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Letter from the Editorial Board

2012 was a year of transition. Four members of the UN Security Council—Russia, China, France, and the United States—underwent changes in leadership. Other nations, such as Mexico, Egypt, Taiwan, Senegal, and Venezuela, also experienced change. While not all of these elections or leadership changes resulted in a drastic alteration of the existing status quo, others present an opportunity to debate the trajectory of a country's future.

In our third issue of *New Perspectives in Foreign Policy*, young professionals focus on the significance of these elections and what they mean for the future of the countries and regions in which they have taken place. Malawi recently elected Joyce Hilda Banda as president, only the second female president to hold office in Africa, though she faces difficult structural changes that will require dedicated leadership. Asia experienced a number of transitions. China's fifth generation of leadership faces a wide array of challenges, including a slowing economy, increasing corruption, troublesome demographic trends, and widespread environmental problems. Will the 18th Party Congress be strong enough to deal with these internal and external problems? Japan saw the return of the conservative Liberal Democratic Party (LDP), though the election was not as much an endorsement of the LDP as a repudiation of the incumbent party. What changes will stem from this new leadership? Will political stability finally return to Japanese politics? Finally, recent developments of new oil and gas resources in the United States revived talk of U.S. energy independence on the campaign trail. How will domestic oil and gas resources fit into the reelected Obama administration's energy agenda?

2012 was a monumental year for leadership transitions, and the coming year will reveal how these changes influence foreign policy. We are proud to present this special election edition of *New Perspectives* and to feature four authors who grappled with the implications of these profound changes to the global system.

SINCERELY,

New Perspectives Editorial Board

Joyce Banda: Malawi's Saving Grace?

Molly Schmalzbach

WHEN PRESIDENT BINGU WA MUTHARIKA of Malawi died suddenly on April 5, 2012, the nation faced a critical test. Could the nation hold to democratic standards of governance or would its democracy backslide? After two days of uncertainty, in which Mutharika's close associates in the Democratic Progressive Party (DPP) delayed announcing his death and attempted to subvert the constitutional succession process, Joyce Hilda Banda emerged as the next president. The inauguration of Banda, who had been serving as vice president, followed Malawi's constitutional law. More importantly, her ascendance to the presidency and a number of bold steps taken in the first months of her tenure signal a more positive outlook for Malawi and represent a positive example for committed leadership in the African continent.

Banda is only the second female president to occupy the highest office in an African country, following President Ellen Johnson Sirleaf of Liberia. Both women recently

championed women's health and equality at the 67th Session of the UN General Assembly in September 2012 and are powerful examples of the benefits of female empowerment.

Nonetheless, the road ahead will not be easy for President Banda. Her predecessor left the country in a dismal state, and Malawi, as a small landlocked country without significant resources, faces structural challenges that even the most committed leadership will find difficult. Fuel and foreign exchange shortages, intermittent power supply, an adverse investment climate, and continuous suppression of democratic virtues are just some of the critical challenges that President Banda faces moving forward.

As Malawi's second president following the advent of multiparty democracy in 1994, former president Mutharika had inspired high hopes for lifting this small country out of dire poverty. He

oversaw some strong economic improvement in his first term and received high marks for implementing a successful agricultural input subsidy program, even against the advice of donors.¹

However, following his reelection in 2009, Mutharika tightened his grip on the presidency by stifling freedom of expression, disregarding human rights, and dismissing good governance. Issues of corruption, inadequate transparency, and a lack of constitutionalism riddled his last two years in office. Several Western donors, including the United Kingdom and the United States, withheld support over these concerns. Following public criticism from the British high commissioner to Malawi, Mutharika responded by kicking the official out of the country. Democratic regression culminated in deadly protests in July 2011, when police gunfire killed 20 people in the course of two days of rioting.² These events and a series of actions inconsistent with the Millennium Challenge Corporation's (MCC) democratic governance standards resulted in the MCC's withdrawal of a \$350 million compact focused on improving Malawi's power sector in March 2012.³

Since assuming the presidency, Ms. Banda has declared her intention to reverse this downward spiral by restoring good democratic governance and placing Malawi back on the path to prosperity. She conducted an early act of good faith by selling the former president's private jet and fleet of 60 Mercedes government cars.⁴ She also declared that she would turn President Omar al-Bashir of Sudan in to the International Criminal Court if he attended the African Union's annual summit in Malawi—a stance that caused the African Union to move the summit to Ethiopia. While this action cost Banda the support of some fellow African Union heads of state and local Malawian business owners,⁵ it was in the best interests of Malawi to abide by international agreements, as discussed further below.

