

STRATEGIC SNAPSHOTS

SNAPSHOT 5

Japan-China Maritime Relations: Dealing With New Dimensions

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In the 12 months since the Democratic Party of Japan came to power, relations between Japan and China have involved continued strong economic ties and a declared commitment to a 'strategic partnership with mutual benefits'. Yet recently the relationship has been overshadowed by a high-profile diplomatic dispute over Japan's arrest (and subsequent release) of a Chinese trawler captain whose ship rammed a Japanese Coast Guard vessel near disputed islands in the East China Sea.

While both sides have stepped back from the brink, this incident is part of a pattern in which Sino-Japanese relations are being played out at sea in a more visibly militarised way. China and Japan have long differed over maritime issues, including territorial and EEZ claims on islands, oilfields and fisheries. But now their maritime relations are becoming dangerously naval – that is, defined by military competition, with greater corresponding risks of confrontation, escalation and miscalculation.

ENDURING DIFFERENCES: ISLANDS AND ENERGY

One driver of rivalry is the unresolved Senkaku Islands issue, which looms large in China's strategic thinking on Japan – and vice versa. At the heart of the issue are two related concerns. The Senkaku Islands (known in China as the Daiyouyu Islands) are located in prime fishing ground and, more importantly, are believed to sit in the vicinity of major deposits of oil and natural gas. Energy needs in both China and Japan, and a concomitant desire to supplement potentially vulnerable supplies travelling through strategic chokepoints such as the Straits of Hormuz and Malacca, mean that a source of energy in the East China Sea is viewed in both Tokyo and Beijing as a potentially valuable strategic reserve. For both countries, then, competition to control the islands reflects in part the broader competition

for resources and energy security, as well as differences over territorial claims, history and national pride.

These issues, unsurprisingly, stir up nationalistic sentiments in both countries and militate against diplomatic concessions, or sometimes even negotiation, lest the governments in Beijing and Tokyo be accused by their own constituents of failing to properly defend their territorial frontiers from encroachment.

NEW DIMENSION: CHINA'S NAVAL ASSERTIVENESS

From Tokyo's perspective, one of the underlying drivers of these dynamics is the steady accumulation of advanced military capabilities by the People's Liberation Army (PLA), particularly the PLA Navy, Air Force and Strategic Missile Forces. The PLA already fields one of the largest combined naval forces in Asia, including a small but growing number of nuclear-powered ballistic missile attack submarines. China's air forces have begun narrowing the air power advantages hitherto enjoyed by the United States and Japan. At the same time, the PLA is upgrading its nuclear forces and strategic strike capabilities and acquiring large numbers of cruise missiles with an expanded capacity for land attack and anti-ship missions within and, to a gradually increasing extent, beyond China's immediate maritime periphery.

These capabilities are being gradually integrated into an anti-access/area-denial strategy. This is designed to raise the costs and risks to US forces of operating close to China's coastline or in the areas surrounding Taiwan, and was the focus of large-scale naval exercises by the Chinese military from March to April this year. Although China's capacity for denial operations remains confined to a relatively limited geographic zone – concentrated primarily on the 'first island chain', running from Kyushu through Okinawa and Taiwan to the Philippines – according to the Lowy Institute's *Power and*

Choice, 'this can be expected to expand in the coming years as new technologies – such as anti-ship ballistic missiles – are integrated into PLA force structure and doctrine.¹² The implications for Japan are clear: China is gradually developing the capacity to deny Japan the ability to control its own air and maritime approaches.



Source: US Department of Defense, Office of the Secretary of Defense, *Annual Report to Congress on the Military Power of the People's Republic of China, 2009*, p. 18, accessed at http://www.defenselink.mil/pubs/pdfs/China_Military_Power_Report_2009.pdf, on April 12, 2010.

