

EIAS Panel Discussion

"Changing Dynamics in the East China Sea: Pacific Puddle or Simmering Storm?"

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REPORT

In partnership with the University of East Anglia (UEA), the European Institute for Asian Studies (EIAS) hosted a panel discussion on 7 September 2022 on the topic of the “Changing Dynamics in the East China Sea: Pacific Puddle or Simmering Storm”. The panellists included two speakers from the University of East Anglia, Ra Mason, Sasakawa Associate Professor, and Soul Park, Lecturer in International Relations, as well as Eva Pejsova, Senior Japan Fellow at the Brussels School of Government, Vrije University Brussels. The panel was chaired by Lin Goethals, EIAS Director. After the presentations of the panellists, Deputy Chief of Mission of Japan to the EU, H.E. Mr Hiroaki Fujiwara, offered additional remarks on recent developments of the situation in the region. Following his reflections the floor was opened for an interactive Q&A session with the audience.

China’s new assertiveness versus the US’ status quo

Amidst global recovery from the COVID-19 pandemic and the ongoing war in Ukraine, growing tensions in the East China Sea (ECS) have received less attention in recent months than may be warranted. A number of structural factors have been modified, such as a change in the status quo among the actors involved, bringing higher potential for conflict. Primarily, there has been a shift in the balance of power in the region, which is an underlying cause of the risk for conflict. An increasingly rising strength of mainland China is making the ECS a more challenging environment not only for actors who have been geographically involved in the dispute, but also for their alliances.

In his presentation, Ra Mason stressed that the site of the long-standing territorial dispute of the Senkaku/Diaoyu Islands among Japan, China, and South Korea also coincides with the chain of the Okinawan islands in which 70% of US armed forces in Japan are stationed. Hence, the rising tensions in the ECS do not only risk a potential military conflict between China and Japan, but also to affect the structural powers of the US-Japan alliance. From a US perspective, this is likely to affect their efforts to contain the expansion of China, while from the Chinese perspective there is an arc which effectively constrains their own coastal waters.

Subsequently, Soul Park provided an overview of how the ECS has seemingly become host to a “coast guard competition” between the China Coast Guard (CCG) and the Japan Coast Guard (JCG). The JCG has been doubling the number of its armed forces and upgrading certain security systems, including the increased use of drones and aircrafts above its air defence identification zone (ADIZ) to assert dominance above the disputed islands. At the same time, as of 2020, the Japanese Self-Defence Forces have reported more than 4,400 unauthorised Chinese incursions into Japanese and South Korean ADIZ, including coast guard exercises with military-grade naval ships. There is a growing imbalance between Japan and China and although China may not be actively looking to escalate the conflict into traditional warfare anytime soon, its perception towards the region has significantly shifted since September 2012, when the Japanese government attempted to nationalise the islands by purchasing three of them from a private owner. In recent years there has been a growing assertiveness under the Xi Jinping regime towards the ECS dispute, tying it to issues of national sovereignty which must be defended and safeguarded.

Interestingly, against this change in dynamics, the US has seemed to prefer continuity over change in their position. Throughout the Obama, Trump, and Biden administrations, the US government has focused itself on defending neutrality to maintain the status quo of the islands and “deter conflict”, which the US has reemphasized in its 2022 Indo-Pacific strategy. Part of this deterrence strategy is to place greater reliance on different members of its distinct alliance groups, such as through the conduct of various joint military exercises with its bilateral and regional allies in Asia. Although the US has made it clear that it intends to deter China’s claim to the region, its strategy for the region is not expected to undergo drastic changes anytime soon. While the US is unwilling to act alone, it is facing a number of challenges in the region. Such challenges relate to matters of coordination and how to draw in other stakeholders, especially given existing historical ties; how to reconcile the different regional alignments and desires; and

not to be operating under the borrowed flag of NATO. The key points to be raised as regards the situation in the ECS are to avoid conflict, to reshape the thinking on the ECS, as well as to take into account the changing dynamism and actors in place.

Japan's shifting security policies and the rise of additional actors

Eva Pejsova stated that, despite how the overall rise of China in the Indo-Pacific, as well as rising tensions with North Korea and South Korea has undoubtedly shifted Japan's security policy in the last decade, the changing dynamics in the Senkaku/Diaoyu islands dispute has been the leading driver. The ECS remains a key point for Japan, while there has been a drastic domestic reform in more proactive and stronger national security policies since former Prime Minister Shinzo Abe's second term in 2013, such as the establishment of a security council and a national security strategy, filling in the 'missing link' for Japan to become a more reliable security partner for its allies. Regionally, Japan has seemingly become a trendsetter for adopting the 'free and open Indo Pacific' which has also allowed it to become more proactive within its alliances. It is no longer just a 'follower' even within the US-Japan alliance, but it has also been able to dictate the rules, as seen in the language used in their proposed security strategies.

Meanwhile, it is also worth paying attention to other actors who have played an increasing role in the rising tensions in the region, such as Taiwan, who have also claimed sovereignty of the Senkaku/Diaoyu islands. Despite the dispute, Japan and Taiwan have been enjoying very close relations. However, the Japanese perspective of the ECS cannot be dissociated from Taiwan. Almost immediately after the controversial visit made by US Speaker Nancy Pelosi to Taiwan in early August 2022, China shot five missiles into Japan's airspace and waters, which started the latest standoff between the two countries. Hence, any 'Taiwan crisis' should also be taken into account as a Japan, or regional crisis. At the same time, sitting far to the north of the ECS with no direct contact with the islands is North Korea. Yet, the US bases on the Okinawa islands may well be a potential target for North Korean attacks at any time, creating an adversary for the US and the holding strength of the US-Japan alliance. Although mostly not taking 'action' but constantly 'in frame', North Korea's position may also be brought in as a pretext or catalyst by other stakeholders to advance their own security agendas, including to recalibrate the risk of conflict in the region.

