Japan and the South China Sea
Forging Strategic Partnerships
in a Divided Region

Céline Pajon

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Executive Summary

In the midst of growing tensions with China, Japan is deepening its strategic engagement in Southeast Asia. Preserving stability in the South China Sea, which is threatened by renewed frictions around contested territories, is a vital interest for sea lane-dependent Japan. Moreover, Tokyo considers Southeast Asian countries as crucial partners in balancing against an increasingly powerful and more assertive China.

Therefore, Tokyo is stepping up its security cooperation in the region through the promotion of regional maritime and security institutions, but more importantly, by building strategic partnerships and helping to foster the maritime capacities of key like-minded countries (notably Indonesia, the Philippines and Vietnam). In this perspective, Japan intensifies its defence diplomacy, it also grants larger amount of security-oriented official development assistance (ODA) and launched a brand-new military assistance program.

These initiatives augment the “great game” of influence currently underway in Southeast Asia and in which Japan is soft-balancing China and supporting a more sustainable US presence. Still, forging strategic partnerships is not an easy task as ASEAN countries, if increasingly polarized, are not passive in the face of the great powers contest. They are attempting to engage the important players, while hedging against eventual risks, by entering “soft arrangements” in terms of security guarantees and cooperation.

As East Asia grows seemingly more divided and as a competition for influence is flaring up, Europe is politically absent. Yet, expectations for more politico-military involvement from European countries in the region do exist, especially in Japan. If discussions about a possible “EU pivot” to East Asia are developing, many obstacles and limitations still constrain an expansion of European influence in the region. While some experts claim that the EU should support the US pivot by playing a complementary role in East Asia, some others argue that Europe should take account of its strengths and weaknesses and remain outside of the Asian theater.
# Contents

INTRODUCTION........................................................................................................................................... 4

A CHANGING STATUS QUO IN THE SOUTH CHINA SEA
AND JAPANESE INTERESTS.................................................................................................................. 7
  Japanese interests in the South China Sea .................................................................7
  New tensions in the South China Sea .................................................................8
  Japanese objectives in the South China Sea ...................................................13

REINFORCING JAPAN’S STRATEGIC ROLE IN SOUTHEAST ASIA:
FROM A MARGINAL TO A CENTRAL POSITION?........................................................ 15
  Japan’s proactive stance on maritime security
  in multilateral settings.........................................................................................15
  Japan’s enhanced bilateral security cooperation
  in Southeast Asia...............................................................................................18

A “GREAT GAME” IN SOUTHEAST ASIA? ......................................................... 26
  Balancing China........................................................................................................26
  Supporting the US rebalancing strategy in the region ............................28
  Wavering partnerships? ASEAN’s resilient strategy ...............................31
  Any role for Europe in the new game in Southeast Asia? ..................34

CONCLUSION......................................................................................................................................... 41
Introduction

“Both Japan and ASEAN are connected with the rest of the world by the broad oceans. I believe we must work together side by side to make our world one of freedom and openness, ruled not by might but by law”

Shinzo Abe

In his role as Japan’s newly appointed Prime Minister, Shinzo Abe symbolically chose Southeast Asia rather than the United States as the site of his first official overseas visit (16 to 20 January 2013). This trip highlights two main evolutions: Japan’s own “return” to the region and the new appraisal of Southeast Asia in Japan’s strategic calculations.

Japan’s security role in the region is indeed experiencing a significant change. Beyond a mere catching-up strategy with China to regain influence in the region, Tokyo is developing a more proactive policy in response to growing geostrategic tensions. In particular, the multiplication of diplomatic struggles and clashes in the South China Sea are putting Japanese national interests at risk and leading Tokyo to build up its strategic role in the region. This attitude departs from Japan’s traditional reluctance to engage in Southeast Asia’s politico-military affairs due to historical sensitivities.

Much is at stake for Tokyo in the South China Sea, from the preservation of vital sea lines of communication to the close monitoring of China’s advance in Asian waters. As the dispute with Beijing over the Senkaku/Diaoyu islands reached new heights beginning last September, the perceived need to put a check on

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2 Before Shinzo Abe’s visit to Hanoi, Finance Minister Taro Aso visited Myanmar while Foreign Minister Fumio Kishida visited the Philippines, Singapore, Brunei and Australia.
China’s excessive claims in the region is becoming more urgent. In this context, Japan seeks to preserve stability and promote the construction of a regional community through multilateral cooperation. But Tokyo is also proactively using defence diplomacy, security-oriented ODA (official development assistance) and a new military aid program to support maritime capacity-building of various Southeast Asian states and build a network of like-minded partners in the region.

Obviously, Japan is willing to play a role in the “great game” of influence currently underway in Southeast Asia, in which Tokyo is soft-balancing China and is supporting a more sustainable US military presence. Still, forging strategic partnerships is not an easy task as ASEAN countries, if increasingly polarized, are not passive in the face of the great powers contest.

As East Asia seems to grow more divided and as a competition for influence is flaring up, Europe is politically absent. Yet, expectations for more politico-military involvement from European countries in the region do exist, especially in Japan. If discussions about a possible “EU pivot” to Asia are developing, many obstacles and limitations still constrain an expansion of European influence in the region.

This report analyses the changing pattern of Japan’s role in Southeast Asia. In particular, are we witnessing a real paradigm shift or merely an incremental evolution of Japanese strategy in the region? What are the aims and means of Tokyo’s security policy in the South China Sea? What is Japan’s new security role in the region? The relations with Vietnam, the Philippines and Indonesia will be examined in detail as these three countries have been identified as priority strategic partners by the Japanese foreign ministry.

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3 ASEAN is the acronym for Association of Southeast Asian Nations. Founded in 1967, it now includes ten countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.
Short Historical Background of Japan in Southeast Asia

Southeast Asian countries have traditionally been of utmost importance for Japan, as providers of raw materials and energy resources. Brutal occupations by Japan’s Imperial Army in the region during the 1930’s and 40’s nurtured strong mistrust for decades and explains why, until recently, the Japanese reengagement in the region was mostly economic in nature. In the wake of the Pacific War, Tokyo provided reparations to Southeast Asian countries in the form of Japanese goods and products and financial assistance. Since then, Japan has been a major provider of ODA and an important trade partner. ODA has helped to guarantee the stable provision of natural resources necessary to support Japanese industrial expansion and also served to open these markets to Japanese products. Southeast Asian countries have thus been integrated into the flying-geese pattern of growth. However, this commercial policy was considered aggressive and detrimental to the interests of recipient countries and hostile demonstrations greeted Japan’s Prime Minister Kakuei Tanaka during his 1974 visit to Thailand and Indonesia.

In 1977, the Fukuda Doctrine, named after then-Prime Minister Yasuo Fukuda, was designed to respond to these protests. It set a more balanced Japanese engagement in the region – not only economic, but also political – while providing reassurances regarding Japanese antimilitarist policy. However, only very recently have Japanese activities in the region evolved from a quasi-exclusive economic diplomacy to a more multidimensional strategy, encompassing contributions to security issues.

In the post-Cold War era, the Japanese Self-Defense Forces (SDF) took part in peace-building activities in the region (1992-Cambodia, 2002-Timor Leste). In 1997 the Hashimoto Doctrine opened the way for dialogue on policy and security with Singapore, Thailand and Indonesia. But Japan’s real, tentative reengagement in the region took place in the 2000s, as a reaction to three main elements: first, the 1997 Asian crisis expectations from ASEAN that Japan would endorse a greater political leadership; second, the Chinese “charm offensive” in the region (China-ASEAN Free Trade Agreement (FTA) signed in 2001); and third, the renewed U.S. interest in Southeast Asia in the context of anti-terrorism activities (the 2002 Enterprise for ASEAN Initiative – EAI). As a response, Japanese Prime Minister Junichiro Koizumi proposed in 2002 to build an “East Asian Community” and to set up a comprehensive economic partnership with ASEAN. Subsequent administrations pursued the strengthening of Japan’s ties with ASEAN countries through new packages of assistance, and a special plan to develop the Mekong region. More recently, the Hatoyama government (2009-2010) upheld the (short-lived) project to build an ambitious East Asian Community after the European model.

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5 Sueo Sudo, “Japan’s ASEAN policy: reactive or proactive in the face of a rising China in East Asia?”, *Asian Perspective*, vol. 33, n°1, 2009, p. 145.
A changing status quo in the South China Sea and Japanese interests

Japanese interests in the South China Sea

The South China Sea (SCS) is a crucial maritime space for Japan for three reasons. First and foremost, the SCS is the host of critical sea routes of maritime transport for Asian economies. More than 80% of Japan’s oil supply and 70% of its trade passes through the South China Sea. So any disruption of the maritime traffic due to frictions between claimant states or undue control by a single dominant power would have a catastrophic impact on Japan. For this reason, the SCS is seen as a “national security concern” by diplomatic authorities.

Second, the South China Sea is at the core of maritime connectivity between East Asian countries, as it links the Pacific and Indian oceans. The enhancement of this connectivity is of utmost importance in sustaining more even-handed industrial development and commercial dynamism of Southeast Asian countries. It also underpins a deeper regional economic integration. Japan has been active in helping to fund critical infrastructure in the region that would strengthen maritime connectivity. As Japanese investments in and trade with Southeast Asia are growing and set to grow further, the interconnectedness of Asian economies is instrumental to ensure the success of Japan’s economic engagements. The concern of promoting connectivity and the freedom of navigation was recently reassessed by Prime Minister Abe in his 18 January Asian policy speech.

