

# Strategic Annual Report 2023

A World in Turmoil: How Can We Rebuild  
International Security and Cooperation?



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## Message from the President



President, The Japan Institute  
of International Affairs

Kenichiro Sasae

In 2019, on the occasion of the 60th anniversary of the founding of The Japan Institute of International Affairs (JIIA), we began publishing the Strategic Annual Report (SAR) and holding the Tokyo Global Dialogue (TGD) to widely disseminate both at home and abroad our analyses of regional affairs and future projections reflecting the results of the investigative research activities of our various study groups. Having received high acclaim from all quarters, the SAR and TGD have become JIIA's flagship annual endeavors, with this year marking the fifth iteration.

Last year's SAR looked ahead to the end of the “post-Cold War” era and the advent of an era of fragmentation and instability in which the foundations of the US-led international order are at threat. The world has since been in the midst of a poly-crisis, with Russia's aggression in Ukraine continuing and the situation in the Middle East becoming increasingly tense. The international architecture of a law-based international order, the United Nations, and the G20 has become dysfunctional, and efforts to address pressing global issues that require multilateral cooperation, such as the promotion of nuclear disarmament, the rapid evolution of AI and other technologies, and responses to climate change, are facing further difficulties. Countries are being forced to seek ways to address issues of defense and security, energy and food stability, and economic security. SAR 2023 analyzes and forecasts the international situation and offers recommendations on the actions and roles expected of Japan under the theme “A World in Turmoil: How Can We Rebuild International Security and Cooperation?”.

JIIA is committed to disseminating its research findings in a timely manner in both English and Japanese and stepping up its international intellectual exchange activities by posting “JIIA Strategic Comments” and “Research Reports” on its website and holding various online and in-person events. Interested readers are also encouraged to review the materials listed at the end of this report.

We hope that this year's SAR will help enhance readers' understanding of international affairs.



## Chapter 1: Overview

Russia's invasion of Ukraine in February 2022 was a historic watershed signifying the end of the "post-Cold War" era. With February 2024 marking the second anniversary of the start of the aggression, the war in Ukraine will continue to be the most destabilizing political and economic factor internationally. In addition, the intensification of the competition between the US and China and the Hamas-Israel conflict have ushered in an "era of turmoil". Amid these circumstances, countries now face challenges in such areas as defense and national, energy, food and economic security, and are seeking ways to respond to these challenges.

The Strategic Annual Report 2023 looks back on the year 2023, a year in which frequent conflicts established the notion that a chaotic state in the international arena is somewhat normal. It also offers recommendations on how the world can find ways to rebuild international security and cooperation and discusses what role Japan is expected to play in this endeavor.

### The "three fronts" facing the US and the world

The US and European countries have stepped up their military support for Ukraine. Ukraine's efforts to conduct a counteroffensive are underway. However, with the war at a stalemate, careful diplomatic moves to end the war by concerned countries, eyeing the reconstruction of Ukraine, have begun to emerge. The leaders of both Russia and Ukraine have also been intensifying diplomatic activities aimed at strengthening their countries' positions in preparation for a protracted war, most prominent among them being Ukrainian President Volodymyr Zelenskyy's participation in the G7 Hiroshima Summit and attendance at the UN General Assembly, and Russian President Vladimir Putin's summit meeting with North Korea's leader Kim Jong-un.

In Europe, Finland has successfully joined NATO and Sweden's membership is considered certain. This further eastward expansion of NATO was what Russia had hoped to avoid, but it ironically became a reality as a result of Russia's aggression in Ukraine. Tensions on NATO's northeastern front have risen to an unprecedented level following Russia's deployment of nuclear weapons in Belarus and Wagner's move to Belarus, and Russia has further toughened its confrontational stance toward the US and NATO as the US and Europe have stepped up their support for Ukraine. Japan, as a member of the G7, needs to align with other members in supporting Ukraine, but there is no guarantee that the US and European countries will be able to continue their current level of support and economic sanctions; indeed, additional support for Ukraine is currently in a state of limbo in the US Congress.

In addition, the next US presidential election will be held in 2024 and, depending on the outcome, discussions toward arranging a ceasefire or ending the war may gain momentum in the Western countries that have provided Ukraine with the weapons and supplies necessary to continue the war. While

developments will depend on the effectiveness of Ukraine's counteroffensive and the spread of international support for "a peace proposal for Ukraine", the international community may begin discussing features of a "post-Ukraine war" that would be acceptable to Ukraine. The Japanese government's proactive involvement in the discussions would be desirable to ensure that the principles of territorial integrity, sovereignty, and international order based on international law are not undermined.

The mood of détente in the Middle East, which had begun with the Abraham Accords that came close to establishing diplomatic relations between Israel and Saudi Arabia, has come to an end due to the Hamas attack on Israel in October. The region has now reverted to the status of a "global powder keg". Can a full-fledged ceasefire or peace be achieved quickly? How can Gaza be managed after the war? Is the long-term goal of a two-state solution possible? Difficult questions such as these await not only the Israelis and Palestinians but also Western nations, Russia, China, Iran, and Arab nations.

In the Indo-Pacific region, the US continued to regard China as its most important strategic competitor. At the same time, the US made diplomatic efforts to manage the risk factors that exist between the two countries. Beijing also desires a certain degree of stability in its relations with the US and accordingly took part in high-level dialogues, including many ministerial-level meetings leading up to the US-China summit held during the APEC Leaders' Meeting. That said, crisis management between the two countries remains a challenge, especially in terms of effective communication between military/defense officials. The current situation does not allow the Biden and Xi administrations to meet halfway at a strategic level. The Biden administration cannot weaken its stance against China in the run-up to the 2024 presidential election, and the Xi administration, which well into its third term is seeking to further solidify its governance system amid internal and external difficulties, cannot make concessions to the US.

North Korea has steadily advanced its missile development program and even conducted a series of ballistic missile tests despite condemnation from the international community, posing a greater threat to regional security. At the August Japan-US-Republic of Korea (ROK) summit meeting held at Camp David at the initiative of the US, the three countries agreed to hold regular summit meetings and expand the scope of trilateral cooperation, ushering in a new era in trilateral relations. Meanwhile, relations between Russia and North Korea, two isolated entities in the international community, have been strengthened. This added another element of concern in relation to the war in Ukraine and to North Korea's nuclear and missile programs.

US forces are believed to be adequately maintaining the necessary postures, including the provision of extended deterrence, to safeguard against attempts by China to change the status quo in Taiwan and in the East and South China Seas. Yet if the perception arises that the US is incapable of adequately dealing with matters on the Asian front due to its expending resources on other fronts, those challenging the status quo may take advantage of the anxiety of parties in the region or may mistakenly act on this very perception to embark on aggressive actions. To prevent this, it is important to build and maintain greater trust between the US and its allies and partners in the region.

In 2014, US President Barack Obama declared that the US could no longer be the “world’s policeman” and made a strategic shift to focus its resources on countering China (the “Pivot to Asia”). Yet it was President Putin who saw a power vacuum and decided to invade Ukraine. The Hamas-Israel conflict in the Middle East, where the US has, until recently, concentrated its diplomatic and military resources, has indeed dealt a further blow to the US, as it was hoping to concentrate its resources on countering China.

### **The “Trump shadow” looming over US diplomacy**

In addition to the “three fronts” of Europe, the Middle East, and Asia in terms of diplomacy and military affairs, the United States faces another vulnerability: division within the United States. When President Obama delivered the above-mentioned “world policeman” speech, the opposition Republican Party bitterly criticized Obama’s strategy as one that would diminish the US’s position in the world. Now, though, such a Republican Party is nowhere to be found.

Although it is too early to predict the course of the 2024 US presidential election, it is certain that former US President Donald Trump will become a storm center as a presidential candidate. If the former President is re-elected, his second term’s foreign policy, dubbed Trump 2.0, will be more US-first and deal-oriented than that of his first term. Some pessimistic observers contend that this could lead to a disregard for alliances in some cases.

In view of this potential disruption, the US and its allies and friends will feel the need to “pin” diplomatic achievements while the current Biden administration is still in office. The leaders of Japan, the US and the ROK gathered at Camp David in August and committed to “institutionalizing” trilateral cooperation by agreeing to build a global cooperative relationship that goes beyond the traditional trilateral cooperation agenda of dealing with North Korea or the peace and security of the East Asian region. This is nothing less than a statement of the three countries’ desire to work together over the medium to long term to address common challenges, no matter what administration is in the White House. The year 2024 may well see a “rush” by Asian and European allies to pursue such diplomatic achievements with the US. In the meantime, various thoughts will no doubt be going through the minds of those outside the circle of US allies and like-minded countries, too, as they prepare for a potential Trump 2.0. The international community may well face a year with little predictability.

### **Multi-diplomacy stagnant in an “age of inward looking”**

This “inward-looking” orientation of countries around the world and upheavals in various regions are undermining the credibility of global governance centered on the United Nations as a universal international institution and architectures such as the G20 and WTO that reflect diversity. As Russia’s aggression in Ukraine continues and the great power competition between the US and China grows more severe, the UN, especially the Security Council, continues to be dysfunctional, with many events indicating fragmentation in the international community rather than unity.

Delivering results in multilateral international cooperation, including those efforts seeking to address global challenges and economic recovery, has become difficult, as such endeavors must overcome the divisions between developed and developing countries. The importance of international cooperation, particularly in addressing climate change and the rapid progress of AI, became more evident than ever in 2023. At the same time, there is no small amount of frustration in developing countries over the slow progress made toward achieving the Sustainable Development Goals (SDGs) by 2030 and the lack of adequate development funding from developed countries. Also, in the areas of nuclear disarmament and nonproliferation, the results of the Preparatory Committee for the NPT Review Conference have clearly shown serious divisions within the international community.

In preparation for the UN Summit of the Future to be held in 2024, there is an urgent need for the international community to reform UN governance and to conduct rulemaking for global issues such as climate change and generative AI, but the outlook is not bright.

### **2024: “A year of elections”**

While many agree that the biggest event in international politics in 2024 will be the US presidential election in November, it is hardly the only election that deserves attention. There will be a flurry of elections that will determine national politics not only in developed countries but also in the emerging and developing countries often called the Global South. Starting with Taiwan (presidential election in January), a number of major countries and key regions will be holding elections that will have a major impact on international affairs: Finland (presidential election in January), Indonesia (parliamentary elections in February), Russia (presidential election in March), India (parliamentary elections in April), the ROK (parliamentary elections in April), South Africa (parliamentary elections in May), the United Kingdom (House of Commons elections, once dissolved), Lithuania (presidential election in May and parliamentary elections in October), Mexico (parliamentary elections in June), the European Union (parliamentary elections in June), and Romania (presidential election in November). In many cases, changes in internal politics could have a significant impact on countries' foreign and security policies. As centrist forces seemingly recede in several countries, populist forces on both the left and right wings may emerge. This could lead to undesired rigidity in diplomacy.

With information flooding through social networking services and with cyberspace-based election meddling becoming the norm, how will existing political parties stand up to rising populism and emphasize the validity of their own policies? The democratic process of elections must not become the *a priori* vulnerability of democracies. Modern elections are also a battle against an “invisible enemy” in the cognitive and cyber realms. A close eye should be kept on the major elections taking place in these countries/regions from the perspective of whether there is such third-party “electoral intervention”. ■



## Chapter 2: A World in Turmoil and the Future of Security

### Section 1: Security Implications of the War in Ukraine

The US and European countries stepped up their military support for Ukraine, as Ukraine launched a counteroffensive. The tactical situation, however, became more of a stalemate, and diplomatic moves aimed at ending the war and focusing on reconstruction gained momentum. Finland's entry into NATO was realized and Sweden's membership became all but certain. Tensions on NATO's northeastern front increased following Russia's deployment of nuclear weapons in Belarus and the relocation of the Russian private military company Wagner to Belarus. China continued to strengthen ties with Russia, calling for a ceasefire through dialogue and expressing a willingness to arbitrate between Russia and Ukraine. Meanwhile, the Hamas-Israeli conflict that erupted in October undeniably put the war in Ukraine on the back burner, and the US Congress has been unable to debate the Biden administration's request for \$61 billion in military assistance to Ukraine. If support for Ukraine from the US and other major Western powers is further delayed, the absence of a decisive move by either of the warring sides will inevitably prolong the conflict.

#### The situation surrounding the invasion of Ukraine

The war of attrition in eastern Bakhmut, which had been ongoing since the war began in February 2022, came to an end in May when Russian forces occupied the city, but the Ukrainian military continued operations to retake Bakhmut thereafter. Meanwhile, Russia, which is reportedly running out of precision-guided missiles, stepped up drone attacks on civilian facilities, while Ukraine increased the frequency of



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its drone attacks on the Crimean Bridge and Russian territory. Wary of a Ukrainian counteroffensive, Russia sought to fortify the Zaporizhzhia nuclear power plant, and the destruction of the Kakhovka Dam, which the prevailing view holds was carried out by Russia in June, caused extensive damage to the lower Dnipro River.

A counteroffensive by Ukrainian forces to retake territory that began in mid-June was thwarted by

multiple layers of Russian minefields, trenches, and air attacks, and the results were not encouraging for the Ukrainian side. Yet the Ukrainian military has stepped up missile and drone attacks on the Crimean Peninsula, and since August it has been gradually advancing toward Tokmak, a strategic point in Zaporizhzhia Oblast, with the aim of cutting the land bridge connecting Crimea and mainland Russia. The US



A field near the front line town of Bakhmut, amid Russia's attack on Ukraine, in Donetsk region, Ukraine (June 2023, Photo: Reuters/Aflo)

began providing the Ukrainian military with ATACMS short-range ballistic missiles in September, enabling immediate attacks on Russian air bases that are expected to improve the security of Ukrainian ground troops. In addition, since the Ukrainian military has gradually begun crossing operations to the east bank of the Dnipro River in October, the Russian military has been forced to move some of its units deployed around Tokmok to Kherson Oblast. Meanwhile, Russian forces have been intensifying their offensive in the east since October, particularly in Donetsk Oblast, where they are believed to be aiming to capture Avdiivka, near the oblast capital Donetsk, despite heavy losses. Overall, the situation is a tactical stalemate, but Ukrainian forces have increased their area of control in the south and Russian forces have done so in the east.

It was amid these circumstances that an unprecedented situation occurred in June when Evgeny Prigozhin, leader of the Russian private military company Wagner, and some Wagner troops launched a rebellion against Russian President Vladimir Putin and marched toward the capital city of Moscow (the “Prigozhin Rebellion”). Although the mutiny itself petered out after only one day without Wagner reaching Moscow and came to a conclusive end with Prigozhin’s death in a plane crash in August, Prigozhin’s turn against President Putin – an uprising led by a man who had risen politically through Putin’s personal trust – shocked the Russian public and is believed to have dealt a blow to the image of a “strong president and nation” held by the Russian people.

Against this backdrop, President Putin’s declaration in May of the deployment of tactical nuclear weapons in Belarus and his reference to the use of nuclear weapons drew international condemnation of Russia for resorting to a “nuclear threat” as a nuclear-weapon state. As Russia had already deployed tactical nuclear weapons in Kaliningrad, this announcement did not add any new threat to Europe from a military perspective. Rather, the goal appears to have been to deter European countries from supporting Ukraine politically.

Following a decision in January 2023 to provide Ukraine with tanks, the US and European countries, which have been progressively expanding their level of military support for Ukraine, decided at the July

2023 NATO summit to provide Ukraine with F-16 fighter jets by coordinating training and supplying aircraft. Ukrainian President Volodymyr Zelenskyy personally attended the May G7 Hiroshima Summit, which issued a “G7 Leaders’ Statement on Ukraine”, while the NATO summit released a “Joint Declaration on Support for Ukraine” promising a medium- to long-term commitment to arms support. The EU has also pledged to establish a military assistance fund for Ukraine (20 billion euros over the next four years), and the Western countries emphasized their position of supporting Ukraine over the medium to long term. On the other hand, the fact that these announcements by the G7 and the EU were made ahead of any by NATO also reflects the subtle differences in the degrees of commitment to Ukraine among NATO members. Furthermore, the Ukrainian military faces a shortage of ammunition, and Western defense industries have not been able to keep up with Ukrainian demand. Within the United States, Ukraine’s largest donor, Congress has been dysfunctional: the position of Speaker of the House of Representatives remained vacant for three weeks in October, and the Biden administration’s request for \$61 billion in military assistance to Ukraine has not been discussed. The financial resources already provided may have been used up by the end of 2023, and it is extremely uncertain whether the US will be able to continue providing military assistance on the same scale it has been.

As the war in Ukraine stalemated, diplomatic activity intensified in anticipation of a ceasefire or an end to the war and the start of reconstruction in 2023. The G7 Hiroshima Summit confirmed continued support for Ukraine’s sovereignty and territorial integrity and expressed a commitment to supporting rehabilitation and reconstruction, while Ukraine and other invitees, among them emerging and developing countries from the “Global South”, agreed on four principles, including respect for sovereignty and territorial integrity. In June, the UK and Ukraine co-hosted the “Ukraine Reconstruction Conference” in London, at which Japan announced that it would host a Japan-Ukraine Conference for the Promotion of Economic Reconstruction in Tokyo on February 19, 2024. Talks among national security advisors on the key principles of peace in Ukraine were hosted by Denmark in June, Saudi Arabia in August, and Malta in October, with the meeting in Saudi Arabia being particularly noteworthy for China’s participation.

On the other hand, the Hamas-Israeli conflict, which began in October with an attack by Hamas on Israeli territory, has undeniably pushed the war in Ukraine into the background. Although President Zelenskyy has energetically continued his diplomatic activities, the “catch” yielded by his efforts is on the decline. For instance, Egypt and the United Arab Emirates did not participate in the aforementioned Malta talks because of the Ukrainian president’s pro-Israeli statements in response to Hamas’ attack on Israel. Although Ukraine has Holocaust sites on its territory (e.g. Babi Yar) and the president himself is Jewish, the government has found it necessary to give due consideration to Muslim countries when conducting diplomatic activities even while seeking to highlight the horrors of the war and the inhumanity of the Russian attacks. In December, President Zelenskyy visited Washington, DC, with a view to appealing directly for support from the US Congress, where budget deliberations were not making any headway. His efforts to garner support were unsuccessful, though, as he was asked to come up with a specific scenario

for winning the war.

## NATO

Finland and Sweden have abandoned their policy of neutrality in the wake of Russia's invasion of Ukraine and steered toward NATO membership; Sweden's membership in NATO became an issue after Finland joined the alliance in April. The July NATO summit meeting in Lithuania saw Turkey, one of the two countries that had not ratified Sweden's accession, drop its opposition. The other country, Hungary, had made clear that it would not be the last to ratify, making Sweden's NATO membership a more

realistic prospect, but the final decisions lie with the ratification procedures of both countries' parliaments.

The NATO summit also included a "Partner Session" for extraregional states that was attended, as it was in 2022, by the leaders of Japan, the ROK, Australia, and New Zealand. At the meeting between Japan's Prime Minister Fumio Kishida and NATO Secretary General Jens Stoltenberg, a new plan for Japan-NATO cooperation – the Individually Tailored Partnership Programme (ITPP) – was announced that promised cooperation in information sharing and training on new security issues such as cyber defense. In line with these moves to strengthen cooperation between Japan and NATO, it was announced in May that the establishment of a NATO Tokyo Liaison Office was being considered, but France expressed opposition to the idea on the grounds that Japan lies outside the North Atlantic area covered by NATO, and no conclusion was reached at the July summit meeting. In April, when French President Emmanuel Macron visited China, he gave an interview to the media and stated regarding the situation in Taiwan that "the worst thing would be to think that we Europeans must become followers on this topic and adapt to the American rhythm and a Chinese overreaction", and he has since argued that Europe should remain outside with regard to regional affairs in Asia.