In her first State of the Nation address on May 18, President Banda unveiled an ambitious agenda focused on improving the socioeconomic standing for all Malawian people. She spoke of her



President Banda unveiled an ambitious agenda focused on improving the socioeconomic standing for all Malawian people.

engagement with local chiefs throughout the country as development agents, citing her appointment of 10 chiefs to serve as champions of the newly launched Presidential Initiative

for Maternal Health and Safe Motherhood. This initiative will construct holding shelters for expectant women, as well as other facilities, which will ensure improved care and health standards for both the women and their infants. Banda also plans to scale up female economic empowerment activities and announced that she will be launching a Presidential Initiative on Poverty and Hunger Reduction that will mobilize women to form cooperatives to grow cash crops.⁶ Contrary to her predecessor, who oversaw the imprisonment of a gay couple and described homosexuality as a “crime against our culture, against our religion, and against our laws,” President Banda has vowed to overturn Malawi’s law banning homosexual acts.⁷

During her first six months in office, President Banda has made significant strides toward restoring donors’ faith in the government of Malawi. She has resumed diplomatic relations with Great Britain, persuaded the MCC to restore its compact with Malawi, and convinced the African Development Bank to lend Malawi \$45 million.⁸ In order to reengage the International Monetary Fund, she also conducted a necessary but domestically unpopular devaluation of Malawi’s currency, the kwacha. Given that foreign aid accounts for approximately 40 percent of Malawi’s annual budget, reestablishing donor support is no small matter.¹⁰

These initial steps are certainly encouraging. However, immense challenges remain in Malawi: a growing population, with over 50 percent of its people living below the poverty line; a devastating HIV epidemic; and no panaceas to spur widespread, long-term



economic growth.¹¹ Despite these formidable barriers, a leader with the right combination of wisdom, vision, and compassion, could help turn the tide. President Joyce Banda just might be that leader. ■

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China Beyond 2012: The Fifth Generation of Leadership

Sungtae Park

WITH NOVEMBER 2012'S 18th Party Congress, China officially began its leadership transition to the so-called fifth generation of Chinese leadership, led by Vice President Xi Jinping.¹ While China is perceived as a rising power by the rest of the world, the new leadership is in fact weaker than its predecessor and is expected to face increasing difficulty in dealing with both internal and external challenges. This will test the ruling Chinese Communist Party's (CCP) hold on power. The political weakness of this new generation could prevent effective action on much needed domestic reforms, leading to socioeconomic deterioration. Resulting social unrest could prompt the new leadership to pursue a more assertive foreign policy to distract the public from internal problems, particularly if the People's Liberation Army (PLA) becomes a more powerful political player. Such challenges will test the Chinese political system in a particularly complicated domestic context and therefore merit close attention.

The fifth generation of Chinese leadership stands to face grim domestic circumstances: a slowing economy, an ever-increasing gap between rich and poor, rampant corruption, worrisome demographic trends (due to the One-Child Policy), environmental problems, and endless protests that threaten the party's hold on power, among a myriad of other socioeconomic woes. China's domestic problems are in stark contrast with its rising status in the international community.

Despite widespread recognition that internal reforms are urgently needed, the Chinese leadership faces resistance from powerful interest groups who have financial and political stakes in maintaining the current political and economic status quo. In fact, the 18th Party Congress filled the Politburo Standing Committee, China's top decisionmaking body, with conservatives who are unlikely to implement significant reforms.² Moreover, because the collective,

consensus-based nature of the Chinese leadership effectively prevents consolidation of power under a single leader, the decisionmaking process often faces deadlocks, and pushing for substantial reforms has become extraordinarily difficult, if not impossible. The system was intentionally structured that way in order to prevent a single strongman, such as Mao Zedong, from emerging and making radical political changes. Former president Hu Jintao's decade in power has already been dubbed "the lost decade" because of how little changed under his watch.³ His successor, Xi Jinping, could turn out to be even weaker.

The wild card in this fragmented leadership structure could be the growth in influence of the PLA.