Finally, the South China Sea is essential to Japan for strategic reasons. First, the area offers critical maritime routes to allow the passage of naval forces, to hold military drills with their partners and to closely monitor the ongoing military activities in the area. Second, the SCS is considered by Tokyo as a place where the regional

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6 Interview with J, Senior Official, Ministry of Foreign Affairs (MOFA), Tokyo, 27 July 2012.
8 For example, Japan’s Maritime Self Defense vessels are regularly commuting through the South China Sea to take part to the international antipiracy operations in the Gulf of Aden.
balance of power is at stake. As China is enforcing its claims and advancing its maritime presence in the SCS, Tokyo feels that the change in the current status quo would mean a similar threat to its direct interest in the East China Sea. Even if the territorial disputes involving China in East and South China seas bear fundamental differences, Tokyo has considered the two issues as interrelated since 1992, when Beijing passed its “Law on Territorial Waters and Contiguous Areas” asserting its sovereignty over the Spratly, the Senkaku/Diaoyu and other disputed islands.

The recent mounting tensions in the South China Sea have put all of these Japanese interests at risk.

New tensions in the South China Sea

Claimants and claims
The South China Sea is characterised by overlapping territorial claims by a number of countries (See the map below). The main contenders are China, Vietnam, and the Philippines, while Taiwan, Brunei, Malaysia and Indonesia also have some interests at stake. In addition to islands, these countries are claiming territorial waters (12 nautical miles (nm) (22 km) from the coast) and exclusive economic zones (200 nm-370 km) around the emerged lands.

Since 1947, Chinese claims have been depicted by the nine-dotted line (or a cow tongue-shaped line), embracing nearly the entire South China Sea. Based on narratives depicting the historical presence of Chinese seafarers in the region, these claims are judged by ASEAN claimants as excessive and in clear contradiction with the international Law of the Sea, which states that maritime territory is basically made of the land territory’s adjacent waters. Moreover, the nine-dotted line is characterized by legal ambiguity and even Beijing has not provided an official interpretation of the map.

9 In the East China Sea, China is facing another major power in Japan. It is a bilateral dispute regarding the islands and the delimitation of the accompanying EEZ that is made worse by historical animosity and competing leadership projects in the region. There has so far no direct military clash. In the South China Sea, China is on the upper end of an asymmetrical relationship, facing a group of relatively weaker countries. Several lethal confrontations have been recorded.


11 It seems that the Chinese Foreign Ministry adopts a “soft approach” and claims only the islands and related waters within the 9-dotted line, while the governmental agencies in charge of fisheries and maritime affairs seem to push for an extended interpretation and claim Chinese sovereignty on all waters within the line. “Stirring up the South China Sea (I)”, Asia Report n°223, 23 April 2012, International Crisis Group, p. 3.
Facing China, Vietnam and the Philippines are the most active in defending their claims. Vietnam is reclaiming both the Spratly and Paracel archipelagos based on historical grounds and diplomatic documents. The Philippines are claiming the fifty Kalayaan islands group in the Spratly. The disputes with Malaysia and Brunei have been non-confrontational so far, and Indonesia remained neutral until China laid claim to the Natuna Gas Fields in 1993.

The tensions and frictions around these contradictory claims are not new, and in fact lethal confrontations were more frequent in the past than in the 10 most recent years. The violent encounters have been the result of attempts to seize and occupy new islands in...
order to strengthen the administrative control over the territory and in the end, strengthen each country’s legal claims.\(^\text{12}\)

While diplomatic attempts to limit these confrontations at sea have also been made – including the signing of the 2002 Declaration on a Code of Conduct (DOC)\(^\text{13}\) in the South China Sea – it could not prevent further deadly clashes (in 2005, nine Vietnamese fishermen were killed by the Chinese Navy in the Gulf of Tonkin). The claimants have few incentives to adopt a self-restrained attitude, especially as the geopolitical reality has become much harsher in recent years.

**Why increased tensions?**

**A more assertive China**

In 2009, Vietnam and Malaysia jointly submitted a claim to the U.N. regarding the extension of their continental shelves into the South China Sea. Beijing reacted strongly and reasserted its own claims in the area to the U.N., using for the first time on the international stage its nine-dotted line map. A further step was taken in early 2010 when it was reported that China qualified the South China Sea as one of its “core interests” (hexin liyi), a term that has been previously applied to Taiwan, Xinjiang and Tibet.\(^\text{14}\) This suggested a shift to more inflexible Chinese behaviour in the SCS, prompting the concerns of neighbouring countries.

The South China Sea is indeed of growing importance for Beijing, for the safety of shipping routes for its trade and energy supply, but also for its maritime politico-military strategy. Chinese naval policy is indeed developing into two objectives: one is securing its access to the Pacific Ocean through the control of first and second islands chains\(^\text{15}\), the second is implementing an anti-access and area denial (A2/AD) policy in the China seas in order to keep the US forces...

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\(^{13}\) China and ASEAN thus showed their goodwill by adopting a self-restrained attitude at sea and pledged to resolve their dispute in a peaceful manner. This Declaration, without any legal obligation, mainly served as a positive signal to the Parties to develop the resources in the area.

\(^{14}\) It was first reported in April 2010 by American officials after a bilateral meeting with their Chinese counterparts. The qualification made its way to media reports. However, the Chinese officially deny that they ever referred to the South China Sea claims (or even specific island groups and surrounding waters) as a “core interest.” Edward Wong, “China hedges over whether South China Sea is a “Core interest” worth war”, *The New York Times*, 30 March 2011.

\(^{15}\) The first island chain refers to the first chain of major archipelagos from the Chinese coast. It includes the Kuril Islands, the Japanese Archipelago, the Ryukyu Islands, Taiwan, the northern Philippines, and Borneo. The second island chain is composed of the Bonin Islands, Marianas Islands (including Guam), and the Caroline Islands.
at reasonable distance from its littoral zone. In this perspective, for Beijing to protect its core interests in the South China Sea would baring great powers from building bases and introducing armed forces in the area and dissuading Southeast Asian countries from tilting too far towards the US camp, which would allow the Americans to shape a new regional order in favour of their own interests.16

China’s more assertive claims are now backed by stronger naval capabilities and greater confidence. Beijing is using unarmed or lightly armed law-enforcement vessels of its maritime agencies to intelligently assert and sustain its presence at sea, including in disputed areas, while withholding its stronger military muscle at a safe (but nevertheless dissuasive) distance.17 Accordingly, since 2009 Chinese law enforcement vessels have intensified their patrols in the region, fuelling low-intensity frictions with the neighbouring countries’ ships and creating an atmosphere of insecurity.18 Starting in April 2012, a major standoff in the Scarborough Shoal between Filipino naval and coast guard forces and Chinese maritime surveillance vessels showed the resolve of both parties and marked a new phase in the Chinese strategy to enforce its presence in contested areas. Beijing implemented “combination punches” of economic and diplomatic sanctions to press Manila to give in. At the same time, Chinese government ships have maintained their presence around the shoal in an attempt to show China’s actual control of the area.

The Chinese resolve to make the SCS its mare nostrum is likely to continue, as indicated by the objective set in Hu Jintao’s speech before the 18th Party Congress in December 2012 to turn China into a “maritime power”.

Arms race
These repeated frictions and the growing Chinese military might are leading the countries in the region to invest massively in their defence. According to the SIPRI, the military expenses of Brunei, Malaysia, the Philippines and Vietnam grew by 42% from 2002 to 2011.19 This is a second factor that explains the growing instability in the region.

In the last decade the important military build-up of Southeast Asian countries has been especially prevalent in the maritime field. The traditional focus put on internal security with significant ground

18 During the first semester of 2011 for example, a series of clashes and incidents occurred with fishery and energy exploration ships from the Philippines in Reed Bank (Spratly) and Vietnam in the west part of South China Sea.
19 John O’Callahan, “Southeast Asia splashes out on defense, mostly maritime”, Reuters, 7 October 2012.
forces is now experiencing a shift towards coastal and maritime surveillance. Territorial issues in the South China Sea play a major role in the type of procurements made by these countries. For example, the Philippines’ government decided in 2011 to double the defence budget and enact a strategic shift in its national security priorities, from counterinsurgency to maritime issues in the SCS. A border protection program to enhance domain awareness, with the upgrading of the capabilities of the air force, navy and coast guard, is planned. The Philippines have the weakest navy in the region, with its top vessel being a US second-hand frigate (the BRP Gregorio del Pilar) that served during the Vietnam War. Vietnam is also prioritizing its military modernisation with an 82% increase of its military spending since 2003. The Vietnamese navy is the main beneficiary with the commissioning from Russia of two 2000 ton Gepard-class frigates in 2006 and six Kilo-class submarines in 2009.

The acquisition of new maritime capabilities changes the strategic environment and the way to manage and resolve disputes. It may encourage the smaller countries to adopt more confident behaviour, risking the provocation of incidents that will be much more difficult to manage without escalating into a militarized standoff. The development of more capable constabulary forces with an extended mandate (to defend the sovereign territory and patrol disputed waters) may also signify that much more frequent frictions will arise, as these boats are more easily deployed than military vessels and provide a lesser deterrence to potential provocations.

