

# Japan's maritime security interests in Southeast Asia and the South China Sea dispute

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## Abstract

Japan's principal security interest in Southeast Asia is the safety and security of regional sea lanes. Over the past several years, Japan has expressed growing concern at rising tensions in the South China Sea and the lack of progress by the claimants to negotiate effective conflict management mechanisms. Japan is not a claimant in the dispute, but as a major maritime trading nation, it is a significant stakeholder. Japan has two major concerns over the South China Sea. First, that instability has the potential to disrupt the free flow of maritime trade on which the country's economic prosperity depends, and, second, that if China is able to persuade or coerce other Asian nations into accepting its claimed 'historic rights' in the South China Sea, existing international legal norms would be undermined. Moreover, Tokyo is alarmed at China's increasingly assertive posture in the maritime domain, and views the disputes in the South and East China Seas as linked. To mitigate its concerns over the South China Sea, Japan is pursuing a number of strategies: it raises the problem at regional security forums; it seeks to enhance cooperation with the Association of Southeast Asian Nations on issues of maritime security and encourage unity within the organization on the South China Sea; it discusses the problem bilaterally with Southeast Asian countries and has started to provide capacity-building support to selected claimants (principally, the Philippines); and it seeks closer ties with other external stakeholders that share its concerns.

## Keywords

Association of Southeast Asian Nations, East China Sea, Japan, South China Sea, Southeast Asia

## Introduction

Over the past several years, Japanese politicians, academics and security practitioners have perceived a sharp deterioration in the country's security environment. In June 2013, for example, at the annual Shangri-La Dialogue in Singapore, Defense Minister Itsunori

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Onodera described Japan's security environment as 'increasingly severe', an assessment echoed by the government's defence White Paper released a month later.<sup>1</sup> The reasons for this decline have been ascribed to two principal developments. First, North Korea's nuclear weapons and ballistic missile programme, which Japanese Foreign Minister Fumio Kishida has warned is a 'serious threat to regional peace and stability'.<sup>2</sup> Second, security challenges associated with the rise of China, especially the Sino-Japanese sovereignty dispute over the Senkaku/Diaoyu Islands in the East China Sea, the rapid modernization of the People's Liberation Army (PLA) and ongoing tensions among six parties (China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei) over territorial and maritime boundary disputes in the South China Sea.<sup>3</sup>

With regards to the second of these challenges, much scholarly and media attention has focused on the Senkaku/Diaoyu dispute, and rightly so.<sup>4</sup> Although Japan identifies the security situation on the Korean Peninsula as its primary security concern, in reality, the risk of a military clash with China over the Senkaku/Diaoyu Islands would appear to be much higher than Japan's Self Defense Forces (SDF) being drawn into a conflict between North and South Korea. This is because since Tokyo 'nationalized' three of the atolls in September 2012, China has been attempting to challenge Japanese administration of the Senkaku/Diaoyu by significantly stepping up the presence of PLA-Navy and civilian maritime agency vessels in waters surrounding the islands.<sup>5</sup> According to Japan's Ministry of Defense, the number of incursions by Chinese government ships into the territorial waters of the disputed atolls increased from zero in 2010 to 23 in 2012 and 21 in the first four months of 2013 alone.<sup>6</sup> The potential for an accidental clash between the armed forces of the two countries was brought into sharp relief in January 2013, when Japan alleged that Chinese frigates had directed their fire control radars at a Japanese naval helicopter and destroyer.<sup>7</sup> Absent effective conflict prevention mechanisms and regular channels of communication, a small incident between the Chinese and Japanese

1. Itsunori Onodera, 'Defending National Interests; Preventing Conflict', Shangri-La Dialogue 2013, Second Plenary Session (1 June 2013), available at: <http://www.iiss.org/en/events/shangri%20la%20dialogue/archive/shangri-la-dialogue-2013-c890/second-plenary-session-8bc4/onodera-d174>; *Defense of Japan 2013* (Tokyo: Ministry of Defense, 2013), p. 1, provisional translation available at: [http://www.mod.go.jp/e/publ/w\\_paper/2013.html](http://www.mod.go.jp/e/publ/w_paper/2013.html)
2. Speech by H.E. Fumio Kishida, Minister of Foreign Affairs of Japan, at the 19th International Conference on 'The Future of Asia' at the Imperial Hotel, Tokyo, 23 May 2013, available at: [http://www.mofa.go.jp/page3e\\_000057.html](http://www.mofa.go.jp/page3e_000057.html)
3. *Defense of Japan 2013*, p. 4.
4. See, for instance, International Crisis Group, *Dangerous Waters: China-Japan Relations on the Rocks*, Asia Report No. 245 (8 April 2013), available at: <http://www.crisis-group.org/~media/Files/asia/north-east-asia/245-dangerous-waters-china-japan-relations-on-the-rocks.pdf>
5. *Ibid.*, p. i.
6. See Figure 111-1-1-2, 'Number of Incursions into the Territorial Waters Around the Senkaku Islands Performed by Chinese Government Ships', in *Defense of Japan 2013* (no page numbers available).
7. *Ibid.*, p. 4.

armed forces could quickly escalate into a major military and diplomatic crisis, made all the more serious by the fact that Washington regards the Senkaku/Diaoyu Islands as covered by the 1960 US–Japan Security Treaty and would be obliged to assist Japan militarily.<sup>8</sup>

Conversely, Japan's views on the South China Sea dispute, and the policies governments have adopted in response to rising tensions since 2007/2008, have elicited very little attention from academics and the media, at least in English.<sup>9</sup> This is surprising for several reasons. First, since Japan's economic take-off in the 1960s, the security of the country's sea lines of communication (SLOC) have been seen by Japanese policymakers as critically important to national security. As a resource-poor country whose prosperity depends upon export-led growth, any threat to the free flow of maritime trade is viewed as existential. Some of Japan's most important SLOCs pass through the South China Sea, and successive governments have invested considerable financial resources to secure them. Thus, while Japan is not a claimant in the South China Sea, it is an important stakeholder in the dispute and has a strongly vested interest in maintaining stability. Second, from Japan's perspective, the disputes in the South China Sea and East China Sea are inextricably linked. For Tokyo, Beijing's strategy in the two seas is, to all intents and purposes, identical, and Japan has increasingly expressed concern that China's actions in both areas risk undermining international legal norms, freedom of navigation and peace and stability in the Asia-Pacific. Third, Japan's responses to the South China Sea dispute illustrate the central elements of its foreign and defence policies in the post-Cold War era: a strong preference to address security problems multilaterally at regional security forums; strengthening its alliance with the US; and providing capacity-building support on a bilateral basis within constitutional and legal restrictions.

This article seeks to fill the gap in the literature on Japanese perceptions of and policy towards the South China Sea dispute. It begins by analysing the central importance of Southeast Asia's maritime domain to Japanese national and economic security, and how

8. Although officials from China and Japan have discussed conflict prevention mechanisms, none have been implemented. See James Przystup, John Bradford and James Manicom, 'Japan–China Maritime Confidence Building and Communications Mechanisms', PacNet #67 (20 August 2013), available at: <http://csis.org/publication/pacnet-67-japan-china-maritime-confidence-building-and-communications-mechanisms>; Mark E. Manyin, *Senkaku (Diaoyu/Diaoyutai) Islands Dispute: U.S. Treaty Obligations*, Congressional Research Service (22 January 2013), p. 5, available at: <http://www.fas.org/sgp/crs/row/R42761.pdf>

9. See Euan Graham, *Japan's Sea Lane Security, 1940–2004: A matter of life and death?* (London and New York, NY: Routledge, 2006); Yoichiro Sato, 'Japan Aid to the Philippines a Warning to China', *East Asia Forum* (29 August 2013), available at: <http://www.eastasiaforum.org/2013/08/29/japan-aid-to-the-philippines-a-warning-to-china/>; Tetsuo Katani, 'What China Wants in the South China Sea', *The Diplomat* (18 July 2011), available at: <http://thediplomat.com/2011/07/18/why-china-wants-the-south-china-sea/>. An earlier version of this article appeared as Ian Storey, 'Japan's Growing Angst over the South China Sea', *ISEAS Perspectives*, No. 20, Institute of Southeast Asian Studies (8 April 2013), available at: [http://www.iseas.edu.sg/documents/publication/ISEAS\\_Perspective%202013\\_20.pdf](http://www.iseas.edu.sg/documents/publication/ISEAS_Perspective%202013_20.pdf); see also Ian Storey, 'Japan Steps Up to the South China Sea Plate', *Wall Street Journal* (10 July 2012).

