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Abe's Half Year of Tenure: Assessment and Future Perspective

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PERSPECTIVE**

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Becoming prime minister: surrounding domestic and international situation

Abe's coming back to power should be considered domestically as one of the key events in Japan to arguably establish a stable two-party system. The "system of 1955", which was the major political achievement in post-war Japan was composed of an asymmetrical two-party system, where the Liberal Democratic Party (LDP), supported by agricultural lobby and powerful industry and conducting realist foreign policy, stayed in power permanently and the Japan Socialist Party (JSP), supported by urban electorates, workers and some opposition intellectuals and advocating idealist foreign policy stayed in permanent opposition. The political reform that started in 1993 under Ichiro Ozawa successfully halted forty years of reign of the LDP, but quickly brought it back to power in 1996, led to Junichiro Koizumi's reformist policy to "destroy the LDP" for six years from 2001, and finally allowed the Democratic Party of Japan (DPJ) to take power in 2009.

But three years of JDP governance and seeming two-party system apparently failed. Lack of political experience that resulted in incompetence, failure of out-of-proportion idealist policy such as five trillion yen budget for children subsidy or hollow slogan such as "from concrete to human being", alienation of bureaucracy which still preserved effective ability for governance, inability to let Japan getting out from its deflationary stagnation resulted in disappointment among the electorate. On international relations, Yukio Hatoyama alienated the United States by his careless if not antagonistic remarks toward greater autonomy and Noda's inadvertent if not careless policy on Senkaku purchase triggered China's explosion against Japan. Both resulted in deep anxiety among opinionated voters. As the results of electorates detachment from the JDP LDP gained a smashing victory in House of Representatives' election on December 16 2012 and the Abe Cabinet was formed on December 26.

Given JDP's devastating loss and emergence of pluralistic parties in opposition,

Japan's transition toward effective and stable two-party system is again clouded and it still remains in transition to find stable and effective political system to guide it in the 21st century. Japan's position toward China's rise in all spheres and the US which is determined to check, rival and co-exist with it put Abe in un-precedently difficult position to guide its foreign policy.

Abe's first half-year: its achievements and limitations

Nearly half year has passed by the time this paper is going to be discussed at the Asia-Pacific Roundtable. So far several limitations and weakness notwithstanding, Abe's overall performance should be considered as a reasonable success. Seven areas of his policy would be analyzed. The socio-economic policy was perhaps the most remarkable one which could be considered as a genuine success at the time of writing of this paper. The four foreign policy arenas, China, US, Russia and multilateral or regional policy could be defined as areas with reasonable success, or without fundamental failure. Clear mistakes were committed in the area of historical memory, related to Korea, China, the US and even Okinawa. North Korea remains a question mark.

Socio-Economic Policy

Abe's policy direction so far has been strategic: prioritize various different policy areas and outline them in time sequence and implement them in accordance with its priority. But one thing is to strategize another thing is to implement. So far the priority number one, socio-economic policy, has been implemented with genuine success. Before assuming power Abe and his team established a detail work plan to implement socio-economic agenda with exclusive priority until July 28 2013 when half members of the House of Councilors are due for reelection. The work plan is proceeding as planned. Three arrows of Abenomics were set and all seem to be moving ahead.

The first arrow of relaxing the monetary policy with 2% of inflationary target was grasped by Haruhiko Kuroda, new governor of Japan Bank ready to enlarge 135 trillion yen monetary base in two years. The expectation toward the new monetary policy resulted in stunning rise of Nikkei average stock price from 9,000 yen in November 2012 to 13,500 yen in April 2013, combined with sharp depreciation of yen from 78 yen to 98 yen per dollar in April 2013. The second arrow to activate economy by enlarging budgetary expenditure was implemented in the form of supplementary budget of 13 trillion yen adopted by the House of Councilors on February 26. The 2013 budget of 92 trillion yen, the largest amount in history, with 5.3 trillion yen of public work subsidy was

approved by the House of Councilors on May 15. The third arrow of development strategy is announced by Abe's speech first on April 19, targeting advanced medical care and enlarged women's job opportunities, and then on May 17, enhancing greater private sector investment to regain the pre-2008 level in three years, encouraging tourism and skilled labor introduction to Japan, enhancing the export of cool-Japan culture abroad, and creating robust agriculture with double income in 10 years.

