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The Council for Security Cooperation in the Asia Pacific (CSCAP) is the region's leading Track Two (non-official) organisation for promoting cooperation and dialogue on regional security issues. CSCAP was established in 1993 and now has 20 national Member Committees and one Observer.

Front cover image

Vietnam protested China's deployment of an oil rig in disputed waters in the South China Sea in May 2014 resulting in confrontations between vessels of the two countries. Credit: Vietnam Coast Guard.

Back cover image

View of the Mekong River looking toward Thailand, from Vientiane, Laos. Photo credit: Jan Huisken.

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LETTER FROM THE CO-EDITORS

On behalf of the Council for Security Cooperation in the Asia Pacific (CSCAP), we are pleased to present the CSCAP Regional Security Outlook 2015 (CRSO 2015). Inaugurated in 2007, this is the eighth annual CRSO volume.

The CRSO brings expert analysis to bear on critical security issues facing the region and point to policy-relevant alternatives for Track One (official) and Track Two (non-official) to advance multilateral regional security cooperation.

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The security outlook in Asia and the Pacific — growing turbulence or a gathering storm?

Ron Huisken

Confidence in the capacity of the Asia Pacific region to preserve a flexible but fundamentally robust order weakened noticeably over the past year. Last year, this publication concluded that the outlook for regional security was one of ‘qualified pessimism’ and that, collectively, the region was not winning the struggle to preserve confident expectations of peaceful change amid a transformation of the region’s strategic parameters. Despite being clearly anticipated and exhaustively studied for some twenty-five years, the management of the Asia Pacific’s strategic transformation is currently headed toward outcomes at the worst case end of the spectrum.

A security order is a complex tapestry of norms, laws, conventions, deterrents, opportunities, mechanisms for conflict avoidance and resolution and so on. A growing number of reputable observers are concluding that this tapestry has been unravelling for some years and that the rate of deterioration may be accelerating. Serious observers have even warned of a new Cold War, or argued that 2014 was beginning to look like an ominous echo of 1914. While these contentions have, on the whole, been disputed as analytically unsound and unduly alarmist, the President of the United States has signalled graphically that serious concern is no longer misplaced. Addressing the UN Security Council in September 2014, President Obama spoke of a ‘pervasive sense of unease’ across the globe and of a world ‘at a crossroads between war and peace; between disorder and integration; between fear and hope’.

Obama’s perspective was global in scope. It included but was not confined to the Asia Pacific, which is the particular concern of this assessment. In our region we have witnessed perceptions taking shape and judgements being made that the strategic aspirations of others could not be reconciled with ‘our’ vital interests. The policy settings that have flowed from these perceptions and judgements have placed the foundations of the prevailing order under severe strain. It is not just the instances of provocation and brinkmanship, particularly on and over the high seas, that are of concern. It is also the mounting evidence that, within some key relationships, political,

Military expenditure trends 1990-2011						
US\$billion 2010 prices and exchange rates*						
	US	China	Japan	India	ROK	ASEAN
1990	512.4	18.7	49.8	22.0	13.4	14.0
1991	450.1	19.8	50.5	20.6	14.4	14.7
1992	475.2	24.0	51.8	19.7	15.0	15.9
1993	450.1	22.1	52.7	22.3	15.0	16.9
1994	424.9	21.2	52.7	22.3	15.7	17.8
1995	400.0	21.7	53.2	23.2	16.6	19.5
1996	378.3	23.9	54.3	23.7	17.9	20.4
1997	376.4	24.3	54.3	21.7	18.5	20.4
1998	367.7	27.9	54.3	21.9	17.9	19.1
1999	367.8	31.4	54.3	24.5	17.3	19.1
2000	382.0	34.6	54.7	25.4	18.5	19.1
2001	385.0	40.8	55.2	26.6	18.9	19.9
2002	432.4	47.8	55.9	26.6	19.5	20.9
2003	492.2	52.0	56.0	27.2	20.1	23.1
2004	536.4	57.5	55.5	31.6	21.1	22.7
2005	562.0	64.7	55.3	33.7	22.8	23.1
2006	570.8	76.1	54.6	33.9	23.6	23.6
2007	585.7	87.7	53.9	34.3	24.7	26.9
2008	629.1	96.7	53.1	39.0	26.3	27.5
2009	629.6	116.7	54.3	45.9	27.7	28.8
2010	698.2	121.1	54.5	46.1	27.5	29.2
2011	689.6	129.3	54.5	44.3	28.3	30.6

Source: Adapted from SIPRI yearbooks; US Arms Control and Disarmament Agency, World Military Expenditure and Arms Transfers; IISS Military Balance.

* More confidence attaches to trends and relative magnitudes than to absolute values.

military and even public mindsets are slipping into antagonistic settings and that meaningful dialogue and communication has withered correspondingly.

East Asia today could be characterised as anticipating and trying to prepare for a prolonged phase of contestation. The core axis is that between the two mega-states, US and China, although the China-

Japan relationship is also critical and has experienced the sharpest deterioration in recent times. Hopes that China's re-emergence as an energetic great power would be paralleled by a partly natural, partly orchestrated gravitation toward a new and resilient geo-political order have faded in favour of a search for new and stronger alignments as states seek to insulate themselves from intensifying geo-political turbulence.

Possible strategies for corrective action depend rather crucially on an accurate diagnosis of what has been going wrong. Unfortunately, that sort of wisdom typically comes in hindsight when a measure of historical perspective provides more reliable information and when it is easier to distinguish the important from the trivial.

In respect of the US and China, hindsight might suggest that where we find ourselves today is largely the result of the United States, a mature and accomplished superpower, undergoing a period of such spectacular turbulence that it lost its poise and judgement and presented a confusing picture for third parties seeking to forecast America's trajectory as a key building block for their own policy-making processes. This diagnosis might also acknowledge that the more emphatic American pivot to Asia was probably not Barack Obama in 2011 but George Bush in 2001. The Bush administration was broadly informed by the neo-conservative view that the US should embrace unipolarity, impose it as the core of the international system because it was better than any balance of power arrangement, and commit to preserving it indefinitely. It reversed the priority order that had guided US policy for decades (from Europe/Middle East/Asia to Asia/Middle East/Europe); conceived of the East Asia Littoral

(a vast space extending from South of Japan, through Australia and out into the Bay of Bengal) as a new geographic strategic focus; resolved to gradually reverse the Cold War 60:40 split in favour of the Atlantic over the Pacific for key military assets (strategic ballistic missile submarines, nuclear submarines, aircraft carriers); and signalled that it would seek far-reaching supportive changes in the nature of its alliance relationships with Japan and the South Korea, especially to minimise the static deployment of US forces in and around these states.

Although 9/11 erased a critical dimension of this pivot—closer political attention to East Asian affairs—much of the rest of it played out behind the scenes of the war on terror. Later, the Bush administration embraced the challenge of etching a position for India in the global hierarchy that discounted the facts that it had not been eligible for a permanent seat on the UN Security Council in 1945, remained determinedly non-aligned during the Cold War, remained outside the nuclear non-proliferation regime even though it resisted acquiring a nuclear arsenal until 1998 and, until about a decade ago, had an economic record best described as unremarkable.

Beijing almost certainly saw this American posture as a pre-emptive signal to China not to consider contesting US primacy, especially as it came on top of US 'assertiveness' on Taiwan in 1996, and in 1999 when Washington by-passed Chinese and Russian vetoes in the UN Security Council to bomb Belgrade over ethnic cleansing in Kosovo, and inadvertently struck the Chinese embassy in the process. Whatever Beijing initially made of this strategic shift in Washington and its possible implications for the

'window of strategic opportunity' that figured so prominently in its strategic assessments since the days of Deng Xiao Ping, subsequent events transformed the landscape utterly for both capitals.

“...the endeavours in Washington and Beijing to gauge the political mood and strategic intent of the other have yielded more surprise, disappointment and growing mistrust than reassurance.”

Timing can often be as important as substance in these matters. By the turn of the century, Beijing had high confidence in the reliability of its economic revival, was already enjoying the surge in respect and influence associated with becoming, in fact and prospectively, everyone's prime economic partner. Moreover, despite an energetic military build-up, Beijing had substantially reassured the region with its insistent message that economic development and avoidance of the stresses that the rise of Germany and Japan had in the past placed on the fabric of international order was an absolute priority. Beijing then witnessed the impact the devastating trilogy of 9/11, regime change in Iraq and the global financial crisis had on America's credentials for unipolarity. An America that, for the first time, declared itself to be, and acted overtly as, the world's pre-eminent state proved to be an exceedingly costly change in persona. The all but universal coalition that had gathered spontaneously around Washington in the aftermath of 9/11 was shaken and then

squandered by the scale of the political, military and intelligence misjudgements that played out over the question of Iraq. By the time the Global Financial Crisis struck as the Bush Administration was about to leave office in 2008, America's standing in the world was lower than it had ever been, especially in those crucial subjective dimensions of respect, admiration, confidence and trust.

Did China's leadership persuade itself that this was not simply a setback but more of a historic strategic reversal heralding the early end of unipolarity and suggesting that the nature of the future regional and global order was far more open than it had previously imagined? It would hardly be surprising if it did so, and the evidence of a markedly more assertive international posture since 2009/10 suggests that this was indeed the case.

The challenges confronting the Obama administration were monumental: restore international confidence in America's purpose and resolve; address the American public's war-weariness; engineer an economic recovery while dealing with staggering fiscal and budgetary imbalances. The Obama administration pointedly stepped away from the neo-conservative prescription of perpetuating unipolarity, remained committed to the earliest practicable termination of its large military commitments in Iraq and Afghanistan, and has been steadfast in dealing with crises by leading from within coalitions of the willing rather than resolving to intervene unilaterally and then welcoming coalition partners. These policy strands, although they delivered crucial gains, also inescapably raised questions in many states about what it all said about America's capacity and resolve to play its traditional role. Such doubts

were, of course, fuelled by the strengthening realisation that America could never regain its former pre-eminence, especially in terms of relative economic power. In short, there was not much here to lead strategists in Beijing to fundamentally reconsider their assessment. As China responded to this reading of history—an America that had revealed (or, for many in China, confirmed) its determination to manage and contain China's aspirations but which, less than a decade later, appeared to have sharply diminished capacities to achieve that outcome—it confirmed for Washington that China's aspirations and the means it was prepared to use to advance them were incompatible with core US interests. In contrast to the Bush administration's strategic signal to China in 2001, the Obama administration's pivot (or 're-balance') toward Asia in 2011 stemmed from Washington's assessment that China (in the sense of opportunity) as well as America's allies and friends (in the sense of concern about US staying power) were over-interpreting the events of the previous decade. The re-balance was an urgent reminder that America remained fully committed to protecting and meeting its vital interests, obligations and responsibilities in Asia, but it did not aspire to project a new grand strategy or endorse the one advanced by the Bush Administration.

It can therefore plausibly be argued that, over and above increasingly interactive military programs, frictions on and over the high seas, and a largely invisible but relentless contest in the cyber arena, the endeavours in Washington and Beijing to gauge the political mood and strategic intent of the other have yielded more surprise, disappointment and growing mistrust than reassurance.

Fortunately, our present circumstances are not as stark as this cryptic diagnosis of how we got to where we are might seem to suggest. The driving policy imperative is not yet the avoidance of war. Rather, it is staving off acceptance of predominantly adversarial strategic relationships. Most particularly the US, though relatively diminished, remains the most formidable state in the world and is gradually regaining its internal poise and coherence. America retains a portfolio of hard and soft assets that is uniquely comprehensive and it remains the partner of choice, not least for most states in the wider Asian region. China, similarly, has not lost perspective. It has too much invested in its spectacular success to date to be attracted to impatient, high-risk ventures. In addition, if more tentatively, Beijing's sense of responsibility for outcomes in the Asia Pacific is growing. Twenty-five years ago, if the region was deemed to be not working well, it made sense to look primarily to Washington, Tokyo and perhaps Moscow for explanations. Beijing was still essentially a consumer of the economic, political and security climate created by others. This is no longer the case. If the region is not functioning well, essential parts of the explanation are as likely to be found in Beijing as anywhere else.

The net result, however, remains worrisome. If it has come more clearly into view that China's prevailing vision for East Asia cannot be achieved if the US presence in the region retains its current depth and breadth, it is equally clear that the United States will not accept being driven away and is resolved to meet the evident preference in Asia to see it continue to play a decisive role.

Asia appears to be pivoting away from hope, that a massive

geopolitical re-ordering could be managed peacefully, to resignation, that it will, in fact, involve an indefinite and dangerous phase of great power competition to shape the character of the region and how it works as a community of interdependent states. It is widely appreciated that this could be a difficult and risky contest, possibly demanding more sustained political and diplomatic skill than can reasonably be expected. It could equally be observed that most of the players seem currently to be confident that they can stay well away from the threshold of declared enmity and military conflict. This confidence may be misplaced, or it may develop into a fateful complacency.

It would be prudent for the region's political leaders to consciously take steps to ensure that events stay on the safe side of this equation and that key relationships do not settle into an adversarial rut. Instead of simply bracing for an indefinite trial of strength led by the US and China, leaders could press for evolutionary geo-political change that emerged as a natural consequence of positive strategic developments within the region. This would put the focus back on such things as finding ways to put the Korean peninsula on a positive trajectory, and on pressing the leaders of China and Japan to commit to following the example set by France and Germany sixty-five years ago.

A stronger investment in the available multilateral processes is likely to be a crucial element in this endeavour. Our region urgently needs to make summitry a more frequent routine focussed on dislodging the present dynamic and finding a new path. Multilateral processes are not magic wands but they do have several characteristics of particular value. First is the fact of the

meetings themselves. Leaders meetings, in particular, are high-profile events with inescapable exposure to the international media. The cluster of summits in November 2014—APEC, EAS and the G20—clearly put pressure on states to be seen as reasonable and constructive. A number of hopeful developments ensued—notably those involving the US, China and Japan and Xi Jinping's pointedly reassuring address to the Australian Parliament—that may, individually or collectively, develop into promising changes in attitude and approach. Second, they provide a direct and efficient means for any leader to validate or critique the guidance and assessments offered by their bureaucracies on how policy settings are being evaluated by regional states. Third, a multilateral setting helpfully blurs the often crucial question of who goes first in opening or re-opening a dialogue.

The managers of these multilateral processes have the responsibility to ensure that their modalities are conducive to constructive outcomes. In this regard, a recent CSCAP Working Group unanimously recommended changes to the modalities of the

“Instead of simply bracing for an indefinite trial of strength led by the US and China, leaders could press for evolutionary geo-political change that emerged as a natural consequence of positive strategic developments within the region.”

East Asia Summit to help boost its authority, responsibility and accountability.¹ The group prefaced its recommendations with the observation that, given the intensifying challenge to order and stability in the region, the managers of the existing multilateral forums needed to approach the aspiration to give them greater weight and gravitas with more determination and a greater sense of urgency. The recommendations focused on deepening the institutionalisation of the East Asia Summit (EAS): define a more collegiate process to set the agenda; consider joint chairmanship with non-ASEAN members; more clearly define roles and competencies and improve connectivity and coordination between the EAS and related fora like the ASEAN Regional Forum and the ASEAN Defence Ministers Meeting-Plus; establish a dedicated EAS secretariat; and consider extending the duration of the EAS .

The papers assembled in this volume validate the thrust of these observations, but also probe and develop the major themes in revealing and insightful ways. We are confident the reader will find them informative and stimulating, but we also hope that they will contribute to the larger objective of diverting our region from its present trajectory.

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ENDNOTES

- 1 Council for Security Cooperation in the Asia Pacific, Towards an Effective Regional Security Architecture for the Asia Pacific, CSCAP Memorandum No.26, June 2014 [available at www.cscap.org].

America: uneasy engagement

Patrick M. Cronin & Alexander Sullivan

The security environment in the Asia Pacific remains in flux. Some of the negative developments of the past year should leave the United States both more vigilant and determined to continue its regional policies which strengthen America's comprehensive engagement with the region.

