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## Responding to Future Strategic Shifts in East Asia

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AT THE END of the first quarter of the 21st century, the strategic environment in East Asia will be fluid and unpredictable with new power shifts and changing alignments. It is quite clear that this outcome will come about due to the continued rivalries among key economic powers in East Asia, which have continued unabated in recent years. At the same time, the United States—with its rebalancing policy toward Asia—has not yet created a strategic environment that guarantees the same stability as what was found in the period following World War II. Further complicating the security environment has been the ongoing territorial dispute between China and Japan, which has already become the most destabilizing factor in East Asia.

Throughout the past two decades, these three Asian economic powers—China, Japan, and the United States—were the main driving forces of economic growth and pillars of stability and cooperation in the region. However, China and Japan's overlapping claims to small islands and islets have already caused concern among countries in the region, especially the ASEAN countries, that the decade-old effort to create an East Asian community will remain a work in progress.

With the rise of China and its growing defense capacity, both Japan and South Korea have adjusted their strategies accordingly in response to their giant neighbor. Both remain US allies, but they no longer rely solely on the United States for their security coverage or treat the United States as the main power in East Asia, as had been the case for the past six decades. In the future, it is no longer a given that the US presence in this part of the world will be sustainable or will remain as powerful as it is today. As global power shifts and changes, middle powers such as India, Australia, and ASEAN are

preparing to meet any strategic challenges that might emerge with the rise of China and the US decline.

India's involvement with East Asia is new and remains untested. The country's "Look East" policy introduced in the 1990s was primarily aimed at connecting India's economic interests with the rest of Asia and in particular with ASEAN. But throughout the past two decades of engagement with East Asia, India has yet to design a comprehensive strategy toward the region. Economic openness and continued growth have placed India at the forefront of possible key regional game changers, although India has yet to rise to the challenge.

Unlike India, Australia has acted in line with the grand US strategies in East Asia, thereby increasing the sustainability of the US presence in the region. Burden sharing between the United States and its allies is a new feature that is still evolving. Apart from Japan and South Korea, Australia has been the most active in responding to the US rebalancing. But coordination among Japan, South Korea, and Australia is still lacking, making comprehensive strategic cooperation among US allies in East Asia impossible.

As ASEAN reaches its 50th anniversary in 2017, the countries in the grouping have to increase their commonalities and pool their sovereignty at least to some extent. The failure to forge common positions, despite successfully developing similar programs and policies, has demonstrated the recalcitrance of member countries to support ASEAN policy objectives for fear of interfering with one another's sovereignty. As such, it is critical to preserve the unity of ASEAN at all costs. A divided and weaker ASEAN would enable a bigger power to dominate and exploit the region's differences.

## THE RISE OF CHINA

China's surprising declaration on November 23, 2013, of its Air Defense Identification Zone (ADIZ) over the East China Sea sent shock waves throughout the international community, especially the countries in East Asia. ASEAN was also caught off guard. China, to show its seriousness, sent an air patrol as an expression of its intent. This marked the most assertive posture by China to date under the administration of President Xi Jinping, who came to power in March 2013. The United States, Japan, and South Korea immediately rejected China's move and subsequently dispatched their own aircraft to defy the declared zone, without precipitating any incident. Criticism so far has been focused on China's enforcement regime, which requires that any aircraft entering the zone submit flight plans and be contactable by radio communication. The zone also overlaps with areas

claimed by Japan, South Korea, and Taiwan, including the disputed Diaoyu/Senkaku Islands. Beijing's harsh response to outside criticism also rattled ASEAN more than ever before. ASEAN expressed concern that China could repeat the same action in the South China Sea, where China is currently locked in a longstanding dispute over overlapping claims with Vietnam, the Philippines, Malaysia, and Brunei.