The down side of that economic policy is appearing in industries using imported energy such as fishery industry or transportation companies, and economists argue a possible sharp downturn if real income would not meet the pace of consumer price hike. But all in all, general mood in social and economic sector is on the rise that most of analysts predict a smashing victory for Abe in the House of Councilors election in summer 2013.

Relations with China

Malaise of domestic socio-economic policy in Japan has been difficult issues which Japan struggled through already for more than 20 years. On foreign relations Abe is caught by a problem of entirely different nature. The maritime threat from China that exploded in 2012 completely changed Japan's security-defense position in the post-WWII era. Symptoms of rising threat from China were already there for many years, but never has it reached the level of explosion in 2012.

China's position to assert ownership of Senkaku was manifested in 1971, gradually turned into open challenge against Japan's ownership particularly after the enactment of 1992 territorial water law, and finally crystalized into policy objective to challenge the status quo by "effective physical control" from 2008. Triggered by Japanese government's decision to purchase three out of five Senkaku islands in September 2012, China openly began implementing its proclaimed policy to exercise its effective physical control in the territorial waters of Senkaku and at the time of writing of this paper, Chinese coastal guard vessels entered 41 time since GOJ's purchase of these islands.

It is author's view that China, as a sovereign state, has every right to claim whatever they consider necessary and righteous, though outside countries may not agree with that position. But there is one condition. China, as a responsible state in the 21st century is obligated to observe fundamental principles which govern current international system. The United Nations Charter, its stipulation and the principles and spirits embodied there as well as treaties that China has solemnly concluded are the norms which have to be observed. Entering by force to territorial waters around Senkaku, where Japan has exercised actual control from 1895 is close to the violation of the UN Charter and clear

manifestation of hegemonism. Since China's action is nothing but an implementation of their declared policy as of 2008, and Japan has no effective measures so far to prevent these Chinese actions, China's diplomatic victory in the immediate term is uncontested. But in the long run China's hegemonism may be costing dear because its continuous approach to resolve international disputes by physical force is seeding distrust among even most China friendly people in Japan and elsewhere. Abe's approach to enhance deterrence through strengthening coastal guard and maritime self-defense force in supplementary 2012 budget as well as in 2013 budget, revision of the NDPO in late 2013, summoning again wisemen's group to revise Article 9's interpretation all, possibly reaching the revision of the Constitution with careful scrutiny to timing and procedure all seem to be going to the right direction. At the same time, efforts to hold dialogue with the Chinese leadership is essential, and Abe's repeated public message at his trip in DC at the end of February that "his window for dialogue is opened" is hitting rightly to that point. It is author's sincere hope that unpublicized efforts by Abe's team at the prime minister's office and Gaimusho are working seriously to find ways to resolve this issue through negotiations and not by forces.

Relations with the United States

It is plainly obvious that in a situation where possible maritime confrontation with China could lead to military clash, management of the alliance as well as overall bilateral relations with the US bear paramount importance. Given the enormous complexity mounting in Okinawa on American bases, agreements reached on April 5 to transfer 6 bases 1000 ha worth South to Kadena in 2013-2028 are commendable efforts. Postponement of the transfer of Futenma base to 2022 onwards may also be considered a realistic decision.

Abe's leadership to join the TPP could be viewed as Japan's effort to underpin the alliance with the US from geo-political point of view. The issues at stake are primarily economic but many analysts argue that it has deeper strategic and geopolitical implication. Abe succeeded to overcome so far strong opposition from within the LDP and opposition parties who view this issue only geo-economically. On February 20 he issued a joint statement in DC to view auto and agriculture as respective exceptional items, on April 12 reached agreement with the US, on April 20 received formal endorsement by 11 member countries to join the TPP, and awaiting US congressional recognition is now waiting to join formally the TPP negotiations from the end of July. Simultaneously given the geo-economic nature of this problem in March 26-28, the first round of talks on Japan-China-Korea FTA took place and in deteriorating political environment

Japan-China-Korea environment ministers' meeting took place and issued a joint statement on May 7.