To reprise recent developments we need to begin with the volatile final quarter of 2013. Events in Asia were giving decidedly mixed signals as to the state of regional security. On the one hand, US Vice President Joe Biden completed a largely successful December 2013 trip to Japan, China and South Korea. China's President Xi Jinping announced a raft of long-overdue reforms during the Third Plenum and also hosted a conference on 'peripheral diplomacy' to focus on improving relations with China's neighbours. On the other hand, Asian countries were dismayed by events such as China's perfunctory announcement of its East China Sea Air Defence Identification Zone (ADIZ), which overlapped pointedly with those of South Korea and Japan, as well as a brutal purge by the young ruler of the Democratic People's Republic of Korea (DPRK).

Fast-forwarding one year to the waning days of 2014, how are we to assess the present peace and stability of the world's most dynamic region? While there is much to be hopeful about, over the past year the security environment has deteriorated markedly. A more



RIMPAC 2014: Ships and submarines from 15 of 22 participating nations, including China for the first time, steam in formation. Credit: US Navy.

robust US leadership role—the demand for which drove much of the original pivot policy—has faced headwinds, from fractious politics at home to consuming crises elsewhere in Washington's global portfolio of responsibilities.

The signal development of the past year has been that a pattern of rising Chinese assertiveness. Some see in China's maritime behaviour, at least in the South China Sea, continuity between recent assertiveness and its aggressive actions in 1974, 1988 and 1995 in the Paracels, Johnson Reef and Mischief Reef, respectively. In all those armed incidents, as today, China appears to be looking for opportunities to expand its regional influence. The primary difference is that today,

China's long-term investments in coast guard capabilities and military modernisation, as well as commercial maritime assets, have given it far more capacity to wield influence in its near seas. China's navy has come a long way since Admiral Liu Huaqing put forward a 'green water' strategy to control the maritime space within the first island chain.

At a minimum, China's recent activity in maritime Asia represents a continuation of a trend discernible since at least 2009 in the aftermath of Beijing's triumphal Olympics and the global financial crisis. The year 2009 was also the point at which China submitted its expansive nine (now ten) dashed line claim in the South China Sea as part of its official

submission to the United Nations Commission on the Limits of the Continental Shelf. This past year has seen that activity become more pronounced and directed at new targets. China's use of diverse levers of state power to implement a strategy of tailored coercion, or 'salami-slicing' tactics, against those it perceives to be impeding its interests has been well documented.

While actions in 2012 and 2013 had already drawn the region's attention, in the last year China under Xi Jinping—newly empowered with consolidated, centralized institutions for coordinating foreign and security policy—has been even more forward-leaning and assertive in pressing its various claims in Asia. Previous gambits at Scarborough Shoal and around the Senkaku Islands were preceded by at least a pretext of initial offense by the Philippines and Japan, to which China responded with overwhelming paramilitary, diplomatic and economic pressure—so-called 'reactive assertiveness'.

Recent Chinese assertiveness has instead been more self-initiated. The ADIZ declaration in November 2013 had no clear antecedent, but rather represented Beijing's desire to extend its dispute with Japan to the air. In January 2014, Hainan province issued fishing rules claiming regulatory authority over more than eighty per cent of the South China Sea, and has backed those up through patrols and harassment of non-Chinese fishermen.

In May 2014, China dispatched a brand-new deep water oil rig to explore for energy resources in disputed waters offshore Vietnam, and set up an eighty-plus-ship cordon—including, reportedly, People's Liberation Army Navy

(PLAN) vessels—around the oil rig, members of which allegedly rammed Vietnamese vessels. The oil rig was withdrawn in early July, but by September Beijing had dispatched a separate drilling platform to the East China Sea, and the South China Sea is sure to see return visits by Chinese rigs.

“China's use of diverse levers of state power to implement a strategy of tailored coercion, or salami-slicing tactics, against those it perceives to be impeding its interests has been well documented.”

More recently, land reclamation at disputed South China Sea formations such as Johnson South Reef is intended to bolster China's claims to the contiguous waters, perhaps in view of the Philippines' arbitration case pending before the International Tribunal on the Law of the Sea. But the land reclamation activities also have a clear military purpose: in September 2014, the chief of the PLAN, Admiral Wu Shengli, conducted a week-long inspection tour of several of the projects. Should the land reclamation activities advance to include runways, they could support attempts to declare and enforce a South China Sea ADIZ in air space regarded by the United States as the global commons. In addition to doubling down on ongoing disputes in maritime Asia, China has undertaken activities that have raised the hackles if not drawn the ire of countries for whom these

have not been high-profile issues, including India, Indonesia and Malaysia.

All of this growth in Chinese assertiveness is taking place against the background of Beijing's rapid accumulation of economic might and military capabilities. Especially destabilising is China's pursuit of cyber weapons and conduct of cyber espionage. The United States has sharply criticised alleged theft of US private intellectual property by groups linked to the Chinese security apparatus. The US Justice Department's indictment of five Chinese military officials in May 2014 prompted China to suspend the bilateral working group on cyber issues.

Still, neither the near seas nor cyberspace is likely even Asia's most dangerous flashpoint. The past year has seen disturbing indications of instability in North Korea. The jejune Kim Jong-un executed his regent-uncle Jang Sung-taek in a bloody purge in December 2013, severing a critical link to his patrons in Beijing. Reports of more official executions during Kim's six-week absence from public view in late 2014 may indicate elite-level disarray within the DPRK. North Korea has conducted various provocations including exchanging fire with South Korean forces, and another nuclear test is a matter of when not it. The likely fruition of North Korea's long-sought nuclear-tipped ballistic missile capability in the near future, combined with a volatile peace across the DMZ and the uncertain role of China mean that deterrence could fail and escalation could happen. At this stage, the Korean Peninsula remains the only plausible tinderbox that could set off a dreaded major power war in the Asia-Pacific.

Effective responses to these destabilising trends from regional groupings or institutions have been few and far between in the past year. Tokyo and Seoul have seen a dramatic worsening of the bilateral relationship under two leaders, Shinzo Abe and Park Geun-hye, who have years remaining in their terms and seem politically unable to pursue coordination on shared concerns. China-Japan relations are at a historic low in the post-Mao period. The Association of Southeast Asian Nations, meanwhile, has not found a voice to stand up to China on its destabilising actions in the South China Sea.

All these trends, coupled with the need to seize the great economic promise of the Asian century, lend greater urgency to the United States' policy of strategic rebalancing to the Indo-Pacific, and indeed it remains committed to the shift. But internal and external dynamics have made sustained focus and splashy deliverables hard to come by for Washington. Political dysfunction over the last several years has made the United States government look weak and haphazard, lessening its standing worldwide including in Asia. Partisan infighting resulting in a September 2013 government shutdown forced the cancellation of President Barack Obama's 2014 trip to Asia for the Asia-Pacific Economic Cooperation and East Asia Summit meetings. Gridlock among lawmakers and special interests has also frustrated efforts to conclude a framework agreement for the Trans-Pacific Partnership and to provide relief from sequestration, which severely constricts the Pentagon's attempts to effectively manage short- and long-term defence priorities.

Moreover, the United States' strategic focus has been drawn to new (or perhaps old) hotspots

unforeseen a year ago, chiefly Russia's resurgent belligerency in Ukraine and the rise of the so-called Islamic State. The Obama administration has had to respond to all these crises while still managing Russia, China, major Middle Eastern partners and potential domestic spoilers to conclude a successful deal on Iran's nuclear program. These myriad challenges have distracted from long-term efforts in, at least for now, a less crisis-prone Asia.

Nevertheless, despite myriad challenges, US rebalancing efforts are quietly proceeding, and prospects are looking up. President Obama will have visited the region twice in 2014 in addition to frequent visits by cabinet officials and senior military commanders. In the past year, the United States has made significant breakthroughs with a number of allies and partners in the region, including China. China participated in the 2014 Rim of the Pacific exercises for the first time, and US military leaders regularly tout their frequent interaction with PLA counterparts. With Japan, the United States has reached a critical milestone on sustainable basing of US forces in Okinawa and is reviewing the bilateral defence cooperation guidelines, with Japan's new limited exercise of collective self-defence promising enhanced alliance coordination.

“...despite myriad challenges, US rebalancing efforts are quietly proceeding, and prospects are looking up.”

With South Korea, the United States is continuing the tight joint command and bolstering alliance capabilities while seeking conditions for future reversion of wartime operational control. Australia and the United States are doing more together on amphibious and other capabilities, while Australia is developing a new strategic relationship with Japan. President Obama signed an Enhanced Defence Cooperation Agreement with the Philippines that opens the door to rotational US presence there. US security cooperation with various Southeast Asian partners is making slow but steady progress—exemplified by the partial lifting of a ban on certain lethal maritime weapons sales to Vietnam in October 2014—and efforts at multilateral information-sharing through ASEAN have met with regional support. Key, too, is improved U.S. force posture infrastructure across Asia, including at Guam, which will open up new vistas for U.S. joint training with various partners.

Meanwhile, electoral victories by the Republican Party in the November 2014 midterms may bolster support for TPP or provide some relief from sequestration. Even without raising the top-line budget, the Defense Department believes it is on track to hit promised force structure allocations to Asia, and will be rolling out its best new capabilities, some of them shared with allies and partners, in the region in the next five years.

Finally, in 2014 the United States continued to improve upon a strong element of engagement with China, without which no US Asia policy can be successful. Despite elements of competition at the strategic level or on issues like cyber, the institutional US-China relationship, manifested in

high-level dialogues and practical cooperation, has never been stronger than under the Obama Administration. Presidents Xi and Obama's second informal 'shirtsleeves' summit in November 2014 will be the second in as many years, and the conversations are likely to include both exchanges of concerns as well as plans for cooperation on a range of global issues.

The end of 2014 is the prelude to 2015, which marks the 70th anniversary since the end of the Second World War and the 50th anniversary of Japan-Korea normalisation. One would have hoped for less volatility in the regional security environment heading into a year with such historic overtones, but US and

other policymakers will have to contend with the world as they find it. As stated at the outset of this review, the region will demand vigilant engagement across economic, political and military realms of policy.

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China's President Xi Jinping and US President Barack Obama meet at APEC, Beijing, November 2014. Credit: The Epoch Times.

The Sino-American security dilemma in Asia: a Chinese perspective

Lanxin Xiang

The US pivot to Asia appears to have triggered a Sino-American security dilemma. With US support for Japan and some Southeast Asian countries in their territorial disputes with China, Sino-US relations has deteriorated markedly. In 2013-14 the Obama Administration was walking a tightrope with its much publicised Asian ‘Pivot’. Although formally launched in November 2011, the idea of America’s military and diplomatic ‘pivot,’ or ‘rebalance’ toward Asia was set out most comprehensively in a 2013 essay in *Foreign Policy* by then Secretary of State Hillary Clinton.¹ The ‘pivot’ strategy, according to Clinton, comprised six courses of action: strengthening bilateral security alliances; deepening America’s relationships with rising powers, including China; engaging with regional multilateral institutions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights.

It is commonly held in Washington that, if the United States is fully committed to Asia, then Washington and Beijing will be able to create long-term cooperative strategies that accommodate each other’s interests. Doing this would significantly reduce miscalculation and the likelihood of conflict. Beijing may not like the pivot, but the US government believes that China’s leaders—while disturbed by the long term strategic dimensions of the pivot—will eventually come to terms



China's first aircraft carrier on sea trials. Credit: Pinstake.

with the US and its alliances and seek avenues of cooperation. But this appears to be a colossal miscalculation.

Chinese critics argue that the pivot toward China is creating a self-fulfilling prophecy, for it enhanced Beijing’s sense of insecurity and could only stimulate China’s *reactive* assertiveness, undermining regional stability, and diminishing the possibility of cooperation between Beijing and Washington. Through exaggerating the threat posed by Chinese power, the United States damages its long-term diplomatic engagement with Beijing. This is a clear deviation from the basic policy setting of all US presidents since Richard Nixon. It also neglects the fact that China’s inherent weaknesses are primarily endogenous problems caused by a

legitimacy crises at home and are beyond the reach of the pivot.²

Foreign supporters of the pivot, however, believe that the US strategy toward China has coupled engagement with balancing. The engagement half of this strategy has been geared toward enmeshing China in global trade and international institutions, discouraging it from challenging the status quo, and giving it incentives to become what the George W. Bush administration termed a “responsible stakeholder” in the existing international system. The other half attempts to maintain the balance of power, deter aggression and mitigate any attempts at coercion.³

China has reacted strongly to the logic and actions brought about by the pivot. On the one hand, China

believes that US policy harks back to a Cold War mentality of military containment. On the other hand, the Chinese military has invested heavily in countering US strengths and cited the pivot as a good excuse for their own continued buildup. China has also used historical American examples to blunt criticism of other actions, such as the establishment of their Air Defense Identification Zone in the East China Sea. During the six-and-a-half-years of the Obama Administration, bilateral relations have sunk to their lowest point since the Nixon-Kissinger period of the 1970s. Leaders in Beijing and Washington have not only disagreed about how to solve major problems in the international trading system, global governance and regional security, but they have also consistently been talking past each other on the key issue of how to define their relationship. This is the result, ultimately, of failing to overcome their fundamental differences about what constitutes legitimacy for a nation state. For Washington, legitimacy has only one element—the democratic procedure, which it considers a universal model applicable everywhere. For Beijing, no political system is universally valid, and the claim that decision-making procedures alone determine political legitimacy is a myth. On this issue, at least, Washington seems to have occupied the moral high ground.

Similarly, whereas the US claims its intense military and diplomatic alliance-building activities in the Asia-Pacific are ‘rebalancing’ for the sake of regional stability, China clearly sees it as a containment strategy. But more worrisome is the fact that the two leaders use quite different reference points to describe their bilateral ties: President Xi Jinping speaks of a “new type of major power

relations”, while President Barack Obama insists on a “new model” of relations. The difference may appear minor but the leaders in fact have starkly divergent perspectives.

In his opening speech at the Strategic and Economic Dialogue held in Beijing in October 2014, Xi emphasised that the Sino-American relationship has no historical precedent or ready-made model as guidance. Obama’s opening statement at the dialogue implied, however, that his ‘model’ is based on the idea that he would never compromise on the question of democratic legitimacy, but is willing to build a working relationship with China contingent upon what the US considers proper Chinese behaviour. China’s behaviour will be judged according to what the US holds as universal standards. Thus, Obama-the-Lawyer deliberately stresses the term ‘model’, which implies an example to follow or imitate.

Why do Beijing and Washington keep talking past each other? Perhaps it is because people are willing to take greater risks to avoid losses than they are to achieve gains. Instead of making decisions that maximise their overall expected gains, people tend to focus on a particular reference point and give more weight to losses than comparable gains. That is to say, leaders usually exhibit a status-quo bias. For example, a superpower in relative decline often considers preventive war a good instrument to forestall the loss of its status and prestige, and is willing to double its effort in existing conflicts rather than withdraw from them. Thus, Washington considers that Beijing is willing to gamble either to enhance its influence at the expense of US interests in diplomatic negotiations, or to offset American influence with an

aggressive agenda for territorial gains. Obama’s original reference point was the status quo before the eruption of the territorial disputes over islands in the East and South China seas, when Washington had a pliable ally in Tokyo, willing to turn over the responsibility for national defense to the US-led alliance arrangement.

But after Japan suddenly changed the status quo in 2012 by ‘nationalising’ the Diaoyus/Senkaku islands, the Obama administration began to see this as a new strategic advantage for the US in the Asia-Pacific. The US decided to abandon a neutral position and started to ‘re-normalise’ its reference point through open support of the Japanese move in the name of alliance solidarity. Therefore, it is not surprising that Beijing sees this American attitude as a major policy reversal.

“China has reacted strongly to the logic and actions brought about by the pivot. On the one hand, China believes that US policy harks back to a Cold War mentality of military containment. On the other hand, the Chinese military has invested heavily in countering US strengths and cited the pivot as a good excuse for their own continued buildup.”

At the same time, China also seems to have changed its posture of ‘peaceful rise’ and is willing to take more risks to compensate for losses in diplomacy in its immediate neighbourhood, despite the fact that its crowning foreign-policy objective is to maintain a peaceful international environment as long as possible. The proposal to establish a new type of major power relationship with the US is aimed at avoiding a downward spiral of strategic relations and preventing a contemporary version of what Henry Kissinger called “Anglo-German alienation” before World War I. Here, we can go further in explaining China’s reactive assertiveness, which, although alarming its neighbours, is rooted in a mentality, very much like that of Washington, that may not be focused on maximising gains but cutting losses.

