The Dynamic Dynamite of Asia’s Leadership Changes

By Takashi Inoguchi

The many leadership changes that took place in East Asia over the last year or so have broad implications for peace and stability. The appearance of new faces in many countries, plus the re-election of US President Barack Obama, will call for sensitive diplomatic maneuvering, writes Takashi Inoguchi. If the leaders get it right, the future looks good, but potential conflict is not far from the surface.

East Asia is in many ways dynamic “dynamite,” a region that can accomplish great things when its nations — most of them, anyway — maintain a degree of working harmony, in much the same way that a bundle of explosives can have a power far greater than a single stick. But the region can just as easily grow unstable and dangerous if conflicts are allowed to get out of hand.

That is why the current leadership changes in the region are so important. The new leaders and their teams have to get both their domestic policies and their interactions with one another right to guarantee a stable future not only for their own countries but for the broader neighborhood. In this way, the growing competition between China and the US is a key feature of the landscape, overshadowing most other factors.

Starting with the United States, which is a great power in East Asia even if it isn’t an Asian country, the re-election of Barack Obama returned a known quantity and a popular figure in Asia to office by a narrow popular majority (although he won the US Electoral College handily). Interestingly, the US president is such a global figure that a 2011 poll by Gallup International found that 48 percent of Asian respondents thought they should also have a vote in the US election, with 80 percent of them favoring Obama over his Republican rival. Obama’s 2012 “pivot” to Asia put Washington firmly back in the power mix, if it ever really left.

In China, Xi Jinping’s long-predictable rise to president and chief of the Communist Party was completed in March at the National People’s Congress in Beijing, with Li Keqiang replacing Wen Jiabao as premier. Xi’s predecessor, Hu Jintao, oversaw a decade marked by double-digit economic growth, but also marred by growing protests and rising dissatisfaction with rampant corruption. Xi will have to respond to that discontent, and so far he is signaling strong moves economically and militarily.

In South Korea, conservative Park Geun-hye won a narrow victory to become the country’s first female president, pledging to pursue middle-of-the-road economic and foreign policies. She says she intends to work in favor of small and medium enterprises to fuel growth and seek greater engagement with North Korea (in contrast to her predecessor Lee Myung-bak’s hard line). Already warm relations with alliance-partner Washington can be expected to continue.

Japan’s Shinzo Abe earned a trip back to the prime minister’s office he left in 2007 as the Liberal Democratic Party took power back following the Democratic Party of Japan’s brief run as the ruling party. Abe has the idea of revising the Peace Constitution and promoting greater patriotism in education. He espouses “Abenomics” as a way to pursue growth through greater innovation while also tackling 20 years of economic stagnation with a quantitative easing of liquidity. Once business comes back, he thinks that electoral support for him and the LDP is bound to go up, with the goal of entrenching the LDP in the driver’s seat with a two-thirds majority in upper house elections scheduled to take place in July 2013.

The death of North Korea’s Kim Jong Il in December 2011 led to the succession of his third son, Kim Jong Un, about a year ago. The third Kim to lead the country dared to carry out a third nuclear test in February, defying the United Nations Security Council’s resolution against nuclear testing and proliferation, which even long-time ally China approved. He seems to want an eventual deal with the US, which may decide to be conciliatory even if North Korea plays and talks tough.

Russian strongman Vladimir Putin also reclaimed the presidency last year. Putin 2.0 appears less bold than in his first presidency, and he seems to be taking ad hoc actions on the basis of maintaining law and order at home, making strategic use of arms sales and natural resource exports and “looking East” to invigorate the Russian economy through closer ties with his East Asian neighbors, especially China, Japan and South Korea.

Looking at all these changes, the question to be asked is: will the region be more peaceful as a result or will tensions rise? Let’s look at some of the possibilities for the region’s three largest players.

More Obama

The key to Obama II is the strategic pivot, or “rebalancing,” to Asia. It strengthens the US military presence in the region and gives US allies in the Asia-Pacific a counterweight to China’s increasingly assertive rise. The key phrase is “deep engagement.”

