

## **Executive Summary**

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## Chapter 1

### Japan:

## Revising Security Legislation and the Japan-US Defense Cooperation Guidelines

### **Toward Revision of Security Legislation**

The right of collective self-defense was the key word when discussing Japan's security policy in 2014. Usually, security matters are discussed among specialists and do not attract a high level of interest among the public. However, wide-ranging public discussions emerged in 2014, particularly regarding the right of collective self-defense. The trigger for these discussions was the "Cabinet Decision on Seamless Security Legislation to Ensure Japan's Survival and Protect its People" announced on July 1, which made clear the government's intention to pursue necessary legislation for the purpose of addressing various security challenges. This cabinet decision aims to revise the interpretation of Article 9 of the Constitution, which forms the basic legal foundation of security and has been a point of debate since the Gulf War in 1991, to meet the demands of the current security environment, while maintaining the basic legal logic of the previous interpretation of the Constitution.

The exercise of the right of self-defense allowed under the basic logic of the current Constitution is limited to use of force to the "minimum extent necessary" in order to defend Japan in response to an "imminent, unlawful invasion." This had long been interpreted as meaning that the exercise of the right of collective self-defense (as opposed to individual self-defense) could not be allowed because it would go beyond this "minimum extent necessary."

The public debate on the issue of the right of collective self-defense became more lively as a result of the increasing activities of the Self-Defense Forces (SDF) from 2001. While the issue was mainly discussed in the context of the SDF role in regional contingencies in the Asia-Pacific region, not least the Korean Peninsula and Taiwan Strait, an ensuing debate in the 2000s addressed the question in a more global context. From the beginning of the 2010s, the same debate intensified in response to the worsening security environment surrounding Japan arising from North Korea's nuclear and missile development and the rapid modernization of China's maritime and air capabilities.

Regarding the current debate on the legal basis of security, the following three

aspects need to be taken into account.

First, the cabinet decision of July 1 does not indicate that Japan will be able to exercise the collective right of self-defense according to the internationally accepted standard interpretation under international law. Second, regarding the very common issues of “brakes” or “restrictions” on Japan’s security and defense policy, there needs to be a clear understanding about the distinction between the question of devising a legal and institutional mechanism to limit the scope of the government’s actions and the question of clarifying criteria for policy choices. Third, the issue of the legal basis of security needs to be thought through before the occurrence of a real crisis that could throw doubt on the stability of the Japan-US alliance—which means now. The necessity for such discussions is clear in the current situation where the need to strengthen the deterrence posture of the Japan-US alliance is generally recognized in view of the increasingly severe security environment.

### **Revision of the Guidelines for Japan-US Defense Cooperation**

Immediately after the inauguration of the second Abe administration in December 2012, Prime Minister Abe directed Minister of Defense Onodera to prepare for the revision of the Guidelines for Japan-US Defense Cooperation (hereinafter “the Guidelines”) in order to strengthen the role of the SDF and enhance deterrence in cooperation with the United States. Accordingly both parties engaged in discussions and a joint statement was announced at the Japan-US Security Consultative Committee (“2+2”) held on October 3, 2013. In this statement, the cabinet ministers concerned (Japan’s ministers of foreign affairs and defense and the US secretaries of state and of defense) directed the Subcommittee for Defense Cooperation (SDC) to draft recommended changes to the Guidelines. On October 8, 2014, an interim report was released based on the discussions thus far and the current status of the discussions was made public.

The basic approach of the National Defense Program Guidelines for FY2014 and beyond (hereinafter “NDPG 2013”) is important in gauging the orientation of the new Guidelines. While both the NDPG 2013 and its previous version—the National Defense Program Guidelines for FY2011 and beyond (hereinafter “NDPG 2010”)—emphasize the importance of Japan’s response to gray-zone situations, the 2013 document expresses concern about the protraction and escalation of gray-zone situations. It is therefore important to control the risk of escalation while engaging in a long-term response to gray-zone situations.

The interim report focuses on the following five areas: (1) seamless and effective whole-of-government alliance coordination; (2) taking measures to prevent the deterioration of Japan's security; (3) enhancing bilateral cooperation to generate a more peaceful and stable international security environment; (4) cooperation in space and cyberspace in an alliance context; and (5) mutual support in a timely and effective manner. Based on this, “seamlessly ensuring Japan's peace and security,” “cooperation for regional and global peace and security,” and “bilateral responses in new strategic domains” were identified as important areas of cooperation. Furthermore, the document states that the two governments will continue to develop cooperation in the following areas: defense equipment and technology cooperation, information security, and educational and research exchanges.

This will be the first revision of the Guidelines since 1997. Given the dynamically changing world, it is hardly surprising that the security environment of 2015 is substantially different from that of 1997. The new Guidelines document is expected to ensure that the Japan-US alliance will be better able to address the security challenges of the 21st century, based on the framework outlined in the interim report and taking into account Japan's ongoing process of revising security legislation.