Thus, we are witnessing a classic security dilemma which has the potential to become a permanent state of confrontation. Taking current US-China relations as a normal state of affairs is completely self-deluding. To understand the present crisis, the US-China relationship must be recognised as entering a phase of ‘New Normal’. Call it a new-Cold War, New Normal is a term invented in the West which refers to economic conditions following the financial crisis of 2007-2008. The term has since been used in a variety of other contexts to imply that something which was previously abnormal has become commonplace. President Xi personally used “new normal” several times in different contexts.

Populism disguised by cultural traditionalism has been the new normal for today’s China. This type of New Normal in foreign relations will not provide much flexibility in solving territorial disputes with other nations. It must be pointed

out that, so far, American leaders have ‘renormalised’ their reference point much faster than their Chinese counterparts; the latter on the defensive and ill-prepared to conduct an effective regional policy. In contrast, the US pivot to Asia is well designed for re-establishing American influence in the region. Furthermore, for Chinese leaders the reference point continues to be the pre-Pivot status quo, as they seek to recover their lost influence. As a result, the US is focusing on rolling back Chinese ‘aggressiveness’ in the western Pacific, while China believes assertiveness to be the most effective deterrent against the US available to it.

The security dilemma in East Asia has two dimensions. On the one hand, regional actors are encouraged to pursue their own agenda. On the other, competing global influences between China and the United States will intensify. This is not a formula for sustained regional stability and prosperity. From the Chinese perspective, most current discussions in the West about the threat posed by the ‘rise of China’ seem flawed, for they tend to focus on how much China would be willing to ‘accommodate’ to the existing international order. The underlying assumption is that the undemocratic Chinese regime lacks legitimacy, and the liberal international order can help change the nature of the regime and save its repressed people. Two theories are in vogue, each with inevitable yet contradictory outcomes. At one end of the spectrum is the theory of the inevitability of China’s integration into the liberal world order, which assumes that China will eventually be brought into this order through the process of globalisation. Democratisation is considered a global and unstoppable trend, while economically China will

“They can hardly engage China seriously—or encourage it to remain psychologically secure and peaceful as it travels the road of ‘national restoration’—if the starting point is to question the legitimacy of the Chinese state.”

develop compelling interests in maintaining the liberal order from which it has benefited a great deal. This is the thinking that appears to have underpinned Washington’s ‘responsible stakeholder’ proposal in 2005.

At the other end of the spectrum, there has been the theory of the inevitability of China posing destructive challenges to the existing international order. This theory, often articulated by a neo-conservative group, assumes China will behave like all leading destructive powers in history and inevitably attempt a global power grab through altering the rules governing the existing international order to enhance its political legitimacy.

It is highly likely that China will decline to go down either of these roads. It has no fundamental reasons to destroy the current international order, but would certainly be attracted to altering some rules of the game according to Chinese tradition, culture and national interest. In this context, China is prepared for an ideological battle with the West. However, unlike the Cold War, it will not be

launched as a battle of good versus evil, but as a serious cultural debate over genuine alternatives. Ironically, the chance of conflict with the West could become higher if China's traditional outlook were to be fully 'Westernised'. Democracy never prevented the territorial expansion of states (the young American republic is a typical example). A Westernised China with an active territorial agenda would surely come into conflict with the United States for geopolitical reasons, just as it would be unlikely to clash with the EU for such reasons.

The policy implication is that, instead of encouraging and forging conditions to Westernise China, the West should seek ways to accommodate key dimensions of China's traditional, non-expansionist political culture.

They can hardly engage China seriously—or encourage it to remain psychologically secure and peaceful as it travels the road of 'national restoration'—if the starting point is to question the legitimacy of the Chinese state. It would be a miscalculation for the West to remain obsessed with nightmare scenarios based on a parochial vision of the 'rise and fall' of great powers. It is totally unrealistic to expect China to remain at the receiving end of a West-dominated international order and not aspire to making its own contributions to improve the rules of the game.

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ENDNOTES

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- 2 Lanxin Xiang, "China and the International Liberal (Western) Order", in *Liberal Order in a Post-Western World*, Transatlantic Academy at the German Marshall Fund, May, 2014, Chapter 9, pp.107-121.
- 3 Aaron Friedberg, 'Bucking Beijing: An Alternative US China Policy', *Foreign Affairs*, vol. 91, no. 5, September-October 2012, pp. 48–58.



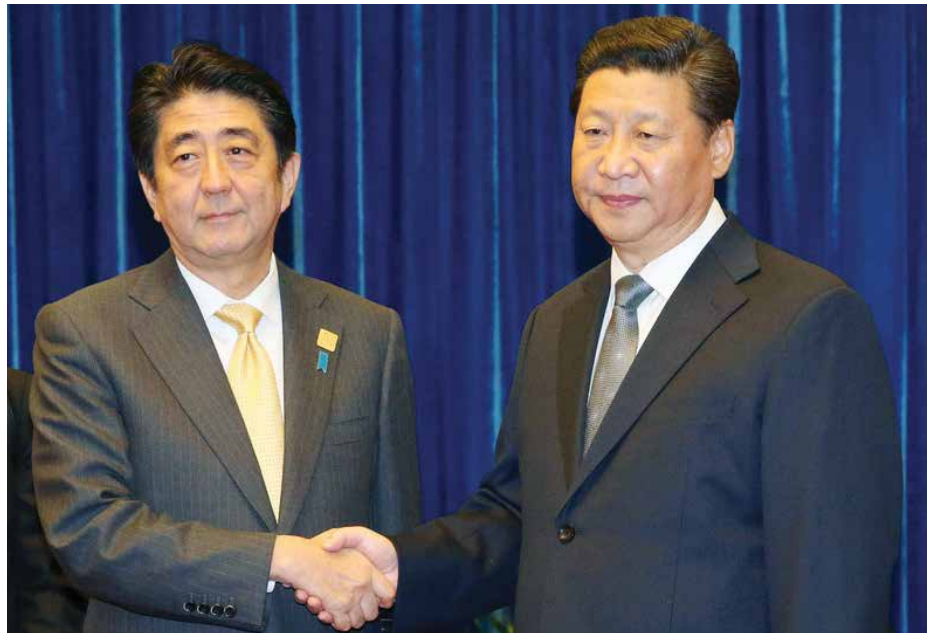
The Chinese People's Liberation Army-Navy Jiangkai-class frigate Linyi (FFG 547) moors alongside the Luh-class destroyer Qingdao (DDG 113) following the ships' arrival at Joint Base Pearl Harbor-Hickam, 6 September 2013. Photo credit: Daniel Barker, US Department of Defense.

Japan and the future of the East Asian regional order

Hitoshi Tanaka

The future of the East Asian regional order poses a number of vexing questions. China's assertive foreign policy posture in recent years, including its aggressive maritime activities in the East and South China Seas and its launch of the Asia Infrastructure and Investment Bank, has generated considerable concern regarding the country's future intentions. But does China aspire to replace the existing international and regional systems with more China-centred systems? And to what end will China exercise its growing economic and military strength? With regard to the United States, there are concerns about how committed the US will remain to the region over the long-term. And looking at Japan, what must it do to regain its economic vigour?

From a Japanese perspective, key objectives for the future evolution of the regional order include: maintaining and strengthening the shared stability and prosperity East Asia has come to enjoy in the post-war era, fostering a region where Japan is free from significant threats and promoting confidence in Japan so that it may actively contribute to enhancing shared regional economic and security goals. Three key challenges stand out as requiring the region's urgent attention: maintaining stability as the balance of regional power shifts, managing economic interdependence and aligning domestic politics with regional goals.



President Xi Jinping and Prime Minister Shinzo Abe meet for the first time as the leaders of China and Japan, APEC, Beijing, November 2014. Credit: Kyodo/Landov.

A history of East Asia's shifting balance of power

To put the future challenges associated with managing a stable and prosperous East Asian regional order into perspective it is necessary to reflect on the historical changes in the balance of power, which have brought the situation to the present. For centuries China was the dominant power in Asia. But, come the mid-19th century, the Qing Dynasty was in decline as the European powers imposed unequal treaties and raced to carve it up. Meanwhile, Japan started its Meiji Restoration in 1868, rapidly modernising its technology

and political institutions. Japan's victory in the Sino-Japanese War of 1894-95 proved to be a turning point marking its rise. Subsequently, Japan went down an aggressive path including going to war with the United States. Throughout the Pacific War the United States and China were allies and Japan a shared enemy. Finally, Japan's expansionism was halted through intervention by the United States.

The post-war period saw an astonishing reversal of roles. After the Chinese Communist Party took control over the Chinese mainland in 1949, and as the Cold War intensified with the outbreak of the Korean War in 1950, China

became a new foe of the United States, and its economy stagnated under the leadership of Mao Zedong. US plans to chastise Japan for its wartime transgressions gave way to the emergence of the US-Japan alliance and new policies designed to nurture Japan as a member of the West in the fight against communism. The US-Japan Security Treaty was established in 1960 and Japan would rely on the United States for its military security and provide the US military with bases in Japan for the forward deployment of US forces in East Asia. Japan was freed to focus on its economic recovery and spectacularly rebuilt from the ashes of defeat to become the second largest economy in the world in just a quarter of a century.

“Three key challenges stand out: maintaining stability as the balance of regional power shifts, managing economic interdependence and aligning domestic politics with regional goals.”

In the years since, however, China reinvented itself, achieving rapid economic growth and increasing its defence spending to improve its military capabilities. Beginning with détente and the normalisation of China’s diplomatic relations with the United States and Japan in the 1970s, the opening of China’s economy and market reforms under the leadership of Deng Xiaoping in the 1980s, and China’s integration into regional production networks fostered by its membership of APEC since 1991 and accession to the WTO in 2001, China overtook

Japan in 2010 claiming the title of Asia’s biggest economy and the second biggest in the world.

Thus the future East Asia regional order must accommodate for the first time in history, both a strong Japan and China alongside the United States. Making room for and fostering cooperation between these three powers in an era of unprecedented economic interdependence is an unparalleled challenge that will require new modes of thinking.

Managing economic interdependence

The post-Cold War world has born witness to an increasing volume of interactions between governments of a diverse range of political types. In Asia, a number of communist countries, such as China and Vietnam have not only embraced market economy reforms, but become key links in the ever more deeply integrated regional production networks. Thanks in no small part to such reform efforts and the leading role of regional production networks in fostering integration, East Asia is shifting to become the world’s economic centre of gravity.

But despite the increased economic interdependence, regional tensions continue to dangerously flare, such as between Japan and China in the East China Sea, and China and ASEAN countries in the South China Sea. Thus it is clear that while economic interdependence raises the costs of violent conflict and acts as a deterrent to war, it alone is not a sufficient condition to keep the peace. As such, the future regional order demands careful and dedicated attention to the management of good relations between governments of diverse political types and at different stages of economic development.

The domestic politics-foreign policy nexus: aligning domestic and regional goals

Another challenge to shared East Asian stability and prosperity is the intensification of domestic political trends at odds with regional cooperation. Domestic politics in countries around the region has become increasingly susceptible to the whims of partisan agendas, short-term thinking and nationalism. In the United States the hyper-partisan and divisive political environment has resulted in a political deadlock on many important issues including foreign policy. The Chinese Communist Party, facing an array of domestic political, economic and social challenges—such as income inequality, corruption, food safety issues, air pollution, de-regulating the financial sector, and structural reform to shift to sustainable growth—risks being tempted to utilise a tough foreign policy posture vis-à-vis the US and Japan to divert attention from governance shortcomings.

In Japan, the so-called lost two decades of economic stagnation has left deep frustrations across the country and historical revisionism has been exploited for short-term political gains at the expense of repairing relations with China and South Korea. Reconciling such domestic political trends with regional cooperation requires political leaders and policymakers to be more conscious of the medium to long-term evolution of regional order and publicly acknowledge the benefits of bilateral and regional cooperative initiatives. In doing so, Japanese political leaders must not forget the sensitivities of the past when Japan inflicted great pain on the peoples of the Asia-Pacific.

Six elements of Japan's regional vision

In order to address the three key challenges noted above and realise its objective of a stable and prosperous East Asia in which Japan is free of threats and able to actively contribute to shared regional economic and security goals, Japan is likely to prioritise six elements: a revitalised Japan; a robust US-Japan alliance; cooperation with other democracies; China-US-Japan trilateral confidence building; regional rulemaking; and energy cooperation.

A revitalised Japan

Japan is focusing on revitalising its national strength on two key fronts. On the economic front Japan must reconcile its mounting debt, which has resulted in a debt-to-GDP ratio of more than 200 per cent, with its ageing society's growing demand for social welfare. To this end Japan must focus greater efforts to deregulate, nurture new industries, and reform and liberalise uncompetitive sectors including sensitive protected sectors such as agriculture. On the security front, tensions with China, most prominently over the Senkaku Islands, as well as North Korea's nuclear weapons program, have become grave concerns to Japan's security. As such Japan needs to strengthen its security policy, as it has done through the reinterpretation of the Article 9 peace clause of the

Japanese Constitution to allow for collective self-defence, in order to credibly deter threats. At the same time, the strengthening of Japan's security policy must be conducted within the framework of an exclusively defence oriented security posture so as not to exacerbate the security dilemma.

A robust US-Japan alliance

The US-Japan alliance has underpinned the post-war stability of East Asia. But looking to the future, the US faces new budget pressures including on its defence spending in the wake of costly wars in Afghanistan and Iraq and the global financial crisis. Moreover, US President Obama has emphasised a foreign and security policy framework underpinned by multilateral cooperation. In order to help alleviate US budget pressures and contribute to multilateral security cooperation, Japan will need to expand its roles within the alliance. This was a key rationale behind the Abe cabinet's constitutional reinterpretation to allow limited forms of collective self-defence. The revising of the US-Japan defence cooperation guidelines will also help bilateral defence cooperation and bolster regional contingency planning. But the Diet will need to amend a number of relevant laws, such as the Self Defence Forces (SDF) Law, as well as pass new legislation in order to implement these changes. This will require delicate political negotiations as well as clear and concrete explanations to justify new SDF operational roles to

the Japanese public and the international community.

Cooperation with democracies

Japan will also seek to strengthen cooperation with other democracies such as Australia, India, Indonesia and South Korea. Japan and Australia, for instance, established regular defence and foreign minister (2+2) meetings and signed a defence technology transfer agreement. Indian Prime Minister Narendra Modi made Japan his first major foreign visit and the two countries are negotiating a civil nuclear deal and US-2 amphibious aircraft sales. Indonesia has recently elected a new President, Joko Widodo, which presents a fresh opportunity to expand cooperation with this key ASEAN country. Japan's relations with South Korea have flared recently over the Takeshima Islets dispute and the comfort women issue. The two countries were close to concluding an Acquisition and Cross-Servicing Agreement (ACSA) and a General Security of Military Information Agreement (GSOMIA) in 2012. Domestic politics in both countries, however, conspired to scupper the deals and renewed efforts are now needed by both sides to repair relations.

Confidence building mechanisms between China-Japan-US

China has adopted an increasingly assertive posture in recent years, especially in relation to the East and South China Sea territorial disputes. Given the unpredictability of its future role, many nations around the region feel a strong motivation to align themselves with the United States. But while it is natural to hedge against the possibility of future unpredictable behaviour and

“A trilateral confidence building mechanism with a special focus on military-military dialogue should be urgently established between the US, Japan and China and then expanded through the East Asia Summit.”

regional instability, it is in the interest of the region as a whole to seek stronger engagement with China as the country has become a critical trading partner to the US, Japan and ASEAN. To this end a trilateral confidence building mechanism with a special focus on military-military dialogue should be urgently established between the US, Japan and China to ensure a stable and prosperous regional order which reconciles the interests of all three countries. Once successfully established, it should be expanded to a more inclusive format through the East Asia Summit which offers the best venue given its membership and potential to be region's pre-eminent strategic institution.

Deepening of regional rulemaking

Economic interdependence and globalisation affords exciting new potential for increasing shared regional prosperity. But at the same time, it demands increased international interactions across a broad and expanding range of areas such as trade, investment, social policies, and environmental management and climate change. In order to foster predictability and ease of international interactions it is crucial to deepen regional rulemaking. To this end, concluding the Trans-Pacific Partnership (TPP) is important not just as an economic agreement but also as a strategic arrangement to bind the United States into the East Asian rulemaking process. The TPP at this juncture does not include all relevant Asian countries, most prominently China. While Chinese President Xi Jinping is moving to reform China's state-owned-enterprises, state intervention in the Chinese economy is still too heavy to allow China to join the TPP at present. However, the door for Chinese and

other countries' entry must be kept open for the future. To this end, the Regional Comprehensive Economic Partnership (RCEP) must also be completed as soon as possible and the amalgamation of RCEP and TPP retained as a future aspiration.

