

CIGS East Asian Security Quarterly

A View from Tokyo on Regional Politico-Military Developments

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October 2013

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Dear Readers,

Prime Minister Shinzo Abe's decision to raise consumption tax triggered mixed response. Ultimately, Abe's public approval rating will be determined by how Japanese economy does (including whether the "third arrow" of Abenomics works), not by how he conducts his foreign policy. As long as he continues his current pragmatic approach in foreign policy and keep his own and his cabinet members' rhetoric on history issues in check, he will eventually find the support, particularly from Washington, for his aspiration in his national security policy agenda in the upcoming Diet session, including the establishment of National Security Council. It should also help him to alleviate the concerns already expressed by Komeito about constitutional questions.

In the United States, as seen from Tokyo, the Obama administration's deadlock with Congress over US federal budget seems to have begun to affect President Obama's ability to conduct his foreign policy. The cancellation of his trip to APEC, East Asia and TPP Summits as well as the visits to the Philippines and Malaysia now makes it obvious that President Obama may be turning to "lame duck". US allies in the Asia-Pacific region need to worry—after the sequestration and the decline in US defense budget, US leaders explained that US "pivot" to Asia was never primarily military: rather, trade and economy is a just as important, if not more, component. Now that the conclusion of the TPP negotiation by the end of 2013 appears to be in danger, what else is left in US' "Asian pivot"?

In Korea, President Park Geun-hye continues her sharp criticism against Prime Minister Abe, refusing to show flexibility. However, many longtime Korean observers in Washington have begun to question whether her persistent criticism against Japan may begin to backfire and start giving the impression that she is the one that is unreasonable, which will casting a negative impact on US-ROK alliance. However,

one can be hardly optimistic when looking into the future—her approval rating is already falling due to her inability to turn Korean economy around as she promised in the election. Stoking anti-Japan sentiment is common for ROK presidents who try to regain his/her political footing at home.

The perception of China among policy elites in US and Japan are widening. In the US, many Asian experts seem to believe that President Xi Zinping is consolidating his powerbase steadily. On the contrary, many in Japan see more sources of instability for Xi, expecting China to be increasingly more assertive in its external behavior. Such a widening perception gap may come back to haunt Tokyo, especially now that the “staying power” of US’ Asian “pivot” is greatly in question.

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

<Tokyo>

Prime Minister Shinzo Abe’s decision to raise consumption tax triggered mixed response. Many applauded his courage to make what may be politically unpopular but a necessary decision for Japan’s long-term economic forecast. Just as many criticized his decision—not so much on his decision to raise the consumption tax but rather against the accompanying economic stimulus package—as too pro-big business. Ultimately, just as the former Bill Clinton put it, “it’s economy, stupid”. Prime Minister Abe’s public approval rating will be determined by how Japanese economy does (including whether the “third arrow” of Abenomics works), not by how he conducts his foreign policy.

On foreign policy front, Abe continues to show his pragmatic side. This should allow Abe to pursue his diplomatic agenda, namely greater engagement with Southeast Asia, Europe, South Asia, and Australia. However, his “speech tour” in New York at the time of his attendance at UN General Assembly has received mixed reviews for those who followed them. Questions were raised quietly about Mr. Abe’s wisdom of accepting an award from Hudson Institute, decidedly conservative think tank. Concerns were expressed that Abe’s speech at Hudson where he elaborated on his vision for Japan’s security policy might have made his UN General Assembly where he spoke about “proactive pacifism” and discussed the respect for women’s rights much less effective than it could have been otherwise. These voices reflect the challenge Abe has in repelling the pervasive—despite all his efforts to demonstrate his pragmatism—perception that he is an unapologetic militarist.

Still, his pragmatism will help push through his national security policy agenda in the upcoming Diet session, including the establishment of National Security Council. It should also alleviate the concerns already expressed by Komeito over the possibility of

chancing Japan's policy position in regards to Japan's ability to exercise the right to collective self-defense. The October 3rd "two-plus-two" Joint Statement articulated a vision for the alliance in which Washington endorsed a much larger and participatory role for Japan. It is up to Abe whether he can use US endorsement of his agenda to his advantage.

<The United States>

In the United States, the Obama administration's deadlock with Congress over US federal budget began to affect President Obama's ability to conduct his foreign policy. President Obama's wavering over US military option vis-à-vis the Syrian government's alleged use of chemical weapon against its people (particularly over whether he should obtain Congressional prior approval) seriously questioned his ability to engage in foreign policy. The cancellation of his trip to APEC, East Asia and TPP Summits as well as the visits to the Philippines and Malaysia now makes it obvious that President Obama, fraught with domestic political battle with Congressional Republicans over US debt reduction plan and the federal budget, is quickly turning to "lame duck", much earlier than many of the second term Presidents.

At the time of this writing, the federal government was finally reopened after 16 days of shutdown, but still without any credible outlook to end the current deadlock in the future. Obama will continue to have a "twisted Congress" that seems far worse than Japan for the remainder of his 2nd term, unless Democratic Party wins big in next year's mid-term election. This means that President Obama essentially may have lost power to shape his own agenda at home. When US president is constrained at home, his/her foreign policy will revolve around responding to the short-term crisis. That means US's primary strategic focus, despite all the rhetoric about the survivability of its Asian "pivot"—will shift back to the Middle East and stay there for the foreseeable future.