Finland's accession to NATO has doubled Russia's land border with NATO members to 2,600 km, and the possibility of the Baltic Sea being surrounded by NATO members as a result of Sweden's accession has made Russia's security environment more vulnerable. In June, the Baltic states and Poland strengthened their defenses in response to information that Wagner, a private military company that Belarus had announced it would take in, was deployed near the Polish border, and tensions along NATO's northeastern front increased, with reports of NATO member countries scrambling warplanes



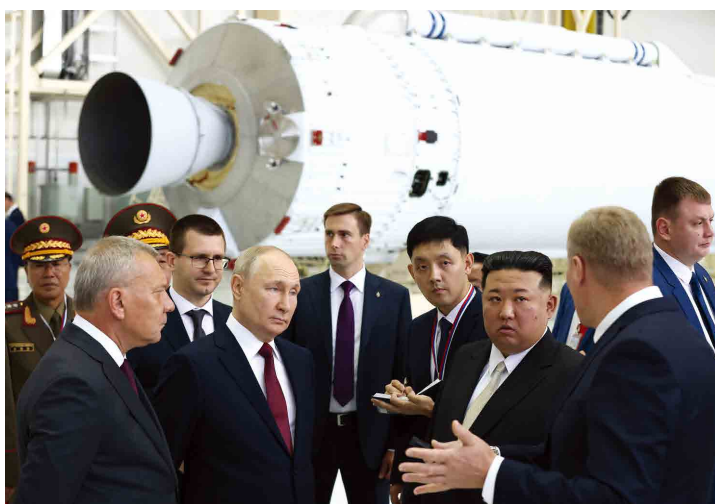
Japanese Prime Minister Fumio Kishida speaks during an event with G-7 leaders on the sidelines of the NATO summit in Vilnius, Lithuania, to announce a joint declaration of support for Ukraine. (July 2023, Photo: AP/Aflo)



against Russian aircraft. In light of these tensions, European countries continued to increase their military expenditures, and a higher number of member countries achieved NATO's target of 2% of GDP for defense spending.

## Russia

Russia's international isolation continued because of the protracted war in Ukraine and economic sanctions against Russia by major countries. President Putin rebuked the West, emphasized the continuation of the "special military operation," and called for national unity in his presidential address in February, the first since the war began. At the same time, frequent direct attacks on Russian soil, including drone strikes on the Kremlin and central Moscow in May, brought the Russian people closer to the effects of the current invasion.



Russian President Vladimir Putin and North Korean leader Kim Jong-un visit the Vostochny Cosmodrome in the far eastern Amur region, Russia. (September 2023, Photo: Pool/Reuters/Aflo)

President Putin, who is seeking reelection in the March 2024 presidential election, has been bearing in mind domestic reactions to the "Prigozhin Rebellion". He has been designating liberal intellectuals and organizations, such as Dmitry Muratov, editor of the independent newspaper *Novaya Gazeta*, and former Deputy Foreign Minister Georgi Kunadze, who has criticized Putin's regime in the independent media, "foreign agents" or *de facto* spies. At the same time, the government has sought to quell domestic unrest and firm up its power base and support by strengthening patriotic education, including the introduction of state-approved history textbooks justifying the invasion of Ukraine into school institutions. As a result, the ruling party United Russia won a landslide victory in most regions where unified local elections were held on September 10 in a prelude to the presidential election, and it is working to build up an advantage as the presidential election approaches.

Wartime Russia has been strengthening its ties with former Eastern Bloc countries and other countries/regions to create circumstances favorable to the conduct of the war in the diplomatic arena as well. President Putin's visit to China in October to attend the Third Belt and Road Forum for International Cooperation could be said to be one such effort. On the other hand, the International Criminal Court (ICC) issued an arrest warrant for President Putin in March on multiple war crime charges, which means that visits to ICC member states could lead to his detention. This has placed certain restrictions on his conduct; for example, President Putin's participation in the BRICS summit held in August in South



Africa, an ICC member state, was limited to online participation.

The countries of Central Asia maintain good relations with Russia, but they have kept a certain distance from the invasion of Ukraine without expressing clear approval or disapproval of it. Anticipating a decline in Russia's influence in the Central Asian region due to its international isolation and prolonged aggression against Ukraine, these countries are developing exchanges with countries other than Russia, including Western nations and China. Among the former Soviet republics, Armenia, Kazakhstan, and Moldova have distanced themselves from Russia since the start of the invasion and have sought to approach the West. Armenia above all has long complained openly and strongly about the lack of Russian support under the Collective Security Treaty Organization (CSTO) in response to repeated clashes with neighboring Azerbaijan over Nagorno-Karabakh. Meanwhile, Azerbaijan invaded Nagorno-Karabakh in September and, with Russia effectively refusing to intervene to support Armenia, the Armenian side was defeated and Azerbaijan retook Nagorno-Karabakh. Armenian Prime Minister Nikol Pashinyan was consequently absent from the CSTO summit on November 14 and, on the following day, November 15, he announced in the National Assembly that he would be seeking out new security partners and concluding agreements with, above all, the United States, with which Armenia had been conducting joint exercises since the beginning of 2023. Thus, a situation has arisen in which Russia is unable to stop the “centrifugal forces” within the former Soviet Union, which Russia considers to be inside its own sphere of influence.

Meanwhile, the Putin administration has rapidly developed relations with North Korea. In July, Russian Defense Minister Sergei Shoigu visited North Korea to meet with North Korean leader Kim Jong-un and attend a military parade, and on September 13, Kim Jong-un traveled to Russia and took part in a summit meeting at the Vostochny Cosmodrome in the Russian Far East. Rather than inviting the North Korean leader to Moscow, President Putin took the unusual step of leaving Moscow and going to the location of the meeting. The two reportedly discussed the supply of arms, ammunition, and labor from North Korea to Russia, and the provision of technology for the development of missiles, satellites, and nuclear submarines from the Russian side in return. This suggests that Russia has strong hopes of support from North Korea, which has adopted weapons systems made in the former Soviet Union, bearing in mind Russia's weapons shortage stemming from the prolonged invasion of Ukraine. In October, Russian Foreign Minister Sergey Lavrov visited North Korea, and it is believed that discussions were held on further strengthening Russo-North Korean relations and preparing for President Putin's visit to North Korea. Putin's visit may lead to the development of relations across a wide range of fields, including the dispatch of laborers and economic exchange as well as military cooperation.

### **China-Russia relations**

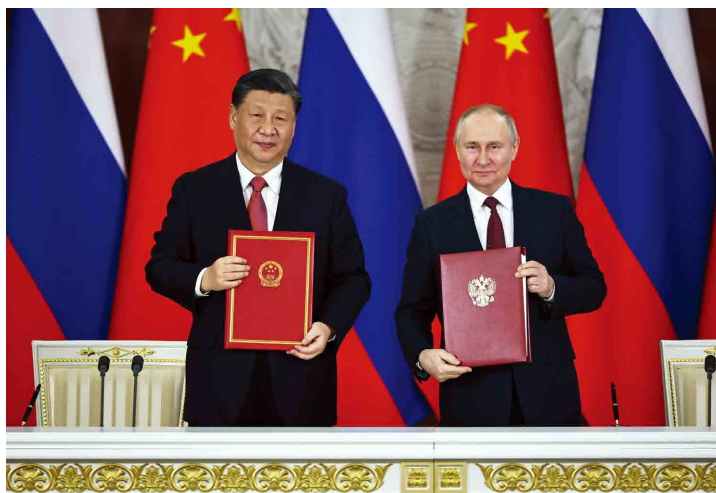
Following Chinese President Xi Jinping's visit to Russia in March, there were a series of high-level exchanges between China and Russia throughout the year. April and August saw visits to Russia by Chinese National Defense Minister Li Shangfu, while Russian Prime Minister Mikhail Mishustin and

Commander-in-Chief of the Navy Nikolai Yevmenov visited China in May and July, respectively. In October, coinciding with the Third Belt and Road Forum for International Cooperation, President Putin and Defense Minister Shoigu traveled to China and Prime Minister Mishustin visited China again in December.

Seemingly in response to the strengthening of G7 and Japan-US-ROK ties, China intensified its military collaboration with Russia. This included conducting joint military exercises and “joint patrols” around Japan. Although not officially providing military support to Russia, China is believed to be a key exporter of drones and semiconductors, supplies essential for Russia’s needs. Furthermore, China continued to increase its imports of Russian crude oil, thereby supporting the Russian economy.

While China had previously refrained from making in-depth statements about the situation in Ukraine, in February, a year after Russia’s invasion of Ukraine, it published “China’s Position on the Political Settlement of the Ukraine Crisis.” This marked China’s call for a ceasefire through dialogue and showed its willingness to mediate. In April, President Xi held his first phone call with President Zelenskyy since Russia’s invasion, following which Li Hui, the Chinese Special Representative for Eurasian Affairs, was dispatched to Ukraine, several European countries, the EU headquarters, and Russia to discuss a ceasefire. In August, Special Representative Li participated in the second meeting of the national security advisors’ consultation on the key principles of peace in Ukraine hosted by Saudi Arabia (China was absent from the first meeting in June and the third in October).

When President Putin visited China in October for the Belt and Road Forum, China accorded him special treatment and provided a platform for his diplomatic activities. Although Russian media reported that Putin explained the Ukraine war during the meeting, China’s official release did not mention the war. The two leaders are said to have also agreed to take a common stance on the situation in Israel.



Russian President Vladimir Putin and Chinese President Xi Jinping attend a signing ceremony following their talks at the Kremlin in Moscow, Russia. (March 2023, Photo: Pool/Reuters/Aflo)

## Prospects and recommendations

NATO members are expected to provide F-16s to Ukraine in the spring or summer of 2024 at the earliest, so Ukraine’s counteroffensive will be a protracted one. For Ukraine to put up a good fight or at least maintain a stalemate, it is essential to steadily implement the long-term support for Ukraine that NATO, the G7, and the EU have expressed, but there is no guarantee that the long-term support Ukraine needs

will continue in the future.

Japan has joined Western sanctions against Russia and has condemned Moscow. It is necessary that Japan maintain this stance and stand together against Russia as a member of the G7. On the other hand, the outbreak of the Hamas-Israel conflict in the Middle East following Russia's aggression in Ukraine may raise doubts about the ability of the United States to allocate resources and withstand conflict and tension on multiple fronts. It must also be borne in mind that neighboring countries, seeing this situation as an opportunity, could accelerate their unilateral moves to change the status quo. Thus, it should be noted that the war in Ukraine is linked to Japan's own security via US strategic resource allocation. As moves to end the war may start to take shape in 2024, Japan, as the only Asian member of the G7, should participate in the discussions, possibly in a G7 format, on the features of a "post-Ukraine war" settlement that would also be acceptable to Ukraine itself. Japan should be proactively involved to ensure that an international order guaranteeing territorial integrity and the rule of law is put in place.

With the international situation changing drastically, the three principles of defense equipment exports should be relaxed by, for example, reviewing the existing five categories of exports and lifting the ban on exports in a manner that ensures that such equipment is not transferred to countries other than like-minded countries. It should also be made possible to transfer equipment to parties to a conflict such as Ukraine that have been invaded in violation of international law. This would also strengthen Japan's defense industry and bolster Japan's own defense capabilities as well as win more support from allies and friends when it becomes necessary.

Looking at Russia's domestic politics, the Putin administration's power base has not been shaken by the "Prigozhin Rebellion," and it is almost certain that President Putin will be reelected in the 2024 presidential election. However, the former Soviet republics are increasingly turning away from Russia, and Russia's inability to control this trend may cast a certain shadow over President Putin's image as an advocate of a "strong Russia". Against this backdrop, it remains to be seen what voter turnout will be for the 2024 presidential election and what percentage of the vote President Putin will receive in the likely event that the war in Ukraine is still ongoing as voters go to the polls. Putin's government anticipates winning the election with a record-high turnout, surpassing the turnout in the previous presidential election in 2018 (about 77%). If this happens, the government may claim that it has won the trust of the people despite the invasion of Ukraine and its relations with former Soviet states and may deploy more troops and fully mobilize the country, something it has avoided in the past for fear of a decline in its approval rating.

If Vladimir Putin is reelected, he will be 71 years old at the start of his next term, exceeding the average life expectancy of men in Russia (64 years; World Bank, 2021) and the age of former President Boris Yeltsin (69) – not to mention President Dmitry Medvedev (46) – when he stepped down from office. A Putin presidency extending beyond 2024 is likely to attract even more attention than ever as aging and health concerns arise. In addition to the *siloviki* who have been frequently mentioned as Putin's likely

successor, the names of non-*siloviki* such as Prime Minister Mishustin, First Deputy Chief of Staff of the Presidential Administration Sergey Kiriyenko, and Minister of Agriculture Dmitry Patrushev (son of Putin's close ally, the Secretary of the Russian Security Council) have also been raised frequently. Of course, it is also possible that Putin himself will remain in office without naming a successor. The results of the election and the developments that derive therefrom must be carefully observed in considering the features of a post-Putin era.

Japan-Russia relations remain virtually frozen and, with Russia continuing its aggression in Ukraine, there is no prospect of an amelioration of these relations in the immediate future. However, it is possible for Japan-Russia relations to “defreeze” due to certain triggering factors, e.g., the nomination of new ambassadors in both countries. While this is only possible in cooperation with other G7 members, Japan must not neglect attempts to convey its own messages to Russia by selecting the appropriate levels and channels for such communication.

China and Russia, as forces seeking to alter the current status quo, are challenging the international order led by the West. They aim to expand their influence by engaging emerging and developing countries in a loose coalition. In light of these moves by China and Russia, Japan needs to not only strengthen ties with friendly countries with which it shares fundamental values, but also intensify collaborations with countries outside any specific sphere of influence, such as those in the Global South, to proactively create a security environment favorable to Japan. Recognizing the diversity and varying degrees of pro-China and pro-Russia sentiments within the Global South, Japan should engage in multifaceted security and economic dialogues. It should also effectively utilize tools such as Official Development Assistance (ODA) and the newly-established Overseas Security Assistance (OSA) to bolster relationships. From this perspective, it is commendable that Vietnam, which relies on Russia for military equipment, is being considered as a candidate for OSA support. Currently, OSA support has been confirmed for the Philippines, Bangladesh, Malaysia and Fiji, and Vietnam and Djibouti are new candidates for the fiscal year 2024. The strategic selection of other recipient countries for future support is anticipated.

Strengthening relations with Central Asian countries will become increasingly important in the future. In 2004, Japan initiated the “Central Asia plus Japan” Dialogue with five Central Asian countries prior to any such effort by Western countries. In 2023, the first ministerial Economic and Energy Dialogue of the “Central Asia plus Japan” Dialogue was held in September. More active use should be made of this framework to strengthen relations with Central Asian countries and drive a wedge into the problem of exports being diverted from Central Asia to Russia, one of the factors sustaining the prolonged aggression against Ukraine. Authority in each of the Central Asian countries is concentrated in the hands of the president, so Japan should enhance its position in Central Asia through summit meetings with these countries.

Russia-North Korea relations are progressing rapidly, and the threat to Japan from North Korea's improved missile-related technology is likely to increase still further with support from Moscow. Russia

and North Korea are less tied to the global economy than China, and there is less likelihood that Western economic sanctions, alternate supply chains, or other measures will lead to policy changes in Moscow and Pyongyang. Japan has been concerned about stronger China-North Korea collaboration and has paid close attention to their bilateral relations. The cooperation between Russia and North Korea, two globally isolated entities, is strong, and there is no way to separate the two at this point in time. However, the recent progress in Russia-North Korea relations has seemingly been driven by Russia seeking closer ties out of a desire to resolve the serious shortage of arms and ammunition resulting from its prolonged aggression in Ukraine. With no firm bonds between Pyongyang and Moscow, North Korea sees Russia more as a counterweight to the United States than a partner. Nonetheless, it should be noted over the medium to long term that, if confrontation escalates on the US-China front in addition to the US-Russia front, there will probably be moves among China, Russia, and North Korea to formulate a collaborative tripartite axis of authoritarian states.

To monitor the development of Russo-North Korean relations more closely with the above in mind, and to prevent still more regular and intensive trade in arms, ammunition, and missile-related technology between Russia and North Korea after the war in Ukraine ends, a cooperative framework for collecting and sharing necessary information among like-minded countries in the region – with Japan, the Republic of Korea and the US at the core – should be established through further coordination. On the other hand, care must be taken to ensure that such a framework does not become a factor that unites China, Russia and North Korea. ■



## Section 2: US-China Competition and the Political and Security Situation in the Indo-Pacific Region

The United States continues to regard China as its most important strategic competitor, but is also stepping up diplomatic efforts to manage the bilateral relationship. China itself does not want relations with the US to further deteriorate and the two countries have resumed high-level dialogues, but crisis management between them remains a challenge. The US-China summit meeting in November resulted in an agreement to resume communication between their militaries, which had been the biggest focus of the meeting, but the effectiveness of the management of competition between the US and China, especially in reducing the risk of military conflict, will be tested in future.

While North Korea continues to pursue its missile development program and its relations with China and Russia grow even closer, the Japan-US-Republic of Korea (ROK) Summit, held at Camp David at the US's initiative, agreed to regularize summit meetings and expand the scope of trilateral cooperation, ushering in a new era in the trilateral relationship. In the Indo-Pacific region, the US and China continued to expand their respective influence, strengthen relations with friendly countries, and keep their rivals in check, while Australia, India, and the Philippines moved to improve relations with the US.

### US-China competition

There is a shared consensus in the US policy community that the strategic competition between the United States and China is structural and long-term, and Congress is leaning hard against China across party lines. Meanwhile, the Biden administration has accelerated its search for opportunities for US-China dialogue on the grounds that further tension between the two major powers would undermine the stability of the international community, and this led to the US-China summit meeting during the APEC summit meeting in November.



Chinese President Xi Jinping and US President Joe Biden take a walk after their talks in the Filoli Estate in the US state of California. (November 2023, Photo: Xinhua/Aflo)

In February, just before US Secretary of State Antony Blinken's visit to Beijing, a Chinese surveillance balloon was sighted over the US mainland and shot down by the US military, which increased tensions and led to the postponement of the secretary of state's visit to China. China has been increasing its high-altitude surveillance activities using balloons to supplement satellite surveillance on a global scale over the past few years, and the unidentified balloons that flew over Japan and Taiwan were also found being

used for Chinese surveillance. Since China had unilaterally suspended its crisis management mechanism with the United States in reaction to US House Speaker Nancy Pelosi's visit to Taiwan in August 2022, Chinese National Defense Minister Li Shangfu did not respond to a communication from US Secretary of Defense Lloyd Austin regarding the handling of the balloon. China also rejected a meeting between Secretary Austin and Minister Li at the Shangri-La meeting in Singapore in June.

Secretary Blinken visited China in June and met with Chinese President Xi Jinping. During the meeting, they agreed to stabilize the strained bilateral relationship, and Secretary Blinken also conveyed the US's position that it is seeking not to decouple from but rather to de-risk China on the economic front. This meeting was followed by a visit to China by US Secretary of the Treasury Janet Yellen and US Special Presidential Envoy for Climate John Kerry in July and by US Secretary of Commerce Gina Raimondo in August, as well as a two-day meeting in Malta in September between US National Security Advisor Jake Sullivan and Chinese Foreign Minister Wang Yi. In addition, President Joe Biden met in October with Foreign Minister Wang, who was visiting the United States, confirming the importance of maintaining dialogue between the US and China and the need for both sides to work to manage competition in security and economic affairs.

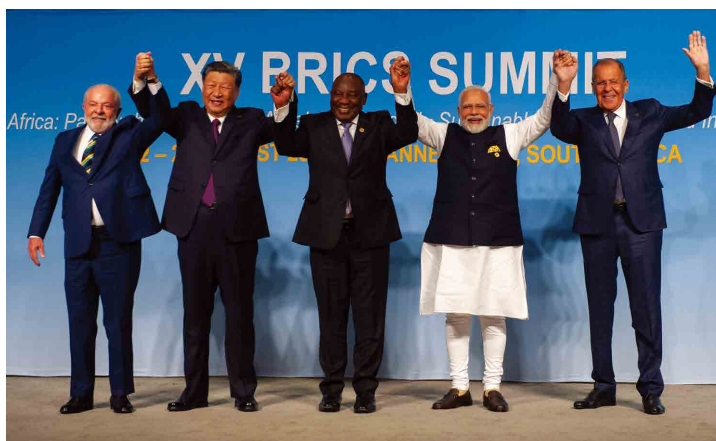
The November US-China summit held after these preparations reaffirmed the significance of the two countries managing competition in a responsible manner so that it does not lead to conflict between the two great powers. Specifically, the two leaders agreed on the resumption of defense ministerial meetings, which had not been held since November 2022, and the implementation of talks on artificial intelligence (AI) safety as well as on cooperation in combating the production and cross-border trafficking of illicit drugs. It is important to note that the agreement to resume communication between the US and Chinese militaries, which had been the focus of the talks and which China had long rejected, was reached amid the growing risk of an accidental military conflict in the East and South China seas. However, the differences between the two countries over the Taiwan issue that underlies the risk of military conflict were not resolved, as President Xi strongly opposed US military support for Taiwan. In view of this outcome, the feasibility of "competition management" to reduce the risk of military confrontation between the two powers, particularly with respect to Taiwan, will come into question in future, while the weakness of crisis management systems between the two nations remained an issue.