Energy cooperation

A final pressing concern is the need for energy cooperation. Growing populations and economic growth means the future energy demands of the region will only rise. The urgent need to secure energy resources as energy competition intensifies also at times exacerbates territorial issues. As such the East Asia Summit should establish a dedicated energy cooperation-working group to address energy issues across the board including: energy security, joint exploration and development, environmental protection, nuclear safety, and transport issues such as securing the sea lanes.

Success in all six areas of Japan's vision for the future regional order poses a tremendous challenge. At the same time, the payoff of a stable and prosperous East Asia, not just for Japan but for the entire region, is a worthy objective reconcilable with the interests of all regional actors. Failure in these areas is likely to entrench confrontational postures and yield a more dangerous region for all. With the bigger picture and a strong sustainable pathway in mind, shared regional stability and prosperity in the future can surely be transformed from today's challenge into tomorrow's reality.

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Prime Minister Abe meets Prime Minister Modi in Tokyo, October 2014. Credit: Bloomberg.

Japan: stepping forward but not stepping out

Gerald Curtis

For decades analysts have been predicting that big changes in Japanese security policy were just around the corner. In the early 1970s Herman Kahn forecasted that Japan would become the 21st century's 'super-state'; in 1987, after Prime Minister Nakasone lifted the one per cent of GDP limit on defence spending, Henry Kissinger penned a Washington Post opinion piece that declared the inevitability of Japan's emergence as a major military power; and in 2000 Kenneth Waltz wrote that Japan was gearing up to bolster its conventional forces and build nuclear weapons. None of these predictions panned out, but today it is popular once again to speculate about Japan being on the brink of major changes in its security policy. Could we now be at an inflection point where the views of the realists are finally becoming realistic?

There is no doubt that Prime Minister Abe would like to see Japan have a more robust and muscular foreign policy. There is no question that Chinese worry that Japan will become a more formidable factor in the regional balance of power. And there is good reason to believe that Americans are ambivalent about what they see going on in Tokyo. The Pentagon has welcomed Abe's decision to reinterpret Article Nine of the Constitution to permit collective defence and have Japan make a larger contribution to the alliance. Others in the US government and in the media



Prime Minister Abe hosts President Obama in Japan, April 2014. Photo credit: mtviewmirror.

worry that there may be a link between Abe's revisionist views of the past and his vision of Japan's future.

Prime Minister Abe has been outspoken about his desire to see Japan become more of a normal country, free of some of the constraints on the use of military power that have resulted in Japan punching far below its economic weight in regional and global affairs. Since becoming prime minister in December 2012 he has established a national security council, eased the ban on the export of weapons and weapons technology, got the Diet to pass a controversial classified secrets law, had his cabinet adopt a reinterpretation of Article Nine of the Constitution to permit

collective defence, and declared his intention to beef up the ability of Japan's naval and air forces to defend islands at the far reaches of Japan's territorial waters.

Abe has established a record for being Japan's most peripatetic prime minister ever—his visit to Beijing for the November APEC summit being the fiftieth country he had visited in less than two years, with repeat visits to several of them, reflects this. He has paid special attention to ASEAN—Vietnam and the Philippines in particular—as well as Australia and India, the significance of which has not been lost on the Chinese.

This is an impressive list of accomplishments but do they amount to a change in Japan's

**“The entanglement/
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national security strategy? If the Democratic Party of Japan's Prime Minister Yoshihiko Noda had had a secure majority in both houses of the Diet as Prime Minister Abe does now would his security policies have been very different from the strategy Abe is pursuing? If Abe were to vacate the prime minister's office tomorrow, would anyone whom one could reasonably imagine succeeding him push policy in a fundamentally different direction? The answer to all these questions is no.

When the DPJ's 'dovish' Naoto Kan was prime minister the government adopted new national defence program guidelines that called for establishment of a 'dynamic defence force'. Under the hawkish Shinzo Abe, the government's new defence program guidelines called for a 'dynamic joint defence force'.¹ The DPJ advocated the establishment of a National Security Council, as had previous LDP Governments, and the Abe Administration implemented this longstanding recommendation. In July 2012 Prime Minister Noda said in the Diet that he might consider reinterpreting Article Nine to permit collective self defence; In July 2014 Prime Minister Abe

did so. Prime Minister Noda was constrained from increasing the defence budget because of a sluggish economy. Abe did increase it, for the first time in eleven years. But the increase hardly represented a dramatic break with previous policy: in 2013 it increased by 0.8 per cent and in the 2014 budget increased 2.7 percent. For the five fiscal years from 2014-2018, annual increases of less than 3 per cent are projected

Japan's external environment

Since Abe has been prime minister, relations with both China and Korea have been badly strained. To be fair though, they were not much better when the DPJ was in power—former Prime Minister Noda and South Korean President Lee Myung-bak argued over comfort women and Takeshima/Dokdo. Relations between Japan and China reached a nadir with Prime Minister Noda's decision to nationalise three of the Senkaku/Diaoyu Islands that China claims as its own.

To be clear: structural factors are far more important than the personality of Japan's current prime minister in driving change in Japan's foreign policy. These factors include: the collapse of a bipolar international order that gave Japan confidence that threats to its security would be perceived by the US as threats to its own; China's emergence as a great power and its aggressive actions in the East and South China Seas; and by North Korea's acquisition of nuclear weapons. It is also being driven by a perception of relative American decline, evidenced by declining defence budgets, political paralysis in Washington and a public opinion leery of having their country becoming entangled in further military conflicts where there is no clearly discernible

threat to American national interests.

In addition to these structural changes in Japan's external environment, there has been a weakening of domestic anti-military sentiment that has long inhibited foreign policy change. The 'Pacifism' in post-war Japan was of a special kind. It did not mean that Japan denied the importance of the military force to insure the nation's security. What it meant was that a large majority of Japanese rejected the use of Japanese military power to do so. Fearful of a resurgence of the military's political influence and lacking confidence in the government's ability to use military power prudently, the majority of the Japanese public preferred to have the government sign on to a grand bargain with the United States that gave the US access to bases in Japan from which it could project its power into the rest of Asia and beyond in return for a guarantee of Japan's territorial security. Domestic anti-militarism continues to act as a brake on the build-up of Japan's military power but far less so than before.

The end of bipolarity—and the end of the decade or so of US unipolarity that followed—has left Japan facing an unstable and dangerous international environment. During the Cold War, the Japanese worried that an alliance with the US might entangle their country in conflicts of which they wanted no part. While confident that a Soviet threat against Japan would be viewed in Washington as a direct challenge to the US, they had little reason to doubt the credibility of the US commitment to protect Japan. Today the tables are turning. It is the US that has concerns about getting entangled in a Japanese dispute with China about sovereignty over a group of

uninhabited islands in the East China Sea. Japanese for their part wonder whether they can have full confidence in America's commitment to take Japan's side in the event of a confrontation with China. The entanglement/abandonment dynamic of alliance management is fundamentally different now from what it was during the Cold War and it leaves Japanese feeling more insecure.

Knowledgeable Japanese understand that the United States will remain for years to come the most powerful nation in Asia and globally and that alliance with it must form the bedrock of Japanese security policy. This is a consensus view in Japan, rejected only at the margins by small minorities on the left and right. But it is true as well that no matter how much emphasis the US gives to a rebalancing to Asia, it cannot regain the position of unchallenged primacy that it enjoyed for so many decades. China does not have to match America's military power to pose a formidable challenge to US dominance. Its thrust for regional power and its economically dominant position in East Asia will continue to gain strength over time. This is the new reality that Japanese foreign policy makers are trying to cope with.

The Japanese are nothing if not realists about international power, and the realities Japan is facing is pushing forward policy change in interesting ways. First and somewhat counter intuitively, it has weakened the voices of those who have long called for a foreign policy more independent of the United States. China's rise and its anti-Japanese rhetoric and actions have made Japan more intensely aware than ever of the critical importance of its alliance with the US, even if the credibility of America's commitments under that alliance come into question. The result has been an effort

to strengthen the alliance by increasing Japan's contribution to it.

The US and Japan are in the final stages of revising the guidelines for defence cooperation, the first revision since 1997 and one that is premised on further integrating the military forces of the two countries and increasing the sphere of Japanese responsibilities. Japan has reinterpreted Article Nine repeatedly over the years to expand the definition of what is permissible in the name of self defence and it has engaged in collective defence arrangements without calling them such at least since the early 1990s. But it has had to go through 'Houdini-like' contortions to do so. The formal recognition of the right to engage in collective self defence agreements makes it possible for Japan to consider military options and engage in joint planning with the United States in ways that were not possible before.

Under Prime Minister Abe, Japan also has sought to develop security linkages as well as strengthen economic ties with Australia and India and countries in Southeast Asia. The operational consequences so far are minimal but there is no question that Japan is seeking to lay the groundwork for closer security cooperation with other countries that are as concerned about maintaining a regional balance of power as Japan is.

The Abe government's foreign policy has been cautious and incremental—building on rather than radically changing policies of the governments that preceded it. As Abe continues to comment on the history of Japanese colonialism, militarism and his expressed desire to 'free Japan from its postwar regime', suspicions about his longer term policy goals and intentions will impact his foreign policies.

Prime Minister Abe is not about to change his ideological stripes, but he is a realist who appears to have gotten the message that his comments about history—including his symbolic visit to Tokyo's Yasukuni Shrine—do not serve Japan's national interests. His recent statements and actions indicate he is well aware that Japan does not have the ability to 'contain' China, but that Japan's own future well-being depends on further deepening economic ties with China and the rest of Asia. Abe is a cautious 'hawk' who will strive to strengthen Japan's alliance with the US and to search for a global role that will bring Japan prestige and respect. Abe appears to be torn between the pull of his heartstrings—emotional and ideological—and the dictates of his head—pragmatic and strategic. Since he has a good chance to be prime minister for several years the question of which he follows is of obvious importance. But in considering the future course of

“China's rise and its anti-Japanese rhetoric and actions have made Japan more intensely aware than ever of the critical importance of its alliance with the US.”

Japanese policy it is important to recognise that Prime Minister Abe governs in a democracy where deeply entrenched interests groups; a powerful bureaucracy; a competitive political party system; a free press; and a public that is strongly risk averse combine to act as a profound check on prime ministerial power. Japan will become more of a factor in the regional balance of power in coming years. But forecasts of dramatic and discontinuous change in Japanese foreign policy are no more likely to be right this time than they were in years past.

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ENDNOTES

- 1 Other than adding the word 'joint' to emphasise the importance of cooperation between the Ground, Maritime and Air self-defence forces, there is no difference between them.



Chinese Navy drills, South China Sea, 27 March 2013. Photo credit: Times Asi, flickr.

Modi's India: towards a bolder international engagement

C. Raja Mohan

Foreign policies of large countries like India do not change with the turnover of governments. They are rooted in the nation's geography, history and strategic culture. Significant changes in the external environment or in the nature of the regime at home, however, do result in major foreign policy adaptations. That moment presented itself for India at the turn of the 1990s. The collapse of the Soviet Union and the end of the Cold War fundamentally altered the international context of India's foreign policy. At the same time, the collapse of India's old economic order made liberalisation and globalisation unavoidable imperatives in the early 1990s.

The responsibility to engineer the change in economic and foreign policy domains fell upon a series of weak coalition governments that were in charge of the nation from 1989. Although the change in India's economic and strategic orientation over the last quarter of a century has been palpable, it has also been incremental and been clouded by self-doubt. The depressing drift of the United Progressive Alliance (UPA) government, especially during its second term (2009 to 2014) revealed once again the persistent gap between India's strategic promise and performance. The election and appointment of Narendra Modi as prime minister in the summer of 2014 with a surprisingly large mandate has helped dispel some of the pessimism about India's



India's Prime Minister Narendra Modi at a banquet hosted by Japan's Prime Minister Shinzo Abe, at Akasaka Palace, Tokyo, Japan, 1 September 2014. Photo credit: Narendra Modi, flickr.

international prospects. That the ruling party has a majority in the Lower House, the Lok Sabha, for the first time in three decades has decisively altered the political environment in India.

While there was widespread expectation that Modi would rejuvenate the Indian economy, few expected he would make a difference to India's foreign policy. Neither Modi nor the BJP chose to spell out much about the foreign policy agenda in the prolonged election campaign. Between 2004 and 2014, Modi—as a provincial leader with little experience at the national level—seemed unprepared for major foreign political initiatives. Yet now as

Prime Minister, Modi has surprised the nation and international community with an enthusiasm toward diplomacy and a capacity for bold decisions on the foreign policy front.

Since assuming office in May 2014, Modi has made several moves on the foreign policy front. Although Modi has not changed the fundamentals of India's post-Cold War foreign policy, he has brought new vigour and purpose to India's engagement with neighbours and major powers. Developments in the second half of 2014 offer insight into Modi's worldview and the future of India's foreign policy, and can be understood in eight broad areas which his foreign policy emphasises.

The new emphases

First is the clear new focus on reviving India's economic growth. Whether it is dealing with the neighbours or major powers, Narendra Modi has understood that diplomacy is about serving India's economic interests. The notion of economic diplomacy for India is certainly not new—it was at the heart of India's foreign policy strategy of non-alignment when Nehru reached out to Moscow and the socialist world to boost its heavy industrial capabilities. India's economic diplomacy acquired a new orientation in the age of economic reforms. Ironically India's growth slowed in the second term of the UPA government led by Prime Minister Man Mohan Singh, the architect of India's reforms from 1991 to 1996. Worse still, the Congress leadership led by Sonia Gandhi and Rahul Gandhi restored economic populism of the 1970s at home and resurrected the Third-Worldism of the past. As a result, India under the Congress party seemed hostile to business at home and abroad.

Modi was determined to reverse this. He put domestic economic development at the top of India's foreign policy goals. For Modi diplomacy is an integral part of a strategy to restore international confidence in India's economic prospects and mobilise external resources for the modernisation and expansion of the two critical sectors in the Indian economy—manufacturing and infrastructure. Modi's economic diplomacy has led to promises of significant foreign investments. For example, more than US\$35 billion from Japan, US\$20 billion from China and US\$40 billion by the US companies. While these figures must be taken with a pinch of salt, there is no denying the impressive effort led by Modi to

reflect India as now being open for business. Indeed, few of the Prime Minister's predecessors have spent as much time engaging the leaders of international business at home and abroad.

Second, Modi appears bolder than his predecessors in making the political case at home for economic globalisation. Modi has found an interesting way of combining a strong nationalist orientation with a greater economic openness to foreign participation. This approach has resonated with the newly aspiring Indian middle classes and enthused domestic and foreign businesses. Modi has also begun to discard the Congress party's defensiveness on controversial issues such as intellectual property, trade, and climate change. The Modi government's refusal to sign the World Trade Organisation's trade facilitation agreement by citing food security concerns seemed to invoke past attitudes, but it has since signalled some flexibility and appears ready to find practical solutions.

Third, Modi has recognised the urgency of revitalising India's relations with its sub-continental neighbours. Whether it was the invitation to the leaders of the South Asian Association for Cooperation (SAARC) nations to join his inauguration or the choice of Bhutan and Nepal as his first foreign destinations, the new emphasis on these states was unmistakable. In Nepal, Modi demonstrated an ability to understand Nepali grievances, connect with its political classes and masses, and signal the will to redefine India's regional strategy. If Modi's instincts on Nepal turned out to be right, he has a much bigger challenge in implementing the agreements already signed with Bangladesh; persuading Sri Lanka to deliver on Tamil minority

rights; cautioning Maldives not to play the China card beyond a point; and developing a sustainable strategy for Afghanistan amidst the withdrawal of international forces.