To send a quick message to Beijing over the air security zone, ASEAN promptly allied itself with Japan, expressing support for Japan's proposal for "freedom of overflight" when their leaders met in Tokyo to commemorate the 40th anniversary of ASEAN-Japan relations in mid-December 2013. ASEAN and Japan expressed concern that any abuse of power in international civil aviation could pose a security threat to the region. It was an unprecedented move by both sides to come out with such a joint statement. Initially, ASEAN had not responded to China's declaration of the air security zone, let alone formulated a common position on the sensitive issue. Only Vietnam and the Philippines lodged a protest. However, two weeks after Beijing's announcement, ASEAN agreed to Japan's proposed position after several rounds of consultations. At first, Prime Minister Shinzo Abe tried to garner backing from ASEAN to condemn China's action. But the ASEAN countries preferred a general statement that would be understood as referring to the latest controversy. In Tokyo, ASEAN toned down the rhetoric to avoid jeopardizing its ties with the world's second-largest economic power.

From this vantage point, the joint ASEAN-Japan statement was a precursor to new ASEAN-Japan relations in response to strategic shifts in East Asia. China's growing influence and greater assertiveness, coupled with the diminishing US power in the region despite the rebalancing policy of 2011, will shape ASEAN-Japan relations in the decades to come. The joint statement was clearly prompted by the growing anxieties and uncertainties among the leaders of ASEAN and Japan pertaining to China's defense intentions. A common ASEAN security position is extremely rare, especially when aimed at a third country, even if the name was not specified. The Cambodian conflict (1979–1992) represents one exception to that rule, as ASEAN was fighting against foreign occupation. And in March 1995, ASEAN's foreign ministers issued a joint statement "deploring" China's action in response to the territorial dispute over Mischief Reef in the South China Sea—the only statement that was specifically aimed at China.<sup>1</sup> The 2013 statement was thus particularly remarkable.

For the past few years, ASEAN has been trying unsuccessfully to formulate common positions on global issues related to traditional and nontraditional security, such as climate change, peacekeeping operations,

the proliferation of weapons of mass destruction, and migration. Under normal circumstances, ASEAN is a risk-averse grouping that takes its time to consult and form a consensus over a period of time to ensure that there is no dissension within the ranks. However, the recent rapid shifting of the strategic environment has prompted ASEAN to respond faster, without the luxury of time that it had in the past, especially when the region is confronted with a perceived common threat. In this instance, the willingness of ASEAN and Japan to respond jointly on strategic matters that pose regional and global challenges was unprecedented and could serve as a building block for strengthened security cooperation in the coming decades, especially in maritime security cooperation. Although ASEAN and Japan began their relations in 1973, they were for a long time focused on economic cooperation and human resource development. The effort to promote economic development and bridge the gap between the non-communist parts of ASEAN and former Indochina has been another of Japan's main objectives since the 1970s and has helped ease the integration of the two sides.

ASEAN's alertness to security and strategic matters was partly derived from the rebalancing by the United States of its policies toward Asia, which was announced in November 2011. Before Washington's new security orientation, ASEAN often treated the US security commitment in the region as a given due to its longstanding presence. But China's rise and its fast-growing political clout have pushed American policymakers to outline future strategic engagement with the region in concrete ways. Given the current pressures on the US economy, Washington is seeking to share its security burden with allies and friends in East Asia as never before. Both ASEAN and the US allies in East Asia have to various degrees and with varying speeds made policy adjustments in response to Washington's new posture, reflecting their new perceived security interests and priorities.

The major powers' competition in the sky at the end of 2013 added complexity to the growing tension in East Asia, which until recently had been focused on the rebalancing of forces and maritime security. Given the new security environment, ASEAN has quickly found itself in a dilemma as to what would be the most appropriate response in these circumstances. In past decades, as noted above, ASEAN had the luxury of time in determining when and how to react to a given event, especially on issues impacting the grouping's solidarity and centrality. ASEAN has been used to the time-consuming process of consultation and consensus making, particularly on sensitive security issues. This practice has gradually taken a new turn as the tension intensifies among ASEAN's "Plus Three" partners—China, Japan, and South Korea.

China's rise now comes with more outward-looking policies, which also coincide with its growing assertiveness toward the region. The proposals made by China to ASEAN during the visits by President Xi Jinping and Prime Minister Li Keqiang in October 2013, were cases in point. They showed that China was carefully positioning itself for a long-term engagement with ASEAN. Beijing's comprehensive assistance packages were akin to Japan's practices in the 1970s and 1980s vis-à-vis ASEAN, comprising major funding for various infrastructural and development projects as well as promoting people-to-people contact.

