

JAPAN'S ENGAGEMENTS IN THE SOUTH CHINA SEA
AND IMPLICATIONS FOR THE REGION

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ABSTRACT

JAPAN'S ENGAGEMENTS IN THE SOUTH CHINA SEA AND IMPLICATIONS FOR THE REGION, by Capt. Xuan Tuan Chu, 83 pages.

The South China Sea--known as the East Sea in Vietnam--plays a geo-strategically important role to international trade that is critical to food and energy security in the Southeast Asia. Thus, maintaining and securing its freedom, security and safety of navigation are mandatory to not only regional countries, but also actors outside the region who enjoy its benefits. However, the region has been witnessing complicated and unpredictable developments for the past several years since China officially declared its sovereignty over most of the South China Sea. A number of powers outside the region such as the U.S., India and Australia have been advancing their engagements in the region to contain China's expansion.

Japan sees the South China Sea as being in its national interest and is gradually reshaping its strategy towards this region. Tokyo has been promoting its presence in the South China Sea in recent years through diplomatic, economic and military means. Japan's enhanced engagements play an important role in maintaining peace and security in the region and have their own effects on regional security. This research paper will focus on analyzing and clarifying Japan's efforts towards further involvement in the South China Sea, and its impacts on region. At the same time, the author will make recommendations for Japan to maintain its increased engagements in the South China Sea and prevent possible negative impacts on the region.

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ACRONYMS

ACFTA	ASEAN-China Free Trade Agreement
ADIZ	Air Defense Identification Zone
ADMM	Defense Ministers' Meeting
APEC	Asia Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
COC	Code of Conduct
CUES	Code for Unplanned Encounters at Sea
DIME	Diplomatic, Informational, Military, and Economic
DOC	Declaration of the Conduct
EAS	East Asia Summit
EIA	Energy Information Administration
EU	European Union
FDI	Foreign Direct Investment
FONOP	Freedom of Navigation Operations
GDP	Gross Domestic Product
JDN	Joint Doctrine Note
JMSDF	Japan Maritime Self Defense Force
MOU	Memorandum of Understanding
ODA	Official Development Assistance
PLAN	People's Liberation Army Navy
PCA	Permanent Court of Arbitration

SCS	South China Sea
SLOC	Sea Line of Communication
UN	United Nations
UNCLOS	United Nations Convention on the Law of Sea

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CHAPTER 1

INTRODUCTION

Overview

The South China Sea (SCS) is a marginal sea in the Pacific that consists of an area of about 3,500,000 square kilometers (1,400,000 square miles) from the Karimata and Malacca Straits to the Strait of Taiwan. The SCS plays a strategically important role to international trade because one-third of global shipping worth over \$3 trillion passes through it each year. The SCS is also the home of a vast amount of seafood as well as oil and natural gas that are very critical to food and energy security in Southeast Asia. According to the Ministry of Geological Resources and Mining of the People's Republic of China, there are about 17.7 billion tons of crude oil in the SCS, comparable to the 13 billion tons in the oil rich country of Kuwait.¹ Meanwhile, the U.S. Energy Information Administration (EIA) estimated that the discovered and undiscovered oil reserves are approximately 11 billion barrels and the natural gas resources are between 190 trillion and 500 trillion cubic feet. Most of these resources locate in the contested waters of the SCS.²

There are currently complicated and unpredictable developments occurring in the SCS among regional countries, namely Brunei, the People's Republic of China, Republic of China (Taiwan), Malaysia, the Philippines, and Vietnam. Recently, Indonesia accused

¹ Richard Carroll, "Beijing Needs the South China Sea to Stay on Top," *The National Interests*, August 2016, accessed November 25, 2018, <https://nationalinterest.org/feature/beijing-needs-the-south-china-sea-stay-top-17223>.

² U.S. Energy Information Administration, "South China Sea," February 2013, accessed November, 2018, https://www.eia.gov/beta/international/analysis_includes/regions_of_interest/South_China_Sea/.

Beijing of including Indonesian-ruled Natuna Islands within the nine-dash line.³ The disputed areas are mainly located around the Spratly Islands and the Paracel Islands. Claimants declared their territory over one part or most of the SCS because they want to have rights to fishing waters, explore crude oil and natural gas, and control the strategic sea lane in the region. It is noted that China claimed the nine-dash line area that covers most of the SCS area and overlaps the exclusive economic zones of other claimants.



Figure 1. Territorial Claims in the South China Sea

Source: BBC, "South China Sea Dispute: China Lands Bombers on Island," May 19, 2018, accessed November 25, 2018, <https://www.bbc.com/news/world-asia-china-44180773>.

³ Nine-dash line is the map used by the governments of the Republic of China and the People's Republic of China that claims majority of the SCS.

In 2009, China submitted a diplomatic note to the United Nations (UN) that included the so-called nine-dash-line map covering 90 percent of SCS waters and extending over 1,200 miles from the Chinese Coast.⁴ It was the first time China officially declared its map that covered almost the entire SCS. China's statement has intensified tension in the region because other claimants also declared their own territorial sovereignty over the same waters.⁵ Additionally, China has expressed its determination to change status quo in the SCS when it promoted reclamation activities in the disputed Spratly Islands. According to a report released in December of 2017 on a website run by the National Marine Data and Information Service and the People's Daily Overseas Edition, China has expanded an area of 290,000 square meters in 2017.⁶ Many experts believe that China intends to militarize its occupied features, allowing it to control over the area's important sea line of communication (SLOC).

The Philippines officially challenged China's SCS claims before Permanent Court of Arbitration (PCA) in 2013, arguing that China's "Nine-Dash Line" was illegitimate under the UN Convention on the Law of Sea (UNCLOS). The PCA ruled on July 12, 2016 that China had no historical evidence for exercised exclusive control over the SCS, and that

⁴ Center for Strategic and International Studies (CSIS), "Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China: Issues for Congress," December 12, 2017, accessed November 25, 2018, https://www.everycrsreport.com/files/20171212_R42784_76a72385d3700c3ca24757977b6e7d811e2b4c85.html.

⁵ Institute for Security and Development Policy, "Understanding China's Position on the South China Sea Disputes," June 2016, accessed November 25, 2018, <http://isdpr.eu/publication/understanding-chinas-position-south-china-sea-disputes/>.

⁶ Global Times, "Land Reclamation to Expand in South China Sea Islands," February 2018, accessed November 25, 2018, <http://en.people.cn/n3/2018/0206/c90000-9423949.html>.

there was “no legal basis for China to claim historic rights” over this water.⁷ The PCA also criticized China’s dredging and land reclamation activities in the Spratly Islands for causing “severe harm to the coral reef environment.”⁸ The ruling also classified Taiping Island, the biggest Island in Spratly Islands occupied by Taiwan, and other features as rocks and not entitled to a 200 nautical mile exclusive economic zone. Both China and Taiwan strongly rejected the court’s decision.⁹ In May 2017, China declared that Beijing and ASEAN had agreed to a framework for a code of conduct (COC) in the SCS and made efforts to sign this document to control and manage dispute in this water. Although the relevant parties expressed their optimism about the positive progress, there was skepticism that a meaningful COC could be reached. Many experts assume that China is seeking a way to neutralize the ruling by the court by capitalizing on COC negotiations and distracting other regional countries.¹⁰

Japan has recently made efforts to further engage in the SCS dispute which could help Tokyo obtain a more positive role in regional issues as a global economic power. Japan managed to persuade China to peacefully resolve territorial disputes in accordance

⁷ Judge Thomas A. Mensah, Judge Jean-Pierre Cot, Judge Stanislaw Pawlak, H. A. Alfred Wolfrum, and Judge Rüdiger Soons, *PCA Case No. 2013-19 in the Matter of the SCS Arbitration between the Republic of the Philippines and the People’s Republic of China*, Permanent Court of Arbitration, July 2016, 271.

⁸ *Ibid.*, 406.

⁹ *Ibid.*, 493.

¹⁰ Thi Ha Hoang, “Trends in Southeast Asia,” ISSN 0219-3213, Number 5 (2019), accessed April 15, 2019, https://www.iseas.edu.sg/images/pdf/TRS5_19.pdf.

with international laws at the ASEAN Regional Forum (ARF).¹¹ On the other hand, Japan expressed hesitation toward involvement in the territorial disputes of other countries. For that reason, Japan did not want to discuss the SCS issue at the Asia Pacific Economic Cooperation (APEC) Forum that Japan hosted in 1995.¹²

However, in the context of a rapidly emergent China in the early 21st century, the strategic environment around Japan has witnessed increasingly complex and unpredictable changes. The rise of Chinese nationalism exacerbated existing problems between the two countries, especially the Senkaku Island dispute in the East China Sea when the Japanese government nationalized its control over three islands in September 2012.¹³ Against that backdrop, Japan has shifted its strategy toward the SCS and considers this sea to be a significant security concern that can negatively affect Japan. Japan is concerned that if China took control over the whole SCS, Beijing would be able to use the same strategy to declare its sovereignty over the Senkaku Islands.¹⁴ As a result, Japan has been engaging in the SCS dispute over recent years and considered it as a necessary approach to contain China's expansion in the region.

¹¹ Lam Peng Er, "Japan and the Spratly Dispute: Aspiration and Limitations," *Asian Survey* 36 (1996): 1001-1006.

¹² APEC is a multinational forum for 21 economies that enhance trade cooperation in the Asia-Pacific region.

¹³ Sheila A. Smith, "Japan, China, and the Tide of Nationalism," Council on Foreign Relations, September 19, 2012, accessed April 25, 2019, <https://www.cfr.org/expert-brief/japan-china-and-tide-nationalism>.

¹⁴ Tomotaka Shooji, "The South China Sea: A View from Japan," *The National Institute Defense Studies Journal of Defense and Security* (2014): 131.

Purpose and Research Goal

The research will analyze Japan's engagement in the SCS since Prime Minister Shinzo Abe took office in 2012, focusing on Japan's end state, ways, means in the region. Additionally, the author will clarify some implications of Japan's actions with regard to regional security, including positive and negative effects. More importantly, the study will offer a number of recommendations for Japan to maintain peace and stability in the SCS through its involvement.

Research Questions

Primary question:

What are the implications for the region from Japan's enhanced engagement in the SCS and recommendations for Japan to maintain peace and security in the region?

Secondary questions:

1. What are Japan's interests in the SCS?
2. What are the end state, ways, means and risks of Japan's involvement in the region?
3. What are the driving factors for Japan's increased engagement in the SCS?

Significance

Increased Chinese assertiveness over its sovereignty in the SCS has caused unpredictable changes in the regional security environment. No claimant in the SCS can negotiate equally on a bilateral basis with China. Thus, the involvement by regional powers, including Japan, plays an important part in creating balance among powers and enabling China to be a responsible actor. However, the role of Japan in engaging in the

SCS sovereignty dispute is still limited because the constitution does not allow Tokyo's armed forces to conduct overseas deployments. As a regional power and key ally of the U.S., Japan's engagement in the SCS can support other claimants' efforts to peacefully solve their disputes with China on the basis of international law. Finally, this research will serve as a reference for policy makers to better understand possible impacts of and fully take advantage of Japan's engagement while maintaining peace and stability in the region.

Assumptions

Assumptions are arguments, concepts, realities that are accepted by researchers that they are true. Assumptions can have great impacts on inference from research paper and help readers better understand the author's opinion. On that basis, this study makes three primary assumptions as follows:

First, this study assumes that Japan's policy to the SCS is relatively stable in the short term. Japan considers freedom, security and safety of navigation in the SCS as within its national interest. The SCS is an important source of natural resources for Japan. Moreover, the SCS is a part of vital sea lane connecting the Indian Ocean with the Pacific Ocean that provides energy for Japan's economy from the Middle East and Southern Asia.