**Pressure on natural resources**

There is also a growing competition to access hydrocarbons, as all countries in the region are experiencing at least fair economic growth, which either needs to be fueled by energy resources (the Philippines are a net importer of oil and see the development of resources in SCS as a way to increase its energy security), or which is fueled by the exports of oil and gas (Hanoi is the leading oil producer in the region, with 26% of its national production coming from South China Sea fields). China’s huge energy needs also encourage further activism in the area. After an aborted initiative in 2008 to jointly survey large zones of the SCS by Chinese, Vietnamese and Filipino

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national oil companies, Manila and Hanoi began unilateral drilling activities in the areas, prompting strong Chinese reactions.25

If the incidents between the claimants’ oil survey vessels multiplied – especially during the first half of 201126 – the majority of more recent incidents originate from clashes between fishing boats. Fishing stocks are indeed declining and push fishermen to go further to find resources.27 While these issues of resource development and valorization could provide excellent opportunities for joint exploitation and protection, such initiatives have failed so far, and no promising approach seems to be pushed by either party.

As the situation is expected to worsen in the SCS, the growing involvement of external powers proves to be another complicating factor.

**Japanese objectives in the South China Sea**

Faced with heightened frictions, Tokyo’s prime objective is to support stability in the region by promoting a diplomatic solution to the territorial conflict and to protect the freedom of navigation. There are indeed concerns that China would restrain innocent passage (as broadly defined) in large maritime zones, as its influence and presence are growing in the region.28 This would diminish the capacity of Japan and its allies to conduct military surveillance activities and check the advance of Chinese nuclear-powered ballistic missile submarines in the South China Sea, which are based at the Southeast island of Hainan. Furthermore, progress in China’s A2/AD capabilities would largely undermine US extended deterrence.29

Mounting territorial tensions are fuelling concern among Southeast Asian countries that are looking for political support and security reassurances to strengthen their hand in dealing with Beijing. Following its US ally, Japan has a strong interest in helping Southeast Asian countries resist Chinese claims as it experiences a similar inflamed standoff with Beijing in the East China Sea.

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26 The Chinese ships cut the cables of Vietnamese oil survey ships in May and June 2011, when the boats were operating within the Vietnamese EEZ, which prompted months of protests.
28 Beijing argues that “freedom of navigation” is indeed permitted beyond 12 nm under UNCLOS, but that this provision applies only to “innocent passage” (of military vessels) and not to activities that are considered as “hostile”, such as collection of intelligence information via oceanographic vessels, SIGINT collection vessels, or carriers from which military intelligence-collection aircraft are sent on missions against a sovereign country. Meanwhile, virtually all signatories of the UNCLOS reject this interpretation.
Japan is pursuing its objectives in the South China Sea (maintaining stability, preserving the freedom of navigation and preventing China’s undue expansion) through two complementing strategies. First, Tokyo is seeking the strengthening of regional institutions and norms to promote maritime and security cooperation and “socialize” China. Second, Japan is attempting to keep a favourable balance of power by building strategic partnerships and helping to foster the maritime capacity of ASEAN claimant states.
Reinforcing Japan’s strategic role in Southeast Asia: From a marginal to a central position?

Japan has traditionally been reluctant to engage in politico-military activities in Southeast Asia, for obvious reasons regarding the sensitive nature of its past, but also because its interests have for a long period of time been mainly of economical nature. However, following the end of the Cold War, Japan has made an incremental security contribution, especially to combat so-called “non-traditional security” threats, such as piracy and terrorism.

Political-security cooperation and maritime issues are now key priorities for Japan-ASEAN strategic partnerships, as demonstrated by the 2011 Bali Declaration. The document calls for enhanced cooperation regarding maritime security in accordance with the United Nations Convention on the Law of the Sea (UNCLOS), and for the early conclusion of a binding Code of Conduct in the South China Sea. The Japanese commitment to further promoting defense cooperation and exchanges through multilateral and bilateral frameworks is also assessed.

**Japan’s proactive stance on maritime security in multilateral settings**

Japan’s continuous commitment to promoting cooperation within regional organizations is significant for several reasons.

First, it is a way for Japan to show its attachment and constant support for the building of an ASEAN-led regional community, not only in the economic sphere, but also on more strategic matters. Japan emphasizes that only cooperation between regional actors can cope effectively with transnational threats. It already has a good record in promoting regional maritime cooperation, especially

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30 “Joint Declaration for Enhancing ASEAN-Japan Strategic Partnership for Prospering Together (Bali Declaration)”, Bali, 18 November 2011
regarding anti-piracy activities. In 2000, Tokyo hosted a conference that gathered the coastguard and maritime police authorities of 16 Asian countries and played an essential role for the adoption of the ReCAAP agreement (Regional Cooperation Agreement on Combating Piracy and Armed Robbery against ships in Asia – signed in 2004), whose purpose is to facilitate information exchange on crimes at sea in the region.\(^{31}\)

Beginning with low-key activities like search and rescue, and the opening of communication channels in case of emergency, Japan is thus encouraging Asian countries, including China, to mutualise efforts to combat maritime threats. From 2008 to 2011 Tokyo has co-chaired the ASEAN Regional Forum (ARF)\(^{32}\) Intercessional Meeting on Maritime Security (ISM-MS). The focus of the ISM-MS is rather low key -- information sharing, capacity building, and training -- and still concentrates to a large extent on piracy.\(^{33}\) Tokyo is also working with Jakarta and Singapore as a major promoter of the ASEAN Defense Ministers Meeting + (ADMM+)\(^{34}\). The ADMM+ has one Experts Working Group devoted to maritime security that has met twice a year since July 2011. It has focused so far on capacity building and information sharing regarding anti-piracy and the protection of sea-lines of communication (SLOCs), among other themes. Japanese defence authorities have high expectations for the ADMM+.

Tokyo's efforts to strengthen inclusive regional security institutions are also meant to socialize China and engage with Chinese authorities to promote the respect of common norms.\(^{35}\) In this respect, Japan’s proactive participation in these institutions also serves to promote liberal rules and norms and anchor them in regional practices. In a move to deepen regional dialogue and cooperation on maritime security, Tokyo proposed in October 2011 to open the ASEAN Maritime Security Forum to ASEAN’s dialogue

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\(^{32}\) The ARF was founded in 1994 and comprises 27 members. It is the first ASEAN-based regional institution devoted to security issues in the region. The ten ASEAN countries, plus ASEAN’s 10 dialogue partners (Australia, Canada, China, the EU, India, Japan, New Zealand, the Republic of Korea, Russia, and the United States), and six other members -- the DPRK, Mongolia, Pakistan, Timor Leste, Bangladesh, and Sri Lanka are taking part.


\(^{34}\) Founded in October 2010, it gathers the Defense officials of ASEAN countries plus Australia, China, India, Japan, New Zealand, Russia, South Korea and the United States. Originally planned to be held once every three years, the meeting will be convened annually, on the request of the United States.

The first meeting of the Expanded ASEAN Maritime Forum (EAMF) was held in October 2012 in Manila. The 1.5-track dialogue discussed the issue of conflicting claims in the region, the relevance of UNCLOS for maritime security, maritime connectivity and capacity building in infrastructure and equipment. The main Japanese objective — implicitly targeting China — was to strongly reassert that the seas should be governed by the rule of law and not by force.\(^{37}\)

The limitation of multilateralism in resolving security issues in a divided region

Despite its efforts to advance multilateral security cooperation, Japan is not satisfied with the path of regional institutions. The flurry of dialogues and the overlapping fora dealing with maritime security cooperation show that there are many inconsistencies in multiplying frameworks of cooperation, even for the sake of exchange and engagement.\(^{38}\) Nothing of real consequence emanates from these arrangements and such consensus-based settings tend to be rather counter-productive on the long run. They may give pre-eminence to reluctant players and give birth to only bottom-line agreements.

The agenda and proceedings of regional meetings depend in large part on the annual-rotating ASEAN chairmanship, fuelling fears of instability and inconstancy. Diplomatic clashes seen in recent ARF and East Asia Summit\(^{39}\) meetings exemplify the growing dissent between Asian countries in addressing sensitive issues. The inclusion of territorial issues in the South or East China Sea on the agenda or in the final Declaration has been problematic. The South China Sea issue thus serves as a test case to see if these multilateral forums are able to play a significant role in maintaining the stability of the region.

In 2010, Vietnam served as the ASEAN Chair and managed to “internationalize” its disputes with China by bringing in other players for multilateral negotiations. At the ARF meeting of 23 July, Hillary Clinton said the United States had a “national interest” in open access to the South China Sea. The declaration was a clear rebuke to China’s bullying strategy and in support of ASEAN claimants. The following year, Indonesia hosted the summits and the EAS Joint Declaration called for Chinese restraint in the SCS. In contrast, the


\(^{38}\) Interview with Takeshi Yuzawa, Professor at Hosei University, Tokyo, 24 July 2012.

