

Introduction

**East Asia in 2018
A Severer Strategic Environment and
Japan's Response**

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1. Trump Administration and the Great Power Competition

The Donald Trump administration came into office amid the decline in the overwhelming state power of the United States, which had enjoyed “sole superpower” status for some time since the end of the Cold War, and as its relations with the great powers of China and Russia began to turn competitive. Based on a worldview that “great power competition returned,” the National Security Strategy was unveiled in December 2017. Furthermore, the Trump administration is delivering a competitive policy toward China, as seen, for example, from the “US-China trade war” and issues over technological competitiveness. As regards the Democratic People's Republic of Korea (DPRK), a US-DPRK Summit was held for the first time in history in June, followed by US-DPRK consultations. It remains unclear whether they will ultimately lead to the denuclearization of the Korean Peninsula. In the defense arena, the United States is engaged in rebuilding its nuclear arsenal and research and development of new technologies. In addition to the existing nuclear warhead Life Extension Program, the United States is developing and undertaking persistent efforts to modernize nuclear arsenals, including new intercontinental ballistic missiles, new bombers, and new strategic missile nuclear-powered submarines. With regard to new technologies, although outer space, hypersonic technology, directed energy weapon, and artificial intelligence have garnered attention, most of them are still in the research phase and their application is expected to take time. On the domestic political front, mid-term elections were held on November 6. As a result, the Democratic party secured a majority in the House of Representatives and increased its influence on the budget and legislation. Going forward, the Democrats will begin to shortlist candidates for the 2020 presidential election.

2. Developments Toward the “Denuclearization” of the Korean Peninsula

On April 27, 2018, at the third inter-Korean summit ever conducted, the leaders of the DPRK and the Republic of Korea (ROK) agreed on the Panmunjom

Declaration in which they confirmed “the common goal of realizing, through complete denuclearization, a nuclear-free Korean Peninsula.” However, shortly before this, the Plenary Meeting of the Party Central Committee that was convened under the leadership of Kim Jong Un, Chairman of the Workers’ Party of Korea (Chairman of the State Affairs Commission of the DPRK), reaffirmed basically the existing doctrine necessary for the use of nuclear weapons. Such DPRK policy which strongly suggests sustaining nuclear weapons may have factored into the failure to agree on a denuclearization timetable in the subsequent US-DPRK Singapore joint statement (June 12). Meanwhile, in order to end the “division system” and stabilize North-South relations, the Moon Jae-in administration of the ROK, in the Panmunjom Declaration released with Chairman Kim Jong Un, enshrined denuclearization and agreed to stop loud-speaker broadcasting and scattering of leaflets in the areas along the Military Demarcation Line and to turn the areas along the Northern Limit Line in the Yellow Sea into a maritime peace zone for easing military tension between the two Koreas. As regards the US-ROK alliance, the two countries announced they would suspend their regular US-ROK joint military exercise as a measure toward establishing the peace regime agreed upon at the US-DPRK Summit. If the exercise is suspended for a long time, however, it could adversely affect US-ROK joint operational capabilities. Attention will be paid to the arrangements resulting from US-ROK discussions on the deterrence posture and the role of their alliance, including negotiations on the transfer of wartime operational control and cost-sharing for the stationing of US Forces.

3. The Power Base and Policy Issues of Xi Jinping’s Second Term

President Xi Jinping has succeeded in greatly enhancing his political authority and leadership at the 19th Party Congress, as demonstrated from the Party Constitution’s incorporation of the guiding principles bearing the name of Xi. However, it is also considered that Xi has yet to establish an absolute power base, given that he could not: (1) make his own governing philosophies such as “governance” part of the action guidelines of the Communist Party of China (CPC), (2) overcome the custom of applying the “seven up, eight down”

