

RIPS Policy Perspectives No.4

Heading for a Strategic Uncertainty?

Perspectives on Asian Security, 2007

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April 2007

Research Institute for Peace and Security

Tokyo

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Masashi Nishihara*

Major Changes since Mid- 2006 in Summary

Since mid-2006 the security environment in the Asia Pacific region has changed significantly. After a summary of the most salient changes, this review examines these developments and considers the prospects for their resolution. Major changes in summary are as follows:

- **An accord on North Korea's nuclear freeze was reached in the six-party talks in February 2007, but it is uncertain whether it will be successful.**
- **The formidable growth of China's economic and military capabilities, as well as its growing influence in the developing regions, has continued, but the country has a host of domestic difficulties.**
- **Relations between Japan and China quickly improved with Shinzo Abe's election as Japan's prime minister, but the rivalry between the two countries has not abated.**
- **Most of the leaders of the United States, Russia, China, India as well as Japan held summit meetings, both to promote their bilateral relations and to place their potential adversaries off balance, and a complicated web of competition and cooperation is manifest in new power games in Eurasia.**
- **Radical Muslims, or Islamists, have intensified their terrorist attacks more in South and Southwest Asia than in Southeast Asia, but Indonesia will continue to be high as a terrorist target.**
- **Advocating the need for "assertive diplomacy," Prime Minister Abe has**

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intended to expand Japan's security role by working closely with the United States as its ally and with Australia and NATO as new partners.

Yet Another Dubious Nuclear Agreement with North Korea

A new nuclear agreement with North Korea was reached at the six-party talks on February 13, 2007. Since 1992 Pyongyang has signed three official documents agreeing to denuclearization: the joint declaration between North and South Korea in 1992, the framework agreement between North Korea and the United States in 1994, and the joint statement adopted by the six-party talks in 2005. Nonetheless, on October 9, 2006, North Korea conducted a nuclear test, albeit incomplete, and claimed to have become a nuclear state. It therefore is difficult to place much faith in the fourth document, which was produced four months after the nuclear test was conducted.

In the meantime, on October 14, the United Nations Security Council for the first time adopted a resolution calling for nonmilitary sanctions. Although Japan and the United States initially took a hard line, in early December the Bush administration shifted to a more conciliatory posture. This change was the result of the worsening internal security situation in Iraq and the Republican Party's defeat in the November midterm elections. Consequently, this was a timely opportunity for North Korea to show its willingness to return to the six-party talks and to demand the rescission of the United States' financial sanctions. In addition, President George W. Bush wanted to avoid another armed conflict in East Asia and to score some diplomatic gains in his last two years in office. But whether North Korea has actually decided to give up its nuclear arsenal is doubtful.

North Korea's top priority thus was, and still is, to have the economic sanctions lifted, which shows how effective they have been. Indeed, the Bush administration could have continued them to make sure that North Korea halted its nuclear program. Washington, however, has revamped its negotiation strategy. President Bush and Secretary of State Condoleezza Rice no longer refer to North Korea as "an axis of evil" or "an outpost of autocracy." No longer seeking a regime change in North Korea, the Bush administration went so far after December 2006 as to

hold official bilateral talks with North Korea. In sum, the United States no longer refers to its negotiating position as seeking complete dismantlement in “a verifiable and irreversible manner.”

Washington also agreed to release the full \$25 million frozen in a Macao bank and, with other member nations of the six-party talks, to provide a substantial amount of heavy fuel oil for North Korea. In the February document, North Korea promised only to disable all its nuclear programs but made no commitment to a final abandonment of its nuclear arsenals. The transfer of the frozen funds from the Banco Delta Asia in Macao to Pyongyang has unexpectedly proved to be complicated and has delayed the implementation of the February agreement and the subsequent phase of the six-party talks.

How long the thaw in U.S.-North Korean relations will last remains to be seen. The Bush administration is likely to aim at scoring points for negotiating with North Korea. It may, for example, offer diplomatic recognition of the Democratic People’s Republic of Korea with a visit to Pyongyang by Secretary Rice. Or the two countries’ binational relations may worsen if after recovering its funds and receiving the initial supply of heavy fuel oil, North Korea tries to renege on the February agreement.

