing serious concerns with appropriate expression.

**2) Limited ADMM-ADMM Plus Linkage for Risk/Crisis Management:** ASEAN's model of engaging external major players has provided opportunities for expanding ASEAN's norms and rules to wider regional arrangements. However, as major power rivalries overshadow the confrontation in the South China Sea, ASEAN's internal coordination has been significantly slow to provide platforms for region-wide risk management. For example, ADMM 2015 has agreed numbers of important security cooperation measures including setting up hotlines (direct communication link: DCL initiative) to help them communicate quickly in a crisis situation<sup>iii</sup>. There were also proposals to expand Code for Unplanned Encounters at Sea (CUES) to be adopted in the ADMM-Plus, which encompassed white shipping and similar protocol for the air<sup>iv</sup>. Expanded application of these practical measures of ADMM to the ADMM-Plus was much expected but did not take shape in 2015.

**3) Resource Shortage for Joint Actions:**

ADMM-Plus has achieved numbers of practical military-military exercises. In 2013, it conducted practical exercises in the areas of HA/DR, military medicine, counter-terrorism and maritime security. In subsequent years, it has expanded into Maritime Security Field Training Exercise and a Table-Top Exercise by EWG on Peacekeeping Operations. Malaysia's ambitious

proposal on ASEAN Militaries Ready Group on HA/DR to form military team under the ASEAN banner for quick deployment to crisis area has a potential to cultivate ASEAN's collective capacity for the military deployment<sup>v</sup>. However, it is still a long-way ahead until ASEAN and ADMM-Plus take joint action for practical deployment on time of crisis. It requires significant capacity building and upgraded exercise for realization of such mechanisms.

---

<sup>i</sup> "U.S., Japan push for inclusion of South China Sea in defense forum statement", *Reuters* (November 4th, 2015)

<sup>ii</sup> "Plans for US-Asian Statement Scrapped over South China Sea Spat", *Financial Times* (November 4th, 2015)

<sup>iii</sup> Prashanth Parameswaran, "ASEAN Sets Up New Hotline Amid South China Sea Tensions", *The Diplomat* (November 4th, 2015)

<sup>iv</sup> "Dr Ng Urges ADMM-Plus to Abide By Common Principles and Norms, and to Foster Mutual Trust" *Press Releases*, SG Press Center (November 4th, 2015)

<sup>v</sup> "Malaysia Proposes ASEAN Ready Group For Defense Cooperation" *ASEAN Bernama* (November 19, 2014)