Second, this study assumes that the U.S. will continue its containment strategy regarding China's expansion in the region. China in recent years has increased its efforts to compete with the U.S. for influence in South East Asia and in the world. As a result, containing China's expansionism becomes a U.S. crucial priority in the region. Japan will work closely with the U.S. to curb an emergent China.

Finally, this study assumes that China's effort to assert its sovereignty over the SCS will continue. China is determined to control the whole SCS because they understand

that seaward expansion is a unique way to become a global power. This Chinese position prevents relevant parties from peacefully dealing with disputed water, simultaneously enables other claimants to appeal engagements from powers outside the region.

Limitations and Delimitations

Limitations are impacts or shortcomings that could not be controlled by the researcher. They will create restrictions on methodology and conclusions. Delimitations are the boundaries that researchers have to set for their research paper. The crucial limitation of this study is insufficient information pertaining to Japan's engagement in the SCS. Additionally, given the strong reaction from China as well as its influence in the region, the perspective from relevant countries about Japan's actions in the SCS is not publicly available.

The most notable delimitation of the study is the scope of official references on current Japanese strategy. The author only focuses on analyzing and evaluating Japan's engagements in the SCS. In reality, the level of Japan's involvement greatly depends on its relationship with China, particularly when Japan is the top trade partner of China. It is clear that this dimension has possible impacts on Japan's policy towards the SCS. However, it exceeds the scope of this study.

Considerations

This study only aims at analyzing and clarifying Japan's increased engagements in the SCS. On that basis, it presents implications for the region and offers a number of recommendations for relevant claimants to fully take advantage of Japan's involvement and maintain peace and stability in the region. It could create a strong foundation to

resolve territorial dispute in a peaceful manner, in accordance with international laws.

The study should be seen as a reference source for policy makers.

Chapter Summary

This chapter provides basic information about the SCS issue and research questions pertaining to this thesis. It also addresses Significance, Assumptions, Limitations and Delimitations, and Considerations used by the author when researching this thesis. Chapter 2 will identify the major groups of relevant literature and the sources that author uses to answer the research questions.

CHAPTER 2

LITERATURE REVIEW

Japan has been more actively and proactively involved in the SCS issue in recent years. It has initially made positive contributions, especially creating a balance of power, thereby maintaining peace, stability and prosperity in the region. Therefore, evaluating, analyzing, and clarifying the current status of Japan's strategy towards the SCS, and its effect and recommendation for the region are matters that are getting more attention from regional relevant players such as China, the Philippines, Vietnam and other claimants.

However, Japan's current strategy towards the SCS remains insufficient and is not transparent. The majority of papers by scholars and researchers about Japan's involvement in the SCS only focus on economic, diplomatic or security aspect of its strategy and do not provide a comprehensive view to readers such as: "A Japanese Perspective of SCS Order" by Hideshi Tokuchi, "The SCS: A View from Japan" by Tomotaka Shooji, "Japan's Policy towards the SCS – Applying Proactive Peace Diplomacy?" by Reinhard Drifte. On the other side, the Japanese government has only issued some official documents such as National Security Strategy 2013 and The Third Basic Plan on Ocean Policy 2018 which contain a general stance pertaining to Tokyo's policy towards all global seas. Japan has not declared any official document about its strategy or policy towards the SCS so far. Consequently, a cognitive trap is created when researching Tokyo's engagement in the SCS due to incomprehensive understanding about Tokyo's policy and current regional situation.

Joint Doctrine Note (JDN) 1-8 stands out as an effective and proper tool to assess the Japan's strategy towards the SCS. According to this document, all strategies need to

comply with the basic logic of ends, ways, and means that focus on some detailed questions.¹⁵ What are Japan's interests and end state in the SCS? What means (sources and capabilities) has Japan employed to implement its strategy? Which ways has Japan use its means to attain the end state of its strategy towards the SCS? On that basis, the author will focus on analyzing and evaluating the aforementioned documents about the Japan's engagement in the SCS to clarify end state, ways and means to get a comprehensive picture of Tokyo's strategy.



Figure 2. Strategy Formulation

Source: LTC Chris Springer, "Assistant Professor, U.S. Military Professionals' Guide to Understanding Strategy," Department of Joint, Interagency, and Multinational Operations, US Army Command and General Staff College, accessed January 17 2019.

NOTE: A three-legged stool provides a suitable analogy for successful strategy formulation. A balanced strategy is solid, but if ends, ways, or means are not aligned, the strategy incurs risk (modified from Lykke, 2008).

¹⁵ Joint Chief of Staff, Joint Doctrine Note 1-18, *Strategy*, Washington, DC: Joint Chiefs of Staff, 25 April 2018, 21.

Interest and End State

A number of publications by both scholars and the Japanese government have discussed Tokyo's interests and end state in the SCS. "A Japanese Perspective of SCS Order" by Hideshi Tokuchi identifies three main interests of Japan in this sea. First, Japan is a nation with few natural resources and considers the SCS as a vital energy source for its huge economy. It is a fact that Chinese control over this key SLOC would threaten Japan's energy security through its reliance on energy sources from the Middle East and Southern Asia. Additionally, coastal countries in this water are crucial providers of seafood to the region including Japan. Japan does not want to lose this source of energy and food due to China's seaward expansion.¹⁶ Second, in terms of security, China's push for local hegemony has been shifting the balance of power in the region. Moreover, Beijing declares that both Senkaku Islands and the SCS are parts of its "core interest" and it can use all necessary measures to protect them. Thus, Tokyo is concerned about a likely scenario where China can turn its attention to the East China Sea after successfully dealing with the SCS dispute.¹⁷ Third, the U.S. is increasingly worried about protecting the freedom, security, and safety of navigation in the SCS. Recently, the U.S. has expressed its concern about China's growing hegemony in the region and has committed to safeguard freedom of navigation in the SCS, especially after China finished its

¹⁶ Hideshi Tokuchi, "A Japanese Perspective of South China Sea Order," *The Maritime Issues*, 2018, accessed December 05, 2018, <http://www.maritimeissues.com/law/a-japanese-perspective-of-south-china-sea-order.html>.01.

¹⁷ Ibid., 01.

reclamation of a few islands of Spratly Islands.¹⁸ As a result, a couple of regional countries such as the Philippines, Vietnam, Singapore see increasing U.S. military activities as an “enabler” of maintaining regional peace and security.

Japan’s National Security Strategy 2013 declares the overall end state of Japan regarding maritime security. In part IV of “Japan’s Strategic Approaches to National Security”, the document highlights that “ensuring maritime security” is considered as its key end state.¹⁹ To this end, “Japan will play a leading role, through close cooperation with other countries, in maintaining and developing “Open and Stable Seas,” which are upheld by maritime order based upon such fundamental principles as the rule of law, ensuring the freedom and safety of navigation and overflight, and the peaceful settlement of disputes in accordance with relevant international law.²⁰ More concretely, Japan will take necessary measures to address various threats in SLOCs, including anti-piracy operations to ensure safe maritime transport and promote maritime security cooperation with other countries.”²¹ Although this strategy does not mention the SCS, it is Japan’s common strategy for all seas, including the SCS and clarifies the policy of “Proactive Contribution to Peace” in the region under Prime Minister Abe’s Administration. Prime Minister Abe is scheduled to be in his current position until 2021, and this document will be crucial to shape Japan’s policy regarding global waters.

¹⁸ Tokuchi, “A Japanese Perspective of South China Sea Order,” 01.

¹⁹ Ministry of Foreign Affairs of Japan, *National Security Strategy* (Tokyo: Ministry of Defense of Japan, 2013), 16-17.

²⁰ Ibid., 16.

²¹ Ibid., 22.

The Third Basic Plan on Ocean Policy 2018 is formulated based on the Second Basic Plan on Ocean Policy in April 2013. Japan's desired end state in the Third Basic Plan on Ocean Policy 2018 is that "the whole government shall come together to promote Comprehensive Maritime Security."²² Moreover, the Third Basic Plan on Ocean Policy 2018 brings up concrete directions and measures to protect maritime security. Some highlighted directions consist of "Toward open and stable seas," "Protect the nation and its citizens," and "Create world standards for seas."²³ At the same time, this document pays attention to building various measures including "Promotion of industrial use of the ocean," "Maintain and protect the maritime environment," "Improve scientific knowledge," and "International collaboration and cooperation." The Third Basic Plan on Ocean Policy 2018 is obviously based on Japan's National Security Strategy 2013 policy towards oceans. Moreover, the Third Basic Plan on Ocean Policy 2018 also stresses comprehensive development of oceans along with protecting peaceful and stable maritime environments around the globe.

Japan has three main objectives when enhancing engagements in the SCS. First and most importantly, Tokyo needs a peaceful and stable SCS to safeguard a sea lane for trade and energy transportation. Moreover, the SCS dispute creates favorable conditions for Japan to contain China in the East China Sea. By closely working with ASEAN countries, Japan wants to express its unified willingness with other claimants in the SCS to deal with China's growing assertiveness and aggression in maritime territorial

²² Cabinet Office, *The Third Basic Plan on Ocean Policy* (Tokyo: Ocean Policy, May 2018), 01.

²³ Ibid.

sovereignty, as well as to urge China to peacefully negotiate with other relevant parties under international laws. Lastly, as a key U.S. ally in the region, Japan aims at supporting the U.S. strategy in the SCS. The U.S. has recently raised its voice about China's illegal actions towards the SCS and conducted Freedom of Navigation Operations (FONOPs) to "call for freedom of navigation, and the securing of commercial and maritime security communications" in this water.²⁴

Ways

In order to maintain peace and stability in the SCS, Japan has taken multi-lateral and bilateral approaches in recent years. Defense of Japan 2018 (Digest) – Annual White Paper attaches the most importance to maintaining maritime security. According to this document, Japan focuses on following marine order based on fundamental rules, as well as "ensuring safe maritime transport, is the foundation for peace and prosperity, which is extremely important."²⁵ More importantly, this publication pays more attention on bilateral security cooperation through capacity building assistance as well as multilateral defense cooperation by participating in multi-lateral security frameworks in the Asia-Pacific region such as ASEAN Defense Ministers' Meeting Plus (ADMM-Plus) and Shangri La Dialogue. These mechanisms have been becoming important forums for

²⁴ Shooji, 132.

²⁵ Ministry of Defense of Japan, *Defense of Japan 2018* (Tokyo: Ministry of Defense of Japan, 2018), 40.

regional countries to discuss security concerns, and actively joining military training exercises in non-traditional security fields.²⁶

The publication of “The SCS: A View from Japan” by Tomotaka Shooji and the Report of “Japan’s Policy towards the SCS – Applying Proactive Peace Diplomacy” by Reinhard Drifte are primary references focusing on clarifying the current ways that Japan has recently implemented in the SCS. According to Tomotaka Shoji, Japan has employed the multi-lateral security forums in the region to “emphasize the importance of resolving territorial disputes in a peaceful manner and securing freedom of navigation based on the rule of law, as a universal principle that every nation should be observe.”²⁷ In reality, Tokyo has contributed to ASEAN-centered defense-security mechanisms, including ARF, ADMM Plus, Shangri La Dialogue and East Asia Summit (EAS). These forums contribute to shaping regional security structure and dealing with emergent security threats with the participation of multiple powers in the world. At ARF 2014, Foreign Minister of Japan, Kishida, proposed that all nations should follow the Declaration of the Conduct (DOC) of Parties in the SCS and early sign COC in order to hinder any nations from conducting unilateral activity.²⁸ At the 4th ADMM Plus in 2017, Minister of Defense of Japan, Itsunori Onodera, criticized actions to change the status-quo

²⁶ Ministry of Defense of Japan, *Defense of Japan 2018*, 39-40.

²⁷ Shooji, 132.