Judging from its past pronouncements and conduct, it is difficult to believe that without some kind of regime change, North Korea will give up its nuclear arsenal. But because the United States, China, and South Korea have now shown their willingness to work with Kim Jong Il, the regime in Pyongyang is likely to remain, and the three countries eventually may recognize North Korea’s status as a nuclear power.

The Korean peninsula presents not just a nuclear problem, however, but a whole host of issues related to regional interstate relations. Under President Roh Moon Hyun, South Korea seems to be pursuing a reconciliatory approach to its northern neighbor. Roh’s position is due in large part to his fear of a sudden collapse of the Kim Jong Il regime, which would impose a formidable economic and social burden on the south. Despite the UN resolutions, Seoul has continued to support tourism in the Kungang Mountain region and the fledgling Kaesong industrial complex, which are key sources of hard currency for the north.

Roh's position vis-à-vis Washington has been both ambivalent and confusing. He is seeking an independent defense policy and demanding an early transfer of wartime command and control of the Korean forces from the United States to his country, which Washington agreed to give South Korea in 2012. But Roh also has sent 2,300 troops to Iraq and about 200 to Afghanistan and signed a free-trade agreement with the United States in early April 2007. If, however, Roh is defeated in the presidential election in December 2007, his successor will face a difficult strategic choice between reconciliation with the north and alliance with the United States. Roh's successor either may further weaken the U.S.-South Korean alliance or, fearing China's increasing influence in the peninsula, may try to strengthen the alliance.

In the meantime, relations between China and North Korea will probably become closer than those between North Korea and South Korea. With its increasing role in the development of North Korea's mineral resources and the active introduction of a Chinese-style market economy, in addition to being a major supplier of North Korea's oil and food, Beijing will exert even greater economic and political influence. Given the long border, China cannot afford, for its own national security, to have an anti-China regime in Pyongyang.

Japan will continue to have contentious relations with North Korea over the issues of abduction and wartime compensation. Indeed, North Korea's nuclear tests gave rise to the debate over whether Japan should become a nuclear power itself. A nuclear Japan would hurt both the alliance between Japan and the United States and relations between Japan and China.

Although economic relations between Tokyo and Seoul will continue to grow, they will suffer politically, due in large part to the countries' differing views of their wartime history. In short, nationalist sentiments will shape their political relationship. In regard to the Korean peninsula, Russia's economic assistance and its role in the six-party talks will continue to be limited. Its role would increase, however, if North Korea were given access to oil from the Russian Far East pipeline, which is to be extended through the peninsula.

China's Increasing Impact on Regional and Global Security

During the period covered here, China continued with the extraordinary growth of its economic and military capabilities. For the last fifteen years the Chinese economy has been growing at a rate of more than 10 percent per annum. The National People's Congress (NPC), meeting in March 2007, set 8 percent as a target for this fiscal year, a figure that the government used in order to prevent the economy from overheating, but a growth rate of about 10 percent is more likely.

Similarly, China's defense budget has increased by more than 10 percent annually for the last nineteen years. In March 2007 the NPC set the defense budget for fiscal 2007 at Y350.9 billion, or about \$45.6 billion. This is an increase of 17.8 percent over the previous year and is larger than Japan's defense budget, which is ¥4,810 billion, or about \$41 billion. Both Tokyo and Washington have reacted strongly, calling for military transparency. In addition, China's real defense expenditures are estimated to be two to three times as large as the official budget. If this is correct, the real defense expenditures for 2007, based on PPP (purchasing power parity), could be as much as \$136 billion, an astounding figure.

At the same time, China's leaders face serious domestic challenges, including disparities in income, education, employment, and medical care. Indeed, the economic gaps between the Pacific coast and inland areas and between the urban and rural sectors, as well as the chronic government corruption, cannot be ignored. Environmental degradation also is worsening with the growing consumption of energy by both people and industry. At a post-NPC press conference in March, Premier Wang Jiabao stressed the government's policy priority of promoting "social fairness and justice" in building "a harmonious society."