\(^{39}\) The East Asia Summit, founded in 2005 is the higher-level forum, gathering the head of State of 18 countries: the ASEAN 10 plus Australia, China, India, Japan, New Zealand, the Republic of Korea, and since 2010 Russia and the United States. The EAS that has been dealing with education, finance, energy, disaster management issues put some more traditional security issues on its agenda since 2010 and the joining of the US.
2012 Chairmanship of Cambodia was a serious blow to these attempts to multilateralize the territorial disputes in the SCS, and has been much criticized for leading to an historic failure of ASEAN countries to adopt a joint communiqué at their 45th Annual Ministerial Meeting (AMM). The cause of this failure was the Cambodian opposition to a request from the Philippines to mention the Scarborough Shoal incident in the joint declaration. Phnom Penh is accused of being bought-out by China, as the country’s economy largely depends on Chinese investments. The Japanese government also expressed its dissatisfaction towards Cambodia’s role.

This failure ultimately came as a shock, highlighting the growing dissension within the ASEAN members. The meetings are now highly politicized and the “ASEAN way”, consensus-based approach to address issues is in limbo. Japan is thus supporting a reform of the decision-making process within the regional institutions. One proposal would be to add a “vice-chair” to the Annual ASEAN Chair, which could provide more leadership and fuel more ambitious resolutions.

Japan is making efforts to advance security cooperation through multilateral channels, especially within the ARF and ADMM+, but there is clear disillusionment about the proficiency of such fora to engage China or to set up preventive diplomacy measures. Upgrading bilateral security cooperation with key Southeast Asian countries is thus considered indispensable to foster Japanese objectives in the region.

**Japan’s enhanced bilateral security cooperation in Southeast Asia**

Indonesia, the Philippines and Vietnam have been identified as key partners for active Japanese security reengagement in Southeast Asia. These three countries are considered to be quite favorable to Japanese leadership. Vietnam and the Philippines share Tokyo’s concerns regarding territorial disputes with China, and Indonesia is perceived as a high-potential country in the region (economically and demographically), willing to take leadership within ASEAN.

The new, enhanced security cooperation promoted by Japan encompasses intensified defence diplomacy, larger security-oriented official development assistance (ODA) and the launching of a brand-new military assistance program.

40 “Japan not happy with Cambodia minister’s words”, *Kyodo news*, 5 September 2012.
41 Interview with C, High-ranking official, MOFA, Tokyo, 24 July 2012.
Military agreements and cooperation: an upgraded defence diplomacy

The recent Japanese diplomatic activism to step up military and security cooperation with Southeast Asian countries is clearly linked to the frictions in South and East China Seas. In a more threatening environment, Japan has made efforts to ink a series of defense pacts with Asian countries. The signing of comprehensive “strategic partnerships” (in 2006 with Indonesia, only one year after China did so, in October 2010 with Vietnam, and in September 2011 with the Philippines) also shows the political importance of these relationships.

Japan and Indonesia have a relatively long and rich history regarding security cooperation. In particular, Tokyo has played an important role in helping Indonesia to set up a capable maritime constabulary capacity in order to fight piracy after the 1997 financial crisis and the consequent domestic disorders in the archipelago. It has also made a significant contribution since 2003 to help reestablish peace and stability in the Aceh region – including through post-2004 tsunami relief assistance and the rebuilding of infrastructure. Following a similar rapprochement with the US, Indonesia went on to strengthen its security and defence partnership with Japan end of 2010, through regular strategic talks on political and security issues.

The two countries are on the same line to advocate a multilateral management of the South China Sea dispute and Japan has supported the Indonesian efforts to hold regular track-2 workshops on SCS issues since the 1990s. Jakarta, in an effort to regain some strategic clout and its position in the region, is trying to act as a go-between facilitator with the claimants and offer solutions to help preserve ASEAN unity and solidarity. It is Jakarta who proposed, in a move to ease the wounds inflicted by the failed ASEAN summit in 2012, the six principles on which ASEAN countries eventually agreed.

Indonesia and Japan are expected to expand their cooperation in promoting the rule of law to ensure peaceful resolution of territorial disputes and bolster regional capacity to respond to natural disaster.

Japan is also a familiar contributor of non-traditional security assistance in the Philippines, especially in the fields of anti-piracy and counter-terrorism. However, the high-level defence dialogue is recent. In September 2011, the leaders of the two countries decided to implement more frequent coastguard exercises and to set up consultations between naval officers. Consultations are also held to

44 New senior working level talks with foreign and defence ministry officials were set up in 2011 and the possibility of holding joint military training is being discussed.
45 Donald K. Emmerson, “Beyond the six points: how far will Indonesia go?”, East Asia Forum, 29 June 2012.
discuss the territorial quarrels with China. Manila served as the most enthusiastic supporter of Japan’s proposal for an expanded ASEAN maritime forum. The Japanese relationship with the Philippines also has to be considered in the context of both countries’ alliance with the United States.  

The security relationship with Vietnam, with a more continentally-based economy, has not been developed within the framework of anti-piracy or anti-terrorism cooperation. Thus, the collaboration remains modest even if significant progress has been made in recent years, especially as Vietnam is viewed as a more capable partner than the Philippines in terms of economic and strategic potential. In July 2010, a 2+2 dialogue (meeting involving the Ministry of Foreign Affairs and Ministry of Defense) was launched at a senior official level. In October 2011, the two countries signed a MOU for the promotion of mutual defence exchanges. Two months later, the commander of the Vietnamese Navy visited Japan to be briefed about the archipelago’s submarine fleet. There are some expectations that Japan could soon begin sales of its stealthy diesel-powered submarines to Southeast Asian countries. This would mark a groundbreaking emergence of Japan as a meaningful new defence equipment supplier to Southeast Asian countries.

As Japan refrains from using its collective self-defense right, it can only offer limited defense cooperation. However, these rapprochements are very symbolic and signal on the strategic importance of these nations for Tokyo.

**Enlarging the security-bound ODA**

If the general Japanese ODA budget has been declining for years, Southeast Asian countries are still among the top recipients, with Indonesia ranking first, Vietnam third and the Philippines the fifth in 2009-2010. Besides, the impetus given to a “strategic use” of ODA is a sign that the economic assistance granted to the ASEAN countries, especially regarding the building of maritime capabilities, will grow in the coming years.

**The strategic use of ODA**

“Strategically using ODA” refers to the necessity to prioritize countries and projects with a maximum strategic benefit for Japan’s security and prosperity. However, there are still multiple interpretations of what should be considered as truly “strategic”.  

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46 Interview with Tomotaka Shoji, Senior Fellow, The National Institute for Defense Studies (NIDS), Tokyo, 27 July 2012.
48 According to OECD DAC statistics: <www.oecd.org/dac/stats>
49 Japan’s 2003 new ODA Charter already put the emphasis on “strategic uses of ODA” that shall “contribute to the peace and development of the international
One interpretation focuses on Japan’s national security and leads to a greater share of ODA being devoted to security-related issues in the region. Despite a strong aversion from officials in charge of ODA for hard security matters, public aid has been gradually used to fund responses to “non-traditional” security issues such as antiterrorism and antipiracy measures in the Philippines, Indonesia, and later on, in Afghanistan. Disguised as law enforcement issues, these “gray security activities” became eligible for Japanese aid: “In concrete terms, the bureaucracies of the MOFA and JICA [Japan International Cooperation Agency] managed to neutralize the link between terrorism and the Japanese military by its own appropriation through the merger of ODA and human security.”

These law enforcement activities allow Japan to contribute to regional stability while enhancing its security assistance in a non-controversial way. This kind of ODA in particular is expected to rise.

Another understanding of “strategic use” is linked to questions relating to “economic security”. For JICA authorities, this means the improvement of physical connectivity within ASEAN, including maritime transportation. In November 2011, Prime Minister Noda pledged $25 billion to promote flagship projects for enhancing ASEAN connectivity. ODA is thus directed to funding important civilian logistical infrastructure that may also contribute to a greater military mobility of the recipient countries.

The former Foreign Minister Koichiro Gemba (09/2011-12/2012), who has been a major promoter of the strategic use of ODA, presented its approach in a speech delivered in February 2012: “I intend to strategically use ODA and other appropriate schemes to address maritime issues, which are also important for national security. Specifically, I will promote measures to defend the security of sea lanes and to improve maritime security of coastal developing countries, including the provision of patrol boats to fight piracy and terrorism at sea.”

community, and thereby to help ensure Japan’s own security and prosperity”. The positive payback of ODA for Japan was set as a new criterion, necessary to sustaining public and political support for ODA spending as the government’s budget kept shrinking and the debt kept rising. Japan’s Official Development Assistance Charter, Government of Japan, Ministry of Foreign Affairs, Economic Cooperation Bureau, 29 August 2003, p.1.

