

CIGS East Asian Security Quarterly (CIGS-EASQ)
A View from Tokyo on Regional Politico-Military Developments
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Dear readers,

The Canon Institute for Global Studies' (CIGS) Foreign Affairs and National Security (FANS) Team presents you the first issue of **CIGS-EASQ**, our quarterly analyses and policy proposals on politico-military developments in East Asia.

In the last three, four months, the relative calm in East Asia seems to have been over. In April, Japan and the U.S. finally decoupled the Futenma issue from Guam relocation and other base consolidation programs in Okinawa. While the challenges still remain, so far, so good!

China started its cyclical domestic power game. This year, tensions may linger even after the scheduled People's Party Congress in October. The new regime in DPRK under Kim Jon-Un just began to take off. So far, there appear to be too many pilots, both new and old, making the situation much more unpredictable.

Overshadowed by the "history" issues, Japan-ROK security relationship did not bear fruits as much as Japan expected since the 'strained' bilateral summit in December 2011. While both governments hoped for ACSA (the Acquisition and Cross-Servicing Agreement) and GSOMIA (General Security of Military Information Agreement) to be signed by early summer, it has proven difficult to consolidate bipartisan support in ROK.

The waters between the Philippines and China are stirred up again. The new round of maritime showdown may be another omen for China's renewed assertiveness, while not all ASEAN nations wholeheartedly welcome U.S. return to the region.

Finally, it is clear by now that no matter how the Pentagon denies it, the U.S. forces can only engage in ONE major war at a time, which may force us to fundamentally change our mindset and preparation for the next contingency in Asia if and when Americans are invited back to the Middle East to fight again.

The following are some of the points we wish to highlight, somehow belatedly, for the East Asian security situation at the end of the first quarter of 2012. The next issue, for the second quarter of 2012, is expected in early August.

(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.)

1. Pivoting or Rebalancing?

Whether called "pivoting" or "rebalancing", the U.S. "new" security policy vis-à-vis Asia is basically considered in Japan as an "Amerika no Ajia Kaiki (a U.S. Return to Asia)."

Yet, quite a few pundits in Tokyo seem to have some doubts about America's return to Asia as something permanent, openly questioning when they might leave Asia again. While some U.S. Asia hands claim "we have never left Asia since the Pacific War," our question would be "why, then, Okinawa Marines were in Falluja, post-Saddam Iraq in 2004?"

U.S. policy of enhancing engagement in the Asia-Pacific region was first articulated in President Barack Obama's speech at Tokyo's Suntory Hall in November 2009. Almost two years later, its detailed view was unveiled in Secretary of State Hillary Clinton's article *America's Pacific Century* in November 2011 issue of *Foreign Policy Magazine*. It was finally cemented with the statement that President Barack Obama made when the Pentagon released its *Defense Strategic Guidance* on January 5, 2012.

From US defense policy perspective, Secretary of Defense Leon Panetta reaffirmed that US military will “rebalance” its global posture and presence in a way that emphasizes Asia-Pacific and Middle East on January 4, 2012. One of America’s major “lessons learned” from the wars in Afghanistan and Iraq is that the United States should not involve in a nation-building that requires significant concentration of its military resources. There is a strong sentiment among the US strategic thinkers that US preoccupation in the Middle East has invited China’s adventurism, and therefore the US should correct the course by “rebalancing” its focus onto the Asia-Pacific.

US diplomatic overtures to the region so far certainly seem to support this America’s claim. In February, Vice President Biden showed his hospitality to Xi Jinping, who is to succeed Hu Jintao this fall; President Obama visited ROK to attend Nuclear Security Summit in March; the US and Japan agreed to break the impasse over Marines Futenma Air Station’s relocation issue by de-coupling it from Marines relocation to Guam in April; and President Obama welcomed Prime Minister Yoshihiko Noda to the White House in early May. Judging from US diplomatic efforts during this period, the US’s claim of “America’s return to Asia” seems to be sincere and credible so far.

However, an intense debate in the US over its fiscal condition may handicap America’s diplomatic efforts in the Asia-Pacific region. That is, until an agreement is reached on how the United States can get out of the deep deficit during the eight years of Bush administration, foreign policy and even national defense will have to face constraints in resources.