## **Chapter 2**

### **The Korean Peninsula:**

### **A Consolidated Kim Jong Un Dictatorship and South Korea's Delicate Diplomatic Wobbling between the United States and China**

#### **Dual Hard-soft Tactics: A New Phase in North Korea's Approach**

North Korea (Democratic People's Republic of Korea, DPRK) continued its hard line against the United States and South Korea (Republic of Korea, ROK), firing ballistic missiles and rocket artillery—initially daily, and then intermittently—in reaction to US-ROK joint military exercises from the end of February 2014 and announcing its intention to carry out a fourth nuclear test. The missiles fired on March 26 are assumed to have included two Rodong missiles, which are capable of reaching almost any part of Japan. In December, North Korea launched a cyber attack against a US movie distributor. At the same time, however, Pyongyang adopted a relatively soft stance towards Japan regarding the abduction issue. It

also dispatched a delegation of high-ranking officials on a surprise visit to South Korea to coincide with the closing ceremony of the Asian Games and released three US citizens that it was holding captive.

### **Consolidation of Kim Jong Un Dictatorship**

Since the purge of Vice-chairman of the National Defense Commission Jang Song Thaek in December 2013, efforts have continued to consolidate the de facto dictatorship of First Chairman of the National Defense Commission Kim Jong Un under the Workers' Party of Korea (WPK) one-ideology system. At the first session of the Thirteenth Supreme Peoples' Assembly in April 2014, Choe Ryong Hae was installed as vice-chairman of the National Defense Commission, but at the second session in September of the same year, he was replaced by Hwang Pyong So. Choe Ryong Hae moved to the post of WPK secretary and his position as director of the General Political Bureau of the Korean Peoples' Army (KPA) was taken over by Hwang Pyong So. News emerged also that Kim Jong Un's younger sister Kim Yo Jong had been appointed a deputy director of the WPK.

### **North Korea Looking to Strengthen Ties with Russia**

With China-DPRK relations strained since the purge of Jang Song Thaek in 2013, Pyongyang has been trying to improve relations with Russia. The first sign of this was the February 2014 visit to Russia by Kim Yong Nam, chairman of the Standing Committee of the Supreme Peoples' Assembly, for talks with Russian President Vladimir Putin. A visit to Russia by Minister of the People's Armed Forces Hyon Yong Chol on November 8 was followed by the November 18 visit of Secretary Choe Ryong Hae, who handed a personal letter from First Chairman Kim Jong Un to President Putin. Choe Ryong Hae's delegation included high-ranking officials from the WPK, Ministry of Foreign Affairs, Ministry of Foreign Trade, and KPA General Staff Department, demonstrating Pyongyang's seriousness in improving relations with Russia across the board.

### **Park Geun-hye Administration's Foreign and Defense Policies: Efforts to Bolster Deterrence against North Korea**

South Korea's Park Geun-hye administration seeks to strengthen the alliance with the United States and relations with China simultaneously. The Park administration could, however, be confronted with a tough choice between the United States and

China should the two countries' interests diverge further. In terms of defense policy the Park administration has, under the notion of "proactive deterrence," been pushing the buildup of the Korean Air and Missile Defense (KAMD) and kill chain (system designed to destroy North Korea's nuclear weapons and missiles) in order to counter North Korea's nuclear and missile threat, and has indicated its willingness to launch a preemptive strike if necessary. South Korea and the United States have also been working together to strengthen deterrence against North Korea by agreeing to maintain the existing combined defense posture under which the commander (US army general) of the ROK-US Combined Forces Command exercises operational control in wartime until such time as South Korea's kill chain is complete and to cooperate in missile defense.

### Chapter 3

#### China:

#### Xi Jinping's Administration—Assertive Policies at Home and Abroad

##### **The Crackdown on Corruption and Consolidation of Xi's Power**

President Xi Jinping continues to consolidate his authority and is trying to demonstrate the strength of his leadership. One means to this end has been the anti-corruption campaign. In particular, the fact that Zhou Yongkang, a former member of the Politburo Standing Committee, and Xu Caihou, former vice chairman of the Communist Party of China's (CPC's) Central Military Commission, were not only investigated but also punished for corruption during 2014 was unprecedented in Chinese politics.

The aim has been to use such a large-scale campaign against corruption to strike a blow against the vested interests of state-owned enterprises and similar groups, thereby promoting China's transition toward a new model for economic development. The crackdown on corruption in the military as well seems aimed at gaining leverage from such a campaign in promoting reform in national defense and the military. President Xi's anti-corruption campaign, in short, helps consolidate his authority and leadership in domestic politics, and strong authority and leadership in turn helps him to pursue further reforms.