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Fourth, on India's two most difficult relationships in the neighbourhood, Modi has unveiled a new combination of flexibility on economic engagement and firmness on confronting security challenges. If Modi's positive start with Pakistan's Nawaz Sharif surprised observers, the Modi's decision to suspend talks with Islamabad a few months later has drawn much criticism at home. Modi's message is that India is open for an expansion of mutually beneficial economic cooperation, at the exclusion of any Pakistani transgressions on the security front. A similar theme has dominated Modi's approach to China. He has ended India's previous reluctance to welcome Chinese investments, as well as defend its approach to the boundary dispute with China. While extending personal warmth to China's President Xi Jinping and opening the door for Chinese industrial parks, Modi has made it publicly clear that China's incursions into Indian territory would undermine prospects for a genuine partnership between the two countries.

Fifth, in the extended neighbourhood, Modi's emergence has been widely welcomed in East Asia. Given the deep institutionalisation of India's relations with East Asia, new regional engagement it is not difficult. Indeed, Modi has a special advantage. As Chief Minister for Gujarat, Modi traveled to China, Japan, Singapore and Australia to seek investments for the state. His pro-business approach and focus on economic growth has generated a renewed interest across Asia in India's commercial partnerships. At the same time, Modi has been less inhibited than his predecessors in addressing regional concerns about the rise of China. This was reflected in his visit to Japan, where Modi did not hesitate in indirectly criticising China's 'expansionism'.

In the West, Israel was among the few countries that Modi traveled to. Given the BJP's ideological critique of Congress government's Israel policy over the decades, Modi is far more open about building strong ties with Israel. This did not, however, suggest India neglect its ties with the Arab Middle East. While the Middle East did not figure in Modi's travels during 2014, his Minister for External Affairs Sushma Swaraj devoted attention to engaging the region. With India's huge economic stakes in the Middle East, set alongside regional instabilities, it is likely the Middle East will figure prominently in Modi's economic and foreign policies. For the Modi government, the relationship with Iran has a special bearing as it contemplates India's approach to Afghanistan, especially with the significant reduction of US military presence.

Sixth, Modi has understood the importance of engaging all major powers without inhibition. This is in sharp contrast to the UPA

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government, which held back its ties with the US and Japan by citing the dangers of provoking China. Modi has been bold in affirming India's pursuit to improve its relations with all the major powers, each on its own merit. If the Congress party, in its manifesto for the 2014 elections harked back to non-alignment, the BJP made no reference to this traditional posture at all. Furthermore, the BJP even underscored the importance of building a 'web of alliances' in order to secure India's national interests. For Modi, the question is how India can expand its own comprehensive national power in practical collaboration with all the major powers and leverage its growing weight to shape the regional and global balance of power. His efforts to engage with major powers has been reflected in his visits to Japan and the US, and hosting of the Chinese and Russian Presidents in Delhi. Yet what Modi has missed is a similar level of engagement with European powers.

Seventh, even more so than earlier governments, Modi sees the Indian diaspora as a key strand in India's international relations. Modi believes that India's diaspora needs the support of the Indian state.

At the same time, the diaspora can actively contribute to India's economic development. Modi's outreach to the diaspora was reflected on two occasions: in New York's Madison Square Garden in late September, and Australia in November.

Eighth, culture and soft power have always been an important part of independent India's engagement with the world. Whether it was a periodic explosion of global interest in Indian mysticism or spiritual traditions or the growing influence of Indian cinema, India has had a unique place in the global cultural sphere. Indeed, culture was very much part of Nehru's imagination of India's foreign policy and was pursued by his successors in different ways. Modi is lending new weight to it. Unlike his secular predecessors or even the BJP's Vajpayee, Modi is uninhibited in wearing his religion and culture on his sleeve. Witness his visit to Nepal's Pashupatinath temple in Kathmandu and praying in the Kyoto Buddhist temple. Thus, Modi has placed special emphasis on celebrating Indian culture and its links to the international community, not least as a spur to tourism.

Modi has dismissed critics who demand a grand vision for India's economic and foreign policies. Rather, Modi insists that small steps can make a big difference in both arenas. He has probably recognised that Delhi has had too much theory regarding international engagement and too little pragmatic action.

Modi has begun to correct that by replacing the anarchy in the Delhi Durbar with discipline and comprehensive assertion of his prerogative to set goals, domestic and foreign, and compel compliance from the bureaucracy. This has begun to enhance India's credibility

as an interlocutor in the global domain. But good governance and political will cannot obviate the need for comprehensive reform of India's foreign policy institutions and expanding the state's capacity to effectively engage with the world. For the moment, Modi is riding high. Notwithstanding his claims to modesty, his world view might be summed up as a purposeful quest to accelerate India's rise through pragmatic and realist policies.

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India's Prime Minister Narendra Modi with US President Barack Obama, Washington DC, October 2014. Credit: Indiatimes.

Great power politics in Asia and Korea's response

Kim Sung-han

Since the United States declared its 'Pivot to Asia' in 2011, great power politics has intensified throughout the region. This intensification is no more evident than in Northeast Asia. The great powers—the US, China, Japan, Russia, and India—are trying to protect their own interests, not through cooperation, but rather by threatening one another through military, economic or political means. China's foreign and security policies are proving to be pivotal in determining the relationship among great powers in East Asia. President Xi Jinping reaffirmed 'sovereignty, security, and development' as China's core interests at the 3rd meeting of the Party's Political Bureau on January 2013. While it is unclear whether the geographical scope of China's core interests includes South China Sea, East China Sea and the Korean Peninsula, few pundits doubt that this is a de facto reality.

Given that prevailing circumstances do not allow a China-centered East Asian order, China appears to be focused on maintaining a stable relationship with the United States with a view to continuing its economic growth. However, China is actively promoting regional cooperation by respecting ASEAN centrality and its leadership of the Regional Comprehensive Economic Partnership (RCEP) as a counter to the US-led Trans-Pacific Partnership (TPP).



South Korean and US Amphibious Warfare Ships during bi-lateral exercise Ssang Song, April 2014. Credit: US Navy.

Great power politics in Asia

The US-China relationship is among the most important in East Asia. The New York Times columnist, Thomas Friedman, captured the central dilemma when he characterised China as 'a threat, client and opportunity' for the United States. It is hard for the United States to trade the economic benefits of cooperation for the strategic benefits of containing China. When China tried to redefine relations with the US under the label of 'new type of great power relationship', the United States was reluctant to accept the implicit concept of G2. These two great powers are being driven into a competition

for maritime supremacy. China is gearing up to challenge the hegemonic status of the US in the Western Pacific. The geo-strategist Nicholas Spykman used to call the South China Sea Asia's Mediterranean. Now, some are calling it China's Caribbean.

The China-Japan relationship is even more worrisome. China believes it has overtaken Japan in terms of national power since 2010 when the Chinese GDP surpassed the Japanese, but Japan is reluctant to accept it. At the World Economic Forum in January 2014, Japanese Prime Minister Shinzo Abe compared the Japan-China relationship with the UK-Germany relationship before

World War I. In fact, the Japan-China relationship is more akin to the France-Germany relationship at the end of the 19th century, when France was preoccupied with isolating and taking revenge on Germany for its defeat by Prussia in 1870. If France had not aligned with the UK but elected to work to defuse UK-German tensions, the course of history might have been very different. At this juncture, Japan is being seen to be involved in 'encircling' China. Japan seeks to deal with the rise of China through 'external balancing'—strengthening its security

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relationship with US, Australia, India, and South Korea—and 'internal balancing'—increasing its defence expenditure.

The China-Russia relationship is also distinctive in the sense that their strategic partnership is strengthened by a shared suspicion of the US. In the 2011, the Levada Center polled 29 per cent of Russians perceiving the US as an enemy, while only 9 per cent had the same view of China. In 2012, these views strengthened: 35 per cent of Russians perceived the US as an enemy, while just 4 per cent perceived China as an enemy state. Both Russia and China prefer the

international order to be based on national sovereignty rather than liberal values. China is interested in aligning with Russia to explore changes in the US-centered Asian order although whether China will long share leadership with Russia is uncertain.

The China-India relationship is also gaining attention from the United States and its allies. India is in the advantageous position of being courted both by the United States (to counter-balance China) and by China (to preclude any deep alignment with the US). India needs to strengthen its nuclear and conventional deterrent capabilities to prevent the gap with China from growing wider. India also sees the need to regard China as a strategic partner through the transition from a unipolar to multipolar international system.

America’s leadership role and the Northeast Asian paradox

While Asia’s evolving strategic landscape has strong parallels with European geopolitics of the late 19th century, the US retains its clear leadership in military technology and capability. The leadership role of the United States is thus important. The core of America’s Asia-Pacific strategy includes: deepening alliances; responding to China’s resurgence; strengthening cooperation with ASEAN; and a growing interest in Asia-Pacific regionalism. With respect to alliance policy, Washington is fostering comprehensive and strategic alliances geographically and substantially in response to contemporary security challenges. Furthermore, the United States is maintaining a policy of cooperation mixed with competition toward China. Regarding its policy on troop stationing and cooperation in East Asia, the United States is

attempting to preserve a balance between alliances and regionalism, rather than giving sole priority to alliances.

While the United States traditionally prefers the hub-and-spokes approach, it joined the East Asian Summit (EAS) in 2011, the first time the United States joined a multilateral framework that it did not initiate. Indeed, the Obama Administration considered that East Asian regionalism should not be centered on ASEAN Plus Three, but should be broadened to Asia-Pacific regionalism, whereby including the Australia, New Zealand, India, New Zealand, Russia and the US. In this light, the EAS is now more than simply an extension of ASEAN Plus Three. Rather, it is an upgrade to a global framework for political and security discussions in which four of the world’s great powers—China, Japan, the US and Russia—participate.

While the United States has renewed its attention to Southeast Asia and regional cooperation in the Asia-Pacific, this may be at a cost to Northeast Asia where the China, Japan, the US, Russia and the two Koreas are located. Northeast Asia has featured a distinct paradox: economic integration has intensified while political cooperation remained stagnant for over three decades. Since Northeast Asia has traditionally lacked formal, multilateral and regionally exclusive institutions for political cooperation, the region has pronounced an 'organisation gap' compared with Europe, the Americas, Africa, and even the Gulf.

The pre-condition for formal institutionalisation of regional relationships is a 'great power balance'. Such a balance has never been enduringly present

in Northeast Asia. The existence of a credible external balancer – and the US is the sole candidate – provides an alternative foundation for the emergence and endurance of regional organisations. This means that the ‘US factor’ needs to be given careful consideration to ensure that the search for viable peace and security mechanisms in Northeast Asia is seen positively in Washington.

The polarisation between China and Russia on the one hand, and Japan and the US on the other will be destabilising, particularly since China is regarded as the only potential power with an ability to threaten the hegemonic status of the United States. To those who worry about upholding the balance of power in Northeast Asia, the US stands out more sharply than ever as the only truly indispensable balancer. A further condition for moving beyond the Northeast Asian paradox is the historical institutionalism that focuses on the role and potential of preexisting organisational structures. For example, the setting of Six Party Talks may become the foundation of a Northeast Asian peace and security mechanism. A continuing leitmotif of the Six Party Talks is the prospect that a resolution of the nuclear problem could set the stage for more institutionalized and enduring multilateral cooperation in Northeast Asia.

Korea’s strategic response

There are two main schools of thought on how the ROK should respond to great power politics in East Asia, as well as the Northeast Asian Paradox. One school leans toward a ‘concert of Asia’, taking inspiration from the century of peace in Europe following the Vienna Convention of 1815 and highlighting the parallels between the geopolitics of 19th century

Europe and East Asia in the 21st century. The second school looks to a US-led Asian order. Its proponents believe that a multipolar system is inherently unstable. The US has been playing a stabiliser role through its military presence in Asia. A withdrawal of US forces from Asia would lead to an unstable multipolar system whereby major powers will be involved in an unlimited power competition without converging on a stable order.

South Korea’s Park Geun-hye Government stands closer to the US-led Asian order school while exploring the possibility of a concert of Asia in a complementary way. The Park Government gives highest priority to the ROK-US alliance which it regards as the linchpin of peace and stability in the Asia Pacific region. In the 2013 US-ROK Joint Declaration, President Park and President

“Abe compared the Japan-China relationship with the UK-Germany relationship before World War I. In fact, the Japan-China relationship is more akin to the France-Germany relationship at the end of the 19th century, when France was preoccupied with isolating and taking revenge on Germany for its defeat by Prussia in 1870.”

Obama emphasised: ‘We pledge to continue to build a better and more secure future for all Korean people, working on the basis of the Joint Vision to foster enduring peace and stability on the Korean Peninsula and its peaceful reunification based on the principles of denuclearization, democracy and a free market economy’. Of particular note was that this Park-Obama summit reconfirmed America’s commitment to Korean reunification, rather than looking at North Korea from the narrow perspective of non-proliferation.

Presidents Park and Obama agreed to move from a comprehensive strategic alliance to a global partnership in which ROK and the United States expand cooperation on climate change, clean energy, energy security, human rights, humanitarian assistance, development assistance cooperation, counter-terrorism, peaceful uses of nuclear energy, nuclear safety, non-proliferation, cyber security, and counter-piracy. The Park Government also strives for a better relationship with China on the premise that, while the central axis of Korea’s foreign and security policies is the ROK-US alliance, strong China-ROK relations are fully compatible with this fact.

In addition, the Park government is pursuing multilateral security cooperation mechanisms for Northeast Asia rather than limiting itself to the US-China bilateral structure. At the joint session of US Congress in May 2014, President Park proposed the Northeast Asian Peace and Cooperation Initiative (NAPCI). Park stated that ‘the US and other Northeast Asian partners could start with softer issues. These include environmental issues and disaster relief. They include nuclear safety and counter-terrorism. Trust will be built

through this process... But it will be firmly rooted in the Korea-US alliance.'

Since President Park's Trustpolitik with North Korea is aiming at a North-South dialogue and denuclearisation, the NAPCI—which would include North Korea—is not supposed to precede Trustpolitik. Rather, a Northeast Asian peace and security mechanism should be pursued in a way which is consistent with and conducive to progress on the North Korean nuclear problem, and avoid becoming a vehicle for North Korea to try to legitimise its nuclear power status. As long as inter-Korean relations remain unstable, real peace and stability in the region will remain a remote prospect. Tangible progress in inter-Korean relations should be the precondition for arrangements

to ensure the stability of Northeast Asia. For South and North Korea, participation in such a multilateral security mechanism could contribute to establishing a solid peace regime on the Korean Peninsula. Trustpolitik and NAPCI share conceptual similarities with the US rebalancing strategy since they are anchored in the ROK-US alliance and aimed at promoting cooperation with other countries. In this sense, it can be said that South Korea is exploring the scope for synergistic effects among these three elements while not losing sight of the difficulties involved.

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Northeast Asia's security dilemma: Korea at the centre

Leonid Petrov

More than sixty years after the signing of Armistice Agreement in Korea, Northeast Asia remains as divided and paranoid as in the old days of Cold War. Mutual distrust and inability to recognise each other's security concerns lead the two Koreas and their regional neighbours to live in constant fear of resumed hostilities, now with the potential to go nuclear. This piece will analyse the logic that underlies the security concerns of the Democratic People's Republic of Korea (DPRK) and the Republic of Korea (ROK) vis-à-vis that of China, Russia, Japan and the US.

Inter-Korean conflict

Stable peace and security in Northeast Asia cannot be achieved without ending the Korean War. How can it be achieved? And what is the role of regional neighbours in the process? The overview of DPRK and ROK's security concerns vis-à-vis each other and their regional neighbours may be helpful in answering these questions.

From the first days of their separation after World War II, both North and South Korea have lived in a constant fear of invasion mixed with the constant desire to pre-empt this invasion by attacking first and unifying the country. The unfinished nature of the Korean War left both Pyongyang and Seoul frustrated and paranoid about each others' intentions, effectively precluding any improvement in bilateral relations to the present day. Suspicions that détente and



Soldiers from the Korean People's Army look south while on duty in the Joint Security Area. Photo credit: US Army official, Korean Demilitarised Zone image archive, Wikimedia Commons.

openness might be used by the other side as a window for attack and forced unification remain alive and justified. Substantial resources continue to be allocated by the DPRK and ROK to keep their armies larger, better trained, and equipped with more sophisticated weapons.

North Korea, with its tiny economy, spends no less than fifteen per cent of GDP on defence. Its active military force is the fourth largest in the world (1.2 million people) and has several domestic functions, including economic—cheap and disciplined labour for construction projects—and ideological—mass indoctrination of conscripts. Understanding that

new conventional weapons are costly and still cannot guarantee immunity from foreign invasion, North Korea continues to develop its nuclear program—which is more symbolic than functional—as insurance against a possible pre-emptive strike.