The choice of Xi as the new paramount leader was the result of a compromise between rival political factions. According to political scientist Cheng Li, the CCP, while maintaining

an appearance of unity in the public eye, has largely split into two loosely affiliated and evenly matched camps. The "elitists," many of them protégés of Jiang Zemin, are business friendly and support further privatization of the Chinese economy and inflows of foreign investment.⁴ Their view is that economic growth should precede social welfare. The "populists," mostly former members of the Chinese Communist Youth League and protégés of Hu Jintao, support state-led measures to lessen socioeconomic inequality, even if they lead to economic inefficiency.⁵ While the new Standing Committee is dominated by the protégés of Jiang, the new makeup of the overall Politburo and the Central Military Commission shows that the balance of power between the two factions has been more or less maintained.⁶ Their split, combined with the weakness at the top—not only in Xi Jinping but in his predecessors Hu Jintao and Jiang Zemin—has made policymaking in Beijing slow and somewhat ineffective, particularly in enacting reforms such as further privatization of the economy and decentralization of the political system.

The wild card in this fragmented leadership structure could be the growth in influence of the PLA. The military is officially subordinate to the CCP, and the party seeks to maintain firm control over it through the advancement process and inclusion of political officers throughout its ranks. Nevertheless, the influence of the PLA has been growing steadily. A political scientist with high-level ties to the CCP recently stated that “the military is encroaching on political affairs.”⁷ Japan’s annual defense white paper, which showcased the country’s national security and defense priorities for the upcoming year, also voiced concern over the growing political influence of the nationalistic PLA.⁸

These political changes could lead to two different scenarios for Chinese foreign policy. First, the CCP could try to direct social angst resulting from domestic problems against an external party, such as the United States or Japan, by vocally or physically trying to assert claims over the disputed territories in the East and South China Seas, as with the current Senkaku/Diaoyu Islands disputes. Deliberately ratcheting up tension using territorial disputes has been a common strategy used by the CCP whenever it has faced internal problems. In addition, the PLA could attempt to take advantage of the weak leadership to pursue its own assertive foreign policy agenda, which may involve creating conflicts over the disputed territories when the CCP may want to pursue more stable and peaceful relations in the region and with the United States. While the disputes are unlikely to lead to war with other parties, there are always risks of escalation and miscalculation. The second possibility is that the CCP could be too preoccupied with domestic problems to conduct an active foreign policy. In this scenario, China may be a great power that is unable to wield great influence on the global stage.

China’s new generation of leaders is expected to be politically weaker than its predecessors, making it potentially more difficult for it to effectively handle a heavy load of domestic and foreign challenges. The next leadership’s tenure will test whether China can

truly emerge as, and remain, a great global power. The world would like to see a prosperous yet responsible China. Such a prospect remains uncertain at best. ■

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Japan's Election: Why 2012 Mattered More than 2009

Kevin Placek

JAPAN'S DECEMBER 2012 ELECTIONS witnessed the dramatic return to power of the conservative Liberal Democratic Party (LDP) in what was widely considered a referendum on the last three and a half years in office of the ruling Democratic Party of Japan (DPJ). The LDP exceeded all expectations, capturing 294 of the 480 seats in the Lower House of the Diet; with its coalition partner Komeito, the LDP now holds enough seats for a “super majority” to override the Upper House on most legislation. Prime Minister Shinzo Abe’s next goal is to secure a majority in the Upper House during elections scheduled for July.

There was a dramatic fall in support for the DPJ, with the former ruling party losing around three-quarters of the seats it previously held. The election also confirmed, under the radar, the growing popularity of the newly formed Japan Restoration Party (JRP), increasingly likely to play a pronounced role in Japanese politics.

But what is the wider significance of the election beyond these results? Looking back, the resounding victory of the DPJ in the 2009 general election was regarded as one of the most significant events in Japan’s postwar political history. The results ended more than 50 years of near-continuous rule by the LDP. However, due to its lack of experience, constant political infighting, and idealistic policy agenda, the DPJ failed to meet voters’ high expectations and left a mixed record in power. Although the LDP’s victory might therefore seem like a return to the status quo, there are a number of reasons why the election of 2012 could prove to be more significant than 2009 in the long run.

First, the election was not so much an overwhelming endorsement for the LDP as it was a sharp repudiation of the DPJ. Even though the LDP gained 79 percent of the seats available, it only won 43 percent of total votes.¹ This lack of a

clear mandate by voters may actually force the LDP to focus on what voters care about most: economic growth. The new prime minister, Shinzo Abe, who assumed the post in 2006 but resigned abruptly within a year of taking office, appears to have grasped

this reality, vowing to win back the public's trust by revitalizing Japan's economy. Abe declared that his administration would take all possible measures to end deflation and boost growth by urging the Bank of Japan to expand its monetary easing program and pushing

Abe's foreign policy agenda will likely raise eyebrows in the neighborhood and abroad.

for more large-scale public spending.² Whether or not "Abenomics"³ can improve the economy will be crucial, given that Japan has just entered recession for the third time in five years.

