

# **JIIA-RUSI-CSIS Joint Open Seminar on Maritime Security in the East and South China Seas**

**March 2016**



公益財団法人 日本国際問題研究所  
The Japan Institute of International Affairs

**JIIA-RUSI-CSIS Joint Open Seminar on  
Maritime Security in the East and South China Seas**

**March 2016**



## **Preface**

In partnership with the Royal United Services Institute (RUSI) and the Center for Strategic and International Studies (CSIS), the Japan Institute of International Affairs (JIIA) hosted a half-day seminar on the security challenges in the East and South China Seas in London in March 2016.

Featuring overlapping maritime claims, disputes over international law, and suspicions aroused by rising military expenditures and geopolitical tensions, the problems in the East and South China Seas are multilayered and complex. China's challenge to Japanese administration over the Senkaku Islands remains outstanding, and Tokyo and Beijing are yet to agree on a crisis management mechanism to mitigate dangerous at-sea encounters. In the South China Sea, tensions have risen considerably in recent months as Beijing has pursued a program of land reclamation in disputed waters, and engaged in tough verbal sparring with Washington over the freedom of the US Navy to operate in international waters.

This report consists of a summary of discussions among leading experts from the UK, Japan, the US, Vietnam, and the Philippines, and a collection of essays contributed by those panelists. I hope this report helps readers deepen their understanding of the maritime security challenges in Asian waters.

March 2016

Yoshiji NOGAMI

President

The Japan Institute of International Affairs



# Contents

◆Program	
◆Summary .....	1
Opening Remarks	
Reinhard Drifte (Associate Fellow, Royal United Services Institute (RUSI)) .....	1
Yoshiji Nogami (President, The Japan Institute of International Affairs (JIIA)).....	1
CSIS-AMTI Presentation on the East and South China Seas	
Zack Cooper (Fellow, Japan Chair, Center for Strategic and International Studies (CSIS)).....	2
Discussion.....	3
Panel One: Challenges in the South China Sea .....	6
Discussion.....	11
Panel Two: Recent Developments in the East China Sea.....	12
Discussion.....	15
Closing Remarks .....	18
◆Essay .....	19
Andrew Shearer.....	19
Yoji Koda .....	23
Nguyen Thi Lan Anh.....	27
Jay L. Batongbacal .....	30
Tetsuo Kotani .....	36
Zack Cooper .....	39
Theresa Fallon.....	42

# Program

## JIIA-RUSI-CSIS Joint Open Seminar on Maritime Security in the East and South China Seas

14 March 2016  
RUSI, 61 Whitehall, London SW1A 2ET

14:00      **Opening Remarks**

**Professor Reinhard Drifte**, Associate Fellow, RUSI

**Ambassador Yoshiji Nogami**, President and Director General, JIIA

---

14:10      **CSIS-AMTI Presentation on the East and South China Seas**

Chair:      **Professor Reinhard Drifte**, Associate Fellow, RUSI

Speaker:    **Zack Cooper**, Fellow, Japan Chair, CSIS

---

14:40      **Panel One: Challenges in the South China Sea**

*This session will address the legal/military/strategic challenges in the South China Sea, such as land reclamation, US freedom of navigation operations (FONOPs), and international arbitration.*

Chair:      **Peter Roberts**, Senior Research Fellow, Maritime Studies, RUSI

Speakers:    **Andrew Shearer**, Senior Research Fellow, Lowy Institute for International Studies

**Vice Admiral (Retd.) Yoji Koda**, Former Commander-in-Chief, Self Defense Fleet at Yokusuka

**Dr Nguyen Thi Lan Anh**, Deputy Director-General, Institute for South China Sea Studies, Diplomatic Academy of Vietnam

**Professor Jay Batongbacal**, Associate Professor, University of the Philippines College of Law

Discussant:    **Edward Carr**, Deputy Editor, The Economist

---

16:10      Break

---

16:30      **Panel Two: Recent Developments in the East China Sea**

*This session will address recent political and military developments in the East China Sea, such as Japan-China maritime consultations, Japan-China military communication mechanism negotiations, and coast guard build-up.*

Chair:      **Professor Reinhard Drifte**, Associate Fellow, RUSI

Speakers:    **Tetsuo Kotani**, Senior Fellow, JIIA

**Zack Cooper**, Fellow, Japan Chair, CSIS

**Theresa Fallon**, Senior Associate, European Institute for Asian Studies

Discussant:   **Dr Alessio Patalano**, Senior Lecturer in War Studies, East Asian Warfare and Security, King's College London

---

17:40      **Closing Remarks**

**Ambassador Yoshiji Nogami**, President and Director General, JIIA





# Summary

## Opening Remarks

Reinhard Drifte (Associate Fellow, Royal United Services Institute (RUSI)):

The subject of today's seminar is maritime security in the East China Sea (ECS) and the South China Sea (SCS). This is highly topical and of great importance to policymakers not only in Japan and the United States, but Europe as well.

In the ECS, the second and third largest economies in the world, Japan and China, are confronting each other over issues of territorial borders and sovereignty. The United States is also involved, both to support its Japanese ally, and due to its rivalry with China for primacy in Asia.

The situation in the SCS is even more complex. On one level there is a dispute over islands and sea areas between China and five other littoral claimants, and also overlapping disputes between those five littoral claimants, involving political, security, economic, and environmental interests. On a second level the regional strategic interests of the United States is also involved, as the United States seeks to maintain a regional order based on non-coercive diplomacy, peaceful conflict resolution, and freedom of navigation (FON) and overflight in accordance with international law, against challenges from China. On a third level, other countries, such as those in Europe or Japan, share similar interests to the United States.

There are many worrying similarities between the situations in the SCS and the ECS. For Japan, the management of confrontation in the ECS has an impact on the perception of the management of disputes in the SCS. Japan is also promoting the resilience of the ASEAN littoral states.

Yoshiji Nogami (President, The Japan Institute of International Affairs (JIIA)):

The current situations in the SCS and the ECS are often seen by countries in Europe and elsewhere as territorial disputes. While there are territorial roots to these situations, more fundamental issues are at stake. For countries in Northeast Asia, these situations impact sea lines of communication (SLOCs), energy imports, and anti-access area denial strategy (A2/AD). More fundamentally, these situations represent an attempt to challenge the rule-based and open international system.

## **CSIS-AMTI Presentation on the East and South China Seas**

Zack Cooper (Fellow, Japan Chair, Center for Strategic and International Studies (CSIS)):

The Asia Maritime Transparency Initiative was started by CSIS in 2014 to build shared recognition of maritime developments in Asia, by collecting and sharing satellite imagery of maritime areas. Much reclamation is occurring that was not previously known about. It is important to note that in the SCS, much reclamation by other countries had already occurred prior to China's activity two years ago. Nevertheless, China has been by far the most active. There are a series of disputes and China is not the only state with disputed territory.

Looking at the Spratly Islands, there are an incredible number of outposts in the region by a variety of countries, almost all of which are on disputed territory. There are also many different claim lines, making the situation very complex. The Chinese claims differ from those of the other states in that they do not accord with the United Nations Convention on the Law of the Sea (UNCLOS). It has not established coastal baselines and is claiming the region, not specific territories.

China has engaged in significant and rapid reclamation work. For example, it has established airfields on Fiery Cross Reef, Mischief Reef, and Subi Reef, as well as radar facilities on Cuarteron Reef. These radar facilities, combined with existing facilities in the Paracel Islands, would allow China to monitor almost the entirety of the SCS.

Regional and global states can respond in a number of ways. One step is to promote a binding code of conduct (COC) in the SCS, with or without China, and fully implement the code for unplanned encounters at sea. Another measure is to continue FON patrols. States should also deploy naval ships, as opposed to coast guard ships, in gray zones. Furthermore, states should continue to work together to build capacity in Southeast Asia.

However, these efforts may not stop China's reclamation. With regard to the navy and coast guard, China has larger fleets and greater capacity than other states in the region. China is also often turning former naval ships into coastguard ships. It is safe to say that US efforts to halt China's reclamation, construction and militarization on disputed features have failed. Continued pressure and efforts would be positive but we must realize that these efforts will also ultimately fail.

China's constant actions have caused a kind of paralysis among decision-makers in Washington, leading to a loss of strategic mindset. For example, there is much talk of FON operations, but not everyone understands their purpose. The focus of these

operations should be shifted to deterring coercion, specifically deterring aggression against ships and aircraft operating legally in international waters, including exclusive economic zones (EEZs), and deterring seizure of disputed features held by other claimants. Operations in these two areas have the highest chance for success.

## **Discussion**

### **Audience 1:**

The Jiangwei-class frigates that have gone to the Chinese Coast Guard have been largely disarmed. Also, China has only said that it claims all land features and associated borders, which is not clearly defined.

### **Cooper:**

China is likely to establish an air defense identification zone (ADIZ) in the SCS, similar to the ECS. I expect that before doing so, China will announce coastal baselines in the Spratly Islands.

### **Audience 2:**

How do you think deterrence can credibly work?

### **Cooper:**

There are areas where deterrence has been highly effective. For example, the Japan-US alliance has helped deter activity in the ECS. China has also frequently pulled back in areas where they have received US pushback. Rather than deterrence having failed, it is rather the case that we have not really tried deterrence. In many cases, the United States did not have a deterrence framework in place before China took action.

### **Audience 3:**

FON operations are supposed to be neutral actions designed to uphold the rule of law at sea. Is there a problem if you mix these up with a strategy of deliberately challenging China's moves in this area?

### **Cooper:**

That is indeed a challenge and is why these operations cannot be the only answer. FON operations need to be clear in what they are contesting, and it is not clear that these have contested any land reclamation to date.

Audience 4:

It seems that these territorial claims are driven by internal pressures within China and all the regional stakeholders.

Cooper:

I am not a sinologist so I will refrain from commenting on China's interest in gaining greater sovereignty over the SCS. However, I would say that China's actions follows a long historical tradition of what great powers do when they rise. This is what rising powers in general tend to do.

Audience 5:

The actions you recommended are aimed at preventing China from expanding its zone of actual control, rather than getting China to roll back what it holds. Is it your view that the latter is not immediately likely?