Mindful of the prolonged US-China strategic competition, the US actively strived to bolster relations with allies and friendly countries that play an important role in the stability of the Indo-Pacific region. At the initiative of President Biden, ROK President Yoon Suk-yeol and Japan's Prime Minister Fumio Kishida met at Camp David near Washington, DC, in August for the first trilateral summit meeting not held on the margins of multilateral meetings and agreed to establish a trilateral hotline. Beyond the traditional scope of dealing with the situation on the Korean Peninsula, the range of their trilateral cooperation was extended to closer coordination in their relations with China and their Indo-Pacific policies, and to more vigorous diplomacy with India, a key member of the Non-Aligned Movement, as

well as with Pacific Island countries where China has been conspicuously active.

Turning to China's domestic situation, the National People's Congress was held in March, confirming among other appointments Xi Jinping as President for a third term and Li Qiang as Premier. However, less than a year after their appointments, Foreign Minister Qin Gang and National Defense Minister Li were dismissed from their posts; Politburo member Wang Yi was subsequently named Minister of Foreign Affairs, leaving the position of Minister of National Defense vacant for nearly two months. Diplomatic affairs thus became centered on Foreign Minister Wang, and this is believed to have affected various aspects of Chinese diplomacy, such as the failure to coordinate a Japan-China foreign ministers' meeting after newly appointed Foreign Minister Yoko Kamikawa's arrival at the UN General Assembly in September. China's long-running zero-COVID policy has also had major socioeconomic impacts domestically. Publication of the youth unemployment rate, which had been reaching consecutive all-time highs, has been suspended, and there is a growing sense of economic slowdown, including a real estate slump. Although rebuilding the economy to ensure stable governance should be deemed urgent, no drastic measures have been put in place. It is important to bear in mind that the sluggish Chinese economy could become a drag on external relations.

With so many domestic issues piling up, President Xi's official travel in 2023 can be deemed restrained. His overseas trips included visits to Russia in March, South Africa in August (for the BRICS summit), San Francisco in November (for the APEC summit), and Vietnam in December. These trips marked a significant reduction from pre-COVID times. He has also been absent from G20 summit meetings, which he



The BRICS Summit in Johannesburg, South Africa (August 2023, Photo: Pool/Reuters/Aflo)

had been regularly attending, probably because India, with which China has a border dispute, held the G20 chairmanship. Nevertheless, China continues to expand its international influence with an eye on the US and is leading moves to expand the Shanghai Cooperation Organization (SCO) and the BRICS. In the Middle East, where US involvement had been declining, China is said to have mediated the restoration of diplomatic relations between Iran and Saudi Arabia in March, and from April onwards it has sometimes expressed a willingness to mediate on the Israeli-Palestinian issue; since the outbreak of clashes between Israel and Hamas in October, however, it has taken a pro-Palestinian stance in line with Russia and in sympathy with Arab countries.

The year 2023 marks the 10th anniversary of the Belt and Road Initiative, President Xi's major foreign strategy, and the Third Belt and Road Forum for International Cooperation was held in Beijing in

October. Yet, contrary to initial expectations, fewer heads of state attended this summit than the previous one, so few that the Chinese side avoided officially announcing the number of participating leaders.

In cross-strait relations, China conducted military exercises around Taiwan after President Tsai Ing-wen's visit to the US in April and, although these were more restrained than those carried out in the wake of Speaker Pelosi's visit to Taiwan, the aircraft carrier *Shandong* did deploy in the waters east of Taiwan and approach Guam for a short time. The military exercises conducted by China when Taiwanese Vice President Lai Ching-te stopped by the US in August were limited, perhaps due in part to Taiwan's restraint. However, the normalization of operations by the People's Liberation Army (PLA) across the Taiwan Strait median line has raised tensions in the region higher than ever.

### Japan-China relations

April saw a visit to China by Japanese Foreign Minister Yoshimasa Hayashi and the rollout of a hotline under the sea-air liaison mechanism between defense authorities in May, indicating progress towards a "constructive and stable relationship." However, China strongly opposed the adoption of the Leaders' Declaration at the G7 Hiroshima Summit in May for its inclusion of many references to China. On the military front, the Chinese and Russian navies conducted "joint patrols" in July and August after joint exercises in the Sea of Japan, entering the Sea of Okhotsk through the Soya Strait, sailing off the coast of Alaska, and entering the East China Sea through the Miyako Strait. In June and December, the Chinese and Russian air forces conducted joint flights over the Sea of Japan and the East China Sea. It is expected that joint patrols around Japan by Chinese and Russian bombers and fleets will continue to expand in both scope and frequency. Despite claiming that Japan-China relations are at a crucial stage of improvement and development, the Chinese government took actions such as detaining Japanese nationals on unclear espionage charges and criticizing Japan over the Fukushima Daiichi Nuclear Power Plant treated water release issue, hindering the stabilization of bilateral relations. In response to the discharge of treated water into the sea, China has implemented a total ban on Japanese seafood imports, with Russia and others following China's lead.

Against this backdrop, there were signs of a turnaround in bilateral relations at the Japan-China summit meeting held in November. Prime Minister Kishida reiterated his call for the immediate elimination of restrictions on imports of Japanese food products while President Xi urged Japan to take a responsible approach, and both sides agreed to find an appropriate way of resolving the treated water issue in a constructive manner through discussions and negotiations. In light of the interest expressed by the Chinese side, the two sides reaffirmed their commitment to comprehensively pursuing a "mutually beneficial strategic relationship," a phrase that was included in the 2008 Japan-China Joint Statement but had not been used in recent years.



## Korean Peninsula

In September 2023, North Korea made clear that it would be expanding its nuclear weapons production exponentially and diversifying its nuclear-strike means by realizing and deploying these weapons among various types of military forces. The scope of this diversification encompasses launch and operational testing of solid-fuel ICBMs and nuclear torpedoes for aircraft carrier attacks, the deployment of attack submarines armed with tactical nuclear weapons, the use of unmanned



A video grab taken from footage released on September 16, 2023 by Russian Defence Ministry: North Korean leader Kim Jong-un and Russian Defence Minister Sergei Shoigu visit Knevichi aerodrome near Vladivostok, Russia. (September 2023, Provided by RUSSIAN DEFENCE MINISTRY/AFP/Aflo)

aerial surveillance aircraft, and the testing of solid-fuel rocket engines for intermediate-range ballistic missiles. Efforts were also made on the operational side: the unveiling of the Missile General Bureau, the organization overseeing nuclear forces, and organizational restructuring centered on establishing a new tactical nuclear operations unit as well as running quick-response drills.

Following the adoption of a decree in 2022 that stipulated the preemptive use of nuclear weapons, a constitutional amendment was added in September 2023 to make the development and advancement of nuclear weapons a “principle of state activities” “as a responsible nuclear-weapon state”. North Korea’s Kim Jong-un described this as his “greatest success” of that year, indicating the military bias in state administration. In addition, the sudden public announcement in September of a “second revolution in strengthening the naval forces” that calls for an overall increase in naval power may indicate that further all-round military expansion is being attempted. Although the authorities may have gained some confidence in their ability to govern and control the economy through their response to the COVID-19 pandemic, the contradiction inherent in reconciling the military buildup, which is being pushed based on the logic that security is the top priority, with the pressure to improve people’s lives that could increase as a reaction is expected to grow more serious in future.

Kim Jong-un’s first visit to Russia in four years and the Russo-North Korean summit in September gave a strong impression that military ties had deepened between the two countries, given that he was accompanied by personnel responsible for the nuclear development targeted by UN Security Council sanctions and that he visited Russia’s key sensitive space and military facilities. In addition, the border blockade between China and North Korea was eased in September, following the resumption of train and truck cargo traffic in 2022. Trade between China and North Korea, which had recovered to approximately \$1.027 billion in 2022 (3.2 times the level of the previous year and 40% the level of 2019), is expected



to further increase and recover to pre-COVID pandemic levels. Although neither China nor Russia have officially abandoned their stance on complying with sanctions based on UNSC resolutions, they have taken a more defensive stance toward North Korea, as evidenced by their criticism of the West at emergency meetings of the Security Council held in response to new North Korean missile and satellite launches and by their calls for sanctions relief. The effectiveness of the Security Council sanctions will inevitably decline further, especially with the growing closeness between Russia and North Korea. There is particular concern that North Korea may take advantage of the Security Council's dysfunctional status to launch more military surveillance satellites necessary to enhance its nuclear capabilities, and conduct additional nuclear tests.

The Yoon Suk-yeol administration came to office in the ROK in May 2022. The administration's commitment to universal values, the improvement of relations with Japan through a future-oriented approach, and the strengthening of cooperation among Japan, the US, and the ROK were put into action. Following the Japan-US-ROK Phnom Penh Joint Statement and the resumption of Japan-ROK summit meetings in 2022, Japan-ROK shuttle diplomacy was revived. After the US-ROK and Japan-ROK summit meetings (Washington Declaration) and a trilateral exchange of views at the G7 Hiroshima Summit, the leaders of Japan, the US and the ROK met at Camp David in August and agreed to hold regular summit and ministerial meetings and set up hotlines among the three countries. They also agreed to expand cooperation in a wide range of fields, including economic security and supply chain building, AI, cybersecurity and energy, with a view to not only dealing with North Korea but also addressing relations with China and the Indo-Pacific, thereby opening a new era of cooperation among the three countries. The ROK announced its own "Indo-Pacific Strategy" in November 2022 emphasizing the importance of maritime security in the South China Sea and Taiwan Strait. Japan also positioned the ROK as a partner country in its Indo-Pacific strategy. After North Korea responded to this Japan-US-ROK coordination by engaging in a series of provocations that demonstrated its capability to attack the ROK and US military bases therein, the two countries aspired to further strengthen their extended deterrence. The establishment of a system for securing trust and providing deterrence that does not rely on NATO-style "nuclear sharing" began in earnest with the startup of the Nuclear Consultative Group (NCG) agreed to in the Washington Declaration and the first port call by a US strategic nuclear submarine to the ROK in 42 years (July). Cooperation among Japan, the US, and the ROK vis-à-vis North Korea was thus off to a solid start, with the first Japan-US-ROK joint aerial drills featuring the participation of B-52 bombers being conducted in October.

## **The Indo-Pacific**

In 2023, the US and China amplified their diplomatic activities to expand influence and strengthen ties with friendly nations in the Indo-Pacific region. Against this backdrop, Australia, India, the Philippines, and Vietnam made significant strides in bolstering relations with the US.

Australia, despite a change of leadership, has maintained a firm position on security while improving its economic ties with China. The Australian government's Defence Strategic Review released in April called for a review of the country's defense posture and force structure with the aim of deterring threats from afar and improving its deterrence and response capabilities with allies and other countries. Going forward, nuclear



Japan–Philippines Summit Meeting in Manila, Philippines (November 2023, Photo: Pool/Reuters/Aflo)

attack submarines to be built in cooperation with the US, the UK, and Australia under AUKUS will play a central role in reinforcing Australia's national defense capabilities, although US and UK attack submarines are scheduled to be deployed to Australia first. In November, the Australian and Chinese leaders held a summit meeting in China, where Australian Prime Minister Anthony Albanese insisted that the lifting of China's trade sanctions against Australia would benefit both countries, and agreed to improve economic relations between the two. In that same month, however, a sound wave emitted by a Chinese navy destroyer injured a Royal Australian Navy sailor who was diving in Japan's Exclusive Economic Zone, prompting the Australian Department of Defence to issue a statement of protest. Although both Australia and China have taken restrained approaches since the incident occurred, it highlighted the fact that the pathway to easing tensions with China will be a difficult one.

As for the US-Australia relationship, decisions were made to jointly produce rockets and ammunition, to upgrade bases in northern Australia, and to step up patrolling by, and stationing of, US forces in Australia. Regarding Japan-US-Australia cooperation, plans to conduct F-35 training in Australia will be concretized. Joint military training exercises such as Talisman Sabre and Malabar have also been conducted, as well as training in resupply activities that help sustain warfighting capabilities. These efforts are aimed at improving interoperability, forward force dispersal, and rearward maintenance and resupply capabilities, and they are being undertaken to complement the declining weapons-related inventories faced by the US defense industry. Australia is expected through such moves to build up integrated deterrence with the US, pursue closer cooperation with friendly countries, and make a greater commitment to force projection in the South China Sea. AUKUS is considering expanding the number of countries participating in cooperative efforts pertaining to hypersonic weapons, cybersecurity, and undersea capabilities, with participation by Japan and NATO in mind.

India, which was projected to have overtaken China in terms of population in 2023, hosted the Global South Summit online in January to give developing countries a voice in the G20 under its chairmanship.

A total of 125 countries participated in the summit, demonstrating India's strong desire to lead developing countries as an advocate and consequently a leader. Meanwhile, Indian Prime Minister Narendra Modi's visit to the US in June found him exceptionally treated as a state guest. The joint statement from the summit meeting touched on (1) joint production of engines for Indian-made jet fighters, (2) procurement by India of unmanned US maritime surveillance and reconnaissance aircraft, (3) acceptance of port calls by US Navy vessels to Indian shipyards for repair, maintenance, and supply purposes, and (4) investment for semiconductor production in India, and the US-India relationship was seen to be growing closer.

It is noteworthy that India, which maintains a policy of non-alignment, has agreed to joint development of fighter jet engines with the US, which represents a substantial transfer of sensitive military technology. The role of Russia, a traditional arms supplier, remains important for India, which has a border dispute with China. With Russia's weapons supply capacity constrained by the war in Ukraine, however, India needs a diverse range of military cooperation partners. Against this background, the US has adopted a policy of reducing India's dependence on Russia that happens to fall in line with Prime Minister Modi's policy of promoting the country's military industry by focusing on domestic production of weapons and diversification of procurement sources. At the US-India Foreign Affairs and Defense Ministers' Meeting (2+2) held in November, it was also agreed that armored vehicles would be jointly produced in India.

The Philippines is actively building up its relations with Japan, the US, and Australia, but its relations with China remain strained. In accordance with the Enhanced Defense Cooperation Agreement (EDCA) signed with the US in 2014, a decision was made in February to expand the number of bases in the Philippines available for US military use. In April, the first US-Philippines Foreign Affairs and Defense Ministerial (2+2) Meeting in seven years was held, during which a roadmap for future military assistance to the Philippines was drawn up and a policy announced of concluding a General Security of Military Information Agreement (GSOMIA) by the end of the year. Since the newly announced bases are in locations that could be relevant to contingencies in the Taiwan Strait and the South China Sea, they are perceived to be intended to deter Chinese military activities, thereby contributing to the integrated deterrence that the US advocates as well as improving interoperability.

As agreed upon during Prime Minister Kishida's visit in November, the Philippines is now a recipient of Japan's Official Security Assistance (OSA), an approach endorsed in Japan's new National Security Strategy. The Philippines will be provided coastal surveillance radars under this framework and negotiations on a reciprocal access agreement (RAA) will begin. It was also announced that Japan will fund the provision of an additional five large patrol vessels to the Philippine Coast Guard and that one of the four air defense radars to be exported under contract to the Philippines will be delivered, thus promoting security cooperation between the two countries. June saw not only the first-ever Japan-US-Philippines joint coast guard drill but also the first meeting of senior security officials and the first quadripartite defense talks among Japan, the US, Australia, and the Philippines to discuss closer security cooperation.

China has expressed “serious concern and intense dissatisfaction” with these developments. During Philippines President Ferdinand Marcos’ visit to China in January, it was agreed to resume talks on oil and natural gas exploration in the South China Sea and to engage in friendly dialogue on differing opinions over maritime issues. However, the China Coast Guard’s radar targeting of a Philippine patrol vessel in February and repeated incidents from August onwards where China obstructed the navigation of Filipino vessels, used water cannons, caused collisions, placed floating obstacles, and moored approximately 135 vessels believed to be part of China’s maritime militia near the Spratly Islands have underscored the strained relations between the Philippines and China.

Vietnam has also actively been enhancing its cooperative relations with the US and Japan. During President Biden’s visit to Vietnam in September, the US and Vietnam agreed to upgrade their diplomatic relations to a “comprehensive strategic partnership,” a two-tier upgrade to the highest level, and to enhance collaboration across a wide range of economic, security and other issues, including cooperation in maritime domain awareness (MDA), measures to combat illegal fishing, and coordination on semiconductor supply chains, thereby demonstrating the US’s responsiveness to Vietnamese concerns vis-à-vis China’s economic coercion and maritime expansion. As Japan and Vietnam celebrated the 50th anniversary of their establishment of diplomatic relations in November, their bilateral relationship was similarly upgraded to a comprehensive strategic partnership and discussions on applying OSA to Vietnam are scheduled to get underway in the not-too-distant future. Wary of Japan’s and the United States’s closer ties with Vietnam, China successfully arranged a visit to Vietnam by President Xi Jinping in December and is seeking to steal a march on the US by deepening its existing comprehensive strategic partnership with Vietnam, which has been the most successful among ASEAN countries in practicing balanced diplomacy, steadily advancing its national interests within the context of US-China competition.

On the military front, Indonesia hosted the first joint naval exercise conducted solely within the ASEAN framework in September. It had been decided to conduct the exercise in the North Natuna Sea at the southern end of the South China Sea but, due to opposition from Cambodia, the exercise was instead conducted in the South Natuna Sea outside the area claimed by China. It remains difficult for ASEAN to take a firm response to China’s maritime expansion. In the diplomatic arena, the Japan-ASEAN Commemorative Summit, celebrating fifty years of friendship and cooperation, was held in December, where a Joint Vision Statement outlining 130 specific cooperation items was adopted. This statement, anchored in the rule of law, highlighted closer cooperation in areas such as cybersecurity and maritime security. Regarding the latter, it envisaged the enhancement of defense equipment and technology cooperation, MDA collaboration, and capacity development of coast guards. Amid intensifying US-China competition, security cooperation with Japan is becoming increasingly vital for ASEAN, which seeks to avoid a binary choice between the United States and China.

In the Pacific Island nations, there has been a significant increase in diplomatic activities by China. After reaching a security agreement in 2022, the Solomon Islands concluded a police cooperation



agreement with China in July. In response, President Biden was scheduled to visit Papua New Guinea in May, but his trip was cancelled due to the escalating conflict between Republicans and Democrats in the US Congress over raising the government debt ceiling. Consequently, Secretary of State Blinken visited Papua New Guinea instead, leading to the signing of a bilateral defense cooperation agreement and an accord for the US military's 15-year joint use of six naval bases and ports in Papua New Guinea. In September, the US hosted the second Pacific Island Forum Summit, demonstrating its ongoing commitment to the Oceania region by planning another summit for the following year. Moreover, in December, Japan announced plans to provide Fiji with small patrol boats and rescue boats through the OSA program. These vessels are scheduled to be used in training exercises conducted by the Australian military for Fijian forces, highlighting this cooperation as a significant example of collaborative support through OSA with other countries.

### **Prospects and recommendations**

Although both the US and China have expressed their willingness to improve relations, there has been no fundamental change in the structure of their confrontation, and the possibility of another negative spiral due to unforeseen events cannot be ruled out. Above all, the outcome of the Taiwan presidential election in January 2024 could prompt China to ramp up its pressure on Taiwan and deepen the US-China confrontation. In addition, the outcome of the US presidential election scheduled for November could cause the US-China relationship to go further adrift, and the US's anti-China inward-looking stance could intensify. If the US Congress continues to be divided, it will also be necessary to pay attention to whether the US will be able to devote sufficient financial resources to the Indo-Pacific.

Meanwhile, as China's hardline stance in the region continues, the Philippines and the ROK have been taking more active roles in regional security, a trend that is likely to continue for some time. As it becomes increasingly difficult to predict developments in the US, the expansion of bilateral and minilateral security cooperation among countries in the region will be important for regional security, and this could be the way forward.