²⁸ Ministry of Foreign Affairs of Japan, *Overview of the 20th ARF Ministerial Meeting* (Tokyo: Ministry of Foreign Affairs of Japan), July 2013, accessed December 01, 2018, http://www.mofa.go.jp/mofaj/area/page4_000118.html.

unilaterally in the SCS and declared that Japan would take action by contributing to freedom of navigation operations.²⁹

Apart from multi-lateral dialogues, Japan has been enhancing joint training exercises with its partners in the region. During 2018, Japan increased the number and scale of freedom of navigation operations and joint patrols with the U.S. and the Philippines to enhance its projection of military power in the SCS. In May 2018, Japan participated in the 34th Balikatan exercises between the U.S. and Philippines in Luzon, Philippines.³⁰ In October 2018, a Japanese contingent with 100 troops from the Japan Maritime Self Defense Force (JMSDF) took part in a simulated rescue mission with the U.S. and the Philippines on the shores of Luzon, Philippines. The joint military exercise, named Kamandag, was organized near the disputed Scarborough Shoal, currently occupied by China. The naval exercises that also “came on the heels of a U.S. destroyer, the Decatur, nearly colliding with a Chinese People's Liberation Army Navy (PLAN) destroyer” on 30 September 2018 expressed Japan’s support to the U.S., as well as Tokyo’s determination to increase its military presence in the region regardless of China’s objection.³¹

²⁹ Ministry of Defense of Japan, *Brief Summary of the 4th ADMM Plus* (Tokyo: Ministry of Defense of Japan, October 2017), accessed December 01, 2018, http://www.mod.go.jp/e/d_act/exc/admm/admmplus_4.html.

³⁰ Patricia Lourdes Viray, “Australia, Japan to Join Philippines-US Joint Exercise,” *Philstar Global*, April 2018, accessed December 05, 2018, <https://www.philstar.com/headlines/2018/04/19/1807454/australia-japan-join-philippines-us-joint-exercises>.

³¹ Taiwan News, “U.S., Philippines, Japan Holds Joint Military Exercise in South China Sea,” October 2018, accessed December 05, 2018, <https://www.taiwannews.com.tw/en/news/3547014>.

Besides multi-lateral engagement, Japan has enhanced its bilateral cooperation in defense-security aspect with key claimants in the SCS. The support of multilateral efforts does not work in dealing with China's territorial declaration over the SCS because every country seeks likely ways to obtain their interests regardless of common regional interests. From Japan's perspective, the Philippines (a U.S. ally) and Vietnam (a new U.S. partner) are looking for "a reliable partner for their countries."³² The publication of "The SCS: A view from Japan" and the Report of "Japan's Policy towards the SCS – Applying Proactive Peace Diplomacy" focus on improving bilateral security relationships between Japan and both the Philippines and Vietnam when Japan considers these two countries as reliable partners. Tokyo intends to assist the Manila and Hanoi with improving their maritime capabilities.³³

The Action Plan for this new relationship between Japan and the Philippines particularly focuses on "the transfer of dense equipment and technology, expansion of bilateral and multilateral trainings and exercises for capacity building of the Philippines armed forces, and acquisition of patrol boats for the Coast Guard."³⁴ This tie has been developing in spite of the fact that the President Rodrigo Duterte government does not take a strong position on the SCS issue and does not intend to exert itself to

³² Shooji, 136.

³³ Ibid.

³⁴ Reinhard Drifte, "Japan's Policy toward the South China Sea – Applying Proactive Peace Diplomacy," Peace Research Institute Frankfurt Report No. 140, Frankfurt, 2016, 16, Accessed December 28, 2018, <https://www.hsfk.de/publikationen/publikationssuche/publikation/japans-policy-towards-the-south-china-sea-applying-proactive-peace-diplomacy/>.

“operationalize the outcome of the Philippines – initiated court case against China before the Arbitral Tribunal.”³⁵ Japan signed a deal to provide 10 patrol vessels to the Philippines who would receive a low-interest loan from Official Development Assistance (ODA) funds, worth \$150 million to pay for the deals in 2015.³⁶ Additionally, in 2016, Japan decided to “donate five Beechcraft TC-90 training aircraft to the Philippines to support this nation to improve its maritime capability including training pilots.”³⁷ Military equipment from Japan helps the Philippines partly improve its maritime capability.

Moreover, Japan and the Philippines have been increasing the number of joint military exercises. In 2015, the two countries organized two disaster relief drills with the participation of a P3-C of the JMSDF in the SCS. The P3-C flew around the area of the Reed Bank (a disputed feature between China and the Philippines).³⁸ In 2016, three vessels, two destroyers and a submarine of Japan visited Subic Bay and conducted exercises with the Philippines Navy.³⁹ Most recently, in May 2018, Japan and the Philippines organized a joint maritime patrol near the SCS. The JMSDF P-1 aircraft conducted patrol with a Philippine Navy TC-90 aircraft in the waters and airspace around

³⁵ Drifte, 16.

³⁶ The Wall Street Journal, “Japan to Provide Patrol Vessels to the Philippines,” June 2015, accessed December 10, 2018, <https://www.wsj.com/articles/japan-to-provide-patrol-vessels-to-philippines-33424771>.

³⁷ Richard Tomkins, “Japan Donating Beechcraft TC-90 Aircraft to Philippines,” *UPI*, October 2017, accessed December 15, 2018, <https://www.upi.com/Japan-donating-Beechcraft-TC-90-aircraft-to-Philippines/9771509120813/>.

³⁸ Drifte, 17.

³⁹ *Ibid.*, 18.

Palawan Island in the Philippines.⁴⁰ The joint exercises between the two countries have made a great contribution to consolidating defense-security ties and familiarizing Philippines' armed forces with new equipment from Japan.

Regarding the relationship with Vietnam, Tokyo and Hanoi have enjoyed fruitful economic ties since the end of the Cold War. Two countries elevated the existing strategic partnership to the extended strategic partnership, accordingly fostering bilateral cooperation in defense-security cooperation. During the visit to Vietnam in January 2017, Prime Minister Shinzo Abe declared that Tokyo would provide six new patrol boats to Vietnam to enhance maritime law enforcement capability for the Vietnamese Coast Guard. Vietnam would achieve a concessional loan to pay for these ships.⁴¹ Japan had previously promised to provide six used patrol boats to Vietnam.⁴² Additionally, Japan cooperated with Vietnam by organizing seminars on maritime security, including submarine medicine. It demonstrated that Japan may activate defense-security cooperation with Vietnam in sensitive aspects.⁴³

Japan has recently increased the number of warship's visit to seaports in Vietnam. In May 2017, Japan's largest aircraft carrier J.S. Izumo visited Vietnam and participated

⁴⁰ Prashanth Parameswaran, "What's in the Japan-Philippines Maritime Patrol Near the South China Sea?," *The Diplomat*, May 2018, accessed December 15, 2018, <https://thediplomat.com/2018/05/whats-in-the-japan-philippines-maritime-patrol-near-the-south-china-sea/>.

⁴¹ Mai Nguyen and Pham My, "Japan Pledges Boats to Vietnam as China Dispute Simmers," *Reuters*, January 2017, accessed December 21, 2018, <https://www.reuters.com/article/us-vietnam-japan-idUSKBN15015O>.

⁴² Ibid.

⁴³ Shooji, 137.

in a humanitarian assistance and disaster relief drill within the framework of Pacific Partnership between Vietnam and the U.S.⁴⁴ The visit of J.S. Izumo highlighted Japan's military presence in the SCS in the context of heightened tension in this region. In September 2018, a Japanese submarine, Kuroshio, visited Cam Ranh International Port, Vietnam for the first time. The visit focused on less sensitive cooperation activities, including "courtesy calls on Vietnamese officials and naval personnel, sports and professional interactions, and cultural activities, including tours."⁴⁵ However, the visit showed "Japan's great efforts to play a more active security role in the region" under Prime Minister Shinzo Abe.⁴⁶

Means

In order to enhance engagement in the SCS, Japan has taken advantage of different means that can create a sound foundation for Japan to implement its actions. Maintaining a consistent strategy toward the SCS, the U.S-Japan alliance relationship, and support from other claimants, except China, are factors that Japan relies on to realize its objectives in the SCS.

In terms of a consistent strategy, Japan's National Security Strategy in 2013 expresses Tokyo's view about the SCS pertaining to "the maintenance of the rule of law

⁴⁴ Franz-Stefan Gady, "Vietnam: Japan's Largest Aircraft Carrier Participates in Major Naval Exercise," *The Diplomat*, May 2017, accessed December 21, 2018, <https://thediplomat.com/2017/05/vietnam-japans-largest-aircraft-carrier-participates-in-major-naval-exercise/>.

⁴⁵ Ibid.

⁴⁶ Ibid.

at sea, freedom of navigation, and stability in the Southeast Asian region,” as well as the importance of the SCS to Japan for its natural and energy resources, and as a key SLOC.⁴⁷ Prime Minister Shinzo Abe’s predecessors such as Yukio Hatoyama, Naoto Kan and Yoshihiko Noda expressed unclear perspectives about the SCS because they only held office for a short time. However, since Abe was elected in 2012, he declared an active approach to enhance involvement in the SCS issues. National Security Strategy in 2013 also reaffirmed that Japan would make efforts to address this dispute to safeguard the sea lanes by providing “assistance to those coastal states alongside the SLOCs and other states in enhancing their maritime law enforcement capabilities, and strengthen cooperation with partners on the sea lanes who share strategic interests with Japan.”⁴⁸ Japan has defined a clear and permanent vision of all seas, including the SCS through its National Security Strategy.

National Security Strategy in 2013 stresses the importance of establishing cooperation with coastal countries to safeguard SLOCs, including the SCS, that Japan depends on transport of natural and energy resource.⁴⁹ As a result, the support from the claimants in the SCS for Japan’s engagements has been a necessary motivation to sustain its enduring presence. Since the inception of enhanced engagement in the SCS, other claimants, especially Vietnam and the Philippines, have applauded Japan’s efforts to peacefully deal with the dispute. Vietnamese Prime Minister Nguyen Xuan Phuc stated

⁴⁷ Ministry of Foreign Affairs of Japan, *National Security Strategy*, 8-9.

⁴⁸ Ibid., 17.

⁴⁹ Ibid.

during the visit to Japan in October 2018 that he “welcome and support Japan’s efforts and initiative to secure economic prosperity, freedom of trade and safety of navigation in the Indo-Pacific region.”⁵⁰ The Philippines appreciated the role of Japan after receiving military equipment from Japan to improve its maritime capability and organized joint operations with Japan near disputed areas in the SCS.

Regarding Japan’s relationship with the U.S., the Guidelines for Japan-U.S. Defense Cooperation in April 2015 is a milestone for a close allied relationship between the two powers. According to this document, as a key ally of the U.S. in Asia, Japan needs to share burden with the U.S. in dealing with emerging security threats in the region. Japan and the U.S. commit to “conduct bilateral operations to defend waters surrounding Japan and to secure the safety of SLOCs” and Washington supports Tokyo’s role in regional security issues.⁵¹ Japan understands that the U.S. has been increasingly concerned about China’ rapid expansion in the SCS that might threaten Washington’s influence in the region.

At the same time, the Guidelines for Japan-U.S. Defense Cooperation stress the importance of defense cooperation between Japan and the U.S. to maintain “safe and secure SLOCs.”⁵² It is affirmed that the U.S. – Japan alliance relationship can be seen as a

⁵⁰ South China Morning Post, “Japan and Vietnam Join Hands over Disputed South China Sea,” October 2018, accessed December 27, 2018, <https://www.scmp.com/news/china/diplomacy/article/2167457/japan-and-vietnam-join-hands-over-disputed-south-china-sea>.

⁵¹ Ministry of Foreign Affairs of Japan, *The Guidelines for Japan-U.S. Defense Cooperation* (Tokyo: Ministry of Foreign Affairs of Japan, 2015), 12.

