Dear Readers,

“Back to the Future” might be most appropriate in describing the developments in international security for the last several months. As the world continues to grapple with whether it is possible at all to rollback Russia’s annexation of Crimea, tension in Ukraine between the newly-elected Poroshenko government and the pro-Russian forces continue. China’s assertive behavior in East and South China Seas continue to grow in its recklessness despite regional outcry. As if the world did not have enough to worry about, former Al-Qaeda-affiliate Islamic State for Iran and the Sham (ISIS), presumably supported by local Sunni tribes, have been rapidly expanding its sphere of influence in Iraq, dragging the country back into chaos.

Washington faces these developments with severely hamstrung position. In his West Point speech, President Obama laid out three principles of US military engagement overseas which essentially boils down to Washington now leans heavily in favor of “selective engagement”. Although it was not much reported outside the country, the primary loss of Eric Canter, a conservative Republication in the House, signals that an inward-looking Tea Party remains a dominant political force in the Republican Party. It also means Congress will remain divided as ever, making any presidential decision to commit US military to respond to overseas conflicts extremely difficult.

Obama’s poor articulation of how his reaffirmed principles for authorizing US military action for international conflicts was a terrible PR mistake in the Asia-Pacific region. Despite US Secretary of Defense Chuck Hagel playing up the Obama administration’s Asia rebalance by calling it “a reality” and surprised the audience at Shangri-La Dialogue when he spoke critically
of China’s activities in South and East China Seas, the apparent hesitance Obama demonstrated in his West Point speech to commit US forces to the situations where US core national interests are not at risk is concerned to further embolden China.

With the Cabinet Decision on July 1st, Japan decided on a reinterpretation of the Constitution to allow limited exercise of the right of collective self-defense, a major turning point for postwar Japan’s security policy. The Cabinet decision states legal grounds for allowing the exercise of the right of collective self-defense under the Constitution and a direction for the development of legislation in the future. It also called for the development of seamless legislation for dealing with so-called gray-zone issues and for SDF to engage more comprehensively in the U.N. Peacekeeping missions.

Notwithstanding the concern in the Japan-US relations, Japan has been active in defense-related diplomacy. Prime Minister Shinzo Abe invited to the Shangri-La dialogue as a keynote speaker was the most epoch-making. In addition to the US-Japan-Australia defense trilateral meeting at the sideline of Shangri-La, Japan also held 2 plus 2 meeting with Australia in Tokyo. A bilateral agreement on submarine technology cooperation could be a positive precedent for Japan’s arms export policy.

In the meantime, the situation in the Korean Peninsula remains in flux. North Korea remains steadfast in its provocative positions, as demonstrated by its ballistic missile launch on June 29 and again on July 9, 2014. President Park’s political standing at home remains weak, raising concerns that her anti-Japanese rhetoric may escalate. Such a concern has been aggravated by Chinese President Xi Jinping’s visit to Seoul. Recent Japan-North Korea agreement on the re-investigation of abductees, followed by the Japanese government relaxing some of the unilaterally imposed economic sanctions, may potentially cause uneasiness in the US unless a close consultation between Tokyo and Washington does not take place. Finally, a recent seeming rapprochement between Russia and China may result in a divide in the Six-Party Talks, with US, Japan on one side while China and Russia on the other, with South Korean positioning itself somewhere in between.

China has been fumbling in its diplomacy for the last several months. From its handling of East and South China Sea disputes to Shangri-La dialogue to the recently concluded Strategic and Economic Dialogue with the US, its aggressive diplomatic rhetoric and behavior has been an overkill and being counterproductive to Beijing’s intention.

We hope you will find this short overview and the following analyses of Northeast Asian security developments helpful.
<Tokyo – domestic politics may undercut Japan’s active defense diplomacy>

On July 1, Japanese Prime Minister Shinzo Abe announced that his government will be reinterpretting Article 9 of its constitution, moving toward what his Cabinet described as "the development of seamless security legislation to ensure Japan’s survival and protect its people.” The decision makes the case that since the end of the Cold War, various global threats—proliferation of weapons of mass destruction; international terrorism; and impedence to free access to the sea, outer space, and cyberspace, among others—could directly influence Japan’s security. The decision also determined that Japanese constitution allows the government to exercise the right to self-defense not only when Japan itself is under attack but also the countries that have close relationship with Japan are attacked in the way that could fundamentally threaten Japan’s security. The decision closely follows the recommendation put forward by the Advisory Panel on Reconstruction of Legal Bases for Security (anzen hosho no houteki kiban ni kansuru Kondan-kai), more commonly referred to as “Yanai/Kitaoka Commission” on May 15, 2014.

