

East China Sea: Preventing Clashes from Becoming Crises

Asia Report N°280 | 30 June 2016

Table of Contents

Executive Summary.....	i
Recommendations.....	ii
I. Introduction	1
II. Outline of the Mechanism and Chronology of Discussions	4
A. Heightened Risks	4
B. Mechanism Structure	6
C. Timeline	7
1. A long voyage.....	7
2. Turning point	8
III. Divergences	11
A. Different Approaches.....	11
B. Other Irritants.....	12
1. East China Sea resource development	12
2. The South China Sea	13
3. Japan's security reforms	14
4. History, nationalism and political risks	16
IV. Potential Implementation Challenges.....	18
A. Mistrust.....	18
B. Systemic Differences.....	19
C. Internal Coherence	20
V. Conclusion	21
APPENDICES	
A. ADIZs of China, Japan and South Korea	22
B. Close Encounters between the PLA and SDF in Recent Years	23
C. Glossary of Terms.....	24
D. About the International Crisis Group	25
E. Crisis Group Reports and Briefings on Asia since 2013.....	26
F. Crisis Group Board of Trustees	28

Executive Summary

As China-Japan relations oscillate between hostility and détente, a credible crisis management protocol is urgently needed to manage the increasing, unplanned contacts between their military aircraft and ships. Despite intermittent negotiations, the two have been unable to agree on a maritime and air communication mechanism to help fill this gap. After suspension due to the 2012 Diaoyu/Senkaku dispute, China agreed to resume talks on the mechanism, comprising a hotline, meetings between defence authorities and communication protocols between forward military units in 2014. Dangerously close military aerial encounters appear to have played a fundamental role in the decision, but negotiations soon stalled over the area the mechanism would cover, an issue with implications for the dispute over the islands' sovereignty. Resentment arising from other aspects of the relationship hardened China against compromise. With a prickly bilateral détente now in place, however, the two governments should prioritise crisis management and insulate the negotiations from their broader rivalry.

The need for crisis management is growing. The air forces are coming into contact more frequently, as each attempts to administer the overlapping Air Defence Identification Zones (ADIZ). Several close calls have already occurred. The navies are also increasingly in contact, as China sends ships further from its shores with greater regularity. Encounters around the Diaoyu/Senkaku islands, East China Sea and Western Pacific will continue. Different national operating guidelines, applied in an atmosphere of mutual mistrust, exacerbate the risks of miscalculation. Nationalism, increasingly institutionalised distrust on both sides and limited opportunities to build trust through military exchanges make it harder to prevent rapid escalation of hostilities should a deadly incident transpire.

Meanwhile, both sides are enhancing their military capabilities in the East China Sea. China is expanding its naval and air operations further into open waters in a bid to extend its maritime footprint to the Western Pacific, and Japan is shoring up the defences of its south-western island chain in response. Bolstered by the Diaoyu/Senkaku dispute, the Abe administration pushed through more proactive security legislation – the most significant shift in Japan's defence posture since the end of the Second World War.

Against this backdrop, China and Japan need to seize the opportunity proffered by their current fragile reconciliation to establish crisis management ties. China should delink the subject from the political relationship and sovereignty questions: an unplanned clash with Japan would neither benefit its goal of achieving peripheral stability nor safeguard its rights. Japan should continue to engage and avoid inflammatory remarks that increase political risks for moderates in China. Staged implementation of the proposed mechanism, beginning with the hotline, could be a near-term confidence-building measure. Fundamental mistrust makes true reconciliation unlikely in the near future, but there is common interest in preventing or limiting an accidental crisis that would harm the political, security and economic interests of both. China and Japan should thus launch the maritime and air communication mechanism as soon as possible.

Recommendations

To enable agreement on the Maritime and Air Communication Mechanism

To the governments of China and Japan:

1. Instruct front-line personnel, in the mechanism's absence, to adhere to protocols in the Code for Unplanned Encounters at Sea (CUES), to which both are party.
2. Discuss concerns about risk of collision by fishing boats and/or coast guard vessels in waters around the disputed Diaoyu/Senkaku islands in the High-Level Consultations on Maritime Affairs, a multi-agency forum that includes the coast guard.
3. Restart vice-ministerial-level defence exchanges and resume exchanges between defence universities and research organisations.
4. China should delink Diaoyu/Senkaku sovereignty from the mechanism negotiations.
5. Japan should refrain from comments or actions which suggest revisionist views of history and a departure from the Murayama Statement, its 1995 official apology for wartime aggression, and immediately distance itself from provocative statements made by officials and politicians.
6. Japan should maintain an open dialogue with Beijing over the enhancement of its south-western defences and refrain from negatively publicising China's lawful military activities, such as legitimate overflights and naval transits.

To ensure effective implementation

To the governments of China and Japan:

7. Keep the hotline open at all times and ensure responsible persons/units have authority to reach decision-makers and front-line personnel quickly in an emergency and to make decisions to contain and de-escalate the crisis; and utilise the hotline in case of an incident before resorting to public criticism.
8. Give front-line operators adequate training and hold those who violate the rules accountable.
9. Increase direct contact between front-line troops and personnel by:
 - a) organising a second round of mutual naval visits; and
 - b) stepping-up participation in multilateral training forums based on CUES, such as the Western Pacific Naval Symposium and others.
10. Agree to address violations first bilaterally, including in defence authority meetings, so as to maximise space for resolution, rather than arguing them in the media.
11. Consider incorporating guidelines for behaviour other than communications within the mechanism later, possibly based on those included within the 2014 U.S.-China defence memorandums or CUES.

To third-party governments and non-governmental institutions, such as research organisations, private groups and think-tanks with ties to both parties:

12. Host forums that bring the parties together for discussions on crisis management and mitigation, including by:
 - a) organising workshops to review CUES and other international naval and air agreements containing guidelines on rules of behaviour;
 - b) facilitating the sharing of best practices to avoid incidents at sea, whether in forums, symposiums or joint research projects; and
 - c) encouraging participation by both coast guards and militaries, especially commanders in charge of front-line operations.
13. Organise multilateral naval exercises on CUES implementation involving both China's People's Liberation Army (PLA) and Japan's Self-Defence Forces (SDF).

Beijing/Tokyo/Brussels, 30 June 2016

East China Sea: Preventing Clashes from Becoming Crises

I. Introduction

While China and Japan remain deadlocked over the Diaoyu/Senkaku territorial dispute, they have entered a tentative political reconciliation, with gradual resumption of regular diplomatic exchanges since 2014.¹ This rapprochement was both driven by, and paved the way for, crisis management talks; notably, negotiations resumed in 2014 over a Maritime and Air Communication Mechanism designed to mitigate risks of an accident between military units, prevent escalation should an unplanned incident occur and help build confidence in the broader relationship.² These have been held off and on since 2007. China suspended them in 2012, in response to what it perceived as Japan's attempt to strengthen its claims over the islands.³ Since then, Beijing's ambitious maritime policy and the ripple effects of Tokyo's security reforms have increasingly brought the two militaries into close, including hostile, contact without mutually accepted operating protocols.

China began moderating its stance toward Japan in mid-2014, driven at least in part by increased awareness of the unfavourable balance of results from a policy of challenging it on, among other fronts, its de facto administration of the disputed islands.⁴ The risk of an unplanned clash escalating into open hostility had started to outweigh the benefits of "managed hostility" in which both sides appealed to powerful nationalist constituencies by playing up the threat of the other.

Beijing had become wary of inadvertently aiding Prime Minister Shinzo Abe's security reform agenda by continuing to pressure Tokyo. Abe was able to leverage tensions to advance his goal of a more proactive security policy, including less constrained Self-Defence Forces (SDF), upgrading the U.S. alliance, strengthening defence ties with Beijing's rivals in the South China Sea and greater latitude to project power abroad to contend for influence with China.⁵

¹ This report gives the islands' Chinese and Japanese names in alphabetical order. Taiwan calls the group Diaoyutai. For previous Crisis Group reporting on China-Japan relations, see Asia Reports N°s 258, *Old Scores and New Grudges: Evolving Sino-Japanese Tensions*, 24 July 2014; 245, *Dangerous Waters: China-Japan Relations on the Rocks*, 8 April 2013; and 108, *North East Asia's Undercurrents of Conflict*, 15 December 2005. For other maritime territorial disputes, see the *Stirring up the South China Sea* series, N°s 223, (I), 23 April 2012; 229 (II), 24 July 2012; 267, (III), 7 May 2015; and 275, (IV), 26 January 2016.

² Both countries also use other designations such as "maritime and air liaison mechanism".

³ Crisis Group Report, *Dangerous Waters*, op.cit., pp. 5-9.

⁴ Since the outbreak of the Diaoyu/Senkaku crisis in 2012, China has sent law enforcement, later coast guard, ships into the contiguous and territorial waters, at its peak daily, but by February 2016 about three times a month. For a representation of such patrols, September 2012-June 2014, see Crisis Group Report, *Old Scores*, op. cit., Appendix B. Yasuyuki Sasaki, "Coast guard set to face off against China with Senkaku Islands patrol fleet", *Asahi Shimbun*, 25 February 2016.

⁵ President Barack Obama's statement, the first by a U.S. president, that Washington is obliged to defend "all territories under Japan's administration including [the] Senkaku islands" under the U.S.-Japan security treaty, sent a clear warning to Beijing. "Obama Asia tour: US-Japan treaty 'covers disputed islands'", BBC, 24 April 2014.

The strong economic and trade ties that long served as a counterweight to political tensions had also weakened with decreased Japanese appetite for investment in China. While continuing to lay blame solely at Japan's door, Beijing nonetheless sent the message that it did not want declining political relations to affect economic collaboration.⁶

As the costs became apparent, some Chinese analysts argued the country had achieved its near-term goal of creating a new status quo around the Diaoyu/Senkaku. By establishing regular Chinese patrols, they said, it had persuaded the international community of the flaws in Japan's position that no territorial dispute existed and weakened Japan's de facto control.⁷

Finally, close and intensely risky encounters between military aircraft in May-June 2014 reinforced the arguments of those in China calling for crisis management talks. Beijing quietly conveyed that it was more amenable to the talks on managing potential crises that Tokyo had been pressing for, and within months, the two sides were exploring de-escalation strategies, including a first bilateral meeting between Chinese President Xi Jinping and Abe during the November 2014 APEC summit in Beijing, at which China was seeking to burnish its credentials as a global power player.⁸ In the run-up to APEC, and with the prospect of a tone-setting bilateral in the mix, China and Japan reached a series of agreements that set relations on a path to tentative recovery.

In September, they resumed a foreign-ministry led dialogue on maritime issues which agreed "in principle to restart the maritime liaison mechanism consultations between the two defence departments".⁹ Within two months they had established a four-point agreement that addressed the controversial issues of history and the Diaoyu/Senkaku dispute. The intentionally vague wording did not resolve their underlying disputes, but rather allowed both in effect to sidestep them and resume regular exchanges. The document also stated, without detail, agreement to prevent aggravation of tensions "through dialogue and consultation and establish[ing] crisis management mechanisms".¹⁰

⁶ "商务部新闻发言人沈丹阳就若干经贸热点问题接受媒体联合采访" ["Ministry of Commerce spokesman Shen Danyang accepts joint media interview on hot trade issues"], commerce ministry press release, 21 January 2014. In September 2014, the commerce minister reportedly told a visiting Japanese business delegation that he did not "want to see the economies affected by cooling political relations". "Chinese minister asks Japan to keep investing despite frosty political relations", Kyodo, 24 September 2014. Japans' investment did decline significantly following the crisis, but other factors, including economic downturn and rising labour costs in China and a weak exports market also contributed. Crisis Group interview, scholar, Tokyo, December 2015.

⁷ Crisis Group interviews, Beijing, November 2015. China's basic foreign policy goal is to have a stable periphery and relations with Japan, one said, and the East China Sea issue had become a "headache point".

⁸ In July, Xi met with ex-Japanese Prime Minister Yasuo Fukuda, allegedly sent secretly to Beijing to discuss rapprochement. In August, Foreign Ministers Wang Yi and Fumio Kishida met for the first time, on the margins of an ASEAN meeting.

