



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

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Dear CIGS-EASQ readers,

Happy New Year! We, the Foreign Affairs and National Security Team of CIGS, want to thank you for your interest in our activities in 2012, including this publication. We wish all of you a very productive 2013.

As we enter 2013, we note the arrival of a new international affairs fellow on our team. Vance Serchuk served for the past six years as the senior foreign policy advisor to Senator Joseph Lieberman (Independent-Connecticut) in the U.S. Congress and will be in Tokyo this year as a Hitachi-Council on Foreign Relations Fellow and a Washington Post columnist. Vance brings extensive background on both Middle Eastern and Asia-Pacific issues, having worked in Congress on a range of national security challenges, including Iran sanctions, the Arab Spring, the Afghan war, and the rebalance to Asia.

As the new year begins, the world seems more unpredictable than ever. In Japan, Shinzo Abe is back in power as Prime Minister—an unexpected comeback for a leader whose political career, until recently, was widely viewed as past. Equally surprising, however, is the new conventional wisdom—, whether in Tokyo, Washington, Seoul or Beijing—that Japan is now leaning “right” in a negative sense. Below are the reasons why we don’t see it that way. In East Asia, North Korea took an unsettling step forward in its development of an intercontinental ballistic missile (ICBM) capability, with the successful launch of a satellite into orbit in December. We should assume that Pyongyang’s nuclear ambition remains unabated, and the regime under the leadership of Kim Jong-Un may conduct another nuclear test in the months ahead. Furthermore, despite successful political transitions in Tokyo, Seoul and Beijing in 2012, Northeast Asia remains in a period during which a small misstep could quickly escalate into a major diplomatic incident among the major regional powers.

In the Middle East, we see the region continuing to grapple with the ongoing impact of the “Arab Spring,” with continuing domestic instability in Egypt, Libya, and Tunisia, and the worsening crisis in Syria increasingly likely to spill over its borders. Furthermore, as Iran continues to make progress in its nuclear program, the risk of military confrontation—whether by Israel or even potentially the United States—is real and growing. We find the United States increasingly inward-looking at the beginning of the New Year. With the failure of President Obama and congressional leaders to reach a “grand bargain” to put the nation’s fiscal house in order, the national debt will continue cast a shadow over U.S. decision-making, consuming Washington’s energies and deepening doubts in the world about U.S. long-term power. In such an environment, whether Washington can maintain its commitment to the so-called “pivot” or “rebalance” to the Asia-Pacific will increasingly be called into question.

In the coming months, CIGS's Foreign Affairs and National Security team will monitor these developments carefully to provide our analyses in our forthcoming EASQ issues. Below, you will find our analyses on the developments on the last quarter of 2012.

Tokyo: Abe is back in power—Japan's leaning "right"?

"Japan leaning right (nihon no ukei-ka)" seems to be in vogue among those who analyze the developments in Japan in the last quarter from overseas. Specifically, the landslide election victory of Shinzo Abe's Liberal Democratic Party (LDP) is often cited as an evidence that Japanese voters' want see their government pursue more muscular foreign and security policies in the face of rising tension with China over the Senkaku Islands.

Such analyses grossly misunderstand the real dynamics within Japan that pushed the LDP back in power. First, Shinzo Abe's return to power was genuinely unexpected, the product of internal LDP dynamics rather than national trends. Among Japanese voters, Abe's name was not, until very recently, among those preferred candidates for the next prime minister. Even within the LDP, Abe only had a narrow margin over Shigeru Ishiba in the LDP's presidential election in September; in fact, compared to Ishiba, who was favored by the local LDP party members and younger LDP parliamentarians, Abe was considered the choice for the "old guards".

More importantly, the General Election on December 16, 2012 was more about condemning and punishing the three-year-long performance of the Democratic Party of Japan (DPJ) than about the reemergence of the LDP as the voter's proactive choice: while the election ended in a decisive win for the LDP (which gained 294 out of 480 seats in the Lower House, or 61.25 percent of the chamber), the party won less than 30 percent of votes under proportional representation. This suggests that the LDP, although it may have won back the government, has not gained a clear mandate from the voters.

As Shinzo Abe transitions from "campaigning" mode as the head of the LDP to "governing" mode as the new prime minister, this political reality will impose a great deal of constraint on him, forcing him to take a cautious approach until he and his party can solidify their power base by winning the Upper House election in the summer of 2013. In the area of foreign policy, it means that Abe will likely refrain from taking any action or measure that would unnecessarily stir tension in Japan's relations with its neighbors. In security policy, this means that Abe is unlikely to launch major initiatives that can affect the fundamentals of postwar Japanese security policy in the short-term.

