



East Asian Security Quarterly

A View on Regional Political-Military Developments

Kuni Miyake, Ken Jimbo and Yuki Tatsumi

Jan-June 2016

July 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.)

The first several months in 2016 made it abundantly clear that the domestic politics will be a major force that affects the dynamics in East Asia. The United States has entered into a presidential election year in full swing. Japan eyes an Upper House election on July 10, with the rumor of Lower House election held by the year's end does not seem to go away. In Taiwan, Tsai Ing-Wen assumed the presidency in May. Even in South Korea, despite its own presidential election will not occur until 2017, the National Assembly election—and the disastrous defeat of the ruling party—suggests that the presidential election in South Korea next year can be one of the most consequential elections not only for South Korea but also Seoul's relations with its allies and neighbors.

Meanwhile, as these countries are preoccupied with their domestic politics, China and North Korea press on with its destabilizing activities. In North Korea, several months after nuclear test, the Korean Workers' Party's convention demonstrated the increasing dependency of Kim Jong-Un's regime on its nuclear program for its legitimacy as its economy getting stifled in the face of a new UN economic sanction which China has been participates. China not only continues its reclamation activities in but also militarization of the reclaimed area in South China Sea. What has been particularly concerning is that Beijing has begun to show signs of willingness to impose its territorial claims on others with its military force it necessary, as its jet fighters' recent attempt to intercept a US EP-3 surveillance aircraft. PLA's behavior in East China Sea in June also points to a worrying trend of China's increasing adventurism.

In the context of the US-Japan relations, this period witnessed one of the most historical events in its postwar history. Preceded by Secretary of State John Kerry who visited the Hiroshima Peace Memorial Park during his visit to Hiroshima for G7 Foreign Ministers' meeting, President Barack Obama visited Hiroshima as the first sitting US president on the sidelines of his attendance to G7 Ise-Shima Summit. The embrace between Obama and Mr. Mori, one of the

few atomic bomb survivors, will likely to become one of the most vivid images of the extraordinary transformation of the US-Japan relations.

We hope that you will find the following analyses of the overview of the developments in East Asia helpful.

### The United States

When the U.S. presidential campaign began in 2015, most of the analysts and pundits speculated that the 2016 election would be one of the more boring presidential elections. On the Democratic side, Hillary Clinton was expected to rise as the presidential candidate without much difficulty. On the Republican side, despite the crowded field, nobody looked strong enough to quickly emerge as the presumptuous nominee, and weaker yet facing Hillary Clinton. So when Bernie Sanders, an old Senator from Maine, and Donald Trump announced their candidacy, they were met with cool reaction. Sanders was an old white liberal Senator. Donald Trump made his fame in a real estate and reality show on TV, but was certainly not known for his wisdom in politics, let alone policy. As was the same in Tokyo, Most of the American observers wrote them off as flaky candidates who would be dwindled away as the primary season hits.

What happened between now and then defied any of the pre-campaign speculation based on the conventional wisdoms. On the Democratic side, Sanders not only has not gone away, but has been challenging Clinton until the very end of the primaries, now raising question of whether, after such a contentious competition for so long, it would be possible for Clinton to emerge as the candidate who could unite the Democratic Party. On the Republican side, against anyone's expectation, Donald Trump emerged as the Republican nominee, forcing the establishment in the Republican Party to face the reality of having a presidential candidate who could harm and cause enduring damage to the Grand Old Party politically by alienating just about all the voter groups except for white male.

Such an unexpected turn of events could easily damage one of the foreign policy achievements that President Obama had wanted to claim as his own: the Trans-Pacific Partnership (TPP) agreement. Even before the current presidential election cycle began, it had been a political challenge for the Obama administration to pave the way for getting approval from the US Congress. The rhetoric that came out both from Sanders and Trump made it even more difficult. While there still remains a small chance that the US Congress might give a nod to TPP in the so-called "lame duck session" after the elections in November, the observers are rather pessimistic about such a prospect, especially given the political reality now that all three

presidential candidates in the field—Clinton, Sanders and Trump—all take a position against TPP.