⁹ Press releases, Japanese and Chinese foreign ministries, 24 September 2014. In October, Junichi Ihara, director general of the Japanese foreign ministry's Asian and Oceanian Affairs Bureau, reportedly visited China secretly to requested resumed talks. "Japan, China eye resumption of maritime talks by end of month", Kyodo, 14 October 2014.

¹⁰ "Yang Jiechi Meets National Security Advisor of Japan Shotaro Yachi, China and Japan Reach Four-Point Principled Agreement on Handling and Improving Bilateral Relations", press release, Chinese foreign ministry, 7 November 2014.

The agreement cleared the way for the first official meeting between Xi and Abe, three days later on the margins of APEC. In a clear indication of the importance for China, it did not insist on Tokyo satisfying two longstanding preconditions: that Japan admit a territorial dispute exists over the Diaoyu/Senkaku; and Abe promise not to revisit the Yasukuni shrine as prime minister. In the meeting, Xi endorsed resumption of working-level talks on a maritime crisis management mechanism, clearing the way for working group consultations in January 2015 that expanded the mechanism to cover air force encounters.¹¹

Based on interviews with scholars, analysts and officials in Beijing and Tokyo, this report presents an overview of the negotiations to create a mechanism to regulate contacts between the navies and air forces, analyses points of convergence and divergence and highlights dynamics that may hinder negotiations or implementation. It does not address directly mechanisms to manage contacts between paramilitary or civilian fleets or aircraft. Nor does it address Taiwan's claims or take a position on the merits of either country's Diaoyu/Senkaku claims.

¹¹ Yanmei Xie, "Second Thoughts in Beijing: 'We are Still Facing a Powerful Japan'", Huffington Post, 21 August 2014. "Japan-China Summit Meeting", press release, Japanese foreign ministry, 10 November 2014. "Talks with China resume on 'maritime communications mechanism'", press release, Liberal Democratic Party of Japan (LDP), 22 January 2015.

II. Outline of the Mechanism and Chronology of Discussions

A. Heightened Risks

The risk of an accidental clash between Chinese and Japanese military aircraft and ships has grown in recent years, as they come into more frequent contact without mutually accepted rules of conduct. Close and dangerous encounters over the East China Sea have increased alarmingly, particularly since China established an Air Defence Identification Zone (ADIZ) in November 2013. Its zone overlaps significantly with Japan's, and both encompass Diaoyu/Senkaku airspace.¹² In effect, both air forces are tasked with patrolling and identifying and monitoring approaching foreign aircraft within overlapping airspace.

By December 2013, China said it had identified nearly 800 entries by foreign military aircraft and dispatched 87 reconnaissance, early-warning and fighter planes 51 times in response. It has not released updated figures, though the air force has said it conducts "routine patrols" and taken "appropriate" measures when necessary. Japan says it scrambled jets 571 times against Chinese aircraft in 2015, 65 per cent of its total scrambles that year.¹³

The sides' differing views over operational rules in this overlapping area exacerbate the risks inherent in encounters. While, like any country, it reserves the right to create an ADIZ, China's rules have raised regional concerns. It requires all entering aircraft to identify themselves by submitting flight plans, maintaining radio and transponder communications and marking nationalities, or "China's armed forces will adopt defensive emergency measures to respond".¹⁴ These rules depart from common international practice by making "no distinction between aircraft flying parallel with China's coastline through the ADIZ and those flying toward China's territorial airspace". They raised alarm in Japan that China seeks to treat the area as "territorial airspace" and were seen as another unilateral attempt to change the status quo around Diaoyu/Senkaku.¹⁵ Consequently Tokyo does not recognise the zone, and its military aircraft do not comply with the identification demands.

Several risky encounters have already taken place, with each side accusing the other of lying. For example, the Chinese defence ministry said, and Japan denied, that two SDF aircraft tracked and flew within ten metres of a patrolling PLA transport on

¹² Crisis Group interviews, Beijing, Tokyo, November-December 2015. For more on China's ADIZ, see Crisis Group Report, *Old Scores*, op. cit., pp. 10-14. China's ADIZ also overlaps slightly with South Korea's. A map illustrating the overlapping ADIZs is at Appendix A below.

¹³ Crisis Group Report, *Old Scores*, op. cit., p. 31. "中国空军轰-6K等多型飞机赴西太训练 飞出第一岛链" ["H-6K and other Chinese air force aircraft fly out from first island chain to Western Pacific for training"], China News Service, 27 November 2015. "Statistics on scrambles through fiscal year 2015", press release, Japanese defence ministry, 22 April 2016.

¹⁴ However, Beijing reportedly has not been implementing these "defensive emergency measures". Ting Shi, "Quiet East China Sea ADIZ highlights Beijing's struggle to control contested waters", Bloomberg, 1 November 2015.

¹⁵ Crisis Group Report, *Old Scores*, op. cit., pp. 10-11. "Announcement of the Aircraft Identification Rules for the East China Sea Air Defense Identification Zone of the P.R.C.", Xinhua, 23 November 2013. Stephanie Kleine-Ahlbrandt, "Fallout from China's Air Defence Zone Underscores Need for Crisis Mechanisms", U.S. Institute of Peace, 5 December 2014. Nicholas Szechenyi, Victor Cha, Bonnie S. Glaser, Michael J. Green, Christopher K. Johnson, "China's Air Defense Identification Zone: Impact on Regional Security", Centre for Strategic and International Studies (CSIS), 26 November 2013.

23 November 2013.¹⁶ Investigation into the aerial encounters between 2014-2015 by independent researchers judged that lack of communication was a fundamental problem. The Chinese and Japanese scholars and retired military officials found aircraft sometimes ignored messages or failed to make “the intention and mode of execution” of their approach clear. Such risks are not limited to the East China Sea, as the PLA is increasing drills in the Western Pacific.¹⁷

The navy is also increasing its presence in the East China Sea, coming into contact more frequently with SDF ships. China is reorganising its military posture from a primarily land-based force to one with greater focus on the seas.¹⁸ Its military doctrine emphasises free movement through and beyond the island chains that dominate the approaches to its eastern seaboard, so as to gain blue-water capability and challenge U.S. dominance in the Western Pacific. Since 2008, increasing numbers of its navy ships have been legally transiting the straits between Japanese islands to reach the open Pacific, carefully watched by Tokyo, which is responding by deploying anti-ship and anti-aircraft missile batteries on its south-western islands.¹⁹

Different rules of engagement during military exercises add to the unpredictability. Japan views Chinese military exercises on the high seas as legitimate targets for intelligence gathering and says Beijing is wrong to close off the waters to non-participants during them. China meanwhile has undertaken dangerous manoeuvres to discourage surveillance.²⁰ Disputes over proximity to exercises predate establishment

¹⁶ See Appendix B below for more details of recent close encounters.

¹⁷ Viewing unclassified video footage since May 2014, they concluded “good airmanship” was sometimes missing. “In such circumstances, it is highly likely that an unplanned contact or accidental collision may occur between military aircraft”, the report said. Crisis Group email correspondence, project participant, December 2015. “Report on the Japan-China Dialogue on the Safety of Airspace in the East China Sea”, Sasakawa Peace Foundation and China Centre for Collaborative Studies of South China Sea Studies, Nanjing University, July 2015. In March 2015, China announced its first PLA air drill in the Western Pacific and did at least three more that year. “PLA air force conducts first training in West Pacific”, *China Military* (online), 30 March 2015. “China air force again holds drills in Western Pacific”, Reuters, 27 November 2015.

¹⁸ Even before the the Diaoyu/Senkaku crisis, PLA ships were reportedly “becoming increasingly assertive in their patrols” and sometimes “demonstrated a willingness to take risks by shadowing and shouldering US and Japanese vessels”. Rory Medcalf, Raoul Heinrichs and Justin Jones, “Crisis and Confidence: Major Powers and Maritime Security in Indo-Pacific Asia”, Lowy Institute for International Policy, June 2011, p. 15. Crisis Group interview, diplomat, Beijing, November 2015. The maritime power concept dates to the Hu Jintao administration and has expanded under Xi. It is not limited to a military dimension, eg, calling for more use and protection of ocean resources. “China seeks maritime power, no hegemony: spokesman”, Xinhua, 29 November 2012. “Xi advocates efforts to boost China’s maritime power”, Xinhua, 31 July 2013.

¹⁹ Tetsuo Kotani, “Crisis Management in the East China Sea”, Policy Brief, Stockholm International Peace Research Institute (SIPRI), February 2015. Each new straits route traversed by China’s navy and aircraft is noted in its domestic media as a sign of growing military prowess; for example, Li Xiaokun, “China sails through ‘first island chain’”, Xinhua, 2 August 2013; “Japan’s far-flung island defence plan seeks to turn tables on China”, Reuters, 18 December 2015.

²⁰ On 16 May 2014, for example, the China Maritime Safety Administration gave coordinates of a PLA exercise in international waters of the East China Sea, saying “all extraneous vessels are forbidden from entering”. “沪海航[2014]222号-东海部分水域举行军事演习” [“Shanghai Maritime Navigation Notice [2014] Number 222 – Military Exercises in part of the East China Sea”]. For more on China’s and Japan’s differing views of rules of engagement during military exercises see Crisis Group Report, *Old Scores*, op. cit., p. 29.

of China's ADIZ, but the risks increase with a greater military presence in the Japanese straits and Western Pacific.²¹

Frequent encounters by military vessels and aircraft are less dangerous if the parties understand each other's intentions and adhere to clear rules of safe conduct. Japanese jets have scrambled many times against Russian jets in recent years, but a 1993 bilateral agreement similar to the planned Sino-Japanese mechanism regulates air and sea encounters. As a result, Russian and Japanese pilots have clear rules of interaction and have become "used to each other", in a way that Chinese and Japanese pilots are not.²²

B. Mechanism Structure

By June 2012, the two sides had agreed in principle that the mechanism would include annual meetings and experts sessions, high-level hotlines between defence authorities and a protocol for direct communications between naval vessels and aircraft. When talks resumed in January 2015, the mechanism was expanded to more explicitly cover aerial encounters – reflecting mutual concern with the rising number of close calls. The air forces reportedly joined the navies as lead negotiating parties, and the name of the project was changed from Maritime Communication Mechanism to Maritime and Air Communication Mechanism.²³

Some details remain unclear. While the PLA reportedly insisted previously that the hotline be in the foreign affairs office of its defence ministry, it now appears it will be established between the chiefs of staff of each navy and air force, bringing the conversation into the heart of the command structure. The navies and air forces would reportedly hold regular working-level and as yet unspecified expert meetings.²⁴ Direct communications between military ships and planes would be conducted in English on agreed radio frequencies.

²¹ In May 2013, during a China-Russia exercise, Chinese fighter planes came within 50 metres of a Japanese surveillance plane and 30 of an electronic intelligence plane. China accused Japan of "scouting and interfering" and said its jets "were scrambled to take necessary identification and preventative measures". Japan said its planes were conducting routine early warning and surveillance. Martin Fackler, "Chinese flybys alarm Japan as tensions escalate", *The New York Times*, 25 May 2014. "Defence Ministry: Japan must stop surveillance and interference over China-Russia joint naval drill", press release, 24 May 2014. "Beijing defends scrambling of fighters against SDF aircraft in East China Sea", *Asahi Shimbun*, 26 May 2014.

²² "Agreement ... on the Prevention of Incidents on and Over the High Seas". Excluding territorial waters and airspace, it has guidelines for behaviour and communications between the navies and air forces, for example barring provocative actions like using fire-control radar. Under it, the countries meet annually to discuss maritime/air issues including accidents. It was signed despite the territorial dispute over the island chain Tokyo calls the Northern Territories and Moscow the Southern Kurils. Until 2012, Japanese scrambles were primarily against Russian aircraft. In 2014, there were 473 against Russian jets and 464 against Chinese (99 per cent of scrambles). "Statistics on scrambles through fiscal year 2014", defence ministry press release, 22 May 2015. Crisis Group interview, diplomat, Beijing, November 2015.