President Hu Jintao's greatest challenge is sustaining economic momentum, which tends to widen social disparities, and preventing social unrest from turning into antigovernment violence. Today, social unrest and discontent can be communicated both extensively and instantly through the Internet, the control of which the government apparently has had only limited success in. Hu Jintao needs domestic political stability for his country's continued economic development and for the

successful management of the Beijing Olympics in the summer of 2008. His primary efforts will be consolidating his power against the opposition forces before the 17th Party Congress convenes in the fall of 2007.

Despite such domestic difficulties, the Chinese military buildup has made notable advances. In January 2007, China successfully tested its ability to destroy a satellite orbiting in space. This has wide implications, ranging from the danger of space debris striking other satellites, to damaging the U.S.-led global communications system and the Japanese and American missile defense systems.

China's Defense White Paper, released at the end of 2006, calls for the development of its own defense technology in such critical fields such as aviation, space, and information. Then in January 2007 China announced the deployment of a Chinese-manufactured jet fighter, J-10, a development indicative of the shift by the People's Liberation Army toward an offensive air-defense strategy.

China's accelerated development of a blue-water navy includes a plan to finish building its first aircraft carrier as early as 2010. While this seems highly optimistic, China's possession of an aircraft carrier will soon be a realistic possibility. Furthermore, the deployment of an aircraft carrier plus submarines, in addition to the increasing number of missiles deployed along China's Pacific coast facing Taiwan, would tip the balance of power across the Strait of Taiwan in favor of the mainland.

Gaining access to deep-sea resources is another of China's strategic objectives. China reportedly is constructing "a national deep-sea base" at Qingdao, which will enable a manned deep-sea ship to operate at a depth of 7,000 meters, exploring oil and natural gas resources on the seabed. Such an advance would intensify competition with Japan, which is concerned about China's maritime activities in the East China Sea, part of which Japan claims as its own exclusive economic zone.

During the last twelve months or so, China has been promoting relations with all developing regions, hosting a series of conferences with Third World countries. It convened a China-Pacific islands forum on economic development cooperation with eight Pacific island nations in April, and held a ministerial conference with Arab nations in May. In addition, China attended a summit conference for the Shanghai

Cooperation Organization in June, a summit conference with ASEAN leaders in October, and a summit conference with nearly all the leaders of Africa in November. During the period reviewed here, President Hu Jintao and Premier Wen Jiabao visited Russia, Europe, Africa, Latin America, a few ASEAN countries, Central Asia, and India.

Washington also is becoming worried about the sharply increased economic and even military contacts between China and Latin America. China has installed a communications base in Cuba to gather electronic intelligence, especially from U.S. satellite communications, and has contracted with Brazil to launch an intelligence satellite to monitor U.S. military activities in space. Many Latin American officers now go to China for military training. In August 2006 President Hugo Chavez of oil-rich Venezuela made his fourth visit to Beijing since he took office in 1999. Competition in Latin America between China and the United States thus has begun.

China has expanded its presence as well as in the small Pacific countries. For instance, it offered to build official residences for Micronesia's president, vice president, speaker of the house, and attorney general. Samoa invited Chinese coaches to train its country's athletic teams for a South Pacific athletic meeting.

China's primary objectives include the enhancement of its global political and economic presence and the acquisition of new sources of energy and food. Another objective, particularly in the Pacific island nations, is to eliminate or weaken Taiwan's presence there. These trends are likely to continue.

Rapprochement and Rivalry in Japanese-Chinese Relations

Another important development in the security environment of the Asia Pacific region was an abrupt shift in Tokyo's approach to Beijing in September 2006, when Prime Minister Junichiro Koizumi was replaced by Shinzo Abe. The new prime minister's strategy is to reduce the salience of the much-politicized issue of the Yasukuni Shrine, a war memorial that enshrines more than two and half million soldiers, including fourteen Class A war criminals from the Pacific War. Abe's position is not to reveal whether he will visit (or has visited) the shrine and thus to depoliticize the issue.