The ballistic missile program that North Korea stubbornly continues is also multifunctional and contains both military and civilian applications—communications, meteorology and agriculture. The military function of this dual-usage technology is still being perfected by the North and needs more tests, which have been banned by UNSC Resolutions 1718, 1874, and 2094. Considering the miniature

scale of the Korean peninsula the DPRK's long and medium range missile programs have no use in potential inter-Korean conflict and are predominantly designed for psychological deterrence against nuclear blackmail by a third party.

Imperfect alliances

Both Koreas still feel vulnerable to a potential attack from the other side and continue to rely on logistical help and guidance from their traditional allies. China periodically provides North Korea with fuel, equipment and dual usage technologies that indirectly help Pyongyang's nuclear and ballistic missile programs. For example, in 2011 the Chinese-made heavy transport vehicles were modified by North Koreans to serve as mobile missile launchers and even proudly paraded them in Pyongyang. China denied responsibility and claimed that this export did not violate sanctions regime. Whether China will continue to turn a blind eye to such violations is not clear because the cross-border trade with North Korea is not subject to any international inspections.

Despite China's irritation with North Korea's defiance of the international non-proliferation regime, China is much more concerned with the continuing US presence in the region and its regular large-scale military exercises on and around the Korean peninsula. The combined field training exercises, 'Foal Eagle' and 'Key Resolve', are designed to support the defence of South Korea from a possible North Korean attack. 'Ulchi-Freedom Guardian' is the world's largest computerised command and control implementation drill jointly conducted by the US and ROK militaries. Staged annually, they are ostensibly designed to

deter North Korea but inevitably alert Chinese and Russian defence systems and lead to new spirals of arms race in the region.

For instance, the US is urging South Korea to purchase an expensive missile defence program, called Terminal High-Altitude Area Defence (THAAD), which might enable Seoul to intercept North's medium and short range Rodong and Scud missiles more effectively. Not everyone in Seoul is convinced that this program is as effective as advertised. South Korea is already committed to the gradual development of the Korea Air Missile Defence (KAMD) system and recently agreed to purchase 136 Patriot Advanced Capability (PAC-3) interceptors from the US for \$1.4 billion.

US assurances that these systems respond to DPRK missile developments and will not alter the basic military balance in the region still leave the neighbours with a tense feeling that a new heightened confrontation in Korea is entirely possible. China and Russia's concerns about the stationing of US-designed Ballistic Missile Defence equipment in South Korea have led to new tensions and contributed to the collapse of their joint economic projects with the ROK. Similarly, measures to strengthen DPRK-PRC military cooperation alert Tokyo and Washington as much as Seoul and these suspicions badly affect the regional dynamics. Fears that members of the opposing security blocks would start talking directly to each other kill any potential for the resumption of a meaningful dialogue.

The collapse of the Six-Party-Talks has been one such example. Designed to address the North Korean nuclear proliferation problem, this forum lost momentum when the parties

realised that even if the goal is achieved and Pyongyang gives up its nuclear ambitions and freezes the WMD programs it would be impossible to verify or enforce such an agreement. The parties created preconditions that made further negotiation impossible and, blaming each other for insincerity, abandoned the Six-Party-Talks. Since there is no other regional security forum to bring the conflicting security blocks in Northeast Asia together, North and South Korea have not sustained a dialogue since 2009.

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Uncertainty also permeates the internal relationships within each of the regional security blocks. The military personnel and assets, which the US Government has stationed in South Korea since the Korean War, are assigned the role of augmenting the ROK Army, Navy and Air Force in case of sudden attack from the North. The truth is that neither Seoul nor Washington believes that South Korea's 655,000 troops, armed with billions of dollars worth of advanced military equipment, can be confident of facing the North Korea's 1.2 million troops armed

with antiquated Soviet era tanks, ships and airplanes.

With this uncertainty in mind, the US and ROK have recently agreed to further delay the transfer of wartime operational control (OPCON) over allied forces stationed on the peninsula to the government in Seoul. The transfer had been planned for 2015 but has now been deferred to the mid-2020s. The reason provided by US Defence Secretary Chuck Hagel and ROK Defence Minister Han Min-koo was unequivocally simple: the ‘intensifying missile and nuclear threat posed by North Korea. Seoul is not yet confident it can resist an attack and the Pentagon still believes that South Korea is not yet ready to coordinate joint military operations.

China’s security cooperation with North Korea has been undermined by the continuing nuclear and missile tests conducted by Pyongyang in 2006, 2009, and 2013. These days Beijing is seriously reviewing its approach to how best protect its national interests in the region without letting down North Korea but with minimal engagement in its dangerous course. As a result, China joined the UNSC sanctions, declined a summit with North Korea’s leader Kim Jong-un, and encouraged the inter-Korean dialogue. On the whole, however, Sino-North Korean relations are not worse than they were decades ago.

Pyongyang’s China strategy is based on balancing between keeping Beijing content and alert. Without North Korea the north-eastern provinces of China are not sufficiently protected from the forward-deployed ROK-US military. North Korea plays the role of China’s watchdog that barks to alert its owners of an intruder’s presence every time South Korea

and the US conduct joint military drills in the region. As long as regional leaders stick to a Cold War mentality and see the world through zero-sum lenses, this situation is going to persist.

The same paradigm is relevant to Russo-North Korean relations, particularly since Russia attracted international sanctions for its annexation of Crimea in 2014. Economic and military cooperation between Moscow and Pyongyang is currently based on the resurgent themes of anti-American—and occasionally anti-Chinese—solidarity. Even economic decisions are often motivated by ideological or military considerations but are still devoid of complete trust between the parties involved. This imperfect alliance of uncertain partners has prevailed for the last six decades since the Korean War and is likely to endure for as long as the Cold War structures persist in the region.

Ending the Korean War

It is difficult to dispute the assessment that decades of mistrust and arms racing have created an environment in which regional policymakers and military experts dedicated their time to thinking about how to create tensions and expand military budgets rather than reducing the risk of new military conflict. This paradox will remain unchallenged as long as the source of regional confrontation remains obfuscated: the ceasefire regime in Korea, which was temporarily introduced in 1953, needs to be replaced by a permanent peace agreement.

Such a peace treaty, for which Pyongyang has been lobbying since 1975, could include a provision on creating a regional mechanism to ensure compliance with many issues of concern for regional powers. This multilateral

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mechanism could then become the backbone of a new regional security structure for Northeast Asia. It would also lead to mutual recognition of the DPRK and ROK, as well as diplomatic cross-recognition of the DPRK by the US and Japan. If security assurances are offered to North and South Korea by their long-standing allies and foes, the source of confrontation would be extinguished and the opportunities to start regional cooperation would be wide open.

This proposal can be feasible only under one condition. The Korean peninsula must assume a neutral (non-allied) status, which would tolerate no foreign troops or their weapons on Korean soil. Moreover, Korea must become a nuclear-free zone that threatens nobody around it. The 1991 North-South Joint Declaration on the Denuclearisation of the Korean Peninsula could provide the basis for such a possibility. The idea of zero-nuclear world was one of the pre-election promises of President Barak Obama and could start materialising in Northeast Asia with its centre in Korea.

With eight Nuclear-Weapons-Free Zones established around the globe, such as the Antarctic Treaty (1959) and the Southeast Asia NWFZ (1995), it would be more than welcomed in Northeast Asia.

Various iterations of a Limited Nuclear-Weapons-Free Zone in this region have been proposed over the years and the issue has been taken up in the Six Party Talks. It could serve as a start towards the eventual elimination of all nuclear weapons in the region. Korea would play the role of a regional balancer in economic and political matters but not as a military power that poses any threat to its neighbours. But this role can be played effectively only if the balancer itself is neutral, peaceful and stable.

Whether divided or unified, Korea will remain the pivot of Northeast Asia. Unless North and South Korea stop playing the role of pawns in the bigger geopolitical game of their powerful neighbours,

they will continue to suffer periodic escalation of tensions and expect the worst from this long-standing confrontation. The sooner Koreans themselves understand the importance of being neutral and conflict-free, the safer and more prosperous the whole region of Northeast Asia is going to become.

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An MH-60S Sea Hawk helicopter from the Golden Falcons of Helicopter Sea Combat Squadron (HSC) 12 prepares to land on the flight deck of the US Navy's forward-deployed aircraft carrier USS George Washington on waters near Guam, 1 October 2014. Photo credit: Seaman Everett Allen, US Department of Defense.

Indonesia's strategic thinking: breaking out of its shell?

Evan A. Laksmana

Indonesia saw monumental changes in 2014 with the election of President Joko Widodo (popularly known as 'Jokowi'). A furniture businessman turned small-town mayor before he became governor of Jakarta, Jokowi is the first directly elected president without any significant ties to the previous authoritarian establishment.

Perhaps more importantly, he came into office proposing a new strategic doctrine, the 'global maritime axis'. The axis element of doctrine entails an inward-looking and outward-looking duality—domestically, it focuses on the development of maritime infrastructure, inter-connectivity, and resources, while zeroing in on maritime diplomacy and naval defense internationally. While many Indonesians believe that such maritime-centric doctrine has been a long time coming given the country's archipelagic character, specialist observers recognize it as a departure from Indonesia's traditional strategic focus on internal security and national development. Is Indonesia finally breaking out of its strategic shell?

Enemies from within

Since its independence in 1945, Indonesia has faced an essentially unbroken series of internal security threats—ranging from terrorism, ethno-religious conflicts, to full-scale insurgencies. As such, an abiding concern for



Indonesia's new President, Joko Widodo, (far right) steps out with other leaders at APEC, Beijing, November 2014. Credit: Konbini.

internal security and domestic stability within Indonesia's community of strategic thinkers and policymakers was neither surprising nor misplaced. While a series of local rebellions and political crises in the late 1940s to the 1960s laid the foundation for such concerns, Suharto's authoritarian New Order expanded and deepened Indonesia's internal security woes by placing regime maintenance at the forefront of the military's duties. Indeed, as epitomized by the armed forces' 'dual function' doctrine that defined the organization as a socio-political and security-defense force, the national security establishment was focused on maintaining 'national resilience' before everything else.

The New Order's pre-occupation with internal stability did facilitate stepping away from Indonesia's confrontational stance toward its immediate neighbours in the 1960s and helped forge the ASEAN-led regional order over the ensuing three decades. At the same time Suharto's authoritarian rule both suppressed and fostered wide ranging discontent across different domestic socio-political groups. Consequently, the abrupt democratic transition of May 1998 burst an entrenched security bubble and almost tore the country apart as separatist and religious-ethnic conflicts spread in early 2000s. The author's ongoing collaborative research provides quantitative confirmation of the strong preoccupation of Indonesia's

“Over the 64 years between 1945 and 2009, Indonesia experienced 215 insurgency and terrorist attacks that accounted for the bulk (more than 60 percent) of the operational deployments undertaken by the country’s armed forces.”

military establishment with internal threats. Over the 64 years between 1945 and 2009, Indonesia experienced 215 insurgency and terrorist attacks that accounted for the bulk (more than 60 percent) of the operational deployments undertaken by the country’s armed forces. Given this strategic history, it is not an exaggeration to argue that internal security and domestic stability has always been a staple feature of Indonesia’s national security thinking.

How democracy changed strategic thinking

The abrupt transition away from authoritarian military rule, even though it almost tore the country apart, also saw a process of democratic consolidation that began to transform Indonesia’s strategic thinking in several ways. First, various democratic institutions have provided different socio-political dispute resolution and management mechanisms. Regional autonomy that devolved political and financial power to the regions, for instance, has been credited with helping to manage separatist concerns and social

unrest. This removed many, though not all, of the internal security rationales that sustained the military’s role during the Suharto era.

Second, the police were separated from the armed forces in 1999 and tasked with internal security functions. This separation, along with the scrapping of the dual function doctrine that enabled the military’s political and economic roles, formally removed the internal security role that had dominated the organization for decades. Consequently, the military has abolished almost all of its billets and offices originally designed for internal security and socio-political functions. By one account, the military issued 29 organizational reform policies to this effect between 1998 and 2006.

Third, as the process of military reform was essentially designed to ‘de-politicize’ the organization while ‘re-militarizing’ its function as a tool for national defense, defense planners began to examine the changing regional environment more seriously. As various documents published by the Ministry of Defense since 2004 show, Indonesia’s strategic thought is acknowledging the complexities surrounding the nexus of non-traditional security threats, such as disaster relief, and traditional challenges, including maritime border disputes and the changing regional balance of power resulting primarily from China’s rise.

Fourth, growing confidence in political stability led, in turn, to more stable and amicable civil-military relations. For the past decade, the Yudhoyono administration has given the military more leeway to focus on its technological modernization programs and organizational infrastructure development. Put differently, as the military’s

political autonomy diminished, its organizational and professional autonomy has grown. For instance, the formulation and adoption of the Minimum Essential Force (MEF) blueprint in 2007, primarily a shopping list of armaments and equipment estimated to cost around 15 billion dollars over 20 years, was done relatively free from civilian intervention and was fully backed by Yudhoyono and the parliament. Such plans would have been difficult to justify in the absence of a widespread appreciation that the armed forces were taking on a new role at a time of transformational change in the strategic environment.

Finally, the democratization process allowed Indonesia to begin making the projection of democratic values a component of its foreign policy strategy. This was done through pre-existing venues, primarily ASEAN, as well as newly created ones such as the Bali Democracy Forum. The Indonesian-proposed ASEAN Political Security Community project and the ASEAN Charter that focuses on creating a more politically inclusive regional order, for instance, are indicative of an outlook in Jakarta no longer driven by purely internal security concerns. Taken as a whole, democracy has allowed Indonesia’s national security establishment to view the challenges of assessing and engaging its changing regional environment through new lenses.

Responding to the changing environment: A middle power moment?

As Indonesia’s strategic perspective transitioned from internal to external, the broader Indo-Pacific region was undergoing a process of transition of its own.

For almost two decades now, multiple and conflicting currents of economic interdependence, political nationalism, and the revival of historical animosities and maritime disputes are challenging the US-forged post-war regional order. All of these developments have been taking place under the shadow of an intensifying competition among the great powers. The first order of competition centers on China and the United States. But the second and third order rivalries involving Japan, Australia, India, South Korea, and Russia—and how these are tied to the first order—are adding layers of complexity to the region's boiling cauldron of uncertainty.

These developments certainly engage the minds of Indonesia's defense planners and strategic thinkers—as the numerous documents published by the Ministry of Defense attest. Furthermore, as a 'middle power', Indonesia likes to believe it can play a pivotal role in managing the changing regional order. This involves very difficult judgments, however, and there is a sense of hedging and ambivalence in Jakarta's overall strategic response. This is why, in addition to the MEF-driven defense modernization, Jakarta has stepped up its focus on building bilateral strategic partnerships with key powers, including the United States, India, China, and Russia, even as it continues to give priority to ensuring that ASEAN remains in the driver seat in regional architecture building.

As Indonesia's global profile has grown, some observers have urged Jakarta to move 'beyond ASEAN' and engage its regional counterparts directly. Jakarta, however, clearly continues to regard ASEAN as a valuable strategic platform through which

Indonesia can exert regional leadership. ASEAN, therefore, will remain a cornerstone of Indonesia's foreign policy. In addition, the complexities stemming from the intersection of traditional and non-traditional security challenges, as well as the revival of great power politics sparked by China's rise, has attracted Jakarta to defense diplomacy as a new arena in which regional and extra-regional powers can strive to coordinate and collaborate better. ASEAN and ARF annually held an average of 15 formal and informal meetings between 2000 and 2009 involving defense and security officials at various levels to discuss a wide range of security issues. The advent of the ASEAN Defense Ministers' Meeting (ADMM) in 2006 and the ADMM+8 in 2010 involving the 10 ASEAN states along with Australia, China, India, Japan, South Korea, New Zealand, Russia, and the United States is further testimony to this growing trend.