Although Japan-ROK relations have shown fundamental improvement, the question is whether the universal value-oriented diplomacy that began under President Yoon can be sustained. Most experts agree that there will be no change in course, at least not during Yoon's term but, with his current approval rating already exceptionally low in the mid-30% range heading into the mid-term parliamentary elections this coming April, the political outlook in the second half of his administration is by no means bright. It is thus essential to steadily push to materialize important security agreements and frameworks with the current administration. Quietly pursuing broad dialogue on a nonpartisan basis would be important, too, given that a progressive administration may emerge after the Yoon administration. It would also be beneficial to integrate the ROK into multilateral frameworks to promote regional cooperation in the Indo-Pacific.

Specifically, Japan, the US, and the ROK should deepen cooperation in command and control to make the results of the Camp David talks more effective in the immediate future. The fact that the SDF's counterpart is the US Indo-Pacific Command while the ROK's counterpart is the United States Forces Korea is an obstacle to trilateral defense cooperation. A start on rectifying this should be made by dispatching liaisons from the SDF to the ROK/US Combined Forces Command and the UN Command. It is also important to conclude a Japan-ROK acquisition and cross-servicing agreement (ACSA) and establish two-plus-two arrangements.

To reinforce the defense capabilities of Southeast Asian countries and to overcome the difficulty of supplying lethal weapons via Japan's OSA, Japan should not only utilize OSA but also coordinate with India and the ROK, which are active in arms sales, with the aim of providing balanced capacity-building support to Southeast Asian countries.

Deepening cooperation in defense-related industries among regional allies and friends, securing sufficient ammunition stockpiles and maintaining and expanding production capacity are urgent issues from the perspective of sustaining warfighting capability, shortfalls in which have been exposed by the war in Ukraine. The Japanese government needs to urgently draft legislation that would relax the Three Principles on Defense Equipment Transfer and allow the export and provision of ammunition.

The gap in strike capability between Japan and China is widening, and the Japanese government needs to quickly develop its own strike capability by such means as accelerating the introduction of standoff missiles. In doing so, it should also begin discussing the option of deploying US medium- to long-range missiles. Persuading local communities of the importance of deploying these missiles may prove a problem, so it is imperative that this be tackled as soon as possible.

While issues concerning the import restrictions imposed on Japanese food products continue to plague Japan-China relations, the cessation of China's dissemination of disinformation about the Fukushima Daiichi Nuclear Power Plant's treated water could be interpreted as a reflection of China's intent to improve relations with Japan. However, challenges such as the incursions of China Coast Guard vessels into the waters around the Senkaku Islands, the detention of Japanese nationals in China, and economic security concerns remain unresolved. The narrative of a "mutually beneficial strategic relationship" does not mean respecting each other's core interests *per se*. Both Japan and China need to work diligently to invigorate dialogue and exchange between defense authorities and those of a more general nature. ■

## Section 3: The Middle East Situation: The Outbreak of the Hamas-Israel Conflict and Its Aftermath

Russia's invasion of Ukraine has forced countries to rethink their food and energy supply chains, resulting in a reflexive increase in the importance of the Middle East region where major suppliers of energy resources are located. Under such circumstances, the attack on Israel by Hamas in October 2023 is expected to prompt intensification of political bargaining not only between the Israelis and Palestinians but also between Western countries on the one



Smoke rises from Gaza following an explosion, amid the ongoing conflict between Israel and the Palestinian group Hamas, as seen from southern Israel. (November 2023, Photo: Reuters/Aflo)

hand and Russia, China, Iran, and Arab countries on the other. The issues on the table would include whether a ceasefire can be achieved and how Gaza should be governed and reconstructed. A close watch needs to be kept on the global impact of developments in the Middle East in this post-post-Cold War era.

### Russia's aggression in Ukraine increases the importance of the Middle East

Russia's invasion of Ukraine has also forced countries to rethink their diplomatic strategies. In particular, the outbreak of the war has compelled the Biden administration, which has advocated a "shift away from the Middle East" and a "pivot to Asia" since its inception, to place more emphasis on the Russia-Europe front. At the same time, the war reaffirmed for the US the importance of the Middle East, especially the Gulf oil-producing countries with their abundant oil resources, from the perspective of energy security due to soaring oil prices. The fact that President Biden dared in July 2022 to visit Saudi Arabia, with which relations had not necessarily been favorable over the handling of the murder of a Saudi journalist, was proof of this.

Indeed, the Middle East in recent years has seen relations between the US and the Gulf oil-producing countries cool over the Biden administration's human rights-oriented foreign policy as well as various geopolitical risk factors, including differences of opinions over restructuring the Iranian nuclear agreement (also known as the Joint Comprehensive Plan of Action, or JCPOA) and the "war on terror" in Iraq, Afghanistan, and Yemen. On the other hand, new developments on the economic front have also been accelerating, as seen in the expansion of the Middle East economic zone based on the normalization of diplomatic relations between Israel and the United Arab Emirates (UAE) as well as Bahrain (the Abraham Accords) in August 2020, the March 10, 2023 agreement mediated by China to normalize

diplomatic relations between Saudi Arabia and Iran, the acceleration of “decarbonization” efforts in Saudi Arabia and other Gulf countries (e.g., Saudi Vision 2030), and the holding of the 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC) in the UAE in November.

For both the West and those seeking to challenge the status quo, the appeal of maintaining cooperative relations with Middle Eastern countries has grown in terms of geopolitics and energy security, and the strategic importance of the Middle East has heightened as the result of Russia’s aggression in Ukraine. This is especially the case for Saudi Arabia, the UAE, and Turkey (President Erdogan, reelected on May 28, 2023, has offered to broker a peace in Ukraine). It is no exaggeration to say that the Middle East will also be key to the future of the international order and the global economy.

### **China’s growing influence in the Middle East**

From a geopolitical perspective, China’s mediation of an agreement between Saudi Arabia and Iran to normalize diplomatic relations in March 2023 was proof that China has gained not only economic influence but also a certain amount of political influence in the Middle East through its promotion of the Belt and Road Initiative. For the Biden administration, allowing China’s political rise in the Middle East, where the US has had overwhelming military and political influence, would create new challenges for the US’s Middle East policy and, by extension, for its foreign policy overall. However, this is also a consequence of the negative legacy the US has created in the Middle East through the wars it launched in Afghanistan after the 9/11 terrorist attacks in 2001 and in Iraq in 2003, as well as its diminished military and political involvement in the Middle East amid a growing mood of national disenchantment.

Because of this, Arab countries have been seriously searching in recent years for a security strategy that does not depend on the United States. While Israel and certain Arab nations have been moving to form a network to encircle Iran, Saudi Arabia has been hoping to stabilize the region, including winding down the civil war in Yemen, and to strengthen its own security by easing tensions with its bitter enemy Iran, which has been moving ahead with its nuclear development. This policy decision to place the highest priority on not creating “enemies” in the region led to an agreement on normalizing diplomatic relations between Saudi Arabia and Iran. Around the same time, the US’s Republican Party, which opposes the Iranian nuclear agreement, gained control of the House of Representatives as a result of the 2022 US midterm elections. Seeing this, Iran, which reckoned the prospects of reviving the JCPOA and having sanctions lifted to be remote, moved closer to Saudi Arabia and let China take the credit rather than seek to improve relations with the United States by re-establishing the nuclear agreement, choosing to revive its own economy by strengthening relations with China. Iran was also likely aiming to avoid isolation through a series of diplomatic maneuvers amid accusations from Western and other countries of providing drones to Russia for its war in Ukraine and of suppressing domestic demonstrators calling for the abolition of mandatory hijab wearing.



## Hamas's attacks on Israel collapsed the mood for reconciliation in the Middle East

As described above, the Middle East was moving from confrontation to reconciliation and from politics to economics as of September 2023, but the situation changed drastically with Hamas's attack on Israel on October 7. This unprecedented incident, in which more than 1,200 Israelis were killed and more than 200 taken hostage in a sudden attack by Hamas, combined with subsequent operations by the Israeli military to destroy Hamas that resulted in the deaths of many innocent Gazans, had a strong impact on the international community. This is because the Palestinian issue has been neglected in recent years, not only by the international community and the US but also by fellow Arab nations. The August 2020 Israel-UAE Abraham Accords were reached without any progress on the Palestinian issue, and moves to establish diplomatic relations between Israel and Saudi Arabia, a leader of the Arab and Muslim worlds, had been accelerating from the beginning of 2023. In fact, a senior Hamas official issued a statement after the attack on Israel discouraging normalization of relations between the two countries.

Israeli Prime Minister Benjamin Netanyahu said in his speech to the UN General Assembly in September 2023, "[W]e are at the cusp of an even more dramatic breakthrough: an historic peace with Saudi Arabia". When asked about normalizing relations with Israel in an interview with the US media, Saudi Arabia's prime minister Crown Prince Mohammed replied: "We are getting closer every day." John Kirby, Coordinator for Strategic Communications on the Biden administration's National Security Council (NSC), also expressed confidence at the end of September 2023, stating, "All sides have hammered out, I think, a basic framework (for the normalization of diplomatic relations between Israel and Saudi Arabia)". Saudi Arabia had ostensibly made resolution of the Palestinian issue a precondition for establishing diplomatic relations with Israel (the Arab Peace Initiative announced by the Arab states in 2002 stated that they would not normalize diplomatic relations with Israel without resolving the Palestinian issue), but it became impossible to resolve the issue in the way the Palestinians wanted after the December 2022 inauguration of the Netanyahu government, regarded as the country's most right-leaning administration ever in its commitment to a continued hardline policy against Palestine.

It was the Palestinian side, including Hamas, that was concerned that the establishment of diplomatic relations between the Gulf states and Israel would be realized without a resolution of the Palestinian issue. In late September 2023, Saudi Arabia dispatched a negotiating team led by its ambassador to Palestine to the Palestinian Authority in the West Bank, a move seen as a complete sham by Hamas, an Islamist militant group in Gaza that seeks the destruction of Israel and the establishment of a Palestinian state with Jerusalem as its capital.

Although the US had been the mediator of the Oslo Accords, the Biden administration was heading into the 2024 presidential election having not made any significant achievements in the Middle East over the past three years (Biden's campaign pledge of returning to the JCPOA has yet to be fulfilled). Conversely, diplomatic relations between Saudi Arabia and Iran were normalized in March 2023 through

China's mediation, and it is fair to say that the US has focused on building a legacy to secure its influence in the Middle East. Some see Biden's quest for a historic accomplishment through establishing diplomatic relations between Israel and Saudi Arabia as likely due in part to a sense of rivalry with former President Trump, who had achieved the establishment of diplomatic relations between Israel and the UAE in August 2020 (the Abraham Accords). On the other hand, it cannot be said that the US was paying adequate attention to resolving the Palestinian issue, which had already proven a thorny one. In fact, President Biden during his July 2022 visit to Palestine disappointed the Palestinian side by labeling the resumption of direct negotiations between Israel and Palestine on a two-state solution premature. It was amid such circumstances that Hamas found itself under pressure from the Palestinian residents of Gaza due to the worsening economic situation and in need of some kind of triumph.

Needless to say, this in no way justifies the preemptive strike by Hamas, but it should be recognized that these circumstances constitute remote causes of the outbreak of the current conflict.

### **Prospects and recommendations**

Hamas and Israel will undoubtedly continue alternating between fighting and negotiating, both using the release of hostages and ceasefires as cards to be played. Hamas will use the hostage negotiations to build up its fighting capability as much as possible and prepare for further battles. Israel's policy is to thoroughly destroy Hamas as a militant organization, while Hamas is believed to be prepared to fight to the limits of its capabilities.

The current situation is considered a cardinal mistake for Prime Minister Netanyahu, and any compromise with Hamas is now unacceptable to the Israeli public. The war is thus likely to be a protracted one even if there are temporary changes in tactics.

While Iran is unlikely to fully enter the conflict at this stage while lacking sufficient deterrence, it may well be prepared to stir things up for the United States and Israel, in cooperation with Russia and China through proxies such as Hamas, Hezbollah in Lebanon, and the Houthis in Yemen. If Iran's proxy war grows more extensive through any or all of these means, the conflict could spread to neighboring regions. Japan, which has its own channels for dialogue with Iran, should utilize these to dissuade Tehran.

Taking advantage of this opportunity, Russian President Vladimir Putin has been active in Middle East diplomacy, inviting the Secretary General of the Arab League and Palestinian President Mahmoud Abbas to Moscow. China, too, has shown a willingness to resume peace negotiations between Israel and Palestine by inviting the Palestinian foreign minister to Beijing and appointing a special envoy for Middle East peace. Ultimately, the outcome of this war could be a struggle for hegemony between the Sino-Russian camp, which has a growing presence in the Middle Eastern region, and the US. There is also a possibility that Russia might attempt to change the status quo in the Middle East by taking advantage of the power vacuum there to divert the world's attention away from the invasion of Ukraine, which could be a nasty blow to the West.

As the result of Hamas's attack on Israel, Gaza will not be able to return to its pre-October 7 *status quo ante*. Various views have already been expressed on how Gaza should be governed in future (the Palestinian Authority should govern the area, Israel should be responsible for security, etc.), but the Palestinians involved in the conflict also have widely divergent opinions on Hamas and the Palestinian Authority (Fatah), offering no clear direction. While more in-depth discussions that respect the will of the Palestinian people are needed, the key point is to create an environment in which the US can establish a partnership with Fatah in order to build a consensus on the Palestinian side (it was regrettable in this regard that a meeting to be held with the Palestinian Authority during President Biden's visit to Israel in October did not take place because of the bombing of al-Ahli Hospital). The road to a two-state solution in which Israel and an independent Palestinian state coexist will not be an easy one, and the international community needs to take an ongoing interest in, and persist in, efforts to have Israel and Palestine resume negotiations and resolve the Palestinian issue.

Diplomatic efforts to resolve this series of conflicts can only be made by the United States, which has been involved in the political, economic, and security affairs of the Middle East region and has a presence there. Although there is no denying that the US's presence is no longer what it used to be, only the US can engage in serious diplomatic negotiations with both Israel and Palestine, as well as with Egypt, Saudi Arabia, Qatar, and other major players in the region. It must not be forgotten that it was US efforts that brought about a temporary ceasefire, the release of hostages, and humanitarian aid to Gaza.

Stability in the Middle East is also essential for Japan, which has become even more dependent on the Middle East for oil following Russia's invasion of Ukraine. In some future phase of reconstruction in Gaza, Japan should be actively and independently involved in cooperation (in the areas of water supply, waste disposal, and electricity as well as in the creation of sustainable economic resources), drawing on its experience. Japan is one of the few countries that has established good relations with Israel, Palestine, and Iran, so it could play a complementary and bridge-building role in the mediation efforts the US is attempting in the Middle East. In cooperation with the G7, Arab nations, and the United Nations, Japan should support US-led efforts to reach an agreement on Israeli-Palestinian coexistence and advocate a roadmap for achieving a two-state solution. ■

## **Section 4: Nuclear Arms Control and Disarmament**

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As strategic competition intensifies and nuclear-armed states as well as their allies become increasingly aware of the importance of nuclear weapons for deterrence and/or coercion, two opposing vectors of nuclear arms control and disarmament are at work. On the one hand, there is a strong need to reinvigorate nuclear arms control and disarmament as instruments to institutionalize and establish rules for nuclear weapons-related capabilities and behavior. This must be done in cooperation with adversaries in order to prevent and control further deterioration of the nuclear situation, changes in the status quo by force under the “nuclear shadow,” deliberate and/or inadvertent use of nuclear weapons, expansion of damage in such cases, and further nuclear arms races and proliferation. On the other hand, states that see the need to enhance their nuclear arsenals and operational posture as a force for deterrence or coercion are becoming more cautious and even reluctant to implement or accept existing or new nuclear arms control and disarmament measures that impose restrictions on them. This is because those countries believe such measures may impede their national interests and strategic goals.

Given the strategic competition that has been underway since the mid-2010s, the latter vector is growing in magnitude as the value of nuclear weapons increases globally. This trend has been further enhanced in the light of Russia’s continued aggression in Ukraine with its nuclear saber-rattling. There is a strong concern that those nuclear powers seeking to challenge the status quo may have learned a “lesson” from Russia’s activities and would attempt to follow suit. As the status quo powers have also been compelled to take steps to strengthen nuclear deterrence, the landscape surrounding nuclear arms control and disarmament has become even more challenging in 2023.

### **China and Russia’s negativity**

Under these circumstances, Russia has stepped back from its existing nuclear arms control commitments. Since 2022, Russia has refused to accept on-site inspections under the US-Russia New Strategic Arms Reduction Treaty (New START) or to hold a bilateral consultative committee (BCC) meeting to resolve the issue. After the US in late January 2023 formally identified Russia’s response as non-compliance with its obligations under the treaty, Russia suspended implementation of the New START in February, declaring that it would comply with the treaty’s numerical limits on its strategic nuclear forces but would not permit on-site inspections or exchange data that would form the basis for such inspections. In October, it revoked its ratification of the Comprehensive Test Ban Treaty (CTBT), claiming that it would not conduct nuclear test explosions unless the US does. It also withdrew from the Conventional Forces in Europe (CFE) Treaty in May. Furthermore, Russia announced that it would deploy tactical nuclear weapons in Belarus, and in June it revealed that the first batch of such weapons had been deployed.

At the August meeting of the Preparatory Committee for the NPT Review Conference, the US called on Russia to re-adhere to New START and to engage in dialogue on a nuclear arms control framework

after 2026, when the treaty expires. While Russia stated that it is ready for dialogue, it also repeated its insistence that it would be difficult to resume implementation of New START and further dialogue on nuclear arms control unless there is a change in the US's hostile posture exacerbating the ongoing deterioration in US-Russia relations.

The annual report on China's military power published by the US Department of Defense in October explicitly estimated that China, which is accelerating the qualitative and quantitative improvement of its nuclear arsenals, possesses 500 nuclear weapons (400 in the previous year's report) and that the number of operational nuclear warheads will reach 1000 by 2030. The report also called for China's substantial engagement on strategic nuclear issues to avoid the risk of miscalculation and misunderstanding. China, however, has reiterated its assertion that the US and Russia, which possess the largest nuclear forces, should first drastically reduce their own arsenals.

China has refused to implement or accept many substantive nuclear arms control measures, and it is far less transparent about its capabilities than other nuclear-weapon states. It has not provided an annual report on its civilian plutonium stockpile since 2017, and it has been suggested that China's soon-to-be operational civilian fast breeder reactor and reprocessing facility could be used to produce weapons-grade fissile material as part of the civil-military integration China has advocated. In addition, at the August 2023 Preparatory Committee following the 2022 NPT Review Conference, China brought up – and at times distorted the facts concerning – such issues as the discharge of ALPS treated water from the Fukushima Daiichi Nuclear Power Plant into the sea; Australia's acquisition of nuclear submarines under the AUKUS agreement among the US, the United Kingdom and Australia; and the possibility of nuclear sharing by the US and its allies in Northeast Asia. It has otherwise repeatedly made offensive statements and criticisms about the US and its allies, including Japan, while disregarding the norms and rules of the nuclear nonproliferation regime.

In addition, China and Russia have repeatedly issued statements or taken actions supporting North Korea, which has conducted a number of launch tests/exercises employing intercontinental ballistic missiles (ICBMs) and other missiles in violation of UN Security Council resolutions. In particular, the two permanent members vetoed a Security Council resolution in 2022 condemning nuclear and missile activities by North Korea, and opposed the issuance of a statement by the President of the Security Council in 2023, arguing that the problem is the US's posture toward North Korea and that sanctions against North Korea should be eased. At a Russo-North Korean summit meeting in September, there were strong indications that Russia might provide North Korea with missile/rocket and other military technology in return for North Korean support and military assistance in the war in Ukraine. All these actions, if carried out, would be in violation of existing Security Council resolutions. China and Russia have continued to take positions that imply acquiescence to Iran's steady increase in its uranium enrichment level and enriched uranium stockpiles in violation of the Joint Comprehensive Plan of Action (JCPOA).