Tokyo's concerns have evolved over the past five decades: from safety of navigation, to transnational threats, to China's expansive claims and assertive posture in the South China Sea. The article goes on to identify Japan's concerns in the South China Sea since the late 2000s, that is, the potential negative impact on legal norms and sea lane security, and how Japanese analysts view the South and East China disputes as linked. It then examines Japan's four main policy responses to the problem: to multilateralize and internationalize the dispute; to enhance cooperation with the Association of Southeast Asian Nations (ASEAN) on maritime security issues and promote unity within the organization over the South China Sea; to increase capacity-building support to certain Southeast Asian claimants, principally, the Philippines; and to strengthen relations and policy coordination with the US and, in the future, other countries, such as India and Australia.

## Japan and maritime security in Southeast Asia

At the end of World War II, the US sought to disarm, demilitarize and democratize Japan. In 1947, the defeated nation was forced to accept the so-called Peace Constitution by which, under Article 9, Japan renounced war as a sovereign right and the use of force to resolve international disputes.<sup>10</sup> As a means to rebuild national power and regain great power status, Japan's most influential post-war leader, Prime Minister Shigeru Yoshida, crafted a set of principles that was to guide the country's foreign policy for decades to come. The Yoshida Doctrine, as it became known, enunciated three principles.<sup>11</sup> First, Japan's primary national goal was economic rehabilitation. Second, Japan would remain lightly armed and avoid foreign entanglements in international political-strategic issues. Third, Japan's long-term security was dependent on a close relationship with the US and the presence of US military bases in the country. Although the onset of the Cold War led the US to encourage Japan to rearm, and Article 9 was reinterpreted to allow for the right of self-defence (and thus the establishment of the SDF in 1954), the Yoshida Doctrine remained, in the words of Kenneth Pyle, 'a national consensus'.<sup>12</sup>

Japan's single-minded focus on economic development meant that Southeast Asia came to occupy a prominent position in the country's trade, foreign and security policies. Put simply, resource-poor Japan needed access to the region's commodities and food-stuffs, and as the economy boomed during the 1960s and 1970s, Southeast Asia became an important destination for Japanese manufactured goods and investment. Japan's interests in Southeast Asia were dependent on the free flow of maritime trade through regional strategic chokepoints – such as the Singapore, Malacca, Sunda, Lombok and Makassar straits – and the South China Sea. Sea lane security thus became a critical

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10. A copy of the 1947 Constitution is available at: [http://www.kantei.go.jp/foreign/constitution\\_and\\_government\\_of\\_japan/constitution\\_e.html](http://www.kantei.go.jp/foreign/constitution_and_government_of_japan/constitution_e.html)

11. Kenneth B. Pyle, *Japan Rising: The Resurgence of Japanese Power and Purpose* (New York, NY: Public Affairs, 2007), p. 242; Michael B. Yahuda, *The International Politics of the Asia-Pacific, 1945–1995* (London and New York, NY: Routledge, 1996), p. 238.

12. Pyle, *Japan Rising*, p. 242.

national security concern for Japan, as it had been for other great maritime trading powers throughout history, such as Holland, Portugal, Great Britain and the US. Unlike those countries, however, Japan was constricted in its use of naval power to secure its maritime interests. The Japanese Maritime Self Defense Force (JMSDF) was limited by the Constitution to the protection of the homeland, and it was not until the 1980s that the navy was allowed to defend the country's SLOCs out to 1000 nautical miles.<sup>13</sup> Second, the legacy of Japanese aggression in Southeast Asia during World War II was such that regional states such as Indonesia, Malaysia and Singapore would have found an overt Japanese security role unpalatable. Instead, and consistent with the third principle of the Yoshida Doctrine, Japan relied heavily on the US Navy to uphold freedom of navigation in Southeast Asia and beyond. Yet, Japan was no free-rider, and was proactive in providing capacity-building support to the littoral states such as Indonesia and Malaysia in order to secure its navigational interests. In this way, as Euan Graham explains, Japan adopted a 'composite' approach 'blending official and private diplomacy (via non-government and commercial organizations) as well as relying on other maritime states to pursue the more confrontational aspects of freedom of navigation in the region'.<sup>14</sup>

The principal mechanism through which Japan provided aid to the littoral states was the Malacca Strait Council (MSC), established in 1968 and funded by the Japanese government and private shipping organizations in Japan. The MSC funded hydrographic surveys of the Malacca Straits and financed the purchase, installation and maintenance of navigational aids such as buoys, light beacons, lighthouses and a traffic separation scheme.<sup>15</sup> According to Graham, between 1968 and 2001, the MSC provided 13 billion Yen in financial and technical support to the littoral states.<sup>16</sup> Japan's support for the MSC was designed to enhance the country's economic security and was, thus, far from altruistic. Nevertheless, Japanese aid ensured safety of navigation for all shipping, a public good of critical importance to the expansion of world trade and the spread of globalization.

### *Responding to maritime security challenges in the post-Cold War era*

With the end of the Cold War, Japan faced a changed security environment and challenges to its interests from both state and non-state actors. After 1991, the threat posed by the Soviet Union quickly dissipated. But as the decade wore on, Japan became increasingly apprehensive about North Korea's nuclear weapons and ballistic missile programme (exemplified by the nuclear crisis in 1994 and the Taepodong missile incident in 1998), as well as China's growing military capabilities and willingness to

13. James Manicom, 'Japan's Role in Strengthening Maritime Security in Southeast Asia', in John Bradford, James Manicom, Sheldon W. Simon et al. (eds), *Maritime Security in Southeast Asia: U.S., Japanese, and Industry Strategies* (Seattle, WA: National Bureau of Asian Research, 2010), p. 33.
14. Graham, *Japan's Sea Lane Security*, p. 152.
15. Yaacov Y.I. Vertzberger, *Coastal States, Regional Powers, Superpowers and the Malacca-Singapore Straits* (Berkeley, CA: University of California, 1984), p. 9.
16. Graham, *Japan's Sea Lane Security*, p. 163.

apply coercion in pursuit of its national goals, such as in the Taiwan Straits in 1995/1996. But as Bhubhinder Singh has argued, although this series of crises signalled a more challenging neighbourhood, Japan did not react by adopting an independent strategic policy vis-à-vis the US, increasing defence spending or acquiring nuclear weapons.<sup>17</sup> Instead, Japan sought to address these problems through dialogue, both bilateral and at multilateral security forums such as the ASEAN Regional Forum (ARF), and by strengthening its military alliance with the US, including greater interoperability with, and logistical support for, the US military during times of crisis.<sup>18</sup>

Sea lane security remained, of course, a key security concern for Japan throughout the 1990s and into the 2000s. But although tensions began to rise in the South China Sea during the 1990s – especially between China and Vietnam and China and the Philippines – the situation did not arouse undue concern in Tokyo. The dispute was not perceived as a threat to Japan's maritime interests: the PLA-Navy had limited range and capabilities, and Beijing's claims seemed restricted to the uninhabited atolls and rocks of the Spratly Islands. Moreover, from 2000 to 2007, tensions eased considerably due in large part to China's so-called 'Charm Offensive' in Southeast Asia.<sup>19</sup> However, as will be examined later, as China's navy and civilian maritime agencies expanded, and Beijing adopted a more assertive policy in the late 2000s, Japanese perceptions changed.

Japan's primary security concern vis-à-vis sea lane security in Southeast Asia for the first two decades of the post-Cold War era was piracy and sea robbery<sup>20</sup> and, to a lesser extent, maritime terrorism, especially post-9/11. During the 1990s, weak political control, poor governance and socio-economic conditions, and lack of state capacity provided an enabling environment in which maritime crime flourished, particularly in Indonesia following the fall of President Suharto in 1998.<sup>21</sup> The lack of cooperation among Southeast Asian states due to sensitivities over sovereignty compounded the problem. While ships of all flags became victims of pirates and sea robbers in Southeast Asia, due to several high-profile incidents involving Japanese vessels, Japan felt that its ships were bearing the brunt of the problem (though this was not borne out by statistics compiled by the International Maritime Bureau).<sup>22</sup>

17. Bhubhinder Singh, *Japan's Security Identity: From a Peace State to an International State* (Abingdon, Oxon.: Routledge, 2013), pp. 4, 63.

18. *Ibid.*, p. 88.

19. See Chapter 3 of Ian Storey, *Southeast Asia and the Rise of China: The Search for Security* (Abingdon, Oxon.: Routledge, 2011), especially pp. 89–92.