Japan’s domestic public opinion reminded over this issue. While many in Japan want to see Japan contribute proactively to the peace and stability of the international community, there are those in the public who are less than lukewarm to the changes in reinterpretation of Article Nine proposed by Prime Minister Abe. Even among those who are supportive of the government’s decision, there were concerns that Abe’s approach was too hasty. In particular, the government’s original plan on making a Cabinet Decision by the end of the current Diet’s session has attracted criticism because the government appeared unwilling to spend enough time to discuss the issue to gain broader public support.

In the meantime, Prime Minister Abe and his foreign and defense minister has been actively engaged in diplomacy across the globe for much of this spring and early summer. In the Asia-Pacific region, the most epoch-making was Prime Minister Abe’s keynote speech at the Shangri-La Dialogue on May 30 in which he articulated Japan’s enduring support for rule of law, refrain from resorting to coercive measures in settling disagreements, and pursuit for peaceful resolution of any international conflicts. Defense Minister Itsunori Onodera participated in US-Japan-Australia and US-Japan-ROK defense trilateral ministerial meetings on the sidelines of Shangri-La dialogue. Japan-Australia 2-2 plus meeting in Tokyo followed on June 11, 2014. Outside Asia, Prime Minister Abe traveled to Europe in early May to participate in OECD and North Atlantic Council meetings. In particular, Prime Minister Abe discussed Japan-NATO relationship as “natural partners” to work together in global maritime and human security. In particular, his visit to Australia between July 7-8 demonstrated that Japan-Australia relations
has risen to a new level of partnership. Foreign Minister Kishida also visited Cambodia, complementing Prime Minister Abe’s strategic outreach to Southeast Asia.

Now that the Abe administration’s decision on the right to collective self-defense has been made, the Japanese government prepares to submit a package of national security legislations to the Diet to implement the decision. What will truly matter in the process is whether the new interpretation of the right of collective will allow Japan to take on greater burden-sharing, particularly risk-sharing.

<Washington – domestic politics and the developments in Europe and Middle East expose the limits of Asia rebalance>

In the speech delivered at US Military Academy on May 28, 2014, President Barack Obama laid out a set of principles that will guide his administration in determining when US should militarily intervene in the conflicts abroad. President Obama said the United States will not hesitate to use its military force, unilaterally if necessary, if core US national interests are endangered, American lives were threatened, or US allies face threat of military attack. Other times, he declared, Washington will continue to lead, but its military might will not be the primary source of its leadership. In essence, he was suggesting that the United States will resort to selective engagement when it comes to the use of military power.

Whether US can lead when it is less willing to continue to play a role of the world’s policeman has been greatly tested since Russia initially invaded, then, annexed, Crimea by May. The rapid deterioration of the security situation in Iraq will further test President Obama’s proposition that the US can maintain its global leadership even if the mobilization of US military to be involved in international crisis does not take place as often or more limited. President Obama and his advisors’ steadfast rejection of “the boots on the ground” as the US military option in Iraq is telling of US wariness to engage militarily in the Middle East again. However, should the situation in Iraq continues to deteriorate and Iraq risk disintegration as a country, US may not have other option.

In other words, the developments in Europe and more recently in the Middle East will no doubt challenge US capacity to sustain its Asia-Pacific rebalance when there are more lethal armed clashes are occurring elsewhere.

Furthermore, although not widely reported outside the Beltway, the defeat of Eric Cantor, a veteran Republican Congressman who was once said to succeed John Boehner as the Speaker
of the House, in the primary election to a barely known college professor backed by Tea Party demonstrates the limitation that the Obama Administration continues to face for the remainder of its term. Cantor was one of a few senior Republican members in the House of Representatives that are willing to work with the moderates and Democrats on domestic as well as foreign policy issues. But his willingness to compromise cost him the primary. His defeat has been said to set the tone for the rest of the Republican members of the House of Representatives who are facing reelection in the upcoming mid-term election in November 2014, making them much less willing to search for compromised solution on the critical issues for the US government such as the federal budget and immigration reform. This domestic political situation will also likely work to constrain what the Obama administration can do abroad.

In the midst of all these developments, whether Japan adjusts its interpretation of Article Nine may be an interest to only a small number of US government officials. Still, their reaction to what Japan does on this issue will greatly impact the alliance consultation toward the revision of the US-Japan Defense Guidelines. Up to now, the frustration among those who care in Washington as they witnesses the current discussion in Tokyo does not only stems from the fact that it is simply unclear what Japan can legally do differently after the reinterpretation. They are frustrated also because throughout this process, it is unclear how Japan intends to utilize its new interpretation of Article Nine to enhance Japanese defense relations not only with the United States but also with other countries. Such uncertainty, when combined with anguish over Abe’s views on history or an unexpected agreement between Japan and North Korea over the re-investigation of the abductees, can lay a ground for suspicion on Japan’s future directions.