Needless to say, the five nuclear-weapon states are authorized to possess nuclear weapons under



the NPT. They therefore have the moral obligation to assume greater responsibilities and roles in the nuclear arms control and nonproliferation regime. The above-mentioned words and deeds by China and Russia in defiance of international rules have undermined the credibility of the nuclear arms control and nonproliferation regime. Sovereign states do generally tend to give priority to preserving and promoting their respective national interests over maintaining international institutions (and cooperating under such institutions) that are not in line with their national interests. On the other hand, fierce strategic competition in the face of disregard for order and rules concerning nuclear weapons may result in undermining the very national interests that the competing states seek to protect.

### G7 Hiroshima Summit

Amidst a major upheaval in nuclear arms control and disarmament, the G7 Summit in Hiroshima in May adopted the “G7 Leaders’ Hiroshima Vision for Nuclear Disarmament” (“Hiroshima Vision”), which was the first G7 Leaders’ document with a particular focus on nuclear disarmament. The Hiroshima Vision proposed nuclear arms control and disarmament measures to be taken by the international community, with due consideration given to developments



A group photo at the Peace Memorial Park as part of the G7 Summit in Hiroshima, Japan. (May 2023, Photo: Abaca/Aflo)

in China and Russia. The G7 leaders also visited the Hiroshima Peace Memorial Museum, spoke with atomic bomb victims, and laid flowers at the Cenotaph for the Atomic Bomb Victims.

As the Hiroshima Vision suggests, a realistic approach is to pursue nuclear arms control and disarmament progressively, focusing on both realism (concrete responses to security situations) and idealism (the desire to eliminate nuclear weapons) in all time frames leading to a world without nuclear weapons. Some have criticized the inclusion of a sentence reaffirming nuclear deterrence that reads: “Our security policies are based on the understanding that nuclear weapons, for as long as they exist, should serve defensive purposes, deter aggression, and prevent war and coercion.” While some argue that a document for nuclear disarmament formulated in Hiroshima should not include such a statement, nuclear order can only be maintained in a world where nuclear weapons exist through both arms control and deterrence. The nuclear deterrence of the Western countries is fundamentally different in character from the nuclear “intimidation” used for coercion and compulsion as a means of changing the status quo by force. In this sense, it is significant that the leaders of the G7, which consists of three nuclear-weapon states and four allied countries (under US extended nuclear deterrence), reaffirmed their “commitment

to achieving a world without nuclear weapons with undiminished safety for all” and directly experienced the reality of the atomic bombings.

### **Prospects and recommendations**

Unless China and Russia change their positions on nuclear arms control and disarmament, it will be difficult to revitalize nuclear arms control and disarmament, at least for the time being. Nevertheless, there remains the possibility of a sudden change in the circumstances and perceptions surrounding nuclear weapons and security as well as a rapid increase in the momentum for implementing concrete measures, as in the aftermath of the Cuban Missile Crisis or immediately after the end of the Cold War. Therefore, continuous deliberation on concrete measures and their implementation is needed. In the meantime, efforts to continue the non-use of nuclear weapons, including the reduction of nuclear risks, are important as a means of containing any deterioration of the nuclear situation during the transitional period.

To this end, it is first necessary for the nuclear-weapon states to properly implement the existing treaties and their commitments regarding nuclear arms control and disarmament. In addition, close consultations and strategic dialogues are essential to bring about a convergence of views among the countries concerned on measures and areas in which they should or can cooperate in the face of competition and confrontation. The five nuclear-weapon states’ meetings on nuclear arms control and nonproliferation, which had not convened after Russia’s invasion of Ukraine, were held in the forms of a working group meeting in February 2023 and an expert meeting in June. Such consultations should be actively promoted at various levels among nuclear-weapon states as well as between nuclear-weapon states and non-nuclear-weapon states. In addition, the US and China held their first arms control dialogue at the director-general/assistant secretary level since the Obama administration. Furthermore, during their bilateral summit meeting on November 15, both countries agreed to resume dialogue among defense and military officials aimed at preventing accidental military conflict. Persisting with these efforts is crucial, especially during periods of escalating tensions. It is essential to broaden crisis management and confidence-building measures to maintain stability.

It is also necessary to consciously engage in building a narrative that promotes the reinvigoration of nuclear arms control and disarmament. The nuclear arms control and nonproliferation regime, including US-Russia nuclear arms control and the Nuclear Non-Proliferation Treaty (NPT), was established and has been maintained based on a Cold War-era narrative: mutual assured destruction (MAD) between the United States and the Soviet Union ensured strategic stability, and such a relationship therefore needed to be institutionalized. However, as the US-led international order has been eroding and the balance of power has been shifting, an increasing number of challenges have emerged that cannot be adequately addressed by the traditional nuclear arms control and nonproliferation regime. It is, therefore, incumbent on all parties concerned to deliberate on an appropriate narrative that appropriately interweaves power,

interests and norms to reflect the complicated new circumstances, including the trilateral nuclear relationship among the US, China and Russia, the possibility of nuclear escalation at the regional level, and the entanglement of nuclear and non-nuclear capabilities, along with new domains and emerging technologies.

The Japanese government, which has enshrined the pursuit of eliminating nuclear weapons as a national principle, should take a leadership role in creating such a narrative. It would also be meaningful for Japan to strive to create a unifying force that catalyzes international discussions on issues such as the CTBT, the Fissile Material Cut-off Treaty (FMCT), improvements to transparency, nuclear risk reductions, and the military use of artificial intelligence (AI). As Japan bolsters its deterrence capabilities, including the development of a counterstrike capability as stated in its National Security Strategy, it would also be conceivable to envision a game plan that engages China in arms control and disarmament. ■

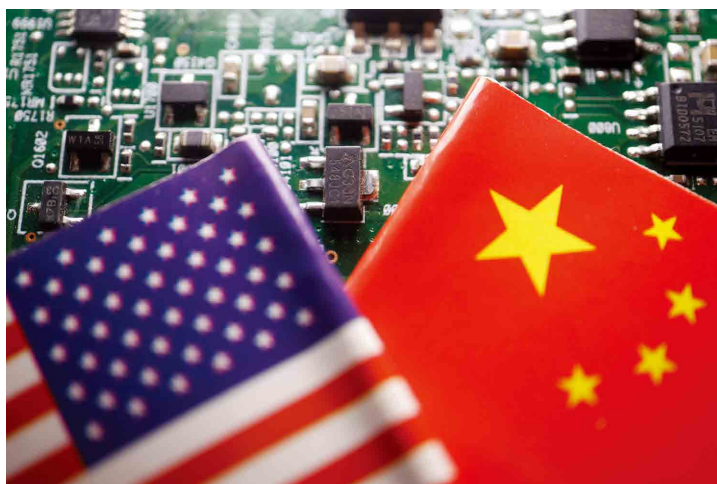
## Chapter 3: The Increasingly Uncertain World Economy

### Section 1: Economic Security under US-China Competition

Against the backdrop of US-China competition, countries are making concrete progress in economic security policy. Above all, countries are focused on promoting and protecting advanced technologies to gain strategic superiority, restructuring their supply chains and undertaking other efforts to make their economies secure. International cooperation in these efforts has grown, with concrete measures announced at the G7 Hiroshima Summit, the Japan-US-ROK Summit, and other venues. In addition, the emerging and developing countries of the so-called Global South have stepped up their presence in the midst of supply chain restructuring and other changes, increasing uncertainty about the future of the international economic order.

#### Competition for strategic superiority: struggles over advanced technologies

The US and China compete against each other militarily, economically and otherwise while also vying to strengthen their ties with emerging economies, with advanced technology remaining the frontier of US-China rivalry. The US-China competition in this arena is also a race to maintain or gain strategic superiority over the other. Since advanced semiconductors, artificial intelligence (AI), and quantum computing are seen as particularly key



(Photo: Reuters/Aflo)

areas that will determine future balances of power in the international system, numerous countries are committed to promoting and protecting these cutting-edge technologies. Notable progress was made in such national policies and in international cooperation during 2023.

In the race for strategic superiority, the US continues to step up its efforts to promote advanced technologies. For example, in May, the US Department of Defense released its “National Defense Science and Technology Strategy,” which emphasizes its commitment to key technology areas such as biotechnology, quantum science, next-generation wireless communications, and advanced materials. In addition, the 2022 CHIPS Act, which authorized a \$52.7 billion grant program, effectively launched initiatives to encourage the domestic production of advanced semiconductors.

Japan is also focusing on developing advanced technologies. In August, the Japanese government added 23 new advanced technology fields to the list of “specified critical technologies” indicated in the Economic Security Promotion Act. In addition to supporting Rapidus, a Japanese high-end semiconductor manufacturing company, the government took concrete steps to promote advanced semiconductors by assisting other makers of memory chips and related materials. Nevertheless, it became clear that Japan’s capabilities in cutting-edge scientific research have still not improved. While the presence of China and other emerging countries is increasing in terms of the number of academic articles published worldwide, Japan’s share is declining both quantitatively and qualitatively.

However, Japan did endeavor alongside its allies and partners to encourage international cooperation in advanced technologies. The Japan-US summit meeting in May called for cooperation in promoting and protecting critical technologies such as semiconductors, AI, biotechnology, and quantum computing. This was followed by the conclusion of a memorandum on educational cooperation between Japan and the US to strengthen human capital development. At the second meeting of the Japan-US Commerce and Industrial Partnership (JUCIP), further collaboration was agreed upon to formulate a common Japan-US roadmap for the development of next-generation semiconductors; cooperation in the fields of AI, biotechnology, and quantum technology was also announced. Furthermore, the joint statement of the second Ministerial Meeting of the Japan-US Economic Policy Consultative Committee (the Economic “2+2”) held in October confirmed the promotion of critical and emerging technologies. In parallel with these inter-government partnerships, the private sector also made solid progress in international cooperation on advanced technologies, such as the agreement among The University of Tokyo, the University of Chicago, IBM, and Google to collaborate in the field of quantum technology.

At the same time, measures to address technology leakage were fortified out of concern over the dramatically increased development speed of advanced technologies and the threat of their abuse. In February, the US government focused on enhancing the effectiveness of export controls by launching the “Disruptive Technology Strike Force,” tasked with toughening export control enforcement, fostering partnerships with the private sector, and leveraging international partnerships to coordinate law enforcement actions and disruption strategies. In October, the US government beefed up controls on semiconductor exports to China by updating the semiconductor export control measures announced in 2022 and introduced measures to close export control loopholes. Furthermore, the US government has embarked on onward foreign direct investment controls. It has been pointed out that the executive order addressing US investments signed by US President Joe Biden in August was aimed at curtailing technological innovations that would contribute to China’s military-civil fusion by restricting access to technological know-how and experts. Since the restrictions target only technologies and goods in semiconductors and microelectronics, AI, and quantum information technology, the measures are akin to a “small-yard high-fence” approach. However, the scope of the restrictions may be expanded in future.

The US government is extremely concerned about technology leakage through academic activities. In



June, the Pentagon released a list of Chinese and Russian institutions engaged in “problematic activities” aimed at gaining unauthorized access to sensitive US research and influencing faculty and students. There were also calls in the US Congress for reassessing science and technology cooperation with China and revising the US-China Science and Technology Cooperation Agreement (STA) that has been in place since 1979. Although it was ultimately decided to extend the STA provisionally for six months, the future of the STA remains unpredictable.

Japan has also been strengthening its measures to prevent technology leakage. As one measure to prevent the leakage of advanced technology, the government designated 25 fields, among them stealth technology and autonomous control technology, that are subject to the “patent non-disclosure system” outlined in the Economic Security Promotion Act. Discussions were conducted by a panel of experts on a security clearance system that would allow only qualified personnel to handle confidential information, and some progress was made toward introducing this system. In this regard, the arrest in June of a Chinese researcher affiliated with the National Research and Development Agency for leaking research data to a Chinese company did in fact draw much public attention from the perspective of economic security because the researcher had previously been employed at a Chinese university believed to have close ties to the Chinese People’s Liberation Army.

International cooperation on technology protection has also moved forward. It is noteworthy that a new international alignment of semiconductor export controls has essentially begun. In January, it was reported that the governments of Japan, the US, and the Netherlands had agreed to take joint steps on controlling semiconductor exports to China. Subsequently, the Japanese and Dutch governments implemented new semiconductor-related export controls without naming China (as mentioned above, the US also updated its existing semiconductor export controls on China). Following the August trilateral summit among the leaders of Japan, the US, and the ROK, it was announced that exchanges would take place among their export control enforcement agencies to share information and deepen cooperation.

It is noteworthy that these new frameworks were hammered out through new plurilateral/minilateral measures outside the existing multilateral export control regimes such as the Wassenaar Arrangement. Furthermore, the leakage of sensitive technologies through international joint research activities garnered attention. International cooperation in research security was pursued, as expressed in the G7 Hiroshima Leaders’ Communiqué, which addressed inappropriate transfers of critical and emerging technologies through research activities. However, the road ahead for international cooperation in technology protection will not necessarily be a smooth one. For example, although the G7, the US-EU Trade and Technology Council (TTC), and the EU Economic Security Strategy have admitted that measures pertaining to outward foreign direct investment could serve as a new tool, members differ on the specific content of such measures and their anticipated effectiveness.

In response to these efforts by Japan, the US and other countries to gain technological superiority, China is likewise making its utmost efforts to develop and promote advanced technologies. At the 14th

National People's Congress in March, Chinese President Xi Jinping stated that China should ultimately rely on scientific and technological innovation to open up new areas and new arenas in development and foster new growth drivers and new strengths in the face of fierce international competition. Indeed, China ranks first in some technological fields according to certain indicators.

It has become clearer than ever that the promotion of advanced technology in China will be led by the Communist Party. Structural reforms at the State Council have led to a reorganization of the Ministry of Science and Technology, and the Political Consultative Conference has appointed technology experts in such fields as semiconductors, robotics, lasers, and aerospace. In August, China released implementation guidelines as part of its China Standards 2035 strategy for accelerating new high-quality industries such as next-generation/quantum information technology. China is aiming to get ahead of the curve in these new industries. In addition, technological breakthroughs in advanced fields such as quantum information, carbon fiber, and brain-machine interfaces were declared to be demonstrations of China's excellence.

While advancing domestic efforts toward technological innovation, China also seeks to absorb foreign technology through supply chains linked to other countries. It still employs a mix of legal and illegal means, including industrial espionage and talent acquisition. In fact, ASML, a Dutch semiconductor equipment manufacturer, noted in its annual report that data related to proprietary technology had been stolen by a former Chinese employee. Such technology was also reportedly acquired using a patent panel.

Efforts to attract foreign investment have been stepped up. These include support for foreign investment in the establishment of research and development (R&D) centers. The guidelines for attracting foreign investment issued by the State Council in August incorporated such approaches as bolstering the protection of foreign investors' rights and interests by strictly enforcing intellectual property rights, offering financial support and tax incentives to foreign companies, and easing restrictions on data transfer. However, it is difficult to say that these efforts worked as successfully as planned. China's revised Counter-espionage Law that went into effect on July 1, as well as compulsory investigations taken against foreign companies by authorities and the detention and arrest of employees of foreign companies, negatively affected foreign investment; the volume of FDI to China in 2023 was down compared to the previous year.

### **Making economies secure**

As US-China competition grew fiercer, making economies secure became more important for all countries out of the need not only to maximize profits through economic activities, but also to secure the foundations on which economic activities themselves are based. As a result, concrete measures were considered to ensure the security of supply chains for critical goods and minerals and to prepare for supply chain disruptions. While economic efficiency was the driving force behind supply chain designs in the past, it is now receding behind the desire for stability and sustainability. Instead of economic rationality being the top priority in corporate strategies, security, stability, and sustainability have become the key agenda items. To make supply chains and value chains more robust, new relationships with

trusted partners have been built by developing new supplies and markets. Mexico replacing China as the US's top trading partner was also a result of these trends.

Japan, too, pursued new relationships with other partners to ensure the security of supply chains for critical materials and minerals. Cooperation was sought with countries such as Canada, Australia, the Democratic Republic of the Congo, and Zambia to establish stable supply chains for critical minerals. The aim was to reduce overdependence on China, a major producer of rare earths and other critical minerals.

International attempts were also made to prepare against disruptions to supply chains for critical goods and minerals. In February, it was reported that Chip4, an international semiconductor partnership comprising Japan, the US, the ROK, and Taiwan, discussed an early warning system to ensure stable semiconductor supply chains. At the Japan-US-ROK summit meeting in August, it was agreed to launch pilot supply chain early-warning systems. In addition, the Indo-Pacific Economic Framework (IPEF) made progress in efforts to make supply chains more robust. These frameworks are new plurilateral/minilateral frameworks created outside of existing international institutions.

International alignment and institutionalization against economic coercion are also seeing progress. At their Hiroshima Summit, the G7 released the G7 Leaders' Statement on Economic Resilience and Economic Security, the first of its kind, and announced that its members had agreed to launch a Coordination Platform on Economic Coercion. Other measures against economic coercion were pursued outside the G7 framework. In June, the "Joint Declaration against Trade-Related Economic Coercion and Non-Market Policies and Practices" was issued by Japan and the Five Eyes countries (the US, the UK, Australia, Canada, and New Zealand) to address economic coercion. The EU has been the most progressive in this area, with an EU ministerial meeting in October approving new rules to counter economic coercion.

However, a complete break with China in all aspects of industrial and economic activity is not realistic and is not something being sought. For example, in March, European Commission President Ursula von der Leyen called for a focus on de-risking (continuing relations while reducing risks) rather than decoupling (breaking off relations) in EU-China dealings, acknowledging that some products and services can be traded without risk. The main point is to protect national security while maintaining trade and investment in a way that does not pose a threat to national security. This concept of de-risking became the basis for Europe's approach to China, and was later used in the G7 Hiroshima Leaders' Communiqué and other initiatives.

On the other hand, it seems that Chinese authorities regard the West's supply chain restructuring and other such economic security endeavors as attempts to isolate China from the rest of the world. Therefore, while enjoying the economic and technological benefits of international supply chains, Chinese authorities are now placing more emphasis on increasing self-sufficiency by expanding domestic production capacity and on striving to build an ecosystem that is less susceptible to foreign influence.

China is focusing on R&D of semiconductor manufacturing equipment because it cannot procure advanced semiconductor manufacturing equipment due to export control measures imposed by countries such as Japan, the US, and the Netherlands. In September, China announced the launch of a new \$40 billion government investment fund for the semiconductor industry, its aims believed to be increasing the domestic semiconductor industry's self-sufficiency and reducing its dependence on foreign countries. In line with these government policies, Chinese semiconductor manufacturing companies are trying to break free of their dependence on foreign-made manufacturing equipment and switch to domestically-produced equipment by cooperating more closely with domestic semiconductor manufacturing equipment makers.

Faced with setbacks in introducing semiconductor miniaturization technology, Chinese corporations are concentrating on manufacturing middle-end and low-end “legacy” semiconductors. China's adoption of subsidies and other industrial policies in favor of legacy semiconductors is raising economic security concerns in the US and elsewhere. In addition, China is promoting technologies other than miniaturization by, for instance, starting up a new funding program for chiplet-related research projects with a focus on the back-end processes of semiconductor manufacturing. The purpose of these measures is to increase the self-sufficiency of the domestic semiconductor industry and reduce its dependence on foreign suppliers, thereby creating an ecosystem less susceptible to foreign export controls and other measures.

In the course of striving to build this ecosystem, Chinese authorities have taken actions that could be seen as economic coercion or retaliation to influence political decisions. In May, for example, operators of domestic critical infrastructure were banned from using Micron products from the US for cybersecurity reasons. It was announced in July and October that gallium- and germanium-related items as well as some graphite-related items would be subject to export controls. In addition, reviews of mergers and acquisitions (M&A) under the Anti-Monopoly Law appear to have been intentionally delayed. In fact, in August, Intel withdrew its offer to acquire an Israeli semiconductor company because it could not get approval from Chinese authorities by the deadline. Some argue that these actions have been taken in retaliation for a series of US-led export control measures against China.

It is certainly difficult to assess the effectiveness of those measures taken by Chinese authorities that appear to be economic coercion or retaliation, since the purposes of their actions and operational policies are often difficult to understand for outside observers. However, these measures have not always born fruit. For example, in August, the Chinese government lifted import tariffs on Australian barley that had been imposed in 2020, and thereafter gradually removed other restrictions on imports of Australian products. This may have had limited impact, however, because Australian barley producers had already responded by developing new markets and switching production to wheat. This example can serve as a lesson on reacting to future coercive actions.