20. Under international law, an act of piracy is defined as an illegal act of violence or detention involving two or more ships on the high seas, that is, outside a coastal state's 12-nautical-mile territorial waters; acts of maritime depredation that occur within a state's territorial waters are known as sea robbery and are subject to the national jurisdiction of the state.

21. See Ian Storey, 'Securing Southeast Asia's Sea Lanes: A Work in Progress', *Asia Policy*, No. 2 (July 2008), pp. 106–109.

22. Manicom, 'Japan's Role', p. 35. A breakdown of International Maritime Bureau statistics does not demonstrate that Japanese-flagged ships were attacked by pirates more often than ships flying other flags.

In responding to the problem, Japan abjured an overt security role for the JMSDF or the Japan Coast Guard (JCG). Instead, it favoured a multilateral approach supplemented by capacity-building support for regional states. Prime Minister Junichiro Koizumi's 2001 proposal for a pan-Asian agreement to tackle maritime crime led to the adoption by 16 countries (the 10 ASEAN members plus Japan, China, South Korea, India, Bangladesh and Sri Lanka) in 2004 of the Regional Agreement on Combatting Piracy and Armed Robbery against Ships in Asia (ReCAAP).<sup>23</sup> In 2006, ReCAAP established an Information Sharing Centre (ISC) in Singapore to facilitate informational exchange, the sharing of best practices and operational cooperation among the signatories' civilian maritime law enforcement agencies. Japan has been the second-largest contributor of funding for the ISC (after Singapore) and the inaugural Executive Director and his successor have both been Japanese citizens.<sup>24</sup> In terms of bilateral support, in the early 2000s, the JCG increased cooperation with its Southeast Asian counterparts through training programmes and counter-piracy exercises.<sup>25</sup> Japan also helped improve the maritime surveillance and interdiction capabilities of regional coast guards through the transfer of patrol boats and training vessels using Overseas Development Aid (ODA) distributed through the Ministry of Foreign Affairs.

During the 2000s, reported incidents of piracy and sea robbery in Southeast Asia fell sharply: from a high of 271 in 2000 to 67 in 2009.<sup>26</sup> The downturn in maritime violence was due to a combination of factors, including: multilateral efforts such as ReCAAP and coordinated naval patrols launched by Indonesia, Malaysia and Singapore in the Straits of Malacca in 2004; national initiatives by those three countries to improve security in their ports and territorial waters; and capacity-building support from Japan and the US.<sup>27</sup> Although there has been a slight increase in attacks since 2010, the majority of incidents have occurred in Indonesian waters, while the number of incidents in the Straits of Malacca remains negligible in a waterway used by more than 70,000 ships every year (between 2008 and 2012, the number of reported attacks has averaged two per year).<sup>28</sup> By the late 2000s, the geographical focus of the piracy problem had shifted decisively to the waters off Somalia and in the Gulf of Aden.

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23. ReCAAP was finalized on 11 November 2004 and came into effect on 4 September 2006. To date, 17 countries have become contracting parties to ReCAAP, though two key Southeast Asian states, Malaysia and Indonesia, have refused to ratify the agreement, citing sovereignty concerns.
  24. *The Asian Initiative: Enhancing Regional Cooperation 2006–2008* (Singapore: ReCAAP, 2009), p. 55, available at: [http://www.recaap.org/DesktopModules/Bring2mind/DMX/Download.aspx?Command=Core\\_Download&EntryId=35&PortalId=0&TabId=78](http://www.recaap.org/DesktopModules/Bring2mind/DMX/Download.aspx?Command=Core_Download&EntryId=35&PortalId=0&TabId=78)
  25. Mark Valencia, 'Piracy and Terrorism in Southeast Asia', in Derek Johnson and Mark Valencia (eds), *Piracy in Southeast Asia: Status, Issues and Responses* (Singapore: ISEAS, 2005), pp. 93, 107.
  26. Figures compiled from the International Maritime Bureau, 'Piracy and Armed Robbery Against Ships Annual Report', various issues 2001–2011.
  27. Storey, 'Securing Southeast Asia's Sea Lanes'.
  28. International Maritime Bureau, 'Piracy and Armed Robbery Against Ships Annual Report: Report for the Period 1 January–31 December 2012' (January 2013), p. 5.

Unlike the Straits of Malacca, the absence of a functioning government in Somalia required a robust response from the international community, including from Japan, which dispatched JMSDF vessels to participate in counter-piracy patrols. By 2011/2012, the problem was being managed effectively. Negative developments in the South China Sea had, in any case, already supplanted piracy as Japan's primary maritime security concern in Southeast Asia.

## Japan and the South China Sea dispute

The South China Sea dispute centres on overlapping sovereignty claims to hundreds of small atolls and their associated maritime zones.<sup>29</sup> The two main archipelagos under dispute are the Paracel Islands and the Spratly Islands. The Paracels dispute is a bilateral problem between China and Vietnam. In 1974, China occupied the whole of the Paracels when the PLA dislodged South Vietnamese troops from the western part of the archipelago. Vietnam considers this action to have been illegal and still claims sovereignty over the entire group. Further south lies the Spratlys, a group comprising several hundred insular features including islands, rocks and reefs. China, Taiwan and Vietnam claim sovereignty over all of the features in the Spratlys; Malaysia and the Philippines claim parts of the group; and two features lie within Brunei's 200-nautical-mile exclusive economic zone (EEZ), and although the government has never made a formal sovereignty claim to them, Brunei is usually listed as a claimant.<sup>30</sup> Sovereignty of Scarborough Shoal – which lies 130 nautical miles west of Luzon and is technically not part of the Spratlys – is claimed by both China and the Philippines. In addition to China's claims to the Paracels and Spratlys, official Chinese maps indicate a discontinuous nine-dash line encompassing approximately 80% of the South China Sea. However, as examined later, Beijing's reluctance to explain what the nine dashes denote has aroused concern across the region.

Japan played a minor role in the South China Sea dispute prior to World War II. In the 1920s and 1930s, Japanese phosphate companies were active in the Spratlys, and in 1939, Imperial Japan occupied atolls in the Paracels and Spratlys as part of its aggressive expansion in China and Southeast Asia.<sup>31</sup> Japan stationed troops on

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29. For a general overview of the dispute, see Clive Schofield and Ian Storey, *The South China Sea Dispute: Increasing Stakes and Rising Tensions*, Jamestown Foundation Occasional Paper (November 2009); the special issue of *Contemporary Southeast Asia* 33, No. 3 (December 2011); International Crisis Group, *Stirring up the South China Sea (I)* (23 April 2012), available at: <http://www.crisisgroup.org/~media/Files/asia/north-east-asia/223-stirring-up-the-south-china-sea-i.pdf>; International Crisis Group, *Stirring up the South China Sea (II): Regional Responses* (24 July 2012), available at: <http://www.crisisgroup.org/~media/Files/asia/north-east-asia/229-stirring-up-the-south-china-sea-ii-regional-responses.pdf>
30. See Ian Storey, 'Brunei and China', in Bruce Elleman, Stephen Kotkin and Clive Schofield (eds), *China and its Borders: Twenty Neighbors in Asia* (New York, NY: M.E. Sharpe, 2012).
31. Daniel J. Dzurek, *The Spratly Islands Dispute: Who's on First?*, Maritime Briefing, Vol. 2, No. 1 (Durham: International Boundaries Research Unit, 1996), pp. 10–11.

Spratly Island and established a submarine base on the largest of the islands, Itu Aba.<sup>32</sup> When Imperial Japan was defeated in August 1945, Japanese forces were withdrawn, and in 1951, Tokyo renounced its claims to the Paracel and Spratly Islands under the San Francisco Peace Treaty.<sup>33</sup> Since then, Japan has not taken a position on the territorial claims of any of the six parties.

Tensions in the South China Sea have been cyclical. As the Cold War thawed in the late 1980s, the dispute emerged as a prominent regional security issue. Friction among the disputants began to heat up as they moved to strengthen their sovereignty claims – particularly China through the passage of domestic legislation in 1992<sup>34</sup> – and exercise sovereign rights to maritime resources in their EEZs provided for by the 1982 United Nations Convention on the Law of the Sea (UNCLOS), which came into force in 1994. In the second half of the 1990s, the dispute became a major source of bilateral tension between Beijing and Manila (especially after China's occupation of Philippine-claimed Mischief Reef in 1995), and Beijing and Hanoi. Tensions eased considerably in the early 2000s, principally because China adopted a more accommodating position as part of its so-called 'Charm Offensive' in Southeast Asia. Most notably, in 2002, ASEAN and China signed the Declaration on the Conduct of Parties in the South China Sea (DoC), a non-binding conflict management mechanism, and in 2005, the state-owned energy companies of China, the Philippines and Vietnam agreed to conduct joint seismic explorations in disputed waters.<sup>35</sup> The dispute moved to the back burner of regional security issues.