Cooper:

That is exactly correct. I cannot imagine the United States taking military action against those features or diplomatic activities putting enough pressure on China for it to give them up. In addition, more changes to the status quo that are not deterable right now may happen in the next year, before we can respond, such as an ADIZ in the SCS.

Audience 6:

What diplomatic opportunities does the arbitration case between the Philippines and China present to Europeans, given that the result will likely go against the nine-dash line?

Cooper:

I think it is hugely important to reinforce the decision of the court, whatever it may be. The point is to uphold the rules-based order. Regarding specific steps, I will leave that up to the diplomatic experts serving on the panels. However, Washington could do more to focus on the case and its significance.

Audience 1:

The Yellow Sea, the SCS, and the ECS are considered areas of vital national interest to Beijing. The ECS is also considered an area of vital national interest for Japan and the United States agrees with Japan's position. However, it is not clear that the United

States believes that the SCS is an area of vital national interest to itself. My question is, what does horizontal escalation entail?

Cooper:

I am not recommending action and think there will be more policy debate about other options for pushing back against Chinese coercion. I am not suggesting this, but let me present one example. We know the company that moved an oil rig into waters that are disputed with Vietnam. If it is doing things that are dangerous to international peace and order, it should be adversely affected. The United States has taken a similar stance with regard to cyber theft. We may soon see policy debate about economic options specifically targeting the businesspeople involved.

Audience 7:

Is there a better term than “land reclamation”? That sounds rather benign, when really China is building military installations on disputed sandbars far from its territory. It is also inaccurate in that there has been no land on these features in recent history. It is essentially island building.

Cooper:

I have heard the term “land creation,” which is more accurate. We are very open to suggestions.

Audience 8:

To what extent have runways on these features been put to use and military bases established on these islands?

Cooper:

I think that is currently happening. A recent statement by the Director of National Intelligence in the United States refers specifically to military flights into these airfields, particularly the Paracel Islands. However, we are still looking for evidence in the SCS of fighters and other maritime patrol aircraft using these facilities.

Audience 9:

Code for unplanned encounters at sea (CUES) is a very crowded area in terms of potential military assets. What level needs to be put in place to manage these unexpected incidents that could easily occur?

Cooper:

I have spoken to Admiral Harris of United States Pacific Command (PACOM) and he feels confident that his interactions with the Chinese are positive in this area. Both sides are doing a lot to try and manage unplanned encounters. However, these efforts cannot just be bilateral nor just at the naval level. More needs to be done.

Nogami:

The Chinese claim is shifting. Initially China used the words “historical waters,” which was originally used by Taiwan. Now they are using the words “blue territory.” We do not know what the difference is. Normal claims have to be based on land features, but their approach is to first set a line, and then start claiming the land features inside the lines. This is a twisting of established norms dating back centuries.

### **Panel One: Challenges in the South China Sea**

Peter Roberts (Senior Research Fellow, RUSI/Chair):

Much of this area is not new, but some new developments have emerged. In this session we will look at the issue of the SCS from a variety of perspectives.

Andrew Shearer (Senior Research Fellow, Lowy Institute for International Studies):

The SCS is geographically distant from Europe, which also has many other challenges that it needs to urgently address. However, the impacts of the issues in the SCS extend beyond the immediate claimants. This is a global security problem, not a regional one. Therefore Europe needs to be more involved in finding a solution.

Countries in the region are responding in a strategic manner to developments. The rhetoric is that these developments are unilateral and coercive, and risk changing the status quo and compromising FON. There is also increased diplomatic coordination by regional powers and efforts to develop the maritime capabilities of regional countries. US military posture and strategy is also changing, to boost deterrence and reinforce reassurance to allies in the region. Across the region, new strategic alignments are emerging, while internal balancing is also occurring within countries.

The events in the SCS represent a deliberate strategy by Beijing leveraging all aspects of China’s national power, including military, diplomatic and economic assets. China’s motives are not clear. However, its aim is clearly to deny the United States and others unfettered access to waters near China. This is close to complete. In the longer

term, China intends to assert control in those waters and push back against US influence. In that sense it is a revisionist strategy. To that end, China has successfully exploited gray zone areas, as well as other regional distractions.

China's strategy is undermining the regional order. For 70 years, the region has enjoyed peace and prosperity underpinned by the US alliance system, open economic systems, and FON. These factors have been key to the Asian economic miracle and have brought about benefits for all members of the region, including China. Now, however, they are under strain.

The risk of miscalculation in the region is growing. The region has undergone rapid military modernization, not only by China, but those responding to China. This has created a much more congested and contested region. A regional security architecture is emerging, but is still relatively immature. Confidence-building measures are lacking, while escalation dynamics are unpredictable.

The international order depends on stable regional orders, which makes this highly relevant to Europe. We must therefore work together now to shape the rules and order in Asia, and maintain a benign international order overall.

In terms of necessary measures, firstly, any response is premised on an intensification of the US rebalance to Asia, not only militarily, but also the diplomatic and economic aspects. The security networks among US allies and partners need also to be strengthened. India, in particular, must be encouraged to play a more active role. We must also continue to build capacity. In addition, we must develop institutions and confidence-building measures involving China where it is receptive. Where China is not receptive, we must strengthen coordinated responses. Furthermore, we must be ready for other eventualities, such as a Chinese ADIZ in the SCS, or the further seizure of regional features.

**Yoji Koda (Former Commander-in-Chief, Self Defense Fleet at Yokosuka):**

While China's actions in the SCS have been successful from an offensive standpoint, strategically, they have been unsuccessful in holding its regional neighbors closer. Even countries traditionally closer to China, such as Malaysia and Indonesia, are distancing themselves somewhat. China is reclaiming and militarizing land in disputed waters, which should be a matter under the jurisdiction of international law. However, China is treating this as a domestic affair, in which no countries can intervene. That is why US efforts to halt China have been unsuccessful.

These efforts by China are an attempt to establish A2/AD, which has been traditionally focused to the east. However, China's actions have pushed the United



States and Australia closer together, meaning that it must now also pay attention to the south.

The United States, meanwhile, is rebalancing to Asia. The first phase involved reaffirming the US alliances. The current second phase involves transferring its best military equipment to the region. However, the enhanced and expanded US capability will still likely not be enough to influence what China considers to be its own domestic matter. Nevertheless, the US advantage is its improving relations with littoral states in the region, and the maintenance of FON.

Japan is the biggest US ally, with large forces and broad capabilities. It is in full support of US strategies and operations, and has enabled the United States to play a role in maintaining global and regional stability. In the new guidelines for defense cooperation, the two countries agreed to enhance operational postures, which will also send a strong signal to Beijing.

Regarding FON, Beijing's perspective is that the United States is an outsider and unqualified to intervene in any incident in the SCS. The UN Charter also does not guarantee the US right to action in this region. However, from the US perspective, incidents in the SCS affect FON and therefore US national interest. This therefore gives it the right to intervene. Beijing therefore strongly resists the concept of FON. As an ally, Japan should strongly support the US position. However, Japan's support to date has only been vocal.

It is important to bring China into the international community and encourage it to understand international norms, and to achieve this, regional countries must all also fully understand international norms. All seafaring nations in the region should also conduct FON operations. Capacity-building and the establishment of information-sharing networks are also important. There is also an opportunity for regional countries to take measures in key strategic sites such as Puerto Princesa, which surround China's reclaimed land features. The Scarborough Shoal is particularly important. China must not be allowed to establish a feature there, which would complete its strategic triangle.

Nguyen Thi Lan Anh (Deputy Director-General, Institute for South China Sea Studies, Diplomatic Academy of Vietnam):

There are three main challenges in the SCS. These are how to maintain good order at sea, how to maintain peace and stability, and how to strengthen the role of the regional security architectures.

First, good order at sea can only be built on international law. In contrast, China has established a nine-dash line that covers the majority of the SCS, with no legal basis,

and overlaps with legitimate territorial boundaries. Maritime territorial disputes are not uncommon and can be solved through legal means, provided they have the same legal basis. However, that is not the case with the nine-dash line, nor is the legal rationale forthcoming from China.

Second, China has a history of the illegal use of force in the SCS dating back to 1974. The most recent cases by China to violate the peace and security of the SCS include the establishment of missile and radar facilities on the reclaimed islands, which is widely recognized, and attacks on commercial entities, which are not widely recognized. In addition, while territorial disputes should be resolved via legal means, restrictions mean that such negotiations are often deadlocked, forcing countries in the region to participate in arms races, raising the risk for mishap.

Third, the process for the conclusion of a COC was initiated in the 1990s. However, rather than a binding force COC, only a declaration on the conduct of parties (DOC) has been achieved. This is still merely a political statement and China's actions in the SCS prove that it does not hold much weight. A binding force COC is needed but even the DOC has yet to be fully implemented.

The situation in the SCS is not merely a regional issue but has global implications. It is a test case for whether one country can use force to bypass the international order. This must not be allowed to happen, and Europe has a role to play in sharing its own experience and expertise.

Jay Batongbacal (Associate Professor, University of the Philippines College of Law):

The Philippines is currently in the spotlight for filing a case against China. China's recent actions show that it claims all the territory within the nine-dash line in the SCS. In filing its case, the Philippines is trying to erase those lines and force China to conform to international law. The Philippines' strategy is to minimize the value of the contested islands themselves.

One of the near-term challenges that the Philippines faces is the upcoming presidential elections and how it coincides with the timing of the case ruling. The biggest concern would be an incident in the contested area during the new president's transition period. China has already taken provocative actions in this area. Maritime awareness must be enhanced to mitigate the vulnerability during this period. US FON operations have benefited the Philippines in terms of surveillance and information, as well as the presence of the US units. However, they also run the risk of being viewed by China as a provocation. Real-time information sharing is the only way to prevent a

crisis ahead of time.

In the medium-term, even if China does not militarize the land features it has created in the SCS, it will result in excessive appropriation of the SCS and mass-scale over-exploitation of coral and fisheries. China is also already establishing military exclusion zones, even if it has not announced them. In addition, the features China has created will congest maritime space, especially with its law enforcement vessels and paramilitary fishing crews.

In the long-term, China's actions represent worrying trends of nationalism, revisionism, and irredentism. China's rhetoric on the SCS is also disquieting and encourages behavior that is irrational from a non-Chinese perspective.

