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## **Escalations in the East China Sea: Is Conciliation Possible?**

*By Tan Ming Hui and Lee YingHui*

### **Synopsis**

*Responding to both domestic and external pressures, China sends a strong signal by raising tensions in the East China Sea. Japan is likely to continue engagement of Southeast Asia to balance the perceived Chinese provocation. Can China and Japan explore conciliatory options to avoid a worsening security situation in the region?*

### **Commentary**

DURING THE first half of August between six and 13 Chinese coast guard ships have been deployed in waters close to the disputed Senkaku/Diaoyu islands in the East China Sea, ostensibly to escort hundreds of fishing boats swarming the area. According to the Japanese coast guard, some of the Chinese coast guard ships appeared to be armed.

Japan's Foreign Ministry lodged multiple protests at these sailings and Foreign Minister Fumio Kishida has met twice with the Chinese ambassador Cheng Yonghua to express displeasure at China's unilateral move, warning that bilateral ties are "deteriorating markedly". Cheng responded by repeating China's usual claims to the contested waters and calling for diplomatic means to resolve the dispute. Significantly the Chinese naval fleets also held an exercise to practise for "sudden cruel and short conflicts".

### **Sources of Chinese Assertions**

Beijing's mass deployments in the East China Sea is consistent with its hardening stance to assert its maritime sovereignty over the East and South China Seas after the Permanent Court of Arbitration (PCA) ruled on 12 July 2016 in favour of the

Philippines and dismissed Chinese claims to historical rights in the South China Sea. After issuing strong statements to reject the ruling, China has recently reinterpreted its laws to allow the arrest and jailing of seafarers who enter territorial waters it considers its own.

By swarming the East China Sea, the Chinese government seems to be sending a sharp warning to Japan for its perceived interference in the South China Sea dispute after Tokyo strongly backed The PCA ruling. This is on top of strong dissatisfaction towards Japan's 2016 defence white paper, which accuses China of making coercive changes to the status quo in the East and South China Seas.

Beijing is also likely concerned about Japanese Prime Minister Shinzo Abe's landslide victory in July's Upper House elections. The ruling LDP-Komeito coalition now enjoys a two-thirds majority in both Upper and Lower houses of the Japanese Diet, bringing Abe closer to realising his longstanding goal of constitutional revision that would enable the Japanese Self-Defence Forces to take a more active role in overseas military deployments. Furthermore, with Abe's recent appointment of a "hawkish" defence minister, Tomomi Inada, China may be pushing buttons in the East China Sea to test the conservative hardliner's reactions.

Domestically, Chinese President Xi Jinping could also be facing pressure to flex China's muscles in the region. Given the broad international endorsement of The Hague's decisions on the South China Sea, China requires 'face-saving' measures to prevent internal criticisms from erupting.

Moreover, observers have suggested that there may be factional-fighting at the top of the Chinese Communist Party (CCP). There are rumours of a rift between Xi and Chinese Premier Li Keqiang over economic development, and Xi has reportedly ordered overhauling reforms of the CCP's youth league, halving its budget this year. The Communist Youth League is traditionally seen as a bastion of Li and former president Hu Jintao. The top CCP elites are said to be gathered in Beidaihe for the annual retreat, and the issue of leadership changes looms over its agenda. As Xi seeks to consolidate his power before the party's 19th congress next year, it is critical that he displays strength and resolve over the maritime disputes in both the East and South China Seas to avoid internal backlash.

### **How Will Japan Respond?**

On top of developing strategic defence around the disputed islands, Tokyo is likely to step up the strengthening of ties with Southeast Asia, especially Manila, which may be construed as attempting to contain China in the region. On 29 February 2016, the Philippines became the first Southeast Asian country to sign a defence equipment transfer agreement with Japan, demonstrating a sense of urgency from both sides for greater cooperation to balance China's perceived maritime assertiveness.

The rise of new Philippine President Rodrigo Duterte has however presented Japan with new challenges. Since the 12 July Arbitral Award, Duterte has spoken publicly of his willingness to negotiate with Beijing. However, although the 12 August press statement issued after the Sino-Philippine talks in Hong Kong outlined seven

possible areas for cooperation, joint resource development was not included. So far, Beijing has also shown no signs of softening its stance on the Arbitral Ruling.

This presents an opportunity for Tokyo to continue its courtship of Manila, in both security and economic realms. Earlier this month, the two foreign ministers made a joint statement urging China to respect the rule of law and maritime security, after a meeting in Davao City. Recently, Japan's Foreign Ministry announced that they have begun talks for the transfer of two additional large coast-guard ships to the Philippines to help augment the latter's capacity to patrol the South China Sea.

Furthermore, Japan recently announced that it would be pouring in US\$2.4 billion into a new railway connecting Manila to the nearby Bulacan province to help ease congestion. Japan has also opened the possibility of building a railway in the Southern region of Mindanao, a project which Duterte had said China offered to fund. As the Philippines' top trading partner and aid provider, Japan is well positioned to step up its economic engagement with the former, and it could very well leverage on this to deepen its strategic ties with the Philippines.

### **Peaceful Management is Key**

To avoid further escalation of tensions in the region, however, Japan and the Philippines should avoid being seen as “bandwagoning” against China, especially in light of Beijing's sensitivities since the PCA ruling. Instead of directly confronting Chinese maritime assertions, they can perhaps work together to explore how the former could be peacefully persuaded to adopt a more conciliatory stance.

Nevertheless, offering an olive branch would only work if Beijing is willing to accept it. On its part, Beijing should also avoid being perceived as overly flexing its muscles in the region. Following the recent meeting in Inner Mongolia with ASEAN, several breakthroughs have been reported on the implementation of the Declaration of Conduct of Parties in the South China Sea (DOC) including the application of Code of Unplanned Encounters at Seas (CUES) and guidelines for establishing an ASEAN-China hotline for use in times of maritime emergencies.

Also, China announced its intention for finalising the draft framework for the Code of Conduct (COC) by 2017. This is a positive development in the South China Sea and if this succeeds, it could serve as a model for managing East China Sea tensions.

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*Tan Ming Hui is an Associate Research Fellow in the Office of the Executive Deputy Chairman and Lee YingHui is a Research Analyst with the Maritime Security Programme at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore.*

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