²³ Crisis Group interviews, diplomat, Beijing, November 2015; analyst, Tokyo, December 2015. "Defence of Japan 2014", defence ministry, August 2014, p. 284; "Talks with China resume on 'maritime communications mechanism'", press release, LDP, 22 January 2015; "Defense Ministry's regular press conference on Jan. 29, 2015", press release, Chinese defence ministry, 29 January 2015.

²⁴ Medcalf et al., "Crisis and Confidence", op. cit. "Improving communication: Sino-Japanese military hotline set to go live", *Nikkei Asian Review*, 26 June 2015. As negotiations resumed in January 2015, the sides were starting discussions based on "annual meetings", as agreed by working groups. However, in December 2015, Japanese Defence Minister Nakatani said they "have agreed to hold

The mechanism as currently envisaged would only apply to military aircraft and ships, not the coast guards, which patrol around the disputed islands, including within their territorial waters, but are not part of the military command structure. However, elements of a successful military mechanism could serve as a template for an agreement that would cover law enforcement vessels and, potentially, civilian fishing vessels. The proposed mechanism does not prescribe a code for front-line conduct other than in communications, so would not prevent risky manoeuvres such as close fly-bys or bridge the different interpretations of operational rules.²⁵ Nevertheless, if faithfully implemented, it would reduce risk of misunderstanding at the front line and be a clear platform by which to facilitate de-escalation of incidents. It would also bridge the trust gap between defence authorities which have had limited exchanges and vindicate a decade of talks.

C. *Timeline*

1. A long voyage

In 2007, during an upswing in China-Japan defence ties, Premier Wen Jiabao and Abe, then in his first term as prime minister, agreed to create “a communication mechanism between the two defence authorities” in order to prevent “the occurrence of unforeseen circumstances at sea”.²⁶ It was originally envisioned as a hotline. The first round of talks was in Beijing in April 2008, with neither side publicising results. They convened again in July 2010, only to be stalled as tensions flared after a September collision involving a Chinese fishing boat and Japanese coast guard ships. The incident prompted a brief meeting between defence ministers the following month, at which despite agreement that a mechanism was needed, China was reportedly reluctant to discuss specifics.²⁷

Not until the third round, on 27 June 2012, did the sides reach in-principle agreement on the mechanism, including to expand it to cover meetings between defence authorities and a protocol for direct communications between naval aircraft and

regular meetings”, press release, defence ministry, 11 December 2015. Crisis Group interview, analyst, Tokyo, December 2015.

²⁵ Crisis Group correspondence, analyst, 25 February 2016. For more on the coast guard role in the conflict, see Crisis Group Report, *Old Scores*, op. cit. Fishing boats have been either unwitting or active players in exacerbating tensions. In February 2013, Japanese media reported a Chinese law enforcement ship aimed a machine-gun at one in waters near the Diaoyu/Senkaku. China did not deny attempting to expel the boat but denied its ship had a machine gun. “China rejects Japanese media’s armed surveillance ship claim”, Xinhua, 27 February 2013.

²⁶ “Japan-China Joint Press Statement”, Japan’s foreign ministry, 11 April 2007. Defence ties were relatively warm at this time. During his four-day visit, the first by a Chinese defence minister in nine years, Cao Gangchuan and his counterpart agreed to the first ever reciprocal port calls by navy vessels. China also invited observation of a military exercise. “Japan-China Defence Ministerial Meeting”, *Japan Defence Focus*, no. 7, defence ministry, November 2007.

²⁷ In May 2010, Chinese Premier Wen Jiabao and Japanese Prime Minister Yukio Hatoyama had agreed to speed up creation of the mechanism, in addition to restoring the prime ministerial hotline. “China, Japan highlight cooperation on East China Sea, maritime affairs, food safety”, Xinhua, 31 May 2010. “Premier Wen Jiabao’s interview with the NHK”, press release, Chinese embassy in U.S., 2 June 2010. After the meeting, Japan’s then defence minister, Toshimi Kitazawa, said, “the Chinese side agreed on the necessity for this, but I didn’t receive any positive response regarding the time or occasion to develop the mechanism”. Press releases, defence ministry, 11 and 15 October 2010. Defence ties suffered after the collision; China suspended at least two planned exchanges, including one involving field-grade officers organised by an NGO.

ships. The mechanism was to have been launched by the end of the year, but was put on hold as the diplomatic temperature rose. China reacted furiously when Japan bought three of the disputed islands from a private Japanese owner in September 2012 to pre-empt purchase by the nationalist, confrontational governor of Tokyo,²⁸ China suspended exchanges, including mechanism talks, and refused resumption for two years. It cited lack of the right political “atmosphere” – a vague but longstanding precondition it had set for defence dialogue. Some track 1.5 and 2 talks continued, but progress was in effect frozen.²⁹

Shortly after China announced its ADIZ in 2013, it indicated willingness to discuss related issues with Japan. Tokyo did not bite, fearing it would equate to recognition of the ADIZ. At the same time, Beijing continued to refuse mechanism talks.³⁰ The sporadic nature of the mechanism negotiations and defence exchanges and their reliance on its appraisal of political conditions is an impediment to bilateral ties that China should correct. It is in the interests of both countries to ensure open lines of defence communication and regular contact to provide a degree of mutual trust between militaries that will interact more frequently around unresolved flashpoints such as the Diaoyu/Senkaku islands in the future.

2. Turning point

Close encounters in mid-2014 between military aircraft in the East China Sea appeared to change Beijing’s calculus. On 25 May, Japan lodged a protest, saying Chinese fighters “flew abnormally close”, at one point within 30 metres, to Japanese military aircraft in the overlapping ADIZs. China denied this and demanded Japan explain its “... provocative acts ... to the international community”.³¹

²⁸ For background on the crisis, see Crisis Group Report, *Dangerous Waters*, op. cit. Asked about the mechanism, Chinese defence ministry spokesman Yang Yujun said, “bilateral defence exchanges have ... been inevitably affected” by the island dispute, press release, 25 October 2012.

²⁹ Crisis Group interview, Japanese defence analysts, Tokyo, December 2015. Limited exchanges between defence authorities failed to make progress on crisis management. In April 2013, senior ministry officials met at Tokyo’s request, after a February incident in which it accused a Chinese naval vessel of aiming its weapons-guidance radar at a Japanese naval ship. The consultation was an upgrade in rank, but China did not respond concretely to a request for quick implementation of the communication mechanism. Then Japanese Defence Minister Itsunori Onodera declined to give details, “in consideration of the other party”, suggesting continuing Chinese sensitivity at being seen domestically as negotiating with a country vilified in state media. Linda Sieg and Kiyoshi Takenaka, “Japan protests to China after radar pointed at vessel”, Reuters, 5 February 2013; press releases, Japanese defence ministry, 26 April, 14 June 2013. “Japanese, Chinese defence officials meet to ease tensions over Senkakus”, *Asahi Shimbun*, 27 April 2013. James Przystup, John Bradford, James Manicom, “Japan-China Maritime Confidence Building and Communications Mechanisms”, *PacNet*, no. 67, Pacific Forum CSIS, 20 August 2013.

³⁰ “Announcement of the Aircraft Identification Rules”, op. cit. Former Chinese State Councillor Tang Jiaxuan reportedly mentioned crisis management in the air while meeting a delegation of Japanese lawmakers, who avoided a direct response. “China pitching air safety mechanism but Japan not biting”, Kyodo, 29 November 2013. Japanese Defence Minister Onodera said he expected Japan would “dismiss such a proposition” should it be officially made, as “the establishment of an ADIZ over the territorial lands of another country is a problem”. Press releases, defence ministry, 29 November 2013, 27 May 2014. “国防部：中方掌握日军机危险行为确凿证据” [“Defence ministry: China has conclusive evidence of Japanese military jets’ dangerous behaviour”], press release, 29 May 2014.

³¹ Press releases, Japanese and Chinese defence ministries, 25, 29 May 2014, respectively.

On 11 June 2014, Japan said Chinese fighter jets had again flown too close to a military aircraft “carrying out regular warning and surveillance over the high seas in the East China Sea. The then defence minister, Itsunori Onodera, told visiting Australian Defence Minister David Johnston that they “flew so recklessly that the [SDF] pilot felt in danger”. This comment should be read as part of a broader strategy to promote what Japan calls a collective response, by convincing regional countries that Beijing’s behaviour in the East China Sea threatens international rules and norms.³² China’s defence ministry defended the pilots’ actions and accused Japan of attacking China “maliciously”. Beijing subsequently released video footage of what it said were two Japanese F-15 jets closely tailing a Chinese patrol craft earlier in the day. Japan disputed its authenticity.³³

Despite the publicly expressed anger, China’s stance on the talks shifted significantly. After the May incident, the defence ministry repeated any dialogue on the mechanism required “a certain environment”. Summoned to the foreign ministry in Tokyo the day after the second encounter, however, Ambassador Cheng Yonghua reportedly indicated China was ready to talk. “It is important for us to seize this opportunity to immediately resume bilateral talks on a maritime communication mechanism”, Onodera said at the time.³⁴

China’s change of heart likely resulted from growing awareness of the need for crisis management. It is a relatively unfamiliar field in China, and many in policy circles have seen talks on it, particularly with a rival, as a sign of weakness. However, there are proponents, notably within military and academic circles. The dangerous aerial encounters in 2014 probably tipped the scales. According to a diplomat, the Chinese military reportedly first sensed a potentially serious crisis in “late May and June”. Beijing’s overall increased presence in the South China Sea and East China Sea by itself demanded more consideration of risk management. This crucially coincided with belief that talks would no longer damage its political aims. A sense of success, after China began regularly sending coast guard ships into the territorial waters of the disputed islands, made former opponents think “it doesn’t hurt” to talk about crisis management.³⁵

Beijing thus has recently shown greater willingness to discuss crisis management and military confidence building. In April 2014, it ended long opposition and adopted the Code for Unplanned Encounters at Sea (CUES).³⁶ However, it makes a distinction

³² “The incident reinforced our demand to develop a maritime communication mechanism between the Japanese and Chinese defence authorities”, Onodera told reporters the same day, press release, defence ministry, 11 June 2014. Nobuhiro Kubo, “Japan protests China fighter jets’ close brush over East China Sea”, Reuters, 11 June 2014. “Diplomatic Bluebook 2015”, Japanese foreign ministry, April 2015. For more on Japan’s collective response strategy, see Crisis Group Report, *Old Scores*, op. cit.

³³ Sui-lee Wee, “China denounces Japan protest over military jets’ close brush”, Reuters, 12 June 2014; “日軍機从我图-154飞机左下方危险接近，距离约30米左右” [“Japanese military jet draws dangerously near to Chinese Tu-154 aircraft from its bottom left, distance about 30m”], press release, Chinese defence ministry, 12 June 2014. Reiji Yoshida and Mizuho Aoki, “Japan, China trade claims over latest aerial provocation”, *The Japan Times*, 12 June 2014.

³⁴ Crisis Group interview, diplomat, Beijing, November 2015. “Defence ministry: China has conclusive evidence”, press release, op. cit. Press release, Japanese defence ministry, 13 June 2014.

³⁵ Crisis Group interviews, diplomat; Chinese scholar at government-affiliated think-tank; Chinese scholar, all Beijing, November 2015.

³⁶ CUES is a non-binding multilateral agreement to reduce risk of unplanned encounters between naval ships and aircraft at sea and prevent escalation of any incident. The 21 signatories included mostly Asian and Pacific Rim states, some Europeans and the U.S. The code, discussed for over a

between CUES and crisis management talks with Japan and indicated a change regarding talks with it only after the close aerial encounters.