As the United States is increasingly preoccupied with domestic politics and the potential fallout of the upcoming elections, the Obama administration continues its effort to counter China's assertive behavior in the region. The Department of Defense has been ramping up its activities in the Asia-Pacific region as its attempt to discourage China's continuing assertive behavior in the South China Sea. Both in the *Asia-Pacific Maritime Strategy* and the annual *Military Power of People's Republic of China*, both published within the last five months, clearly call out China for its coercive behavior in the East and South China Sea, and calls an alarm to PLA's growing military capability to assert its position. Obama's visit to Vietnam and the announcement of total lift of embargo vis-à-vis Vietnam at the end of May is the most recent example of US efforts to counter China's growing influence by enhancing Washington's own relations with the Southeast Asian countries that have been facing China's increasing pressures.

### Japan

The first five months of 2016 brought the mix of achievements and disappointments to Japan.

The biggest diplomatic achievement for Japan and Prime Minister Abe was President Obama's visit to Hiroshima as the first sitting US president. Secretary of State John Kerry also visited the Hiroshima Peace Museum and Memorial as the first sitting US Secretary of State on the occasion of the G7 foreign minister's meeting which was held there. The picture of Obama embracing Shigeo Mori, the survivor of the atomic bomb, will no doubt be remembered as one of the most memorable images that symbolizes the reconciliation between the US and Japan, from foes to one of the closest partners and allies.

Abe also stood firm with the United States and the rest of the international community to react against North Korea's nuclear test. And by framing Chinese assertive behavior both in the East and South China Sea as the concern that undermines the fundamental international principles in the post-World War II international order, Japan, together with the United States, is succeeding in "internationalizing" the issue. Japan also reached the final agreement of transferring its patrol aircraft to the Philippines, reaffirming its willingness to continue the support for the Southeast Asian maritime nations that face pressures from China in the South China Sea.

On the other hand, G7 Ise-Shima Summit was completely overshadowed by Obama's visit to Hiroshima. While leaders discussed a wide range of global challenges including economy,

maritime security, and international terrorism, the Summit discussion hardly attracted any attention. It also drew out the difference in opinion among the G7 leaders over the global economic trend. Abe's visit to Russia and his meeting with President Vladimir Putin prior to G7 Summit made some question how Japan's current stance toward Russia might change should Russia shows willingness to work with Japan on the resolution of Northern Territories issue.

In the context of the US-Japan relations, the murder of a young woman in Okinawa by a US contractor working for III MEF, who is a former Marine, once again brought to the center of attentions the challenges associated with the US military presence on Okinawa. The US government moved quickly in an attempt to calm down the tensions: Secretary of Defense Carter apologized to his Japanese counterpart Nakatani in his phone conversation, in which he made it clear that the US side would subject the suspect to be tried under the Japanese legal system. President Obama, as well, expressed his "most sincere condolences and deepest regrets"—unusually strong language as the response to such a crime—to Abe in their bilateral meeting. Still, it is inevitable that this crime would be discussed, in the context of the burden Okinawa continues to have to shoulder while no real progress has been made on the relocation of Futenma Air Station, in the upcoming Upper House election, particularly by the opposition party.

Although somewhat expected, Japan's lost bid in Australia's SEA1000 submarine modernization program still came as a big disappointment. To those who advocate a more robust export of Japan's defense equipment, Japan missed the golden opportunity to maintain and enhance technological capability of her indigenous defense industries. At the policy level, this decision by Canberra made some in Japan question the future prospect of Japan's security partnership with Australia.

Finally, there has been a renewed concern about the lack of boost in Japanese economy. Following the first-stage rise of Japan's consumption tax, the Japanese economy has not been able to bounce back. Prime Minister's decision to postpone another hike in the consumption tax rate, shortly following the G7 summit meeting, drew criticism that Abe used the discussions in the G7 Summit as an excuse for this decision, even though there was a divergent view among the G7 leaders regarding the global economic forecast.

### The Korean Peninsula

Many in Tokyo must have been surprised by the announcement by the foreign ministers of Japan and South Korea on December 28 of 2015. In this year-end bilateral agreement, Foreign Minister Kishida stated the following:

(1) The issue of comfort women, with an involvement of the Japanese military authorities at that time, was a grave affront to the honor and dignity of large numbers of women, and the Government of Japan is painfully aware of responsibilities from this perspective. As Prime Minister of Japan, Prime Minister Abe expresses anew his most sincere apologies and remorse to all the women who underwent immeasurable and painful experiences and suffered incurable physical and psychological wounds as comfort women.