On October 8 and 9, 2006, Abe went to Beijing to meet with President Hu

Jintao and Premier Wen Jiabao. This was the first summit meeting between the leaders of the two countries that had taken place in either country since October 2001. Their joint press statement, issued after the meeting, stated that “the two countries would strive to build a mutually beneficial relationship based on common strategic interests and to achieve the noble objectives of peaceful coexistence, friendship for generations, mutually beneficial cooperation, and common development.”

Since then, relations between the two big Asian powers have swiftly improved. Their better relations certainly contributed to China’s support of a UN Security Council resolution in October 2006, drafted by Japan and the United States, calling for sanctions against North Korea’s nuclear tests. They also helped the six-party talks, at which China, as the chair, moved to include Japanese–North Korean bilateral talks as one of the five working groups in February 2007. In November 2006 Abe and Hu Jintao met for a second time in Hanoi for the APEC meeting, and in January 2007 they met again in Cebu, Philippines, for the East Asia Summit. Premier Wen Jiabao then came to Tokyo in April 2007.

During his stay in Japan Premier Wen showed lots of smile. It was an abrupt change in Chinese attitude toward Japan. The premier “appreciated” the Japanese government for having often expressed apologies for Japan’s wartime conducts and thanked for Japan’s “unforgettable” generous economic assistance. While stressing the bilateral friendship, the premier looked forward to Japan keeping its word and showing its deed. He implicitly demanded that Prime Minister Abe not go to the Yasukuni Shrine. Furthermore, he emphasized that China would never tolerate Taiwan’s independence and that Japan would demonstrate its “one-China” policy by deed. His smiling diplomacy thus was accompanied by his demand of China’s basic issues. Premier Wen Jiabao’s visit to Japan suggested that China was in fact extending “conditional friendship” for Japan.

A wide range of exchange programs are underway between the two countries. China’s leaders desperately need to contain anti-Japanese feelings in this year of the seventieth anniversary of the 1937 Marco Polo Bridge incident, which led to the Sino-Japanese War, and of the 1937 Nanjing incident (or better known as the “Nanjing

massacre”). Thus the Chinese government wants to play up the mood of the bilateral friendship by even stressing the importance of celebrating this year, 2007, as the thirty-fifth anniversary of the Normalization of Diplomatic Relations of 1972. They need to concentrate instead on the peaceful management of the Olympic Games in August 2008.

Nonetheless, in the area of security, there have been new sources of tension between the two countries. In January 2007 China launched, without first notifying other nations, a missile to destroy a satellite in space, as was mentioned before. Japan considered this experiment a grave security concern. Then in February, a Chinese oceanic research ship was spotted inside what Japan claims as its exclusive economic zone, again without advance notice, despite a bilateral agreement to that effect. Japan considered this act to contradict the spirit of the two leaders’ agreement to make the East China Sea “a sea of peace, cooperation, and friendship.”

The rivalry between Japan and China has persisted. As mentioned earlier, China organized a Chinese–African summit conference, which was held in Beijing in early November 2006. It invited forty-eight leaders from Africa, pledging generous economic aid packages, including a plan to double them by 2009. Moreover, the participating African countries included Sudan and Zimbabwe, which have autocratic, oppressive governments guilty of extensive human rights violations. Japan considers China’s diplomatic overtures toward Africa as a threat to its own diplomacy, especially because Japan has convened the Tokyo International Conference on African Development (TICAD) every five years since 1993, with the fourth meeting planned for 2008. Thus when China held its own conference for African heads of state, Japan quickly invited African leaders to Tokyo, and ten leaders, including those going to China, extended their visit in October and November to call on Japan.

Japan’s bid for a permanent seat in the UN Security Council has been another area of contention. Despite the conciliatory atmosphere of Japanese–Chinese relations, the two capitals have not consulted on this sensitive subject. The joint press statement issued in October 2006 stated only that “both sides supported necessary and rational reform of the United Nations, including Security Council reform.” China is likely to

continue to oppose Japan's bid for a permanent seat on the Security Council. Accordingly, in order to restore its say on the Security Council after having completed its two-year term as a non-permanent member at the end of December 2006, Japan has negotiated with Mongolia to transfer to Japan its scheduled seat as a nonpermanent member, to take effect in January 2008.