⁵² *Ibid.*, 19.

cornerstone for Japan's involvement in the SCS. Japan publicly supports FONOPS by the U.S. in the SCS and criticized "rapid and large-scale land reclamation on seven features in the Spratly Islands, installing military facilities" by China.⁵³

Chapter Summary

Until recently, Japan has not had any official document for its strategy towards the SCS. Tokyo's views about this issue are demonstrated through statements by leaders or through publications by scholars. However, the available references from scholars and researcher pertaining Japan's engagements the SCS partly demonstrate that Tokyo has been shaping its strategy towards the SCS and will direct its actions in the time to come. Chapter 3 will focus on introducing different methods that the author can employ to evaluate and analyze relevant matters in the research paper.

⁵³ Ministry of Defense of Japan, *Defense of Japan 2018*, 115.

CHAPTER 3

RESEARCH METHODOLOGY

To answer the main research question of “What are the implications for region from Japan’s enhanced engagement in the SCS and recommendations for Japan to maintain peace and security in the region?”, the author executes a number of research approaches.

Chapter 2 is shaped by employing elements of JDN. “JDN provides the baseline structure for understanding the fundamental principles of strategy and provides understanding and perspective on its development, execution, and assessment that strategists, planners, trainers, commanders, and staffs can use.”⁵⁴ According to JDN, “strategy is about how nations use the instruments of national power to exercise control over people, places, things, and events to achieve strategic objectives in accordance with national interests and policies.”⁵⁵ At the same time, a strategy should clarify three basic questions: “Where do we want to go, or what are the desired ends? How do we get there, or what are the ways? What resources are available, or what are the means?”⁵⁶ In order to identify an end state of a strategy, it is required to determine what the national interest is. Understanding national interest is the foundation for researchers to clarify end state of

⁵⁴ Joint Chiefs of Staff (JCS), Joint Doctrine Note 1-18, *Strategy* (Washington, DC: Joint Chiefs of Staff, 25 April 2018), 3.

⁵⁵ *Ibid.*, 7.

⁵⁶ *Ibid.*

every strategy.⁵⁷ Means are the capabilities and resources that an actor can use to obtain its objective. “The ‘DIME’ acronym (diplomatic, informational, military, and economic) has been used for many years to describe the instruments of national power.”⁵⁸ Ways are how to use available means to get the end state. Identifying the way is largely inter-dependent on available means and prudent risks that one can suffer.⁵⁹

When policy makers intend to develop a strategy, JDN (objective, way, and means) is possibly the ground that guides them to gain an effective and comprehensive strategy. Moreover, we can employ fundamental elements of JDN when analyzing and evaluating an existing strategy like Japan’s strategy towards the SCS.

In Chapter 4 – Implications for the Region, the author uses qualitative analysis. This method is a proper tool to answer the questions of how and when. It also helps researchers better understand a government strategy, policy, or program. Qualitative analysis is usually employed by researchers of political science matters.⁶⁰ The author uses content analysis in Chapter 4 because regardless of insufficient comprehensive references about the thesis, we can easily search for many pieces of news related to Japan’s activities in the SCS. It is expected that this method will interpret available information to draw the inferences and answer the research questions.

⁵⁷ JCS, Joint Doctrine Note 1-18, 25.

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Saul McLeod, “What’s the Difference between Qualitative and Quantitative Research?” SimplyPsychology, 2017, accessed December 30, 2018, <https://www.simplypsychology.org/qualitative-quantitative.html>.

In the first part of Chapter 4, to identify what implications of Japan's engagement in the SCS for the region, the author focuses on evaluating and analyzing the possible opportunities and challenges that face Japan given its enhanced presence in the region. When analyzing this issue, the thesis determines both subjective and objective factors that have impacts on Japan's engagements in the region. Elaborating on opportunities and challenges will help accurately and objectively identify the influence of Japan's engagements in the region.

On the basis of the opportunities and challenges as well as the real situation of Japan's involvement in the SCS, the author will infer implications for the region in the second part of Chapter 4. Classifying implications into aspects of security, economics, and diplomacy could help the author dig into each specified field. The thesis will additionally focus on security implications, and analyzing and evaluating both the positive and negative sides of each implication to clarify its impact on the region.

The author intends to employ impact/probability charts in the Chapter 4 to measure the implications of Japan's engagement in the SCS. Probability is a possibility that an event can happen. Impact is the anticipated influence if the event occurs.⁶¹ The impact will be broken out into three levels, including low, medium and high. The probability is divided into three levels including unlikely, likely and highly likely. This method will be a foundation to evaluate the importance of each implication and come to the final conclusion about issues that the region should prioritize.

⁶¹ Mindtool, "Risk Impact/Probability Charts," 2018, accessed December 29, 2018, https://www.mindtools.com/pages/article/newPPM_78.htm.

Chapter 5 offers a number of recommendations to maximize benefits as well as minimize possible risks to regional security. After identifying implications for the region in Chapter 4, the author will suggest recommendations for Japan as well as figure out what Japan should do to engage with the claimants and other powers to maintain regional peace and stability. The recommendations focus on Japan because Tokyo is, firstly, the actor directly involving in the region. Every action by this country can have great impacts on the regional security. Second, responses by claimants in the SCS such as Taiwan, the Philippines, Malaysia, Brunei, and Vietnam in the face of China will partly depend on these powers' actions, including Japan. Lastly, other stakeholders including the U.S. and other powers have interests in the SCS. Japan, with close connection with other powers such as the U.S., India, and Australia can encourage these countries to assume a greater role in balancing power and maintaining peace and stability in the SCS. Based on the benefit, objective, and capability of each group of countries, the author provides different suggestions in terms of both their proper policies and de facto actions in the region.

Apart from the above-presented research methodology, the author needs to avoid bias when working on this research paper. This problem can originate from a few causes. First, the author is the citizen of Vietnam, a claimant in the SCS, thus the analysis can be negatively affected due to nationalism. Second, a majority of references on the SCS dispute, that the author can get accessed to, written by authors, journalists or scholars are from Japan, the U.S., and ASEAN countries. It is possible that these documents do not assess the matter in an objective manner. However, with acknowledgement and mindfulness, the author expects to provide accurate and unbiased observation.

Chapter Summary

Approaches to chapters by the author are based on the research questions that are presented for each chapter. These various methods contribute to providing a transparent path to the conclusion of the research paper. In Chapter 4, the author has used qualitative analysis methods based on available information about Japan's engagements in the SCS, reactions by relevant parties, analysis and evaluation by researchers to address the question of "what are the implications for the region?" To answer this key question, the Chapter concentrated on identifying Japan's opportunities and challenges when involved in the SCS, and inferring the likely implications for the region.

CHAPTER 4

IMPLICATIONS FOR THE REGION

Japan has become increasingly engaged in the SCS to protect its national interests and enhance its influence in the region. Tokyo faces existing opportunities and challenges that greatly affect its presence in the SCS.

Opportunities and Challenges

Opportunities

Japan has opportunities that can motivate and create favorable conditions for this country to increase its involvement in the SCS. These advantages stem from both subjective and objective causes that originate from Japan's consensus of engagement in the SCS, Japan's capability to achieve its goals in the SCS, and support from other claimants in the SCS.

First, Japan's Administration and the National Diet have reached consensus regarding enhanced engagement in the SCS. Tokyo is concerned about possible threats to its security in the East China Sea, and China's tougher position on the East China Sea has compelled Japan to shift its SCS policy accordingly. Since President Xi assumed the presidency in 2012, Beijing has asserted its sovereignty, ranging from diplomatic protests, anti-Japanese demonstrations, increased patrols around contested islands, and the establishment of an Air Defense Identification Zone (ADIZ) in the East China Sea.⁶²

⁶² Jian Zhang, "China's New Thinking of the East China Sea Dispute," *The Maritime Issues*, July 2017, accessed January 10, 2019, <http://www.maritimeissues.com/politics/chinas-new-thinking-of-the-east-china-sea-dispute.html>.

China's actions pose direct security risks to security environment around Japan. As a result, in Japan's view, increased engagement in the SCS is considered a suitable approach that can distract China's attention from the East China Sea. Moreover, freedom of navigation in the SCS is a core interest of Japan because its economy depends on this key shipping corridor. Exclusive control over the SCS by another state will have negative security and economic consequences for Japan. Thus, increasing regional influence and protecting national interests in the SCS has become one of Tokyo's top policy priorities. This has paved the way for Prime Minister Abe's Administration to implement new policies towards the SCS since he took office.

Second, as a power in the world, Japan has economic, military and diplomatic capability to achieve its goals in the SCS. From an economic aspect, Japan is the third largest global economy with a GDP of over 5,000 billion U.S. dollars (2018).⁶³ Japan is currently the ASEAN's fourth largest trading partner.⁶⁴ Japan's robust economic capability creates a firm foundation for this country to engage in the SCS. Japan is also one of the strongest military powers in the region. Japan's defense budget is estimated to expand to 47 billion U.S. dollars in 2019.⁶⁵ The revised pacifist constitution enacted under Prime Minister Abe now allows Japan's military forces to deploy overseas. With

⁶³ The Heritage Foundation, "2019 Index of Economic Freedom: Japan," 2019, accessed January 15, 2019, <https://www.heritage.org/index/country/japan>.

⁶⁴ Association of Southeast Asian Nations (ASEAN) Secretariat, *Overview of ASEAN-Japan Dialogue Relations* (Jakarta: ASEAN, 2018), 3.

⁶⁵ The Defense Post, "Japan Unveils Record \$47 Billion Defense Budget," December 2018, accessed January 21, 2019, <https://thedefensepost.com/2018/12/21/japan-record-defense-budget-47-billion/>.

the benefit of advanced technology and a close relationship with the U.S., Japan's military has been playing a more important role in the region. Diplomatically, apart from enhanced bilateral relationships with regional countries, Japan has actively participated in multi-lateral dialogues about regional issues, including the SCS. Through diplomatic channels, Japan's role and position have been improving as a key actor that contributes to global peace and stability. Japan's strength and influence convinces other countries that it will remain committed in the SCS.

Third, Japan has been promoting relations with ASEAN countries for a long time and has become a key economic partner of this organization. In November of 2011, Japan and ASEAN issued "the Joint Declaration for Enhancing ASEAN-Japan Strategic Partnership for Prospering Together (Bali Declaration)" that is a firm basis for bilateral cooperation.⁶⁶ The existing stronger diplomatic and economic ties create favorable conditions for Japan to promote its presence in the SCS.

Lastly, as a U.S. key ally in Asia, Japan is currently supported by the U.S. while promoting its influence in the SCS issue. According to the Guidelines for Japan-U.S. Defense Cooperation, the two countries will closely work to "maintain maritime order based upon international law, including freedom of navigation. The Japan Self-Defense Forces and the U.S. Armed Forces will cooperate, as appropriate, on various efforts such as maintaining and enhancing their bilateral presence in the maritime domain."⁶⁷ This indicates that when Japan faces threats in the SCS, the U.S. can support Tokyo to address

⁶⁶ ASEAN Secretariat, *Overview of ASEAN-Japan Dialogue Relations*, 1.

⁶⁷ Ministry of Foreign Affairs of Japan, *The Guidelines for Japan-U.S. Defense Cooperation*, 6.

them. Cooperation with the U.S. can calm Japan's nerves when Tokyo is also significantly concerned about aggressive responses by China.

Challenges

Japan's enhanced involvement in the SCS issue coincides with Tokyo's long-term interests in the region. However, in order to actively and effectively engage in this sensitive issue, Japan will likely encounter multiple risks that can have negative impacts on its interests. The three major challenges are increased confrontation with China, U.S. shifts in priorities in the region, and Japan's capability to maintain a permanent policy towards the SCS.