51 Interview with D, High-ranking official, MOFA, Tokyo, 24 July 2012.
52 Interview with I and H, Senior officials, JICA Research Institute, Tokyo, 27 July 2012.
54 Foreign Minister Koichiro Gemba, “Japan's efforts in the global agenda-Implementing “Full Cast Diplomacy” and expanding the frontiers of international cooperation”, Speech delivered at the National Graduate Institute for Policy Studies (GRIPS), 18 February 2012.
A solid record of assistance to ASEAN maritime capacity

Japan has been an important player in assisting Southeast Asian countries in their law enforcement capacity building. Beyond their own merits, these activities are considered as a useful tool for Japan to enhance its political and security role in the region.\textsuperscript{55} The Japanese Coast Guard (JCG), the oldest and most sophisticated force of its kind in the region have been at the forefront of antipiracy cooperation with Southeast Asian countries, with their activities being funded through ODA.\textsuperscript{56}

Regarding efforts to enhance safety in the Malacca straits, Japanese support has been praised as very helpful.\textsuperscript{57} In particular, the most significant move has been the provision through ODA of three Japanese coastguard cutters to Jakarta in 2006. This decision was deemed controversial as it contravenes the Japanese ban on arms exports. The merits of using ODA to fund such a transaction were also debated in Japan. Indeed, the boats equipped with bulletproof glass were classified as “weapons”. However, as the ships were provided without arms and to a non-military force, the final deal was allowed as an exception to the “Principles on arms exports”.\textsuperscript{58} As specified by MOFA, the high-speed patrol ships will be “used to prevent piracy, maritime terrorism and proliferation of weapons in the Strait of Malacca.”\textsuperscript{59}

In another case, the Project on Philippine Coast Guard Human Resource Development was conducted from 2002 to 2007. It aimed to train Filipino personnel to bring their skills up to a level at which they would perform as specialists in maritime security. However, the project evaluation acknowledges that they “lacked the basic knowledge and skills required of the coastguard personnel” and had to be trained in very basic tasks first. This reflects the weak capacity of the Philippines’ maritime constabulary forces and underlines the importance of Japanese assistance.\textsuperscript{60}


\textsuperscript{58} “Grant Aid to Indonesia for the Project for Construction of Patrol Vessels for the Prevention of Piracy, Maritime Terrorism and Proliferation of Weapons”, Ministry of Foreign Affairs of Japan, Tokyo, June 16, 2006.

\textsuperscript{59} Ibid.

\textsuperscript{60} Terminal Evaluation of the “Project on Philippine Coast Guard Human Resource Development”, 2007, JICA, \texttt{<http://www.jica.go.jp/english/our_work/evaluation/tech_and_grant/project/term/asia/philippines_2006_2.html>}
The 2012 provision of patrol boats to the Philippines
The new flagship project of Japanese maritime security-oriented ODA is the provision of 10 patrol boats (worth $12 million each) to the Filipino coastguard. While the proposal was first made in March 2012, before the April spat over the Scarborough Shoal, Japan’s move has been interpreted as support to Manila against Chinese muscle-flexing in the South China Sea. Now commentators say that similar boats could also be offered to Vietnam.61

This project is also controversial because it raises once again the question of the legality and legitimacy for Japan to sell such equipment, which may be considered as weapons, under the heading of ODA. In December 2011, the arms export ban was actually relaxed, allowing Japan to sell military equipment for peaceful and humanitarian purposes (including for measures against international terrorism and piracy).62 While this should in principle facilitate the provision of patrol boats (even armed) to Southeast Asian countries, the remaining issue is the legitimacy of using ODA to support such deals.63 Japan would attach conditions restraining the use of the ships for anti-piracy operations and the safety of navigation, and not for challenging other states on territorial issues. However, once the equipment is transferred, there is no actual guarantee that it would not be used for traditional security purposes. In any case, Japan’s gesture is also meant to send a political signal.

ASEAN countries: priority targets for Japan’s new military assistance
In 2012, Japan launched a brand-new program of military assistance, under the objective of setting in its latest defense orientations (NDPG) to “actively contribute to regional stability”. According to the 2010 defense guidelines, “in non-traditional security fields, Japan will promote practical cooperation by utilizing SDF capabilities, including disposal of landmines and unexploded shells. Japan will also strive to establish and strengthen regional cooperation practice and support the capacity building of countries in the region.”64

This new kind of assistance is meant to improve the capabilities of developing countries to deal with security issues and more importantly to prevent security problems from occurring or

62 “Statement by the Chief Cabinet Secretary on Guidelines for Overseas Transfer of Defense Equipment etc.”, Cabinet of the Prime Minister of Japan, Tokyo, 27 December 2011.
63 However, arms exports to communist countries continue, in principle, to be forbidden. This mention may prove problematic if Tokyo wants to step up its security cooperation with Hanoi.
worsening. This program should also contribute to strengthening strategic partnerships and raise Japanese defense profile and influence on the international scene.65

Southeast Asian countries are clearly identified as priority targets. In 2012, troops in Cambodia and Timor Leste were trained by engineers from Japan’s Self Defense Forces in disaster relief operations and road building. Next year the assistance will be directed toward Indonesia and also Vietnam, where medical personnel could be trained to care for the newly formed submarine crews.66

The Japanese government is adopting a cautious approach to developing its military aid, reflecting the continuing controversy in the country regarding military contributions, as well as possible adverse reactions that it might fuel among its neighbors.67 The program was thus launched without fanfare, with a modest budget, and with a focus on providing human resource development and technical support in non-traditional security fields. However, there are strong expectations that the initiative will rapidly expand, as other countries like the Philippines are eager to take part. Also, ASEAN countries are increasingly asking for the provision of military hardware as part of this assistance (for example, Indonesia is asking for radar systems and patrol ships). Already, the budget devoted to military aid is scheduled to double in 2013 and grow by 10 times on a short-term basis.68 However, several challenges have to be addressed in order to develop a sustainable, efficient program.

First, despite Tokyo’s prudence, the initiative has been widely interpreted as a move to counter Chinese clout in the region. In the Japanese Ministry of Defense, some officials are irritated by this interpretation, denying that it is an anti-China measure. There is a concern that the “anti-China” discourse would contaminate the entire program, which would be detrimental to its development. The MoD insists that the military aid is much more than that, and is based on a complex web of interest and objectives.69

Another issue is the question of the coordination (or rather the lack of coordination) between the MoD and the Ministry of Foreign Affairs, especially as ODA is being more widely used for security purposes and may overlap with defense assistance objectives and projects. If a coordination committee on security assistance has been set up between MoD and MOFA and meets on a monthly basis, this arrangement seems to be very insufficient to provide a clear division

67 Interview with D, High ranking official, MOFA, Tokyo, 24 July 2012.
69 Interview with F and G, Senior officials, Ministry of Defense (MOD), Tokyo, 26 July 2012.
of work.\textsuperscript{70} Besides, there is no cooperation \textit{per se}, as people in charge of ODA are still averse to military matters. The new frontier to ensure an effective, comprehensive capacity-building assistance from Japan to Southeast Asian countries is thus to enhance the coordination of the security-oriented ODA and the military assistance program.\textsuperscript{71}

These initiatives all play into a broader game of influence that great powers play in the region.

\textsuperscript{70} Interview with D, High ranking official, MOFA, Tokyo, 24 July 2012; and F, Senior official, MOD, Tokyo, 26 July 2012.

\textsuperscript{71} Ken Jimbo, “Japan should build ASEAN’s security capacity”, \textit{AJISS Commentary}, n°150, 30 May 2012; “Beef up maritime security by boosting aid to S.E. Asia”, \textit{The Yomiuri Shimbun}, 6 April 2012.
A “great game” in Southeast Asia?

Much is at stake in the South China Sea. If the stability of the region and the security of sea-lanes is a key objective claimed by all parties, the big picture shows a growing competition for influence going on in the region, opposing the traditional hegemon – the US – and the rising challenger – China. Through its security initiatives, Tokyo is trying to balance China and support a sustainable US military presence in the region. Yet viewing this approach in terms of a “great game” also needs to be nuanced, as Southeast Asian countries are not passive actors. The final section of this chapter goes even further and assesses the implications of this new geopolitical context in East Asia for European countries. Indeed, Japan, as well as other neighbouring countries, is increasingly calling for a greater EU politico-strategic engagement in the region.

Balancing China

While keeping good relations with China is considered a primary objective for Japanese diplomacy, a rising China is also perceived as a growing threat to Japanese interests. In this perspective, and in order to preserve Japan’s strategic autonomy, Tokyo needs to maintain the current liberal order underpinned by the US. Japan’s China strategy should thus associate integration, balance and deterrence.\(^\text{72}\) In the context of the South China Sea, even though Japan wants to keep Beijing engaged in multilateral discussions, Tokyo is also soft-balancing Beijing.

Putting a political brake on Chinese influence in Southeast Asia

A divide among ASEAN countries regarding their political relationship with China has been visible for several years now. An opinion poll conducted in 2008 by the Japanese Ministry of Foreign Affairs in six ASEAN countries (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam) showed a split concerning the potential

leadership role of China, Japan and the US in the region. While all the countries view their relations with Japan in very positive terms, Indonesia, the Philippines and Vietnam place Japan over China as their most important partner in the future.

This poll has been an important element in convincing Japanese policymakers to build security partnerships with these countries, small enough to not be considered by China as a provocation, but large enough to be significant and send a signal to Beijing. Narushige Michishita, Associate Professor at the National Graduate Institute for Policy Studies (GRIPS), analyses these efforts to build partnerships in the region as a kind of race between Tokyo and Beijing to gain influence, and secure, as in a game of Go, the largest area for themselves. He compares this competition to the US-URSS contest during the 1960s-70s, and predicts that it will be going on for the next five years or so. Further discussion of the respective roles for Japan and China in Asia would be based on the status quo reached by then.