Under Prime Minister Shinzo Abe, Japan has also taken on a new policy orientation, adding security and strategic elements to its overall external schemes with ASEAN. Meanwhile, on the home front, Abe has been working to remove the ban on exercising the right to collective self-defense. In the past two years, ASEAN has had to react to myriad overtures from major powers competing for influence and contesting policies in the region. Therefore, the ASEAN decision to support Japan's position on the ADIZ and freedom of navigation, as well as the proposal on a "Proactive Contribution to Peace," was indicative of the grouping's willingness to cooperate with Japan's future strategic planning amid growing anxieties over China's role in the region.

### JAPAN'S HEDGING STRATEGY WITH ASEAN

It sounds preposterous that Japan and ASEAN would adopt a common hedging strategy to face the new strategic environment dominated by China's rise and the US rebalancing policy. The mutual trust and confidence that have expanded throughout their four decades of relations is unlike that of any other dialogue partners. But given the current regional and global environment, both sides need to take innovative steps to strengthen their relationship, making their interactions more holistic and strategic beyond the current economic-dominated activities.

When Japan suffered the effects of the earthquake, tsunami, and nuclear crisis in 2011, ASEAN was the only regional organization that convened a special foreign ministerial meeting, gathering its officials in Jakarta in April 2011 to underscore the grouping's sympathy and desire to see Japan recover from the effects of the disaster. There was also an extraordinary amount of amount of nongovernmental assistance in the form of in-kind and cash donations from ASEAN countries to Japan and its people. The kind of bond that outpouring represents is useful as a foundation for additional multi-faceted ties. As the region's biggest investor, Japan's economic well-being is

crucial to ASEAN's regional peace and stability, as well as to its economic growth and integration.

ASEAN, for the past half a century, has benefited from the US presence and its provision of a security umbrella for East Asia. With the United States as the predominant power, it has been relatively easy for ASEAN to continue to support US strategy, as there are no other challengers. Japan also sees eye-to-eye with ASEAN on the US role. However, after the global financial crisis in 2008, the center of gravity for the global economy began to shift from the United States and Europe to East Asia, driven in large part by China's economic performance. After becoming a member of the World Trade Organization in 2001, China's growing interdependence with the international trading system has enabled its economy to grow even faster. ASEAN-China trade is expected to reach US\$1 trillion in 2020.<sup>2</sup>

Throughout the first decade of the 21st century, China's rapid economic progress dominated global news headlines. East Asia has benefited from this phenomenon. It was toward the end of the tenure of President Hu Jintao in 2012 that China became more assertive in its defense and diplomatic policies. The new Chinese president, Xi Jinping, has continued the same policy with additional emphasis on neighboring countries. In this respect, China has placed special emphasis on ASEAN members, knowing full well that the grouping holds the key to China's foothold in East Asia.

When China began its "four modernizations" in the late 1970s, ASEAN-China relations went through a trial and error phase under the so-called Five Principles of Peaceful Coexistence. Long before Japan's move toward fusing security and strategic elements in its bilateral relations with ASEAN, China had moved steadily to include security and defense cooperation with ASEAN in the late 1990s in its bilateral relations with individual ASEAN members. But these relations were slow moving and restricted to exchange visits and ad hoc defense cooperation. For example, China initiated a series of special training programs with Thai and Indonesian security personnel. It was only at the end of 2012 that China succeeded in establishing its first multilateral security forces along the Mekong River with Thailand, Myanmar, and Laos. Over time, the proliferation of China-led multilateral security forces in other maritime areas cannot be ruled out.

When ASEAN responded to Japan's request for its support for the freedom of air flight and navigation, ASEAN was aware of China's growing presence in both the continental and maritime zones where its members are situated. In more ways than one, ASEAN is cooperating with Japan in order to hedge against China, with the knowledge that Japan's new security policy was not aimed at returning to its militaristic past but rather at

restoring military balance in the region. ASEAN-Japan mutual confidence on defense matters rests on postwar Japan's pacifism and its adherence to such international norms and values as democracy, human rights, and the rule of law. At this juncture, however, Japan has not featured prominently in promoting these norms.