Greater engagement by Japan in the SCS will possibly increase the risk of a comprehensive and direct confrontation with China. China has become a second largest economy and a military power in the world, considers the SCS as one of its core interests, and will no longer accept any intervention in that region from other powers. As a result, the risk of a military clash will increase as Japan enhances its military presence in this SCS, as well as the risk of a miscalculation by either side which occurred in late September 2018 when a Chinese warship nearly collided with a U.S. destroyer.⁶⁸ Additionally, the Senkaku Islands in the East China Sea are a contested area between Japan and China. If China is frustrated by Japan in the SCS, it will likely respond by putting increased pressure on Japan in the East China Sea. For example, in 2013, "China

⁶⁸ Danielle Paquette, "Chinese Warship nearly Hits U.S. Destroyer in South China Sea near Disputed Islands," *The Washington Post*, October 2018, accessed January 22, 2019, https://www.washingtonpost.com/world/chinese-warship-nearly-hits-us-destroyer-in-south-china-sea/2018/10/02/877cc788-c5fb-11e8-9158-09630a6d8725story.html?noredirect=on&utm_term=.6cb5c99e178f.

unilaterally established an ADIZ over two-third of the East China Sea.”⁶⁹ The incident partly influenced the freedom of over-flight movement in the region because Beijing requested flights to report their schedules to Beijing when travelling through the ADIZ.

An additional challenge is that the U.S can change its priorities over international affairs. After the 9/11 terrorist attack in 2001, the U.S. called for a global counter-terrorism campaign. At that time, Washington only focused on the war in Afghanistan and Iraq, which left a power vacuum in Asia. Additionally, the U.S. increased opportunities for the rise of China in this region when viewing China as a potential trading and security partner in 2001. In the light of currently complex world, the U.S. has other concerns that are even more important and urgent than the SCS dispute such as North Korea’s nuclear program, counter-terrorism in the Middle East, Iran and other countries. In order to solve these problems, the U.S. needs support from China as the second largest economy and a permanent member of the UN Security Council. As a result, it is possible that the U.S. can change its policy towards the SCS and make concessions to China on this issue in the future. This scenario will put Japan into a dilemma in the region.

Lastly, Tokyo is unable to maintain a consistent, long-term strategy towards the SCS due to its internal affairs. According to the outcome of election for ruling party leader in October of 2018, Prime Minister Shinzo Abe will keep his position until 2021

⁶⁹ Jun Osawa, “China’s ADIZ over the East China Sea: A Great Wall in the Sky,” Brookings, December 2013, accessed January 22, 2019, <https://www.brookings.edu/opinions/chinas-adiz-over-the-east-china-sea-a-great-wall-in-the-sky/>.

and “become the longest-serving leader” in Japan.⁷⁰ This will motivate Shinzo Abe Administration to continue its “Proactive Peace Diplomacy” in the region. However, the SCS dispute is an issue that needs a long-term commitment. Meanwhile, Japan itself faces internal disagreement related to overseas deployment of its military power. When Abe managed to revise Japan’s pacifist Constitution in 2017 to legally send troops overseas, his administration encountered a strong objection from many Japanese politicians and people.⁷¹ Moreover, Japan’s internal political environment may change priorities in the mid-term. Given Japan’s shifting domestic political environment, there is no guarantee that Shinzo Abe’s successor will uphold his legacy, especially when Tokyo must carefully consider China’s reaction.

Implications for the Region

In this thesis, the author only interprets implications as effects or consequences that may happen in the future. In that sense, Japan’s increased engagements in the SCS issue can cause a great deal of implications for the region. However, this thesis only focuses on major effects that come from security, economic and diplomatic aspects. Additionally, at the end of each implication and the Chapter, the author will draw a table to depict impact/probability of the implications. There are three levels of probability

⁷⁰ The Wall Street Journal, “Japan’s Abe Re-Elected as Ruling Party Leader,” September 2018, accessed February 02, 2019, <https://www.wsj.com/articles/japans-abe-re-elected-as-ruling-party-leader-1537420943>.

⁷¹ Japanese Times, “LDP to Present Draft for Revising Japan’s Pacifist Constitution to Diet without Consulting Komeito,” October 2018, accessed February 02, 2019, https://www.japantimes.co.jp/news/2018/10/05/national/politics-diplomacy/ldp-present-draft-revising-japans-pacifist-constitution-diet-without-consulting-komeito/#.W-LdFR_4vIU.

including Unlikely (occurs rarely), Likely (recurrent but not frequent) and Very Likely (occurs frequently). There are three levels of impact including Low (not costly effect), Medium (costly effect) and High (high costly effect).⁷²

Security Implications

Given complicated and unpredictable situation in the SCS, Japan's increased presence will have security impacts on the region. Japan's contribution to peace and stability in the region, additional responsibility of other powers in the SCS issue, a possible collision at sea between China and Japan, and China's unilateral actions to complicate regional security are major security implications for the region.

First, Japan's active and responsible involvement in the SCS issue will contribute to peace and stability in the region. Maintaining a peaceful and stable environment in the SCS to protect Japan's national interests is the desired end state. In the context of a strongly emergent China, Japan's enhanced presence as a power in the region will change the balance of power between China and other claimants. Other claimants, supported by Japan, can partly inhibit China's ambition in the SCS. Additionally, the recently increased military presence of Japan's warships in international waters close to disputed areas conveys its explicit message about the SCS issue. Irrespective of pressure from a powerful China, Japan respects and complies with international laws as well as denies the territorial declaration by Beijing in the SCS. According to Jeffrey Kingston, history instructor at Temple University Japan, "Clearly Japan wants to send a message to Beijing

⁷² Costly effect means political and security influence, not economic one.

that China does not get to do anything it wants in the SCS.”⁷³ At the same time, Japan is enhancing ties with other regional countries, executing joint naval exercises, “all of this to in a way show Beijing that we (Japan) are not going to just let you claim the SCS as Lake China.”⁷⁴

Moreover, Japan’s increasing engagements support littoral countries addressing unconventional security threats, such as piracy. According to a report by marine insurer Allianz in 2017, the cases of losing ships in East and Southeast Asia waters make up 40% of the international shipping loss (34/85 ships).⁷⁵ The number in these two regions has not dropped while shipping losses in the world have fallen by 50% in recent years. The majority of lost vessels were victims of armed pirates.⁷⁶ Japan’s military presence in the SCS can help protect vessels travelling through the region from attacks by pirates. Additionally, enhanced maritime enforcement capabilities supported by Japan will create favorable conditions for regional countries to counter activities of piracy and illegal trafficking. Japan, directly and indirectly, manages to sustain peace and stability through its engagements in the region.

⁷³ Ralph Jennings, “Japan Dials Up Pressure on China Over Southeast Asian Sea,” *Voice of Vietnam*, October 2018, accessed February 15, 2019, <https://www.voanews.com/a/japan-dials-up-pressure-on-china-in-disputed-southeast-asian-sea/4610489.html>.

⁷⁴ Ibid.

⁷⁵ Joe Baker, “Is Southeast Asia Home to the Most Dangerous Waters in the World?” *Ship Technology*, March 2018, accessed February 20, 2019, <https://www.ship-technology.com/features/southeast-asia-home-dangerous-waters-world/>.

⁷⁶ Ibid.

Second, Japan's behavior will encourage other powers to take additional responsibility in the SCS issue. Japan has actively led participation in multi-national security forums in the recent years like ADMM-Plus, Shang-ri La Dialogue, EAS. Through these mechanisms, Japan has raised its voice against China's aggressive expansion in the SCS and expressed its firm commitment to maintaining peace and stability in the region.

Other powers understand that freedom of navigation in the SCS not only affects their national interests but also are a tool to promote their presence and increase their regional influence. French Defense Minister Florence Parly emphasized in a meeting in Asia that "France fully supports a COC in the SCS, which should be legally binding, comprehensive, effective and consistent with international law."⁷⁷ Moreover, in February of 2019, British Defense Minister Gavin Williamson confirmed that Britain would deploy Royal Navy's HMS Queen Elizabeth to the contested SCS.⁷⁸ This new and advanced aircraft carrier can bring two squadrons of F-35 aircraft and conduct patrols in the SCS.⁷⁹ It seems that apart from India and Australia, both France and the U.K. recognize that the only way to sustain rules-based order is to join efforts to send China a clear message about their enhanced engagements in the region regardless of Beijing's denouncement.

⁷⁷ Deutsche Welle, "South China Sea: France and Britain Join the US to Oppose China," June 2018, accessed February 22, 2019, <https://www.dw.com/en/south-china-sea-france-and-britain-join-the-us-to-oppose-china/a-44422935>.

⁷⁸ CNBC, "UK to Send New Aircraft Carrier Loaded with F35 Jets into South China Sea," February 2019, accessed February 22, 2019, <https://www.cnbc.com/2019/02/11/uk-to-send-new-aircraft-carrier-loaded-with-f35-jets-into-south-china-sea.html>.

⁷⁹ Ibid.

Third, a possible miscalculation between China and Japan due to insufficient self-restraint will have negative impacts on regional security. Since Japan began increasing its involvement in the SCS, China has repeatedly protested and warned Tokyo over these actions. In 2016, when Japan deployed its warship to conduct joint training patrols with the U.S. in the SCS, Chinese Defense Ministry spokesman, Yang Yujun, strongly criticized this action and accused Tokyo of complicating the situation in the SCS. “We (China) must solemnly tell Japan this is a miscalculation. If Japan wants to have joint patrols or drills in waters under Chinese jurisdiction, this really is playing with fire.”⁸⁰ When Japan’s biggest warship, the Kaga helicopter carrier, went through the SCS in September of 2018, China also raised its voice to protest any involvement by countries outside the region. “We (China) hope Japan does more to benefit regional peace and stability and speak and act cautiously on the SCS.”⁸¹ Through its strong reactions, China sent a clear message and warned Japan about likely serious consequences when engaging in the SCS.

Moreover, recent reactions show that China will implement strong measures to promote its territorial claims. In 2010, a Chinese fishing boat collided with two Japan Coast Guard vessels near Senkaku Island. This incident sunk bilateral ties to new lows

⁸⁰ Reuters, “China Armed Forces Warn Japan against South China Sea Patrols,” September 2016, accessed February 23, 2019, <https://uk.reuters.com/article/uk-southchinasea-china-japan-idUKKCN11Z10O>.

⁸¹ Tim Kelly, “Japanese Carrier Drills with British Warship Heading to Contested South China Sea,” *Reuter*, September, 2018, accessed February 23, 2019, <https://uk.reuters.com/article/uk-japan-defence-britain/japanese-carrier-drills-with-british-warship-heading-to-contested-south-china-sea-idUKKCN1M7005>.

and negatively influenced inherently good trade relationships between two countries.⁸² This collision was a turning point for Japan-China ties when more Chinese warships and aircrafts were deployed around the Senkaku Islands. This incident shows that a clash can happen at any time. If one side miscalculates the situation, the worst scenario can be a conflict in the region. More seriously, this conflict will involve other powers. The U.S. will not let Tokyo by itself encounter Beijing in the SCS. A territorial dispute in the SCS will complicate and damage ongoing negotiations between China and relevant claimants about COC.

Fourthly, China can conduct unilateral actions to complicate regional security. China has executed many unprecedented actions for recent years when Beijing assumed that its territorial claims were threatened. In 2013, China declared the establishment of its first ADIZ in the East China Sea.⁸³ With the outer boundaries some 200 nautical miles beyond China's territorial sea, the ADIZ overlapped existing ADIZs from Japan, South Korea, and Taiwan.⁸⁴ Although China's ADIZ did not actually work in reality, it put a considerable pressure on relevant parties for a long time. In another development, in May 2014, China placed the mega oil exploration platform, Hai Yang Shi You 981 (HD 981) in Vietnam's Exclusive Economic Zone that was accompanied by many different kinds of

⁸² Jeffrey Hornung, "Japan's Pushback of China," *The Washington Quarterly* (2015), Accessed February 25, 2019, <https://www.tandfonline.com/doi/abs/10.1080/0163660X.2015.1038187>.

⁸³ Michael Green, Kathleen Hicks, Zack Cooper, John Schaus, and Jake Douglas, "Countering Coercion in Maritime Asia Report," Asia Maritime Transparency Initiative, May 2017, accessed February 25, 2019, <https://amti.csis.org/counter-co-east-china-sea-adiz/>.