Bilaterally, Indonesia conducted 88 defence-diplomatic activities between 2003 and 2008 alone—designed mainly for confidence building measures, defense capability enhancement and

“The process of democratic consolidation in particular has fundamentally altered the way the country's national security establishment examines its strategic environment, both domestically and regionally.”

defense industrial development. In total, between 1999 and 2014, Jakarta signed 86 bilateral defense and security agreements and partnerships with 31 countries. All of this confirms that Indonesia's strategic thinking has moved away from mainly internal security concerns to a wider, deeper concern with the changing regional environment. Although Jakarta's focus has shifted, it is still developing the abilities and skills needed to cope with the fluid complexities of the regional security environment. As with many states, policy responses have at times been less than coherent.

Implications and steps ahead

The preceding analysis suggests that Indonesia's strategic thinking is slowly, but surely, breaking out of its internal security shell. The process of democratic consolidation in particular has fundamentally altered the way the country's national security establishment examines its strategic environment, both domestically and regionally. While the problem of trans-national terrorism, disaster relief and management, and small pockets of separatist conflicts in Papua, will continue to occupy security officials in the short run, it is hard to deny the increasing focus of defense planners and policymakers on Indonesia's external environment. Jokowi's global maritime axis doctrine therefore should be seen as the next step in the evolution of Indonesia's strategic thinking that began with Suharto's downfall in 1998.

As the focus shifts to the country's changing regional environment, the global maritime axis doctrine is perhaps Indonesia's most clearly articulated grand strategy, a strategy with robust geopolitical and geostrategic underpinnings.

Whether the administration can accomplish the key goals that stem from this doctrine—such as being a more proactive mediator in the South China Sea—remains to be seen. That being said, Jokowi and his team will continue to build on the Yudhoyono administration's military and diplomatic legacies. ASEAN and regional institutions will remain a central component in Indonesia's aspiration to build a more inclusive and balanced regional architecture. At the same time however, the military's MEF-driven capability development will continue alongside the deepening and widening of Indonesia's bilateral strategic partnerships.

Meanwhile, defense diplomacy is still a relatively new institution—especially since ASEAN long remained reluctant to give the grouping an overt security dimension. Defence diplomacy will have to be institutionalized before it can be expected to have any significant strategic impact, and this will take time. There will also be some adjustment time and

'growing pains' as military officers and security officials come to terms with the complexities of regional diplomacy.

Regardless, we should expect the new administration to continue working on both 'internal balancing' mechanisms (primarily defense modernization based on improved strategic assessments) and 'external balancing' ones (primarily regional institution building and defense diplomacy) as a way to respond to the changing regional environment. In this sense, the test for Indonesia's 'middle power' moment is tied to its ability to balance these different mechanisms in a coherent and productive manner.

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US President Barack Obama confers with National Security Adviser Susan Rice (red top), 9th East Asia Summit, Naypyitaw, Myanmar, 13 November 2014. Photo credit: Olivia Cable.

Indonesia's security focus: from inside to out

Donald Greenlees

In the decade just ended something significant happened to the way Indonesia perceives its security. Former president Susilo Bambang Yudhoyono, who has been greatly maligned for policy lethargy, managed to achieve something that eluded all his predecessors: an end to a historic obsession with internal order. This is not to say that Indonesia does not now or in future face worrying internal security challenges. But it has started to move beyond what former authoritarian president Suharto once described as Indonesia's 'inward looking' concept of security.

From the time Indonesia declared independence in 1945, ideological fractures and regional disintegration within Indonesia's borders were seen as the biggest security threat to the state. Yet with the consolidation of democratisation, decentralisation and sustained economic growth, Indonesia has started to put the bogeys of separatism and ideological revolution to rest. While there is some unfinished business on the domestic security agenda—notably the conflict over the status and rights of Papuans and the risk of terrorism—neither of these constitute serious armed threat to the authority of the state. Yudhoyono left office on 20 October 2014, leaving Jakarta more sanguine about the durability of the nation building project than any time in its history. The consequence for security is that the Indonesian armed forces (Tentara



Indonesian President, Joko Widodo listens to China's Prime Minister Li Keqiang at the 25th ASEAN Summit, Naypyitaw, Myanmar, 13 November 2014. Photo credit: Olivia Cable.

Nasional Indonesia, TNI) can become what might be considered a 'normal' force, focused on providing defence against external threats. Freedom from the constraint of a domestic-first security approach has enabled Indonesia's strategic planners to focus on external challenges, including illegal fishing, uncertainty generated from regional power shifts and China's extensive territorial claims in the South China Sea.

A number of signs point to Indonesia making a transition away from a focus on internal security to confront external security concerns at the strategic and operational levels. They include greater international status for Indonesia as a stable democratic country, an increase

in its military and diplomatic capability to actively contribute to regional and global security and a decline in criticisms over human rights, which have constrained relations with the USA and other Western countries. While some relate to thinking and processes within government, others are manifest in strategic planning, equipment acquisitions and operational priorities within TNI itself. If the trend is sustained under the presidency of Joko Widodo, the benefits to Indonesia and implications for its neighbours will be immense.

Inside Indonesia

Still, there are several qualifications to the scenario in which domestic security is left

largely to civilian law enforcement and strategic planners and soldiers can focus on the international environment. Indonesia continues to face an active albeit low intensity insurgency in its two Papuan provinces and the risk of Islamist terrorism, which remains relatively high despite the absence of a major attack in five years. It also has a problem with periodic outbreaks of religious and communal violence. Senior officials and TNI officers in Yudhoyono's administration believed the police alone lacked the capacity to deal adequately with these sources of conflict. Organised violence conflates with a significant human security agenda in a country marked by disparities of wealth and vulnerable to environmental shocks.

Talk of Indonesia as a new economic powerhouse, with a rising middle class, masks the fragility of progress. The World Bank estimates 40 per cent of Indonesians live on less than 1.5 times the poverty line of US\$16.70 per month.¹ There are also unresolved cases of state abuses of civilians by security forces dating back to Suharto's New Order, which should be subject to discovery, reconciliation and justice to address a widespread impression that military and police personnel are above the law. This presents the current Widodo administration with a complex and multilayered domestic security environment. This includes pushing ahead with liberalisation in the Papuan provinces to respond to grievances over injustice in both political and economic affairs; dealing with the new threat posed by Islamic State sympathisers and returning jihadists from Iraq and Syria; giving substance to the often hollow rhetoric of religious tolerance of the Yudhoyono administration; and building what Indonesian's like to call 'national

resilience' through reforms to ensure the benefits of economic growth are widely shared and state institutions are fit for purpose.

The large domestic agenda frequently discourages Indonesians from admitting the progress already made in securing the country and accepting they are ready to take on a bigger international role. During the presidential election, both Widodo and his rival retired general Prabowo Subianto suggested Indonesians would be taken more seriously in international affairs if they built domestic strength first, repeating a comment by Suharto in 1967. As scholar RE Elson aptly put it, Indonesia's limited success and profile in the international arena was historically a function of the 'direct and total subordination of international relations and international diplomacy to the always pressing, and often chaotic, demands of domestic politics.'²

But the scale of the domestic challenge that still lies ahead should not obscure the achievement of the current democratic era. Since the fall of Suharto in the late 1990s, Indonesia has witnessed the end of its two biggest security dilemmas—insurgencies and independence movements in East Timor and Aceh. Security sector reform in civilian agencies contributed to Indonesia's successes in combating terrorism and quelling fierce sectarian and ethnic conflicts in the eastern archipelago.

Although the resolution of East Timor's status was a bitter experience—especially for the East Timorese—it did remove a major impediment to Indonesia forging closer security relations with Western countries and adopting a higher international profile. Despite the outstanding United Nations indictments

“[Indonesia] ... has started to move beyond what former authoritarian president Suharto once described as Indonesia's “inward looking” concept of security.”

over crimes committed during Indonesia's departure, the 1999 referendum on East Timor's status initiated by President BJ Habibie relieved his successors from a source of internal and external destabilisation. Indonesia then seized on the changed social and political condition in Aceh after the December 2004 tsunami to reach a resolution to the three-decade insurgency waged by the Free Aceh Movement (Gerakan Aceh Merdeka, GAM). The peace agreement with GAM was one of the great accomplishments of Yudhoyono's presidency, although future administrations would be wrong to take the peace for granted.

Widodo's challenges

Widodo needs to match in Papua and West Papua the determination Yudhoyono administration's demonstrated in his first term in Aceh. Widodo is perhaps fortunate in having Jusuf Kalla as vice president, since Kalla was credited with being the driving force in government behind the 2005 Aceh peace agreement. Given the vast agenda Widodo faces as president, he would be wise to appoint Kalla as the man to address Indonesia's Papuan problem.

Regardless, finding a solution to the aspirations of the Papuan people will require courage and

imagination. The UN calculates that 36.4 per cent of Papuans living below the poverty line—three times the national average. Yet while Papuan grievances are as much political as economic, trying to fix economic inequality—a strategy of ‘buying the Papuans off’—will be insufficient. The ‘autonomy plus’ proposals drawn up by the Papuan and West Papuan administrations for a new law on regional governance are a good starting point. Since both drafts reflect the desire of Papuans to be granted certain political liberties—including limited foreign affairs power, to obtain special economic and land rights and to engage Jakarta in a process of disclosure over present and past wrongs—some of this might be too much for nationalists to bear, among them the Minister for Defence, Ryamizard Ryacudu, and perhaps too for the Constitutional Court.

Hardliners in Indonesia’s administration, parliament and TNI could resist significant concessions to Papuans because of the potential to set a precedent for other provinces. It would be a mistake for Widodo for cave in. A comprehensive settlement with Papuans would free Indonesia from the last major human rights issue retarding relations with the West. Nonetheless, it is clear that the rebel Free Papua Organisation (Organisasi Papua Merdeka, OPM) has limited and probably declining capability to launch attacks. The region is close to the point where

policing solutions are sufficient to manage security, with the military only backing up in emergencies. Moreover, a significant proportion of the Papuan elite has a vested interest in remaining with Indonesia.

Indonesia: looking outward

The solution starts with Jakarta recognising that Papuan aspirations represent a political problem not a security one. The historic fears of separatism can pose the risk of eliciting state responses that are self-fulfilling. Nowadays Indonesians might disagree about the content of the state, but there are few voices challenging the state itself. From a security standpoint, this means that Indonesia has been able to begin to rebalance its security priorities and, in foreign policy in general, ‘take a more purposeful and outward looking view of its place in the world’.³ Government officials and military officers might reflexively emphasise the internal dimensions of security. But ask them to list the actual challenges Indonesia faces, the talk is of imminent external threats—smuggling, illegal fishing and transnational crime.

Added to this list are worries about the strategic outlook in East Asia. As one adviser to Yudhoyono observed in a confidential interview as the president was preparing to leave office: ‘How China projects itself in the future remains a big question mark in

our analysis. It might not be an immediate security threat but there are always indicators that make us wonder about China’s intentions in the future.’ The rise of China makes a focus on the external security agenda a high priority for the Widodo administration. In 2012, China demonstrated its ability to drive a wedge into ASEAN over disputed boundaries in the South China Sea. That year the annual ASEAN Ministerial Meeting, chaired by Cambodia, failed to issue a joint communiqué for the first time in forty-five years because of disagreements over whether to include concerns over territorial disputes with China. Chinese pressure on Cambodia was blamed for the failure.

While Indonesia is not a claimant state in the South China Sea, ambiguities over China’s territorial claims marked by its nine-dash line—which encroaches on Indonesia’s Natuna Islands—have increased anxiety in Jakarta. In an article in the Wall Street Journal in April 2014, TNI Commander Moeldoko stated Indonesia was ‘dismayed’ to discover the cover page of new Chinese passports placed parts of the Natuna Islands inside the nine-dash line. Moeldoko warned ‘an assertive China that rewrites the status quo through displays of military strength’ would unsettle the region.⁴ The article printed under Moeldoko’s name—presumably published with the President’s authority – illustrates greater readiness to take a stand on issues relevant to the regional security environment.

Indonesia has two broad responses to China’s gambit in the South China Sea: first, it is modernizing its military and, secondly, it is seeking more diplomatic cohesion within ASEAN. The military dimension entails investment in maritime capabilities, coupled

“The rise of China makes a focus on the external security agenda a high priority for the Widodo Administration.”

with what Moeldoko promises will be a stronger armed presence around the Natuna Islands. The diplomatic dimension is still evolving. But policymakers in Jakarta are contemplating a move to have ASEAN first settle maritime border issues among themselves permitting countries to have a clearer negotiating stance with China.

The Indonesian approach to the South China Sea reflects a growing awareness and self-confidence when it comes to international security. For example, Indonesia is increasing its contribution to UN peacekeeping and soon expects to be able to field 4,500 troops in this role, having established a peacekeeping training centre outside Jakarta—one of Yudhoyono's pet-projects.

On one level, military modernisation and diplomatic activism can be seen as logical responses to changes in the external security environment. But on another level it represents a deeper change in Indonesia's worldview—one that builds on a declining fear of internal conflict.

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ENDNOTES

- 1 The World Bank, 'Indonesia Overview'. <http://www.worldbank.org/en/country/indonesia/overview> [accessed November 2014]
- 2 RE Elson, 'Problems of Identity and Legitimacy for Indonesia's Place in the World', in Anthony Reid (ed.), *Indonesia Rising: The Repositioning of Asia's Third Giant*, Singapore: ISEAS Publishing, 2012, p. 173.
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- 4 Moeldoko, 'Rebuffing Beijing's Newest Sea Claims', *The Wall Street Journal Asia*, 28 April 2014, p. 11



World leaders at the G20 Summit, Brisbane, Australia, 14 November 2014.
Photo credit: Government ZA, flickr.

America or China? Australia should choose both

Hugh White

Like many of its neighbours, Australia looks at the future of the Asia Pacific region with a mixture of cautious optimism and deepening unease. It is cautiously optimistic about the region's economic future, and about Australia's ability to prosper within it. But it is increasingly uneasy about the region's political and strategic trajectory, as the long era of stability which followed the US opening to China seems to be coming to an end. Long taken for granted and expected to last indefinitely, it now appears that the regional order of the past four decades was in fact the product of a very specific set of circumstances, and those circumstances have proved to be not at all immutable. On the contrary, strategic circumstances in Asia are being overturned by a radical shift in the way wealth and power are distributed between Asia's major powers, a corresponding shift in the strategic expectations—both hopes and fears—of those powers, and a consequent transformation of the nature of their relationships with one another.

All this constitutes the largest revolution in Asian strategic affairs in a very long time—certainly since Nixon met Mao in 1972, and quite possibly since the eclipse of China and the emergence of Japan as Asian great powers in the 19th Century. China is set to overtake the US as the world's largest economy, and it is quickly eroding America's capacity to project armed force by sea in the East Asian littoral. China's ambitions have



President Obama, Prime Minister Abbott and Prime Minister Abe following a tri-lateral summit held in the margins of the G20, Brisbane, November 2014. Credit: Japantimes.

grown with its power, and it no longer accepts the subordination to US primacy to which Mao acquiesced in 1972. Beijing now seeks a 'new model of great power relations' in which it enjoys at least equality with America in regional leadership, and possibly something more.

In the past five years, as China's challenge to the status quo has become more overt, America has loudly proclaimed its determination to resist that challenge and preserve its leadership as the foundation of the Asian order. At the same time, Japan has begun to feel both more anxious about China's ambitions and less sure about America's support. The US-China-Japan triangle which defines the

Asian strategic order, and which has remained so stable since 1972, is now in flux, and with it the security of the entire Asia-Pacific region. Clearly it is no exaggeration at all to say that the whole future of the Asia-Pacific depends on how this situation develops.

That is of course as true for Australia as for every other country in the region. Like other middle and smaller powers, Australia finds itself facing new and unfamiliar policy challenges as it tries to manage and balance its relations with the region's great powers as their relations with one another become increasingly competitive and even adversarial. And in some respects Australia's policy dilemmas are perhaps

even more acute than others'. At one level this is because both the US and China are so critical to Australia; America as its major ally and China as its most important trading partner. More fundamentally, it is because what is at stake in Asia today is the future of external 'western' strategic preponderance in the region, on which Australia as a western outpost in the Asian hemisphere has so long depended not just for its sense of security but for its sense of identity.