Washington DC: Preoccupied by "fiscal cliff", Middle East

Following eleventh hour negotiations, President Obama and congressional leaders reached a limited agreement to avoid the most destabilizing consequences of the "fiscal cliff." However, the modest scope of the deal—which averts tax increases for middle class Americans, extends emergency unemployment benefit for another year, and delays for two months the "sequester" that made up the spending cut component of the fiscal cliff—means that 2013 is likely to be dominated in Washington by a continuing crisis atmosphere and negotiations over what mix of spending cuts, entitlement reform, and tax increases will be put in place to restore the nation's fiscal health. In such an environment, we are afraid that domestic issues will continue to trump international affairs, and that the U.S. foreign and defense budgets will face additional cuts, with possible long-term consequences for the U.S. ability to project power in the Asia-Pacific

In November and December 2012, we also saw signs of how the Obama Administration's desire to devote greater attention to the Asia-Pacific can be complicated by crises in the Middle East that demand U.S. engagement and leadership. This was illustrated most dramatically during President Obama's visit to Southeast Asia. This was sharply illustrated during the President's visit to Southeast Asia together with Secretary of State Hillary Clinton, who was subsequently dispatched to the Middle East to help broker a ceasefire to end the fighting between Israel and Hamas in Gaza.

North Korea's successful "satellite" launch in December, however, also illustrates the interconnectedness of the Middle East and the Asia-Pacific regions. Some Asia experts, for

instance, argue that North Korea's quick recovery from its failed launch test in the spring of 2012 is a clear indication that there is a mutual support network among the so-called "rogue states" for their respective nuclear and missile programs. In this respect, a more comprehensive effort to the proliferation threat posed by Iranian-North Korea cooperation is needed, rather than viewing either of these countries through a strictly regional lens. .

Seoul: What does the victory by Park Geun-Hye mean?

On December 19 2012, the Republic of Korea (ROK, South Korea) elected its first female president. Park Geun-hye, the daughter of assassinated former ROK president Park Chung-hee, won a close election against Moon Jae-in.

The election of Park was greeted with quiet sighs of relief in Washington, which saw the conservative candidate—despite her rhetoric on renewing dialogue with the north—as far more likely to maintain the current positive trajectory of the U.S.-ROK alliance. Relations between Seoul and Tokyo, however, are likely to remain rocky. Although Shinzo Abe may be more willing to seek rapprochement with the ROK relations before China, it is unclear whether he will have a willing partner in Seoul, at least during the months ahead.

The most immediate challenges for President-elect Park will be economic. Although both Park and Moon made "economic democratization" as the central theme of their campaign, Park will find it difficult to drastically change the structure of the Korean economy, which remains dependent on big export companies (chaebols) such as Samsung for growth. With the value of the Korean Won rising recently, President Park might face a decrease in both the competitive edge of ROK products and the number of foreign tourists, which could lead to further widening of the rich-poor gap in South Korea.

Southeast Asia: the impact of Obama's Southeast Asia tour

President Obama's Southeast Asia tour happened to be his first overseas trip after winning reelection—a clear signal that the pivot to Asia will be a foreign policy priority for the second Obama Administration.

In his November 2012 trip, President Obama successively visited three continental Southeast Asian states: Thailand, Myanmar and Cambodia. In contrast to maritime Southeast Asia, where the U.S. military presence and commercial activities are more visible, U.S. engagement with continental Southeast Asia has long been underrepresented. Meanwhile, China's commercial and diplomatic efforts have increasingly pulled this sub-region into Beijing's orbit. Obama's Southeast Asia trip suggests that Washington is now prepared to compete for influence there.

In advance of Obama's visit to Thailand, the U.S. Defense Secretary Leon Panetta and Thai Defense Minister Sukampol Suwannathat signed the "Joint Vision Statement for the Thai-U.S. Defense Alliance". The two countries reaffirmed promoting security cooperation as well as enhancing bilateral interoperability and readiness. Considering the recent not-so-impressive bilateral alliance management over the use of U-tapao Air Base in Rayong, unmet expectations over Thai defense procurements, etc. the Vision Statement became an important milestone for bolstering up the alliance relations.

Obama became the first U.S. president to visit Myanmar, rewarding its government for the reform it has undertaken while pushing for further democratization. The U.S. has already eased economic sanctions by removing its import ban on Myanmar products and has pledged USD 13.8 million in assistance for promoting development, democracy and education. However, the U.S. has also set conditions for fully normalizing relations with Myanmar, including further efforts by Yangon to ameliorate longstanding ethnic conflicts, including between Buddhists and the Rohingya Muslim minority in the western state of Rakhine.

President Obama's participation in the East Asian Summit (EAS) reflects a broader U.S. decision over the past four years to engage with the multilateral institutions of Southeast Asia, including the ASEAN Regional Forum (ARF), the ASEAN Defense Ministers Ministerial Plus (ADDM-Plus), and the Shangri La Dialogue. These ASEAN institutions have also become a principal commons for intensified tensions between China and its neighbors, and

with the United States. As expected, the 2012 EAS did not make progress towards a “Code of Conduct for the South China Sea”, largely due to Beijing’s continued exploitation and exacerbation of ASEAN’s internal divisions, with Cambodia, as the chair of ASEAN this past year, serving as a willing proxy for China. As the ASEAN chair is now handed over to Brunei, the first quarter of 2013 will be especially important for determining if a new dynamic can be obtained in the ASEAN-China relationship.