As China and Japan edged toward a tentative political rapprochement over the next six months, negotiations did not resume immediately. The gradual recovery of exchanges was possible in part because Abe had not yet visited the Yasukuni shrine that year, nor announced plans to do so. That removed a major barrier by diminishing political risks for those in China calling for better ties. A foreign ministries-led maritime dialogue in September 2014 agreed the defence departments would resume maritime liaison mechanism consultations, and the Xi-Abe summit finally allowed the mechanism talks to restart.³⁷ After a hiatus of more than two years, the fourth round of expert consultations on the mechanism was held on 12 January 2015 in Tokyo. Beijing asked Japan not to publicise it, an indication of the issue's continuing sensitivity in China. The session reaffirmed the earlier consensus, and Japan agreed to a proposal that the mechanism's scope be expanded to more clearly include aerial encounters.³⁸

decade, had been held up by China's reluctance. On the day CUES was adopted, the PLA Navy commander, Admiral Wu Shengli, said there was a risk of an incident at sea between China and Japan, and "we need to study ... how to avoid" misfire. Jeremy Page, "Pacific navies agree on code of conduct for unplanned encounters", *The Wall Street Journal*, 22 April 2014. Richard Boulton, "Code for Unplanned Encounters Sea", presentation, ASEAN Regional Forum Inter-Sessional Meeting on Maritime Security, May 2014, <http://bit.ly/1oc2605>. "吴胜利:中日海军在东海有擦枪走火可能性" ["Wu Shengli: Possibility of misfire exists between Chinese and Japanese navies in the East China Sea"], Phoenix TV, 22 April 2014.

³⁷ The 23-24 September China-Japan High-Level Consultation on Maritime Affairs, second of its kind, included defence ministry, coast guard and civilian agency (including fisheries administration) participants. It was among the dialogues China suspended after 2012. Press releases, Japanese and Chinese foreign ministries, both 24 September 2014.

³⁸ Chinese defence ministry press conference and release; "中国同日本的关系" ["Sino-Japanese Relations"], press release, Chinese foreign ministry, both 29 January 2015. "Talks with China resume on 'maritime communications mechanism'", press release, LDP website, 22 January 2015. Crisis Group interview, analyst, Tokyo, December 2015.

III. Divergences

A. *Different Approaches*

Both sides seemed to want quick implementation of the mechanism. Overall, too, relations continued to thaw, with Xi and Abe holding their second summit on the margins of an April 2015 conference in Jakarta.³⁹ Behind the scenes, however, talks were beginning to stall over the scope of the mechanism, as China pressed to include the twelve nautical miles of territorial waters around and airspace above the islands and twice rejected Japan's proposal to exclude them. This seemingly technical disagreement goes to the heart of sovereignty over the Diaoyu/Senkaku. Tokyo maintains there is no territorial dispute, and the islands are under its sole administration. It is concerned about Beijing using the mechanism to justify its presence around the islands or requesting Japan to reduce patrols. Beijing would see inclusion of the territorial waters and airspace as Tokyo's tacit acceptance of a new status quo: joint control and management of the waters and airspace that would legitimise Chinese patrols and by extension admit a dispute. Aware of the implication, Japan is unwilling to compromise the issue.⁴⁰

The standstill also illustrates a fundamental misalignment in the two sides' priorities in the talks. Japan, for whom crisis management is a top defence priority, approaches the mechanism as a primarily technical agreement to mitigate risk of an accidental clash. Nevertheless, the refusal to compromise on scope indicates awareness of the political dimension. China, despite increasing appreciation of the need for crisis management among its policy analysts, has consistently linked negotiations with the political relationship and sees the mechanism as an opportunity to exert pressure on Japan or extract concessions. The relationship's political tone still influences its calculation. During their second summit, while Abe hoped for early launch of the mechanism, Xi noted China would pay attention to other bilateral aspects, including "the issue of the recognition of history", a stock reference to its pursuit of a more comprehensive apology from Japan for actions in the Second World War than the Murayama Statement issued in 1995.⁴¹

³⁹ For example, following the January talks, Chinese defence ministry spokesman Geng Yansheng said both countries agreed the mechanism should start as soon as possible, as the necessary "technical conditions" were in place, press release, 29 January 2015. "Japan-China Summit Meeting", press release, Japanese foreign ministry, 23 April 2015. Crisis Group interview, Chinese scholar at government-affiliated think-tank, Beijing, November 2015. The format symbolised the improvement in ties: as opposed to their first meeting, the leaders talked sitting, with national flags visible. Crisis Group interview, Chinese scholar at government-affiliated think-tank, Beijing, November 2015.

⁴⁰ "Talks on Japan-China maritime liaison mechanism deadlock", *The Chicago Tribune*, 5 October 2015. Kristine Kwok, "Diaoyu Islands bring China-Japan talks to a stall in discussion to prevent unwanted conflict in East China Sea", *South China Morning Post*, 8 October 2015. Foreign Minister Fumio Kishida's press conference, press release, Japanese foreign ministry, 11 November 2014. Crisis Group interviews, Japanese security analyst affiliated with defence ministry, Tokyo, January 2014; analyst, Tokyo, December 2015; government-affiliated think-tank scholar, Beijing, November 2015; analyst with military ties, Beijing, January 2014.

⁴¹ Crisis Group interview, Japanese defence experts, Tokyo, December 2015. China's emphasis on political atmosphere as a prerequisite for crisis management talks is not limited to Japan. Its 2010 National Defence White Paper "emphasises that 'political trust' should be the 'groundwork' for [confidence-building measures], implying that this should be a precondition rather than their goal". Medcalf et al., "Crisis and Confidence", op. cit., p. 36. "Japan-China Summit Meeting", press release, op. cit.

The political nature of the remaining areas of disagreement means the decision to close the gap is out of the hands of working-level participants of negotiations and must come from China's "top political leadership". The mechanism's eventual launch would likely accompany a deeper political thaw and a stand-alone bilateral summit. To date, Xi and Abe have only met on the margins of multilateral meetings.⁴² The current state of the relationship is some distance away from meeting those conditions.

The mechanism cannot be stripped of its political aspect, but the sovereignty dispute might be sidestepped if China and Japan implemented it in phases, for example first launching the hotline between defence authorities or implementing the communications guidelines. This would also lay the foundation for regular defence contacts that over time could help stabilise bilateral relations and ensure continued communication between the militaries. Breaking the impasse that way, however, also requires a decision by China's leadership that it reportedly has decided to withhold due to tensions over several key issues.⁴³ With China waiting for Japan to blink first, the risk of a maritime or aerial clash continues to rise.

B. *Other Irritants*

1. East China Sea resource development

Japan's public protests at Chinese resource exploration in the East China Sea throughout 2015 likely irritated Beijing. Resource development was once the primary flashpoint there, tied to disagreement over demarcation of Exclusive Economic Zones (EEZs) pre-dating the Diaoyu/Senkaku crisis. About 40,000 overlapping km² are disputed, including those islands. In July 2015, Japan publicly protested more than a dozen structures China had built since 2013, rather than continue to raise the issue privately. The structures were on China's side of the median line, in undisputed waters, but the defence ministry's annual white paper called on China to stop its activities lest it siphon gas from Japan's side.⁴⁴ It is unclear whether that is technically possible, but the gas fields are close to the median line, and Japan has consistently voiced the concern.

Japan is also driven by domestic calculations. Its objections came as the legislature was debating two controversial security bills that would mark historic shifts in defence policy to allow the SDF to be more proactive. Abe appeared to calculate that worries over an assertive China would boost his argument for loosening military restrictions. Chief Cabinet Secretary Yoshihide Suga notably tied the release of infor-

⁴² Crisis Group interview, Chinese analyst with military ties, Beijing, June 2016.

⁴³ In fall 2015, Japan "concluded that China has no intention to improve relations". Abe thinks the "ball is in China's court", an analyst said. Crisis Group interview, Tokyo, December 2015.

⁴⁴ China claims jurisdiction, which includes exclusive rights to resource development, based on its continental shelf, which extends to the Okinawa Trough. Japan claims an EEZ to the median line dividing the East China Sea. Fields near the median line, equidistant from the two coasts, show some oil and gas potential. Crisis Group Report, *Dangerous Waters*, op. cit., pp. 2-3. For more on energy potential, see "East China Sea", U.S. Energy Information Administration, 17 September 2014. Brenda Goh, Megha Rajagopalan, Linda Sieg, Tetsushi Kajimoto and Chang-Ran Kim, "China calls Japan foreign policy 'two faced'", Reuters, 22 July 2015. The Japanese foreign ministry published photos and a map of Chinese exploration, www.mofa.go.jp/files/000091724.pdf, 3 March 2016. Norihisa Hoshino, "Japan accuses China of unilaterally developing gas projects near median line", *Asahi Shimbun*, 23 July 2015.

mation on possible Chinese resource development to “rising concerns ... over China’s various attempts to change the status quo”.⁴⁵

Despite the fact that the drilling is in undisputed Chinese waters, Japanese officials continue to press China to halt it. At the same time, Suga said he hoped the issue would not impact bilateral ties. China’s defence ministry bluntly said the criticism exposed “the two-faced nature of Japan’s foreign policy”; the foreign ministry merely called it not conducive to improving relations.⁴⁶

2. The South China Sea

China is also angry at what it sees as Japanese meddling in the South China Sea, where Beijing and four other countries and Taiwan share overlapping territorial and maritime claims. Though Japan is not a claimant, it has been one of the most vocal critics of China’s actions there.⁴⁷ Tokyo argues it has vital strategic, economic and political interests in the region, and partnerships with the U.S. and South East Asian countries are a key element of its “collective response” strategy to counter Beijing in the East China Sea. It compares its rival’s moves to alter the status quo in the South China Sea, with the Diaoyu/Senkaku dispute. By emphasising the importance of rule of law at bilateral and regional venues, Japan frames China’s role in that dispute as posing as great a risk to international norms as its South China Sea actions. Beijing, meanwhile, portrays its conflict with Japan as stemming from unresolved wartime inequities.⁴⁸

⁴⁵ Information about China’s drilling was apparently a last-minute insert to the report demanded by Abe’s party’s national security panel. Mari Yamaguchi, “Japan defense report stresses China’s threat as Tokyo pushes to give its military greater role”, Associated Press, 21 July 2015.

⁴⁶ “Abe protests to China envoy over Nanking Massacre documents making UNESCO list”, *Asahi Shimbun*, 15 October 2015. The government said it found evidence of further activities at Chinese drilling rigs since July 2015 and published more images on its website in November. Nozomi Matsui, “Japan protests China’s gas development in East China Sea”, *Asahi Shimbun*, 17 September 2015. “The Current Status of China’s Unilateral Development of Natural Resources in the East China Sea”, press release, Japanese foreign ministry, 20 November 2015. “China urges Japan to create favourable conditions for E. China Sea issue”, Xinhua, 23 July 2015. Goh, et. al., Reuters, op. cit.

⁴⁷ At the East Asia Summit in November 2015, for example, Abe spoke of “massive and rapid reclamation” and “establishment of strongholds and moves for military purposes”. Takuya Karube, “China encircled by regional powers’ criticism over S. China Sea”, Kyodo, 22 November 2015. Shortly after China’s land reclamation activities in the disputed Spratly archipelago became public, Abe and U.S. Defense Secretary Chuck Hagel criticised them at a regional conference, prompting a rare off-script response from the Chinese delegation head, who accused them of a “pre-coordinated” effort to “provoke[e] and challeng[e] China”. “Major Power Perspectives on Peace and Security in the Asia-Pacific: Q&A”, transcript, Shangri-La Dialogue 2014, Fourth Plenary Session, International Institute for Strategic Studies, 31 May 2014.

⁴⁸ South China Sea shipping routes are especially vital to Japan’s energy security. “Japan”, U.S. Energy Information Administration, 30 January 2015; “South China Sea”, *ibid*, 7 February 2013. “Energy White Paper 2014”, Japan’s economy, trade and industry ministry, 5 November 2014, pp.8-10; on “collective response”, see Crisis Group Report, *Old Scores*, op. cit., pp. 19-21. Foreign Minister Kishida called “recent unilateral attempts by China to change the status quo in the South China Sea and the East China Sea ... an issue of concern for the region and the international community”. ministry press release, 19 January 2016. On the South China Sea dispute, see Crisis Group Reports, *Stirring up the South China Sea (III)* and *(IV)*, both op. cit.; on Beijing’s portrayal of conflict, see Crisis Group Report, *Old Scores*, op. cit., p. 4.