Finally, the arbitration case between the Philippines and China could result in a legal reconfiguration of SCS claims and set a precedent. The problem is that China is likely to resist any unfavorable decision, based not only on its political position, but also its nationalist, revisionist, and irredentist position. The case will not touch on the sovereignty of the islands, which forms the foundation of the SCS disputes. The disputes will therefore continue. Following the ruling, the trajectory of the disputes will depend on the claimants' self-restraint, communications, maritime awareness, and willingness to explore fair and acceptable compromises. This is obviously much easier said than done, and where non-claimant members of the international community can play a role.

**Edward Carr (Deputy Editor, The Economist):**

What is significant about China's actions in the SCS is not that they are occurring, but that the scale and speed with which they are occurring. More importantly, there is a sense of strategic intent, as can be seen from the careful planning and investment of huge resources. Any response must also have a similar sense of strategic intent.

These actions firstly impact resources, such as fisheries and oil. More importantly, these islands have huge strategic utility. Finally, even more broadly, this matter pertains to how the world deals with China. Will China rise within global rules or will it break and rewrite them? China's actions in the SCS are clearly rewriting the rules legally and strategically.

Countries can respond in a number of ways. The first is legal, as demonstrated by the Philippines' case against China or the exercise of FON operations. There is also the diplomatic response such as the strengthening of alliances. Finally, there is also the military response, which we should all be worried about.

I would also like to share three observations. Firstly, this is a regional issue that

requires a better-coordinated regional response. India would be hugely important for asserting a regional response. However, it is not clear whether a well-coordinated regional response can realistically be achieved. Secondly, the US rebalancing has sometimes antagonized China, while also not giving enough reassurance to regional states. Thirdly, any response should raise the cost of China operating outside the global system, and reward it for working within the system.

## **Discussion**

**Audience 10:**

Admiral Harris commented that the development of military capabilities on China's fabricated islands are substantially altering the operational landscape in the SCS. What is your take of their impact on the escalation ladder?

**Audience 4:**

From an environmental perspective this looks like a global emergency requiring a global response.

**Audience 11:**

First, paranoia about China's intentions are reminiscent of the start of World War I. Second, perhaps China's motives are defensive.

**Koda:**

The United States has virtually no presence in the SCS and is therefore hindered in terms of carrying out real operations. I believe Admiral Harris' comments allude to the US intention to correct this imbalance.

The issue of environmental destruction has largely been ignored until recently. A coordinated response is needed.

**Shearer:**

The idea of the United States fighting its way back into the SCS is a very troubling one.

**Nguyen:**

This is indeed a global environmental emergency. Environmental protection is an area that can foster international cooperation. However, one issue is that the fisheries issue has become politicized. Access to the sites is also controlled by China.

It is difficult for individual countries to stand up against China because of its economic and commercial strength. However, a collective response can help share any cost China may impose.

**Batongbacal:**

We are facing a global environmental crisis. We are seeing deliberate coral destruction on a massive scale in the SCS, a key area for the world's marine biodiversity.

## **Panel Two: Recent Developments in the East China Sea**

**Drifte (RUSI/Chair):**

Following on from the SCS, in this session we will discuss the recent developments in the ECS.

**Tetsuo Kotani (Senior Fellow, JIIA):**

Similar to the SCS, China is also trying to establish a new “normal” in the ECS. The fundamental problem in the SCS and ECS is that there is no consensus on the legal foundation for the maritime boundaries in Asia. For Japan, the United States, and the United Kingdom, the San Francisco Peace Treaty forms the legal basis. However, China is not a party to this treaty and its actions pose a challenge to the system based on this treaty.

The Senkaku Islands became Japanese territory in 1895, having previously constituted no man's land. They were placed under US trusteeship following World War II and were later returned to Japan under the 1972 US-Japan Okinawa Reversion Treaty. China first made claims to their sovereignty in 1971, based on historical possession during the Ming Dynasty. China's claims have no legal foundation. China has now sought to physically challenge Japan's administration of the Senkaku Islands on a repeated basis. To deal with this challenge, the Japanese government purchased the ownership of the islands in 2012. However, Chinese intrusions into the surrounding territorial waters increased dramatically afterwards. They have recently declined, but a Chinese paramilitary presence remains.

China's presence is not only a challenge to the San Francisco Peace Treaty-based order, but also part of China's growing A2/AD strategy. China denies the concept of A2/AD, using the term “counter-intervention.” However, both terms refer to the same thing.

China has also expanded its activities into Japanese territorial airspace, including

the establishment of an ADIZ in the ECS. Chinese flight patterns indicate the limitations of its coastal radar system, particularly to the eastern part of the ADIZ. However, China has begun unilateral development of seabed resources in the ECS, which could be used for military purposes, such as the installation of radar facilities. Nevertheless, China would still have difficulty in air power projection because of the lack of air facilities along the Chinese coastline. China can reclaim land in the shallow waters of the SCS and build air bases there, but no such waters exist in the ECS. One option is to take one of the 17 islands in Japan's southwestern island chain equipped with air strips.

To address the frequent encounters between Japanese and Chinese surface ships, Japan is seeking a maritime and air communication mechanism for crisis management. A structure has been agreed, but the geographical coverage has not. China wants it to cover the 12 nautical miles from the Senkaku Islands to justify its presence and has been using the crisis management mechanism for political purposes. Japan and China also hold high-level consultations on maritime affairs, involving all maritime agencies. Several rounds of talks have been held, but this has yet to serve any confidence-building function.

Japan needs to increase its own defense capabilities. To that end it has introduced the concept of the dynamic joint force, aimed at defending the southwestern island chain from China. Japan and the United States have also sought to strengthen their alliance. Efforts have also been made to counter China's gray-zone coercion, but more effective deterrence measures are needed.

**Zack Cooper (Fellow, Japan Chair, CSIS):**

I would like to share a few historical observations. First, the primary actors in the ECS over the past 180 years have been the United States, Japan, or the United Kingdom. Second, the choice the United States has to make currently in the ECS is very similar to Britain's response to Germany's naval challenge in the North Sea in the early 1900s. Third, there is too much focus on power projection when discussing these issues. We must not forget about the other naval factors that cannot be seen.

Looking to the future, first I predict that if Chinese economic power continues to grow, ECS tensions will rise. Second, Japan's coast guard will not be sufficient to deter increased Chinese assertiveness. Third, as the United States rebalances to Asia, the United Kingdom will have to bear more of the security burden in Europe.

As for policy prescriptions, first, combined US-Japan planning on gray-zone contingencies is essential. Second, the United States and Japan will have to use asymmetric responses against Chinese coercion. Finally, the United Kingdom and other

US allies will have to work to actively deter Chinese revisionism.

Theresa Fallon (Senior Associate, European Institute for Asian Studies):

China's defense plans have been constantly changing, evolving from coastal defense and inshore defense, to offshore defense and open seas defense. Despite the slowing of the economy, China's stock of new-type frigates and destroyers is rising, and we will likely see a greater level of Chinese shipbuilding than in the past. It is clear that China's emphasis now is on maritime modernization. The reason is likely the importance China places on near-seas active defense and far-seas operations.

Japan has shown a great deal of restraint when dealing with China in the ECS. The increased presence of Chinese ships and aircraft in the region means that there is a lack of an adequate crisis management mechanism. One of the issues preventing the establishment of such a mechanism is the need to involve a whole hierarchy of officials who would have to decide in advance the official message and response to any situation. China issued its first whitepaper on military strategy in 2015 and there was very low transparency of China's decision-making process.

In 2013 China established the Central National Security Commission (CNSC). In China, domestic affairs have long been viewed as more important than international affairs, and the CNSC was established to overcome this. After two years, the CNSC appears to be focused on preventing terrorism, separatism, and domestic unrest. Xi chairs the CNSC informally, and given his many other responsibilities is likely unable to operate it effectively. This also makes it difficult for officials who lead similar organizations in other countries to communicate with the CNSC. The fundamental internal coordination obstacles to timely and effective crisis management appear to be largely unaddressed.

China's national humiliation narrative drives much of its actions and relations with Japan. There is a very strong sense of nationalism in China, and Japan serves as an outlet for China to divert attention away from domestic tensions. A recent survey also shows that a record number of Japanese do not feel friendly towards China.

There are nevertheless reasons for optimism. Japan is still one of the favorite places for Chinese to visit on holiday. Prime Minister Abe is also reaching out to regional partners and seeking to engage India. The Japanese Emperor and Empress are also made their first official visit to Southeast Asia.

However, there are those who theorize that China is entering a period of decline. It has to deal with increased challenges posed by North Korea, while Sino-Japanese relations are a long-term tension in the region. China is also dealing with domestic labor

unrest. Managing the high expectations of the population, which have been backed by continuous growth for so long, is a major challenge.

Dr. Patalano (Senior Lecturer, King's College London):

There are three different stories in the ECS, which are structural, systemic, and national. From a structural perspective, bilaterally the emergence of China and Japan as major powers alongside each other in East Asia has never before occurred. A key question is whether they can co-exist. There is also broader impact on China, Japan, and the United States. This has implications for the US-Japan alliance and the SCS.

From a systemic point of view, the ECS is a maritime system. The ECS means that Japan and China do not have a land boundary, but a maritime boundary. This impacts their economic, political, strategic interactions.

From a national perspective, there is the tension between the two different domestic narratives of Japan and China and the impact that the audiences at the domestic level have on the overall national story. This impacts operational capability through increased activity and actors in the ECS. In addition, how the governments portray their ability to protect territorial sovereignty affects how their ability to govern is perceived by their citizens.

## **Discussion**

Audience 1:

Domestic issues are the number one priority in Beijing. Please define “the rules-based liberal international order,” which was mentioned several times today.

Audience 12:

What role should the United Kingdom play? Looking at the United Kingdom's special relationship with the United States and its historical footprints in East Asia, is there anything unique about the UK role compared to other European powers?

Audience 5:

Mr. Cooper posited that if China's economic growth continues, it will heighten regional tensions. What will happen if this growth does not continue or slows significantly?