### **The Xi Administration's Proactive Foreign Policy**

The strongest feature of the Xi administration's foreign policy would be its stress on proactivity and taking initiative. The Central Conference on Work Relating to Foreign Affairs which met in November confirmed its recognition that international relations were becoming more multi-polar and that it was important for China in such an international environment to pursue its own and distinct major-power diplomacy.

### **Unclear Course for "New-Type Major-Power Relations" between the US and China**

China is seeking to establish a "new type of major-power relations" with the United States based on the principles of (1) avoidance of confrontation and rivalry, (2) win-win relations, and (3) mutual respect for core interests. However, the year 2014 has demonstrated that the relationship between the two countries cannot develop as expected by China. A series of unilateral actions by China since autumn 2013 increased tensions with its neighboring countries, which has caused the United States to oppose such Chinese behavior in a clearer manner. Furthermore, in the US-China bilateral context, a cyber spying incident was revealed and a midair encounter between US and Chinese military aircraft took place in August.

At the same time, however, there has also been progress in military-to-military relations and multinational frameworks. For instance, the PLA Navy took part for the first time in the US-led RIMPAC naval exercise held from June to August, and an agreement was reached between the United States and China on the occasion of the Asia-Pacific Economic Cooperation (APEC) summit in November to create a communications mechanism between the two to avoid accidental military confrontations.

### **Developing Periphery Diplomacy and a "New Security Concept for Asia"**

As a result of the Periphery Diplomacy Meeting in November 2013, the significance of periphery diplomacy has been established as a new pillar of China's foreign relations. Its basic aim seeks to reassure the neighboring countries that China's rise is peaceful. For this purpose, China seeks to expand economic relations with them through trade, circulation of currency, and infrastructure investment—such new concepts as a "Silk Road economic belt initiative" and a "twenty-first century maritime Silk Road" can be understood in this context.



At the same time, China has shown itself ready to use its Periphery Diplomacy to criticize and seek to restrain military alliances and the existing international system. At the Fourth Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA) in Shanghai in May 2014, China introduced the idea of a “New Security Concept for Asia,” demonstrating its growing willingness to transform the existing international order.

### **Taking a Strong Stance on Issues Relating to Its Core Interests**

China has been showing a growing insistence on principle and a resolute determination to protect what it calls core interests. This has been particularly true in the South China Sea. China’s installation in May 2014 of oil drilling equipment near the Paracel Islands generated confrontations with Vietnamese maritime police and fishing inspection vessels. China has also sparked the serious concern of a number of its neighbors by expanding its presence in the South China Sea by landfills to expand some of the islands, building up Chinese facilities in the region.

Around the time of the November APEC summit, however, China also made some adjustments in its stance toward Japan and Vietnam and sought to improve its diplomatic relations with these neighbors. In conjunction with APEC, Prime Minister Shinzo Abe and President Xi met for the first Japan-China summit talks in nearly three years.

### **Reforming Defense and the Military for Joint Operation and Battle-readiness**

In order to further the reform of national defense and the military as called for at the Third Plenum of the Eighteenth CPC Central Committee in November 2013, the new “Small Leading Group for Deepening Reform of National Defense and the Military,” set up in the Central Military Commission, held its first session in March 2014. Among the various proposed reforms, particular attention is focusing on establishment of a joint operations command center as well as the possibility of sharp reductions in the number of troops and rearrangement of China’s military regions. As concrete measures so far, the People’s Liberation Army conducted a number of exercises particularly in the areas of joint operation training and trans-MAC (Military Area Command) base training—involving multiple military regions—under the emphasis of the need to conduct military exercises based on real combat scenarios.

Attention is also being paid to military-civilian cooperation as part of the

defense and military reform, including attempts to use the civilian technologies which have developed during China's years of rapid economic growth for military purposes as well. The year 2014 saw the successful test of the Wu-14 hypersonic glide vehicle and progress in the deployment of the JL-2 and DF-41 ballistic missiles. In addition, the Chinese-made Type 052D class of guided-missile destroyers and the general-purpose Z-20 helicopter were introduced. China is also said to have obtained an IL-78 aerial refueling tanker from Ukraine, yet another sign of the progress in the modernization of PLA equipment in 2014.

## Chapter 4

### Southeast Asia:

### Chinese-Vietnamese Confrontation Grows Ever More Apparent

#### **South China Sea: China-Vietnam Confrontations, Vietnamese and Philippine Efforts to Boost Maritime Patrols**

During 2014, Southeast Asia was again kept off balance by problems in the South China Sea. On May 2, China started installation of an oil drilling platform in waters off the Paracel Islands, where Vietnam claims an exclusive economic zone (EEZ). This set off a two-month series of nose-to-nose confrontations between official vessels and fishing ships on both sides involving water cannons and collisions; the violence escalated to include the capsizing of a Vietnamese fishing vessel. After the Chinese side announced its completion of operations on July 16 and withdrew its oil drilling platform, both sides made diplomatic efforts to repair their relationship, signals of which include the October summit meeting and cabinet level visits. China has nevertheless continued unilaterally to strengthen its effective control over the Paracel and Spratly Islands. In particular China has been conducting land reclamation operations in such areas as the Paracels' Woody Island and Fiery Cross Reef in the Spratlys to establish its military presence, which is attracting strong international attention.