Relations with Russia

From the geopolitics surrounding Japan where China's policy of resorting to forces is becoming Japan's greatest security threat, realist logic lead to the importance of allied relations with the US, and then of establishing solid relations with Japan's surrounding counties. Geography indicates that Russia and Korea are the key. Thus in relations to Russia, resolving the territorial issue which separated them for 68 years with mutually acceptable concession and exert strategic decision to enlarge economic relations based on the principle of mutual interests emerge as critical task.

President Putin, from the time of his decision in September 2011 to run for the presidential election on the following year sent clear message that Japan was going to be important at the initial stage of his presidency. The key statement came in press interview on March 1 2012 where he stated that when elected as president four days later, he was determined to make a breakthrough of the Japan-Russia relations by way of strengthening economic ties and resolving the territorial issue based on the principle of "draw (*hikiwake* in Judo word)". One year has passed while essentially Japan was not responding to it, and this omission may be considered sufficiently long for the closure of the window of opportunity.

Prime Minister Abe's visit to Moscow on April 28-30 2013 barely saved that falling relationship. 100 businessmen who accompanied him and several agreements reached in enhancing Japan's investment to Russia and expanding energy trade was a message for future activation of the economic relationship. The establishment of "2+2" format of defense-foreign ministers' talk was a clear step toward strengthening security ties in a situation where Japan hold such dialogue only with the US and Australia. Instruction to the diplomatic channel to find mutually acceptable solution to resolve peace treaty issue was a necessary starting point. Putin and Abe's media appearance gave an impression that the two leaders' vision and chemistry met to take a difficult political decision. Time is ripe at long last for a substantive and quick decision.

Relations with regional countries and global community

Next to its relations with the US, Russia and Korea (about which this paper deals with in the next two sections) there is the need to look at Abe's policy toward other regional countries as well as global community. The list of the countries where Abe and other key members have visited since the formation of the cabinet, give us keys to detect their

priorities. Naturally this list is just indicative, but it shows a clear sign of strengthening the ties with like-minded countries in the Asia-Pacific Region and in global community. Although not specified in terms one can see easily here a revival of the concept of Arc of Freedom and Prosperity which was promulgated by Foreign Minister Aso under the Abe cabinet in 2006-07.

	Premier Abe	Deputy-P. Aso	F.M. Kishida
January New Year	Vietnam, Thai, Indonesia	Myanmar	Philippines, Singapore, Brunei, Australia
March	Mongol		
April-May Holliday	Russia, Saudi Arabia, UAE, Turkey	India, Sri Lanka	Mexico, Peru, Panama, Los Angeles
May (scheduled)	Myanmar		

(Note: all visits to Washington DC are not included in this list.)

The long overdue signing of Japan-Taiwan fishery agreement on April 10 2013 can also be considered as a step to strengthen regional ties with neighboring countries and areas.

Relations with South Korea and other historical memory issues

Given the analysis above one is left to wonder why the same kind of success, or at least no failure, has not been seen in Japan’s relations with South Korea, and in relations to other countries in relation to historical memory issues.

Abe’s initial approach was cautious. This was perfectly in line with his declared strategic objective of “economy first until July 28”. This cautious positioning was expressed by series of statements which Yoshihide Suga, Chief Cabinet Secretary, has made in his press conference. On the key apology statement inherited by all previous governments, the Murayama Statement of 1995, it was announced that “the Murayama Statement shall be inherited but at some time Abe will come up with a future oriented statement.” On the Kono statement which decided the government position on comfort women, Suga did not mention that Abe’s government will inherit it but stated that he was not going to make it a political or foreign policy issue. The author has reservation to both these two positions but at least they were not taken as directly challenging positions so far maintained by Abe’s previous governments.

But Abe’s December 31 interview in Sankei Shimbun indicated that, among others, he was departing from the Kono Statement and that resulted in NY Times editorial of January 3, 2013 criticizing harshly Abe’s historical revisionism. Abe calmed down in his statements and began emphasizing women’s right in the 21st century.