Audience 4:

National narratives have the power for myth-making. We also underestimate the



importance of the culture of saving face in Japan and China. Is there some way to invoke the international arena to broker some kind of non-confrontational dialogue between the two countries?

Fallon:

The United Kingdom is an amazing convener for dialogue on these issues. Looking at Europe, if the European Union were able to speak with one voice it would have much more power. The fact that the European Union did not attend the arbitration tribunal is concerning and sent a negative message. It should at the very least have attended as an observer to support the rule of law.

Cooper:

The problem for Japan and the United States to define “the rules-based liberal international order” is that China will likely not accept whatever definition is presented. Those interests will in many ways conflict with those of China. Nevertheless, Europe, has a huge role to play in defining this order. The United Kingdom is a partner to all the states involved in the ECS and has a critical role to play in setting the ground rules. It cannot only be the countries involved in the dispute that are trying to set the rules.

Drifte:

I would like to add that the United Kingdom will send 12 Eurofighters to Japan this year for the first UK-Japan joint exercise.

Patalano:

Europe does not have the military muscle to be a presence in the Asia-Pacific. However, politically, Europe can contribute to reinforcing the shared values and international order. Looking at bilateral relationships, in terms of defense cooperation, the UK-Japan relationship is one of the fastest-growing between Europe and East Asia. NATO-Japan cooperation is also worth exploring. One important question to ask is where Europe and East Asia have shared strategic interests and can act together.

Audience 13:

It was posited to me that China does not have a history of being an aggressor and therefore can be expected to act peacefully. Is this true?

**Audience 2:**

In discussions on the ECS, the prospect of military conflict was not mentioned once. In discussions on the SCS however, all speakers who mentioned military conflict were worried it might occur. Does this not send an odd signal to China?

**Audience 14:**

From a global perspective the comparison of the United States and China now to Britain and Germany in the lead-up to World War I makes sense. However, from a regional perspective, Britain had national interests tied to the European continent, whereas the United States does not have national interests on the Asian continent. From a regional perspective, the issues in the ECS and SCS are that of territorial disputes. What role can the United States play on this level?

**Kotani:**

China has certainly been an aggressor in the past, for example with regard to Vietnam. However, China does not consider itself to be an aggressor or invader, but views its actions as retaking its former possessions. Objectively, however, China is infringing on the rights of other countries. Britain is responsible for the maritime conflicts in East Asia. The reason China is outside the San Francisco Peace Treaty-based system is because when the treaty was being signed, the United States and the United Kingdom could not agree on whether Beijing or Taipei should represent China.

**Cooper:**

I agree that there are different views of the status quo and that China believes that it is upholding the existing status quo, rather than undermining it. We are therefore in a world of compellence, rather than deterrence. We also know from history that rising powers tend to act more assertively than they were before they became rising powers.

As for the US role in Asia, certainly more could be done, but engagement is growing. There are in fact US interests at risk in Asia, and it feels that it is an Asian country due to longstanding ties with many countries in Asia.

**Fallon:**

China's activities in the SCS serve as an emergency valve for releasing pressure from domestic economic issues. With regard to national narratives, the implementation of patriotic education in Hong Kong despite public protests is a worrying development.

## **Closing Remarks**

Yoshiji Nogami (President, JIIA):

I would like to thank all the audience members, panelists, and organizers for making this meeting possible. I think we have been able to cover the multifold challenges of the SCS and the ECS. Everyone wants to settle these issues peacefully. However, one major cause for concern is that in recent documents published by China, any reference to “the peaceful rise of China” is no longer included. We must therefore continue to stress the importance of the peaceful settlement of disputes, while also being prepared.

# Essay

Andrew Shearer

## Challenges in the South China Sea

The South China Sea is far from the UK and Europe and preoccupations closer to home – Brexit; the Middle East conflagration, the ISIL threat and the refugee exodus; Russia’s renewed assertiveness and adventurism. Policymakers in European capitals have a lot on their plate.

Nonetheless, what is happening in the South China Sea is not just an obscure territorial dispute over a few remote shoals and atolls. Massive land reclamation to construct military facilities, the installation of modern weapons and increasingly aggressive patrolling by paramilitary and naval forces is raising the risk of miscalculation and even of military confrontation, as Australia’s recent Defence White Paper noted. Moreover, it is undermining not only the regional order in Asia but fundamental international rules and norms such as freedom of navigation and the resolution of international disputes without resort to coercion and force.

These principles – buttressed by the US alliance system in Asia and its forward military presence – have underpinned more than half a century of relative peace and prosperity in the region. They facilitated the Asian economic miracle and the rise of China. Their importance extends well beyond Asia, however, because the rules that have supported stability in the Pacific are also integral to the rules-based global order and therefore to security and economic growth in Europe. The South China Sea situation should therefore be seen as a global security challenge, not just a regional problem. And the UK and Europe have interests at stake that require more than a narrowly commercial engagement in the region.

China’s large-scale land reclamation activities and deployment of modern radar and missile systems – seemingly at odds with President Xi Jinping’s September 2015 pledge not to militarise artificial islands in the South China Sea – are already generating responses.

Countries in Asia, as well as the United States, are ratcheting up their rhetorical opposition to unilateral attempts to change the status quo, coercion and actions that jeopardise freedom of navigation as the region has known it for the past 70 years.

Increasingly they are coordinating their positions and in the East Asian Summit and other regional forums. The United States, Japan and Australia are stepping up efforts to build the maritime capacity of Southeast Asian states such as the Philippines and Malaysia. The United States has conducted two high-profile freedom of navigation operations in the South China Sea and is encouraging other countries in the region to undertake their own patrols. Through the rebalance to Asia, changes to US military force posture in the region and the development of new capabilities under its 'third offset' strategy, the United States is moving to bolster the deteriorating balance of maritime power in the Western Pacific.

Nor is the US rebalance to Asia some unilateral, unwanted outside intervention. Far from it: countries throughout the region have been calling for greater US engagement. Traditionally non-aligned states such as India and Indonesia – and even a former adversary like Vietnam – have been quietly encouraging a stepped-up US presence. And many of these countries are forging their own new security alignments. These include growing strategic ties between India and Japan, and Japan and Australia, and the emergence of new trilateral security groupings (including between Australia, Japan and the United States and Australia, India and Japan). Regional countries are boosting their maritime capabilities: Australia, for example, is embarking on its largest naval build-up since the Second World War.

So what are they responding to?

It is increasingly clear that Beijing, so far undeterred by the reactions of the United States and the region, is rolling out a deliberate strategy that draws on all the instruments of national power – including military and paramilitary forces, diplomacy and economic coercion. The motives for this are debated, but the aims seem clear. In the short to medium term China seeks to deny the United States and other regional countries the unfettered access they have traditionally enjoyed to the international waters Beijing calls its 'near seas', including – through its 'Nine Dash Line' claim – most of the South China Sea. In the medium to longer term China aims to assert control over those waters, neutralising and pushing back the US military presence and influence in the Western Pacific.

China is using its rapidly growing paramilitary and military presence, new facilities, diplomacy and economic muscle to change the facts on the ground. The approach is incremental but the pace has often taken Western analysts by surprise. Beijing's strategy depends on staying below the threshold at which the United States or

other countries might respond in ways which would have a real cost for China – such as the imposition of economic sanctions or military power; Japanese defence planners refer to this as ‘gray zone conflict’. There are parallels with Russia’s ‘denial and deception’ tactics in Europe, which likewise seek to exploit Western preoccupation in the Middle East and elsewhere as well as perceived shortfalls in Western political leadership.

Developments in the South China Sea are challenging the three key elements of the regional order that have been essential to the region’s success: the US alliance system in Asia; open economic institutions; and freedom of navigation. In particular, any attempt to assert military control over the international waters of the South China Seas would strike at the connectivity that has been vital to Asia’s economic growth. For a country such as Australia, which depends heavily on trade for its prosperity and 60 per cent of whose trade passes through the South China Sea, this would be a very different world – and a much more challenging and insecure one.

The risks are exacerbated by the proliferation of advanced military capabilities in Asia. China and other countries around the region are acquiring precision-guided munitions, ballistic and cruise missiles, electronic and cyber warfare systems, and submarines – greatly extending the range, accuracy and lethality of regional military forces and increasing the risk of miscalculation. This risk is greater because the region’s security institutions are still relatively immature, confidence building measures are limited, and – compared with the relatively stable bipolar order imposed by the Cold War – escalation dynamics in Asia are fluid and unpredictable, involving many more security actors.

Of course there are strong influences in favour of stability in Asia – economic interdependence is high; the entire region has a significant stake in the maintenance of peace; and neither China nor the United States wants conflict. But this is not enough to guarantee a benign regional future. And instability in Asia will quickly be transmitted to Europe – not least because of the region’s increasingly crucial role in the global economy.

The best way to ensure stability and prosperity in the future is to uphold the rules-based order that has been responsible for Asia’s past success. Irrespective of the outcome of the presidential election, the United States needs to follow through with its rebalance to Asia to deter moves to change the regional order by force or coercion and to reassure its allies. This includes ratifying the Trans Pacific Partnership as soon as possible. America’s allies and partners in the region need to step up too, boosting their own capabilities and security networks, hosting US forces and working to strengthen

maritime capacity in Southeast Asia. India can play an important role and needs to be brought into the centre of regional political, security and economic frameworks.

The United States and other countries should also continue to engage China and to develop institutional linkages and confidence building measures where interests coincide and where Beijing is receptive. Where it isn't, and certainly in the event of further destabilising moves in the South China Sea – for example, further seizures of features or unilateral declaration of an Air Defence Identification Zone – the region should act and speak with one voice in support of the rules-based order. And it should do so with the full and active backing of the UK and Europe.

Yoji Koda

**Maritime Security Cooperation in the South China Sea  
Japan's Perspectives**

**Introduction and Overview**

**a. General**

China's rapid and substantial naval build-up, together with its assertive and high-handed activities in Asian waters - especially those in the South China Sea (SCS) - are generating serious security concerns within the international community. China's unique and unilateral positions on all maritime issues, which are supported by its wider, and sometimes self-centered interpretation of the UNCLOS and other established international rules, really confuses regional states and other related nations, such as Japan and the United States.