### **Growing presence of the Global South**

As supply chains and other aspects of the international economy are being restructured, the presence of

countries other than the major powers has also increased. In particular, the economies of the Global South are growing in scale, and their share of the international economy in terms of nominal GDP is expected to continue expanding. Furthermore, countries rich in resources rather than military or economic power have become ever more important in the international economy, thanks to factors such as de-risking, digital transformation (DX) and green transformation (GX). With securing



Lithium industry in Chile (April 2023, Photo: AP/Aflo)

stable supplies of critical minerals and rare metals becoming a key strategic issue for countries, alignment with the Global South became an important agenda from an economic security perspective.

However, some in the Global South have made their own interests a top priority and sought to secure and enhance their strategic autonomy rather than join a particular group that supports certain principles or norms reflected in the international order. For example, countries such as Argentina, Brazil, Chile, and Indonesia are reported to be more welcoming of investment from China than the US in their battery factories. In addition, some economies see international supply chain restructuring as an opportunity. The importance of ASEAN countries, Central and Eastern European countries, India, and Mexico as manufacturing bases in the global economy will undoubtedly grow. India, for instance, will try to take advantage of international supply chain restructuring to develop its own industries through a Japan-India industrial co-creation initiative and the US-India Strategic and Commercial Dialogue. Brazil is also looking to seize opportunities for new industry development by signing a semiconductor agreement with China.

With the security of critical mineral supply chains being recognized as an economic security issue, some resource-rich countries (many of them in the Global South) are strengthening control and management of their own resources and seeking to secure strategic autonomy. For example, amid rising demand for lithium in electric vehicle batteries and other products, Chile, the world's second-largest lithium producer, formulated a "National Lithium Strategy" in June and decided to turn some new lithium mining projects into joint ventures with state-owned companies. In response, an action plan to ensure reliable supplies of critical minerals was formulated at the G7 Ministers' Meeting on Climate, Energy, and Environment in April, and concerns were expressed at the G7 Trade Ministers' Meeting in October about export controls on critical minerals. The presence of resource-rich powers, including those in the Global South, is thus growing, and uncertainty about the future of the global economy is



mounting. How to achieve greater cooperation with countries rich in critical minerals and other resources will become an increasingly important policy issue.

### **Prospects and recommendations**

Countries have made tangible progress in their economic security policies in the midst of US-China competition. Nevertheless, many challenges remain, firstly those stemming from efforts to gain strategic superiority. As countries struggle to manufacture critical goods such as advanced semiconductors, attract cutting-edge companies, and engage in R&D of advanced technologies, subsidy competitions appear to be emerging in those industrial and technological sectors that their governments are pushing. In general, subsidy competitions can create a distorted ecosystem by inducing redundant and excessive investments in certain areas, lead to inefficient corporate management, and generate market distortions. Additionally, it has long been noted that Japan's scientific research capabilities have been declining, and this decline did not stop in 2023. It also appears that international coordination of technology protection measures has not always gone smoothly. It is unclear how much international support the US government's measures on outward foreign direct investment will receive in the future, and there are differing views among countries on research security designed to prevent technology leakage through academic activities. Therefore, it will be essential that Japan seek closer cooperation with allies and partners to achieve strategic superiority. For instance, it would be useful to coordinate subsidy schemes and technology protection measures (export controls, investment restrictions, and research security) not only through existing international institutions but also through new international frameworks. To reverse the declining trend in the country's scientific research capabilities, Japan will need to expand and deepen human capital development in areas such as STEM education, improve research environments, and pursue international cooperation on human capital development.

Efforts to make economies more secure, with supply chain restructuring being a typical approach, still face challenges. It is no easy task to identify chokepoints in international supply chains built around economic efficiency and to develop alternatives (supplies, markets, production bases, goods, and technologies) from the perspectives of security, stability, and sustainability. De-risking and supply chain restructuring that reflect foreign policy and national security logic could reduce predictability in economic activity and even cause friction with existing international trade rules. Accordingly, concrete steps must be taken to mitigate economic vulnerabilities through international cooperation to ensure economic security. The first of these should be launching the platform for coordination against economic coercion announced by the G7 and putting into pilot operation the supply chain early warning system agreed to by Japan, the US, and the ROK. New measures might include building international consensus, institutionalizing and forming norms for processes to identify coercion, resorting to counter-tariff measures, restricting public procurement, and compensating for losses. Each of these measures would also need to be coordinated with existing trade regimes.

Numerous issues surround cooperation with the countries of the Global South, which are emerging as important actors in economic security. While the countries tagged together as the Global South may share some interests, they differ in policy stances and preferences. Therefore, it may be necessary to work with parties who do not necessarily support certain interests or values. Moreover, when there are many potential partners for such alignment, it is necessary to play a game of coalition building that allows for flexibility in recombining alignment partners. The nature of cooperation between parties would not be determined solely by the logic of great power competition; instead, alignment partners could be flexibly changed depending on conditions. In a world where US-China competition and multipolar global politics coexist, flexible cooperation with powers that do not necessarily share certain interests or values should be considered a viable option. For this reason, policies must be formulated from the view of economic security challenges and prospects, and corporate strategy priorities reviewed. It will be important to pursue tailor-made approaches with each partner. Where such attempts are not covered under existing international institutions, it may be necessary to establish new mechanisms and/or frameworks. ■

## Section 2: The Economic Impacts of the War in Ukraine and Sanctions against Russia

Since the outbreak of the war in Ukraine, the G7 and other Western nations have continued to impose large-scale economic sanctions against Russia. In 2023, efforts were made to boost the effectiveness of these sanctions by strengthening export controls and engaging with countries that had not previously participated in these sanctions. While trade transactions between Russia and the countries sanctioning Russia have significantly decreased, China-Russia and India-Russia dependence has deepened through greater trade in crude oil and other commodities, indicating a shift in the flow of goods trade centered on Russia. The G7 nations and other sanctioning countries have maintained unity in their sanctions against Russia thus far, but the Hamas-Israel conflict that started in October is a disruptive factor that could undermine the Western countries' coordination if the conflict leads to events such as a surge in the price of Middle Eastern crude oil. In any case, the hurdles to further ratcheting up sanctions are high, and ongoing efforts are necessary to enhance the effectiveness of sanctions. Additionally, attention must be given to the potential side effects of sanctions, such as the impact of Russia's withdrawal from the Black Sea Grain Initiative on food supplies in developing countries and the growing dependency between China and Russia.

### Trends in sanctions against Russia

As Russia's aggression against Ukraine continues, Western countries, centered on the G7, are working to broaden and amplify the effectiveness of export controls and other sanctions against Russia. The US added to the sanction targets a list of entities located in Russia, Belarus, China, Taiwan, Turkey, Iran, India, Spain and elsewhere that were deemed to be contributing to Russia's military and defense industries. In addition to expanding the areas targeted



Ukrainian President Volodymyr Zelenskyy joins G7 leaders at a working session on the final day of the G7 Summit in Hiroshima, Japan. (May 2023, Photo: Pool/AP/Aflo)

by the sanctions against Russia, efforts were also pursued to increase their effectiveness. For example, the US published guidelines for financial institutions on export control circumvention activities, and the G7 announced a new enforcement mechanism for export activities designed to circumvent sanctions against Russia. The Five Eyes, consisting of the US, the UK, Canada, Australia, and New Zealand, formally agreed to cooperate in enforcing export controls against Russia, including sharing information

on illegal procurement activities and other export control violations. The US is investigating whether China is providing goods and technology that could support the war in Ukraine and has added the relevant Chinese companies and organizations to its export control list to strengthen enforcement. In this way, steps were taken to improve the effectiveness of sanctions and thereby reduce Russia's ability to continue its war.

Initiatives were also taken to eliminate loopholes in the sanctions in view of sanctions-evading behavior such as the use of third parties for circumvention. As part of these efforts, complying countries reached out to countries not yet participating in the sanctions. For example, US officials visited Turkey and the UAE in February to seek their cooperation in implementing sanctions against Russia. In April, US, UK and EU export control officials visited Kazakhstan to provide technical assistance and to share information with the Kazakh government and private sector to address the problem of sanctions against Russia. In addition, proactive measures were taken to encourage more countries to conform to the sanctions. The US government imposed secondary sanctions against foreign entities engaged in sanctions evasion, and the EU introduced export control measures against actors evading sanctions in its 11th round of sanctions against Russia.

### **Impact of the war in Ukraine and sanctions against Russia on various regions**

More than a year after the start of the massive economic sanctions imposed by the Western countries in response to Russia's invasion of Ukraine, the impacts on Russia's domestic economy have become noticeable. According to the IMF, Russia's GDP growth fell to -2.0% year-on-year in 2022, partly due to the sanctions, but is expected to rise to 2.2% in 2023. A breakdown of this figure shows this growth is driven by an increase in government spending, including war expenditures and the expansion of military services such as weapons manufacturing. Given the sluggish growth in private consumption, investment, and exports, it is reasonable to conclude that economic sanctions are inflicting a certain level of damage on the Russian economy. The Russian ruble had been recovering after experiencing a sharp decline immediately after the invasion in February 2022 but, due in part to a reduction in the country's current account surplus, the currency exhibited a downward trend again in 2023. The Central Bank of Russia raised its key policy rate from 8% to 12% in August, but this has yet to stem the depreciation of the ruble. Alongside the rise in import prices, domestic inflation has surged to levels exceeding 4%. Furthermore, supply is constrained by a shortage of goods and labor, while demand is rising due to expansionary fiscal spending, which is also contributing to higher prices. Although the federal budget deficit has ballooned since the start of the war in Ukraine, Russia appears to have ample fiscal reserves for the foreseeable future. However, it is crucial to monitor how long the reliance on wartime fiscal expansion can be sustained. In addition, the potential for future growth over the medium to long term will likely be lost due to wartime casualties, inefficient investment allocation, and detachment from the global economy.

On the other hand, a survey by the Levada Center, a public opinion survey organization, shows that

support for President Vladimir Putin within Russia remained in the 80% range throughout 2023, and support for the government stayed in the upper 60% range. At the same time, as discussed in Chapter 2, Section 1, the power base and support for Putin's government are being solidified through arrests of dissidents and individuals who criticize President Putin and his administration, as well as through the imposition of restrictive measures on anti-government organizations.

As noted in our previous Report, Russia has been facing economic sanctions since the annexation of Crimea in 2014. Regardless of the intensification of sanctions, there seems to be a certain degree of "sanctions habituation" among the population as they adapt to the pressure of Western sanctions and the impact on social life. With the short-term positive signs in the domestic economy due to the expansion of government spending mentioned earlier and with the adverse effects on citizens' lives being blamed on Western countries, there are currently no noticeable signs of significant turmoil or public condemnation of the government.

The economic sanctions have also had a noticeable impact on Russia's foreign trade. Since the second quarter of 2022, after the sanctions took effect, data show that Russia's trade with the US is down 85% year-on-year for exports and 69% for imports, trade with the EU is down 53% for exports and 8% for imports, and trade with Japan is down 51% for exports and 9% for imports (source: IMF Direction of Trade Statistics). The decline continued in 2023. The EU has been trying to wean itself off Russian energy, reducing the share of natural gas imports from Russia to less than half during the first half of 2023 and cutting crude oil imports by 90%. Meanwhile, Russia is shifting its trade to partners such as China, India, Turkey, and the Central Asian countries that are not participating in sanctions. This has become a loophole in the sanctions, as semiconductors embedded in consumer electronics imported from Kazakhstan, a former constituent of the Soviet Union, are being converted for use in weapons. Among other circumventions have been re-exports of Russian crude oil labelled as oil produced in the United Arab Emirates (UAE) via the UAE, and crude oil shipments from Russia aboard ships of Hong Kong registry.

As for the impact on the global economy, rising energy prices have contributed to inflation, primarily through higher utility costs. According to the Energy White Paper 2023, electricity prices in January 2023 rose 30% in Japan, 50% in the EU, and tripled in Italy. Energy prices settled down in 2023, though, mainly due to the global economic slowdown. Natural gas soared to \$70/million BTU in August 2022 in Europe but dropped to \$11/million BTU in the same month of 2023. WTI crude oil prices climbed to \$114/bbl in June 2022, then fell to \$70/bbl in the same month of 2023 before rising moderately. As for grain prices, prices for wheat and corn stabilized in 2023, mirroring energy prices. However, when Russia announced in July that it would suspend implementation of the Black Sea Grain Initiative, grain prices temporarily rose due to concerns that this would threaten global food security. The instability in food prices spilled over into India, which in July imposed restrictions on rice exports to ensure stable domestic food prices. This led to an increase in rice export prices, which in turn affected African and other countries that are



highly dependent on rice imports from India.

The Black Sea Grain Initiative concluded among the UN, Turkey, Russia, and Ukraine on July 22, 2022 was repeatedly extended, but on July 17, 2023 Russia effectively suspended it by not agreeing to an extension. Russia had been expressing dissatisfaction with Western sanctions against Russian grain and fertilizers since the beginning of 2023 and had frequently indicated that it would withdraw from the agreement. The United Nations, Turkey, and South Africa acted as mediators, and the Russian side was initially inclined to



Saint-Kitts-and-Nevis-flagged bulker TK Majestic, carrying grain under the UN's Black Sea Grain Initiative, waits in the southern anchorage of the Bosphorus in Istanbul, Turkey. (July 2023, Photo: Reuters/Aflo)

extend the agreement on condition that sanctions were eased, but the attack on the Crimean Bridge on July 17 led Russia to declare the agreement suspended. On July 18, Russia attacked the port facilities in Odessa, Ukraine, in retaliation for the attack on the Crimean Bridge, and announced that it would not guarantee innocent passage for civilian vessels in the Black Sea. This created a critical situation for grain shipments to Central Asia and Africa, which were in danger of severe food shortages, and for other humanitarian aid that was the purpose of this agreement. The US, European countries, and Ukraine are considering grain export routes other than the Black Sea that do not pass through Russia, but there is an urgent need to establish safe food transport routes.

In Europe, the impacts of sanctions against Russia are subsiding, particularly in the energy sector. Electricity prices have fallen relative to 2022 levels due to energy stockpiling after the winter of 2022 and diversification, including increased use of fossil fuels. At the July 2023 NATO summit, the G7 decided on a joint statement reiterating their commitment to long-term support for Ukraine. The solidarity among Western countries is firm, and no one has yet dropped out of the original group of countries imposing sanctions. On the other hand, the hurdles to new and stronger sanctions are high. When the EU embargo on Ukrainian grain imports expired in September, Poland, Hungary, and Slovakia reacted sharply, citing the adverse impacts of importing cheap grain from Ukraine in demanding that the embargo remain in place. In addition, the Hamas-Israel conflict that began in October sent shockwaves throughout the international community and had the effect of lowering the policy priority of support for Ukraine in Western nations.

China's support for Russia, internationally isolated by its war in Ukraine, has been remarkable. Since the imposition of sanctions against Russia, Sino-Russian economic ties have grown closer, with China

becoming Russia's most important economic partner: Sino-Russian trade in 2022 was \$185 billion, up 30% from the previous year, and is expected to increase by about 30% to over \$230 billion in 2023. The growth in China's exports of construction machinery and freight vehicles has been quite notable, while exports of integrated circuits have more than doubled. Chinese manufacturers' share of the Russian automobile market is expected to grow rapidly and exceed 50% of new car sales in 2023, as Western



Russian President Vladimir Putin and Chinese President Xi Jinping shake hands during a meeting at the Belt and Road Forum in Beijing, China. (October 2023, Photo: Pool/Reuters/Aflo)

manufacturers withdraw and exports decline. The supply of auto parts from China for local production by local manufacturers and others is also increasing rapidly. On the financial side, the exclusion of Russia from the SWIFT international payments network and the freezing of foreign exchange reserves held by the Russian central bank have led to an increased use of yuan in trade settlements between China and Russia and in transactions between Russia and third countries that are expanding RMB settlements with China. The situation is such that Russia, cut off from world markets, is in effect rapidly becoming more dependent on the Chinese economy through trade, investment and finance. At the China-Russia summit meeting in March, a joint statement on Sino-Russian economic cooperation through 2030 was issued. In the statement, the two countries proposed cooperation in eight areas, among them being trade and investment, logistics, finance (including the increased use of national currencies), energy, and technology cooperation. The joint statement also indicated directions for industrial cooperation across a wide range of fields, including automobiles, aviation, nonferrous metals, space, biotechnology, and pharmaceuticals. In addition, plans are underway to strengthen connectivity by improving transportation infrastructure and constructing a new Power of Siberia 2 natural gas pipeline via Mongolia to complement the Power of Siberia natural gas pipeline that began operations in 2022.

India, too, is expanding its economic ties with Russia. With Russian crude oil having become much cheaper than WTI as economic sanctions cut off numerous sales channels, the share of Russian crude oil in India's imports has increased from less than 2% in January 2022 to 30% since March 2023. Furthermore, ministers from both countries announced in April that they were discussing a free trade agreement (FTA). In its pursuit of omnidirectional diplomacy, India has strengthened its ties with the West through the Quad and other means while going beyond a "neutral" stance in its relations with Russia, a traditional friend of India. This is driven by significant concerns arising from the growing proximity between China and Russia, viewed through the lens of India's security considerations vis-à-vis

China. While facing restrictions on procuring items that could contribute to military applications and on enhancing industrial infrastructure due to economic sanctions, Russia is said to have checked with India on the possibility of supplying over 500 essential items for maintaining key industries. Additionally, there are reports that Moscow is repurchasing weapons previously exported from Russia to India. From a macroeconomic perspective, however, India-Russia economic relations are limited in nature, and there have been no notable expansionary developments other than energy-related transactions. The immediate focus of attention is likely to be India's increasing emphasis on cooperation with the US in the military sector, including weapons development.

### **Prospects and recommendations**

To reduce Russia's ability to continue the war in Ukraine, it will first be necessary to increase the effectiveness of existing sanctions against Russia's military, defense industries, and intelligence services. Accordingly, further coordination among diplomatic, trade, financial, and other sanctions authorities in sanctioning countries will be vital to enhance the ability of these countries to implement sanctions against Russia. Specifically, such coordination could identify the goods and technologies that the Russian military and others seek to procure, the means and routes used to circumvent sanctions, and the actors involved in sanctions evasion, and then share this information among sanctioning countries. To ensure compliance by the private sector in sanctioning countries, technical assistance through the dispatch of sanctions officers among sanctioning countries could be considered.

Obtaining cooperation from countries not participating in the sanctions against Russia to close loopholes such as import diversion or money laundering is also essential. In doing so, the specific diplomatic and economic circumstances of countries that do not subscribe to the sanctions must be considered. It would be useful to create a structure in which non-participating countries are not used as loopholes and in which it is to their benefit, or at least not to their detriment, not to be used as loopholes. Providing information and technical assistance to non-participating countries to prevent them from being unintentionally used as loopholes will also remain important.

Due to the authoritarian system and habituation to sanctions in Russia, economic sanctions have not had the intended effect of increasing public dissatisfaction with the damage done to the domestic economy and causing the Putin administration to change its policy regarding the invasion of Ukraine. Nevertheless, the long-term depreciation of the ruble and the inflation that affects daily purchasing behavior will be a major shock for many Russians who experienced the economic and social turmoil in the 1990s that followed the collapse of the Soviet Union. While economic sanctions are not expected to immediately lead to a ceasefire, it is crucial to assess the internal situation in Russia and devise strategies for leveraging economic sanctions in ceasefire negotiations and similar efforts. It would be beneficial to promptly establish consensus among relevant countries, including G7 members, on whether Russia's frozen assets abroad can be utilized for supporting the reconstruction of Ukraine, consider the legal

aspects, and proceed with implementation.

Even as economic sanctions inflict damage on the Russian economy, a situation has emerged where ties between China and Russia as well as between India and Russia have been strengthened in response. Particularly noteworthy is the increasing economic dependence of Russia on China through trade, investment, and financial channels. In connection with the economic sanctions, it is crucial to consider how to handle post-Ukraine war relations with Russia, bearing in mind how lifting the economic sanctions against Russia could be used as leverage to prevent further solidification of Russia's dependence on China.