Moreover like others, Australians are finding that the policy precepts and habits of mind that served them so well during the long decades of uncontested US primacy are not much help in navigating the new and more dangerous strategic currents of the Asian Century. The first Australian leader to face these new challenges was John Howard (1996 to 2007), who led the conservative parties into Government in early 1996. In his first few months in office Howard discovered that Australia's economic opportunities in China would be constrained if its strategic alignment with the US cut across core Chinese interests. He was determined to ensure this did not happen, striking an understanding with President Jiang Zemin that while Australia would remain a close US ally, nothing Australia did as a US ally would be directed against China. This was an understanding that Howard found easy to keep over his eleven years in power. Over those years Washington did not see Beijing as a rival. China was not yet overtly challenging the US in Asia, and

after 2001 Washington was heavily preoccupied in the Middle East. The War on Terror gave Howard the chance to establish himself as a staunch US ally while at the same time studiously avoiding any sense of alignment with the US against China. His confident assertion that 'Australia does not have to choose between America and China' became something of a policy mantra, but in his time it was true.

Howard's successors have not been so fortunate. In the years after he left office in 2007, China's challenge to the US-led order in Asia became increasingly overt, and so did America's response. The changing tone of US-China relations, and the implications for Australia, became unmistakably clear in November 2011 when President Barack Obama used an address to the Australian Parliament in Canberra to set out his Pivot to Asia. The message of that speech was unmistakable: America was determined to resist China's challenge, and would use all the elements of American power to preserve US leadership as the foundation of the Asian regional order. Australia's support for this robust policy was unambiguously signalled by the simultaneous announcement that a permanent US Marine presence would be established in Darwin.

By this time China had become Australia's largest trading partner. Its central place in Australia's economic outlook was emphasised by the widely-acknowledged fact that export demand from China had been central to Australia

avoiding recession in the Global Financial Crisis. For Australia any hiccup in the economic relationship with China had become simply unthinkable. But the understanding that John Howard had reached with Jiang Zemin had now become incompatible with America's expectation of Australia as a close US ally, because America was now quite unambiguously identifying China as a strategic rival in Asia, and was pledged to resist China's ambitions as its highest global strategic priority. It was no longer credible for Australia to claim that nothing it did as a US ally would be directed against China, because opposing China had now become the primary US strategic aim in Asia, and support for that aim had become America's main expectation of its regional allies, including Australia.

The Australian Labor government at that time, led by Julia Gillard, responded in public to this very difficult policy dilemma by simply denying it existed. They continued to repeat John Howard's 'We don't have to choose' mantra, and asserted that Obama's 'Pivot' had nothing to do with China. In private, however, they were more circumspect. As the Foreign Minister Bob Carr has revealed in his published dairies, Canberra sought in 2012 to downplay the expanded US military presence in Asia and tried gently to distance themselves from the Pivot. Gillard was duly rewarded by a very warm visit to Beijing in April 2013, but at the cost of some quiet but distinct disappointment in Washington.

When Tony Abbott became Prime Minister as leader of the conservative parties in 2013 he proclaimed his determination to manage Australia's relations with the US and China the way his mentor John Howard had done. But this has proved difficult for two reasons. First, the US-China

“In the past five years, as China's challenge to the status quo has become more overt, America has loudly proclaimed its determination to resist that challenge and preserve its leadership as the foundation of the Asian order.”

relationship today is very different from the way it was in Howard's day. As a result, like Gillard, Abbott finds it much more difficult than Howard ever did to avoid making choices which please one side and displease the other. The harsh fact for Australian statecraft is that both Washington and Beijing now see their relationship with Canberra primarily through the lens of their rivalry with one another, so that their principal concern about Australia's position on many issues is what it implies for its alignment with one side or the other of their increasingly zero-sum contest. This has become so even on such economically-focused issues as the Asian Infrastructure Investment Bank. In this environment it becomes increasingly meaningless to keep saying 'we do not have to choose'.

Second, Abbott has emerged as a less pragmatic, more ideological foreign-policy practitioner than Howard was. As a result, as the choices between America and China have become tougher, Abbott has become increasingly willing to align Australia with America and its allies, and correspondingly more willing to align unambiguously against China. In the fifteen months since Abbott won office, this has been most clear in his approach to Japan. At a time when Japan's relations with China—and South Korea—have become unusually tense, and Prime Minister Abe has proved himself radically revisionist both about Japan's military history and its strategic future, Abbott has taken remarkable steps to deepen Australia's strategic alignment with Japan. At one point he referred to Japan as a 'strong ally' directly comparable with Australia's alliance the US, and there can be little doubt that he does indeed see the relationship in those terms—as does Abe. There are many reasons to doubt whether

“Australia finds itself facing new and unfamiliar policy challenges as it tries to manage and balance its relations with the region's great powers as their relations with one another become increasingly competitive and even adversarial.”

a close strategic alignment with Japan is really in Australia's best interest over the coming years and decades, but in the present context what is most striking is Abbott's willingness to follow what seems to be a primarily ideological preference for democratic Japan over non-democratic China regardless of the risk to relations with Beijing.

To be fair, so far Abbott has not yet paid any major diplomatic or economic price for his provocative policy towards Beijing. It will be interesting to see how long this lasts. But more broadly, the question for Australia, as for so many other countries in Asia, is how well its long-term interest are served by a policy of strong support for America and Japan as they resist any significant accommodation with China and aim instead to preserve the US-led status quo in Asia indefinitely into the future. There is no doubt that US primacy would remain the best outcome for Australia as long as it could continue to be—as it has been since 1972—uncontested by any major power. Abbott's policy appears to presuppose that this is possible. He presumably hopes and expects that when confronted with a strong US-led coalition, like-minded countries including Australia, Japan, India and a number of Southeast Asia, China will simply abandon its ambitions for a new regional order and go back to accepting US primacy. If so his policy will prove sound. But it is hard to be confident that what Abbott hopes and expects will actually happen. It is more likely that China's determination

to build a new model of relations in Asia will only grow as its relative economic and military weight in Asia grows. In that case Abbott's policy will only encourage escalating strategic rivalry between America, Japan and China, and drive Australia closer to the point where it really does have to make a once an for all choice between its biggest trading partner and its strongest ally.

There is an alternative. Escalating rivalry and eventual conflict between the US and China is not inevitable, and there are other ways of avoiding it than forcing China to back down and accept the status quo, or by US withdrawal from Asia leaving China to take its place as regional hegemon. The obvious alternative is for the US and China to seek some kind of new accommodation which accords China a bigger leadership role in Asian regional order, but still preserves a strong, though necessarily reduced, US role as well. In other words, the US and China could negotiate a new relationship in which they agree to share power in Asia. Naturally creating and maintaining such an order would entail much risk and complexity. But for Australia, as well as for the US, China and the rest of Asia, it offers the best and perhaps only alternative to a much more dangerous and uncertain future.

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Thailand: The Coup and its consequences

Thitinan Pongsudhirak

Thailand has lurched from one crisis to the next over the past decade. Its latest military coup on 22 May 2014—the second in eight years and thirteenth since constitutional rule was introduced in 1932—has dramatically rolled back Thailand’s democratic transition. At one point in the late 1990s, after a Bangkok-based popular overthrow of a disguised military dictatorship in 1992 and consequent broad-based political reforms that culminated with the 1997 constitution, it appeared Thai democratic transition from decades of military-authoritarianism was being consolidated. This is no longer the case. Military-authoritarian rule is back, and it may insist on staying around for longer than one might anticipate. This article probes into the roots of Thailand’s long crisis, the twin coups in 2006 and 2014, and domestic prospects in the foreseeable term.

The roots of Thailand’s long crisis

Thailand’s long crisis can be portrayed in several different ways. On one level, it is a crisis of a fledgling democracy that has proceeded in fits and starts from 1932 on a topsy-turvy trajectory. On another, it is a crisis of a traditional political order that is out of step with the new popular demands and expectations of the early 21st century. Yet it may also be seen as a crisis that revolves around the self-exiled Thaksin Shinawatra, the deposed and divisive leader whose political party has won all of the elections since 2001. Conversely, this can



Red Shirts at a rally in Bangkok, 3 April 2014. Photo credit New Mandala, Australian National University.

be seen as a crisis being peddled by Thaksin’s opponents who are unelected and unable to abide by the rules of electoral democracy.

To grasp the nature of the Thai crisis, it is necessary to appreciate Thailand’s political order over the past century. The country was an absolute monarchy until 1932, when constitutional rule came into play. From 1932 to roughly 1958—through the 1930s and Second World War—the role of the monarchy in politics was at its lowest point. Parliament, political parties and politicians were most prominent, alongside the budding role of the military. After a see-saw rivalry between civilian and military leaders who overthrew absolute monarchy, marked by factionalism and political volatility, the army, led by strongman Field Marshal Sarit Thanarat staged a coup in 1957 and again in 1958—

the latter an incumbency putsch to put himself in office—and ushered in absolute rule by dictatorship. Sarit resurrected the monarchy and its role in Thai political life. Over time, the monarchy and military developed a symbiotic relationship. Subsequently, the monarch surpassed the military and became the apex of Thai society through the monarch’s substantial hard work with the masses during the Cold War. As the monarch became paramount and revered in Thai society increasingly from the 1960s, the monarchy, military and bureaucracy became the core pillars of Thai politics.

The mutually reinforcing trinity among the monarchy, the military and the bureaucracy became a kind of a Cold War fighting machine for Thailand from the 1960s through the 1980s. It became phenomenally successful on two fronts. First,

it kept communism at bay at a time when Thailand's immediate neighbourhood became communist dominoes that fell in succession, including Laos, Cambodia, and Vietnam. But Thailand defied the communist domino theory. Second, during this formative Cold War period, Thai economic growth was impressive, registering six per cent expansion per year. The monarchy, military and bureaucracy thus kept communism away while enabling Thai economic development.

This traditional political order then became a victim of its own success, as economic development gave rise to new voices and growing democratisation. The development and modernisation from the 1960s to 1990s culminated with Thaksin's rise and rule by 2001. Thaksin was the embodiment of the new elites who benefited from sustained economic development. He was a major beneficiary of Thailand's economic boom in the decade from 1986, and was able to capitalise on Thailand's open economy and global financial integration. Thaksin's conglomerate, Shin Corp, skyrocketed after listing on the stock exchange in the early 1990s. As a former police officer and a graduate of the military preparatory school, he became a billionaire telecoms tycoon and a consummate politician with extensive networks in the police, military, bureaucracy, business and politics.

As democratisation made inexorable headway from the end of the Cold War, the monarchy-centred political order and hierarchy was still intact. The chasm between electoral democracy as a new and undeniable source of legitimacy and power caused tensions with the traditional order that relied on moral authority, integrity and unelected sources of legitimacy. These tensions have manifested in different ways and still beset

Thailand today. It is as if Thaksin opened Thailand's 'can of worms', so to speak, letting the genie out of the bottle. The country has been transformed from a kingdom of traditionally loyal subjects to a democracy of increasingly informed and politically conscious citizens. The overlap between subjects and citizens is Thailand's way ahead as the country needs the right mix of monarchy and democracy. It is still in a painful search for this recalibrated mix that requires compromise and mutual accommodation. Such is Thailand's endgame in the late twilight of a glorious reign when democratic rule appears the only game in town.

Restoration: the twin coups of 2006 and 2014

Thailand vicious coup cycle is well known. A coup sets in motion a new constitution, elections, and an elected government that inevitably becomes corrupt, paving the way for another coup and so on. This is how the coup-prone system perpetuates itself. Thailand is still in the midst of this cycle. The 2006 and 2014 putsches are one and the same. The 2006 putsch was seen as 'half-baked', not having gone far enough to prevent the Thaksin regime from reincarnating after elections to engage in the same sort of abuse and graft that deposed it in the first place. Thus the 22 May coup in 2014 can be seen as 'all-in'. The junta—the National Council for Peace and Order—stated from the outset that their intention was to clean up Thai politics and get rid of corruption. The NCPO has not delegated authority to caretaker technocrats as in past coups. This time, the ruling generals are running Thailand more or less directly, with a military-authoritarian concentration of power that has not been seen since Sarit's time.

The NCPO forms a nexus, the heart and inner sanctum of a clutch of related bodies. Led by General Prayut Chan-ocha, the generals in charge even conceded that the NCPO functions like a "politburo" during the coup period. Thus the NCPO, via Prayut, has established an interim constitution that effectively provided absolute power to the NCPO chief. The NCPO handpicked and set up a military-dominated National Legislative Assembly (NLA), which in turn selected Prayut as prime minister. He then formed a cabinet, heavily drawn from the military. In addition, a 250-member National Reform Council (NRC) has been appointed alongside the 36-member Constitution Drafting Committee (CDC), which was picked by the NRC, NCPO, NLA and cabinet. Such is the concentration of power that is mutually reinforcing, all reporting to NCPO with Prayut at the top. Even after he retired from the army on 30 September 2014, Prayut remains prime minister and NCPO leader.

This astonishing concentration of power may be seen more broadly as a reaction and regression in the face of 21st century challenges and dynamics associated with electoral democracy that have been evident since Thaksin's rise. The generals are thus reacting against what they see as the

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abuse and usurpation of the Thaksin years, from his direct electoral rule during from 2001 to 2006, to proxy leaders and governments that ended which led to the appointment of his sister Yingluck Shinawatra from 2011 to 2014. To the Thai military, the Thaksin regime is the most daunting problem, and elected politicians have been the bane of Thai democracy. So goes the pro-coup argument, which explains the generals' view of having to clean up Thai politics and having to turn back the clock in the process. Whether the generals get away with such efforts is a different matter. Thailand in 2014 and 2015 may be too complex to turn back but the generals will try at least to make fundamental adjustments by rewriting the rules and tackling corruption without adding their own graft. The generals are likely to feel in 2015 and 2016 that their job is unfinished—since elections are promised by late 2015 or early 2016, they may face retribution, and that their vested interests need to be looked after. As a result, the likelihood that the generals in government and in the army will stay longer than intended and that their initially genuine intentions may go awry are likely to increase in the coming months.

An existential search for a new moving balance

Notwithstanding two coups in eight years, there is no exit from elections and democracy in Thailand. International norms have changed, reinforced by a revolution of transformative information technologies. Thai people are more politically conscious and awakened than ever. The international community, unlike during the Cold War, no longer condones coups because there is no more communist expansionism to fight. As globalisation marches forward, it

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empowers the lower rungs of the Thai electorate allowing them to voice aspirations and grievances like never before. Yet there lies a two-pronged problem. First, Thailand's electoral winners have not been allowed to rule. Second, those who ultimately rule cannot win elections. Since Thailand's main opposition Democrat Party has been morally bankrupt and utterly unable to win a national election for more than two decades, the Thaksin camp has been the main beneficiary. His sort of democratic rule can be manipulated and monopolised. At the same time, the moral authority that has emanated from unelected sources, such as the military and the judiciary, appears untenable.

This means the military junta under General Prayut will be tempted to develop new rules that will somehow keep the Thaksin side at bay at a minimum—perhaps by making room in the constitution for military rule to be institutionalised within an electoral framework. It is a contentious arrangement that has been dubbed 'Thai-style' democracy but the electorate will likely oppose it if the rules are distorted and manipulated too blatantly. A recalibrated political order is thus imperative to return Thailand to a more genuine democratic path without manipulation from the likes of Thaksin but also a democratic rule that cannot be derailed at will by Thaksin's opponents. It is likely that Prayut and other top brass in the NCPO will want to stay longer than planned for at least three reasons. First, they may feel the job is unfinished. Second, they may be afraid of retribution if they

leave without adequate safeguards. Third, they may have vested interests of their own by that time. In addition, there is the succession question that hovers over Thailand. The generals may feel that they have to be in power—or at least prevent the Thaksin side from being in power—while the succession takes place. The military sees itself as the guardian and steward of the Thai kingdom and it may want to play the role of midwife during the succession period.

But the longer the military stays in power, the more risks Thailand will accrue. The generals are likely to make growing mistakes and missteps. They and/or their associates may engage in graft and cronyism. They may overreact to resistance and opposition from political activists. After all, Thailand is a society that has grown up opposing military rule over the past four decades. The NCPO may try to form a political party or co-opt some politicians to maintain post-election power. Policy reforms may become arbitrary and haphazard. Opposition to military rule is likely to grow in the interim. These dynamics point to growing tension. Another major round of confrontation the military and its opponents of many stripes—between pro-coup and anti-coup forces—may well emerge in the coming months. From mid-2015, the NCPO and Prayut will be under pressure to stick to the election timetable but will also be tempted to delay the polls unless the junta can control post-election outcomes, perhaps in cahoots with their preferred politicians. Either way, Thailand appears set for a rough ride.

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