**b. Paracel Islands**

There are about forty position-located geographical maritime terrain features, and China has been exercising practical control over the area since its victory in 1974 skirmish against then South-Vietnam.

Among them, the largest Woody Island with various facilities, including an airfield with a 2,700 m (9,000 ft.) and two ports is regarded as a gateway and a key military site to the SCS. Last month, there were some media-reports on China's deployment of Fighter Squadron, Surface to Air Missile units and air surveillance radar to this island.

**c. Spratly Islands**

Like the Paracels, there are many surfaced and shallowly submerged geographic terrain features, however only 13 of them are suitable for human activities. With the successful ouster of Vietnamese forces from the Johnson-South in Reef in 1988, China established its presence in the Spratlys for the first time in history. However, as of January 2016, China only controls about 10 small rocks and reefs with no practical use.

China has started reclaiming seven lagoons and build artificial islands (AI) in 2013. Fiery Cross Reef seems to be a core-spot with 3,000m runway, a deep port and various facilities. There are two other AIs with air-facilities. Other four AIs with smaller facilities are considered to be guarding-spots.



Thanks to a two-year long silence by the Obama administration, China has successfully established a 'fate accompli' in the islands and gained strong footholds for the first time.

Thus, China has two stepping stones in the SCS: one on the northern Woody Island and the other on the southern seven AIs in the Spratlys. China's North-South strategic chain of islands in the SCS, which could be an enabler for Beijing's strategy to control whole SCS area surrounded by its unilaterally-claimed nine-dashed-line, will be completed.

#### **d. A Game Changer: Scarborough Shoal and a Strategic Triangle**

In the above sections, the significance of a "strategic N-S line" connecting Woody Island and Spratlys was discussed. However, this imaginary N-S line alone is not enough to help China establish functioning control over the whole SCS.

In addition to the N-S line, there is one more shoal, namely Scarborough Shoal (Scarborough), in the eastern part of the SCS. Scarborough has once attracted the world's attention because of the tricky seizure over the long-controlled Philippines shoal by China in 2013.

China lacks a stronghold from which to control the eastern part of the SCS. From this viewpoint, the Scarborough is the only potential spot for this purpose for China. The lagoon is large enough for land-reclamation to build an AI and military facilities, including an airfield and a port. If China successfully builds an AI at the Scarborough, there will be a strategic triangle, connecting Woody Island, Seven AIs in Spratlys, and Scarborough which covers most of the SCS. The impact of this strategic triangle will be tremendous in U.S. and Japan's future strategy, and could be a game changer in the SCS power relations.

### **Three Reasons behind China's Firm Position on SCS Issues**

Behind China's unilateral ambition to monopolize the whole SCS, there seem to be three primary reasons behind its hard and determined positions on SCS issues.

#### **a. Ambitious territorial design for South China Sea**

**-Establishing National Sovereignty and Territorial Integrity to erase 150 years long humiliation age.**

#### **b. Maritime Strategic Nuclear Posture comparable to the United States**

**-New Naval base at Sanya, Hainan Island for PLAN's SSBN force**

**-ASW Capability in the South China Sea to protect PLAN's SSBN force from USN SSNs**

#### **c. Control of SLOCs in the South China Sea**

## **Freedom of Navigation**

With regard to U.S. maritime policy, there is one subject that should be understood accurately, but only gaining a slanted understanding about it. That is the concept of freedom of navigation (FON). Traditionally and historically, successive U.S. Governments (USG) have not supported any specific country in a territorial dispute, but have encouraged those involved in sovereignty disputes to take peaceful means to solve the problem.

Based on this fundamental policy, the position of the USG on territorial disputes in the SCS has also been the neutral, even towards China, which has created many territorial disputes over SCS with other coastal states for years.

At the same time, the USG has repeatedly affirmed FON as one of the key national interests of the Nation. After first being mentioned by then-secretary of states, Hillary R. Clinton at the 2010 ASEAN Regional Forum (ARF) meeting in Hanoi, the USG has repeatedly confirmed its position at various opportunities since then.

There are two key tenets of this policy. One is simply the principle of long-lasting and firmly-established conduct of the FON.

The other is more important than the first one, but less understood. According to this tenet, since FON is a U.S. national interest, if any conflict in the SCS is interpreted as an incident causing interference against free and safe navigation, the United States, which may not even be a party to the dispute and a clear geo-outsider, may interpret this conflict as an infringement of its national interest. Thus, the USG preserves the right to intervene in any maritime conflict in the SCS if the conflict is interpreted as a violation of the principle of FON. Both in theory and in practice, in order to protect U.S. national interests, the United States may intervene in the regional conflict in the SCS.

For China, it is a strong warning from USA to Beijing's aggressive and tough position on SCS issues. This is one of the reasons why China has been strongly protesting the U.S. policy.

## **Proposed Japan's Action**

### **a. Support to Maritime Capacity Building, both physical-military and domain awareness capabilities of regional states**

#### **-Capacity Building of Coastal Countries: Naval and Coast Guard Assets**

- Patrol and Surveillance Forces,
- Reaction Forces,
- At Sea Law-Enforcing Forces,
- Personnel Training

### **-Capacity Building of Domain Awareness**

Maritime Information Sharing Networks among coastal countries

In order to help develop these capabilities, Japan and the United States, should make a determined and well-coordinated joint-action to support the coastal countries' capacity buildings.

### **b. Support to U.S. FON**

#### **-Japan's Own FONOPS**

#### **-Support U.S. Forces FONOPS**

U.S. Forces conducted military operations to support FON (FONOP) in vicinities of the AIs by sending destroyers and bombers. Australia reportedly conducted its own FONOP by its P-3 in mid-December.

Japan strongly supports the U.S. FONOP. Japan as a real seafaring nation and a closest allied-partner of the USA, should take clear and visible action to realize its own FONOP.

### **c. Stopping China's AI building at Scarborough**

#### **-Diplomacy and Summit-meetings**

#### **-Naval Blockade as the last resolution**

A before-mentioned strategic triangle will change the power-balance in the SCS substantially unrecoverable to Japan and the United States. Various actions including the above should be planned and appropriately be executed.

### **d. Support U.S. Strategy and Maintain U.S. Presence**

#### **-Japan's support to U.S. Force's Operations**

#### **-Japan's support to increase U.S. Force Presence**

#### **-Facilitating use of strategic spots in the Regional Nation to U.S. Forces**

Camranh Bay, Da Nang, Palawan Island, Subic Bay, Clark Airfield

#### **-Increase JSDF's Presence in the SCS**

Japan, as a major allied partner of the United States, should provide best support to U.S. forces operating in the region for deterrence.

In this article, I mainly mentioned my thoughts on the SCS, focusing on China's activities. I hope my article provided general views on a troublesome situation, and hopefully could become a launching pad for readers' thoughts-development on this issue.

Nguyen Thi Lan Anh\*

### **Challenges in the South China Sea: A Vietnamese View**

The South China Sea has been known as a hot spot for many years. Massive construction at sea, fishing incidents, big oil platform installation, freedom of navigation operation program (FONOP), militarization, etc. are frequent headlines on the South China Sea in the media recently. They indicate three urgent challenges of how to maintain good order at sea, preserve peace and stability and strengthen the role of the security architecture of the region.

The first challenge is to maintain good order at sea, a common goal of all littoral and sea user states. Good order at sea can only be achieved in a rule-based order where sovereign rights and jurisdiction of coastal states and the rights of other countries, including freedom of navigation and over flight, are respected. Unfortunately, in the South China Sea, the nine-dash line, albeit its ill-legal basis as drawn beyond the limits of any maritime zones under UNCLOS, has been claimed to deprive the legitimate sovereign rights and jurisdiction of other states. The placement of a gigantic oil rig, the invitation for bidding on oil blocks deep into other country's continental shelf and the frequent arrests and collisions, to the extent that sink other countries fishing vessels are those incidents that illustrate the grave detriment to the rights of the coastal states which are provided for under UNCLOS. The nine-dash line and the massive constructions on low tide elevations or even submerged features in the South China Sea are increasingly utilised as the pretext to deny access of other countries' vessels and aircrafts travelling through the South China Sea. Repeated warnings were sent to both civilian and military vessels from as far as 25 nautical miles from and to aircrafts flying over the artificial structures. The eagerness to follow other countries' military vessels and challenge their normal navigation directions further contributes to the violation of freedom of navigation. Many attempts to hamper freedom of navigation resulted in several "near collisions" which gravely threatened safety of navigation. In addition, the destruction of a massive area of coral caused serious damages for the marine environment and destroyed the habitat of fishes and other living resources. The deteriorating marine environment and the sharp increase in harassment at sea such as arrests, sinking and

---

\* Diplomatic Academy of Vietnam. The views expressed in this paper are strictly of the author and not necessarily reflect any official position of the institution where she works

burning of fishing vessels, sabotaging or damaging navigation equipment etc. have made the likelihood of millions of fishermen of the littoral states at risks.

The second challenge in the South China Sea is preservation of peace and stability in the context of escalating tensions and militarization. The South China Sea had experienced illegal uses of force in 1974, 1988 and 1995 and this violation still presently exists in different forms. The popular form of the use of force is intimidation and harassment towards fishermen and oil companies within the EEZ and continental shelf of littoral states through the use of heavily armed law enforcement forces. The latest form of threat to use of force is the deployment of missiles, radars and other military equipment in the Paracels and artificial features in the Spratlys. The threat and use of force even caused serious concerns when dispute settlement by peaceful means, a fundamental principle enshrined under the UN Charter, has been intentionally distorted. Attempts to settle disputes through third party judicial bodies are considered hostile acts. Awards of the international arbitration under Annex VII of UNCLOS are treated as null and void. Meanwhile, negotiation and consultation reached a deadlock due to sharp differences. In addition, misperception and miscalculation that might lead to confrontations and conflicts will likely occur at anytime in the context of increasing deployment of naval and armed law enforcement forces in the narrow and busy sea-lanes of the South China Sea.