For the time being, Japan's views and policies are closely associated with the US global strategy. Efforts must now be made to create "uniqueness" in Japan's approach to regional initiatives—especially in terms of non-economic affairs, which were not the focus of Japanese diplomacy until recently—in order to spread international norms and strengthen security and strategic relations. In 1988, Thailand and Japan proposed a joint maritime surveillance exercise to counter the widespread piracy in the Gulf of Thailand, but the proposal was aborted following criticism from ASEAN members. However, in recent years, Japan has been able to begin working with Vietnam, the Philippines, and Indonesia on maritime security cooperation. Japan has already provided patrol boats to the Philippines, and the Philippine President Benigno Aquino III has talked about Japan as his country's "closest Asian ally" due to growing cooperation in maritime security.<sup>3</sup> In the future, it is imperative that Japan cultivate similar relations with other ASEAN members as part of its efforts to link them to the network of maritime security cooperation.

### THE US ALLIANCE AND REBALANCING EFFORTS IN ASIA

Two of the five Asian allies of the United States are among the original ASEAN members—namely, the Philippines and Thailand. During the Cold War, these two countries served as regional hubs for stationing American forces and their fighter planes. After the Second Indochina (Vietnam) War, during a time of growing frustration with the US military and its overall presence, the United States abandoned its posts in both countries. After decades of neglect due to a lack of any perception of common security interests, US relations with its Asian allies—with the exception of Japan and South Korea—plummeted like never before. The weakening of these US alliances has enabled ASEAN countries to develop new relations with other powers, especially China and India. From 1995 to 2005, China adopted a proactive approach and policies toward ASEAN and developed its bilateral tie with the grouping's members such that they became each country's most important bilateral relations. For Japan's part, while it remains responsive to ASEAN's economic and investment needs, overall relations have been



oriented toward the creation and strengthening of an integrated production network in the region.

The terrorist attacks in September 2001 in New York and Washington stirred the United States out of its inertia, and shortly thereafter its leaders and decision makers identified Southeast Asia as the second front for terrorism. The response from Manila was quick, but Bangkok was recalcitrant. Even though it is a non-ally, Singapore assisted with logistics and provided troops as part of the so-called “coalition of the willing” during the second Gulf War. The responses from Thailand, the Philippines, and Singapore were not coordinated and lacked any strategic outlook. They were simply unilateral responses to the US anti-terrorism campaign. However, as US allies, both Thailand and the Philippines did respond by dispatching troops to Iraq as part of the coalition of the willing, subsequently pulling them out during the 2003–2004 campaign. Since then, both allies have been criticized for failing to meet their obligations as treaty signatories.

It was a flare-up in the South China Sea—specifically the dispute over the Scarborough Shoal in 2011—that helped revive the US-Philippine alliance. As a member of a treaty alliance, the United States is obliged to protect the security and national sovereignty of the Philippines. But advocacy by the Philippines for stronger US support has raised eyebrows within ASEAN. It came at a time when ASEAN was trying to improve bilateral ties with China as the grouping wanted to conclude the Code of Conduct in the South China Sea as soon as possible. After the South China Sea dispute was internationalized in July 2010, the US voice on the issue became stronger. In July of the previous year, the United States had signed the 1976 Treaty of Amity and Cooperation in Southeast Asia (TAC), and that in turn allowed Washington to feel at ease chiming in on regional issues that had previously been taboo.

In fact, although Japan acceded to the treaty in 2004, to date it has failed to utilize the regional code of conduct enshrined in the treaty. The treaty can provide a platform for Japan to engage with ASEAN in establishing a regionwide code of conduct, which is now in progress. But Japan has relied too heavily on the US-Japan alliance. Other signatories, like the United States, China, and Russia have all benefited from the treaty. Last year, China, Russia, and Indonesia put forward their visions for an emerging regional security architecture, and all of their proposals contain key elements from the TAC. Indeed, these fit very well with the Abe administration’s advocacy of liberal norms and values.