In this context, the United States decided in October to remove some of its restrictions on weapons exports to Vietnam to enable Washington to provide equipment for maritime security to the country. In addition, India is believed to have agreed to sell naval vessels to Vietnam. The Philippines and the United States in April concluded an Enhanced Defense Cooperation Agreement that

permits the access of US forces to the agreed locations in the Philippines on a rotating basis and envisages US support for modernization of the Armed Forces of the Philippines (AFP) and cooperation in training. Japan and South Korea have also offered to provide patrol vessels and warships to the Philippines. Thus 2014 saw an increasing commitment by the United States and other countries to the strengthening of maritime security capabilities of Vietnam and the Philippines.

The Association of Southeast Asian Nations (ASEAN) expressed its serious concern over the Chinese oil drilling activities that gave rise to such a confrontation and called for an early conclusion of a Code of Conduct (COC) between ASEAN and China on the South China Sea. While a series of agreements were reached on topics such as the establishment of a China-ASEAN maritime emergency hotline and the holding of a table-top exercise on search and rescue, no substantial progress was made toward the drafting of a COC. ASEAN's inability to reach internal unity on this question raises concerns that any eventual COC would be toothless.

### **The Security Situation in Individual States: Coup d'Etat in Thailand, Mindanao Peace Agreement, New President in Indonesia**

In Thailand, the ongoing political and social confrontation between supporters of former Prime Minister Thaksin Shinawatra and the anti-Thaksin factions reached an impasse, giving rise to a coup d'état on May 22, resulting in a military government for the first time since 2006. Interim Prime Minister General Prayut Chan-o-cha, chief of the Royal Thai Army, set up a provisional government and aims to hold a general election in 2015 to return power to a democratically elected new government. However, it remains to be seen whether this political process will be successful in ending the long years of political confrontation and opening the path to national reconciliation.

In the Philippines, a comprehensive peace agreement was reached between the government and the Moro Islamic Liberation Front (MILF), putting an end to the forty-year long conflict between the government and the armed Islamic group in Mindanao. The Comprehensive Agreement on the Bangsamoro envisages the establishment in 2016 of a "Bangsamoro autonomous political entity" within the structure of the Republic of the Philippines with its own chief minister and legislature. However, the risks of continued use of violence by antipeace factions and terrorist activities remain real.

In Indonesia, President Susilo Bambang Yudhoyono completed his two terms,

ten years, in office in October and a new president was sworn in: Joko Widodo from a civilian background. Given that Jokowi, as he is universally known, has made “Indonesia, a global maritime nexus” his personal slogan, attention will be directed to what specific policies he can undertake to bring this about.

### **Modernizing Equipment and Building Up Capabilities**

In recent years, the Vietnam People’s Army has been seeking to improve its capabilities, particularly through increased investment in modernizing its navy’s equipment. The country has depended on Russia for most of its major defense equipment and the scope of this close relationship is not limited to the supply of equipment but is developing in a variety of other services, including technology transfer, operational support, and provision of credit. India, which is also a substantial buyer of weapons from Russia, is assisting Vietnam in military education and training as part of its effort to strengthen the strategic partnership between the two nations. At the same time, Vietnam is also seeking out new alternatives; it is, for example, purchasing naval vessels from Western defense companies for the purpose of acquiring the most advanced weapons systems.

In 2011, when a Philippine oil exploration vessel operating near Reed Bank west of Palawan Island was harassed by two Chinese official vessels, the Philippine government was unable to take appropriate countermeasures. President Benigno Aquino III reacted to this situation by deciding on increased investment in the AFP, and in 2012, the AFP Modernization Act was revised. This Act authorized around 1.8 billion US dollars in funding over five years which would be allocated to modernize the AFP’s equipment as a separate account from the general budget. At the same time, the AFP Modernization Program was also updated given the problems of the previous program, which had left many projects uncompleted. Now the government’s priorities in defense reform are making the responsibility structure clearer and the procedures more transparent.