In political terms, greater military strength has, at least in part, been translated into renewed Chinese confidence, allowing Beijing to take a newly assertive stance on its claims in the East China Sea. This is not an isolated trend. The same is happening in the South China Sea which, according to media reports, Chinese leaders have begun referring to as a 'core national interest', much like Xingjiang, Tibet and Taiwan. In each case, as China grows stronger so too is it becoming more openly reluctant to make concessions and, where possible, more willing to press its advantages. While China has in the past preferred to defer discussions over maritime territorial disputes – or else insisted on discussing them bilaterally, so as to avoid the collective bargaining power of ASEAN – the net effect of its emerging approach, in South East Asia particularly, appears to be to preclude meaningful negotiations over its expansive claims altogether.

Likewise, Japanese policy-makers are attuned to the possibility that, in future, Beijing will use its power to dictate the terms of negotiations between Japan and China over territorial disputes, producing outcomes in China's favour. These fears are compounded by China's increasing propensity to use naval forces, dispatched in or around Japanese territorial waters, to test Japanese resolve. While Chinese maritime

activity in these zones is not new, its increasing frequency and intensity – and its increasing militarisation – suggest a new Chinese experiment in the benefits, risks and potential limits of maritime assertiveness. To this end, Chinese naval activity in recent years has included:

- **November 2004** – A submerged Chinese nuclear submarine was observed in Japanese territorial waters southwest of Okinawa.
- **September 2005** – Five Sovremenny-class destroyers sailed near the Kashi gas field.
- **October 2006** – A Song-class submarine surfaced in the vicinity of the US aircraft carrier Kitty Hawk in waters near Okinawa.
- **October 2008** – Four vessels, including a Sovremenny-class destroyer, sailed through the Tsugaru Strait (the first identified passage by Chinese surface combat ships).
- **November 2008** – Four vessels, including a Luzhou-class destroyer, sailed between Okinawa Island and Miyako Island, to advance to the Pacific Ocean.
- **December 2008** – Two Chinese maritime research ships encroached on the territorial waters of Japan near the Senkaku islands.
- **March 2009** – A Chinese flotilla, comprised mainly of fishing vessels, approached a US Navy surveillance ship, the USS Impeccable, to obstruct its operations.
- **June 2009** – Five vessels including a Luzhou-class destroyer sailed past the South-west Islands and appeared near Okinotori Island.
- **March 2010** – Four vessels including one destroyer and three frigates passed the Miyako Strait. A Chinese tanker and a salvage vessel followed.
- **April 2010** – A Chinese Navy fleet of 10 vessels, including two submarines, travelled southward between Okinawa Island and Miyako Island, with a PLAN helicopter twice flying dangerously close to Japanese Maritime Self Defense Force vessels.
- **July 2010** – Two vessels, including a Chinese Luzhou-class destroyer, sailed to the Pacific Ocean.

For Japan, which has deep and abiding security interests in both the East and South China Seas (and for a number of Southeast Asian countries), China's renewed assertiveness and more decisive naval presence is a major source of concern. As a result, both Japan and a number of ASEAN states are reinforcing their strategic relations with the United States and augmenting their independent military capabilities – a process which, though already under way, may be accelerated by China's assertiveness. While this risks fuelling the rivalry to some extent, to do otherwise would, in the

Japanese case especially, involve accepting greater strategic risk in the face of growing Chinese power.

DANGERS: MISCALCULATIONS AND POSSIBLE CONFLICTS

The potential dangers of the current situation are clear. The lack of close communications at sea, together with the paucity of existing confidence and trust-building mechanisms, could lead to miscalculations and, in the worst case, could produce armed confrontations that neither side desires, with the potential for escalation. This recognition does not ensure that Tokyo and Beijing will take the necessary steps to mitigate the most serious risks. For one thing, China's increasingly strident regional approach – its assertive behaviour, bold rhetoric and apparent reluctance to heed Japan's concerns or make concessions – does not bode well for stable maritime relations. Nor does its apparent willingness to use maritime brinkmanship as an instrument of policy.

As a result, while short-term measures are needed to enhance stability and avoid escalating tensions, from Japan's perspective, these cannot substitute for longer-term hedging measures necessary to guard against worst-case possibilities.