<Republic of Korea – weakening Presidency in Seoul, uncertain Peninsula>

President Park Geun-hye’s political standing at home continues to suffer. She narrowly avoided turning into lame duck after the local election on June 4th. Despite the projection before the voting, the ruling Saenuri party minimized its loss in the June 4th local elections to the mayoral elections for Seoul and a few other races. The analysts in Korea suggest that the election result represents a unity in conservative votes, rather than the actual support for the Park government. In fact, it has been suggested that the Park government will continue to face political challenges at home unless it starts delivering progress in domestic policies such as education, social welfare and economic reform. Without much progress on these issues, it
is likely that the Saenuri Party will be punished at the polls on July 30 when supplemental parliamentary election takes place across South Korea.

Indeed, the Park government continues to stumble after the narrow election victory on June 4th. Since the ferry boat Sewol’s tragic incident, President Park has appointed two people to the position of the prime minister, but both have withdrawn. In particular, Moon Chang-keuk, a former senior journalist at Joong-Ang Ilbo who was appointed by President Park to the position on June 10, came under intense criticism for his past critical comments on Korean attitude toward comfort women and other historical legacy issues being “pro-Japanese”.

In the midst of the problems at home, Park met Chinese president Xi Jinping when he visited South Korea on July 3-4 for a state visit. Xi’s South Korea visit is unprecedented in that no Chinese president has visited South Korea before he visits North Korea. While this is a clear indicator of China’s frustration of North Korea’s provocative behavior, what was discussed during Xi visit can put President Park also illustrated her dilemma. On the one hand, Xi tried to emphasize “the united front” against Japan over history issue, with which Park went along to a certain extent. On the other hand, she had to draw a clear line by refusing to commit to Xi’s proposal on Asian Infrastructure Investment Bank.

<China>

In Chinese diplomacy, there are signs that China’s “Three Warfare” in international propaganda—public opinion, psychological warfare, and legal warfare—may have stopped working. Rather, the developments in the last 12 months or so suggest that China may have played its hands too aggressively, undermining its international standing along the way.

At Shangri-la Dialogue, for example, China was very much isolated from the rest of the participants. While Prime Minister Abe’s speech to propose the respect for the rule of law and international norms to resolve disputes drew enthusiastic response, the rebuttal by the People’s Liberation Army’s (PLA) Deputy Chief of General Staff that, "the speeches of Mr. Abe and Mr. Hagel are a provocative action against China," was considered poor and weak. China also tried to initiate revised version of ‘new security concept in Asia’. In his keynote speech at the Conference on Interaction and Confidence Building Measures in Asia (CICA) a week before Shangri-La, Xi Jinping called for the creation of “a new regional security cooperation architecture.” Xi reiterated that CICA become “a security dialogue and cooperation platform” for all of Asia, with saying that Asian problems should be handled by Asians. He further indicated that China would take a leading role in exploring the creation of a “code of conduct
for regional security and Asian security partnership program.” This concept has also met stiff rebuff, particularly from the US. Even in its relations with South Korea, China is not necessarily successful. Bluntly put, it is a “marriage of convenience” and Beijing knows that it does not see eye-to-eye on so many critical issues, including North Korea. Rather, one can say that anti-Japan sentiment over history and the strong opposition against Japan’s greater security role in the region are the only issues that the two can agree on. And even on those issues, South Korea has to be careful in its expression of opposition, given the potential impact of the appearance of Seoul getting too close to Beijing on South Korea’s relations with the US.

<Southeast Asia>

The biggest event in Southeast Asia during this period is the annual Shangri-La dialogue that took between May 30-June 1. For the first time in the Dialogue’s history, Japanese prime minister was invited to deliver a keynote speech on May 30th. The United States was represented by Secretary of Defense Chuck Hagel. Chinese representation was lower than last year, with Lt. Gen. Wang Guanzhong, vice chief of staff of People’s Liberation Army (PLA).

The dialogue was characterized by the intensifying concerns and criticism of Chinese assertiveness and aggressive use of its paramilitary and military forces to challenge the status quo in East and South China Sea. While Abe’s speech that emphasized the importance of upholding international norms and law in Indo-Pacific region is very positively received, Chinese rebuttal and accusation of Japan and the United States “ganging up on China” was met with deep criticism. Following the conference, there is a general agreement that China is the “loser” in this years’ Dialogue.

The steps to establish rule-based maritime order in the South China Sea has been making little progress. China and ASEAN resumed discussing guidelines on a maritime code of conduct (CoC) in late July in Bali, but both sides faced with more troubling situations in the Sea. Less than two month after the installment of the giant drilling platform off the Parcel Islands, China sent four more oil rigs into the South China Sea with a sign that Beijing is stepping up its exploration for oil and gas in the disputed waters. China apparently rejected a suggestion by the Philippines for a region-wide ban on construction in the South China Sea after Beijing began building facilities on a rugged outpost it created to strengthen its claims to disputed waters.