Second, Abe's foreign policy agenda will likely raise eyebrows in the neighborhood and abroad. The LDP's election manifesto suggested permanently stationing civil servants on the Senkaku/Diaoyu Islands, which are contested by China. Additionally, Abe has long called for a review of a 1993 cabinet statement admitting Japan's wartime role in the forced sexual slavery of South Korean women. Although Abe has thus far adopted a much more pragmatic approach as prime minister, including sending a special envoy to Seoul to improve ties with South Korea's new president, Park Geun-Hye, some concerns remain. A majority of his cabinet members strongly reject Japan's "apology diplomacy"⁴ and still favor visiting the Yasukuni Shrine, controversial because of its homage, among others, to alleged World War II war criminals. The Yasukuni issue, coupled with Abe's long-held goal of revising Japan's constitution to allow the right to collective self-defense, is unlikely to improve ties with either Seoul or Beijing.

Japanese relations with the United States will also be scrutinized under Abe's government. U.S.-Japan relations were greatly strained under the DPJ, particularly over the planned relocation of a

U.S. military base in Okinawa.⁵ Based on Japan's recent efforts to strengthen defense capabilities and the prime minister's visit to the United States in February 2013, there are opportunities for Abe to improve ties between the two countries. Japan's participation in the Trans-Pacific Partnership (TPP) negotiations, however, may prove to be an obstacle to the relationship, given the lack of support within the LDP for the U.S.-backed free-trade agreement.

Third, as the LDP transitions back into power, the DPJ now has the opportunity to reinvent itself in the opposition.

Although former prime minister Yoshihiko Noda recorded notable gains for the DPJ, successfully passing tax and social security reform legislation, the election of the DPJ's new leader, former trade minister Banri Kaieda, nonetheless affords the party somewhat of a fresh start. The DPJ still has a majority in the Upper House and, crucially, most of the party's remaining members now possess experience in government. The DPJ must clearly define the party's basic philosophy, strengthen the party's organizational network, and work toward a greater level of consensus and commitment on policy.⁶ Most importantly, the DPJ must act as a responsible party in opposition, and a credible government-in-waiting, should the LDP stumble.

Fourth, and perhaps most importantly, Osaka mayor Toru Hashimoto's new conservative political party, Japan Restoration Party, emerged as a "third force" in Japanese politics. Led by the charismatic Hashimoto, the party came out of the regional Osaka Restoration Association, which aims to drastically reorganize Osaka into one metropolitan government and draw greater policy

The DPJ must clearly define the party's basic philosophy, strengthen the party's organizational network, and work toward a greater level of consensus and commitment on policy.

autonomy away from Tokyo. Although the last-minute merger with former Tokyo governor Shintaro Ishihara's Sunrise Party and their visible policy differences over nuclear power and the TPP may have dampened some of the JRP's initial support, the party still managed to gain 54 seats (only two less than the DPJ), making it the third-largest party in the Lower House. If successful, this new "third force" is likely not only to threaten the LDP's predominance but also the DPJ's position as the major opposition party.⁷

Therefore, unlike the 2009 election in which the DPJ's monumental victory overshadowed a lot of real governance and policy difficulties, the 2012 election is more significant precisely because the ambiguity of the outcome affects all of the major political parties. The LDP has raised expectations for a strong economic recovery for which it will be held accountable by voters in July's Upper House election; the DPJ is trying to remain relevant as it rebuilds after a disappointing spell in office, although public support for the party remains low; and the JRP is still largely untested on the national stage, with the potential to make an impact. Thus, the 2012 election will likely be significant for bringing about a lot of broader changes to Japan's political system, although it is equally likely to bring about greater political instability in the process. ■

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Moving Beyond “Energy Independence”

Mallory Lee Wong

EVERY PRESIDENT SINCE Richard Nixon has called for “energy independence.” The rhetoric continued during the 2012 presidential campaign as Mitt Romney stressed his plan to establish North American independence from foreign energy supplies by 2020 and Barack Obama pledged to grow a cleaner U.S. economy no longer beholden to oil.¹

The recent development of vast new oil and natural gas resources in the United States has given the recently reelected Obama administration a chance to direct the country toward a more secure energy future.² But while surging domestic production can help the United States decrease its dependence on foreign energy supplies, the country simply cannot attain complete “energy independence.” Energy markets are global and the United States cannot escape its complex array of economic ties to world energy trade no matter how much energy it produces domestically. Therefore, U.S. leaders must move beyond talk of “energy independence” and engage in more frank discussion

about how to develop an energy economy that will be sustainable and more resilient in the twenty-first century.