POLICY IMPLICATIONS: THE TWO-TRACK APPROACH WITH STRENGTHENED 'HEDGING'

There have been several ideas and proposals for settling maritime issues between China and Japan, including various kinds of confidence- and security-building measures (CSBMs): codes of conduct; early notification and communications systems and more regular maritime-focused meetings between top leaders. These ideas reflect a growing awareness on both sides that a lack of strategic reciprocity at sea will only increase the risk of a sudden, major downgrading of relations between the two countries. On land and sea, strategists in both countries now more than ever need to know which choice of action (or inaction) is and is not going to be acceptable to the other.

Regarding China's accelerated large-scale naval exercises, some limited confidence-building efforts are already being made between the two sides based on the 31 May summit meeting between then former Japanese Prime Minister Yukio Hatoyama and Chinese Premier Wen Jiaobao, at which they agreed on an early start of consultations on communication mechanisms, including hot lines between the defence authorities of both countries to avoid incidents. On 26 July 2010, defence officials of both sides met and 'largely' agreed to adopt certain measures to communicate with each other so as to avoid dangerous incidents and misunderstandings.³

That both sides met to discuss the situation indicates their willingness at least to avoid any escalation of tensions, but this willingness alone is unlikely to provide a solution to maritime rivalry between the two nations because it is rooted in the ongoing shift in power balances in this region.

Indeed, the collision of a Japanese Coast Guard vessel and a Chinese fishing boat near the Senkaku/Diaoyu Islands in early September has escalated to diplomatic, if not military, tensions. In the midst of verbal jousting with Japan, China even sent a surveillance vessel near the venue of the incident, although it was quickly withdrawn. This incident and its aftermath demonstrate how important it is for measures to be put in place to ensure that unexpected tests of diplomatic resolve between the two countries do not spin out of control.

Of course, recognising the need for a more stable basis of cooperation (and expectation) between the two countries on maritime issues and actually creating it are two very different things. Unless the fundamental issue of the power shift in this region is solved, similar incidents at sea could occur at any time, raise diplomatic tensions and, in the worst case, escalate to more serious tensions. Besides Track-II proposals for CBMs, including the possibility of an 'incidents at sea' agreement between Japan and China, there have been no effective CBMs between the two countries, making the prospects for such positive change seem bleak.⁴

As long as dialogue on maritime security remains hamstrung by political tensions, a hedging-based approach will be favoured. It is important from a long-term strategic point of view, however, for Japan and other like-minded countries such as the United States, Australia, South Korea, India and some ASEAN members, to develop more effective ways to deal with China's growing naval assertiveness.

Currently, Chinese naval and military power is no match for US military power, but toward 2030 and beyond, the window of opportunity to develop a new and more mutually beneficial approach to maritime security will get smaller. It is never too late to prepare against a rainy day, however. In the short term, there is a need for measures to avoid miscalculation and escalation from incidents at sea between China and Japan. But this approach needs to be pursued in parallel to a hedging strategy of longer-term measures to guard against worst-case possibilities. In this context, I endorse combining the balance of power strategy with the concert of powers strategy as canvassed in the Lowy Institute's *Power and Choice*.

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NOTES

- ¹ This article solely reflects the personal view of the author and does not represent the view of the National Institute for Defense Studies.
- ² Malcolm Cook, Raoul Heinrichs, Rory Medcalf and Andrew Shearer, *Power and Choice: Asian Security Futures*, Lowy Institute for International Policy, 2010.
- ³ See Ministry of Defense of Japan, *Media Release on the 2nd Joint Working Group Consultations concerning the Japan-China Defense Maritime Communications Mechanism*, 26 July, 2010.
- ⁴ The Stanley Foundation, United States-China-Japan Working Group on Trilateral Confidence- and Security-Building Measures (CSBMs), Conference Report, 8 October, 2008: <http://www.stanleyfoundation.org/resources.cfm?id=353>.

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ABOUT THE PROJECT

The Lowy Institute's MacArthur Asia Security Project explores evolving strategic relations among Asia's major powers. Based on a realistic understanding of the region's competitive dynamics in a range of key domains, the Project aims to develop a practical agenda for security cooperation across Asia and a suite of measures to ensure that competition does not lead to miscalculation or conflict.



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