Take Pentagon, for example. Under the Budget Control Act that was agreed in August 2011, Pentagon is already obligated to reduce its budget by \$350 billion dollars for the next 10 years. Should the “sequestration” (triggered by the failure of bipartisan “Super Committee” to reach an agreement on deficit-reduction measures by the November 2011 deadline) takes effect on January, 2013, Pentagon is expected to shed additional \$500 billion dollars over the next 10 years.

Even if sequestration can be avoided, there is a growing consensus primarily among budget analysts that Pentagon may be asked to come up with additional spending cuts. The difference is that these analysts advocate a more gradual (“smarter”) approach.

Exactly how much Pentagon has to cut its budget is too premature to gauge. However, a substantial defense budget cut will likely affect US military operations around the world, thereby affecting its allies and partners. In particular, the impact of potential defense budget cut on US overseas force posture needs to be carefully examined.

This is particularly important for Japan, because a severe defense spending cut can affect the construction of the facilities not only in Guam but also that of the joint training facility in Northern Mariana Islands. If a severe defense results in an even deeper reduction of Army and Marines, it can also result in Marines’ further withdrawal from Okinawa. US Air Force may decide to pull back its valuable assets such as an advanced fighter (i.e., F-22) and instead use its facilities in Japan as its logistic hubs. In other words, regardless of the intension of the US leadership, the fiscal reality of the US defense budget may impact US force presence in Japan and broader Asia-Pacific region in a fundamental manner.

While these concerns remain for the long-term US force posture in the Asia-Pacific region, the Japan-U.S. security arrangements seem to have been back on the right track at last. Now that Tokyo and Washington have decided to “decouple” the Futenma relocation from Marines’ relocation to Guam and other elements of US force realignment in Japan, we hope the both sides resume discussing more substantive issues, including how the Air-Sea Battle concept might apply to the joint operations between US military and the Self-Defense Forces in the Asia-Pacific region, and how the two militaries can cooperate in the emerging battle space such as cyber and space.

2. Where is China headed in the CCP Power Transition?

China continues to be a difficult neighbor for Japan to deal with. Post-Senkaku lull was gone when China resumed pressuring Japan, criticizing her for acquiescing the World Uyghur Congress’ Tokyo convention in mid May.

Moreover, the Chinese Ambassador in Tokyo sent a letter of complaint to more than 100 parliamentarians which made a big fuss especially in the LDP. We are a little puzzled by this Chinese reaction, since no GOJ officials met the Uyghur delegation in Tokyo.

We were literally appalled to see the arrest of Zhongjing’s Public Security Chief and the subsequent

fall of Bo Xilai. Although this may not be the end of 2012 CCP intra-party quest for power, one thing is for sure.

This is definitely NOT the result of the conventional “Taizidang (Princeling) vs. Duanpai (CCP Youth Corps) power game, which is so commonly explained but absolutely reflects no real “wheelings and dealings” inside the party.

The CCP has now become a huge Chinese equivalent of “LDP” without liberty and democracy, which is a loose confederation of respective “bureaucratic autonomies” whose origins may date back to the 1950s days.

With charismatic leaders gone, such as Mao, Zhou or Deng, CCP leadership has become more and more bureaucratic and therefore “indecisive”. We may need to pay more attention to organizations (bureaucracies) rather than humans (politicians) in China.

Meanwhile, despite immense amount of visitors and exchanges in both countries, Japan-China bilateral channels of policy communication for the next generation leadership are apparently underdeveloped. Additional efforts for re-building of personal and institutional networks across the sectors are urgently needed.

3. DPRK under Kim Jon-Un

We still wonder how we should interpret Kim Jon-Un’s succession to the throne. Will or can he continue the notorious “Military-First” policy or gradually switch to a open-door policy with “Korean characteristics”?

The latter, of course, is what China wishes to see. Yet, there has been no clear indication that Jon-Un will do it. China does not seem to wish to pressure Jon-Un so hard, either—so much so that in the Japan-China-ROK joint declaration on May 14, Beijing refused to refer to DPRK’s self-restraint for the next nuclear test.