Responding to the situation in the South China Sea, a COC negotiation process was initiated since the 1990s. This process, nevertheless, only resulted in a non-binding DOC. Although the DOC reiterates all fundamental principles of none use of force, peaceful settlement of disputes, and further emphasises on the need to self restrain and no new occupation of non-occupied features, all these commitments have been broken. The DOC also lacks enforcement mechanism to prevent violations. Thanks to ASEAN efforts, the South China Sea issues have been included on the agendas of numerous ASEAN centric mechanisms including the AMF, EAMF, ADMM, ADMM+, ARF, and EAS. Discussions in these fora led to diplomatic statements, preventive diplomacy initiatives and cooperation measures. These achievements, unfortunately, are insufficient to prevent violations to the international laws and escalation of tensions in the South China Sea continues.

War or peace? Right or might? The South China Sea will serve as a test case. If the regional and international community are divided, conquered by economic incentive and compromised on long established institutions, more will get away freely after seriously bypassing international law and more small nations will be bullied. The issues we face in the South China Sea will then not be confined to just South East Asia, it will

be like infectious diseases spreading into other regions challenging the current international order if not timely quarantined.

Jay L. Batongbacal\*

## Challenges in the South China Sea

### Introduction

Within the next two months, an international arbitral tribunal is expected to promulgate its decision in the case of the *Philippines vs. China*.<sup>2</sup> One of the principal objectives of the suit is to establish, as a basis for future interaction, the legitimacy of certain contested claims to rights to/jurisdictions over the maritime domain between the parties.<sup>3</sup> But whether or not the tribunal's decision will indeed set the stage for "normalization" of the currently strained relationships between the opposing sides, or instead spark off another round of destabilizing unilateral actions (even possibly armed conflict), remains uncertain.

### Short-Term Challenge: Leadership Transition in the Philippines

The Annex VII tribunal is widely expected to hand down its decision within the next few weeks during the run-up to the Philippine Presidential elections in May. The timing of the decision could obviously be critical, as the transition in leadership may be viewed as a time of vulnerability to a major move to alter the *status quo*. Last week, the media was abuzz with news that Chinese grey and white ships had excluded Philippine fishers from Jackson Atoll, close to Philippine-held Patag and Lawak Islands.<sup>4</sup> This naturally raised fears of another Scarborough Shoal scenario (where China has prevented Philippine access since 2012), and a possible incremental acquisition and occupation similar to the way in which China took possession of Mischief Reef in 1995.<sup>5</sup> Although it was later confirmed that the Chinese ships had left the reef, the incident exposed the vulnerability of Philippine possessions in the Spratly Islands: Chinese occupation of

---

\* LLB, MMM, PhD. Associate Professor, University of the Philippines College of Law and Director, UP Institute for Maritime Affairs & Law of the Sea. Email: jay.batongbacal@gmail.com

<sup>2</sup> The Republic of the Philippines v. The People's Republic of China. Permanent Court of Arbitration, 10 Mar 2016, <http://www.pcacases.com/web/view/7>.

<sup>3</sup> The principal manifestation of this objective is seen in the Philippines' claims concerning the legality and validity of China's expansive claims to the SCS on basis of "historic" rights or title within the area encompassed by the now-infamous nine dashed lines map.

<sup>4</sup> Mogato, M. Philippine officials say China blocked access to disputed South China Sea atoll. Reuters, 02 May 2016, <http://www.reuters.com/article/us-southchinasea-china-philippines-idUSKCN0W402A>; Tweed, D. and D. Lopez. China blocks Philippine boats in disputed sea, Mayor says. Bloomberg Business News, 01 May 2016, <http://www.bloomberg.com/news/articles/2016-03-02/china-blocks-philippine-fishermen-in-disputed-waters-mayor-says>.

<sup>5</sup> Dzurek, D. China occupies Mischief Reef in latest Spratly Gambit. IBRU Boundary and Security Bulletin, April 1995, 65-71.

Jackson Atoll and/or one other reef nearby (e.g, Iroquois Reef, Hardy Reef) could easily cut off the Philippine positions from the mainland as they lay in the islands' resupply routes.

During the transition period, pending definite foreign policy positions and appointed leaders in the concerned government departments, a crisis situation such as a ship-to-ship collision (arising from China's harassment tactics against Philippine vessels), the sudden acquisition of a new feature (either by permanent presence or continuing control), or an unarmed take-over of a small isolated Philippine outpost by Chinese fishermen-militia (e.g. Second Thomas Shoal, Likas Island, and Patag Island) would present a major foreign policy test to a fledgling and perhaps unprepared Presidential administration. At that point where leadership is weakest, the opportunity exists for a major stratagem to retake Philippine positions in the SCS.

To help deter such a stratagem, two things are urgently needed at this time. One, maritime domain awareness in the SCS must be maximized especially before, during, and after the Philippine leadership transition period. The movements of all maritime assets in the SCS and the Spratly Islands region must be continuously and closely monitored. The Philippines lacks the necessary surveillance capability for this purpose<sup>6</sup> and at this point requires the assistance of allies and friends to compensate. Since 2015, US EP-8A Poseidon patrols have provided a significant degree of "scheduled" long-range surveillance of China's artificial islands,<sup>7</sup> while US Navy transits provide "opportunistic" coverage.<sup>8</sup> Hence, FONOPs conducted by the US and even Australia<sup>9</sup> serve dual purposes of ensuring that excessive maritime claims do not acquire legitimacy, and at the same time provide opportunity for deterrence through presence and surveillance.

The second necessary element is an international cooperative effort to encourage and ensure a free flow of real-time information on actual events in the SCS between States with varied interests could fill in the information and surveillance gaps. China's island building spree began approximately March 2014, but was not reported until at least a month into the dredging and island-building operations, and it was not until the public release of satellite imagery a year later revealing its staggering and massive

---

<sup>6</sup> Satellite remote sensing, even on a commercial basis, is subject to various limitations, and there is inadequate basic radar coverage and even more scanty visual coverage from its few possessions.

<sup>7</sup> Sciutto, J. Behind the scenes: A secret Navy flight over China's military buildup. CNN, 26 May 2015, <http://edition.cnn.com/2015/05/26/politics/south-china-sea-navy-surveillance-plane-jim-sciutto/>.

<sup>8</sup> Chen, S. US Navy ship met Chinese vessels on South China Sea patrol. Bloomberg Business, 19 May 2015, <http://www.bloomberg.com/news/articles/2015-05-19/u-s-says-navy-ship-met-chinese-vessel-on-south-china-sea-patrol>.

<sup>9</sup> Wroe, D. and P. Wen. South China Sea: Australia steps up air patrols in defiance of Beijing. Sydney Morning Herald, 15 Dec 2015, <http://www.smh.com.au/federal-politics/political-news/south-china-sea-australia-steps-up-air-patrols-in-defiance-of-beijing-20151215-gloc2e.html>;



scope<sup>10</sup> that the United States was prompted to take a noticeably stronger stance. By that time, it was already too late for any international pressure to be brought to bear.

In the future, members of the international community can best contribute if well-informed and enabled to make decisions and take positions well before a prospective incident becomes a major crisis. Strategic partnerships between willing interested States<sup>11</sup> could provide the minimal requirements of information exchange that could be crucial in deterring and preventing future incidents and escalation. FONOPs, aside from preserving the legal status of maritime space, can provide value added through the sharing of maritime domain awareness necessary to deter adventurism in the South China Sea. Weaving together a maritime domain information network for the benefit of all interested parties as a means of crisis anticipation and prevention is an important task worthy of cooperation between like-minded States.

### **Medium-Term Challenge: A Demilitarized Take-over?**

Looking beyond the promulgation of the tribunal's decision, China's completion of island-building activities and full operation of its new extensive facilities will present new major challenges in the medium term. Even assuming, for the sake of argument, that China will abide by its statement that it will not "militarize" its new islands,<sup>12</sup> the sheer scale of its new facilities endanger the delicate social and environmental conditions attached to the SCS. Even ostensibly civilian activities based on the massive islands will negatively impact the limited activities of smaller claimants like the Philippines and Vietnam. Already, under the watchful protection of China's civilian and military maritime forces, mass destruction of coral reefs is being deliberately caused by Chinese fishermen mining the coral reefs for *tridacna gigas* (giant clam), whose shells have apparently become the new ivory for villages of stone carvers.<sup>13</sup> The island-building activity and resulting increase in Chinese fishing effort in the Spratly has been cited by Philippine fishing companies as the only new factor that correlates with an

---

<sup>10</sup> See Asian Maritime Transparency Initiative. Island Tracker. Center for Strategic and International Studies, <http://amti.csis.org/island-tracker/>.

<sup>11</sup> The Philippines recently announced strategic partnership agreements with Vietnam and Japan. Parameswaran, P. Japan, Philippines to agree new military deal on APEC sidelines. *The Diplomat*, 17 Nov 2015, <http://thediplomat.com/2015/11/japan-philippines-to-agree-new-military-deal-on-apec-sidelines/>; Philippines, Vietnam to ink strategic partnership by end of 2015. *The Diplomat*, 04 Sep 2015, <http://thediplomat.com/2015/09/philippines-vietnam-to-ink-strategic-partnership-by-end-of-2015/>.

<sup>12</sup> Page, J., C. Lee and G. Lubold. China's President pledges no militarization in disputed islands. *Wall Street Journal*, 25 Sep 2015, <http://www.wsj.com/articles/china-completes-runway-on-artificial-island-in-south-china-sea-1443184818>.

<sup>13</sup> Wingfield-Hayes, R. Why are Chinese fishermen destroying coral reefs in the South China Sea? *BBC News*, 15 Dec 2015, <http://www.bbc.com/news/magazine-35106631>; Lee, R. Satellite images show ecocide in the South China Sea. *The Diplomat*, 15 Jan 2015, <http://thediplomat.com/2016/01/satellite-images-show-ecocide-in-the-south-china-sea/>.

observable significant drop recently in fish catch from the Western Palawan region.<sup>14</sup> Considering the massive rate of depletion of coral resources, and China's spotty record of environmental management, it is not unreasonable to fear a collapse of fisheries and rapid deterioration of marine environment conditions in the SCS within the next two decades.