In the absence of US leadership, it looks almost certain that TPP negotiation will not conclude by the end of the year. Now US allies in the Asia-Pacific region need to worry—after the sequestration and the decline in US defense budget, US leaders explained that US "pivot" to Asia was never primarily military: rather, trade and economy is a just as important, if not more, component. Now that the conclusion of the TPP negotiation appears to be in danger, what else is left in US' "Asian pivot"?

<China>

On Japan-China relations, there has been no breakthrough in the bilateral engagement, although Prime Minister Abe met and exchanged greetings and remarks with Mr Xi Jinping on the sidelines of the G20 summit meeting at St. Petersburg. They met and shook hands again at the sidelines of the APEC

summit in Indonesia but this time the Chinese foreign ministry spokesperson declined to acknowledge the contact. There were several signs, including back-channel diplomacy, of seeking conditions for holding a Japan-China summit meeting. It was reported that China demanded Japan to make a major concession on Senkaku Islands by acknowledging them as 'territorial dispute' and agreeing on a no-entry zone around the Islands of twelve nautical miles. However, these demands have no chance of being accepted by the Japanese government, which claims that the islands are legally and historically part of Japan. As Prime Minister Abe repeatedly mentioned, "the door is open" for Japan-China dialogue, however, Tokyo and Beijing have yet to reach mutually acceptable conditions.

On U.S.-China relations, Wang Yi, the Chinese Foreign Minister, in his September 20 speech at the Brookings Institution commended the "consensus" reached by Xi Jinping and Barack Obama at their 2013 June summit in California on building "a new model of major-country relations" (NMMCR).

Since last June, Chinese diplomats have continuously referred to the NMMCR as the most important outcome of the bilateral summit, although many in Japan found it too ambiguous and failed to fully comprehend the concrete nature and substance of the so-called "new model."

As seen from Tokyo, the United States and China have different interpretations of NMMCR —as though they were dreaming two different dreams on the same bed. The following are the major differences between the two.

China believes in the consensus on NMMCR and claims that:

- China is not a small country anymore and the United States should treat China as a major power from now on.
- The United States should immediately stop building their network for containing China in the name of "rebalancing."
- U.S. power is clearly declining and it should cohabit with, not confront, China which is now a major power.
- The U.S. must accept the interests of China as a major power including Chinese political, economic, military and territorial interests.

The United States, on the contrary, does not see a consensus and believes that:

- In the history of mankind, the rise of a new power tends to lead to a challenge against the existing power.

- In such circumstances, there tends to be a confrontation or conflict between the existing and new powers.
- China, as a new power, should not make that type of traditional challenge against the United States.
- Instead, China should subscribe to a new model of major power and truly respect the existing international and regional orders.

This is, at least, not a consensus at all. It is rather a strategic disagreement between Xi Jinping and Barack Obama at their 2013 June summit in California. There still seems to be a wide gap between the two nations.

<Republic of Korea>

President Park Geun-hye continues her sharp criticism against Prime Minister Abe, refusing to show flexibility. However, many longtime Korean observers in Washington have begun to question whether her persistent criticism against Japan may begin to backfire and start giving the impression that she is the one that is unreasonable, which will casting a negative impact on US-ROK alliance. In fact, some in the US says that Defense Secretary Hagel, when met with President Park in Seoul, resisted President Park's criticism against Japan and Abe government and insisted that US-Japan alliance is critical not only for Japan but also for the peace and stability on the Korean Peninsula, and strongly suggested that Seoul seriously thinks about getting its relations with Tokyo back on track.

Unfortunately, Mr Hagel's efforts may not have been successful in persuading President Park simply because she seems to believe that the US-Japan-South Korea coordination is only effective vis-à-vis North Korea but that it could be counterproductive vis-à-vis China. China, in the eyes of Korean, historically has been too big and powerful a neighbor for the Korean Peninsula to cohabitate with. A widening difference between Japan and ROK in their respective approaches to China may be a challenge for US alliance management for coming years.

However, one can be hardly optimistic when looking into the future—Madame Park's approval rating is already falling due to her inability to turn Korean economy around as she promised in the election. Stoking anti-Japan sentiment is common for ROK presidents who try to regain his/her political footing at home.

<Southeast Asia>

President Obama's absence in Asia-Pacific Economic Cooperation (APEC) Summit and the East Asia Summit generated concerns across Asia whether "strategic pivot to Asia" was a false promise. Against this backdrop, China skillfully penetrated to Obama

vacuum of diplomatic rounds in Asia, by President Xi Jinping's delivering the keynote address at the APEC Summit in Bali, spoke at the Indonesian Parliament and pledging US\$50 billion to the Asian Infrastructure Bank for aiding the development across the region. Premier Li Keqiang also actively exploited to promote charm-offensive in the ASEAN-China Summit, while pushing back against common ASEAN position on the Code of Conduct in the South China Sea.

Prime Minister Shinzo Abe actively asserted at the ASEAN-Japan Summit, referring to the South China Sea disputes that ASEAN should take a common stance and refer to the international law. The joint statement released following an ASEAN-Japan summit highlighted the importance of freedom of navigation and the need to resolve disputes in accordance with international law, strongly signaling Japan's commitment in the South China Sea. In his trip, Abe explained to ASEAN member states about ongoing review on Japan's National Defense Program Guideline, establishment of the National Security Council and promoting legal foundation of security policy including the exercising of the collective self-defense.