On Takeshima, Abe started off by not making the Shimane Prefecture Takeshima Day a national memorial day that obviously was taken as a positive sign by Korea. He nevertheless sent a cabinet representative to the Shimane Takeshima Day on February 22 and that roused criticism in Korea, but probably not to the extent of damaging the fragile ties that both wanted to rebuild. Deputy Prime Minister Aso's attendance at President Park inauguration ceremony on February 25 was carried out cordially.

The critical failure was committed first on April 21 when that Deputy Prime Minister Aso visited Yasukuni against the established practice that it is the PM, Foreign Minister and Chief Cabinet Secretary's visit that China will make issue of. Immediately Korean Foreign Minister's visit was cancelled and Masahiko Komura, Vice-President of the LDP had to cancel his visit to China as well. On April 23, China for the first time after Japanese government's purchase of the islands sent in eight coastal guard vessels into the Senkaku territorial waters. On that same day Abe made a statement in the diet that he was not inheriting the Murayama Statement as such, and that the definition of "aggression" may vary according to the position taken by respective countries. Newly expressed position by Abe resulted in harsh criticism in the editorials of major US newspapers: Wall Street Journal and Washington Post.

But from there a new turn of events began to take place. Seen serious criticism from abroad, Abe toned down his views at the parliamentary debate, and on May 10, Suga officially brought back government's position to "inherit the Murayama Statement in its entirety just as other cabinets did." When Sanae Takaichi, Chairperson of the LDP policy committee spoke out on May 12 that she was not comfortable with the usage of the word "aggression" and it might be subjected to revision in the future Abe statement, Suga called her on the following day to heed to Cabinet policy and on May 14 Takaichi withdrew her position to follow the government position.

The most astonishing statement pronounced by Osaka Mayor Toru Hashimoto on justifying comfort women became under fire by practically all political circles, for fear that Hashimoto's out of common-sense statements could alienate voters. On May 18, Suga made a statement which most clearly expressed humility in the present government that "our hearts ache deeply for the horrendous pain inflicted upon those women, and we share the same feeling with all previous cabinets. We are not going to make a political or diplomatic issue out of it."

The last point I need to add is that on April 28 when Abe Cabinet held a special ceremony with Imperial presence to commemorate the entry into force of San Francisco Peace Treaty, Okinawa responded with burning indignation because that was the day when Okinawa was cut off from the mainland.

Relations with North Korea

At the time of writing of this paper, perhaps it is sufficient to mention that Isao Iijima, special advisor to the Cabinet travelled to North Korea May 14-17 and was greeted by Kim Yong-nam, Chairman of the Presidium of the Supreme People's Assembly, second in party power structure in North Korea. Iijima reportedly had frank talks with NK's representatives, and conveyed "comprehensive approach to resolve abduction, nuclear and missile together" while making it clear that Abe was determined to act to resolve the abduction issue with his own efforts. Whether this initiative ends in just a show-case of performance or will bring in substance on North Korean situation is unknown at this point.

Future Perspectives: what would happen after July 28?

Everything is not entirely clear. But the author hopes that Abe will succeed in overcoming tremendous challenge which he is going to face from this summer:

---On social economic policy, would he be guided by wise economists who identify areas where growth can be achieved by successful monetary and fiscal inducement to bring ultimately all macro and micro equation right?

---On China would his policy of deterrence and dialogue finally succeed to take out the steam and find ways for coexistence on the Senkaku issue?

---On US, both on issues related to Okinawa and TPP, would Abe have power to overcome formidable domestic opposition to manage complex base issues and economic interest group at home?

---On Russia, would Abe have enough of political capital to take substantive decision to strengthening economic ties and to take real tough decision to settle the territorial issue based on mutually concessionary solution?

---On regional cooperation and cooperation with global community, will Abe succeed in expanding Japan's influence following the concept of Arc of Freedom and Prosperity without unduly antagonizing China?

---On historical memory issues in general, would Abe be able to maintain the "apologist" position they were obligated to assume at the later-half of May? If not, after swinging positioning in April-May would not Abe's credibility be shattered?

---On North Korea, would Abe's overture for dialogue develop into an effective policy to affect the power balance of the region, or would it just stay as a measure to propagate his willingness to do something in front of domestic audience?