## RECOMMENDATIONS

ASEAN-Japan friendship has reached a juncture at which all parties require high-level mutual political trust. Both sides share the same norms and value systems on governance, human rights, and democracy. These commonalities need to be strengthened as they could serve as a solid foundation for further cooperation in East Asia. These values could be broadened over time with the full integration of the ASEAN community.

First, there must be increased consultations between ASEAN and Japan at all levels. At the moment, there are a total of 40 working groups and committees covering the whole gamut of ASEAN-Japan relations, and this is far from sufficient. In contrast, ASEAN and China have established a more comprehensive engagement with nearly 50 working groups and committees.

A total of 28 working groups and committees are focused on economic, trade and investment, customs, transport, and information and communication technology issues. The rest focus on cooperation in foreign affairs, the environment, social welfare, and connectivity. In all the areas of ASEAN-Japan cooperation, there are only 19 bodies above the working-group level. Apart from the annual leaders' meeting, ASEAN and Japan have only the ASEAN Post Ministerial Conference (ASEAN PMC+1) as a venue to discuss political and regional security issues. At the senior official level, the ASEAN-Japan Forum is the key platform, along with the ASEAN-Japan Joint Cooperation Committee, that is attended by the Committee of Permanent Representatives from ASEAN. It is thus highly recommended that the ASEAN PMC be expanded to include political and security matters. At the ASEAN Summit in Brunei in October 2013, ASEAN leaders agreed to organize an ASEAN Defense Ministerial Meeting working group with Japan. This forum must be upgraded to the ministerial level, similar to the level enjoyed by the United States and China.

The PMC+1 is a good forum for discussing political and regional issues, which may include traditional and nontraditional security issues. Most of the dialogue partners have not paid much attention to the PMC process due to the existence of the summit-level meeting and the proliferation of bilateral meetings. Given the additional non-economic dimension of ASEAN-Japan relations, however, the PMC process would be the preferred platform for taking up these matters and other "emergencies" that may arise.

Under the PMC framework, ASEAN can invite defense and security officials to attend and exchange views. In fact, ASEAN and Japan collaborated excellently during the Cambodian conflict in restoring peace and order in the war-torn country during the peace process from 1991 to 1993—Japan's

first major undertaking in the regional security arena. The cooperation was a complex coordinating process involving policing and peacekeeping operations. That kind of close collaboration must be restored and be further developed. If the comfort level increases, both sides can decide to either upgrade the ADMM working group meeting or invite a senior defense official to attend the PMC+1.

If time permits, ASEAN and Japan could also use the PMC process to prepare common positions on issues that will be raised in the East Asia Summit (EAS). At the moment, discussions on EAS preparations are limited. Enhanced consultations between ASEAN and Japan would allow both sides to get acquainted with the other's views and positions. This could then allow ASEAN and Japan to garner further support from other EAS members on their common views and positions ahead of time.

Second, as a maritime state, Japan is well positioned to assist ASEAN in capacity-building programs related to maritime security, such as search and rescue operations, humanitarian relief operations, and surveillance. There is also an emerging need for Japan to assist ASEAN in anti-submarine technology as submarine fleets in the region keep growing. Japan, which excels in sensor technology and has excellent sonar equipment, can provide training in this sophisticated area.

In addition, Japan needs to extend its polar tradition to ASEAN members, facilitating the grouping's engagement in Arctic-related cooperation. Since Singapore was admitted to the Arctic Council in 2013 as a permanent observer, along with China, Japan, and South Korea, it is imperative that other ASEAN members also turn their attention to the Arctic as well. ASEAN and Japan share a common concern for global climate change as well as energy, shipping, and resource management, and these are all interests that converge in the Arctic. In addition, ASEAN and Japan can play a role in promoting global security and strengthening global governance in the North Pole.

Third, ASEAN and Japan must strengthen the role of civil society groups in promoting security and stability in the region. Nontraditional security, especially disaster relief and climate change, should be top priorities. The responses to natural and man-made disasters in ASEAN countries and Japan have demonstrated the growing capacity of their civil society sectors to handle the changing nature of security threats in the age of globalization. Their cross-border networks and community support structures can reach those whom government agencies cannot. Among the "Plus Three" countries, Japan has carved out a niche for assisting nongovernmental organizations (NGOs) in ASEAN and more broadly throughout the region, even though Japanese NGOs are not as well entrenched in the region as are

many of their Western counterparts are. The Japanese government needs to provide strong support to its country's NGOs so that they can be more active in select areas, such as the ongoing humanitarian efforts along the Thailand-Myanmar border.