principle of continuing to serve on the Politburo Standing Committee at age 67 but standing down at 68, and (3) restore the “party chairman system.” In 2018, marking the full-fledged start of Xi’s second term, closest attention was paid to how Xi will seek to further strengthen his power base on the domestic front. Xi aimed to boost his power base within the CPC through three channels: personnel appointments; institutional and organizational reforms of Party and State organs including constitutional amendments; and the fight against corruption. In the diplomatic domain, Xi established a structure that would allow him to take initiative; however, the US-China relationship, a top priority for Chinese diplomacy, deteriorated over the issues of Taiwan, the South China Sea, and economic friction. The Xi administration attempted to overcome this crisis situation by enhancing relations with neighboring countries including Japan and with developing countries, and thereby expanding China’s diplomatic horizon. In defense policy, interest areas included advancing the national defense and military reform promoted by Central Military Commission Chairman Xi, proactive implementation of training based on actual combat scenarios under the new military training structure, and steady equipment modernization of the Rocket Force, Navy, and Air Force.

4. Building of Japan’s “Cross-Domain” Defense Force

In December 2018, the Japanese government announced the New “National Defense Program Guidelines for FY2019 and beyond” (hereafter “2018 NDPG”). In line with the “National Security Strategy,” the 2018 NDPG outlines Japan’s basic policy of defense, the role of its defense force, the target levels of the Self-Defense Forces’ (SDF) specific structure, and other areas. The security environment surrounding Japan has become increasingly severe. The power transition caused by the rise of China is heightening the tense relations and probability of conflict between the United States and China, and there are concerns the impact of that may also have repercussions in Japan in various ways. In addition to the dynamics of the highly uncertain politics between major powers, some urgent issues, such as the defense of island areas and sea lines of communication and the need to build a “cross-domain” defense

force including space and cyberspace, arises. The 2018 NDPG was formulated within such an environment, with a focus on building a “Multi-domain Defense Force” to execute cross-domain operations including the new domains of space, cyberspace, and the electromagnetic spectrum. To this end, the 2018 NDPG aims for the continual qualitative and quantitative enhancement of the defense force, while focusing on strengthening its sustainability and resilience including protecting important infrastructure. The 2018 NDPG also cited the strengthening of involvement in the “Indo-Pacific” region and other nations, and indicated a bolstering of concrete initiatives by the Ministry of Defense and the SDF toward maintaining a “free and open Indo-Pacific.” The issue from hereon will likely be how to put into action the objectives raised in the 2018 NDPG, including further joint operations of the Ground, Maritime, and Air SDF, Japan-US joint operations, and building comprehensive defense capabilities that integrate the public and private sectors.

5. The Indo-Pacific Concept of Australia and India

Australia and India went from objects or receiving end of the emerging “Indo-Pacific” concept in the US policy of rebalance to Asia, to subjects or active participants in shaping the vision. The positions of the two countries have three common features. Both attach importance to the Indian Ocean as a trade route, have great economic interdependence with China, and emphasize the principle of “rule-based order.” On the other hand, they have largely differing views on the relative decline of US power. Whereas Australia has concerns over the decreasing US presence, India considers it an opportunity to shoulder the US responsibility of maintaining order. In summary, the “Indo-Pacific” vision for the two countries appears rooted in an attempt to manage and adjust their relationships with China and the United States so as not to undermine their own national interests. The “Indo-Pacific” vision for Australia is underpinned by its perceived end of a US-centered regional order and Australia’s need to adapt to the strategic competition and cooperation between the United States and China. Amidst the challenges with maintaining and deepening relations with the United States and China, Australia is exploring network diplomacy to strengthen its

collaboration with “Indo-Pacific” countries other than the United States and China. The “Indo-Pacific” vision for India is underpinned by its perception and by the US endorsement of this role. In the western side of the Indian Ocean, India provides capacity building assistance to smaller island countries and takes unilateral initiative to make regional frameworks in order to counter China’s advancement into the Indian Ocean which India believes is its sphere of influence since the mid-2000s. On the eastern side of the Indian Ocean, on the other hand, India carries out value diplomacy that stresses cultural ties and common values, in order to enhance cooperation with the Association of Southeast Asian Nations (ASEAN).

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