China's increased civilian activities on its new islands by themselves will create a much larger environmental footprint that could indirectly oust all other maritime activities. Ancillary facilities for power generation from the ocean, increased capture fishing effort and fish farming to provide sustenance, increased shipping and maritime law enforcement, unilateral deep-water petroleum exploration and exploitation, other kinds of resource activities, and could geographically constrain other nations' activities, both civilian and military. The establishment of administrative controls to manage air traffic (including Air Defense Identification Zones), allocation of fishery areas, laying of submarine cable and pipeline networks, grant of exploration concessions for petroleum and seabed minerals, operation of its maritime militia, among others, to carry out actual usage and demonstrate jurisdiction and control could also have the effect of restricting access to the maritime commons.

Thus, even if it were to stop attempting to establish and enforce arbitrary military exclusion zones ("military alert areas") in the SCS, in the medium term an overwhelming and ostensibly non-military presence unilaterally and exclusively controlled and steadily expanded by China would create the same problem and effect of excessive appropriation of ocean space and resources at the expense of the region. Whether by over-exploitation of resources or over-extension of controls, China does not need to militarily conquer the SCS to achieve its strategic objectives.

### **Long-Term Challenge: Chinese Nationalism, Revisionism and Irredentism**

This then brings us to the long-term challenge. China under the Communist Party is certainly focused on achieving its centennial goals,<sup>15</sup> with the latter firmly dedicated to maintaining itself in power despite some apparent loss of its titular ideological soul. Its excessive claim to the South China Sea is based on a publicly-accepted mythology that has been ingrained into several generations of Chinese citizens denied alternative sources of impartial and unfiltered information; the sense of unilateral and exclusive

---

<sup>14</sup> Personal intervention, name withheld upon request. Asia-Pacific Pathways to Progress Foundation, Inc. and UP Institute for Maritime Affairs & Law of the Sea. Roundtable Discussion on Fisheries in the South China Sea, 26 Jan 2016, at the Astoria Plaza Hotel, Pasig City, Philippines.

<sup>15</sup> See Pillsbury, M. *The Hundred-Year Marathon: China's secret strategy to replace the United States as the global superpower*. Henry Holt and Co., 2015.

entitlement is deeply ingrained into the common Chinese worldview. To date, direct challenges to this worldview appear to have only spurred even deeper resolve to resist verifiable facts and insist on nationalist, revisionist, and irredentist arguments. Especially in response to recent legal and military challenges to its excessive claims, Chinese official statements on the issue have been increasingly rhetorical, to the point of invoking ancestral obligations,<sup>16</sup> ancient inheritance,<sup>17</sup> and historical pre-emption.<sup>18</sup> While outsiders might ignore these kinds of arguments, for the most ordinary Chinese citizens they are the equivalent of religious truths. And they bring with them deeply rooted emotional and psychological content that will be difficult to turn in less than a generation. Add the majority Chinese population's virtual isolation from Western knowledge, culture, and communications due to linguistic and technological barriers, and it becomes clear that there will be no quick and easy way of reconciling Chinese interests in this issue with those of the smaller claimants. Rational choice theory may face a serious challenge in explaining and anticipating China's behavior toward the SCS disputes.

To be sure, the decision in *Philippines v. China* represents the next stage in the evolution of the SCS disputes: in its aftermath, the UNCLOS Part XV dispute settlement procedures will clearly be open for smaller claimants to address subsequent incidents with China; the legality of certain activities in pursuit of individual claims may be determined; and obligations owed by disputing States to each other regardless of prospective delimitations may be identified. But the impact of the tribunal's decision ultimately still depends on self-restraint and voluntary compliance. These require political will and political decisions on the part especially of China, which require domestic political support.

Thus, even the geo-legal reconfiguration of the SCS seems less likely to attenuate China's hardline and coercive inclinations toward its neighbors; current indications are that it may only spur more uncompromising attitudes and actions particularly in the near future. Despite the arbitration, the fundamental and original historical source of the disputes, contested sovereignty over the islands in the SCS, will remain unresolved and

---

<sup>16</sup> Blanchard, S. China says changing position on sea dispute would shame ancestors. Reuters, 27 Jun 2015, <http://www.reuters.com/article/us-southchinasea-china-idUSKBN0P708U20150627>.

<sup>17</sup> Martel, F. Chinese President Xi: Entire South China Sea 'left to us by ancestors' in 'ancient times'. Breitbart, 19 Oct 2015, <http://www.breitbart.com/national-security/2015/10/19/chinese-president-xi-entire-south-china-sea-left-us-ancestors-ancient-times/>.

<sup>18</sup> Blanchard, B. China says it should control the South China Sea because it 'discovered' it first. Business Insider, 08 Mar 2016, <http://www.businessinsider.com/china-says-it-should-control-the-south-china-sea-because-it-discovered-it-first-2016-3>.

will certainly cause recurring frictions. At best, the tribunal's decision may address somewhat and perhaps mitigate the region's tendency to conflate sovereignty with maritime jurisdictions. In the meantime, the challenge to external powers and the international community at large is to find and determine their roles in order to contribute to maintaining regional peace and stability by helping prevent crises, ensuring communications, and encouraging the parties to reach fair and acceptable compromises.

Tetsuo Kotani

### **The East China Sea: Another Chinese Lake?**

As the world pays attention to the recent Chinese militarization of the South China Sea islets, China is establishing a “new normal” with more frequent military and paramilitary presence in the East China Sea. China is taking necessary steps to make the South China Sea a Chinese lake with surveillance and air defense assets deployed. But it is less likely that the East China Sea will become a Chinese lake because the military balance still favors Japan.

China’s assertiveness in the East China Sea reflects Beijing’s challenge to the regional order based on the 1951 San Francisco Peace Treaty. Under this Treaty, the Senkaku Islands as part of Okinawa were placed under US trusteeship and returned to Japan under the 1972 Okinawa Reversion Treaty. No a party to the Peace Treaty, China started to claim the Senkaku Islands in 1971 based on the 1895 Treaty of Shimonoseki and the 1943 Cairo Declaration.

Beijing launched physical challenges to Japanese administration of the Senkaku Islands in 2008 when two Chinese government ships intruded into Japanese territorial waters around the Islands. The frequency of intrusions increased dramatically after September 2012 and gradually declined after the latter half of 2013. But Chinese ships, including armed coast guard ships converted from warships, maintain presence around the Senkaku Islands.

China’s attempts to establish a “new normal” also reflect growing anti-access/area-denial (A2/AD) strategy in the East China Sea. Since 2008, China’s naval surface and submarine fleet activities have grown increasingly frequent in the East China Sea and beyond in an effort to improve access to the open ocean and to develop its A2/AD capabilities. The most frequently used route is the Miyako Channel between Mainland Okinawa and Miyako Island, the widest gap along the first island chain.

Chinese military aircraft activities also increased after 2010, and China announced the “East China Sea Air Defense Identification Zone” in November 2013. The flight patterns of Chinese aircraft indicate that the coastal radar system covers only western half of the East China Sea, and the airspace beyond the geographical median line remains a blind spot. Under such a circumstance, there is a growing concern that China might militarize some of the 16 offshore gas platforms along the median line for surveillance and better air domain awareness.

Facing China's assertive behavior to establish a "new normal" in the East China Sea, Japan revised the National Defense Program Guidelines in 2013, which called for dynamic joint defense force. The dynamic joint defense force concept envisions air and maritime superiority with active and regular surveillance, plus rapid deployment of amphibious troops, armored vehicles, air-defense units and surface-to-ship missile launchers in defense of the Nansei (Southwestern) Islands. In essence, it is a Japanese version of an A2/AD strategy in the East China Sea.

To deal with Chinese challenges in the East China Sea more effectively, Japan also strengthened its alliance with the United States. President Obama confirmed US treaty commitment to the Senkaku Islands during his visit to Tokyo in April 2014. Following this, Tokyo and Washington revised the bilateral defense cooperation guidelines to upgrade bilateral operational cooperation. Under the new Guidelines, the Japan Self-Defense Force takes the primary responsibility for the defense of Nansei Islands, while the US military plays a supporting role with long-range strike capabilities.

In addition to enhancing deterrence, Japan has been seeking ways to improve crisis management with China. Japan and China essentially reached an understanding on the structure of a military-to-military maritime and air communication mechanism. Under the mechanism, the two defense authorities would establish hotlines, regular consultations, and common communication methods between ships for risk mitigation. Tokyo and Beijing cannot agree on the geographical coverage of the agreement. Tokyo does not assume the communication mechanism is applies to the 12 nautical miles territorial seas and skies around the Senkakus, while Beijing insists on. Beijing is attempting to use the mechanism to justify its presence and intrusions in Japanese territorial space, and attempts to use the crisis management negotiations as a means to achieving its policy goals.

Japan is now better able to respond to Chinese assertiveness in the East China Sea. But probably because the overall military balance in the East China Sea favors Japan and the United States, China has adopted an approach characterized by gray-zone coercion short of war. Seeking to remain below the threshold of military power that would lead to a joint Japan-US military response, China has regularized the presence of its coast guard ships in the vicinity of the Senkaku Islands. While China has been deterred from the use of overt military force, its gray-zone coercion has not been deterred by the strengthened US-Japan alliance.

In order to respond to China's gray-zone coercion, Tokyo has been reinforcing the Japan Coast Guard (JCG), the first responder to such coercion. The JCG is establishing

a special unit for the Senkaku patrol with 24 patrol ships based in Ishigaki Island. But Beijing is outpacing Tokyo in terms of shipbuilding for its coast guard. Tokyo also changed the procedures for issuing a maritime security order under which the JSDF conducts law enforcement operations in support for the JCG. But the JSDF's presence in a gray-zone contingency could escalate the situation, something that may give Tokyo pause.

The East China Sea is not likely to become a Chinese lake. Since China is not serious about crisis management and confidence building, however, China's gray-zone coercion continues to be a big challenge in the East China Sea. For Japan, it is important to effectively respond to China's gray-zone coercions by controlling the escalation, while maintaining overall military superiority.