Since 2007/2008, and especially since 2010, however, tensions have been rising due to a combination of factors: growing nationalism over ownership of the atolls; moves by some of the claimants to strengthen their territorial and jurisdictional claims through national legislation, submissions to the United Nations (UN) and acts of administration such as the establishment of regular postal, tourism and telecommunications links; increasing competition over access to natural resources, especially fisheries and hydrocarbons; the rapid modernization of the PLA-Navy and expansion of China's civilian maritime law enforcement agencies, which have enabled Beijing to increase its presence in the South China Sea and exert coercive pressure on Vietnam and the Philippines; and, as a result of growing tensions, America's more proactive policy towards the dispute.

During the first two decades of the post-Cold War period, Japan does not seem to have viewed the South China Sea dispute as a pressing concern or as a threat to sea lane security. This lack of concern is reflected in two of Japan's regular English-language assessments of the country's security environment: the *East Asia Strategic Review* (EASR),

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32. Ibid.

33. See Article 2 (f), 'Treaty of San Francisco' (8 September 1951), available at: <http://www.taiwandocuments.org/sanfrancisco01.htm>

34. See 'Law of the Territorial Sea and Contiguous Zones' (25 February 1992), available at: <http://library.uoregon.edu/ec/e-asia/read/sealaw.pdf>

35. 'Declaration on the Conduct of Parties in the South China Sea' (4 November 2002), available at: <http://www.asean.org/asean/external-relations/china/item/declaration-on-the-conduct-of-parties-in-the-south-china-sea>

published since 1996 by the National Institute for Defense Studies (NIDS), and Japan's annual defence White Papers.<sup>36</sup>

In the 1990s, the EASR devoted most of its analysis to the perceived threat to Japan posed by North Korea, China's policy towards Taiwan and the strengthening of US–Japan strategic ties. In the decade following the terrorist attacks of 11 September 2001, both the EASR and defence White Papers focused on terrorism, the spread of weapons of mass destruction (WMD; including North Korea's nuclear weapons programme) and the conflicts in Iraq and Afghanistan. China's rising economic, political and military power was also a consistent theme throughout the 1990s and 2000s. Both publications, but particularly the defence White Papers, note with some concern the activities of China's maritime agencies in the waters surrounding Japan, as well as the lack of transparency concerning the modernization of its armed forces and rising defence outlays. In terms of Southeast Asian security, the two publications assessed the fallout from the 1997/1998 Asian Financial Crisis, the rising incidents of piracy and, post-9/11, Islamic extremism. The South China Sea dispute was mentioned only in passing. While the Mischief Reef Incident led to a major crisis in Sino-Philippine relations, and aroused concern across the region, the 1996–1997 EASR merely referred to it as China establishing a 'foothold' in the Spratlys.<sup>37</sup> Between 2006 and 2010, Japan's defence White Papers simply listed the South China Sea dispute as one of several 'destabilizing factors' in Southeast Asia.<sup>38</sup> In general, until the late 2000s, Japanese analysts adopted a neutral, even positive, view of China–Southeast Asia relations. The 2007 EASR, for example, recognized China's efforts to dispel regional anxieties associated with its rising power – including the 2002 DoC – and that Beijing 'actively seeks to settle territorial disputes in a peaceful manner' in the South China Sea.<sup>39</sup> The 2008 *Defense of Japan* lamented, however, the lack of progress between ASEAN and China to negotiate a legally binding Code of Conduct for the South China Sea (CoC).<sup>40</sup>

The year 2010 marked a negative turning point in Sino-Japanese relations. In September, the detention of the captain of a Chinese fishing trawler that had allegedly rammed a JCG vessel near the Senkaku/Diaoyu Islands sparked a diplomatic crisis between the two countries. Exactly two years later, bilateral relations plunged to a post-war low following the Japanese government's decision to 'nationalize' three of the privately owned atolls in the disputed islands. In China's view, this action represented a unilateral change in the status quo by Japan, and it responded by increasing naval and air patrols in the vicinity of the islands in what appears to be a concerted effort to challenge Japan's jurisdictional

36. NIDS published EASR biannually between 1996 and 1998, and annually from 1999. See: <http://www.nids.go.jp/english/publication/east-asian/index.html>. English versions of Japan's defence White Papers have been published online since 2004 by the Ministry of Defense. See: [http://www.mod.go.jp/e/publ/w\\_paper/index.html](http://www.mod.go.jp/e/publ/w_paper/index.html)

37. *East Asia Strategic Review 1996–1997* (Tokyo: National Institute for Defense Studies, 1996), p. 196.

38. See *Defense of Japan* (2006–2010), available at: [http://www.mod.go.jp/e/publ/w\\_paper/index.html](http://www.mod.go.jp/e/publ/w_paper/index.html)

39. *East Asia Strategic Review 2007* (Tokyo: Japan Times and NIDS, 2007), p. 155.

40. *Defense of Japan 2008* (Tokyo: Ministry of Defense, 2008), p. 73.

claims. Following the Japanese government's decision, anti-Japanese demonstrations took place in hundreds of cities across China.

Even before the upsurge of tensions in the East China Sea, Japan's defence White Papers were registering growing concern over China's military posture. Between 1988 and 1997, China raised defence spending by an annual average of 14.5%, rising to 15.9% between 1998 and 2007.<sup>41</sup> In 2012, China's official defence spending rose to US\$106 billion, the second highest in the world – admittedly a long way behind the US, which spent US\$614 billion, but nevertheless the highest in Asia.<sup>42</sup> These trends stood in marked contrast to Japan's political, economic and military milieu. Since the early 1990s, the Japanese economy has been mired in recession, a problem compounded by weak political leadership. As a direct consequence of economic stagnation, defence spending remained flat: in 1999, Japan spent US\$54.39 billion on its armed forces and in 2011, US\$54.53 billion (in constant 2010 US dollars).<sup>43</sup> While the 2008 White Paper stated that Japan 'desired' China to show greater transparency over its military modernization programme, a year later, it declared that China had 'not yet reached the levels of transparency expected of a major regional power'.<sup>44</sup> By 2010, Tokyo was warning that this lack of transparency had become a 'matter of concern for the regional and international community' and that it could lead to a 'sense of mistrust and misunderstanding in other countries'.<sup>45</sup> By 2013, the tone had hardened even further, with Japan accusing China of reduced transparency in terms of its defence budget and the PLA of conducting 'dangerous activities' in Japanese territorial waters and airspace and undermining the country's security environment.<sup>46</sup>

As bilateral relations worsened, Japanese analysts also began expressing heightened concern over negative trends in the South China Sea. NIDS, for instance, pointed to increasing tensions between the claimants beginning in 2009, and attributed this to a greater Chinese military presence in the South China Sea, as well as America's more engaged policy towards the dispute.<sup>47</sup> Analysts also noted that China's 'assertive actions' in the South China Sea had led some ASEAN members to increase defence spending and modernize their armed forces and facilitated increased security cooperation between some Southeast Asian countries and the US.<sup>48</sup> The 2012 EASR concluded that due to China's growing military capabilities and influence within ASEAN, Beijing had little reason to make concessions over the dispute and therefore the situation would remain 'unstable' for the foreseeable future.<sup>49</sup> Japan is concerned that the dispute has the potential to undermine sea lane security in the South China Sea. As described earlier,

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41. Ibid.

42. 'China's Defense Budget to Grow 11.2 Pct in 2012: Spokesman', *Xinhua*, 4 March 2012.

43. See (Stockholm International Peace Research Institute (SIPRI) Military Expenditure Database, available at: <http://milexdata.sipri.org>

44. Ibid., p. 50; *Defense of Japan 2009* (Tokyo: Ministry of Defense, 2008), p. 50.

45. *Defense of Japan 2010* (Tokyo: Ministry of Defense, 2010), p. 5.

46. *Defense of Japan 2013* (Tokyo: Ministry of Defense, 2013), pp. 42, 46, 5.

47. *East Asia Strategic Review 2011* (Tokyo: Japan Times and NIDS, 2007), p. 141.