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73 The pertinence of the methodology applied for the opinion poll may be questioned. In particular, a random sample of the population may not be meaningful in the government’s terms. However, as the survey was specifically cited by several MOFA officials as a basis for Japanese policy formulation, the author is considering it as such. *Opinion Poll on Japan in Six ASEAN Countries, 2008*, on the Ministry of Foreign Affairs Website, <http://www.mofa.go.jp/region/asia-paci/asean/survey/qa0803.pdf>

74 Interview with Narushige Michishita, Associate Professor, National Graduate Institute for Policy Studies (GRIPS), Tokyo, 26 July 2012.
Soft balancing through capacity-building and networking

The formation of a network of like-minded security partners is a core strategic objective to balancing China. Japan sees the Southeast Asian countries embroiled in territorial clashes with China as potential partners to “form a coalition […] to hold out against Beijing’s aggression”.  

This approach takes its roots in the 2010 NDPG that states: “In order to effectively promote measures to further stabilize the Asia-Pacific region, together with the Japan-U.S. Alliance, a security network needs to be created by combining bilateral and multilateral security cooperation in a multi-layered manner. In particular, Japan will strengthen its cooperation with the Republic of Korea and Australia, which are allies of the United States and share basic values and many security-related interests with Japan, through bilateral initiatives and multilateral cooperation involving the United States. Japan will also maintain and enhance security cooperation with the Association of Southeast Asian Nations (ASEAN) countries, which are its traditional partners [emphasis added]. Moreover, Japan will enhance cooperation with India and other countries that share common interests in ensuring the security of maritime navigation from Africa and the Middle East to East Asia.”

Of course, ASEAN countries do not possess the military capabilities of Australia, South Korea or India. The objective is thus first to build the capacity of ASEAN countries to defend themselves, and second, to improve political coordination to form a kind of “maritime countries union”, facing China.

This project of a “quasi-coalition” is also meant to make up for the relative US decline and support Washington’s rebalancing to East Asia.

Supporting the US rebalancing strategy in the region

In 2012, the US announced a strategic rebalancing towards East Asia. Washington is thereby showing its willingness to enhance its

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75 Tomoyuki Tachikawa and Junko Horiuchi, “Re-elected Obama won’t be Senkaku savior”, Japan Times, 17 November 2012.
77 Interview with D, High ranking official, MOFA, Tokyo, 24 July 2012.
78 Initially labeled as “pivot”, this policy was introduced in an article by Hillary Clinton published in the November 2011 issue of Foreign Policy. Mid 2012, Leon Panetta, the Secretary of Defence announced that the US will locate 60% of its fleet in the Pacific by 2020. The “rebalancing” would imply, among other initiatives (for example, the promotion of the Trans-Pacific Partnership), an increased US military presence, a
presence at a time when its overall influence is considered to be declining with China’s rise. While much of this “rebalancing” act is a mere continuation and expansion of the policies followed by previous governments, new aspects include a larger participation in multilateral settings (participation to the EAS), new deployments of military forces or equipment, and a greater security cooperation with Southeast Asian countries. Washington seeks to transform the traditional hub-and-spoke framework of alliances into a more flexible, minilateral network of allies and security partners willing to grant access to rotational deployment of troops and equipment.

One obvious limitation of the US strategy to coalition-building in the region is the diminution of its naval power and its budget constraints. In this context, Japan supports US efforts in network-building and maritime capacity-building activities, thereby reducing the cost for Washington. This allows cooperation with the US-Japan alliance, which has traditionally focused on Northeast Asia, to extend to Southeast Asia as well.

deepening of traditional strategic partnerships and the launching of new ones, and the upholding of liberal norms and standards in the region.

79 At a new 2+2 US-Philippine Ministerial Dialogue, held in April 2012, Hillary Clinton pledged to double the military aid to 30 million dollars, and provide another cutter. Washington hopes to increase its troop rotations, and conduct joint training in the Philippines, including expanded joint exercises with the navy – one such training was held in April 2012, involving 6000 US and Filipino military personnel. The US also upgraded its security relationship with Vietnam, with multiple high-level diplomatic interactions, the symbolic dispatch in August 2010 of the carrier USS George Washington along the Vietnamese coasts to conduct a joint training and a modest, yet historic Memorandum of understanding on defence cooperation concluded in September 2011. Mark E. Manyin (coord.), “Pivot to the Pacific? The Obama Administration’s “Rebalancing” Toward Asia”, CRS Report for Congress, Congressional Research Service, 28 March 2012, p. 2-5. Sheldon Simon, “ASEAN stumbles”, Comparative Connections, CSIS, vol. 14, n°2, September 2012.

The United States and the South China Sea disputes

The US policy regarding the territorial quarrels in South China was first articulated in 1995, after the first Chinese takeover of Mischief Reef. While the main elements of the policy are still valid – peaceful resolution of disputes, maintenance of peace and stability, guarantee of the freedom of navigation, respect of international law and US neutrality in disputes – the approach was adjusted in 2010, after a new series of frictions and clashes in the region. The statement delivered by Hillary Clinton at the ASEAN Regional Forum in July 2010 emphasized the US concern towards the new Chinese assertiveness and the US great resolve to help maintain regional stability and the freedom of navigation. However, Washington consistently refrains from taking any clear position on the sovereignty issues in Asian territorial disputes. During the 2012 Scarborough Shoal standoff, the US answered only lukewarmly to Manila’s call for political support and guarantee of security.

An extension of the US-Japan alliance in Southeast Asia?

American expectations regarding Japan’s enhancing of its functional security cooperation in the South China Sea have been growing for several years. The Japan-US 2+2 Joint Statement in April 2012 thus emphasizes the importance of an "effective, efficient and creative cooperation" to promote peace and stability in the region. In particular, “the U.S. Government plans to continue to help allies and partners in the region to build their capacity with training and exercises. The Government of Japan, for its part, plans to take various measures to promote safety in the region, including strategic use of official development assistance, for example through providing coastal states with patrol boats.” This mention acknowledges the importance of Japanese security assistance and hints at the greater cooperation of the allies in the Southeast Asian theatre, with a division of roles between Japan and the US.

The complementary roles of US and Japan to promote regional maritime security is further explained by the former Minister for Foreign Affairs Koichiro Gemba: “The first initiative is to take various measures, including strategic use of Japan’s official development assistance (ODA), to further promote safety in the region. This is an attempt of, so to speak, deploying what Ministry of

82 Asia Taiheyou no chiiki anzenhoushou architecture – chiiki anzenhoushou no juusouteki kouzou [The regional security architecture of Asia Pacific – The tiered structure of the regional security], The Tokyo Foundation, August 2010, p. 42.
Foreign Affairs is good at, with a creative thinking. Such move can greatly contribute to the safety of sea lanes of communication, for instance. If this initiative and the U.S. military security strategy/policy which attaches importance to Asia-Pacific region can play complementary roles in relation to each other, substantial synergy effect and efficiency will be expected.84 Japan can thus provide funding to build or upgrade critical civilian infrastructures and facilities in ASEAN countries, which might also be used by rotational US forces and equipment.85 However, concrete coordination between the allies regarding security assistance is still difficult to achieve.86

Conversely, the US is helping to bring the Japanese military back to the region through invitations to join maritime trainings such as the Cobra Gold exercises, held with Thailand since 1980, and the Balikatan drills with the Philippines. The 2012 multilateralization of this last exercise, also involving Australia and South Korea, and held near Palawan island in the South China Sea seems to reflect a move by the United States to stand up to China's recent provocations in the area.87 In July 2011, the United States, Japan and Australia also held their first joint naval drill in the South China Sea, near Brunei waters.

Wavering partnerships?

ASEAN’s resilient strategy

One important factor to take into account when assessing the potential for strategic partnerships with ASEAN countries is the latter's traditional concern for diplomatic autonomy. As a result, the fluctuating nature of such security relations should be acknowledged.

ASEAN’s autonomist strategy and reluctance to commit

Southeast Asian countries adopted a non-alignment policy during the Cold War in order to upgrade their own diplomatic and security resilience. Today, they are attempting to engage the important players, while hedging against eventual risks, by entering “soft arrangements” in terms of security guarantees and cooperation.88 The

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85 Interview with C, High ranking official, MOFA, Tokyo, 24 July 2012.
86 Interview with G, Senior official, MOD, Tokyo, 26 July 2012.
hedging strategy of Southeast Asian countries comprises three elements, according to Evelyn Goh:

- An indirect or soft balancing, in particular by persuading the United States to act as a counterweight to China,
- A complex engagement of China to discourage it from challenging the existing system and norms, and
- Efforts to enmesh the other great regional powers to contribute to the regional stability.

To a large extent, the U.S. rebalancing toward Asia has thus been welcomed, especially by the countries who feel more threatened by Chinese assertiveness (the Philippines and Vietnam). But ASEAN countries generally do not want to choose sides; they will only very reluctantly enter any formal security arrangement like an alliance.

Besides, Southeast Asian countries maintain close economic links with China and do not wish to badly damage their relationship with Beijing. So, if 2010 saw a rapprochement between Hanoi and Washington, it was also the first year that the Vietnamese navy made a port call to China, and that China and Vietnam held their first seaborne joint search and rescue exercise. Vietnam, as other countries in the region, is mindful of Chinese reactions. It does not consider its relations with Washington and Beijing in zero-sum terms and pursues “a balanced and omni-directional foreign policy”.