In November 2006 the Japanese foreign minister, Taro Aso, announced that one of his foreign policy objectives was to establish an "arc of freedom and prosperity" that would link Japan to emerging democracies in Southeast Asia, South Asia, Central Asia, and eastern Europe. China is wary of this idea, as it appears to be a containment of China and a strategy to counterbalance the Shanghai Cooperation Organization, which China organized in 1996.

Competition and Cooperation: Power Games in Eurasia

Nearly all the major powers with strategic interests in the vast region of Eurasia call one another "strategic partners" or its equivalent. They also have varying but close economic interdependencies. At the same time, however, many of them are competing for power and influence. Most of the leaders of the United States, Russia, China, Japan, and India held summit meetings during the period of 2006 to 2007, both to promote their bilateral relations and to place their potential adversaries off balance.

All the major powers seek to expand their influence in the region. In March 2006 President Bush visited New Delhi to sign a controversial agreement to help develop civilian nuclear reactors for India, which, despite its possession of nuclear weapons, has refused to sign the Nuclear Non-Proliferation Treaty. By forging strategic ties with India, the United States has sought to offset Chinese and Russian influence in India. Consequently, to counter Bush's efforts, President Hu Jintao visited New Delhi in November 2006, and Russian President Vladimir Putin then called on Indian Prime Minister Manmohan Singh in January 2007. Putin offered to India, among other things, nuclear reactors, India's participation in Russia's global-positioning system, and the two countries' joint development of military transports and jet fighters. Putin's visit was seen as an attempt to curb Chinese and American influence in India.

President Putin's harsh remarks on the United States plan to deploy missile defense systems in Czech and Poland, made in Munich in February 2007, confirmed his confidence in the recovered power of oil-rich Russia. Tensions between Moscow and Washington are likely to grow in months to come.

In March 2007 Hu Jintao went to Moscow and confirmed with Putin the importance of strengthening their partnership in seeking diplomatic, and not military, solutions regarding Iran and North Korea; jointly developing oil and natural gas resources; and expanding their cooperation in military technology. Both leaders share a strategic interest in offsetting the United States' interference in Central Asia to contain Islamic terrorists and in Myanmar to correct human rights violations. The two countries also vetoed a UN Security Council resolution calling for Myanmar to improve its human rights situation. This was the first time since 1972 that the two countries jointly exercised their veto at the United Nations. Apparently they were worried that a successful UN resolution against Myanmar might lead to similar resolutions against their own human rights violations.

Hu's visit was also speculated to be aimed at relieving Russia's growing concern about the rise of his own country, which has caused a sharp upsurge of illegal immigrants into the Russian Far East, environmental degradation, and the expansion of China's influence in Central Asia, particularly in Kazakhstan.

While the United States has deepened its economic and military contacts with China and often refers to it as a strategic stakeholder, the United States also is concerned about its fast growing trade imbalance with China. Washington criticized Beijing for not revaluating its own currency fast enough, and in April 2007 it sued China to WTO (World Trade Organization) for the lack of control over intellectual property rights.

Washington is likewise wary of China's military expansion. The two countries, conducting joint naval exercises and ship visits, have been promoting confidence-building measures as well. But China also views with suspicion both the United States' military transformation, aimed at strengthening its military position in the Western Pacific, and the United States' military support of Taiwan, whose current

leader, President Chen Sui Bien, seeks independence from China. When U.S. Marine General Peter Pace, chairman of the Joint Chiefs of Staff, visited Beijing in March 2007, he reportedly proposed setting up a hotline with the People's Liberation Army, an idea that was turned down.

Under these circumstances, Japan has increased its efforts in balancing Chinese power. Its alliance with the United States has been strengthened through the introduction of a missile defense system, while Japan has also sought new security link with Australia. In addition, the Abe government has pledged closer contact with NATO (North Atlantic Treaty Organization) and the establishment of the aforementioned "arc of freedom and prosperity."