Tokyo is putting money behind this, increasing aid to Vietnam and the Philippines, which are far outstripped by China in maritime patrol capability.⁴⁹ It also gives robust support to U.S. efforts to counter China in the South China Sea, including Washington's Freedom of Navigation patrols past reefs China has turned into artificial islands.⁵⁰ Beijing has made its displeasure clear. In December 2015, its fourth highest-ranking official reportedly warned a visiting delegation of Japanese lawmakers that Tokyo should not "over-react" to China's activities in the South China Sea.⁵¹ But Japan shows no sign of letting up, ensuring the issue will continue to complicate bilateral ties.

3. Japan's security reforms

China regards Japan's new defence legislation as a security threat.⁵² Abe's defence reform agenda includes loosening legal restraints on a more active SDF role abroad, a closer alliance with allies including the U.S. and continued reorientation to defence of the outlying south-western islands. He had been trying to change the pacifist interpretation of the constitution since his first term, but his second administration pursued the reforms with a determination and success that seriously worried Beijing

⁴⁹ Vietnam welcomed Japanese Defence Minister Gen Nakatani in November 2015, as the Chinese president was ending his own state visit. Hanoi also invited SDF ships to visit its Cam Ranh Bay naval base and asked Tokyo for more patrol boats. Press release, Japanese defence ministry, 6 November 2015. "Japan-Vietnam Summit Meeting", press release, Japanese foreign ministry, 20 November 2015. Yet, Vietnam balances efforts to strengthen ties with other countries with moves to limit China's antagonism. In December 2015, for example, a hotline between the militaries came into operation. Wang Qingyun, "China opens defence hotline with Vietnam, ROK", *China Daily*, 31 December 2015. Tokyo's increased aid to the Philippines, one of China's most vocal critics on the South China Sea, may be more significant. Philippine President Benigno Aquino compared his country's situation with Czechoslovakia's in 1938. Keith Bradsher, "Philippine leader sounds alarm on China", *The New York Times*, 4 February 2014. A recent 2016 deal allows Japan to transfer defence equipment and technology to the Philippines, its first such agreement with a South East Asian country since it loosened arms export restrictions. "Signing of the Agreement between ... Japan and ... the Philippines concerning the Transfer of Defence Equipment and Technology", press release, Japanese embassy, Manila, 1 March 2016. Japan also reportedly offered a surveillance aircraft. "Philippines, Japan ink deal on defence equipment", *The Philippine Star*, 1 March 2016.

⁵⁰ Abe said, "in order to protect the free, open and peaceful sea, we will cooperate with the international community, including the United States, our ally". "Abe backs U.S. operation in South China Sea; more sail-pasts expected", *The Japan Times*, 28 October 2015.

⁵¹ Yu Zhengsheng is ranked fourth of seven in the Politburo Standing Committee. "Japanese, Chinese ruling parties resume talks after 6-yr hiatus", *Mainichi*, 3 December 2015. Takuya Karube, "Senior Chinese figure urges Japan to hush over S. China Sea", *Kyodo*, 4 December 2015. At the first bilateral defence ministers meeting in over four years, China's Chang Wanquan said the South China Sea is not a bilateral issue, and Tokyo should not "complicate" the situation. However, ministers agreed on need for the maritime and air communication mechanism to prevent unexpected situations. "中日防长交锋现场 中方要求日本勿再干预南海" ["Confrontation between Chinese and Japanese defence ministers: China demands Japan not meddle in South China Sea"], *Huanqiu Wang*, 5 November 2015. "China demands Japan not to make any move to complicate South China Sea situation", *Xinhua*, 4 November 2015. In August 2015, China's foreign minister asked Japan to "stop deliberately criticising China". Japanese foreign ministry summary of Japan-China Foreign Ministers' Meeting, press release, 7 August 2015.

⁵² Abe has not cited China in arguing for security reform, but supporters have been more candid. As the bills were being debated, a senior LDP figure pointed to its military growth and behaviour as reason for the initiatives to "rebuild Japan's entire national security setup". "Creating 'seamless' security legislation for Japan", *Nippon.com*, 22 June 2015. "Prime Minister Abe highlights need for the peace and security legislation", press release, LDP, 6 July 2015.

and was a significant factor in its decision to moderate policy toward Japan in mid-2014.⁵³ Arguably Beijing's assertive maritime behaviour actually helped Abe push the controversial reforms through.

In April 2014, Japan had already further loosened a longstanding self-imposed ban on weapons exports, and on 1 July 2014 the cabinet re-interpreted the constitution to lift the ban on "collective self-defence". Japan may now use military force to defend allies under attack, provided it is also under threat. Though seemingly modest, and though Japan has been moving toward "normal country" status for decades, this marked an historic shift away from a self-identity centred on the permanent disavowal of use of force to settle disputes. Its forces can now fight abroad for the first time since the Second World War.⁵⁴

In April 2015, Tokyo and Washington updated their Guidelines for Japan-U.S. Defence Cooperation, to allow significantly closer security collaboration.⁵⁵ Japan is also shifting its geographic defence focus, seeking to offset Chinese power projection by placing anti-ship and anti-aircraft missile batteries along the line of its 200 remote, south-western islands. This, separate from the broader defence reforms, would force ships and aircraft travelling from China's east coast to pass through the "cross-hairs of Japanese missiles" to reach the Western Pacific.⁵⁶ As China has the right to access the open seas through international waters, however, Tokyo should maintain an open dialogue with Beijing over enhancement of its south-western defences.

These moves alarmed China. In addition to concern for its regional security, it worries that the loosened arms export rules will lead to an increase in military support to rival South China Sea claimants. However, it has found itself without credibility to counter them. Attempts to frame the issue as Japan trying to disrupt the international order are undermined by its own actions in the South and East China Seas. Both countries are in effect reorienting defence posture with the other in mind. In this environment of heightened sensibility and force projection, a mechanism to offset increased risks of miscalculation is more relevant than ever.

⁵³ Thomas S. Wilkins, "Japan's Grand Strategy and New Strategic Partnerships", The Tokyo Foundation, 28 May 2014. For previous reporting on Japan's defence posture, see Crisis Group Report, *Old Scores*, op. cit., pp. 7-10.

⁵⁴ Japan would now be allowed to destroy a missile North Korea fired at the U.S. "Three new conditions on self-defence measures move Japan closer to seamless security", press release, LDP, 1 July 2014. "Clear and present dangers", *The Economist*, 5 July 2014. Martin Fackler, "Japan ends decades-long ban on export of weapons", *The New York Times*, 1 April 2014. For more on Abe's push for security reforms and domestic controversy, see Sheila A. Smith, "All he is saying is give war a chance", *Foreign Policy* (online), 18 September 2015.

⁵⁵ Japan and the U.S. agreed to establish two new panels, the Alliance Coordination Mechanism and Bilateral Planning Mechanism. Yukio Tajima, "Defence coordination extended to peacetime", *Nikkei Asian Review*, 4 November 2015. "Japan, US to boost grey zone security", *The Japan Times*, 4 November 2015. In April 2014, Barack Obama's statement, the first by a president, that the U.S. is obliged to defend "all territories under Japan's administration including [the] Senkaku islands" under the U.S.-Japan security treaty, sent a clear warning to Beijing. "Obama Asia tour: US-Japan treaty 'covers disputed islands'", BBC, 24 April 2014.

⁵⁶ The Diaoyu/Senkaku crisis has arguably intensified this process, which began under the Democratic Party (DPJ) administration in 2010. Przystup, et. al., op. cit., p. 19. "Exclusive: Japan's far-flung island defence plan seeks to turn tables on China", Reuters, 18 December 2015. Japan also plans to increase SDF numbers on its East China Sea islands by about a fifth in coming years, and the air force is to form its first new wing in some 50 years, stationed on Yonaguni island for coastal surveillance. "ASDF to form new air wing in Okinawa", Jiji, 26 January 2016.

4. History, nationalism and political risks

The frictions over the South China Sea, East China Sea resources and Japan's security reforms weaken those who call for greater flexibility in discussing crisis management with Japan and strengthen the more hawkish voices, particularly in the military, of those who are against talks. The communist party often consolidates domestic support by using nationalism, much of which and its own basis for legitimacy derive from the "War of Resistance Against Japanese Aggression" (the Second World War).⁵⁷ Memories of the brutal Japanese occupation are kept fresh by government-mandated education and propaganda campaigns.

Japan policy has thus always been sensitive, even before the Diaoyu/Senkaku crisis. The notching up of anti-Japan rhetoric in tense times discourages calls for moderation and incentivises populist, hawkish views. A Chinese scholar said he presents his analysis of the "real situation" when briefing government officials but adjusts it when giving speeches to students to avoid antagonising young nationalists.⁵⁸ The result is a toxic environment for pragmatists, few of whom are willing to "test" new solutions for fear of domestic backlash.

Both China and Japan tried to contain sniping related to history and nationalism as relations thawed in the second half of 2014. Shortly after his first summit with Abe that year, Xi said at a Second World War commemoration, "we should not hate a people just because a small minority of militarists set off an invasion and war".⁵⁹ But the stakes being high, this has not been easy. Beijing's gradual moderation toward Tokyo was based partly on its assessment that Abe had tried to avoid controversy on historical issues. His decision not to visit Yasukuni in 2014 was seen as a "big compromise".⁶⁰ In a key speech to mark the anniversary of Japan's defeat, he included words Beijing was listening for, including "aggression" and "apology". Yet, his core nationalist base constrained his ability to issue a personal apology or take any action that could be interpreted as capitulating to China's (or South Korea's) demands.⁶¹

⁵⁷ According to a Chinese analyst with military ties, while crisis management has proponents within the military's policy circles, front-line personnel do not like to be "reined in" or forced to be respectful. "Rank-and-file officers hate Japan the most", the analyst said. Crisis Group interview, Beijing, January 2016. Crisis Group interview, scholar, Tokyo, December 2015.

⁵⁸ In 2003, Chinese intellectuals advocating "a more conciliatory approach toward Japan were excoriated in online forums and academic debates". An ex-*People's Daily* journalist, Ma Licheng, who proposed "new thinking" on Japan, received death threats, and his address was posted online. Jessica Chen Weiss, *Powerful Patriots: Nationalist Protest in China's Foreign Relations* (New York, 2014), p. 233. The scholar used the term "fenqing" ("angry youth") for young people who express hyper-nationalistic views on the internet. Crisis Group interview, Beijing, November 2015. Evan Osnos, "Angry youth", *The New Yorker*, 28 July 2008.

⁵⁹ "Set aside hate, Xi's says on Nanjing Massacre anniversary", Reuters, 12 December 2014. For much of the preceding year, China waged a global public relations campaign via articles by its diplomats against Japan following Abe's December 2013 visit to the Yasukuni shrine. The ambassador to the U.S. called Abe's visit a "challenge" to the world. Cui Tiankai, "Shinzo Abe risks ties with China in tribute to war criminals", *The Washington Post*, 9 January 2014.

⁶⁰ Crisis Group interview, Chinese scholar, Beijing, November 2015. While it should not be read as a quid pro quo, the absence in late 2015 of Xi and other senior party officials at a Nanjing Massacre memorial for the the worst of the Japanese occupation was noted in Japan. "Xi, top officials absent as China holds Nanking Massacre ceremony", Kyodo, 13 December 2015.

⁶¹ "In Japan, the post-war generations now exceed 80 per cent of its population", Abe said. "We must not let our children, grandchildren, and even further generations to come, who have nothing to do with that war, be predestined to apologise", government press release, 1 August 2015. Yanmei Xie and Rachel Vandenbrink, "Passive-aggressive rivalry deepens China-Japan tensions", *The*

Still, signs point to Xi's continued interest in tipping the scales toward moderation and limiting hyper-nationalistic voices. In limited interactions in late 2015, the leadership of both countries appeared to want to continue the drive for better relations.⁶² Prominent figures close to Xi have joined the effort, though it is unclear whether their interventions are part of a coherent broader strategy to bring various constituencies on board. In October 2015, Liu Yazhou, political commissar of the PLA National Defence University and believed close to Xi, wrote an editorial urging a change of tack. While praising actions that "broke Japan's unilateral control" of the Diaoyu/Senkaku, he called focusing "on whether the aggressor has apologised or not a sign of psychological weakness."⁶³

In January 2016, an unusually frank article on Japan policy and the need for crisis management by a former defence ministry spokesman appeared aimed at convincing nationalists among the military. Geng Yansheng wrote that rules were necessary "to regulate the actions of both sides because neither hopes to see their overall diplomatic relation or fundamental interests undermined by minor conflicts. ... Not only Japan needs this mechanism, we need it too".⁶⁴ Whether or not a broader strategy is in place to desensitise crisis management talks with Japan, the appearance of Geng's and Liu's writings in a tightly controlled media that rarely debates foreign policy indicates that those in favour of repairing ties with Tokyo feel confident they have the backing of some senior leaders.