48. Ibid., pp. 164, 9.

49. Ibid., p. 150.

since at least the 1960s, this has been Tokyo's principal security interest in Southeast Asia. And given that Japan's 'survival and prosperity' depends on secure SLOCs, this is unlikely to change.<sup>50</sup> Japanese trade figures for 2010 underscore the critical importance of the regional sea lanes. In that year, the value of two-way commerce between Japan and the 10 members of ASEAN was US\$214 billion; with South Asia (India, Pakistan and Bangladesh) US\$17.8 billion; and with the European Union US\$147 billion.<sup>51</sup> More than 90% of Japan's energy supplies also transit through the region. While few people predict a major war in the South China Sea, conflict, accidental or otherwise, cannot be ruled out. Any conflict would, of course, severely disrupt Japan's vital SLOCs.

Japanese concerns over the South China Sea have grown in tandem with rising tensions in the East China Sea because Tokyo views the two disputes as inextricably linked.

Observers in Japan believe that China's policy towards the two disputes is more or less identical. In particular, as the 2013 defence White Paper argues, China's strategy towards the other claimants is to weaken their 'effective control' of the atolls they claim or occupy while at the same time strengthening its own territorial and jurisdictional claims using the navy and other maritime agencies.<sup>52</sup> As noted, China's strategy in the East China Sea is to challenge and undermine Japanese jurisdiction over the Senkaku/Diaoyu Islands. In 2012, China successfully employed this strategy at Scarborough Shoal, using its superior maritime agencies to force the Philippines to withdraw its own vessels and thereby gaining de facto control over the disputed atoll.<sup>53</sup> In reference to the Scarborough Shoal incident during a visit to Manila in June 2013, Defence Minister Onodera highlighted the connection between the South and East China Seas disputes by noting that Japan was 'very concerned that this kind of situation could affect the situation in the East China Sea'.<sup>54</sup> Prime Minister Shinzo Abe was even more direct when he wrote that if Tokyo conceded control of the Senkaku/Diaoyu Islands, this would embolden Beijing in the South China Sea:

Japan must not yield to the Chinese government's daily exercises in coercion around the Senkaku Islands. . . . By making these boats' presence appear ordinary, China seeks to establish its jurisdiction in the waters surrounding the islands as a fait accompli. . . . If Japan were to yield, the South China Sea would become even more fortified.<sup>55</sup>

Japan is perturbed that China's actions towards its territorial disputes in the maritime domain hinder access to the "global commons" (defined by the government as sea, space and cyberspace), undermines international legal norms and puts at risk freedom of

50. *Defense of Japan 2013*, p. 243.

51. Statistics compiled from *Direction of Trade Statistics: Yearbook 2011* (Washington, DC: International Monetary Fund, 2011).

52. *Defense of Japan 2013*, p. 48.

53. In its January 2013 submission to the UN, the Philippines accused China of 'seizing' Scarborough Shoal. See 'Notification and Statement of Claim', Department of Foreign Affairs, Manila (22 January 2013), available at: <http://www.dfa.gov.ph/>

54. 'Japan vows to help Philippines amid China sea row', *Straits Times* (27 June 2013).

55. Shinzo Abe, 'Asia's Democratic Security Diamond', *Project Syndicate* (27 December 2012).

navigation.<sup>56</sup> Emblematic of Tokyo's disquiet is China's nine-dash line map (also referred to as the U-shaped line map). As mentioned earlier, Beijing has never officially explained what the nine dashes represent but four potential meanings have been advanced.<sup>57</sup> First, China is claiming sovereignty over all of the islands inside the line, as well as their 12-nautical-mile territorial seas and 200-nautical-mile EEZ. Second, the area within the line represents China's 'historic waters'. Third, the waters bounded by the U-shaped line are an EEZ and continental shelf claim generated by the Paracels, Spratlys and Scarborough Shoal. Fourth, China claims sovereignty over all of the disputed islands, an EEZ and continental shelf generated by those islands, as well as 'historic rights' to the entire maritime space, including entitlement to all living and non-living resources.

Increasingly, it appears that it is the fourth of these interpretations that has become China's *de facto* official line. Although the U-shaped line had appeared on Chinese maps since the late 1940s, it was not until 2009 that China officially lodged a copy of the map with the UN attached to a *note verbale* protesting a joint submission by Vietnam and Malaysia to the Commission on the Limits of the Continental Shelf.<sup>58</sup> In the note, China declared that it had 'indisputable sovereignty over the islands in the South China Sea and the adjacent waters, and enjoys sovereign rights and jurisdiction over the relevant waters as well as the seabed and subsoil thereof (see attached map)'. In 2011, the state-owned energy company China National Offshore Oil Corporation (CNOOC) invited tenders for nine offshore blocks covering 160,000 km<sup>2</sup> in the South China Sea.<sup>59</sup> The blocks, which CNOOC described as being in 'waters under the jurisdiction of the People's Republic of China', lie at the outermost limits of the nine-dash line and entirely within Vietnam's claimed EEZ.<sup>60</sup> The closest China has come to an official articulation of the fourth interpretation occurred in 2013, when Zhiguo Gao – a Chinese judge on the UN's International Tribunal on the Law of the Sea (ITLOS) – published a co-authored article which argued that the U-shaped line was justified under international law and had:

become synonymous with a claim of sovereignty over the island groups that always belonged to China and with an additional Chinese claim of historical rights of fishing, navigation, and other marine activities (including the exploitation of resources, mineral or otherwise) on the islands and in the adjacent waters.<sup>61</sup>

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56. *Defense of Japan 2013*, pp. 6, 89.

57. Duong Danh Huy, 'China's U-Shaped Line in the South China Sea', *Asia Sentinel* (19 September 2012), available at: [http://www.asiasentinel.com/index.php?option=com\\_content&task=view&id=4833&Itemid=390](http://www.asiasentinel.com/index.php?option=com_content&task=view&id=4833&Itemid=390)

58. 'Note from the Permanent Mission of the People's Republic of China addressed to the Secretary General of the United Nations', CML/17/2009 (7 May 2009), available at: [http://www.un.org/Depts/los/clcs\\_new/submissions\\_files/submission\\_mysvnm\\_33\\_2009.htm](http://www.un.org/Depts/los/clcs_new/submissions_files/submission_mysvnm_33_2009.htm)

59. 'Notification of Part of Open Blocks in Waters under Jurisdiction of the People's Republic of China Available for Foreign Cooperation in the Year of 2012' (23 June 2012), available at: <http://en.cnoc.com.cn/data/html/news/2012-06-22/english/322127.html>

60. *Ibid.*

61. Zhiguo Gao and Bing Bing Jia, 'The Nine-Dash Line in the South China Sea: History, Status, and Implications', *The American Journal of International Law*, Vol. 107, No. 95 (2013), p. 108.

The legal basis for China's U-shaped line has been questioned by governments and legal experts across the region. Indonesia formally challenged the map at the UN in 2010, followed by the Philippines in 2013.<sup>62</sup> Earlier, in 2011, Philippine Foreign Secretary Albert Del Rosario described the map as 'the crux' of the South China Sea problem and a 'stumbling block' to its resolution: 'The Philippines contends that the 9-dash claim of China is, to put it plainly, illegal. It is arbitrary and bereft of any basis or validity under international law, specifically UNCLOS'.<sup>63</sup> While Vietnam has not formally protested the map, Vietnamese leaders have declared that it has no legal basis.<sup>64</sup> Singapore is not a claimant, but has expressed reservations about the legality of China's claims. In a Keynote Address during an academic conference in Singapore, former senior minister and law expert Professor S. Jayakumar described the map as 'puzzling and disturbing' as it could be 'interpreted as being a claim on all the maritime areas within the nine dotted lines'.<sup>65</sup> Several days later, Singapore's Ministry of Foreign Affairs called on China to clarify its claims in the South China Sea 'with more precision as the current ambiguity as to their extent has caused serious concerns in the international maritime community'.<sup>66</sup> Singapore's Ambassador-at-Large Tommy Koh has pointed out that if China is only claiming the insular features within the nine-dash line, this can be consistent with UNCLOS, but that if it is claiming sovereignty over the features and the waters, this is incompatible with UNCLOS.<sup>67</sup>

Officially, Japan has not challenged the U-shaped line, though it has called on all the claimants, including China, to clarify their maritime claims.<sup>68</sup> In private, however, Japanese officials argue that the nine-dash line has no legal basis and that if China persuades, or coerces, neighbouring countries into accepting the historical bases of its maritime

62. See: [http://www.un.org/Depts/los/clcs\\_new/submissions\\_files/mysvnm33\\_09/idn\\_2010re\\_mys\\_vnm\\_e.pdf](http://www.un.org/Depts/los/clcs_new/submissions_files/mysvnm33_09/idn_2010re_mys_vnm_e.pdf); 'Notification and Statement of Claim'.