⁸⁴ Ibid.

vessels.⁸⁵ This incident seriously deteriorated Sino-Vietnam relationship when many anti-China demonstrations broke out in Vietnam and China threatened to impose economic sanctions on Vietnam. Moreover, unilateral action by China posed security threat for regional countries when Beijing declared that it can deploy its oil rig to any place in the disputed water.

It is obvious that with enhanced military and economic power, China has been becoming more confident and assertive in its territorial claims. Japan will absolutely not accept any unilateral behavior by China in the East China Sea that can threaten its security. Additionally, both Japan and other claimants in the SCS do not want to witness any collision at sea between China and Japan. However, given recent actions by China, Beijing will strongly react to Japan's increased presence in the region. China could possibly raise its voice to denounce Japan or execute more rigid actions in the field. No matter how far China's response is, it will have great impact on the regional security and cause the situation to become more complicated. Stopping to negotiate COC with ASEAN, conducting intentional provocative actions in both the SCS and East China Sea are the strong responses by Beijing that can be anticipated. Since China established ADIZ in the East China Sea, many experts have foreseen a scenario that China would do the same thing in the SCS. In spite of not mentioning this possibility in recent time, an ADIZ in the SCS can be taken into account any time by Beijing.

⁸⁵ Carlyle Thayer, *South China Sea Tensions: China, the Claimant States, ASEAN and the Major Powers*, Power, Law, and Maritime Order in the South China Sea (Lanham, MD: Lexington Books, 2015), 9.

Table 1. Probability/Impact Evaluation Table of Security Implications				
	Current Probability	Current Impact	Future Probability	Future Impact
Japan's active and responsible involvement in the SCS issues will contribute to peace and stability in the region.	Likely	Medium	Very Likely	Medium
Japan's behavior will encourage other powers to take additional responsibility in the SCS issue.	Likely	Medium	Likely	Medium
A possible miscalculation between China and Japan due to insufficient self-restraint will have negative impacts on regional security	Likely	High	Very Likely	High
China can conduct unilateral actions to complicate regional security	Likely	High	Very Likely	High

Source: Created by author.

Economic Implications

As a third largest economy in the world, Japan has great economic influence in South East Asia. Thus, when increasingly engaging in the SCS issue, Tokyo will employ the economic instrument of national power to implement its policy towards the region. At that time, there will be a number of economic implications for the region that include enhanced economic ties between Japan and regional countries, more opportunities for marine economic cooperation in the SCS, and China's use of economic instrument to influence the region on purpose of asserting its sovereign claim in the SCS.

First, the economic relationship between Japan and regional countries can be boosted. On the basis of the ASEAN-Japan Comprehensive Economic Partnership

Agreement, Japan has inherently been an ASEAN's important partner of trade and investment. Bilateral trade increased to USD 217.9 billion in 2017, "accounting for 8.5 per cent of ASEAN's total merchandise trade, and placing Japan as ASEAN's fourth largest trading partner."⁸⁶ Additionally, Tokyo was the second Foreign Direct Investment (FDI) investor in 2017 "with FDI flows from Japan to ASEAN amounted to USD 13.2 billion, accounting for 9.6 percent of total FDI flows to ASEAN."⁸⁷ Moreover, Japan has enjoyed fruitful economic relationships with ASEAN countries, especially claimants in the SCS. Vietnam, Malaysia, Indonesia are top trade partners of Japan in recent years.

Based on trade and investment cooperation, Japan can promote economic ties with ASEAN members, focusing on the SCS relevant countries. Regional countries with the economic capability could achieve additional resources for defense purposes, including maritime law enforcement. Realistically, Japan has supported ASEAN countries to develop their economies through ODA. For example, Tokyo declared JPY 750 billion in ODA to support to the Mekong region between 2017 and 2020.⁸⁸ The claimants in the SCS with sufficient maritime capability will be confident to take part in FONOPs as well as joint patrols or joint training exercises with Japan in the SCS.

Second, Japan's engagement can create more opportunities for marine economic cooperation in the SCS. Oil and gas reserves have been the main cause of territorial disputes in the SCS. Therefore, countries outside the region see oil and gas exploitation

⁸⁶ ASEAN Secretariat, *Overview of ASEAN-Japan Dialogue Relations*, 3.

⁸⁷ Ibid.

⁸⁸ Ibid., 9.

cooperation with any claimant, except China, as a sensitive matter. Foreign companies will encounter considerable pressure from China when exploring oil or gas with other claimant in the SCS. In 2007, British oil giant BP withdrew from some oil blocks in the SCS under China's pressure.⁸⁹ Additionally, in 2018, Rosneft Vietnam BV, a unit of Russian state oil firm Rosneft, was concerned that its recent drilling in the SCS could upset Beijing.⁹⁰ Regional countries who have insufficient technological capability to exploit oil and gas face many difficulties in seeking partners for joint exploitation.

Against the backdrop of Japan's engagements in the SCS and its demand for energy, Tokyo, with advanced technology, can be an alternative for regional countries to work with. In August 2018, Vietnam signed "an agreement with two Japanese firms to develop gas reserves in the SCS in partnership with two Japanese oil firms, despite abandoning similar projects due to objections from China."⁹¹ The agreement conveys a clear message to both China and the region that Japan will not yield under China's pressure and will continue cooperating with other claimants in this field. Moreover, Japan can help regional countries develop their fishing industries. Japan has transferred its

⁸⁹ James Pearson and Greg Torode, "Drilling down: Risky Hunt for Oil in Vietnam's South China Sea Blocks," *Reuters*, May 2018, accessed February 25, 2019, <https://www.reuters.com/article/us-vietnam-oil-southchinasea/drilling-down-risky-hunt-for-oil-in-vietnams-south-china-sea-blocks-idUSKCN1IO0QV>.

⁹⁰ *Ibid.*

⁹¹ The Maritime Executive, "Vietnam Finds New Partners for South China Sea Drilling," August 2018, accessed February 25, 2019, <https://www.maritime-executive.com/article/vietnam-finds-new-partners-for-s-china-sea-drilling>.

fishing technologies to Vietnam to develop the tuna industry since 2015.⁹² Japan's involvement in oil and gas exploitation and fishing industry cooperation in the SCS will have great impacts on developing the marine economy of regional countries. These cooperative activities are Japan's first steps, and will be promoted and extended to other aspects of the marine economy in the future.

Third, China can employ its economic instrument to influence and pressure regional countries. As the second largest economy in the world, China enjoys close economic cooperation with ASEAN members. ASEAN and China celebrated 15 years of their Strategic Partnership in 2018. Economic cooperation is the key area of bilateral strategic partnership on the basis of the ASEAN China Free Trade Agreement (ACFTA). According to China's Customs Administration, China and ASEAN increased bilateral trade by 14.1 percent compared to 2017 and reached US\$ 587.87 billion in 2018.⁹³ "China has been ASEAN's top trading partner for 10 consecutive years."⁹⁴ Additionally, "By the end of 2018, China invested \$89.01 billion in ASEAN and ASEAN invested \$116.7 billion in China."⁹⁵ Moreover, China is also a key economic partner with a

⁹² Voice of Vietnam, "Binh Dinh's Tuna Fishing Benefits from Japanese Technology," June 2016, accessed February 25, 2019, <https://english.vov.vn/trade/binh-dinh-s-tuna-fishing-benefits-from-japanese-technology-322036.vov>.

⁹³ Huang Xilian, "China and ASEAN Doing Well on Economic, Trade Cooperation," *The Jakarta Post*, January 2019, accessed February 25, 2019, <https://www.thejakartapost.com/academia/2019/01/31/china-and-asean-doing-well-on-economic-trade-cooperation.html>.

⁹⁴ Ibid.

⁹⁵ Ibid.

majority of ASEAN members creates favorable conditions for Beijing to influence these countries through trade and investment.

China used to employ its economic instrument to pressure regional countries pertaining to sovereignty claims in the SCS before. China signed trade deal of \$13.5 billion with the Philippines because Duterte sounded a note of reconciliation after a previous tense relationship due to PCA's ruling about the SCS in 2016 and "he would end joint military exercises with the US."⁹⁶ In another development, China imposed a temporary economic embargo on Vietnam because of demonstrations against China's oil rig deployment in the SCS in 2014.⁹⁷ This incident pushed the relationship between Beijing and Hanoi into the lowest level since their border conflict in 1979. More seriously, China employed economic investment into ASEAN members as an effective weapon to influence and control decisions by this organization. In 2012, "for the first time in its 45-year history, ASEAN's foreign ministers failed to issue a joint communiqué following their annual consultations."⁹⁸ The main reason was China's increasing influence in Cambodia, especially when Beijing was one of the top investors in that country. Cambodia, as the host nation of the meeting, did not want to upset China with a joint communiqué that criticized Beijing related to the SCS issues.

⁹⁶ BBC, "Duterte in China: Xi Lauds Milestone Duterte Visit," October 2016, accessed February 25, 2019, <https://www.bbc.com/news/world-asia-37700409>.

⁹⁷ Thayer, 10.

⁹⁸ Ernest Z. Bower, "China Reveals Its Hand on ASEAN in Phnom Penh," Center for Strategic and International Studies, 2012, accessed January 15, 2019, <https://www.csis.org/analysis/china-reveals-its-hand-asean-phnom-penh>.

Japan's increasing engagement in the SCS makes a competition for influence between Tokyo and Beijing unavoidable. ASEAN members have a close economic relationship with both countries. Economic interests are an effective instrument that China will employ to influence regional countries. In the short term, China can delay economic cooperation with claimants in the SCS to force them to select China or Japan. Beijing can provide more economic interests to persuade ASEAN members not to support Japan's presence in the SCS. Any mentioned-above scenario will put regional countries into a dilemma when they must balance economic and security matters.

Table 2. Probability/Impact Evaluation Table of Economic Implications				
	Current Probability	Current Impact	Future Probability	Future Impact
Economic relationship between Japan and regional countries can be boosted	Likely	Medium	Likely	Medium
Japan's engagement can create more opportunities for marine economic cooperation in the SCS	Likely	Low	Likely	Medium
China can employ economic instrument to influence and pressure regional countries	Likely	Medium	Likely	Medium

Source: Created by author.

Diplomatic Implications

Japan capitalizes on the diplomatic tool to create favorable conditions to promote its presence in the region. However, China also considers the diplomatic instrument to be an approach to influence other regional countries. In that context, the regional diplomatic

environment has been witnessing positive and negative changes from Japan's involvement.

Japan's enhanced presence significantly improves the ties between Tokyo and ASEAN countries, especially claimants in the SCS. In recent years, Japan has continuously strengthened and upgraded the relationships with ASEAN countries who have territorial claims in the SCS. In 2017, Prime Minister of Vietnam Nguyen Xuan Phuc and his Japan's counterpart Shinzo Abe reaffirmed their assertiveness to boost bilateral ties "in a comprehensive and extensive manner in a joint statement on deepening the two countries' extensive strategic partnership."⁹⁹ In 2015, Japan and the Philippines "issued a joint declaration praising their 'strengthened strategic partnership' and issued an action plan to further it still."¹⁰⁰ According to this document, the two countries pledge to enhance cooperation in terms of defense, security, economics and infrastructure. In 2015, Japan and Malaysia declared the Joint Statement on Strategic Partnership, focusing on cooperation in multiple aspects, especially maritime security, to maintain regional peace and stability.¹⁰¹

Japan actively participates in ASEAN-centered multilateral cooperation mechanisms. Tokyo is currently the key member of ASEAN forums that are organized based on the pillars

⁹⁹ Nhan Dan, "Vietnam, Japan Issue Joint Statement on Deepening Partnership," June 2017, accessed February 28, 2019, <http://en.nhandan.org.vn/politics/item/5256602-vietnam-japan-issue-joint-statement-on-deepening-partnership.html>.