Moreover, Japan has belatedly cultivated strategic relations with India, where Prime Minister Junichiro Koizumi visited in April 2005 and Prime Minister Singh reciprocated with a visit to Tokyo in December 2006. Mutual visits by the two countries' military personnel have intensified, as they share a strategic interest in restricting China's power, particularly its influence in Southeast Asia. India is concerned about China's growing influence in Bangladesh. It also competes with China in providing Myanmar with arms and in establishing closer economic relations with ASEAN countries. India is concerned as well about the safety of the sea-lanes in the Western Pacific as it conducts over 40 percent of its rapidly expanding trade through the Straits of Malacca and as it seeks access to Sakhalin's natural gas. In February and March 2006 the Indian navy operated one of its largest joint exercises of the year, which was a ten-day joint exercise with the Singaporean navy off India's eastern coast. In April 2007 India conducted a joint naval exercise with Japan and the United States off the Bay of Tokyo. This was a new development in trilateral relations.

Today it is India that is probably being most warmly courted by the major powers. All of them are conducting bilateral military or naval exercises with this country. Nonetheless, India's closest partner now is the United States. While weighting its relations with Moscow, the traditional provider of its arms, it is careful in committing itself to the Chinese-Russian camp. Although China has invited India to join the Shanghai Cooperation Organization (SCO), India has declined to have more

than observer status. Because one of the distinctive purposes of the SCO is to curb the United States' presence in Central Asia, India is hesitant to become a formal part of it. Japan is a latecomer to this game, and its policy of banning on arms export deprives it of an opportunity to have a significant role in India. But Japan has indeed joined the power game in Eurasia.

The Rise of Islamism in Asia

Although Islamist fundamentalists have remained active in South and Southwest Asia, they have not been so active in Southeast Asia, except in southern Thailand and Central Sulawesi. In southwest Afghanistan and the Afghan-Pakistan border areas, the Taliban insurgents have recovered their strength, thereby posing a serious challenge to U.S. forces and the International Security Assistance Force (ISAF) under NATO. These so-called Islamists, mainly of Pakistani origin, have staged terrorist acts inside India as well as inside Jammu Kashmir. The bombing of suburban trains in Mumbai in July 2006, killing more than 180 passengers, temporarily damaged the rapprochement being nurtured between India and Pakistan.

Nonproliferation specialists fear that the Islamists might acquire weapons of mass destruction, but so far it does not seem that they have. Despite the rumor that North Korea had contacts with radical Philippine Muslims, no evidence has been found. Nonetheless, the Jemaah Islamiyah (JI), a loose network of Islamic terrorist groups based in Indonesia, are playing an important role in terrorist attacks in southern Thailand and Poso in Central Sulawesi, as it did earlier in Bali and Jakarta.

Islamist separatists in southern Thailand have intensified the level of violence there, murdering Buddhist monks as well as police and ordinary citizens. Prime Minister Thaksin Sinawatra dealt harshly with the separatists by imposing tight control over the people, which caused great resentment. After the government sent 18,000 troops to three troubled provinces, the prime minister's poor handling of the south contributed to the military coup in Bangkok in September 2006. The provisional government, established by the military, has so far failed to reestablish local control of security. The Thai government suspects that Malaysian fundamentalists are supporting

the Thai secessionists, which has created new tensions between the two countries. This situation will become even more volatile in the future, unless the Muslims' standard of living is raised by increasing employment.

The Indonesian government also has acknowledged the JI's role in the Christian-Islamic violence in a small town of Poso in Central Sulawesi. The armed resistance to the raids in January 2007 underscored the involvement of JI extremists. Tensions were also apparently heightened by the corruption of the local military and police, who charged inflated prices for the trucks to be used for local people fleeing to safety. The situation is likely to get even worse.

JI's role in Abu Sayyaf, a small terrorist group in Mindanao, has not been clearly established. The JI did come to the aid of the Moro Islamic Liberation Front (MILF), a secessionist Islamic group that separated from the more moderate Moro National Liberation Front (MNLF), in the Muslim-dominated region of Mindanao. However, the MILF changed its strategy to help develop the region's economy. The cooperation between the U.S. forces and the Philippine Armed Forces no doubt has contributed to this decision.

These developments are likely to leave Indonesia as a primary target for the JI and related extremists, because unlike Malaysia and Singapore, Indonesia has not yet increased its surveillance of and control over potential Islamist terrorists. Indeed, the parliamentary elections scheduled for 2008 may be the terrorists' next opportunity.