We would be surprised if DPRK gave up the nuclear test for good. China can save face vis-à-vis the U.S. if DPRK refrains from a new nuclear test for the time being. Yet, we believe DPRK must be determined to resume the test in not a distant future to facilitate their nuclear program.

4. Japan and her Neighbours

Many pundits in Japan must have been disappointed with the results of the recent Japan-ROK summit meeting. Although sensitive history or territorial issues were not fully raised, tensions will continue to stay between the two potential allies.

Many Japanese seem to be concerned that no matter what their political or opinion leaders do and say, the two democracies may not be able to overcome the “history” issues.

It would be a big challenge for Japan and ROK to enhance bilateral security cooperation, while keeping those sensitive bilateral issues unresolved for years to come. For ROK, Japan “history” issue is basically a risk-free game to play.

On the other hand, for China, Japan “history” issue has two edges of a sword, because while reprimanding Japan for what she did 75 years ago, this could easily backfire domestically against the incumbent CCP leadership.

5. Dragons Stir Up the Waters

Japan has significant commercial and security interests in South China Sea as well as an interest in how rules for the maritime security can be consolidated. In this regard, the progress of diplomatic agreements between China and ASEAN are showcasing the regional capacity to develop peaceful maritime order.

However, ongoing efforts to generate a rule-based maritime order in South China Sea have not gained visible success. The negotiations over establishing the legally binding “Code of Conduct” is likely to be a long and daunting process since China has not shown accommodative stance on discussing disputes in the sea on a multilateral platform.

One of the visible developments of the U.S. strategic rebalancing in Asia is to strengthen its security commitments in Southeast Asia. On April 30th, U.S.-Philippines “2+2” Meeting has geared up bilateral security ties by strengthening the defense capacity of the Philippines armed forces and ensuring joint military responses to the contingencies. It obviously sent a significant message to Beijing, amid China-Philippines stand-off at the Scarborough Shoal.

Japan also expressed its interest to boost help to build the capacity of Southeast Asian coastal states. On April 27th, Japan included the term ‘strategic use of ODA’ in 2+2 Joint Statement with the U.S., in order to finance the security capacity of Southeast Asia. It is also reported that Japan is willing to provide 10 patrol vessels to the Philippines. Similar arrangements are reportedly pursued with Vietnam and Malaysia, as well. Japan-U.S. coordinated engagement in the power game of Southeast Asia has now become apparent.

We also take note that ASEAN is not at all monolithic on countering China. While recognizing the need to fill the capacity gap between China and the Philippines/Vietnam for maintaining the status quo, other ASEAN member states would like to avoid escalation vis-à-vis China. In this regard, the U.S. and Japan need a ‘careful balancing’ to manage the favorable balance of power in Southeast Asia.

6. Back in the Middle East?

Although new rounds of international activities have been reported in the media, this may be just a déjà vu, when it comes to Iran and P5+1 negotiation on the nuclear issue. Tokyo wishes that Iran and the U.S. / Israel will not “overdo” to each other over the issue.

While being ready to accept a gradual progression of the oil-export ban sanctions with tighter control over financial transaction with Iranian banks, Japanese firms prefer keeping silent so that they will not stick out to get nailed.

As compared to the aborted development project of Azadegan oil field in the past, this time Tokyo seems to feel less pain, due to the relatively weak demand for oil and gas in the international markets in recent years.

While sensational reports continue regarding “imminent Israeli military attacks” against Iranian nuclear facilities especially in the Western media, the major parties to this game seem to have been effectively and mutually deterred.

This, unfortunately, will not preclude a possible Israeli attack against Iran as a last resort in the years to come. If the U.S. had to fight in the Gulf again, it would be a much messier, longer and bloodier war whose end nobody knows.

That could be everybody’s nightmare except the Chinese, if their sea lines of communication were intact. Yet, this may not be the case since the reality is that if the Strait of Hormuz were to be closed, China would also lose lots of their oil imports.

That will be the day when PLA Navy may start their mission which they are long prepared to accomplish. Japan must also react to this new reality and seriously reconsider its defense budget. Now the Middle East and East Asia are becoming ONE “inseparable theater” of engagement.