¹⁰⁰ Prashanth Parameswaran, "Japan, Philippines Strengthen Strategic Partnership," *The Diplomat*, June 2015, accessed February 28, 2019, <https://thediplomat.com/2015/06/japan-philippines-declare-strengthened-strategic-partnership/>.

¹⁰¹ Ministry of Foreign Affairs of Japan, *Japan-Malaysia Joint Statement on Strategic Partnership* (Tokyo: Ministry of Defense of Japan, May 2015), accessed February 28, 2019, https://www.mofa.go.jp/s_sa/sea2/my/page3e_000342.html.

of defense-security, economics and socio-culture. These forums are not only a stage for Japan to raise its concern about regional security problems, but help Japan boost its diplomatic ties with ASEAN members as well. Through significant progress in bilateral and multilateral diplomatic ties between ASEAN countries and Japan, Tokyo has successfully forged relationships with key actors in the Southeast Asia generally and the SCS claimants particularly. Given Tokyo's enhanced engagement in the SCS, the close connection between two sides will be a motivation for Japan to increase its diplomatic influence in the region in the time to come. The region will continue seeing positive shifts in the diplomatic field, especially when majority of ASEAN members expect to intensify their diplomatic relations with Japan that can pave the way for further cooperation in other aspects.

Japan's engagement in the region will partly consolidate and elevate the diplomatic and political status of ASEAN in the international arena. Given Japan's successful involvement, powers and international organizations understand that enhancing diplomatic ties with ASEAN is an appropriate approach if they intend to have more engagements in regional issues, including the SCS territorial dispute. A Joint Statement on the 40th Anniversary of the Establishment of ASEAN-EU Dialogue Relations in 2017 stresses that EU supports ASEAN centrality in the regional mechanism.¹⁰² At the same time, "the EU appreciates ASEAN's role as the driving force for, and its important contribution to, promoting dialogue, moderation and cooperation

¹⁰² European Union, "Joint Statement on the 40th Anniversary of the Establishment of ASEAN-EU Dialogue Relations," August 2017, accessed February 28, 2019, https://eeas.europa.eu/headquarters/headquartershomepage_fr/30785/Joint%20Statement%20on%20the%2040th%20Anniversary%20of%20the%20Establishment%20of%20ASEAN-EU%20Dialogue%20Relations.

for peace, security, stability and prosperity in the Asia-Pacific region and beyond.”¹⁰³ Additionally, EU recognizes “the importance of the respect for the rule of law, sovereignty and territorial integrity of States, maritime security and safety, freedom of navigation and overflight, peaceful resolution of disputes” that comply with international laws, including the UNCLOS 1982.¹⁰⁴ A number of powers such as Canada, the U.K., and France have expressed their concern about the SCS issue regardless of opposition by China. These countries intend to intensify diplomatic relations with ASEAN, and assume a more important role in dealing with regional security threats.

Japan’s engagements in the SCS, to some extent, have upgraded ASEAN’s position. The international community not only acknowledges ASEAN’s increased regional role but also embraces ASEAN’s perspective in addressing the SCS issue. It believes that with the enhanced presence by powers and international actors in the region, ASEAN’s diplomatic status will be cemented. Through ASEAN, developing countries such as Vietnam, Myanmar, Laos, Cambodia will have opportunities to strengthen their diplomatic ties with countries outside the region and key international actors in the world.

When it comes to negative implications, China can increase diplomatic tension and pressure on Japan and other regional countries. As a global power, China’s influence has never been underestimated by international community. More importantly, China shares land and sea borders with Southeast Asia. As a result, China has far greater diplomatic influence in Southeast Asia than other powers, especially when the U.S. has

¹⁰³ European Union, “Joint Statement on the 40th Anniversary of the Establishment of ASEAN-EU Dialogue Relations.”

¹⁰⁴ Ibid.

paid more attention on counter-terrorism warfare in the Middle East and other global problems. In 2010, China put significant diplomatic pressure on Japan after the collision between a Chinese fishing trawler and two Japan Coast Guard vessels. “Beijing cancelled meetings and cultural exchanges, demanded apologies as well as compensation for holding him, and repeatedly summoned Japan’s ambassador.”¹⁰⁵ China does not spare ASEAN countries from diplomatic pressure. After challenging China before an international tribunal, the Philippines made concessions when President Rodrigo Duterte officially declared that he did not want to impose this decision on China. “In the play of politics, now, I will set aside the arbitral ruling. I will not impose anything on China.”¹⁰⁶ In 2017, President Duterte even canceled his planned visit to Thitu, a contested island in the SCS controlled by the Philippines, to raise the Philippine flag due to warning from China.¹⁰⁷

China has worked to put more pressure on regional countries pertaining to territorial dispute in the SCS. Beijing will definitely employ diplomacy as an effective way to contain Japan’s engagement. Possible diplomatic measures are anticipated to be more diversified, ranging from giving strong warnings to regional countries that support Japan to stopping ongoing COC negotiation to isolate and contain Japan in the region. If

¹⁰⁵ Hornung, 167.

¹⁰⁶ The Guardian, “Philippines to Set aside South China Sea Tribunal Ruling to Avoid Imposing on Beijing,” December, 2016, accessed February 28, 2019, <https://www.theguardian.com/world/2016/dec/17/philippines-to-set-aside-south-china-sea-tribunal-ruling-to-avoid-imposing-on-beijing>.

¹⁰⁷ The Guardian, “Duterte Cancels Visit to Disputed South China Sea Island after Warning from Beijing,” April 2017, accessed February 28, 2019, <https://www.theguardian.com/world/2017/apr/13/duterte-cancels-visit-to-disputed-south-china-sea-island-after-warning-from-beijing>.

COC is delayed, it will take a long time for both ASEAN and China to reactivate this negotiation process in the future. Under China's pressure, ASEAN countries should consider the scenario that the failure to agree to COC will increase likelihood of a conflict escalating into warfare.

Table 3. Probability/Impact Evaluation Table of Diplomatic Implications				
	Current Probability	Current Impact	Future Probability	Future Impact
Japan's enhanced presence significantly improves the ties between Tokyo and ASEAN countries	Likely	Medium	Likely	Medium
Japan's engagement in the region will partly consolidate and elevate diplomatic and political status of ASEAN in international arena	Likely	Medium	Likely	Medium
China can increase diplomatic tension and pressure on Japan and other regional countries	Likely	Low	Likely	Medium

Source: Created by author.

Chapter Summary

Japan's enhanced engagement in the SCS will present positive and negative implications for the region in terms of security, economics, and diplomacy. In order to have a relatively accurate evaluation of impacts from Japan's increased involvement in the SCS, the thesis provides two tables that help the reader better understand and visualize current and future probability/impact of each implication.

Table 4. Probability/Impact Evaluation Table of Positive Implications				
	Current Probability	Current Impact	Future Probability	Future Impact
Japan's active and responsible involvement in the SCS issues will contribute to peace and stability in the region.	Likely	Medium	Very Likely	Medium
Japan's behavior will encourage other powers to take additional responsibility in the SCS issue.	Likely	Medium	Likely	Medium
Economic relationship between Japan and regional countries can be boosted	Likely	Medium	Likely	Medium
Japan's engagement can create more opportunities for marine economic cooperation in the SCS	Likely	Low	Likely	Medium
Japan's enhanced presence significantly improves the ties between Tokyo and ASEAN countries	Likely	Medium	Likely	Medium
Japan's engagement in the region will partly consolidate and elevate diplomatic and political status of ASEAN in international arena	Likely	Medium	Likely	Medium

Source: Created by author.

Table 5. Probability/Impact Evaluation Table of Negative Implications				
	Current Probability	Current Impact	Future Probability	Future Impact
A possible miscalculation between China and Japan due to insufficient self-restraint will have negative impacts on regional security	Likely	High	Very Likely	High
China can conduct unilateral actions to complicate regional security	Likely	High	Very Likely	High
China can employ economic instrument to influence and pressure regional countries	Likely	Medium	Likely	Medium
China can increase diplomatic tension and pressure on Japan and other regional countries	Likely	Low	Likely	Medium

Source: Created by author.

According to the above Probability/Impact Evaluation Table of Positive Implications and Probability/Impact Evaluation Table of Negative Implications, Japan's enhanced engagements in the SCS can bring positive and negative effects for the region. It is noticeable that the impact of positive implications is anticipated not to increase in the future. Meanwhile, negative implications will be very likely to happen and have more impacts in a long term. These tables will be an important foundation for the author to make proper recommendations for relevant parties in Chapter 5 to take full advantage of Japan's engagement in the SCS, hereby preserving peace and stability in the region.

CHAPTER 5

CONCLUSION AND RECOMMENDATION

Conclusion

China has been increasingly more assertive over its territorial claims in the SCS. In the past 10 years, China conducted multiple activities in the SCS as mentioned earlier in previous chapters. In light of unilateral actions by China, the SCS dispute has become a tension spot for the region. Although Beijing and ASEAN are currently negotiating the COC in the SCS, many experts and scholars assume that “China will never give up an inch of its territory.”¹⁰⁸ Meanwhile, other key claimants like Vietnam and the Philippines expressed their rigid positions relating to territorial sovereignty. “It (Vietnam) has become one of the strongest opponents of Beijing's efforts to assert itself in the area.”¹⁰⁹ Under pressure from the public opinion due to softened position over the SCS, President Rodrigo Duterte declared that “he wants to take on a stronger stance in the SCS dispute.”¹¹⁰ As a result, regional countries will take additional time to approach an abiding agreement that can curb possible tensions due to territorial sovereignty in the region.

¹⁰⁸ CNBC, “China will Never Give up an Inch of Territory, Defense Minister Says,” October 2018, accessed March 03, 2019, <https://www.cnbc.com/2018/10/25/china-will-never-give-up-an-inch-of-territory-defence-minister-says.html>.

¹⁰⁹ Yukako Ono, “Beijing's South China Sea Moves Create Angst: US admiral,” *Nikkei Asian Review*, March 2018, accessed March 03, 2019, <https://asia.nikkei.com/Politics/International-relations/Beijing-s-South-China-Sea-moves-create-angst-US-admiral>.

¹¹⁰ Dharel Placido, “Duterte Wants to Assert PH Rights over S. China Sea but Warns of Great Loss,” *ABS-CBN News*, May 2018, accessed March 03, 2019, <https://news.abs-cbn.com/news/05/22/18/duterte-wants-to-assert-ph-rights-over-s-china-sea-but-warns-of-great-loss>.

Many countries have currently been interested in the SCS as a key SLOC. Japan is one of the powers that has actively engaged in the SCS issue. Through analysis and evaluation in previous chapters, it is argued that apart from assisting and sharing security burdens with the U.S., Japan's national interests are the main reason for its increased involvement in the region. With its own power and support from the U.S., Tokyo has initially succeeded in promoting influence in the SCS through multiple effective solutions, ranging from strengthening bilateral ties with claimants, except China, to continually participating in multilateral forums in the region to raise its significant concern about the SCS issue. Japan's increased presence has partly restrained China's aggressive expansion in the SCS, accordingly contributing to maintaining peace and stability in the region. Vietnam Prime Minister, Nguyen Xuan Phuc, emphasized Tokyo's role in the SCS by declaring that Vietnam hopes "Japan continues to demonstrate its role and responsibility, together with the international community, to support and contribute to the security, safety, freedom of navigation and aviation, to maintain peace and stability, bringing prosperity" to the SCS and Asia-Pacific region.¹¹¹

Japan's increasing involvement in the SCS has positive and negative impacts on the region in terms of security, economics and diplomacy. Positive implications are outweighing negative ones in a short term. However, given a strong and comprehensive emergence of China, Beijing will never make concession to its sovereignty claims in the SCS. China will have more rigid actions in the medium and long term. At that time, the

¹¹¹ Huyen Le, "PM Phuc Highlights Japan's Role in Maintaining Peace in South China Sea," *VnExpress*, October 2018, accessed March 03, 2019, <https://e.vnexpress.net/news/news/pm-phuc-highlights-japan-s-role-in-maintaining-peace-in-south-china-sea-3820797.html>.

negative effects of Japan's engagement in the SCS will be predominant. As a result, this thesis makes a number of recommendations for Japan to maximize positive effects and limit negative effects from Tokyo's increased presence in the region. Accordingly, Japan can play its active and responsible role in assisting regional countries to maintain peace and stability in the SCS as well as achieve its strategic objectives.

