

# Uncertainty in Japan following Brexit vote

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The British vote to leave the European Union (EU) has raised uncertainty within Japan's political establishment over its economic and political relationship with Europe and the United Kingdom (UK), as well as concerns that China could benefit from the fracturing of the EU.

Prime Minister Shinzo Abe's government is now trying to consolidate relations between Japan and the United States, UK and the EU. Last week, Tokyo dispatched Vice Foreign Minister Shinsuke Sugiyama to Washington, London and Brussels for high-level discussions.

Sugiyama held talks with US Deputy Secretary of State Antony Blinken on June 27. The Japanese vice minister told reporters after the meeting that the two countries would "coordinate and make maximum efforts so that this issue will not have an unnecessary impact on the international community." He referred to shared "basic values" in "the political, economic and security fields."

Foreign Minister Fumio Kishida made similar comments in relation to the UK on June 24, saying: "Both Japan and Britain share fundamental values and have a cooperative relationship in the political, economic and national security spheres. We will continue with our efforts to maintain and strengthen that relationship."

References to shared values—painted as commitments to democracy and peace—are in fact the opposite. Under the false banner of defending democracy and "human rights," the US and its allies have waged one war of aggression after another in the Middle East to ensure America's continued global hegemony. The US, backed by Japan, is now ramping up its "pivot to Asia" to undermine Chinese influence and prepare for war against China.

In an article on June 25, the *Asahi Shimbun* cited government and military officials who were clearly

worried the Brexit would affect the Abe government's remilitarization of Japan. General Yoshiyuki Sugiyama, chief of staff of the Air Self-Defense Forces, declared: "I have no idea how it [Brexit] will influence the [security] policy." An unnamed government official stated: "It will be difficult to push forward on various national security issues at a time when Britain is unstable."

Reflecting fears in Japan's ruling circles that Britain could draw closer to Beijing, the article suggested that London might lift the weapons export ban on China, which was imposed by the European Community, the EU's predecessor, following the 1989 crackdown on Tiananmen Square protesters.

Tokyo and Washington may use claims that China will benefit from Brexit to intensify the pressure on Beijing. China, however, is just as concerned not only about the economic impact of Britain's exit from the EU, but also that the US will be strengthened by the fracturing of Europe.

While in Washington, Sugiyama referred to next week's scheduled ruling by a UN tribunal on China's claims to islands in the South China Sea. "We discussed in general terms that after closely studying the results, it would be appropriate to raise our voices in the international community individually, jointly, together with the Group of Seven industrialized nations and with the Association of Southeast Asian Nations," he said.

A Japanese government source cited in a *Mainichi Shimbun* comment on June 27 on Brexit, stated: "The British have recently come to see the South China Sea problem in the same way as Japan and the United States. However, with Britain's withdrawal from the EU, economic issues will take precedence, and Britain may forget about the South China Sea."

British officials attempted to allay Japanese fears when Sugiyama was in London last Wednesday.

However, the two sides only agreed in general terms to work together to prevent any fallout in bilateral security relations.

The potential economic consequences of Brexit are also generating fears in Japanese ruling circles. The Japanese yen has strengthened as investors seeking safe havens have bought up the currency, thus impacting on exporting companies that rely on a weaker yen for profits.

Abe held separate conversations by phone with British Prime Minister David Cameron and German Chancellor Angela Merkel last Thursday. “Prime Minister Abe asked that Britain and the EU work together and send a clear message that would remove market concerns and strengthen predictability in a speedy manner,” a government statement declared.

One of the three “arrows” of Abe’s economic policy, or Abenomics, was stimulus measures designed to raise inflation to 2 percent. The government is planning another stimulus package for this autumn. While it is still in the works, it has been suggested the package could be at least 10 trillion yen (\$US98 billion).

The International Monetary Fund (IMF) called for additional stimulus measures, or a “reloading” of Abenomics, only a few days before the Brexit vote. “The three arrows remain the right arrows. We’d prefer to relaunch them with a little more force,” the IMF’s David Lipton said.

The third arrow, in particular, contains structural changes that include tax breaks for corporations and ending the country’s lifelong employment system so as to create cheap, temporary labor. The economic fallout from Brexit could lead to the acceleration of attacks on the working class.

Abe is using the Brexit vote to boost the government’s chances in the July 10 upper house election. He is campaigning on a platform promising stability, saying: “We cannot lose now. We cannot entrust Japan to the Democratic Party and the Japanese Communist Party (JCP).” The two opposition parties have joined to form an electoral alliance.

The prime minister hopes to obtain a two-thirds majority in the Diet to pass revisions to the current constitution, which would then be submitted to a national referendum. At the top of the government’s list is to change the constitution so as to allow further remilitarization and the use of its armed forces to

aggressively prosecute Japan’s economic and strategic interests.



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