Japan's "Assertive Diplomacy" and Its Alliance with the United States

Shinzo Abe, fifty-two years old and Japan's first prime minister born after the Pacific War, advanced in September 2006 "an assertive diplomacy," seeking a greater presence for Japan in international affairs. During his first half year in office, Abe dramatically improved Japan's relations with China and South Korea. In January 2007 the prime minister also visited the North Atlantic Council, the highest decision-making organ of the now twenty-seven-member NATO. This was the first time that a Japanese prime minister had spoken before the council. While Abe visited western Europe, Foreign

Minister Aso went to eastern Europe to begin building “the arc of freedom and prosperity” and to promote universal values. In March, Abe and Australian Prime Minister John Howard signed in Tokyo a joint declaration on security cooperation, an unprecedented event for the two democracies.

The Abe government is seeking to strengthen the zone of democracies, linking emerging democracies in Asia to established democracies like Australia, India, and the major NATO member countries. Aso’s speech in November 2006, on the “arc of freedom and prosperity,” represented a new diplomatic initiative for Japan, echoing NATO’s call for closer coordination between that organization and the Pacific democracies. NATO, which has sent forces to Afghanistan, has shown interest in expanding its contacts with the Pacific democracies, which it discussed at the NATO summit meeting held in Riga, Latvia, in November 2006. Abe’s subsequent visit to Brussels was an affirmative response to this proposal.

The extent to which Prime Minister Abe’s assertive diplomacy will succeed depends on whether his government can lift the constitutional constraints on the use of force to defend the country and maintain its alliance with the United States. Since Japan’s constitution was enacted in 1947, the government has had to limit its use of force to only “minimum, necessary defense.” As a result, Japan’s armed forces have been allowed to exercise only the right of individual self-defense and not the right of collective self-defense, even though the latter is recognized by the UN Charter as the inherent right of a sovereign state.

This narrow interpretation of the constitution has constrained the alliance with the United States and also Japan’s participation in UN-sanctioned peace support operations and coalition forces. If it could exercise its right of collective self-defense, Japan could strengthen its alliance with the United States and also its partnership with Australia and NATO.

In late April 2007 the Abe government organized a conference of intellectuals to study those cases in which the right of collective self-defense could be used for national defense. This is the first step toward expanding Japan’s larger security role.

Two recent organizational changes have strengthened Japan’s defense posture.

In October 2005 the position of the Chairman of the Joint Staff Council of the Japan Self-Defense Forces (JSDF) was elevated to the Joint Chief of Staff. With this change, the JSDF's three services raised the level of their integrated operations, while at the same time retaining their separate service organizations. Then in January 2007 the Japan Defense Agency was given the status of Ministry of Defense, which was long overdue. This transformation has placed the Ministries of Defense and Foreign Affairs on an equal footing and has raised the morale of both the new ministry's civilian bureaucrats and the members of the Self-Defense Forces.

Japan's alliance with the United States has improved its operational coordination as well. Beginning in March 2007 the Air Self-Defense Force began to deploy PAC3 surface-to-air missile defense systems; the U.S. Air Force already had installed the same systems in Okinawa. Both the Maritime Self-Defense Force and the U.S. Navy plan to introduce SM3 anti-air missiles on Aegis cruisers in 2007. The Ground Self-Defense Force has set up rapid response units to meet terrorist threats and other contingencies. The U.S. Army will establish headquarters and a combat command training center at Zama, near Tokyo, which will better coordinate the two countries' military programs.

Possible Changes in Leadership

One of the principal political developments in the coming year of 2007-2008 will be the possible changes in leadership in many countries, as they are likely to have both regional and international effects. Those countries with major elections during this year include: Thailand (general elections, October), South Korea (presidential, December), Australia (general elections, fall), Taiwan (presidential, March 2008), Russia (presidential, spring 2008), and the United States (presidential, November 2008). China will have a party congress in the fall of 2007, selecting major party leaders. Indonesia will have a parliamentary election sometime in 2008. Accordingly, this period will be particularly important to regional and global security.