63. 'Secretary Del Rosario Says China's 9-Dash Line Is "Crux of Problem" in WPS', Department of Foreign Affairs (5 August 2011).

64. During the Question and Answer session at the 2010 Shangri-La Dialogue, Vietnamese Defence Secretary General Thanh said that the map had no legal justification. During his visit to Washington DC in July 2013, Vietnamese President Truong Tan Sang said 'We cannot find any legal foundation or scientific basis for such a claim and therefore it is the consistent policy of Vietnam to oppose the nine-dash-line plan by China'. See 'Viet Leader Opposes China's Sea Claims', *Agence-France Presse* (27 July 2013).

65. Keynote Address by Professor S. Jayakumar, National University of Singapore Centre for International Law Conference on 'Joint Development and the South China Sea', Singapore (16 June 2011).

66. 'MFA Spokesman's Comments in Response to Media Queries on the Visit of Chinese Maritime Surveillance Vessel Haixin 31 to Singapore' (20 June 2011).

67. Tommy Koh, 'Mapping Out Rival Claims in the South China Sea', *Straits Times* (13 September 2011).

68. See 'Overview of the 19th ASEAN Regional Forum', Ministerial Meeting 2012, Ministry of Foreign Affairs of Japan (13 July 2012), available at: [http://www.mofa.go.jp/region/asia-paci/asean/conference/arf/overview\\_mm19th.html](http://www.mofa.go.jp/region/asia-paci/asean/conference/arf/overview_mm19th.html)

claims, this would fundamentally undermine the norms enshrined in UNCLOS.<sup>69</sup> According to Del Rosario, Prime Minister Abe expressed support for the Philippines' January 2013 submission to the UN – which challenges the legal validity of the nine-dash line – during a visit to Manila in May 2013.<sup>70</sup>

China's claim that it has the right to regulate navigational activities – including the movement of warships – in its EEZ and within the U-shaped line as a whole also concerns Japan. While most governments view foreign military surveillance activities in the EEZ of a coastal state as legitimate and permissible under UNCLOS, China regards such actions as illegal.<sup>71</sup> This interpretation (which a dozen or so countries around the world, including in Asia, support) puts the US and China at odds, and has resulted in a series of crises, including the 2001 EP-3 surveillance plane and 2009 *Impeccable* incidents. The issue of foreign military surveillance activities in the EEZ of a coastal state poses a dilemma for Japan. In general, Tokyo supports the position of the US, but does not do so publicly because this would prevent it from criticizing China for conducting the same kinds of activities in Japan's EEZ, which, as its defence White Papers reveal, it views with dismay.

## Japan's policy responses

Tokyo's response to the deteriorating situation with Beijing in the East China Sea, and related concerns, has been to accelerate the restructuring and repositioning of its armed forces. The government plans to boost the SDF's presence in the south-west of the country so as to improve deterrence, surveillance of foreign ships and aircraft, and the defence of offshore islands.<sup>72</sup> In addition, Japan is improving interoperability and training with the US military (especially in amphibious warfare), a trend that has been underway since the mid-2000s.<sup>73</sup> The Abe government has also raised defence spending for the first time in over a decade (albeit by only 0.8%).<sup>74</sup>

As regards the South China Sea, Japan has rejected a military response as inappropriate. Japan is not a claimant, and such an approach would further inflame tensions with China. Instead, much as it did in response to increasing piracy attacks in Southeast Asian waters in the early 2000s, Japan seeks to mitigate its security concerns by

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69. Author interviews with senior Japanese foreign ministry and defence officials in Tokyo, October and December 2012.

70. 'Japan Supports Philippines' Legal Move on South China Sea Dispute', *Philippine Star* (23 May 2013).

71. Jonathan Odom, 'A China in the Bull Shop? Comparing the Rhetoric of a Rising China with the Reality of the International Law of the Sea', *Ocean and Coastal Law Journal* Vol. 17, No. 2 (2012), pp. 201–249.

72. *East Asia Strategic Review 2013* (Tokyo: Japan Times and NIDS, 2013), pp. 106–107; Onodera, 'Defending National Interests; Preventing Conflict'.

73. Christopher W. Hughes, *Japan's Militarisation* (Abingdon, Oxon.: Routledge for IISS, 2009), pp. 91–97.

74. 'Japan's Defense Budget to Increase for First Time in 11 Years', *Bloomberg* (30 January 2013).

promoting multilateral cooperation, supplemented by bilateral support for individual ASEAN members. In doing so, Japan aims to preserve the existing maritime order in Asia. This has become a key theme in Japanese foreign policy, especially since the Abe government assumed office in December 2012. It is a theme that senior government officials have repeatedly stressed. In a major foreign policy speech on Southeast Asia in January, for instance, Abe outlined an eponymous doctrine composed of five principles, the second of which was a pledge to ensure that the maritime domain remained 'governed by laws and rules, not might'.<sup>75</sup> The 'not might' clause can be interpreted as a veiled criticism of China. A month later in Washington DC, the Prime Minister opined that Japan must 'continue to be a guardian of the global commons, like the maritime commons, open enough to benefit everyone'.<sup>76</sup> In May, Foreign Minister Fumio Kishida said that it was imperative to maintain the 'existing order through the rule of law, rather than by force, and ensuring safe and free navigation are essential to regional peace and prosperity'.<sup>77</sup> In June, at the Shangri-La Dialogue, Defense Minister Onodera stated that it was important for countries to comply with 'maritime rules and norms' and that Japan intended to play a 'greater role in upholding the fundamental principles of freedom of navigation and to the adherence of maritime laws centered on UNCLOS'.<sup>78</sup>

Japan's policy towards the South China Sea is composed of four interlinked strands. First, multilateralize or 'internationalize' the problem by raising it at ASEAN-led security forums. Second, enhance cooperation with ASEAN on maritime security issues, and promote unity within the organization over the South China Sea. Third, strengthen relations with individual ASEAN members and, in certain cases, provide capacity-building support. Fourth, increase policy coordination with the US and other external players.

### *Multilateralizing the South China Sea dispute*

China views the dispute as a bilateral problem and is opposed to its 'internationalization'. In 2012, Fu Ying, China's Vice Minister for Foreign Affairs, told Foreign Secretary Del Rosario that this meant that the Philippines should only discuss the problem with China, should not raise the issue at regional forums and should not unilaterally submit the dispute to international legal arbitration.<sup>79</sup> As the diplomatic climate has worsened in the South China Sea, non-claimant regional states have studiously ignored the second of these dictates. As with other countries, Japan has come to view the dispute

75. Prime Minister Abe did not deliver the speech in person as his trip to Southeast Asia was cut short due to a hostage crisis in Algeria in which 14 Japanese nationals were killed. See 'The Bounty of the Open Sea: Five New Principles for Japanese Diplomacy' (18 January 2013), available at: [http://www.kantei.go.jp/foreign/96\\_abe/statement/201301/18speech\\_e.html](http://www.kantei.go.jp/foreign/96_abe/statement/201301/18speech_e.html)

76. Shinzo Abe, 'Japan is Back', speech delivered at the Center for Strategic and International Studies, Washington DC (22 February 2013), available at: [http://csis.org/files/attachments/132202\\_PM\\_Abe\\_TS.pdf](http://csis.org/files/attachments/132202_PM_Abe_TS.pdf)

77. Kishida, 'The Future of Asia'.

78. Onodera, 'Defending National Interests'.

79. Greg Torode, 'Filipino Albert Del Rosario a Lone Asean Voice Taking on China', *South China Morning Post* (9 December 2012).

as an international problem and not just a regional problem between China and the four ASEAN claimants. As the 2013 defence White Paper notes, the South China Sea is a 'common matter of concern for the whole international community, and is directly related to the peace and stability of the Asia-Pacific region'.<sup>80</sup> Accordingly, since 2010, Japanese officials have consistently raised the country's concerns at regional security forums and stressed the need to preserve the existing maritime order. Most notably, in 2010, Japan joined 11 countries in articulating its concerns at the ARF, the first time the dispute had been addressed at the forum in a substantive manner. At the 2012 ARF, Japan described the South China Sea dispute as 'directly related to the peace and stability of the Asia-Pacific region', called on all the parties to clarify their claims in accordance with UNCLOS and expressed 'serious concern' over the Sino-Philippine Scarborough Shoal Incident in May–June.<sup>81</sup> Prime Minister Yoshihiko Noda reiterated these concerns at the East Asia Summit (EAS) in November 2012.<sup>82</sup>