Zack Cooper

## East China Sea Observations, Predictions, and Prescriptions

### Three Historical Observations

- 1. The East China Sea has been controlled by just three maritime states for 175 years:** Britain was the primary power in the East China Sea from 1839 to 1904. Japan generally controlled the East China Sea from 1904 to 1945. Washington has exercised control over the East China Sea from 1945 onward. Today, however the People's Liberation Army Navy and the China Coast Guard are changing the balance of power in East Asia. As a result, it is possible that a continental power could exert control over the East China Sea for the first time in centuries.
- 2. An analogue is the early 20<sup>th</sup> century Anglo-German competition in the North Sea:** As German power grew in the 1890s, leaders in London were forced to recall most major assets to the British Isles. As *The Standard* wrote in 1912, "Because of that formidable and threatening Armada across the North Sea, we have almost abandoned the waters of the Outer Oceans. We are in the position of Imperial Rome when the Barbarians were thundering at the frontiers. The ominous word has gone forth. We have called home the legions." Indeed, just as Britain abandoned the two power standard in 1904, the United States is reconsidering its two war doctrine to refocus on East Asia today.
- 3. History suggests that power projection may be secondary to sea denial capabilities:** The initial focus in the Anglo-German naval race was on power projection assets, particularly battleships and dreadnoughts. Both Britain and Germany built more and larger battleships. Yet, when war came, the smaller craft such as submarines and torpedo boats were vital to Britain preventing German surface ships from escaping the North Sea and to Germany attacking British shipping beyond the North Sea. This suggests that the current focus on power projection—especially carrier strike groups and surface action groups—may be ill-advised since sea denial capabilities—such as submarines, torpedo craft, and anti-ship missile batteries—are more vital than power projection capabilities.



### **Three Future Predictions**

**1. If Chinese economic power continues to grow, East China Sea tensions will rise:**

History suggests that as a rising power, China is likely to expand its maritime ambitions. Chinese leaders tend to press in one geographic region at a time in order to prevent the emergence of multiple simultaneous security challenges. The last two years has witnessed a Chinese push in the South China Sea, but China's focus will likely return to the East China Sea once Beijing has accomplished its aims to the south. Japan and the United States must therefore prepare today for a new round of Chinese coercive activity in the East China Sea over the next few years. If Chinese pressure on the East China Sea increases, the United States will have to choose between growing naval requirements in East Asia and its surface naval presence in either the Middle East or Europe.

**2. Japan's Coast Guard will not be sufficient to deter increasing Chinese assertiveness:**

In the long-term, Japan's Coast Guard will be forced to rely on Maritime Self-Defense Force and U.S. Navy support in "grey zone" crises. China's construction of large numbers of increasingly capable coast guard vessels will prove impossible for Japan to match. As a result, Japan will be forced to use Self-Defense Force or U.S. Navy assets when responding to Chinese incursions. Japan and the United States should therefore prepare a set of combined options for responding to Chinese pressure, using the alliance's other strengths to offset its coast guard weakness.

**3. As the U.S. rebalances to Asia, Britain will take on a role similar to Japan's in 1902:**

In the early 20<sup>th</sup> century, Britain needed Japanese support in East Asia so that it could refocus on Western Europe. Today, the United States needs strong British (and NATO) allies so that it can refocus on East Asia. This dynamic will increase rather than decrease the importance and responsibilities of Britain, and NATO more broadly. The implication is that NATO should focus its military capabilities on challenges in Europe rather than security issues in Asia. However, if NATO expects Japanese diplomatic support to constrain Russian revisionism, then it in turn will have to exert diplomatic influence to deter China's revisionism.

### **Three Policy Prescriptions**

**1. Combining U.S.-Japan "grey zone" planning and command structures will be vital:**

As Japan relies more on the alliance to deter Chinese "grey zone" activities, the United States will need to be incorporated into planning and exercising. Beijing will look to split Tokyo and Washington, breaking the Alliance Coordination

Mechanism. Leaders in both capitals will need on-the-shelf response plans to deal with Chinese pressure. Coordination across the Japan Coast Guard, Japan Maritime Self-Defense Force, and U.S. Navy will require new means of coordination, as well as new command and control arrangements. To this end, the United States should examine options for a Joint Task Force for maritime security and Japan should consider establishing a Joint Operations Command.

- 2. The United States and Japan should use asymmetric responses to Chinese coercion:** China will likely be able to determine the time, location, and domain of maritime crises, choosing those features in which it has asymmetric advantages (such as coast guard forces, fishing vessels, and use of oil rigs in disputed waters). The alliance will be put at a disadvantage if Tokyo and Washington constrain themselves to symmetric responses to Chinese provocations. Thus, the United States and Japan should prepare to use their superior “grey hull” naval capabilities, financial leverage, and diplomatic influence to constrain Chinese coercion.
- 3. Britain (and other NATO allies) should actively work to deter Chinese revisionism:** There is a perception in both Washington and Asia that most European leaders are unwilling to sacrifice economic interests in China to uphold the status quo in East Asia. Yet, European leaders cannot expect Japan and other Asian states to hold the line against Russia if they perceive that Europe is unwilling to do the same with China. Economic sanctions against Russia require Japanese coordination, so leaders in Europe have a choice between economic cooperation and status quo revisionism that crosses continents.

Theresa Fallon

**Sino-Japanese Relations as Regards the East China Sea:  
Is There Progress Towards Crisis Management?**

The unresolved dispute between China and Japan over territorial rights to oil and gas fields in the East China Sea threatens to develop into more serious problems between the two countries as they jockey for position to extract the energy deposits located there. The conflict over energy between China and Japan relate to an unsettled demarcation line in the sea where the two countries' 200-nautical-mile Exclusive Economic Zones overlap. This situation is made more complicated by the history between China and Japan and resurgent nationalism on both sides.

**Historical Memory**

Historical memory very often serves as a major motivating factor in Chinese foreign and security policy, especially when the confrontation is seen by China through the lenses of "national humiliation" (the 19th and 20th century legacy of Western imperialism that weakened China). Thus accidental behavior or missteps by other nations could quickly touch on sensitive Chinese feelings. To counter "national humiliation", the current Chinese leadership has a corresponding policy of "national rejuvenation".

China adopted an explicitly nationalist discourse only in relatively recent times. Because of its class-based view of history and of its world proletariat ideology, the Chinese Communist party wished to distance itself from the nationalist Kuomintang and rather tended to blame China's own "feudal" and corrupt rules for the country's decadence and weakness in the 19th and 20th centuries. In the post-Mao period, however, the Communist party effectively embraced capitalism and could no longer rely on the old ideology as a source of political legitimacy. It needed something new. The 1989 Tiananmen crisis dramatically showed that economic development was not enough and had to be accompanied by a political narrative that could preserve social and political cohesion.

To fill this void, the party increasingly promoted a nationalist view of history. It ordered history textbooks to be rewritten to instil patriotism into the young generations and new museums established to showcase past national humiliations. This included a Nanjing Massacre Memorial Hall in Nanjing to preserve the memory of Japanese

aggression. Nationalist education effectively neutralised the effect of the previous decades of Japanese Overseas Development Aid and of soft power diplomacy in China. By the 2010s, after three full decades of nationalist education in classrooms, the narratives of national humiliation and of national rejuvenation are well rooted among China's population. This sparked a corresponding nationalist backlash in Japan.

### **Recent Developments**

The dispute between China and Japan over the East China Sea has existed for a long time, but its importance has become clear only in recent decades as both Asian economies share similar constraints on their patterns of development. Both are global manufacturing giants which rely on imports of resources and exports of manufactured goods, for which maritime security is crucial. The dispute has deteriorated broadly at the same time as China hardened its claims over the South China Sea.

Tensions over the South China Sea, which is strategically vital and believed to contain rich deposits of petroleum, go back decades, but over the past two-three years they have escalated dramatically. This can be attributed to various causes, which also apply to the East China Sea: perhaps economic problems distracted the U.S. from Asia in the late the 2000s, which encouraged China to act; China's navy became stronger; China's leadership responded to growing nationalism; China's resources companies wanted to expedite exploration of the sea; or some combination of these and other factors.

As far as the East China Sea is concerned, Chinese patrolling into waters close to the Senkaku/Diaoyu islands started in 2008. In September 2010, a Chinese fishing boat rammed into a Japan Coast Guard patrol vessel there. In November 2013, China announced the establishment of an Air Defense Identification Zone in the East China Sea. As of May and June 2014, Japanese sources reported that Chinese military jets flew excessively close to aircraft of the Japan Maritime Self Defence Forces and Japan Air Self Defence Forces over high seas. Between 2009 and 2013, according to Japanese data, JASDF scrambles in response to Chinese intrusions increased tenfold from 40 to over 400 per year, and the trend is increasing.

### **Military Build-Up**

An increase of military and paramilitary activities near the Senkaku/Diaoyu Islands brings increased probability of miscalculation or unintended incident (collision in air or water). China's 255,000-strong PLA Navy is largely focused on regional power

projection. With its 68 submarines, 26 destroyers, 52 frigates, 20 corvettes and 1 aircraft carrier it is to play an important role in "national rejuvenation". According to US sources, between 2015 and 2030 China's surface fleet will grow by around 30% and her submarine fleet by 50%, compared to a 15% increase in the period 2000-2015. China is also putting an emphasis on fleet modernization, with a growing preference for indigenous ship design and for advanced technologies.

Furthermore, the Chinese Coast Guard also has significant and increasing capabilities, and is active patrolling around the Senkaku/Diaoyu Islands. Finally, Beijing is making use of what some call its "maritime militia": fishing boats that also carry out patrolling and reconnaissance functions, expanding the Chinese presence in the East and South China Seas.

### **A Crisis Management Mechanism?**

The prospects for conflict and crisis management over the East China Sea depend on many factors, including the risk of political instability in China, challenges caused by the DPRK and long-term as well as short-term deterioration and improvement cycles in Sino-Japanese relations. Multiple reasons exist for concern about a possible East China Sea crisis and China's ability to prevent escalation should this happen.

Nevertheless there are grounds for cautious optimism. China's President Xi Jinping, who places greater priority on national security in comparison to his predecessors, also seeks to improve institutional capacity building. In November 2013 a Central National Security Commission was established under his chairmanship. This may improve Beijing's capacity to coordinate internally and respond to external crises.

At the moment no bilateral crisis management hotlines exist between China and Japan. Although neither side desires military conflict, risk of even an unintended one remains high. The risk of miscalculation may be higher than many assume, and in the event of a confrontation the potential for unintended escalation is significant.