(2) The Government of Japan has been sincerely dealing with this issue. Building on such experience, the Government of Japan will now take measures to heal psychological wounds of all former comfort women through its budget. To be more specific, it has been decided that the Government of the ROK establish a foundation for the purpose of providing support for the former comfort women, that its funds be contributed by the Government of Japan as a one-time contribution through its budget, and that projects for recovering the honor and dignity and healing the psychological wounds of all former comfort women be carried out under the cooperation between the Government of Japan and the Government of the ROK.

(3) While stating the above, the Government of Japan confirms that this issue is resolved finally and irreversibly with this announcement, on the premise that the Government will steadily implement the measures specified in (2) above. In addition, together with the Government of the ROK, the Government of Japan will refrain from accusing or criticizing each other regarding this issue in the international community, including at the United Nations.

In response to the above, South Korea's Foreign Minister Yun stated as follows:

(1) The Government of the ROK values the GOJ's announcement and efforts made by the Government of Japan in the lead-up to the issuance of the announcement and confirms, together with the GOJ, that the issue is resolved finally and irreversibly with this announcement, on the premise that the Government of Japan will steadily implement the measures specified in 1. (2) above. The Government of the ROK will cooperate in the implementation of the Government of Japan's measures.

(2) The Government of the ROK acknowledges the fact that the Government of Japan is concerned about the statue built in front of the Embassy of Japan in Seoul from the viewpoint of preventing any disturbance of the peace of the mission or impairment of its dignity, and will strive to solve this issue in an appropriate manner through taking measures such as consulting with related organizations about possible ways of addressing this issue.

(3) The Government of the ROK, together with the Government of Japan, will refrain from accusing or criticizing each other regarding this issue in the international community, including at the United Nations, on the premise that the Government of Japan will steadily implement the measures it announced.

Clearly, the agreement was well received by the great majority of the Japanese, although some in the conservative camp might have raised eyebrows and expressed concerns, if not harshly criticizing Prime Minister Abe. Despite this historic bilateral deal, the devils still seems to be in details and the Japanese side is now cautiously watching the domestic follow-up efforts in South Korea.

Although the ball is in South Korea's court, it may be more and more difficult for Seoul to implement these arrangements. It is simply because, as the United States enters a new election season in full swing, South Korea is also slowing inching its way toward its own election cycle, eyeing the presidential election in 2017.

President Park Geun-hye remains deeply unpopular. If the result of the National Assembly election in May is any sign, next year's presidential election is very likely to produce a president that has a similar temperament and policy outlook with President Roh Moo-hyun. Although UN Secretary-General Ban Ki-moon expressed his interest in running as a presidential candidate, his policy platform remains unclear.

Should that come to pass, this could likely create a concern not only in Tokyo but also in the United States.

### China and Southeast Asia

This year marks the 15<sup>th</sup> anniversary of the Shangrila-Dialogue. Since China has accelerated its reclamation activities in South China Sea over the last 24 months, the South China Sea issues have been the central topic of the discussions at this Dialogue. As expected, this year was no exception.

During the keynote speech, US Secretary of Defense Ashton Carter presented the new concept of "principled security network." By emphasizing "principles", Carter demonstrated US intention to remain militarily committed to the peace and stability of the Asia-Pacific region and to promote an open security cooperation architecture and a peaceful settlement of international disputes. In his speech, he highlighted the recent development in the multilateral security

partnerships in the region such as US-Japan-Australia, US-Japan-India, capacity-building and ADMM Plus. While somewhat softening his tone, probably due to the US-China Security and Economics Dialogue (S&ED) in the following week, Carter still criticized China as isolating itself the international community by continuing its assertive behavior.

General Song, PLA Vice Chief of Staff, squarely countered Carter's speech. While he discussed Chinese intention to continue to pursue confidence-building measures and crisis-management mechanism, he steadfastly maintained China's position that the South China Sea is Chinese territory, and emphasized that Beijing would not accept the ruling by the Permanent Court of Arbitration (PCA).

The ruling by the PCA, expected to be announced on July 12, would form an essential part of the foundation for the maintenance of maritime order based on the rule of law. It is extremely important, therefore, that the countries in the region, including the US, Japan, Australia and the ASEAN member states,

That said, with China already indicating that it would not accept the PCA ruling, there has been much speculation that the ruling may trigger China to declare the Air Defense Identification Zone (ADIZ) in the South China Sea. Furthermore, should China pushes forward with landfill in the Scarborough Shoal, it could rapidly rise the level of military tensions between China on the one hand, and the Philippines and the United States, on the other.