Furthermore, to prevent India from further aligning with Russia, it is essential to strengthen security and economic cooperation between the US and India, Japan and India, and within the Quad, alleviating India's security concerns arising from the growing proximity between China and Russia. Additionally, fostering closer collaboration between India and Western countries through platforms such as the G7 is important. During this communication process, candid opinions need to be conveyed to the Indian side, such as sending the message that signing an India-Russia Free Trade Agreement would be premature given the current international situation.

Lastly, since the outbreak of the Ukraine war, issues related to food security have been exacerbated once again due to Russia's withdrawal from the Black Sea Initiative. It is crucial to work towards Russia's return to the Black Sea Initiative by collaborating with the emerging and developing countries often referred to as the Global South. Additionally, providing food assistance to countries in the Middle East and Africa, which are particularly vulnerable to the soaring food and energy prices, is indispensable. Moreover, there is a need to enhance domestic productivity in numerous countries by supporting their agricultural sectors, improving their logistics infrastructure, and encouraging them to diversify their supply sources. Cooperation on global food security should be advanced by strengthening collaboration by the United Nations, development finance institutions, the G7/G20, and other multi-layered fora with the Global South. ■



## Chapter 4: The Future of International Cooperation

As confusion in world affairs deepens due to the prolonged Russian invasion of Ukraine and the outbreak of the Hamas-Israel conflict, the dysfunction of the United Nations Security Council has become apparent, making multilateral international cooperation in achieving the Sustainable Development Goals (SDGs) and addressing other global challenges even more difficult. Finding it necessary to respond to such unfolding situations, countries are seeking new forms of international cooperation through minilateralism. These conflicts have shaken the existing international order, and emerging and developing countries in the so-called Global South are intensifying their efforts to assert their autonomy and increase their influence. The international community thus needs to discuss UN reform in preparation for the 2024 UN Summit of the Future, and to work on climate change and other global issues as well as rulemaking on generative AI.

### **“The failure of global governance” and failing attempts to resolve global issues**

Russia’s invasion of Ukraine has exposed the United Nations Security Council’s inability to stop the destruction of the international order by a permanent member. Calls for UN Security Council (UNSC) reform are growing, and Secretary-General António Guterres, whose term of office expires in 2026, has himself been vocal about the need for such reform. Amid the accelerating fragmentation of the international community, Secretary-General Guterres will be convening the Summit of the Future in September 2024. This gathering will feature a complex intertwining of discussions on UN governance reform and deliberations on the SDGs, climate change and other agenda items from which developing and emerging countries seek to benefit; it is therefore difficult to predict whether this meeting will produce any concrete results. Although an increasing number of countries are recognizing the necessity of reform, it remains uncertain whether this reform will come to fruition during the Summit of the Future in the fall of 2024, or by 2025, when the UN celebrates its 80th anniversary.

As one of the G4 members (Brazil, Germany, India, and Japan) calling for early realization of UNSC reform, Japan has been advocating reform based on key principles, namely by supporting a) efforts to curb the use of the veto power, b) an increased representation of Africa in the Council, and c) expansion of both permanent and non-permanent seats, as elaborated by Japan’s Prime Minister Fumio Kishida in his speech at the UN General Assembly General Debate Session in September. However, the support these arguments will garner from emerging and developing countries in the Global South will depend on the extent to which progress can be made in addressing the socio-economic and developmental challenges faced by these nations.

With governments around the world preoccupied with responding to immediate crises in the aftermath of the invasion of Ukraine and the outbreak of the Hamas-Israel conflict in October, it remains



uncertain whether discussions requiring consensus among many countries will make any progress. In Japan's neighborhood, North Korea has repeatedly conducted missile launches in violation of Security Council resolutions but, due to resistance from China and Russia and the exercise of their veto power, the Security Council has been unable to issue any new resolutions. The UN General Assembly held an emergency special session in February 2022 in response to Russia's aggression and, within one year after the invasion began, it had adopted six resolutions, including one condemning Russia, in the stead of the dysfunctional UNSC. Still, General Assembly resolutions have their limits.

The escalating frequency of conflicts worldwide places an even greater burden on addressing global challenges such as climate change mitigation and poverty eradication. In July, Secretary-General Guterres declared that the era of "global boiling" had arrived, with the world's average temperature hitting a record high. The UN General Assembly convened a SDG Summit in September to garner international attention. However, attaining the SDGs by the 2030 deadline is at significant risk due to the uncertain global economic outlook and a decline in development finance, influenced by factors such as escalating war expenditures.

Solving global-scale problems undoubtedly requires a substantial amount of development funding. Yet the gap between the funding needed and the actual amount provided is widening, exacerbating the development funding gap issue. In June, President Emmanuel Macron of France held a summit on development finance to address this issue, but it failed to outline a pathway to bridge the development financing gap. With countries becoming more inward-focused and the Ukraine war pushing aside development issues faced by developing countries in Africa and elsewhere, resources for development finance are dwindling overall. Accordingly, there is rising advocacy within the Global South for redirecting concessional funds, traditionally allocated mainly to low-income countries (IDA-only countries), toward emerging economies to address global challenges such as climate change. The tension between emerging and middle-income countries on the one hand and low-income countries on the other over the allocation of concessional funds, often described as a struggle for a share of the pie, will persist until there is an expansion in the overall volume of development finance. The prospects for an increase in development finance are not bright.

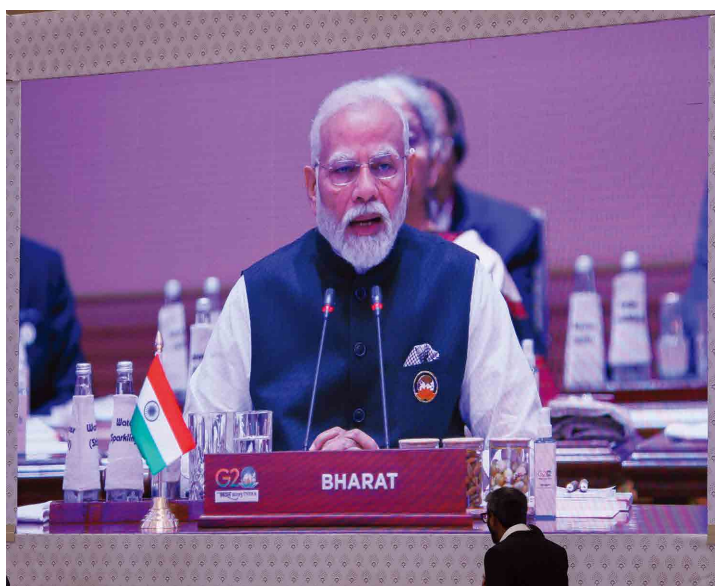
Development financing is also closely related to the question of how to reconcile the interests of developed and developing countries on "loss and damage," a major topic of discussion at the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP). COP28, held in Dubai in December, was an important occasion to assess progress on the measures to mitigate climate change developed under the Paris Agreement during the first year of a two-year process known as Global Stocktake (GST). The assessment noted that, in order to achieve the 1.5°C target, global greenhouse gas emissions would have to peak out in 2025 and be reduced by 43% in 2030 and by 60% in 2035. Oil-producing countries were opposed to including in the document the expression "phasing out of fossil fuels" advocated by developed countries and small island nations, so instead the phrase "transition

away from fossil fuels” was used. Furthermore, targets were set for emission reductions in all sectors by 2030, and a tripling of global renewable energy generation capacity and a doubling of the rates of improvement in energy efficiency and conservation were agreed as a sectoral contribution. Regarding the “loss and damage” fund agreed upon at COP27, it was decided that the fund would be set up under the World Bank, with developed countries taking the lead in making contributions that would come from all sources, including public and private funds. On adaptation, a framework was adopted to achieve the Global Goal on Adaptation (GGA), as stipulated in Article 7 of the Paris Agreement, and it was decided to set thematic and adaptation cycle targets and to begin discussions on how to accelerate the pursuit of these targets under the GGA framework.

That said, given that rising global greenhouse gas emissions have led many observers to believe achieving the 1.5°C target will be extremely difficult, the hurdles to achieving the reduction targets agreed to at the COP are extremely high. If these targets are not achieved, criticism against developed countries will intensify, especially from island nations whose lands may be submerged because of global warming, and divisions in the international community may thereby deepen.

### The Global South and global governance

India, which surpassed China in population in 2023, seized the opportunity as the G20 chair to establish a leadership role for the Global South. Upon assuming the G20 presidency in December 2022, India made clear its intentions to strengthen ties with the Global South and to address diverse international issues. The “Voice of Global South Summit 2023” held in January 2023 embodied this policy, and 124 emerging and developing countries that were not members of the G20 were invited to participate in G20 policy



G20 New Delhi Summit in New Delhi, India (September 2023, Photo: Reuters/Aflo)

discussions. The focus of the G20 Summit held in New Delhi from September 9 was how the G20 should respond to, as well as achieve cooperation between developed and emerging countries on, issues such as Russia’s aggression in Ukraine and food, energy, and debt crises. Since joint statements could not be adopted at the G20 finance ministers’ and foreign ministers’ meetings due to opposition from China and Russia, it was anticipated that adopting a joint statement during the G20 summit meeting in the absence of Russian President Vladimir Putin and Chinese President Xi Jinping would be challenging. However,

India took the unusual step of putting together a summit declaration that avoided explicit mention of Russia, and announced it on the first day of the summit. The language of the declaration, which was more considerate of Russia than the previous year's, was strongly opposed by the spokesperson for Ukraine's Ministry of Foreign Affairs.

While a joint statement was ultimately issued, the future direction of the G20 is at a critical juncture. At the inception of the G20 summit in 2008, there was an expectation that it would serve as an international forum for making rules and addressing a wide range of global economic and social issues involving major emerging economies, including all BRICS countries. Indeed, the G20 has made progress in rulemaking on issues such as digital taxation and the free flow of data. However, with over 20 members at different stages of development and having diverse political systems, consensus-building among G20 nations has proven challenging. Additionally, as there is no permanent secretariat, the discretion of the revolving G20 presidency is substantial. Emerging countries have recently assumed or will be assuming the G20 presidency (Indonesia in 2022, India in 2023, Brazil in 2024, South Africa in 2025), leading to a shift in focus toward agenda items to which developing nations attach great importance, such as food and energy security, development funding, reform of international financial institutions, and climate loss and damage. Consequently, expectations for achievements in areas such as countering protectionism and devising rules have diminished. The formal decision taken by the G20 to invite the African Union (AU) as a member to this year's summit is likely to accelerate this trend.

On the other hand, there have been moves towards establishing cooperative relationships based on smaller groups in view of heightened geopolitical tensions. These collaborations, often referred to as minilateralism, are becoming increasingly prevalent and include the Quad, the Indo-Pacific Economic Framework (IPEF), the Comprehensive and Progressive Trans-Pacific Partnership Agreement (CPTPP) joined by the UK, and AUKUS.

Emerging and developing countries themselves are also attracted to the idea of minilateralism. At the BRICS Summit held in South Africa in August, the BRICS Plus initiative was announced, with Argentina, Iran, Egypt, Ethiopia, Saudi Arabia and the United Arab Emirates declaring their intention to join the BRICS starting in 2024 (Argentina, under its new president Javier Milei, who came into power in December 2023, has since formally notified the BRICS member countries that it will not be joining the BRICS). The BRICS as a group has achieved concrete results, such as financing infrastructure development in the BRICS countries via the New Development Bank (commonly known as the BRICS Bank) created in 2015. This bank has a financing target of \$60 billion by 2026, comparable to the US International Development Finance Corporation (DFC). It remains to be seen how the BRICS expansion will affect the nature of the BRICS as a group.

Russia and China, two countries increasingly in opposition to Western countries as forces seeking to challenge the status quo, have been striving to position the BRICS as a coalition of like-minded countries since Russia's invasion of Ukraine. This direction, however, is not unanimously shared among the five

nations, especially India, which has ongoing border disputes with China. Yet it should be noted that moves are underway within the BRICS to reduce the influence of the US dollar as a reserve currency. China is expanding the adoption of yuan settlements with emerging economies, and China's yuan-denominated transactions surpassed those denominated in US dollars for the first time in 2023. The move toward de-dollarization is gaining support beyond China and Russia, as Brazilian President Lula da Silva has installed his confidant former president Dilma Rousseff as the new president of the aforementioned New Development Bank and has proposed the adoption of a common currency for trade settlements. The addition of oil-producing Saudi Arabia and the UAE to the BRICS will help China further promote internationalization of the renminbi. It will be interesting to see how the expanded BRICS as a multilateral grouping will face off against the developed countries.

### Global challenges in the era of generative AI

As artificial intelligence (AI) rapidly develops and gains recognition as a socially useful tool, there is a growing demand for international regulations to mitigate the potential negative effects of AI. In preparation for the Summit of the Future to be held in September 2024, Secretary-General Guterres is formulating a Global Digital Compact (GDC) that includes the promotion of agile governance for AI and other emerging technologies to provide principles for an open, free and secure digital future.



AI Safety Summit at Bletchley Park in Milton Keynes, Britain (November 2023, Photo: Pool/ Reuters/ Aflo)

The Hiroshima AI Process, initiated under the G7 Hiroshima Summit, aims to discuss the impact of generative AI and identify principles for the responsible deployment of AI. The summit recognized the importance of international governance of AI and other emerging technologies, discussing the adoption of international technical standards, the promotion of transparency, and the protection of intellectual property rights. “Interoperability” among differing national and regional regulations and regimes was advocated, highlighting the necessity of agile governance. To ensure interoperability, the discussions provided a foundation that allows countries flexibility in how they enforce domestic action plans, recognizing different approaches such as non-binding guidelines in addition to legal regulations.

As a result, agreement was reached in December on the “Hiroshima AI Process Comprehensive Policy Framework” as the culmination of the Hiroshima AI Process, based on the “Hiroshima Process International Guiding Principles for Organizations Developing Advanced AI Systems” and the “Hiroshima



Process International Code of Conduct for Organizations Developing Advanced AI Systems” agreed to in October. The framework calls for individual users to improve their digital literacy to understand the risks of AI and to share information about AI defects and malfunctions with relevant parties as a measure against disinformation. This makes it the world’s first comprehensive guideline targeting not only AI developers but also users. It will be important to expand the adoption of this framework beyond the G7 countries.

The US and Europe are competing for leadership in shaping international standard rules for the development and use of AI. The EU has adopted a risk-based approach and prepared a comprehensive AI regulation proposal that classifies AI risks into four levels and sets obligations for each level, reaching a provisional political agreement on this proposal in December. The aim is to ensure the safety of AI systems operating in the EU and the protection of EU values such as fundamental human rights. This hard-law-oriented proposal includes a policy banning the use of AI with unacceptable risks, with regulatory violations punishable by fines of up to 35 million euros or 7% of global sales, whichever is higher. On the other hand, the soft law-oriented US has focused on the use of existing legal systems so as not to inhibit companies from developing AI. In July and October, President Joe Biden agreed with 15 major tech companies in the US on introducing self-regulation to ensure AI safety and issued an executive order on pre-screening AI development companies in October to promote technological innovation while ensuring AI safety, without introducing penalties for companies. Although this measure entails introducing legally binding AI regulations in the US, it is essentially based on self-regulation among the 15 major US tech companies, and no penalties were established for regulatory violations.

In this context, the UK, which has taken a stance against rushing to introduce regulations, hosted the AI Safety Summit in November. The summit, organized under the leadership of UK Prime Minister Rishi Sunak, discussed strengthening international cooperation on frontier AI safety and advancing safety inspections and research, focusing on potential risks such as the misuse and loss of control of AI technology. The Bletchley Declaration calling on AI development companies to identify and monitor potential risks was announced at the summit and signed by more than 25 countries, including China and the EU.

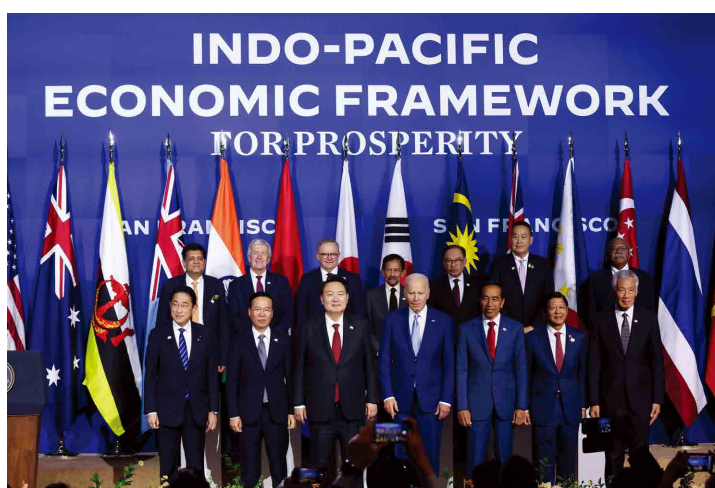
The Chinese government became the first major country to enact full-fledged regulations on generative AI as a preliminary step. These regulations, aimed at preventing threats to national security, effectively eliminated the use of foreign generative AI, especially US-made products. Like proposed regulations in Europe and the US, China’s regulations, which are expected to be revised during the course of assessing their actual application, include the protection of intellectual property rights and the prohibition of disinformation and discrimination. China also promotes voluntary innovation in basic technologies and participation in the formulation of international rules. The fact that the criminal penalties have been removed from initial provisions also indicates its interest in striking a balance between AI regulation and innovation.



Japan, on the other hand, announced in November that it would be finally commencing a study on measures to ensure compliance with guidelines for developers and providers. This study is aimed at mitigating the risks of generative AI, and legislation is among the options under consideration, although the direction of such legislation is not yet clear.

## Progress in economic cooperation in the Indo-Pacific region and multilateral economic frameworks

Some important progress was made in maintaining and strengthening the rules-based free trade regime. Firstly, the UK's accession to the CPTPP was approved in July, making the UK the first new member country since the CPTPP came into effect in 2018. Following its departure from the EU, the UK has been advocating a “Global Britain” policy, a diplomatic strategy that aims to secure an integrated economic and security presence in the Indo-Pacific region. The



A family photo during the IPEF Leaders event at the APEC CEO Summit in San Francisco, California, US (November 2023, Photo: Reuters/Aflo)

CPTPP is expected to be an important trade agreement that will enhance economic ties between the UK and the fast-growing Indo-Pacific countries under a high standard of rules. According to the latest economic estimates by the UK government, joining the CPTPP will contribute to a £20 billion increase in the UK's GDP and a £49 billion boost in trade with other member countries. Furthermore, the CPTPP, with its advanced regulations on free data flow, also helps improve business environments, particularly for digital-related companies. The UK intends to reinforce its economic security by countering unfair trade practices and economic coercion through the CPTPP and maintaining its high standards, and it has expressed a willingness to contribute to this trade agreement's future development. From a geopolitical perspective, the UK's accession to the CPTPP holds great significance in that it adds a G7 member committed to sharing fundamental values and deepening engagement in the Indo-Pacific.

The UK's participation will also facilitate the strengthening of various forms of partnership with the region. In fact, Japan and the UK are cooperating in joint investment in mineral resources in Africa, and in September they agreed to establish the “UK-Japan Strategic Economic and Trade Policy Dialogue,” a framework for ministerial-level dialogue on economic security. China, Taiwan, Ecuador, Costa Rica, Uruguay, and Ukraine (in July) have formally applied for accession to the CPTPP. The expansion of the CPTPP carries significance as it enlarges the sphere of the “rule of law”. Japan needs to develop strategies for expanding and utilizing the CPTPP in the future, including approaches for convincing the

US to return to the CPTPP.