Encouraging the strategy are several factors. First, the slow comeback of the US manufacturing sector due to lower wage levels following the economic crisis that began in 2008. Second, efforts to reallocate military spending following long and costly wars in Iraq and Afghanistan have put the focus on the future, which is in Asia. Finally, the discovery and exploitation of commercially viable domestic shale oil gives the US increased confidence in its energy future.

The US is also very confident of both its dominant military position and its soft power vis-a-vis China. Yet it may have to pay attention to the potentially disturbing impact of the transformative diplomacy of its allies: Japan’s disputes with China in the East China Sea, South Korea’s response to nuclear North Korea and Australia’s appeasement by allowing China to have a free hand in the Western Pacific. The Washington-backed Trans-Pacific Partnership (TPP) negotiations, on one hand, are part of a move to enhance regional free-trade norms and institutions at a time when the World Trade Organization is no longer driving trade liberalization. But the TPP is also meant to bring Asian countries back into the American orbit, including on issues of security. China is wary of the TPP and the pivot.
Xi Jinping’s Ascent

One of the hurdles Chinese leaders have to pass as they take power for their decade in the sun is the extent to which they can be trusted by the military. Since 1979, when China and Vietnam briefly went to war after Hanoi drove Pol Pot from power in Cambodia, East Asia has been enjoying a long peace. It has to do with two developments. First, ASEAN was formed in 1967 with the pledge of not letting the internal interferring in the affairs of its member states. Second, the US and China and Japan and China concluded treaties pledging not to interfere in each others’ internal affairs.

Also, what Deng Xiaoping did first when he came back to power from the wilderness in 1978 may remind Xi Jinping of the need to tame the military. After civil war, the Korean War of 1950-1953 and the war against Japan over the Senkaku/Diaoyu islands, the Chinese Navy has to this day not had to fight a field war. This is a delicate game.

Xi’s military call-up has not gone as far as Deng’s, of course, but he ordered the Navy to prepare for war against Japan over the Senkaku/Diaoyu islands.

The Chinese Navy apparently over-reached by locking on to Japanese targets, reconnaissance ships and helicopters, which prompted the PLA Air Force to say through its house organ, Jiefan Junbao, that a simulated match of China against the US and Japan resulted in China’s defeat.

It will be significant if over the next 10 years of his leadership, Xi maintains domestic peace and promotes economic development by encouraging innovation rather than assembly line manufacturing, as he has indicated, and keeps the military on a semi-mobilized footing. This is a delicate game.

Shinzo Abe Returns

Shinzo Abe achieved a resounding victory in the general election called by Prime Minister Yoshihiko Noda of the Democratic Party of Japan in late December 2012. For Abe, it was a return after his ignominious resignation in 2007. Like Abe I (2006-2007), he is clear and cautious despite his flamboyant pre-election rhetoric. In 2006, he published a book entitled The Beautiful Country, in which he called for a Japan renewed by patriotism and a constitutional amendment on the use of war powers for self-defense. But after assuming power, he did not pay a visit to the controversial Yasukuni war shrine. Instead, he visited China first to mend fences. This time also, he has not gone to Yasukuni and seems unlikely to do so. Despite his revisionist book, he has been cautious not to air controversial and contentious issues in public speeches, at least until the governing party achieves victory in the July Upper House election.

His priority is to restore the vigor of an economy that has stagnated for two decades by triggering a quantitative easing (QE) of money supply by the Bank of Japan. The Japanese yen has declined against the US dollar as hoped and stock prices have been booming. Until inflation reaches 2 percent the QE policy will continue, most analysts believe.

His priority is to make military promotions sluggish. Deng saw a tremendous economic progress will continue or not depends on the complex equations brought in by these new leaders, especially for Washington and Beijing. Of the many variables at play, Obama’s pivot and its deep military and economic engagement, on the one hand, and Xi’s assertive diplomacy combined with a domestic military mobilization, on the other, will determine the tone of international relations in East Asia in 2013.