On the other hand, like most of the other Asian countries surrounding China, South Korea's role in the ECS leans towards 'strategic hedging'. Although never explicitly offending China politically due to vested market interests, South Korea's friendly links to the US are clear. As for other countries in the vicinity, such as the Southeast Asian countries, their role is becoming more prominent as individual member states as opposed to one entity under ASEAN. For example, the de facto stronger states such as Indonesia and Malaysia have not publicly called off China's advances in the ECS, while militarily they have also formed an institutional network balancing structure with US alliances. Jockeying both powers to vie for a stronger strategic role could also be seen in the pattern of weapon purchases and military assistance. For instance, Japan has been selling weapons and providing military assistance to Indonesia. South Korea also recently acquired nuclear-powered subs from the US.

European interests in the ECS and the Indo-Pacific

Despite taking place in a small space at sea, the ECS has become a regional and global issue, as well as a point of concern for Europe. Developments in the ECS also play into the changing dynamics in the overall Indo-Pacific region which are intertwined with Europe's renewed interest in Asia outlined in its strategy for the Indo-Pacific, which entails a symbolic message to underline that the region matters to the EU. The various US allies in the Indo-Pacific enjoy different types of relationships with China. The growing number of players in the ECS dispute may have diverging long-term interests in the region which are unaligned, potentially creating a situation where it will become more difficult to avoid conflict. All in all, any structural changes in power within the region are of importance to the EU.

European partners in the region have also encouraged a more active European involvement in the Indo-Pacific. Reactions to the EU Indo-Pacific Strategy have overall been positive and encouraging. Eva Pesjova emphasised that the EU could start discussing a more traditional security role for itself in the Indo-Pacific. However, with the amount of military forces on the ground, what is actually needed is political support - and Europe's biggest foreign policy tool is its market power and to act as a lawyer. Hence, one way Europe can become more active in the region is to start increasing relations in other areas, such as through cooperation in the fields of trade, energy, and connectivity. To this end, the EU Strategy for the Indo-Pacific can be leveraged as a security tool which encompasses a much more 'global' strategy.

Discussion and Q&A

In what followed, the audience was invited to ask the panellists questions during the interactive Q&A session. This included questions about what to anticipate in the future trajectory of the ECS going forward, such as the economic and political value of the disputed Senkaku/Diaoyu islands, the possible ‘worst case’ scenario for China, and the role of the AUKUS alliance in the region.

In his response, Ra Mason highlighted that one possible scenario which threatens China’s presence in the ECS is through a shift in position by the US and/or Japan. For example, the US could formally recognize Japanese sovereignty over the Senkaku/Diaoyu Islands. Up until now, through the Obama, Trump, and Biden administrations, the US has essentially reinforced the US-Japan security alliance but has never formally recognized Japan’s sovereignty over the islands. Additionally, in the event that Japan would formally recognize Taiwan as a key security contingency (in which Taiwan would essentially begin to influence Japan’s security policies), the US-Japan alliance could change gears and meet Taiwan’s retaliations in the region with full-force.

Unlike its vested interests in the South China Sea, overall the islands offer a very limited economic or strategic value for China. Despite China’s lack of interest in the islands until oil and natural resources were discovered under the seabed in the 1960s, Soul Park observed that China’s standing in the region has more of a structural importance than economic gains. However, the dispute could well be regarded as a classic example of a security dilemma, as the CCG boasts the power of a very sophisticated naval army, even though there is no inherent value to the island itself.

Eva Pesjova responded that China’s worst case scenario is intrinsically connected to the acknowledged value of the Senkaku/Diaoyu Islands. In any scenario where the islands would be formally recognized as Japanese sovereign territory, China would risk losing the island chain as part of its national identity.

Regarding the AUKUS alliance, the panellists analysed that it will remain a relevant presence in the Indo-Pacific, regardless of whether or not its principal architects remain in office. Soul Park

gave the example of NATO, which remains an influential military alliance until today, despite having been originally established to discourage expansion of the Soviet Union. Ra Mason continued by adding that for a more nuanced view of the relevance of the AUKUS, one would need to view its role in the chain of overall US alliances instead of one individual group of alliance per se. AUKUS also clarifies the direction of Australia's policies in the Asia Pacific region.

To Conclude

China's position regarding the ECS has become more multilayered, complex, and intertwined. Although there is little reason for China to act at more risk than they have been doing so far, there is still a large potential for a sudden escalation, which has added tension to the ongoing situation. Moreover, with additional actors now becoming involved in the de facto dispute, multiple new narratives are being created. This creates cause for concern when various great military capabilities are present in a very small space at sea. Although the EU has not been actively involved in recent ECS developments, it has increasingly vested strategic interests in the Indo-Pacific. For now, the EU would be best advised to do its part in the region by enhancing its trade relations, connectivity, and transport cooperation with its partners in the Indo-Pacific.

Report written by Virginia Segara, EIAS Junior Researcher