Japan has also utilized regional security forums to promote 'good seamanship' or 'shared customary manners' to prevent incidents at sea from occurring and escalating into major crises.<sup>83</sup> These venues include the Expanded ASEAN Maritime Forum (EAMF), the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus) Expert Working Group on Maritime Security and the ARF Inter-Sessional Meeting on Maritime Security.<sup>84</sup> In particular, Japan has been keen to promote the Code for Unalerted Encounters at Sea (CUES). CUES was drawn up in 1999 by the 20 members of the Western Pacific Naval Symposium (WPNS; which includes Japan, China and eight ASEAN members) to 'offer safety measures and a means to limit mutual interference and uncertainty and facilitate communication when naval and public ships, submarines or aircraft make contact'.<sup>85</sup> Specifically, it provides a code of conduct for when warships encounter each other 'casually or unexpectedly'. CUES lists actions that a 'prudent commander' should avoid, including 'simulation of attacks by aiming guns, missiles, fire control radars, torpedo tubes or other weapons in the direction of vessels or aircraft encountered', the discharge of weapons in the direction of other vessels, and 'aerobatics in the vicinity of ships encountered' (i.e. low-level overpasses or 'buzzing').<sup>86</sup> Parts 4 and 5 of CUES suggest a set of standard communication procedures for ships and aircraft, including emergency signals. Japan hopes that wider adherence to CUES by regional navies will pre-empt conflict in both the South and East China Sea.

### *Strengthening Japan–ASEAN cooperation on maritime security*

Since the uptick in tensions in the South China Sea in the late 2000s, Japan has been keen to promote cooperation with ASEAN on maritime security issues. This was first

80. *Defense of Japan 2013*, p. 89.

81. 'Overview of the 19th ASEAN Regional Forum'.

82. 'Japan to Challenge China on Security', *Wall Street Journal* (19 November 2011).

83. Onodera, 'Defending National Interests'; *Defense of Japan 2013*, p. 255.

84. *Defense of Japan 2013*, p. 255.

85. 'Code for Unalerted Encounters at Sea' (author copy), p. 4.

86. *Ibid.*, p. 12.

outlined at the 14th ASEAN–Japan Summit in November 2011, when the two sides issued the Joint Declaration for Enhancing ASEAN–Japan Strategic Partnership for Prosperity Together (Bali Declaration), as well as a Joint Action Plan to implement it.<sup>87</sup> In the Bali Declaration, ASEAN and Japan pledge ‘stronger cooperation on maritime issues in particular to ensure freedom of navigation, safety of navigation, unimpeded commerce, and the peaceful settlement of disputes in the region in accordance with international law of the sea’, while the Joint Action Plan calls for cooperation between their maritime agencies, including training and capacity-building support.<sup>88</sup> Japan has also supported the implementation of the DoC and the early conclusion of a CoC. It was at that Bali Summit that Tokyo suggested that the ASEAN Maritime Forum be expanded to include dialogue partners, thus providing another venue to discuss conflict management issues and a ‘harmonisation’ of views on maritime security. ASEAN accepted Japan’s proposal and the EAMF met in October 2012. Japan hopes that the EAMF will meet on an annual basis.<sup>89</sup>

As tensions have increased in the South China Sea, ASEAN unity has come under strain. Although the ASEAN states are committed to a lowest-common-denominator consensus – that is, that all parties and stakeholders have a vested interest in peace and stability in the South China Sea; that the dispute should be resolved peacefully in accordance with international law and without the use of force; and that China and ASEAN should pursue confidence-building measures to reduce tensions – differences of opinion and approach have emerged among the member states, especially between the claimants and non-claimants.<sup>90</sup> This worries Japan for two reasons. First, it impedes efforts to better manage the dispute, allowing tensions to fester and increase. Second, it raises the unwelcome prospect that China could exploit divisions within ASEAN and cut separate deals with individual claimants that would benefit its national interests. The EASR of 2011 alluded to these concerns when it noted that ‘China’s policy of driving a wedge between members of the organization could have a major impact on how ASEAN responds to the problem’.<sup>91</sup> Japan’s fears proved prescient. In July 2012, during the chairmanship of Cambodia – which has close political and economic ties to China – ASEAN foreign ministers failed to issue a final statement because the Cambodian foreign ministers insisted that the South China Sea dispute should not be mentioned.<sup>92</sup> According to

87. ‘Joint Declaration for Enhancing ASEAN–Japan Strategic Partnership for Prosperity Together’, available at: [http://www.mofa.go.jp/region/asia-paci/asean/conference/pdfs/bali\\_declaration\\_en\\_1111.pdf](http://www.mofa.go.jp/region/asia-paci/asean/conference/pdfs/bali_declaration_en_1111.pdf); ‘ASEAN–Japan Plan of Action 2011–2015’, Bali, Indonesia (18 November 2011), available at: <http://www.asean.org/archive/documents/19th%20summit/JP-PoA.pdf>

88. Ibid.

89. ‘US Wants Expanded ASEAN Maritime Forum Institutionalized’, *The Philippine Star* (7 October 2012).

90. Ian Storey, ‘ASEAN is a House Divided’, *Wall Street Journal* (14 June 2012).

91. *East Asia Strategic Review 2011* (Tokyo: Japan Times and NIDS, 2011), p. 161.

92. Ian Storey, ‘China Pushes on the South China Sea, ASEAN Unity Collapses’, *China Brief*, Vol. XII, No. 15 (4 August 2012), pp. 8–11.

NIDS, Beijing had essentially bribed Cambodia with economic aid to ensure that the dispute was not mentioned in the final communiqué; this outcome was a success for China and ‘unequivocally a failure of ASEAN diplomacy’.<sup>93</sup> Under Brunei’s chairmanship in 2013, a semblance of ASEAN unity was restored, and in May, China finally agreed to begin consultations on a CoC.<sup>94</sup> However, China’s manifest lack of enthusiasm for any kind of code, let alone a robust and effective one of the kind that Japan would like to see, suggests that Beijing will be content to draw out the discussions for as long as possible and work to ensure that the final product lacks teeth. In all probability, the CoC is unlikely to significantly affect the central drivers of the dispute, mitigate tensions or prevent the occurrence of incidents at sea.

### *Japan’s bilateral support for Southeast Asian countries*

Since 2010, and especially under Prime Minister Abe, there has been a noticeable increase in visits to Southeast Asia by senior Japanese leaders. Abe himself visited the region twice during his first seven months in office.<sup>95</sup> The main purpose of these trips is to raise Japan’s profile and strengthen economic ties with Southeast Asian states. However, Japanese leaders have also used these visits as an opportunity to discuss maritime security issues in the South and East China Seas.

Among the 10 ASEAN members, Japan has focused particular attention on building closer relations with the Philippines, for two reasons. First, since the late 2000s, the Philippines has been at the forefront of the dispute with China (followed closely by Vietnam). Second, the Philippines is a treaty ally of the US, and Tokyo has pledged to improve ties with US allies.<sup>96</sup>

Japan began to step up its relations with the Philippines under Prime Minister Noda. During a visit to Tokyo by Philippine President Benigno Aquino in September 2011, the two countries agreed to promote their 2009 ‘strategic partnership’, including a commitment to strengthen bilateral maritime security cooperation.<sup>97</sup> Several weeks earlier, at the inaugural Japan–Philippines Maritime Dialogue, agreement was reached to improve cooperation between the JCG and Philippine Coast Guard (PCG), exchange visits by the heads of navy and increase JMSDF port calls to the Philippines.<sup>98</sup> In 2012, in a significant move to bolster the capabilities of the PCG, Japan pledged to transfer up to 10

93. *East Asia Strategic Review 2013* (Tokyo: Japan Times and NIDS, 2011), p. 232.

94. Ian Storey, ‘The South China Sea Dispute (Part One): Negative Trends Continue in 2013’, *China Brief*, Vol. XIII, No. 12 (7 June 2013), pp. 3–6.

95. Prime Minister Abe visited Vietnam, Thailand and Indonesia during 16–18 January and Malaysia, Singapore and the Philippines during 25–27 July 2013.