ASEAN-based NGOs and civil society groups depend too much on financial assistance from the West. More generous grants from Japan to local and ASEAN-based groups working on disaster relief and healthcare should be encouraged. This would require a new mindset, as Japan has placed a majority of its funding in official hands, especially support for activities perceived as dealing with security affairs. However, in the past several years, Japan's official aid has been channeled toward peacebuilding and conflict prevention efforts in various parts of Southeast Asia, such as initiatives in Mindanao in the Philippines and Aceh in Indonesia, and most recently toward assisting the peace process and national reconciliation in Myanmar.

And finally, ASEAN-Japan media cooperation must be intensified and elevated. When anti-Japanese sentiment reached its peak in 1970–1977, Japan paid full attention to media relations and public perceptions around the region. Currently, due to growing interconnectivity among different geographical locations and issues, it is important for the Japanese and ASEAN media to form closer links and establish more cooperation among their colleagues. Apart from the three-decade-old institutional links between the Nihon Shinbun Kyokai (Japan Newspaper Publishers and Editors Association) and media organizations in individual ASEAN countries, there are no other outlets. This one-way transaction, involving ASEAN journalists visiting Japan, is no longer sufficient given the more comprehensive nature of ASEAN-Japan relations and globalized media networks and news intercourse. Two-way engagement between ASEAN and Japanese media is preferable and must be treated with urgency. Special arrangements between Japanese and ASEAN newspapers should be encouraged both in terms of creating organizational linkages and providing professional experience. Japan at present enjoys a high level of popularity and a positive image within ASEAN due to the economic progress and prosperity generated by Japan's foreign investment and carefully crafted development assistance programs. However, as Japan's domestic and foreign policy dynamic has been changing, media understanding in ASEAN of the Shinzo Abe administration's new orientation and posture, especially in the security and strategic areas, is still very narrow and shallow.

At this juncture, better public awareness and understanding of Japan's international role must be discerned. Japan has often been portrayed by the regional press as an auxiliary of the broader US strategic blueprint since the end of World War II. Japan's primary function is perceived only as assisting

the United States in its security role in Asia. Additional efforts are required to increase understanding of Japan's regional and international commitments to promote peace and stability in this part of the world. The first ASEAN-Japan journalist conference was held in January 2014 to promote awareness and exchange views on pertinent issues affecting ASEAN-Japan relations. Such a forum allows leading opinion makers in the region to get to know their Japanese counterparts and should thus be continued.

Again, this is a new area, and the two sides should initiate a forum to discuss global and regional security issues on a regular basis. Consultations should be held separately and back-to-back with ASEAN meetings, whether in April or November, when ASEAN summits are scheduled. Engaging the media in such high-level consultations would promote broader understanding of new security issues such as the ADIZ or Japan's collective security concept.

#### NOTES

1. See, for example, Ko Swan Sik, M. C. W. Pinto, and J. J. G. Syatauw, ed., *Asian Yearbook of International Law*, vol. 5 (The Hague: Kluwer Law International, 1997), 496.
2. Permanent Mission to the Republic of Singapore, "ASEAN, China Reaffirm Commitment to Strategic Partnership," Latest News in ASEAN, [http://www.mfa.gov.sg/content/mfa/overseasmission/asean/latest\\_news\\_in\\_asean/2015/201506/Latest\\_News\\_In\\_ASEAN\\_2015-06-08.html](http://www.mfa.gov.sg/content/mfa/overseasmission/asean/latest_news_in_asean/2015/201506/Latest_News_In_ASEAN_2015-06-08.html).
3. See Government of the Philippines, "Philippines Wants Stronger Defense Tie Up with Japan, Says President Aquino" (press release), June 24, 2014, <http://www.pcoo.gov.ph/japanvisit2014/news.htm>.