Interpreter, 2 September 2015. China said Japan was being "evasive". "Foreign Ministry Spokesperson Hua Chunying's Remarks on ... Abe's Statement on the 70th anniversary of the End of the War", foreign ministry press release, 15 August 2015.

⁶² "Japan's Abe, China's Xi chat on margin of Paris climate meeting", Kyodo, 1 December 2015. On 1 November 2015, the China-Japan-South Korea summit was held for the first time in more than three years. Abe and Chinese Premier Li Keqiang agreed to "reinforce mutual efforts to achieve the early commencement" of the mechanism. "Japan-China Summit Meeting and Foreign Ministers Meeting", Japanese foreign ministry press release, 1 November 2015.

⁶³ "Chinese General Liu Yazhou: Diaoyu islands and Sino-Japanese relations", *China Military* (online), 14 October 2015. Liu's spouse Li Xiaolin, daughter of former President Li Xiannian and a childhood friend of Xi's, went to Japan in October 2014, ostensibly to attend a cultural performance. The prime minister was also in attendance, and Abe and Li met briefly. Both moves were interpreted in Japan as signalling China's desire for improved ties. Crisis Group interview, Tsuneo Watanabe, director, policy research, Tokyo Foundation, Tokyo, December 2015. "Japan sees growing chance of Abe holding talks with China's Xi", Reuters, 8 October 2014. "Sino-Japanese Friendship Dance Drama 'Crested Ibis' Premieres in Tokyo", Min-On Concert Association, 25 December 2014.

⁶⁴ Originally published in the magazine *National Defense Reference*, the article was translated on the front page of the defence ministry's English website. "Former DM spokesman: fight in Japan-related public opinion deserves close attention", *China Military* (online), 7 January 2016.

IV. Potential Implementation Challenges

A. *Mistrust*

Mutual mistrust, which has widened in the wake of the Diaoyu/Senkaku crisis, could undermine negotiation and eventual implementation of the mechanism. Two previous efforts to establish a hotline were derailed by political tensions.⁶⁵ Existing hotlines between China and other countries have played limited, if any, role in mitigating crises, but there are signs Beijing has come to judge crisis-management measures as useful in recent years. This is visible in more resilient China-U.S. defence exchanges and the defence hotlines launched in 2015 with South Korea and Vietnam.⁶⁶

Japanese analysts point to assertive behaviour in the South China Sea as evidence that, given an opportunity, Beijing discards its commitments in favour of a strength-based approach. Though they agree it would be better to have an agreement than not, some worry that Beijing would not abide by the mechanism. “From our point of view, China ignored those kinds of agreements too many times”, said retired Vice Admiral Yoji Koda.⁶⁷ Such scepticism may be warranted but could also become self-fulfilling. The Abe administration should thus refrain from conflating Beijing’s legitimate exercise of its rights, such as sailing through international waters near Japan, with actions that contravene international laws and norms. This would also create political space for those in China calling for more conciliatory policies toward Tokyo.

In order to assuage scepticism as negotiations continue, China should fully abide by the maritime code of conduct agreements it has already signed. Once the

⁶⁵ During a Japan visit in November 1998, the first by any Chinese head of state, President Jiang Zemin and Japanese Prime Minister Keizo Obuchi agreed to establish a hotline. It was launched in October 2000. Subsequent tensions arising from Prime Minister Koizumi’s repeated visits to Yasukuni meant the hotline was not used. “Japan-China Joint Declaration on Building a Partnership of Friendship and Cooperation for Peace and Development”, Japanese foreign ministry press release, 26 November 1998. “Visit to Japan by Premier Zhu Rongji ...”, Japanese foreign ministry press release, 13 October 2000. “Premiers open hotline in Tokyo”, *China Daily*, 14 October 2000. Koizumi’s successors tried unsuccessfully to relaunch the hotline. Crisis Group Report, *Dangerous Waters*, op. cit., p. 31. Only in May 2010 did China and Japan agree to reestablish a prime minister-level hotline. It got off to a good start, with discussion of bilateral issues and Korea during the first conversation. Another round of tensions following the ramming of two Japanese coast guard ships by a Chinese fishing boat in September 2010 could have been a chance to use the hotline again. However, China, angered by Japan’s unexpected detention of the captain, terminated it. “China, Japan launch prime ministerial hotline”, Xinhua, 13 June 2010. Zhang Tuosheng, “Building Trust Between China and Japan: Lessons Learned from Bilateral Interactions in the East China Sea”, Policy Brief, SIPRI, February 2015.

⁶⁶ For example, China and the U.S. established a defence telephone link in 2008, but it was not used in the wake of a dispute over U.S. surveillance the next year. Shirley A. Kan, “U.S.-China Military Contacts: Issues for Congress”, Congressional Research Service, 27 October 2014. China and Vietnam established hotlines between their navies and agriculture ministries (for fishing incidents) in 2013, but they were not used as bilateral tensions spiked after China deployed an oil-drilling platform in a South China Sea area claimed by Vietnam. Crisis Group Report, *Stirring up the South China Sea (III)*, op. cit., pp. 3, 20. Following the U.S. challenge to China’s land reclamation on disputed South China Sea islands in 2015, the two naval chiefs held a video conference to discuss the incident, and exchanges were not suspended. “Top US, Chinese naval officers hold video talks”, Agence France-Presse, 29 October 2015; press release, Chinese defence ministry, 31 December 2015.

⁶⁷ A Japanese security analyst said that while China abides by CUES guidelines in encounters with the U.S., it is unclear whether it would do so with neighbours’ navies. Crisis Group interview, Tokyo, December 2015. Crisis Group interview, Koda, Tokyo, December 2015.

mechanism is launched, both sides should commit to regular defence exchanges, particularly among front-line naval and air personnel. In 2007-2008, the two exchanged first-ever port visits; another round would help bridge the trust deficit. To maximise their effectiveness, China should send operational officers, not just political officers, to participate in port visits and exchanges. Security experts note that regular hotline use, even in quiet periods, is vital to building trust and enhancing the channel's efficacy in a crisis. Once the mechanism is in place, China and Japan should consider expanding its scope, formally or tacitly, to include the international waters of the Western Pacific.⁶⁸

B. *Systemic Differences*

The two countries should seek ways to reconcile systemic differences that could affect the mechanism's negotiation, structure and use. In China, decisions on sensitive topics such as Japan policy flow from the top. "Whatever they say, it's what they have already decided, so there is no room for negotiation", a former diplomat complained. That rigidity and general sensitivity about Japan policy make effective discussion at even unofficial meetings difficult.⁶⁹ Both sides must give negotiators more latitude to explore options, and negotiators need to understand that readiness to explore them does not indicate weakness.

In Tokyo, there are ever fewer people with long experience, deep knowledge and an open attitude toward China. The foreign ministry's "China school" that once strongly influenced policymaking went into decline in the late 1990s, due to hardening nationalist positions in society and poor bilateral relations under the Koizumi administration. China hands "are almost all gone", a retired senior diplomat said.⁷⁰

The problems these systemic imbalances create threaten to be reflected in the mechanism itself and must be bridged for it to be effective. The hotline needs to

⁶⁸ Such confidence-building measures will help "lay a firm foundation for the military communities to nurture a specific culture of preventing competitive irrationality among young and inexperienced front-line soldiers", thus enhancing predictability of conduct and reducing chance of an accident. Crisis Group correspondence, Jun Kurihara, research director, Canon Institute for Global Studies; Toshimichi Nagaiwa, Nagaiwa Associates and retired Lt. general, Japanese ASDF, 18 December 2015. An agreement would not affect others in the Western Pacific. China and Japan already have similar bilaterals, and all actors are supposed to follow CUES and the International Regulations for Preventing Collisions at Sea (COLREGS).

⁶⁹ "Whether policy is tough or moderating, it's all down to Xi", said an influential Chinese scholar. Crisis Group interview, Beijing, November 2015. Crisis Group interviews, Chinese scholar at government-affiliated think-tank, Beijing, November 2015; ex-senior diplomat, Tokyo, December 2015. "In the past 3-4 years they are like automatic answering machines", said retired Vice Admiral Koda of his unofficial meetings with Chinese counterparts. "They just repeat the propaganda", though the "atmosphere clearly changed" between 2014 and 2015. Crisis Group interview, Tokyo, December 2015. These barriers to dialogue are independent of and pre-date the Diaoyu/Senkaku crisis. The chairman of The Nippon Foundation, an NGO with long experience in China, including sponsorship of officer exchanges, 2001-2010, described meetings in China: "... the seating arrangement is such that although we are all next to each other, our ... hosts pick up the microphone and speak non-stop for easily 15 or 20 minutes. We are left to listen to their speeches and then respond to them, that's all. It never becomes a discussion They may make it look as if they are talking to a Japanese prime minister but in fact they are saying to their own people, 'look at me; I am being tough to our visitor'". "Ten Continuous Years of Japan-China Defence Exchange", Yohei Sasakawa Blog, 27 April 2011.

⁷⁰ Crisis Group interview, Tokyo, December 2015. For more on the decreasing influence of the "China-hands", see Crisis Group Report, *Dangerous Waters*, op. cit., pp 36-37.

connect the right people: the operating offices must be empowered to reach key decision-makers and, ideally, take immediate steps to stop escalation, such as contacting the relevant military branch directly. The PLA reportedly insisted previously the hotline be in the defence ministry's foreign affairs office, which does not directly command military units, so is of doubtful usefulness in a crisis.⁷¹

C. *Internal Coherence*

Effective implementation also relies on each party's internal coherence, both between and within departments, in order to respond efficiently to incidents flagged by the mechanism. This may be a particular challenge for China, which has little crisis management experience. Establishment in 2013 of the Central National Security Commission headed by Xi could mean stronger coordination between foreign, security and military agencies, but this remains to be seen.⁷²

The mechanism's success in offsetting risks of an unplanned clash also rests largely on front-line discipline. There are unanswered questions about whether previous dangerous encounters between Chinese and Japanese (or U.S.) aircraft and vessels were due to individual decisions or pre-planned policy. Though the defence ministry denies a ship locked fire-control radar on a Japanese vessel in 2013, senior Chinese defence officials reportedly admitted privately that the Chinese commander had made an "emergency decision". The same pilot is said to have flown his aircraft within 50 and 30 metres of Japanese aircraft in the overlapping ADIZs during the 24 May 2014 incidents, while the other Chinese jet present kept greater distance, leading to speculation of an individual action.⁷³ Both sides should ensure front-line personnel know and abide by all relevant international rules-of-conduct agreements and increase both military and, in China's case, political training if needed. Neither side, but particularly China's state-controlled press, should encourage celebrity status for violators of these rules.⁷⁴

⁷¹ Medcalf et al., "Crisis and Confidence", op. cit. Masayuki Masuda, "Beyond Confidence Building: Japan-China Security Relations in the Era of Power Shift", The Tokyo Foundation, 6 November 2012.

⁷² Crisis Group interview, Chinese scholar, Beijing, November 2015. For more on China's crisis management frameworks, see, for example, Andrew S. Erickson and Adam P. Liff, "Installing a Safety on the 'Loaded Gun'?", China's Institutional Reforms, National Security Commission and Sino-Japanese Crisis (In)Stability", *Journal of Contemporary China* (2016), pp. 197-215.

⁷³ "The communication system used by the Chinese navy is not as advanced as those of Japan and the United States", Kyodo cited a senior Chinese official as saying. "Chinese officials admit to MSDF radar lock allegations", 18 March 2013. Hiroyuki Akita, "The truth about military aircraft encounters in the East China Sea", *Nikkei Asian Review*, 10 June 2014.