96. ‘National Defense Program Guidelines’, Ministry of Defense (17 December 2010), p. 8, available at: [http://www.mod.go.jp/e/d\\_act/d\\_policy/pdf/guidelinesFY2011.pdf](http://www.mod.go.jp/e/d_act/d_policy/pdf/guidelinesFY2011.pdf)

97. ‘Japan–Philippines Joint Statement on the Comprehensive Promotion of the Strategic Partnership between Neighboring Countries Connected by Special Bonds of Friendship, Prime Minister of Japan and His Cabinet’ (27 September 2011), available at: [http://www.kantei.go.jp/foreign/noda/diplomatic/201109/27philippines\\_e.html](http://www.kantei.go.jp/foreign/noda/diplomatic/201109/27philippines_e.html)

98. *Ibid.*

patrol boats valued at US\$12 million from ODA.<sup>99</sup> Japan–Philippine military-to-military ties have also been expanded, though Tokyo cannot use ODA to transfer equipment to foreign armed forces. Instead, military capacity-building support has been in the form of training and human resources development assistance.<sup>100</sup> In July 2012 and June 2013, defence ministers from the two countries agreed to further promote high-level defence exchanges and training.<sup>101</sup> There is little doubt that mutual concerns over China’s assertive behaviour in the maritime domain have facilitated closer Japan–Philippine relations. In December 2012, for instance, Del Rosario controversially stated that the Philippines would welcome a rearmed Japan as a counterweight to China, and in June 2013, it was reported that the Aquino government was considering re-establishing a military presence at the former US naval base at Subic Bay, and that American and Japanese forces would be given regular access through rotational deployments and ship visits.<sup>102</sup> During Abe’s visit to the Philippines in July 2013, President Aquino described maritime cooperation as a pillar of the two countries’ strategic partnership.<sup>103</sup> In sharp contrast to its ASEAN partners, Japan has expressed support for the Philippines’ legal submission to the UN in January 2013.

Japan has also moved to strengthen relations with Vietnam, including military ties. In October 2010, the two countries announced a strategic partnership during a visit to Vietnam by Prime Minister Naoto Kan.<sup>104</sup> Both sides agreed that ‘freedom of navigation, unimpeded commerce, and compliance with established international laws including [UNCLOS] and the peaceful settlement of disputes corresponds to the interests of the countries in the whole region’.<sup>105</sup> As with the Philippines, Japan has offered to provide Vietnam with patrol boats to help improve its maritime surveillance and interdiction capabilities.<sup>106</sup> However, Tokyo cannot use ODA to buy patrol boats for the Vietnam Marine Police as it is part of the Vietnam People’s Army. However, this obstacle was removed in January 2013 with the establishment of a civilian maritime law enforcement agency under the Ministry of Agriculture and Rural Development’s Directorate of

99. ‘Japan to Give Patrol Boats to Manila Amid China Tensions’, *Agence France-Presse* (11 February 2013).

100. *East Asia Strategic Review 2013*, p. 124.

101. ‘PH and Japan Hold Defense Ministerial Talks’, Department of National Defense (2 July 2012), available at: <http://www.dndph.org/2012-press-releases/ph-and-japan-hold-defense-ministerial-talks>; ‘Japan Vows to Help Philippines Amid China Sea Row’, *Straits Times* (27 June 2013).

102. ‘Philippines Backs Rearming of Japan’, *Financial Times* (9 December 2012); ‘DND Chief Clarifies: PH No Constructing Air, Naval Bases at Subic’, *Philippine Daily Inquirer* (27 June 2013).

103. ‘Japan Pledges Support for Philippines as Both Countries Confront China Over Disputed Islands’, *Washington Post* (27 July 2013).

104. ‘Japan–Viet Nam Joint Statement on the Strategic Partnership for Peace and Prosperity in Asia’, Ministry of Foreign Affairs (31 October 2010), available at: <http://www.mofa.go.jp/region/asia-paci/vietnam/joint1010.html>

105. *Ibid.*

106. Author interview with senior Japanese foreign ministry officials, Tokyo, December 2012.

Fisheries.<sup>107</sup> Japan–Vietnam military-to-military links are developing slowly. Vietnamese military officers have attended training seminars in military medicine provided by Japan’s Ministry of Defense.<sup>108</sup>

### *Cooperation with the United States and other countries*

Japan has described the US military presence in the Asia-Pacific as ‘indispensable’ to peace and stability and has welcomed the Obama administration’s ‘pivot’ or ‘rebalance’ towards the region.<sup>109</sup> Tokyo’s and Washington’s views on the South China Sea dispute are almost identical – that is, they do not take a position on territorial claims, support a peaceful resolution, oppose the use of force or coercion, and encourage the DoC/CoC process – and since 2010, have coordinated their positions at regional security forums.<sup>110</sup> In terms of capacity-building support for the Philippines, a division of labour is apparent: the US transfers equipment to the Armed Forces of the Philippines (AFP) and Japan to the PCG, though both sides provide training to the Philippine military and civilian maritime agencies.

Prime Minister Abe has proposed that democratic countries such as the US, Japan, India and Australia – the so-called ‘Democratic Diamond’ – work together to ‘safeguard the maritime common stretching from the Indian Ocean region to the Western Pacific’.<sup>111</sup> The Democratic Diamond idea is essentially a reincarnation of ‘The Quad’, which Abe proposed during his first tenure as Prime Minister in 2006/2007. Although that initiative was supported by the US, it failed to gain momentum because of New Delhi and Canberra’s lack of enthusiasm, principally because they were concerned that Beijing would view it as part of a US-led strategy of containment against it.<sup>112</sup> India and Australia are still skeptical, and it remains to be seen whether those two countries will endorse it a second time around.

## **Conclusion**

Japan’s principal security interests in Southeast Asia are tied to sea lane security, on which the country’s economic security depends. Since Japan’s economic expansion in the 1960s, successive governments have invested considerable resources to enhance the safety and security of regional SLOCs. For much of the Cold War period, the Japanese government and private industry financed the installation and upkeep of navigational

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107. ‘New Forces Patrol Fishing, Secure Borders’, *Vietnam News Agency* (7 December 2012).

108. *Defense of Japan 2013*, p. 274.

109. Onodera, ‘Defending National Interests’.

110. Author interview with senior Japanese foreign ministry officials, Tokyo, December 2012.

111. Shinzo Abe, ‘Asia’s Democratic Security Diamond’, *Project Syndicate* (27 December 2012), available at: <http://www.project-syndicate.org/commentary/a-strategic-alliance-for-japan-and-india-by-shinzo-abe>

112. Peter Drysdale, ‘China and India and the Transition of Regional Power’, *East Asia Forum* (17 January 2011), available at: <http://www.eastasiaforum.org/2011/01/17/china-and-india-and-the-transition-of-regional-power-2/>

safety equipment in Southeast Asia's strategic chokepoints, especially the Straits of Malacca. Post-Cold War, attention shifted to the threat posed by pirates and sea robbers. In order to address the threat, Japan stepped up capacity-building support for regional coast guards and provided leadership to encourage greater regional cooperation through information exchange. Japan's support was a major factor in the downward trend in maritime violence in Southeast Asia in the second half of the 2000s.

While safety of navigation and piracy remain important issues for Tokyo, since the late 2000s, Japanese security analysts have expressed quiet, but growing, concern at rising tensions in the South China Sea over contested territorial and maritime boundary claims. While Japan is not a claimant, and does not take a position on the territorial claims, it has been perturbed by China's more assertive behaviour and the potential for disruption to vital SLOCs. Equally important, Japan is concerned that should China prevail in its dispute with Southeast Asian countries, international legal norms will be undermined, and the country's national interests in both the South China Sea and East China Sea would be harmed. In order to preserve the status quo, Japan is pursuing multiple strategies simultaneously: internationalizing the dispute at multilateral forums; encouraging ASEAN unity; providing capacity-building support to claimant countries, especially the Philippines; and coordinating its positions with the US.

At the official level, China has not reacted to Japan's more proactive policy towards the South China Sea, though the state-run media has accused Tokyo of joining with Washington to 'fish in troubled waters' and asserted that the Japan–Philippines 'axis' is designed to 'confront China' and is 'doomed to failure'.<sup>113</sup> Japan's support for a multi-lateral solution to the dispute, as well as its attempts to 'internationalize' the problem at regional security forums, is clearly at odds with China's own policy. But for Japan, the stakes are too high for it to be a mere bystander. Even as the two countries face off in the East China Sea, the South China Sea is likely to become an increasing point of contention in Sino-Japanese relations.

### Author Biography

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113. 'Clearing the Sea of Troubles', *China Daily* (4 May 2013); 'Feeble Japanese–Philippine "axis" doomed', *Global Times* (25 July 2013).