These strategic partnerships are also very much considered in a utilitarian way by ASEAN countries: “[small and medium-sized Asian states] are using the United States and Japan as a source of equipment and training to help them develop their [maritime] capacity, while at the same time calculating that their efforts to upgrade their capabilities will induce China and other potential rivals to participate in norm creation.” The implications may be good for the US and Japan if it encourages China to engage constructively in the stability

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90 China is the largest trading partner of Vietnam, but Vietnam has an important trade deficit vis à vis Beijing. China is the third trading partner of the Philippines, behind the US. and Japan, but the bilateral trade with Beijing is the fastest growing (17.9% in 2011). Thomas Lum, “The Republic of the Philippines and US Interests”, Congressional Research Service, 5 April 2012, p. 23.
of the region. But this approach could also have drawbacks if American and Japanese assistance emboldens countries to act provocatively and increase tensions. This was the case when the Philippines sent its newly acquired second-hand US frigate to monitor Chinese fishing vessels in Scarborough Shoal in April 2012. The deployment of such boat showed a willingness to escalate the spat. To prevent these dangerous and counter-productive attitudes, continued dialogue with recipient countries is necessary.

For these reasons, it might be difficult to build a real coalition of the willing with countries in the region. However, the growing disunity among ASEAN countries is working in favor of greater polarization. Yet, this polarization bears the risk of the marginalization of ASEAN in the region and of the drifting of multilateral institutions.  

**Limited expectations regarding Japan?**

For a long time an embittered collective memory of Japan’s aggressive past prevented Tokyo from developing its politico-military role in Southeast Asia. This is no longer the case. However, other elements explain why the expectations towards Japan as a security provider remain quite limited.

First, Southeast Asian countries are well aware of the domestic constraints that limit Japanese outreach in terms of military cooperation, and they view Tokyo primarily as a provider of economic cooperation. Also, chronic political instability has prevented Tokyo from playing any major diplomatic role in the region.

Second, and more importantly, if Japan is increasingly considered as a useful security partner capable of offering high-tech equipment and good training, in terms of political influence it is generally perceived as the junior partner of the US. Even during the 1990s, when its economic might was unequaled in East Asia, Tokyo was unable to stand against the American will to defend the regional interest. So Japan is clearly identified as lacking some political will

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94 According to Rizal Sukma, Executive Director of the Center for Strategic and International Studies, Jakarta: “As long as ASEAN is able to play the central role, then we do have a multilateral setting in the region where all the major powers can come together. Now I don't take that for granted anymore because of all these differences in interests, differences of strategic orientation among ASEAN member states. When ASEAN cannot maintain its unity, it will be polarized in the coming game of major power politics, and once ASEAN gets polarized, it will get marginalized.”; quoted by Takashi Kitazume, “ASEAN jittery over major power rivalry in Asia”, *The Japan Times*, 12 December 2012.


96 Two times, Japan disappointed the high expectations nurtured by the Southeast Asian nations to take a political leadership in the region. In 1990, Japan declined the offer of the Malaysian Prime minister Mahathir to lead an exclusively East Asian free trade zone (named the East Asia Economic Caucus), and in 1997, Tokyo gave up its project to set up an Asian Monetary Fund in front of the American opposition. Sandra R. Leavitt, “The lack of security cooperation between Southeast Asia and Japan: Yen yes, Nippon no”, *Asian Survey*, vol. 45, n°2, March/April 2005, p. 234-5.
to lead. Its regional diplomacy has been largely reactive to China’s growing clout in the 2000s.

Despite these limits, the continuous tension in the South China Sea and the parallel frictions opposing Tokyo and Beijing in the East China Sea seem to encourage ASEAN claimants to give more weight to Japan’s strategic role in the region. For example, the Philippines are publicly supporting a rearming of Japan and a revision of its pacifist constitution as a way for Japan to become a potentially “significant balancing factor” to China.  

Rizal Sukma, Executive Director of the Center for Strategic and International Studies in Jakarta also recently urged Japan to go beyond the traditional areas of economic cooperation “to play a more strategic, political and security role, especially in soft security issues such as disaster management, peacekeeping and peace-building”.  

The general degradation of the security environment has lead several Asian countries to ask for a European contribution to help preserve regional stability. Meanwhile, as the EU and European countries are experiencing a major crisis, they are more eager to strengthen their ties with their East Asian partners and respond to their expectations.

**Any role for Europe in the new game in Southeast Asia?**

The objective of this section is not to provide an overall analysis of the European foreign policy system or European diplomacy towards Asia, but rather to focus on recent evolutions in the European approach towards East Asia: how is it responding to Asian and Japanese solicitations to engage more in the region and to broaden the scope of cooperation, especially on security issues?

**Asian and Japanese expectations toward European countries**

Japanese authorities and analysts and commentators have been repeatedly showing their strong interest for enhanced French and European security engagement in the Indo-pacific region. European countries are considered as like-minded partners sharing fundamental liberal values. As they also maintain important economic

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98 According to Rizal Sukma, Executive Director of the Center for Strategic and International Studies, Jakarta. quoted by Takashi Kitazume, Op. Cit.  
99 Interviews with officials of Japanese Ministry of Foreign Affairs, Ministry of Defense, and discussions held during closed-door, annual strategic dialogue organised by Ifri since 2009.
stakes in East Asia, the perception is that they could also contribute more to the stability and liberal status quo in the region in several ways.

First, the European Union has traditionally served as a unique model for economic and political integration that could be applied to the East Asian region, even if the geopolitical context is acknowledged as being very different between the two cases. Nevertheless, the EU retains a form of soft power in this way. Also, in Asia, German history is seen as providing lessons for reconciliation, be it between ex-aggressor and its neighbours, or between two countries that has been divided by the Cold War.

Beyond soft power, developing security and defence ties with the most capable Europeans nations in this domain – France and the United Kingdom – is also an objective for several Asian countries, including Japan. In a recent Op-ed, the Prime Minister Shinzo Abe invited “Britain and France to stage a comeback in terms of participating in strengthening Asia’s security”. In terms of defence procurement, Tokyo has already agreed with London to jointly develop small military equipment and is currently discussing this possibility with Paris. There is also a Japanese interest in seeing European countries provide defence equipment to its Southeast Asian partners.

France and the UK are rightly identified as the two European naval powers capable of sending forces in a useful way in Asia. Moreover, France is also considered as a Pacific power, with its large EEZ surrounding Polynesia and New Caledonia, where armed forces are stationed. In a tribune published last October in a French newspaper, the Japanese Foreign Minister Koichiro Gemba significantly described France and Japan as being “important neighbours” in the Pacific Ocean. On this basis, he called for an enhanced cooperation “in order to establish a stable and prosperous order based on democratic values in the Asia-Pacific”. Such cooperation would be “essential for the respect of the International Law of the Sea”, he added.

In the context of growing tensions in the South China Sea, the EU is encouraged to strongly and publicly support international order at sea. This is a privileged role for Europe, which is considered in Asia primarily as a normative power. For Japanese defence

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101 “Japan, Britain set to agree on joint development of arms”, Reuters, 3 April 2012.
103 Author’s translation, Koichiro Gemba, “Pour un règlement pacifique des tensions en mer de Chine”, Le Figaro, 16 October 2012.
104 According to Philomena Murray, Jean Monnet Chair of the School of Social and Political Sciences at the University of Melbourne. Reported in “Europe and the Asian
authorities, European countries, as well as NATO, should send the same message to China: respect international maritime law.

Regarding the SCS disputes, France is considered by Japan, among other Asian countries, as having the potential to play a special role, because of its colonial experience in the region. Indeed, as France occupied Indochina, French troops also seized the Paracel and Spratley Islands (in 1933) without sparking any protests from regional countries. When France left, the Paracels were formally returned to South Vietnamese authorities. The original documents, stored in the National Archives in France, could be used as an important asset to back the Vietnamese claim. In this respect, Paris is considered as a privileged partner by Tokyo regarding this issue.105

Beyond these expectations, the first and strongest request from Japan to European countries is to maintain the arms embargo on China. Putting doubt on its continuation or ending it would amount to granting a free hand to China for asserting its claims in whatever way it prefers in Asia.

The response by the EU and European countries to such expectations has been lukewarm at best. However, very recently, one could notice new diplomatic efforts showing European goodwill to engage in a more strategic way in East Asia.

A European “pivot to Asia”? 
There has been criticism regarding the lack of commitment from the EU in East Asia. Contrasting the US “pivot” to Asia and European passivity, critics explain that the EU has been missing the train of history.106 High Representative Catherine Ashton’s marked absence at the 2010 and 2011 ARF summits was much commented.