Based on the 2010 concept of “Minimum Essential Force (MEF),” the Indonesian government has increased the defense budget to implement it, with procurement programs going on for a wide variety of major equipment. The navy is believed to be aiming to become a “green-water navy” (one that is designed to operate in Indonesia’s littoral zones and has the capability to operate in the open oceans of its surrounding region) by 2024. Though within an insufficient budget, efforts to improve its forces’ capabilities are underway through procurement of new

equipment and upgrade of the existing vessels. Recognizing the importance of building the domestic defense industrial base, the Indonesian government adopted a Defense Industry Law in 2012. Under this law, the Defense Industry Policy Committee chaired by the Defense Minister is in charge of government-linked arms production companies, which might support contract negotiations between the government and foreign defense companies for offsets conditions including technology transfer and local contents requirements.

## Chapter 5

### India:

### The Foreign and Security Policy of the Modi Government

#### **The Modi Government: Aiming for a Strong and Self-reliant India**

The government led by Narendra Modi of the Bharatiya Janata Party (BJP), which swept into power in the 2014 general election, has proclaimed “*Ek Bharat, Shreshtha Bharat* (One India, Eminent India)” as its slogan. As its manifesto explicitly states, the goal of its foreign policy is to build “a strong, self-reliant and self-confident India” that will “regain its rightful place in the comity of nations.” While the first BJP government attempted to realize a “strong India” through a nuclear test in 1998, the strong India envisaged by the Modi government means primarily an “economically strong” India. Although the BJP’s power base, the Hindu organization Rashtriya Swayamsevak Sangh (RSS), has shown a negative response to foreign capital, the overarching imperative of the Modi government is to invite foreign direct investment in order to maintain growth while keeping inflation in check.

The main goal of the Modi government’s security policy is to overcome India’s weaknesses, and is grounded in the three pillars; law and order, border disputes, and defense reform. As far as the first pillar is concerned, one pressing challenge is counterterrorism, particularly given the Mumbai terror attacks of 2008, in which a Pakistan-based organization is alleged to have played a role. Responding to a series of transgressions along the Line of Actual Control in the border areas by China, India is likely to improve the infrastructure along its borders, especially in the North Eastern Region.

### **Look East Policy: An Emphasis on “Connectivity”**

Although the former Indian Prime Minister Manmohan Singh proposed the idea of “connectivity” in the South Asian Association for Regional Cooperation (SAARC), the reaction of the other members of SAARC was lukewarm, owing to their concerns about being overwhelmed by the Indian economy. He thus shifted the direction of that policy so as to pursue connectivity beyond the region instead, and actively engaged in the process of making the “Master Plan on ASEAN Connectivity.” In contrast to the Singh government, the Modi government’s position is to consolidate relations with the rest of SAARC countries and then reach out to ASEAN.

While the concept of connectivity—the key to Modi’s “neighbors first” policy—refers to the strengthening of transport networks, comprising those on land, sea, and air, it has come to be understood as a package involving infrastructure investment, such as in port facilities, an idea evolved from the ASEAN connectivity project. The neighbors first policy under Modi is, first, linked to the stability and development of the North Eastern Region of India. The landlocked region, surrounded by Nepal, Bhutan, Bangladesh, and Myanmar, is linked to the rest of India only by the narrow Siliguri Corridor. It is important to note that the government’s efforts to improve transportation and other infrastructure in the region are linked to the India-China border disputes there. Second, it is aimed to transform contentious issues such as the distribution of water resources as well as transit issues into a more mutually beneficial kind of cooperation in infrastructure and connectivity. Third, it can serve as a response to China’s expanding influence in its neighborhood. Thus, India’s neighbors first policy is strategically significant in terms of checking and balancing the expansion of China’s influence in the India-China border area.

### **Developments in the India-China Border Dispute**

During the first Singh government (2004–09), the relationship with China improved substantially, led by the rapid expansion of the trade and investment. However, since 2008, China has begun directly and indirectly challenging India’s control of Arunachal Pradesh state in the North Eastern Region. India recognizes this as a sign of China’s retreat from its previous commitment to resolve border disputes between the two countries.

The policy of Prime Minister Modi toward China will likely be characterized

by a combination of a tough stance on border issues and a more accommodating stance on economic relations. In September 2014, when Chinese President Xi Jinping visited India, it was agreed that a Chinese industrial park would be built in Gujarat, the home state of Prime Minister Modi, and China pledged in the joint statement to invest \$20 billion in India. At the same time, however, India has been building up border posts for the Indo-Tibetan Border Police (ITBP).

### **Cooperation in Defense Equipment as a Key for the India-US Partnership**

The India-US strategic partnership dramatically developed in the 2000s through joint military exercises and defense equipment cooperation. However, the relationship between the two countries has stagnated ever since the decision by India in April 2011 to exclude the American F-16 and F/A-18 aircraft from the list of candidates for the Medium Multi-Role Combat Aircraft (MMRCA), 126 of which were to be procured. India has expressed its intention to go beyond a simple buy-and-sell relationship to one of joint production and joint development. During Prime Minister Modi's visit to the United States in September 2014, no agreement was reached concerning cooperation in defense equipment. The reinvigoration of the India-US partnership thus depends on whether the two countries could deepen their understanding about the other side's decision-making systems, including procurement, defense production and defense finance, as well as its cost-and-benefit calculation through the mechanism of the "Defense Trade and Technology Initiative (DTTI)."