⁷⁴ CUES, COLREGS and any applicable bilateral agreements are particularly important. An article from an official news agency seems to implicitly support dangerous risk-taking. In it a Chinese pilot described a patrol in the East China Sea to "monitor and expel foreign aircraft" (unidentified but possibly Japanese): "... my jet and a foreign aircraft were on course for a head-on collision I thought, 'if you don't turn around then I won't back down either. I dare you to fight a mid-air bayonet battle'". "中国飞行员东海与外军飞机迎面对突 谁都不转向" ["Chinese pilot and foreign military aircraft on collision course in East Sea, neither turning around"], China News Service, 20 January 2016.

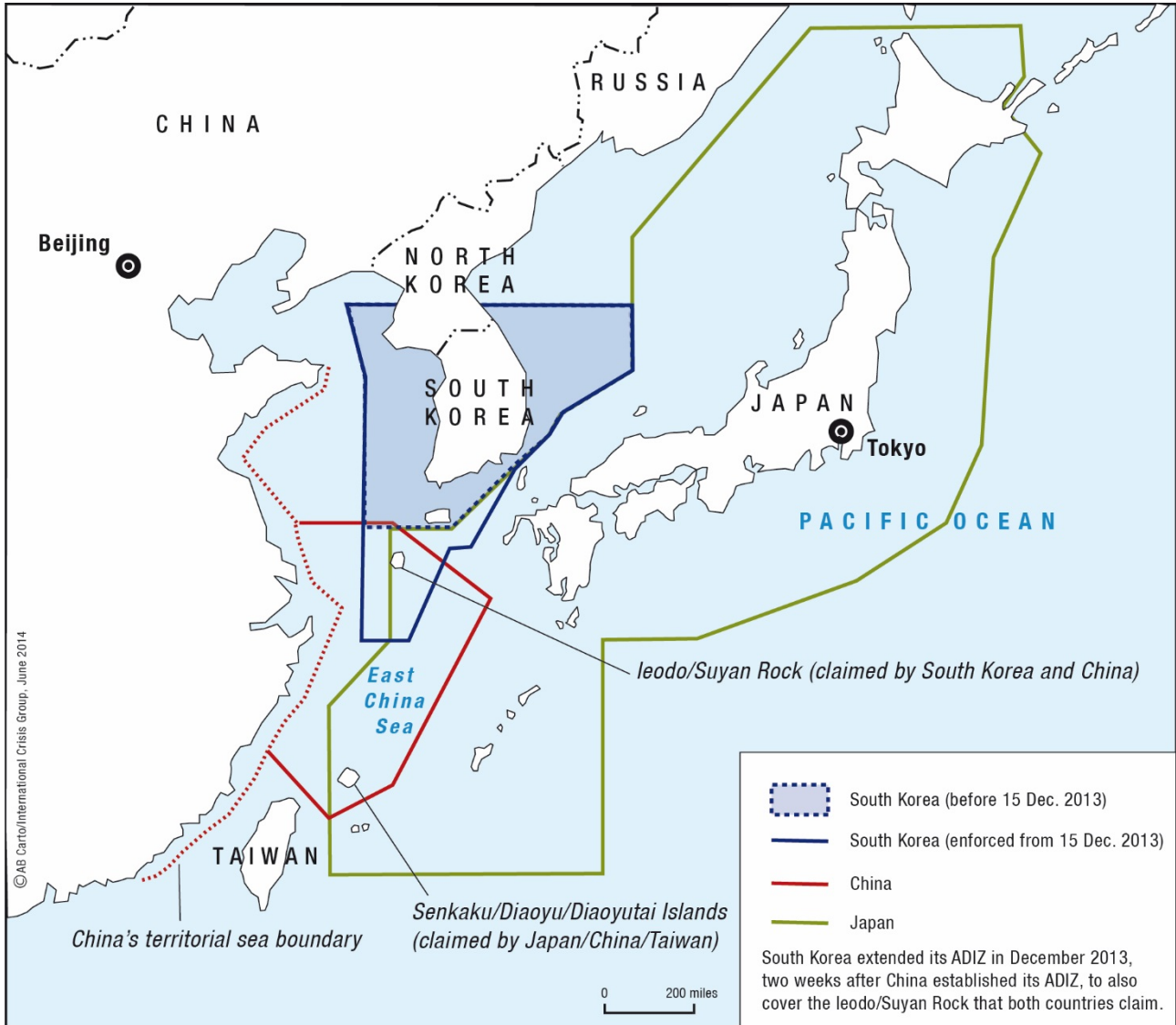
V. Conclusion

Growing military activity of both China and Japan in the East China Sea make it more urgent than ever that they agree on a technical mechanism to minimise the danger of unintended clashes. Its key element should be improved communications, both to decrease the likelihood of such confrontations and to de-escalate those that occur. Though tensions have subsided since mid-2014, potential flashpoints, particularly over the Diaoyu/Senkaku islands, remain. The PLA and SDF are increasingly in contact in the air and seas around the disputed islands, the East China Sea and Western Pacific. This will likely persist, as each strengthens its military capability in the East China Sea and adopts a more active maritime policy. Conflicting views and practices over rules of conduct exacerbate the risks. Without institutionalised communications links at front-line, mid- and headquarters levels, an inadvertent clash could easily become a full-blown crisis.

The four-point agreement and subsequent Xi-Abe summit in November 2014 laid the foundation to improve ties, including commitment to negotiate and use a mechanism essential to avert a crisis. The resumption of negotiation over the Maritime and Air Communication Mechanism is encouraging, but progress has stalled. Leaders need to prioritise crisis management and continue to push for a functioning agreement. Beijing should de-link the Diaoyu/Senkaku sovereignty question and focus on the more technical challenge of establishing a workable crisis management mechanism. Both countries should insulate this negotiation from bilateral frictions so as to provide the political space needed for success. Early launch of the hotline or communications guidelines of the mechanism could build trust and bridge remaining differences. Implementation should also be considered of a maritime and air code of conduct, possibly based on CUES, which both have signed. Regular exchanges of military personnel, particularly those at working and front-line levels, should be organised to decrease mistrust.

Beijing/Tokyo/Brussels, 30 June 2016

Appendix A: ADIZs of China, Japan and South Korea



Appendix B: Close Encounters between the PLA and SDF in Recent Years

Date	Location	Incident	Chinese statement	Japanese statement
April 2010	High seas within the East China Sea	Japan said PLA helicopters twice flew within 90 metres of SDF destroyers. [1]	"China conducts normal military exercises on the high seas in accordance with international laws and norms". [2]	"The Japanese were conducting necessary monitoring ... actions were not particularly dangerous, nor were they illegal". [3]
January 2013	High seas within the East China Sea	Japan said PLA frigates twice locked fire-control radars onto a SDF helicopter and a destroyer. [4]	"Fire control radar was not used ... Japan has repeatedly spread false accusation[s]". [5]	"It could have put us in a very grave situation if things went wrong". [6]
23 November 2013	In China's newly announced ADIZ, which overlaps Japan's. [7]	China said two SDF fighters tracked a patrolling PLA transport aircraft and flew within 10 metres of it. [8]	"Japanese military aircraft made dangerous close-in flight[s]". [9]	"China's claim is untrue as we always make sure to take strict safety measures". [10]
24 May 2014	Overlapping portion of China and Japan's ADIZs.	Japan said Chinese fighters flew "abnormally close" to SDF reconnaissance aircraft. [11]	"Japan's military airplanes ... [were] intruding into the airspace of China-Russia naval drill and making dangerous movements". [12]	"We perform ordinary surveillance operations ... incidents did not occur in the area where China and Russia were conducting exercises". [13]
11 June 2014	Likely overlapping portion of China and Japan's ADIZs. [14]	China revealed footage of a pair of Japanese F-15 fighters closely tailing a Chinese Tu-154. [15]	"What Japanese pilots had done [was] dangerous and provocative". [16]	"Japan's SDF aircraft [were] making scrambles appropriately in line with international rules". [17]
11 June 2014	Overlapping portion of China and Japan's ADIZs. [18]	Japan said two Chinese fighters flew "dangerously close" to Japanese reconnaissance aircraft. [19]	"The Chinese pilots' operations [were] professional and standard with restraint". [20]	"The SDF pilots felt endangered by the manner of flight the Chinese fighter made". [21]

Appendix C: Glossary of Terms

ADIZ	Air Defence Identification Zone
APEC	Asia Pacific Economic Cooperation forum
CUES	Code for Unplanned Encounters at Sea
EEZ	Exclusive Economic Zone
Murayama Statement	Japan's formal statement of remorse for its actions in the Second World War
PLA	People's Liberation Army (China's armed forces)
SDF	Self-defence Force (Japan's armed forces)

Appendix D: About the International Crisis Group

The International Crisis Group (Crisis Group) is an independent, non-profit, non-governmental organisation, with some 120 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries or regions at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international, regional and national decision-takers. Crisis Group also publishes *CrisisWatch*, a monthly early warning bulletin, providing a succinct regular update on the state of play in up to 70 situations of conflict or potential conflict around the world.

Crisis Group's reports are distributed widely by email and made available simultaneously on its website, www.crisisgroup.org. Crisis Group works closely with governments and those who influence them, including the media, to highlight its crisis analyses and to generate support for its policy prescriptions.

The Crisis Group Board of Trustees – which includes prominent figures from the fields of politics, diplomacy, business and the media – is directly involved in helping to bring the reports and recommendations to the attention of senior policymakers around the world. Crisis Group is chaired by former UN Deputy Secretary-General and Administrator of the United Nations Development Programme (UNDP), Lord Mark Malloch-Brown. Its Vice Chair is Ayo Obe, a Legal Practitioner, Columnist and TV Presenter in Nigeria.

Crisis Group's President & CEO, Jean-Marie Guéhenno, served as the UN Under-Secretary-General for Peacekeeping Operations from 2000-2008, and in 2012, as Deputy Joint Special Envoy of the United Nations and the League of Arab States on Syria. He left his post as Deputy Joint Special Envoy to chair the commission that prepared the white paper on French defence and national security in 2013. Crisis Group's international headquarters is in Brussels, and the organisation has offices in nine other locations: Bishkek, Bogota, Dakar, Islamabad, Istanbul, Nairobi, London, New York, and Washington DC. It also has staff representation in the following locations: Bangkok, Beijing, Beirut, Caracas, Delhi, Dubai, Gaza City, Guatemala City, Jerusalem, Johannesburg, Kabul, Kiev, Mexico City, Rabat, Sydney, Tunis, and Yangon.

Crisis Group receives financial support from a wide range of governments, foundations, and private sources. Currently Crisis Group holds relationships with the following governmental departments and agencies: Australian Department of Foreign Affairs and Trade, Austrian Development Agency, Canadian Department of Foreign Affairs, Trade and Development, Danish Ministry of Foreign Affairs, Dutch Ministry of Foreign Affairs, European Union Instrument contributing to Stability and Peace (IcSP), French Ministry of Foreign Affairs, German Federal Foreign Office, Irish Aid, Principality of Liechtenstein, Luxembourg Ministry of Foreign Affairs, New Zealand Ministry of Foreign Affairs and Trade, Norwegian Ministry of Foreign Affairs, Swedish Ministry of Foreign Affairs, Swiss Federal Department of Foreign Affairs, and U.S. Agency for International Development.

Crisis Group also holds relationships with the following foundations: Carnegie Corporation of New York, Henry Luce Foundation, Humanity United, John D. and Catherine T. MacArthur Foundation, Koerber Foundation, Open Society Foundations, Open Society Initiative for West Africa, Ploughshares Fund, Robert Bosch Stiftung, Rockefeller Brothers Fund, and Tinker Foundation.

June 2016

Appendix E: Reports and Briefings on Asia since 2013

As of 1 October 2013, Central Asia publications are listed under the Europe and Central Asia program.

Special Reports

Exploiting Disorder: al-Qaeda and the Islamic State, Special Report, 14 March 2016 (also available in Arabic).

Seizing the Moment: From Early Warning to Early Action, Special Report N°2, 22 June 2016.