In the last year, however, a flurry of activity has sought to increase the EU’s presence in key areas. In 2012, Ashton multiplied visits to Asia (twice to China, one to India, Pakistan, Myanmar, Hong Kong, and Brunei) and joined the ARF Summit in Phnom Penh, signaling a strong willingness to upgrade the EU’s diplomatic profile in Asia. Accordingly, the April 2012 EU-ASEAN Ministerial meeting was meant to bring the relationship to a “new level”, by reinforcing the political dialogue and promoting cooperation in maritime security issues.107 The new Plan of Action (2013-2017) includes maritime security for the first time as an area of consultation and

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105 Interview with D, High-ranking official, MOFA, Tokyo, 24 July 2012.
106 For an early warning, see Maaikje Okano-Heijmans and Frans-Paul van der Putten, “Clinton opts for Asia, Europe for its navel”, EuropeanVoice.com, 20 February 2009.
cooperation. The EU signed the Treaty of Amity and Cooperation in Southeast Asia (a must to join the EAS, one of the EU’s goals) and in June released its revised Guidelines on the EU Foreign and Security Policy in East Asia. As a culmination of this flurry of diplomatic gestures, Catherine Ashton issued a first policy statement dealing with the territorial tensions in Asia. While underlining the importance of international law, the declaration is designed as very prudent and neutral.

Since then, a debate has been going on among EU foreign policy experts on the reality and merit of EU’s own “pivot” to East Asia, pointing out the obvious limitations of any serious European security involvement in the region.

**Pivoting in the shadow of the US?**

The role of the US in this evolution of the EU Asian Strategy has been much discussed. A number of European experts and officials have acknowledged the intensive lobbying from the United-States to “sell” the idea of rebalancing to Asia to European partners. Significantly, an EU-US joint statement on the Asia Pacific region was signed for the first time in July 2012. The largest part of the text deals with security issues, including the need to strengthen cooperation in counter-piracy and increase maritime security “based on international law as reflected in the United Nations Convention on the Law of the Sea”. Regarding the South China Sea, “both sides continue to encourage ASEAN and China to advance a Code of Conduct and to resolve territorial and maritime disputes through peaceful, diplomatic and cooperative solutions”. The EU is also expected to actively promote some core values such as democracy and human rights.

This political alignment with the US regarding the analysis of the threats and risks in East Asia is quite risky, as the EU is neither willing nor able to commit in the same way, latitude and intensity than the US in the region. So if some experts are calling on the EU to develop a real maritime strategy to increase its naval diplomacy in

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110 “With its significant interests in the region, the EU is following with concern developments in East Asia’s maritime areas. The EU urges all parties concerned to seek peaceful and cooperative solutions in accordance with international law, in particular the UN Convention on the Law of the Sea and to clarify the basis for their claims. The EU calls on all parties to take steps to calm the situation.” Declaration by the High Representative Catherine Ashton, on behalf of the European Union on recent developments in East Asia’s maritime areas, Brussels, 25 September 2012.


East Asia to help support the US pivot, for others the EU has to remain a neutral actor in Asian security affairs in order to keep its voice heard and to be in line with its own ideal of fostering ASEAN unity and regional integration.

Thus, efforts have been made by EU high representatives to highlight the different and original European approach of Asia security affairs, based on its multi-dimensional and non-military understanding of security.

The lack of a European strategic vision of Asia

Despite the transformation implemented by the Lisbon Treaty, the foreign policy of Europe is still in the hands of the Member States, and these countries are acting separately. They have different interests and economic competition still gains the upper hand on coordination. The lack of a common vision is thus the first impediment to a European strategic approach to Asia. As a result, if a political impulse from EU leaders and institutions is welcome, a genuine process must be bottom-up, deriving from the genuine interest of the states. If not, the gap between discourse and action will still loom large. The major risk if the EU cannot decide on a strategic vision for its Asian policy is to blindly follow the US, which would also be detrimental to its interests.

Economic interests still come first

Asian strategic issues are still secondary for the EU, and economic might is seen as better serving European soft power in East Asia than bold political statements. It is not in the interest of EU countries to take sides on sensible issues, as this could rather be quite harmful for their economic stakes in the region. The reluctance to commit on political questions was recently demonstrated by the very lukewarm and cautious reactions met by the Japanese Foreign Minister during his October 2012 visit to Paris, London and Berlin, where he sought support amid an inflamed territorial row with China. The fact of the matter is that European nations, and the EU as a whole, are highly and understandably preoccupied by their own relations with China.

Finally, harsh budgetary conditions are weighing on European defense spending. It would seem difficult, in such a context, to increase the military presence in the far-eastern region, even if there

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113 James Holmes, “How Europe can support the “Pivot”, The Diplomat, 9 July 2012.
114 Nicola Casarini, “EU foreign policy in the Asia Pacific: striking the right balance between the US, China and ASEAN”, EUISS Analysis, September 2012, pp. 3-4.
is a clear acknowledgement of the importance of securing vital maritime routes in the Indian-Pacific theatre.\textsuperscript{118}

**So what kind of engagement for Europe?**

Under lobbying from the US and growing demand from Asian countries, the EU and European countries are compelled to posit themselves on Asian security issues and design a comprehensive strategy to raise their profile without creating misplaced expectations, nor aligning with the US or China.

However, Europe faces important limitations to increasing its political role in Asia. So while some experts claim that the EU should nevertheless support the US pivot by playing a complementary role in East Asia (Tomas Valasek, Ulrich Speck, Frederic Grare, Daniel Keohane), some others argue that Europe should take account of its strengths and weaknesses and remain outside of the Asian theater (Jonathan Hostlag, Nicola Casarini).

Europe’s passivity in Asia could make it “perceived as irrelevant and instrumentalised by the United States or China”.\textsuperscript{119} So, for some authors, the EU has to raise its voice, and increase its contribution in domains where it has strong legitimacy to act, like the promotion of regional cooperation and integration, enforcement of international law, and civilian crisis management.\textsuperscript{120} Europe should also help to build the military capacity of its Asian partners in the region, and continue to promote the construction of a regional security architecture that includes China. France is already active in this field with the selling in 2002 of two submarines to Malaysia and a recent deal to sell five patrol boats (one 82-meter and four 24-meter ships) to the Filipino coast guard, to be delivered by 2014. The Filipinos explain that the ships are aimed at patrolling the South China Sea, but make no direct link with the dispute with China.\textsuperscript{121}

Another approach for Europe to support the US pivot is to bear a greater security burden in the Atlantic Ocean and the Mediterranean Sea to allow the Americans to concentrate troops and

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\textsuperscript{121} “Philippines to get 5 French patrol boats”, Agence France Presse, 30 October 2012.
money in the Pacific theater. Jonathan Hostlag argues for example that Europe “should not be guided by naval romanticism” and should concentrate on maritime safety in the Middle East region rather than in the Pacific corridor, as Iran is posing a more serious threat than China to sea lanes that are most vital to Europe. More fundamentally, there is a need to acknowledge that the EU does not have the same strategic interests in East Asia as the US.

In conclusion, much reflection, discussion and debate is taking place on a European strategy toward Asia. However, high expectations should not be held about any European political role in East Asia: Member states are still very much in charge of their own foreign and defense policies, they remain divided on major questions and are very much reluctant to commit on sensitive political issues that might hurt their economic interests. Also, any stronger European military presence in East Asia is very unlikely to happen as defense budgets are on the decline and priorities continue to be the protection of national territory and neighborhoods.

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Conclusion

In the midst of growing tensions with China, Japan is building its strategic depth in Southeast Asia. The stability in the South China Sea is a vital interest for a sea lane-dependent Japan. ASEAN countries are also crucial partners in a balancing act against China. Tokyo is thus stepping up its security cooperation as part of a broader offensive to increase its soft power (through the signing of EPAs, and the conclusion of energy infrastructure, space and high-tech transfer agreements). This trend is in line with previous efforts to develop collaboration, both at the multilateral and bilateral levels, to counter non-traditional threats in the region. In this perspective, what we witness is mostly an incremental evolution of Japanese strategy, rather than a real rupture from the past. Essentially, the Japanese approach is still very much leaning on a traditional way of using its economic prowess to foster its national security. The objective to back constabulary forces in the region that will be trained and equipped by Japan is also a way to raise its strategic profile there.

Nonetheless, noticeable evolutions of Japanese strategy in Southeast Asia encompass a greater focus on politico-military matters with the use of new military assistance and the willingness to build a web of strategic partnerships in the region. This is part of Japan’s efforts to strengthen its hand to check China’s rising influence and the growing, associated risks to its own interests. This network of security partners is built in close coordination with the US and is also meant to support and complement the American presence in the region.

However, despite improvement, Japan’s contribution on maritime capacity-building in the region remains very modest and quite cautious for now. The objective is to move from low-key measures to the provision of hardware components. The quasi-lifting of the ban on supplying arms in December 2010 should facilitate the future sale of military equipment to Southeast Asian countries. Also, the new government of the Liberal Democratic Party, which came back to power in December 2012, is planning to allow Japan to use its right to collective self-defense, which means that Tokyo will be able to enter into proper, reciprocal security partnerships with like-

\[124\] Maaike Okano-Heijmans, “Japan’s security posture in Asia: Changing tactics or strategy?”, ISPI Analysis, n°125, July 2012.
minded countries such as Australia and India. This will be another asset to upgrade its security relations with ASEAN countries.

The question mark is now put on China’s future attitude in the region and the US response. While Japan is now further engaged in regional security, it is also further exposed. Tokyo will have to design a consistent and enduring diplomacy to defend its interests between the two great powers. This will be insured only by the return of a more stable political leadership domestically.