Negotiations on the US-led Indo-Pacific Economic Framework (IPEF) were carried out in four areas: (1) trade, (2) supply chains, (3) clean economies, and (4) fair economies. An agreement on supply chains reached at the ministerial meeting in May stipulated that countries are required to identify critical sectors and essential goods, and to formulate action plans that include diversifying sources and improving connectivity to enhance resilience. Furthermore, a crisis response network will be set up to address supply chain disruptions, outline provisions for supporting countries facing interruptions through collaborative procurement and facilitate alternative routes. While substantial agreements regarding clean and fair economies were announced at the ministerial and summit meetings held in conjunction with the APEC Leaders' Meeting in November, an agreement on trade was deferred. The negotiations on a digital agreement and other trade issues ran into challenges due to reluctance on the part of the US, whose giant IT companies were facing growing domestic antagonism. As for the clean economy pillar, the US DFC provided \$300 million in loans to IPEF participating countries for renewable energy and digital infrastructure projects, and a \$30 million fund was launched by Japan, the US, and Australia. To promote fair economies, provisions to ensure compliance with measures against tax evasion and money laundering were incorporated. US Commerce Secretary Gina Raimondo has referred to the IPEF as a way to strengthen ties between Indo-Pacific countries and the private sector, stating that "all of the economies want to be in that club". However, concerns about the sustainability of the IPEF have been raised due to constraints such as a lack of market access and non-binding provisions. The institutional foundation is considered fragile, especially in the face of a possible change of administration in the US.

The WTO's Appellate Body, which serves as the final adjudicator in the dispute settlement system, has been in a state of dysfunction since 2019. In response, Japan decided to join the Multi-Party Interim Appeal Arrangement (MPIA) in March. The MPIA, established by a group of willing countries in 2020, currently has 53 participating nations, including the EU and China. Participating in the MPIA means there is no risk of cases being stalled in the vacant Appellate Body, ensuring the continuity of the dispute resolution process. In a case related to anti-dumping measures taken against Japanese stainless-steel products by China, a panel ruling on China's violation of its obligations was issued in June. The final decision was confirmed because Japan and China, both participating in the MPIA, were able to successfully resolve the dispute through this interim mechanism. While the use of the MPIA can be seen as a stopgap measure substituting for the non-functioning dispute settlement system, it is essential to address reform of the original dispute resolution system in preparation for the WTO Ministerial Conference (MC13) scheduled for February 2024 in Abu Dhabi.

### **Prospects and recommendations**

The UN has a universal nature since nearly all countries around the globe are members, and no other international organization can replace it in terms of the legitimacy of its decisions. Therefore, the UN

should be used as a forum for setting agendas and rules for the international community despite its apparent institutional fatigue. In pursuing value-oriented diplomacy based on a geopolitical vision of a “free and open Indo-Pacific,” Japan should make particular use of the UN as a forum to emphasize the importance of the rule of law at the onset of the post-post-Cold War era. Japan, in this regard, had set “the rule of law” as a theme for the Security Council President’s monthly open discussion for January 2023. As one of the status quo powers, it should clearly assert that unilateral changes to the status quo by force will not be tolerated and thereby gain the support and trust of other UN member states.

The SDGs will reach their deadline in 2030, and all stakeholders should exert maximum efforts towards achieving the goals by that time. Preliminary discussions on post-2030 development objectives (post-SDGs) may also be intensified by the 2024 Summit of the Future. Japan urgently needs to begin preparations for narrowing down the agenda items that should be incorporated. Japan has advocated for “human security” for over two decades, working towards incorporating it into the SDGs and other development goals. Due to the broad and ambiguous nature of this concept, however, it is challenging to garner sufficient international support to have the concept included in the upcoming universal goals. The Japanese government should propose specific development goals that are relevant to the current situation when incorporating such concepts into its post-SDGs framework. For example, Japan should propose disaster prevention, which is currently categorized as a sub-item under “Sustainable Cities and Communities (Goal 11)” in the SDGs, as a full-fledged development goal in consideration of the fact that worsening natural disasters due to climate change have become a global concern. As a disaster-prone nation that compiled the Sendai Framework for Disaster Risk Reduction, an international disaster prevention guideline for the years 2015-2030, Japan could leverage its knowledge and expertise by making disaster prevention an independent development goal in the post-SDGs framework.

Japan’s status as a non-permanent member of the Security Council for the 2023-2024 term is a significant asset in continuing efforts to reform the Security Council and thereby make the UN more functional. Japan should capitalize on the momentum generated by numerous member states by emphasizing the need for reform during the UN General Assembly general debate in September. Proactively collaborating within the G4, Japan should present a roadmap to guide negotiations on a textual basis through an intergovernmental negotiating working group, ultimately preparing a deliverable document. At the same time, it should lobby the President of the General Assembly and reach out to the countries of the Global South, especially African countries, which constitute a large voting bloc. In this connection, it is important that both the UN and the World Bank/IMF (Bretton Woods institutions) cooperate in deepening discussions on measures to expand development finance and on mechanisms to facilitate disbursement to developing countries. As the second-largest voting member of the World Bank, Japan can gain an important foothold in the UN by acting as a bridge between the UN and Bretton Woods donors and developing countries, while respecting the unity of the G7.

It is necessary for Japan to exercise thought leadership to ensure that this series of UN-related agenda

items is fully discussed at the 2024 Summit of the Future and that a consensus is reached on a Pact for the Future among the leaders attending the summit. The Japanese government could also advocate for discussion forums involving experts within the United Nations Secretariat and various UN organizations.

The UN process for formulating a Global Digital Compact (GDC) as well as international fora such as the G20 and APEC should be utilized along with the G7 to promote international discussions on the transparency, reliability, and safety of AI. The Hiroshima AI Process stressed the importance of ensuring interoperability so that nations with different regulations can cooperate with each other. The principle of responsible AI deployment can be extended to countries outside the G7, and concrete measures should be developed to this end. Given the difficulty of setting international regulations, the first step should be to harmonize different policies and regulations and formulate an international code of conduct.

As for strengthening cooperation with the countries of the Global South, it is crucial that Japan take a leading role in the rehabilitation of global governance based on the rule of law and other fundamental principles that many countries can agree upon by encouraging various institutions to promote norm-setting and rule formation at the United Nations and other institutions. Rather than viewing new movements such as the expansion of the BRICS as a binary struggle between two different camps, Japan should foster diverse networks of minilateral partnerships by forming various groups with BRICS members. Specific cooperation for developing countries that is closely tailored to the needs of each country can be pursued through the utilization of Official Development Assistance (ODA) and Official Security Assistance (OSA), as well as through offer-based cooperation. As part of collaborative efforts with friendly nations through the G7 and minilateralism, initiatives such as promoting the G7 Global Infrastructure Investment Partnership (GIIP) and facilitating practical cooperation by, for example, leveraging the Quad for disaster management can help lay the groundwork for rehabilitating the international order.

The rule-based free trade system is facing significant challenges. It is imperative to continue efforts to reform the WTO, especially the dispute settlement system, and to maintain and buttress the architecture of free trade agreements (FTAs) such as the CPTPP, the RCEP, and the Japan-EU FTA. The CPTPP holds a particularly advantageous position thanks to its advanced content and the appeal of membership. With the premise of not compromising the high standards of the CPTPP, it is crucial to strategically determine the best approach to new membership applications. Some cautious consideration is necessary here for handling China's and Taiwan's applications for accession. While there could be a time in the future when simultaneous accession of the two would be considered appropriate, the current focus should be on expanding membership with other countries that can maintain the CPTPP's high standards. Moreover, addressing new challenges such as economic coercion through WTO reform and the trade rules in individual FTAs is essential. Leading up to the WTO's MC13, it is crucial to achieve concrete results in reforming the dispute resolution system, improving transparency through mandatory subsidy notifications, and formulating e-commerce rules. Failing to deliver results in these areas could undermine the validity of the WTO system.

China will face a number of high hurdles on its path to CPTPP participation due to the inconsistency of its trade practices with the trade rules and its decreasing predictability. Long-standing issues such as non-market-oriented policies and practices, as well as new moves such as enacting the National Security Law in 2015, developing cyber-/data-related regulations since 2017, and passing anti-foreign sanctions laws in 2021, are by no means helpful. Encouraging China to move to a more open and transparent economic and trade regime under the trade rules is vital. More specifically, it is necessary to ensure compliance with the rules of existing agreements such as the WTO agreements and RCEP and to engage in policy discussions and other efforts to upgrade these agreements. Exploring a diverse approach, Japan-China-ROK or bilateral Japan-China economic consultations should also be considered. Furthermore, close coordination with the EU-China economic and trade dialogues and collaboration with the US-China economic and trade negotiations should be pursued to address common concerns collectively.

Japan should focus on promoting bilateral Economic Partnership Agreements (EPAs) with emerging and developing countries in South Asia, Africa, and Latin America where future economic growth is anticipated and economic ties with Japan are increasing. This should be a central pillar of Japan's new economic and trade strategy. Collaboration with the IBSA (India, Brazil, South Africa) trio is crucial, serving as a key element for Japan to enhance its cooperation with the Global South.

Japan-India economic ties have been significantly enhanced by the interactions between the leaders of the two countries, the Quad framework, and the relationship between the 2023 G7 presidency (Japan) and the 2023 G20 presidency (India). It is also vital that Japan bolster economic ties with other nations in South Asia, particularly Bangladesh, which has emerged as an apparel manufacturing hub hosting an increasing number of Japanese companies. In December 2022, the two countries initiated a joint study for an Economic Partnership Agreement (EPA). Looking ahead, efforts should be directed towards concluding this EPA, especially given that Bangladesh will graduate from the category of Least Developed Countries (LDC) in 2026.

On the rapidly growing African continent, there is currently no country that has concluded a bilateral FTA with Japan. Japan has consistently provided development assistance through the Tokyo International Conference on African Development (TICAD) and supported economic corridors linking trade hubs such as Nacala and Mombasa ports as part of the Free and Open Indo-Pacific (FOIP) initiative. Considering the importance of enhancing infrastructure connectivity and securing key mineral resources to reinforce supply chains, the time has come to explore the possibility of bilateral FTAs with major African countries. Particular efforts should be directed towards considering an FTA with the Southern African Customs Union (SACU) led by South Africa, which is known for its abundant natural resources and which plays a key role within the BRICS.

As for Latin American countries, EPAs and the CPTPP have already been concluded with Pacific Alliance countries, including Mexico, Peru, and Chile. Yet economic cooperation with Mercosur countries, including Argentina, Brazil, Paraguay, and Uruguay, has not progressed. Economic, trade, energy and



resource cooperation between Brazil and China, on the other hand, is currently on the rise, as evidenced by President Lula's visit to China in April. The challenge in trade negotiations with Japan arises from the fact that Mercosur countries are major exporters of sensitive agricultural items for Japan. Nevertheless, it is critical that Japan approach Mercosur countries with due consideration for contemporary issues such as digital trade and supply chains and propose fostering stronger ties.

It is commendable from the perspective of IPEF sustainability that IPEF ministerial and summit meetings will henceforth be held on a regular basis. However, the course of the US presidential election is casting a shadow here, making it difficult to predict whether such efforts will continue over the medium to long term. To make the project politically sustainable and to boost its appeal, translating the IPEF's achievements, e.g., investments in renewable energy and digital infrastructure and partnerships with development finance institutions such as the US International Development Finance Corporation (USDFC), the Japan Bank for International Cooperation (JBIC), Export Finance Australia (EFA), and the Export-Import Bank of Korea (KEXIM), into concrete lending projects for its members will be essential. ■

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Toshiya TSUGAMI	President, Tsugami Workshop
Kunio UMEDA	Former Ambassador of Japan to Vietnam
Masaru WATANABE	Former Ambassador of Japan to Cuba
Katsuyuki YAKUSHIJI	Professor, Faculty of Sociology, Toyo University

## Ongoing Research Projects

1. Current security risks in the Asia-Oceania region  
<https://www.jiia.or.jp/project/2023/1.php>
  - I Traditional security risks  
 Leader: Satoru MORI, Professor, Keio University  
<https://www.jiia.or.jp/project/2023/1-1.php>
  - II Risks of North Korea's nuclear and missile buildup  
 Leader: Hideya KURATA, Professor, National Defense Academy/Adjunct Fellow, The Japan Institute of International Affairs  
<https://www.jiia.or.jp/project/2023/1-2.php>
  - III China and maritime interests/order  
 Leader: Chisako T. MASUO, Professor, Associate Professor, Kyushu University / Adjunct Fellow, The Japan Institute of International Affairs  
<https://www.jiia.or.jp/project/2023/1-3.php>
  - IV Risks in new domains (space, cyberspace, etc.)  
 Leader: Kazuto SUZUKI, Professor, University of Tokyo  
<https://www.jiia.or.jp/project/2023/1-4.php>
2. Desirable international economic environment based on Japan's strengths and vulnerabilities from an economic security perspective  
<https://www.jiia.or.jp/project/2023/2.php>
  - I Economic security and Japanese diplomacy in an era of international competition  
 Leader: Keisuke IIDA, Professor, University of Tokyo  
<https://www.jiia.or.jp/project/2023/2-1.php>
3. Influence of domestic factors in major countries surrounding Japan on international order transition  
<https://www.jiia.or.jp/project/2023/3.php>
  - I USA  
 Leader: Ryo SAHASHI, Associate Professor, University of Tokyo  
<https://www.jiia.or.jp/project/2023/3-1.php>
  - II China  
 Leader: Akio TAKAHARA, Professor, University of Tokyo / Senior Adjunct Fellow, The Japan Institute of International Affairs  
<https://www.jiia.or.jp/project/2023/3-2.php>
  - III South Korea  
 Leader: Junya NISHINO, Professor, Keio University  
<https://www.jiia.or.jp/project/2023/3-3.php>
  - IV Russia  
 Leader: Atsushi OGUSHI, Professor, Keio University  
<https://www.jiia.or.jp/project/2023/3-4.php>

\* Summaries of Research Projects and Outcomes are in Japanese.



## Research Reports

Author	Title/Affiliation	Date	Title	URL
Hideya Kurata	Professor, National Defense Academy / Adjunct Fellow, JIA	2023/1/13	North Korea's Supreme People's Assembly Adopts Nuclear Use Law	<a href="https://www.jiia.or.jp/en/column/2023/01/korean-peninsula-fy2022-02.html">https://www.jiia.or.jp/en/column/2023/01/korean-peninsula-fy2022-02.html</a>
Masaaki Yatsuzuka	Senior Research Fellow, The National Institute for Defense Studies	2023/1/23	Current Status of China-Middle East Relations: What Xi Jinping's Visit to Saudi Arabia Means	<a href="https://www.jiia.or.jp/en/column/2023/01/middle-east-africa-fy2022-03.html">https://www.jiia.or.jp/en/column/2023/01/middle-east-africa-fy2022-03.html</a>
Makoto Abe	Chief Senior Researcher, Inter-disciplinary Studies Center, IDE-JETRO	2023/2/3	ROK's new Yoon Suk-yeol administration rushes to strengthen semiconductor industry amid intensifying US-China confrontation	<a href="https://www.jiia.or.jp/en/column/2023/02/korean-peninsula-fy2022-04.html">https://www.jiia.or.jp/en/column/2023/02/korean-peninsula-fy2022-04.html</a>
Ryoji Tateyama	Professor Emeritus, National Defense Academy of Japan	2023/2/3	Continuing Turmoil in Domestic Politics of Israel: Growing Resistance to Netanyahu's New Government	<a href="https://www.jiia.or.jp/en/column/2023/02/middle-east-africa-fy2022-04.html">https://www.jiia.or.jp/en/column/2023/02/middle-east-africa-fy2022-04.html</a>
Tokuhiro Ikeda	Director, National Security Institute, Fujitsu System Integration Laboratories / Senior Fellow, Asia Center, Harvard University / Vice Admiral (Ret.) JMSDF	2023/2/16	The Future of the U.S.-China Conflict	<a href="https://www.jiia.or.jp/en/column/2023/02/indo-pacific-fy2022-01.html">https://www.jiia.or.jp/en/column/2023/02/indo-pacific-fy2022-01.html</a>
Hisashi Hirai	Visiting Research Fellow, Institute for Far Eastern Studies, Kyungnam University / Contributing Editorial Writer, Kyodo News	2023/2/20	"Comrade Kim Jong-un's revolutionary thought"	<a href="https://www.jiia.or.jp/en/column/2023/02/korean-peninsula-fy2022-01.html">https://www.jiia.or.jp/en/column/2023/02/korean-peninsula-fy2022-01.html</a>
Takeshi Watanabe	Senior Fellow, National Institute for Defense Studies	2023/3/17	The Political Divide in South Korea in the Face of North Korea's Coercion Strategy	<a href="https://www.jiia.or.jp/en/column/2023/03/korean-peninsula-fy2022-05.html">https://www.jiia.or.jp/en/column/2023/03/korean-peninsula-fy2022-05.html</a>
Jun Kumakura	Associate Professor, Hosei University	2023/3/30	One Year After the Invasion: China Induces Russia to Peace Talks	<a href="https://www.jiia.or.jp/en/column/2023/03/russia-fy2022-03.html">https://www.jiia.or.jp/en/column/2023/03/russia-fy2022-03.html</a>
Jun Nagashima	Board member, Japan Institute for Space and Security (JISS)	2023/9/26	Security of Global Commons: Space and Climate Change	<a href="https://www.jiia.or.jp/en/column/2023/09/space-cyber-fy2023-01.html">https://www.jiia.or.jp/en/column/2023/09/space-cyber-fy2023-01.html</a>

## JIIA Strategic Comments

Author	Title/Affiliation	Date	Title	URL
Kazuhide Ishikawa	Adjunct Fellow, JIIA / Former Ambassador of Japan to the Philippines	2023/2/10	The first 180 days of the Marcos administration	<a href="https://www.jiia.or.jp/en/strategic-comment/2023/02/2023-02.html">https://www.jiia.or.jp/en/strategic-comment/2023/02/2023-02.html</a>
Li Hao	Research Fellow, The Japan Institute of International Affairs / Lecturer, Kobe University	2023/3/24	The 20th Congress of the Chinese Communist Party and Prospects for 2023	<a href="https://www.jiia.or.jp/en/strategic-comment/2023/03/2023-01.html">https://www.jiia.or.jp/en/strategic-comment/2023/03/2023-01.html</a>
Asako Takashima	Research Fellow, The Japan Institute of International Affairs	2023/3/31	Germany's Zeitenwende: A Year After the Invasion of Ukraine by Russia	<a href="https://www.jiia.or.jp/en/strategic-comment/2023/03/2023-03.html">https://www.jiia.or.jp/en/strategic-comment/2023/03/2023-03.html</a>
Kensuke Yanagida	Research Fellow, The Japan Institute of International Affairs	2023/4/26	The Significance of the UK's Accession to the CPTPP	<a href="https://www.jiia.or.jp/en/strategic-comment/2023/04/2023-04.html">https://www.jiia.or.jp/en/strategic-comment/2023/04/2023-04.html</a>
Michihiro Tajima	Research Fellow, The Japan Institute of International Affairs	2023/7/14	The Prigozhin Rebellion: The Rise and Fall of Wagner and the Rebellion's Impact	<a href="https://www.jiia.or.jp/en/strategic-comment/2023/07/2023-05.html">https://www.jiia.or.jp/en/strategic-comment/2023/07/2023-05.html</a>
Naoko Funatsu	Research Fellow, The Japan Institute of International Affairs	2023/8/30	Three Perspectives on the 2024 U.S. Presidential Election	<a href="https://www.jiia.or.jp/en/strategic-comment/2023/08/2023-06.html">https://www.jiia.or.jp/en/strategic-comment/2023/08/2023-06.html</a>
Yumi Iijima	Research Fellow, The Japan Institute of International Affairs	2023/9/1	The Direction of US-China Climate Cooperation in the Era of "Global Boiling"	<a href="https://www.jiia.or.jp/en/strategic-comment/2023/09/2023-07.html">https://www.jiia.or.jp/en/strategic-comment/2023/09/2023-07.html</a>
Yuichi Yoshida	Research Fellow, The Japan Institute of International Affairs	2023/9/14	The Three Seas Initiative 2023 Summit: Evaluation and Prospects	<a href="https://www.jiia.or.jp/en/strategic-comment/2023/09/2023-09.html">https://www.jiia.or.jp/en/strategic-comment/2023/09/2023-09.html</a>
Hirofumi Tosaki	Director, Center for Disarmament, Science and Technology, The Japan Institute of International Affairs	2023/11/22	Revocation of Russia's ratification of the CTBT: Objectives and implications	<a href="https://www.jiia.or.jp/en/strategic-comment/2023/11/2023-11.html">https://www.jiia.or.jp/en/strategic-comment/2023/11/2023-11.html</a>
Shigeru Osugi	Research Fellow, Center for Disarmament, Science and Technology, The Japan Institute of International Affairs			



Strategic Annual Report 2023

First published February 2024 by JIIA

Printed in Japan

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