### **Can the Modi Government Implement Reform in Defense Production?**

India's efforts towards the indigenous production of defense equipment have run into repeated failures, with substantial delays in the projected periods for development and production, leading to cost overruns. The underlying cause is the monopolistic situation enjoyed by the public sector in India's defense industry. Reforms in defense production have been attempted since 2001, and a combination of foreign direct investment and offsets has been pursued as a means to ensure technology transfer and strengthen the country's manufacturing base. However, the rigid requirement for technological transfer and the 26-percent limit on foreign ownership caused hesitation among foreign companies.

The Modi government decided to raise the limit for foreign ownership in the defense sector from 26 percent to 49 percent, thus including defense production

as part of the overall “Make in India” campaign. Success in defense production reform, then, depends on the extent to which painful reforms can be implemented in the public sector.

## Chapter 6

### Russia:

#### Ukraine Crisis Destabilizing Russia’s Geopolitical Position

##### **Russia Faces Pressure to Respond Effectively to Ukraine Crisis**

The crisis in Ukraine continues to unfold in the wake of the election of President Petro Poroshenko in May 2014, and the situation in the southeast of the country remains unstable in spite of the ceasefire agreement signed between the Ukrainian government and pro-Russian separatist groups on September 5. The annexation of Crimea by the Russian Federation led to a temporary resurgence in President Vladimir Putin’s approval rating, which had been on the decline. It thus appears that Putin’s handling of the Ukraine situation has been a success, at least in the short term. From the longer-term perspective, however, Putin is likely to face a number of difficult problems. The rising tide of Russian nationalism could make relations between Russia and other former states of the Soviet Union increasingly tense, and the negative impact of the Ukraine issue on the economy could weaken the administration’s stability over the long term.

##### **Ukraine Crisis to Delay Recovery of Russian Economy**

Russian economic growth had been slowing since 2012, and with the political instability and economic sanctions resulting from the Ukraine crisis, the economy has clearly entered a recession. The steep fall in international crude oil prices in the latter half of 2014 was a severe blow to the fragile Russian economy—which is overly dependent on energy exports—and has caused a sharp worsening of the ruble’s already downward-trending exchange rate. The Russian government has been taking a variety of fiscal and monetary measures to combat this situation, but is rapidly running out of options. Amid these circumstances, the budget of the Russian Federation drawn up for fiscal 2015 incorporates a massive increase in expenditure, centered on economic stimulus measures, while the defense budget is also up by a sharp 32.8 percent over the fiscal 2014 level. It is thus clear that the



government is working to maintain and if possible strengthen the country's military capability and defense industry production base through investment in alternatives to imported defense technologies, which have been cut off by international sanctions.

### **Russia Seeking to Move Forward with Eurasian Union Concept, and to Strengthen Ties with East Asia**

As a result of the ongoing Ukraine crisis, Russia is pursuing a policy of strengthening the Eurasian Union and improving ties with East Asia, mainly in the context of deteriorating relations with the EU and the United States. In May 2014 it signed a “Eurasian Economic Union” agreement with Belarus and Kazakhstan, and the union came into existence on January 1, 2015. Ties with China also developed substantially in 2014, not least in the energy domain. Against the background of growing international criticism of Russia's actions in the Ukraine crisis, Moscow and Beijing signed an agreement on the supply of Russiangas to China by pipeline, an issue that had been under negotiation for a long time. In the second half of 2014, with sanctions in the energy field starting to bite harder, additional agreements were reached between the two countries—one on a new pipeline route (the Western Route) and another on a framework for Chinese capital participation in the upstream gas sector in Russia. Thus, while Russia's relationship with Europe—its major market for energy exports—was becoming more difficult, it was forging an ever-stronger energy relationship with China, where demand for energy is growing sharply.

### **Military Exercises Display Operational Readiness and Strategic Focus on Far North and Far East**

A series of military exercises were held from August through September in Russia's Eastern Military District with snap inspections being conducted on September 11–18 and strategic maneuvers under the name Vostok (East) 2014 taking place on September 19–25. These maneuvers were conducted in military exercise areas in southern parts of the Russian coast, as well as areas ranging from the Arctic Sea to the Chukchi Peninsula (e.g., landings on Wrangel Island) and territories surrounding the Sea of Okhotsk. In all these maneuvers, the military made use of operational capabilities inherited from the Soviet era. They were aimed at enhancing the armed forces' mobility and their ability to defend remote territories.