Recommendations for Japan

Given similar and different objectives and different positions in the SCS issue, it is impossible to make the same recommendation to all relevant parties in the SCS. "Each great power has different levels of strategic interest and commitments to the SCS issue."¹¹² Instead, to ensure that recommendations can work in reality, the thesis will focus on what Japan should do to motivate claimants in the SCS and other powers outside the region to take more responsibility in maintaining peace and stability in the SCS.

Japan

As the main actor in this thesis, apart from pursuing its interests, Japan could encounter increasing challenges when engaging in the SCS issue. As a result, to achieve its objectives with minimum negative effects, Japan should focus on following solutions:

First, Japan should frame a transparent and consistent strategy towards the SCS issue. Japan has just begun its involvement in the SCS in recent years. Prime Minister

¹¹² Kei Koga, "Renewed Strategic Dynamics over the South China Sea: Options for the US, Japan, and India," National Asian Security Studies Program Issue Brief, Canberra, 2016, accessed December 25, 2018, 9, https://www.academia.edu/30654474/Renewed_Strategic_Dynamics_over_the_South_China_Sea_Options_for_the_US_Japan_India.

Abe has been significantly concerned about the SCS since he took office in 2012. However, Tokyo has not issued any official strategy or policy pertaining to its engagement in the SCS. Thus, a few regional countries are skeptical of Japan's enduring commitment to the SCS issues, especially when a new administration in Japan will be established in 2021. At that time, it is unpredictable whether the newly elected Prime Minister will prioritize Tokyo's increased presence in the SCS. In that circumstance, Japan needs an official strategy towards the SCS issue that works as a guideline for the country in the long term. Moreover, a transparent and consistent strategy will convince regional countries of Japan's enduring commitment to the SCS issue. This is necessary when other claimants are observing China's strong reaction to Japan's increased presence in the SCS. "Japan is not politically influential nor powerful, or persuasive enough to form a unified will of Japan and ASEAN" to encounter an emergent China.¹¹³

Second, Japan should closely work with other relevant countries, especially the U.S. and ASEAN countries. ASEAN countries expect Japan to contain China's ambition in the SCS. However, these countries are afraid that Tokyo's engagement can eliminate diplomatic efforts to negotiate COC. "Some countries might be concerned about intervention by an outsider in the issues that would complicate the negotiation process on the COC between ASEAN and China."¹¹⁴ As a result, Japan's involvement in the SCS will better work if Tokyo regularly coordinates with ASEAN countries to convince them to support Japan's activities in the region. Additionally, it is noted that Japan's enhanced

¹¹³ Shoji, 140.

¹¹⁴ Ibid., 140, 141

presence in the SCS depends on U.S. strategy towards the region. Thus, Japan's government should motivate Washington to demonstrate its commitments in the SCS. Support from ASEAN countries and the U.S. will create more favorable conditions for Japan's increased presence.

Third, Japan should consider formation of COC between Japan and China to control a possible collision in the sea. Based on analysis and valuation in previous chapters, Japan's increased engagement in the SCS will pose risks to security in the region because this action can upset China. Given China's assertiveness and power, a collision can cause a conflict at sea between China and Japan. As a result, Code for Unplanned Encounters at Sea (CUES) is a feasible approach for two countries. A CUES was adopted by the Western Pacific Naval Symposium in 2014. However, "the non-legally binding document with unclear geographical scope which only applies to naval vessels and aircraft" is not suitable to apply in the SCS where disputed waters are not resolved and majority of incidents involve civilian law enforcement.¹¹⁵ If Japan and China sign an abiding CUES or participate in a multilateral abiding CUES in the framework of ASEAN, it will be the most effective mechanism to manage a possible conflict in the region. On the other hand, Tokyo should not exhibit hasty behaviors that can provoke China. At that time, Beijing can execute unilateral actions that possibly damage previous efforts of negotiation and create additional security threats for the region.

¹¹⁵ Anh Duc Ton, "Code for Unplanned Encounters at Sea and its Practical Limitations in the East and South China Seas," *Australian Journal of Maritime & Ocean Affairs* 9 (May 2017), accessed March 05, 2019, <https://www.tandfonline.com/doi/abs/10.1080/18366503.2017.1326075?src=recsys&journalCode=ramo20>.

Claimants in the South China Sea

The stance of claimants in the SCS plays the most important role to Japan's enhanced presence in the SCS. Due to various interests and objectives in the region, China and other claimants have different positions about engagements by outsiders. Consequently, this discrepancy impacts on figuring out recommendations for Japan in the light of Tokyo's involvement in the SCS.

When it comes to China, it is a major claimant in the SCS. It is arguable that the complicated situation in the SCS mainly originates from Beijing's unilateral and aggressive in recent years. China is always frustrated with any engagement in the SCS issue from outsiders like Japan. Beijing has repeatedly declared that it will employ all means to protect its territorial sovereignty. However, China also understands that any misstep over a collision at sea with Japan backed by the U.S. is not a wise decision at this moment. In order to avoid an unexpected scenario in the region, Japan, through bilateral ties and multilateral regional forums, should raise its voice and encourage China to respect international law, especially UNCLOS 1982, related to the right to conduct freedom of navigation in international waters. It could be difficult to persuade China because this country declared that the ruling by PCA "is null and void and has no binding force" and described the PCA as a "law-abusing tribunal" with "widely contested jurisdiction."¹¹⁶ Moreover, Japan should closely coordinate with China and stakeholders to control possible tension, including signing a mentioned-above CUES. Realistically, the

¹¹⁶ Steve Mollman and Heather Timmons, "China Has No Respect for International Law, its Neighbors, or Marine Life, a Tribunal Rules," *Quartz*, July 2016, accessed March 05, 2019, <https://qz.com/729524/chinas-activities-in-the-south-china-sea-are-illegal-and-destroying-the-environment-an-international-court-finds/>.

U.S. and China signed an MOU on Air and Maritime Encounters in 2014 and that can be an example for a CUES in the SCS between Japan and China.¹¹⁷ Lastly, through different channels, Japan should warn China to carefully consider executing unilateral and bullying actions to aggressively contain Japan's presence in the region. Such actions can escalate the tension which can in turn affect the peace and security in the region.

Regarding other claimants, the majority of these states support the increased involvement of Japan that can help them contain China's ambition in the region. However, these countries are significantly concerned about China's strong responses to Japan's presence that can have negative impact on regional security environment and bilateral relations with Beijing. Japan should play an active role in convincing other claimants to reach a consensus of supporting Japan's role in the SCS. The official position of these countries can convey a strong message to China about their assertiveness in territorial claim. Moreover, Japan should provide further support in maritime capability building to other claimants (most of whom are ASEAN members) that can help these countries take more responsibility in dealing with possible risks between China and Japan. With sufficient capability, other claimants could create a balance of power in the region to curb China's expansion. Last but not least, Japan should encourage ASEAN, based on available multilateral forums, to employ additional mechanisms like ADMM Plus, Shangri La Dialogue, and EAS that possibly address collisions at sea, thereby becoming mechanisms for all countries, including China and

¹¹⁷ Mark J. Valencia, "The US-China MOU on Air and Maritime Encounters," *The Diplomat*, November 2014, accessed March 05, 2019, <https://thediplomat.com/2014/11/the-us-china-mou-on-air-and-maritime-encounters/>.

Japan, to discuss their mutual concerns. A proper mechanism with the participation of all relevant parties will help de-escalate tension between China and Japan in the SCS.

Other Powers

It is noted that Japan's engagement in the SCS is closely related with the policy towards this water by other powers including the U.S., India and Australia. These countries, especially the U.S. are significantly interested in the SCS dispute and expect to contain China's expansion, thereby maintaining peace and stability in the region. Japan, through its role and influence in the region, can work and convince these powers to support Japan in the SCS.

First, Japan should urge these countries to build a consistent strategy or policy on the SCS issue. A clear strategy is necessary because it demonstrates long-term commitments in the region. The shift of Philippines' foreign policy partly originates from the uncertainty of U.S. policy towards the SCS in the past years. Regional countries, like the Philippines, want to be prepared for a possible contingency in the future.¹¹⁸

Additionally, Australia does not have any direct national interests in the SCS. Moreover, the close economic relationship between China and Australia is another obstacle that makes regional players skeptical of Canberra's assertiveness in the SCS issues. India has been implementing its Act East Policy; however, due to limited resources, this policy does not really work in Southeast Asia. It is clear that given the uncertainty in policy, there is no guarantee that these outsiders will maintain their position in the future under

¹¹⁸ Koga, 11.

following administrations. At that time, Japan and other claimants can be put into a dilemma in the SCS.

Second, Japan needs to strengthen coordination with the U.S., India and Australia to curb China's expansion in the SCS. The Trump Administration has noted that "the Indo-Pacific strategy is perceived with certain difference by its major participants, including the U.S., India, Japan, Australia and ASEAN states."¹¹⁹ A formal strategy has been formed when President Trump introduced "the strategic concept of the Free and Open Indo-Pacific Strategy" in 2017 at APEC meeting in Vietnam.¹²⁰ With this strategy, India, the U.S., Japan, and Australia will support ASEAN members to enhance their capability to contain China in the region. However, in order to realize this strategy given China's increased confidence, the U.S., India, Australia and Japan should make utmost efforts to promote capacity building programs for regional countries to counterbalance China. According to the conventional balance of power politics, nations outside the region can "strengthen their alliance and alignment to counterbalance China's assertiveness by issuing political statements regarding the stability and their potential involvement in the SCS."¹²¹ The close coordination between powers can make China deliberately consider likely consequences when conducting aggressive action against Japan and other claimants.

¹¹⁹ Zhao Huasheng, "The Indo-Pacific Strategy: China's Perspective," Valdai, November 2018, accessed March 05, 2019, <http://valdaiclub.com/a/highlights/the-indo-pacific-strategy-china-s-perspective/>.

¹²⁰ Ibid.

¹²¹ Koga, 10.

Third, Japan, through allied relationship with the US, should require Washington to support Tokyo and sustain Washington's commitments to engage in the region. A current problem between the U.S. and Japan is whether Washington and Tokyo will sustain the same approach towards China in the future.¹²² Many Japanese experts and officials are concerned that the U.S. can change its priority about maritime security anytime. Given the fact that every defense and security cooperation needs permission from the U.S., Japan's involvement in the SCS will encounter difficulties without support from Washington. As a result, "Better policy coordination would enable the allies to avoid redundancies in their regional outreach and reduce gaps in individual efforts."¹²³ Moreover, collaboration will enable the U.S. to "have a better sense of the role Japan is willing to play and therefore be more confident in Japan taking stronger, more autonomous roles in security issues."¹²⁴

Parting Thoughts

Through analysis and evaluation in 5 chapters, Japan has been shaping a comprehensive strategy towards the SCS issues. However, the research has been conducted when there is not any official reference of Japan's strategy towards the SCS. The author's analysis is mainly based on available research by various authors and information from mass media. Thus, this thesis does not address a number of important questions such as: When will Japan officially publish its strategy towards the SCS? Are there new ways or

¹²² Hornung, 175.

¹²³ Ibid.

¹²⁴ Ibid.

means that Japan can apply in the future to further engage in the SCS? What will be Japan's position about the SCS issue after the Abe Administration? How will security cooperation evolve between Japan and ASEAN members over the long term given increasing pressure from an emergent China? This leaves open the window for other authors to continue research about this topic and answer the aforementioned questions.

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