During the campaign, Romney and Obama both declared “energy independence” their goal but used the term to describe different aims. To understand why the slogan is not the appropriate pathway forward it is critical to first parse the nuances of each candidate’s interpretation of the phrase.

Governor Romney pledged to partner with Canada and Mexico to develop North America’s resources and expand cross-border energy investment so the continent could meet its own energy demand within eight years.³ He also promised to spur development of new U.S. oil and natural gas resources by empowering states to control onshore energy development in most federal lands within their borders, streamlining permitting processes for land access and drilling, and aggressively promoting offshore oil and gas development.⁴

Meanwhile, President Obama pledged to diversify the United States' energy mix and promote alternative energy by supporting the development of all of the country's energy resources, from oil and natural gas to wind and solar. He also vowed to continue advancing standards for transportation, homes, and buildings to boost energy and fuel efficiency. The president said that developing a broad range of domestic resources and improving energy efficiency would help the country achieve his ambitious goal to reduce U.S. oil imports by one-third by 2025. He also promised to continue working with leaders around the world to reduce global energy consumption.⁵

Calling for “energy independence” is misleading. The phrase suggests that complete disengagement from global energy markets is not only possible, but also desirable.

While U.S. leaders have used the phrase “energy independence” to mobilize support for a variety of policy ambitions ever since the 1973 oil embargo, calling for “energy independence” is misleading. The phrase suggests that complete disengagement from global energy markets is

not only possible, but also desirable. Assessment of the term within the context of global markets shows that “energy independence” is not a realistic economic goal. It is only a convenient catchphrase.

Oil, for instance, is bought and sold in international markets where factors such as global demand, supply, and financial speculation determine its price. As long as the United States consumes a significant amount of oil, whether imported or domestically produced, the U.S. economy will remain vulnerable to events and market conditions around the world that cause price spikes and volatility.⁶ Iran's threat on December 27, 2011, to close the Strait of Hormuz, a major chokepoint in global oil trade, is a prime example: global concerns about oil scarcity caused prices to jump that afternoon by \$1.47 to \$101.15 per barrel in the New York Mercantile Ex-

change (NYMEX).⁷ Moreover, while demand for oil has declined in developed countries in the Organization of Economic Cooperation and Development (OECD), rising demand in non-OECD countries will likely keep upward pressure on oil prices over coming decades, outweighing any slight downward effects on prices from surging U.S. oil production.⁸

Thus, unless the United States weans itself from oil and other energy products traded in international markets, it will remain tied to developments in global energy markets. Complete “energy independence” will remain an unachievable goal. For this reason, the Obama administration should accept the realities of global markets and in its second term focus on the United States’ central energy challenge: charting a prudent and sustainable energy pathway forward.

While leaders cannot fully control the interconnections between global energy markets and the U.S. economy, the incoming administration can set the country on track toward a more secure and prosperous energy future. The current energy system in the United States is unsustainable for a variety of reasons, including vulnerability to oil price volatility, a longstanding balance of payments deficit, changing security risks, infrastructure needs, environmental concerns, and growing global energy demand.⁹ Although it will not be easy, leaders must establish a clearer and more predictable regulatory environment for businesses and investors, collaborate with companies to improve corporate best practices, reassess strategies to mitigate the effects of climate change, and invest more in research and infrastructure that will help bring new resources to market.¹⁰

The next administration has a rare opportunity to lay the foundation for a stronger U.S. energy system. All leaders, including President Obama, must forge ahead by leaving the slogan “energy independence” at the door and opening more honest conversation about how to build a sustainable energy economy. The United States cannot have a fully independent energy system, and the

country urgently needs a new strategy that balances economic, environmental, and security concerns to provide future generations with reliable access to affordable energy supplies. ■

Mallory LeeWong was a summer research intern with the CSIS Energy and National Security Program.

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