### **Military Involvement in Ukraine Crisis**

NATO and Western officials and experts have described the way in which Russia conducted its intervention in Ukraine as “hybrid warfare.” Analysts are currently studying this new form of military activity, which has rung a number of alarm bells in the West. Sources within the Russian military have also hinted that Russia is indeed developing a new means of waging war. In a statement made at a meeting related to military research, Chief of the General Staff Valery Gerasimov said that warfare could no longer be conducted solely through reliance on traditional types of military force, and pointed out that the United States had achieved its aims in Libya and elsewhere by nonmilitary means, including support for antigovernment forces. He went on to argue that Russia, too, would need to conduct more academic research to examine ways of conducting warfare that reflect changing needs on the ground. The Military Doctrine revised in December 2014 does not show a change in Russian posture on this issue.

### **Progress in Production of Military Equipment**

The Russian military is investing resources in the modernization of its strategic missile arsenal, and test launchings are being continuously carried out in preparation for the operational deployment of a new generation of strategic missiles. The *Vladimir Monomakh* (Russia’s third Borei-class nuclear-powered submarine) successfully carried out test-launching of the Bulava submarine-launched ballistic missile (SLBM), and was handed over to the navy. As for intercontinental ballistic missiles (ICBMs), Voevoda, Yars, and Topol missiles have been employed in military exercises, tested, and handed over to the armed forces. The United States has voiced concerns that some Russian-made missiles may be in violation of the Intermediate-Range Nuclear Forces (INF) Treaty.

## **Chapter 7**

### **The United States: Challenges for the Global Power**

#### **Efforts to Sweep Away Skepticism over Rebalancing**

In order to address growing concerns over the sustainability of the US rebalancing to the Asia-Pacific region in the context of the sequestration and government

shutdown in 2013, the Obama administration has, both domestically and internationally, strongly reaffirmed its commitment to the region, with President Barack Obama himself embarking on a tour of Japan, South Korea, the Philippines, and Malaysia. Reinforcement of military presence in the Asia-Pacific is also underway regardless of financial constraints.

### **Mounting Sense of Vigilance over China's Activities and the Institutionalization of US-China Dialogue**

Although the United States is trying to expand the cooperative side of the relations with China, the confrontational side is becoming more prominent as the Obama administration is increasing its alertness to China's renewed assertiveness in the South China Sea and other activities in the region and domains. As a measure to control and prevent future confrontations, the Obama administration stresses summit meetings and working-level dialogue, such as the US-China Strategic and Economic Dialogue, and military-to-military exchange on a regular basis. Regarding the latter, in addition to a series of reciprocal visits between senior defense officials, some progress has been made in efforts to establish confidence-building measures (CBMs) between the two countries.

### **Strengthening Relations with Allies and Other Asia-Pacific Partners for Preserving a Stable Regional Order**

Given the rise of China in recent years, the United States is strengthening its security cooperation with Japan, Australia, South Korea, the Philippines and other allies through initiatives to improve the capacity of its allies and to enhance their cooperation with the US forces in order to secure US military presence and constant access to the Asia-Pacific region. The Obama administration is also expanding its cooperation with other regional partners such as India, Indonesia, Malaysia, Vietnam, and continuously deepening its involvement with ASEAN-centered regional institutions.

### **The 2014 QDR and "Tough Choices"**

On March 4, 2014, the Department of Defense released its 2014 *Quadrennial Defense Review* (2014 QDR). Under the general policy direction of reducing force structure and prioritizing investment on modernization and readiness the 2014 QDR proposes a number of force reduction measures including the

downsizing of the Army and the retiring of all Air Force A-10 ground-attack aircraft, and a phased modernization program for the Navy's Aegis cruisers, among others. The document also lays out the policy of investing in equipment needed for operations in anti-access and area-denial (A2/AD) environments. Congress, however, is critical of what the administration calls "tough choices," and the future course of actions, including the possibility of sequestration from FY 2016 onward, remains to be seen.

### **Global Involvement and Rebalancing to the Asia-Pacific**

A series of events testing US leadership beyond the Asia-Pacific occurred during 2014. In response to the Ukraine crisis, the United States is conducting Operation Atlantic Resolve for the purpose of reassuring Central and East European allies through enhanced rotational troop deployment in those countries. As for the crisis caused by the growing power of the Islamic State of Iraq and the Levant (ISIL), the United States sent military personnel to train and advise Iraqi forces for the first time since its full withdrawal at the end of 2011, and is conducting limited airstrikes on ISIL. While needing to respond to such international crises, the United States is seen to be trying to maintain its rebalance to the Asia-Pacific.

## **Chapter 8**

### **CBRN Defense:**

#### **Responding to Growing Threats**

### **The Concept of CBRN Threats and a Definition of "CBRN Defense"**

In the wake of the Aum Shinrikyo sarin gas attacks in Japan, and the 9/11 and anthrax mail attacks in the United States, threats involving the use of chemical, biological, radiological, or nuclear materials/agents have come to be collectively referred to as CBRN threats. This term broadly encompasses not only the traditional concept of NBC attacks—those by nuclear, chemical, or biological weapons—but also terrorist attacks, accidents, or natural disasters.

However, there is no single internationally accepted definition or concept for CBRN threats. For instance, some choose to employ the abbreviation CBRNE to take into account the use of explosives (E) in terrorist attacks, while others limit the definition of CBRN threats to deliberate harmful acts such as NBC attacks by

states, terrorist attacks, and criminal acts, while categorizing accidents and other unintentional release of industrial CBRN agents as hazardous material (HAZMAT) threats. Because of the multidimensional nature of CBRN threats, this issue spans many different areas of expertise in addition to security, and the borders between those domains are not always clear. Moreover, the scope of this concept is being pushed even wider by changes in terrorist activity and the rapid development of science and technology. Given these intricacies, this chapter proposes using the term “CBRN defense” to collectively refer to the governance of all domestic agencies involved in CBRN incident response, and to the spectrum of activities tied to that response.

### **The Current Environment of CBRN Response**

Response to CBRN threats is predicated on the deployment of first responders such as police and firefighters as the main response force, with coordination and cooperation among local governments and relevant agencies. Depending on the nature, scale, and intensity of the incident, however, the main responsibility for responding may lie with the military forces (the Self-Defense Forces [SDF], in Japan’s case). Particularly in the United States and the EU, there is a common perception that response to emergency situations is the responsibility of society as a whole—a “whole-of-community approach”—and that CBRN threats constitute a comprehensive security issue affecting both the country’s territory and the surrounding region.

### **Current CBRN Concerns**

With regard to chemical threats, there has been growing concern in recent years regarding the potential for chemical weapons to be used in civil wars and acts of terrorism, or to be used by states against their citizens in order to preserve public order or political stability. The key issues pertaining to biological threats are suspected development of biological weapons by certain state actors, global pandemics, and the risk of misuse or abuse of evolving knowledge and technologies in the life sciences. The main areas of concern surrounding radiological and nuclear threats are risks such as theft and detonation of nuclear weapons, use of improvised nuclear devices (IND), sabotage and destruction of nuclear power plants and other nuclear facilities, and terrorist use of radiological dispersion devices (RDD).

### **The Current State of Japan's Domestic Framework for CBRN Defense**

Japan's domestic framework for CBRN defense are essentially based on three laws relating to crisis management: the Basic Act on Disaster Control Measures (enacted in 1961), the Act on Special Measures Concerning Nuclear Emergency Preparedness (1999), and the Civil Protection Act (2004). In particular, the enactment of the Civil Protection Act represented a watershed in the evolution of CBRN defense by defining the scope of armed attack and emergency response situations, and specifying the responsibilities of local governments in those situations. Additional efforts are being made to further develop the legal framework for various other aspects of CBRN defense, with the aim of establishing a system that helps civil protection plans function effectively through the coordination and collaboration of national and local government agencies, businesses, volunteer groups, and other supporters.

The Ministry of Defense has formulated its own Civil Protection Plan that, among other things, maps out action plans for responding to the destruction of petrochemical complexes or nuclear power stations, mass dispersal of biological agents, and other specific contingencies in various contexts. Civil Protection Plans include the cases caused by attacks using NBC weapons and armed attack on nuclear power plants, responses to disasters resulting from armed attacks—particularly those on nuclear power plants—and responses to emergency response situations. The SDF has been accumulating experience in CBRN response through its involvement in disaster relief operations, while also making organizational improvements such as the additional deployment and strengthening of NBC protection units and chemical defense units. Efforts are also being made with regard to equipment and technology, with the Ministry of Defense's Technical Research and Development Institute and the Ground SDF working to develop and procure equipment for personnel protection, detection and identification technology, and consequence management.

### **Bilateral/Multilateral CBRN Defense Cooperation and Coordination**

CBRN threats represent a comprehensive, multidimensional challenge that not only spans traditional and nontraditional security challenges, but also involves such fields of expertise as WMD nonproliferation, disaster prevention, public health and counterterrorism. International cooperation—both bilateral and multilateral—in CBRN defense needs to encompass a wide range of areas beyond traditional schemes of defense and security CBRN defense can therefore be seen

as a potential new tool for international cooperation. For example, as Japan has gained diverse knowledge and experience from its responses to past domestic CBRN incidents, it could contribute to such cooperation by sharing that expertise to identify CBRN best practices. Various possibilities of cooperation and partnerships in this field with the United States, NATO, the European Union (EU), and the Global Health Security Initiative (GHSI) are currently being explored, and these are expected to make concrete and significant progress.