North East Asia

China's Central Asia Problem, Asia Report N°244, 27 February 2013 (also available in Chinese).

Dangerous Waters: China-Japan Relations on the Rocks, Asia Report N°245, 8 April 2013 (also available in Chinese).

Fire on the City Gate: Why China Keeps North Korea Close, Asia Report N°254, 9 December 2013 (also available in Chinese).

Old Scores and New Grudges: Evolving Sino-Japanese Tensions, Asia Report N°258, 24 July 2014 (also available in Chinese).

Risks of Intelligence Pathologies in South Korea, Asia Report N°259, 5 August 2014.

Stirring up the South China Sea (III): A Fleeting Opportunity for Calm, Asia Report N°267, 7 May 2015 (also available in Chinese).

North Korea: Beyond the Six-Party Talks, Asia Report N°269, 16 June 2015.

Stirring up the South China Sea (IV): Oil in Troubled Waters, Asia Report N°275, 26 January 2016 (also available in Chinese).

South Asia

Pakistan: Countering Militancy in PATA, Asia Report N°242, 15 January 2013.

Sri Lanka's Authoritarian Turn: The Need for International Action, Asia Report N°243, 20 February 2013.

Drones: Myths and Reality in Pakistan, Asia Report N°247, 21 May 2013.

Afghanistan's Parties in Transition, Asia Briefing N°141, 26 June 2013.

Parliament's Role in Pakistan's Democratic Transition, Asia Report N°249, 18 September 2013.

Women and Conflict in Afghanistan, Asia Report N°252, 14 October 2013.

Sri Lanka's Potemkin Peace: Democracy under Fire, Asia Report N°253, 13 November 2013.

Policing Urban Violence in Pakistan, Asia Report N°255, 23 January 2014.

Afghanistan's Insurgency after the Transition, Asia Report N°256, 12 May 2014.

Education Reform in Pakistan, Asia Report N°257, 23 June 2014.

Afghanistan's Political Transition, Asia Report N°260, 16 October 2014.

Resetting Pakistan's Relations with Afghanistan, Asia Report N°262, 28 October 2014.

Sri Lanka's Presidential Election: Risks and Opportunities, Asia Briefing N°145, 9 December 2014.

Mapping Bangladesh's Political Crisis, Asia Report N°264, 9 February 2015.

Women, Violence and Conflict in Pakistan, Asia Report, N°265, 8 April 2015.

The Future of the Afghan Local Police, Asia Report N°268, 4 June 2015.

Revisiting Counter-terrorism Strategies in Pakistan: Opportunities and Pitfalls, Asia Report N°271, 22 July 2015.

Sri Lanka Between Elections, Asia Report N°272, 12 August 2015.

Winning the War on Polio in Pakistan, Asia Report N°273, 23 October 2015.

Nepal's Divisive New Constitution: An Existential Crisis, Asia Report N°276, 4 April 2016.

Political Conflict, Extremism and Criminal Justice in Bangladesh, Asia Report N°277, 11 April 2016.

Sri Lanka: Jumpstarting the Reform Process, Asia Report N°278, 18 May 2016.

Pakistan's Jihadist Heartland: Southern Punjab, Asia Report N°279, 30 May 2016.

South East Asia

Indonesia: Tensions Over Aceh's Flag, Asia Briefing N°139, 7 May 2013.

Timor-Leste: Stability At What Cost?, Asia Report N°246, 8 May 2013.

A Tentative Peace in Myanmar's Kachin Conflict, Asia Briefing N°140, 12 June 2013 (also available in Burmese and Chinese).

The Philippines: Dismantling Rebel Groups, Asia Report N°248, 19 June 2013.

The Dark Side of Transition: Violence Against Muslims in Myanmar, Asia Report N°251, 1 October 2013 (also available in Burmese and Chinese).

Not a Rubber Stamp: Myanmar's Legislature in a Time of Transition, Asia Briefing N°142, 13 December 2013 (also available in Burmese and Chinese).

Myanmar's Military: Back to the Barracks?, Asia Briefing N°143, 22 April 2014 (also available in Burmese).

Counting the Costs: Myanmar's Problematic Census, Asia Briefing N°144, 15 May 2014 (also available in Burmese).

Myanmar: The Politics of Rakhine State, Asia Report N°261, 22 October 2014 (also available in Burmese).

A Coup Ordained? Thailand's Prospects for Stability, Asia Report N°263, 3 December 2014.

Myanmar's Electoral Landscape, Asia Report N°266, 28 April 2015 (also available in Burmese).

Southern Thailand: Dialogue in Doubt, Asia Report N°270, 8 July 2015.

Myanmar's Peace Process: A Nationwide Ceasefire Remains Elusive, Asia Briefing N°146, 16 September 2015 (also available in Burmese).

The Myanmar Elections: Results and Implications, Asia Briefing N°147, 9 December 2015 (also available in Burmese).

Thailand's Lengthening Roadmap to Elections, Asia Report N°274, 10 December 2015.

Appendix F: International Crisis Group Board of Trustees

PRESIDENT & CEO

Jean-Marie Guéhenno

Former UN Under-Secretary-General for Peacekeeping Operations

CO-CHAIR

Lord (Mark) Malloch-Brown

Former UN Deputy Secretary-General and Administrator of the United Nations Development Programme (UNDP)

VICE-CHAIR

Ayo Obe

Legal Practitioner, Columnist and TV Presenter, Nigeria

OTHER TRUSTEES

Morton Abramowitz

Former U.S. Assistant Secretary of State and Ambassador to Turkey

Fola Adeola

Founder and Chairman, FATE Foundation

Ali al Shihabi

Author; Founder and former Chairman of Rasmala Investment bank

Celso Amorim

Former Minister of External Relations of Brazil; former Defence Minister

Hushang Ansary

Chairman, Parman Capital Group LLC

Nahum Barnea

Political Columnist, Israel

Carl Bildt

Former Foreign Minister of Sweden

Emma Bonino

Former Foreign Minister of Italy and Vice-President of the Senate; Former European Commissioner for Humanitarian Aid

Lakhdar Brahimi

Member, The Elders; UN Diplomat; Former Foreign Minister of Algeria

Micheline Calmy-Rey

Former President of the Swiss Confederation and Foreign Affairs Minister

Cheryl Carolus

Former South African High Commissioner to the UK and Secretary General of the African National Congress (ANC)

Maria Livanos Cattai

Former Secretary-General of the International Chamber of Commerce

Wesley Clark

Former NATO Supreme Allied Commander

Sheila Coronel

Toni Stabile Professor of Practice in Investigative Journalism; Director, Toni Stabile Center for Investigative Journalism, Columbia University, U.S.

Mark Eyskens

Former Prime Minister of Belgium

Lykke Friis

Prorector For Education at the University of Copenhagen. Former Climate & Energy Minister and Minister of Gender Equality of Denmark

Frank Giustra

President & CEO, Fiore Financial Corporation

Alma Guillermoprieto

Writer and Journalist, Mexico

Mo Ibrahim

Founder and Chair, Mo Ibrahim Foundation; Founder, Celtel International

Wolfgang Ischinger

Chairman, Munich Security Conference; Former German Deputy Foreign Minister and Ambassador to the UK and U.S.

Asma Jahangir

Former President of the Supreme Court Bar Association of Pakistan; Former UN Special Rapporteur on the Freedom of Religion or Belief

Yoriko Kawaguchi

Former Minister for Foreign Affairs, Japan

Wadah Khanfar

Co-Founder, Al Sharq Forum; Former Director General, Al Jazeera Network

Wim Kok

Former Prime Minister of the Netherlands

Ricardo Lagos

Former President of Chile

Joanne Leedom-Ackerman

Former International Secretary of PEN International; Novelist and journalist, U.S.

Sankie Mthembu-Mahanyele

Chairperson of Central Energy Fund, Ltd.; Former Deputy Secretary General of the African National Congress (ANC)

Lalit Mansingh

Former Foreign Secretary of India, Ambassador to the U.S. and High Commissioner to the UK

Thomas R Pickering

Former U.S. Undersecretary of State and Ambassador to the UN, Russia, India, Israel, Jordan, El Salvador and Nigeria

Karim Raslan

Founder & CEO of the KRA Group

Olympia Snowe

Former U.S. Senator and member of the House of Representatives

George Soros

Founder, Open Society Foundations and Chair, Soros Fund Management

Javier Solana

President, ESADE Center for Global Economy and Geopolitics; Distinguished Fellow, The Brookings Institution

Pär Stenbäck

Former Minister of Foreign Affairs and of Education, Finland. Chairman of the European Cultural Parliament

Jonas Gahr Støre

Leader of Norwegian Labour Party; Former Foreign Minister

Lawrence H. Summers

Former Director of the U.S. National Economic Council and Secretary of the U.S. Treasury; President Emeritus of Harvard University

Wang Jisi

Member, Foreign Policy Advisory Committee of the Chinese Foreign Ministry; Former Dean of School of International Studies, Peking University

PRESIDENT'S COUNCIL

A distinguished group of individual and corporate donors providing essential support and expertise to Crisis Group.

CORPORATE	INDIVIDUAL	
BP	(5) Anonymous	Stephen & Jennifer Dattels
Shearman & Sterling LLP	Fola Adeola	Herman De Bode
Statoil (U.K.) Ltd.	Scott Bessent	Reynold Levy
White & Case LLP	David Brown & Erika Franke	Alexander Soros

INTERNATIONAL ADVISORY COUNCIL

Individual and corporate supporters who play a key role in Crisis Group's efforts to prevent deadly conflict.

CORPORATE	INDIVIDUAL	
APCO Worldwide Inc.	(2) Anonymous	Rita E. Hauser
Atlas Copco AB	Mark Bergman	Geoffrey R. Hoguet & Ana Luisa Ponti
BG Group plc	Stanley Bergman & Edward Bergman	Geoffrey Hsu
Chevron		Faisel Khan
Edelman UK	Elizabeth Bohart	Cleopatra Kitti
Equinox Partners	Neil & Sandra DeFeo Family Foundation	Kerry Propper
HSBC Holdings plc		Robert C. Smith
MetLife	Sam Englehardt	Nina K. Solarz
Shell	Neemat Frem	
Yapı Merkezi Construction and Industry Inc.	Seth & Jane Ginns	
	Ronald Glickman	

AMBASSADOR COUNCIL

Rising stars from diverse fields who contribute their talents and expertise to support Crisis Group's mission.

Luke Alexander	Beatriz Garcia	Rahul Sen Sharma
Gillea Allison	Lynda Hammes	Leeanne Su
Amy Benziger	Matthew Magenheimer	AJ Twombly
Tripp Callan	Madison Malloch-Brown	Dillon Twombly
Victoria Ergolavou	Peter Martin	Grant Webster
Christina Bache Fidan	Megan McGill	

SENIOR ADVISERS

Former Board Members who maintain an association with Crisis Group, and whose advice and support are called on (to the extent consistent with any other office they may be holding at the time).

Martti Ahtisaari Chairman Emeritus	Naresh Chandra	Barbara McDougall
George Mitchell Chairman Emeritus	Eugene Chien	Matthew McHugh
Gareth Evans President Emeritus	Joaquim Alberto Chissano	Miklós Németh
	Victor Chu	Christine Ockrent
	Mong Joon Chung	Timothy Ong
	Pat Cox	Olara Otunnu
	Gianfranco Dell'Alba	Lord (Christopher) Patten
Kenneth Adelman	Jacques Delors	Shimon Peres
Adnan Abu-Odeh	Alain Destexhe	Victor Pinchuk
HRH Prince Turki al-Faisal	Mou-Shih Ding	Surin Pitsuwan
Óscar Arias	Uffe Ellemann-Jensen	Fidel V. Ramos
Ersin Arıoğlu	Gernot Erler	
Richard Armitage	Marika Fahlén	
Diego Arria	Stanley Fischer	
Zainab Bangura	Carla Hills	
Shlomo Ben-Ami	Swanee Hunt	
Christoph Bertram	James V. Kimsey	
Alan Blinken	Aleksander Kwasniewski	
Lakhdar Brahimi	Todung Mulya Lubis	
Zbigniew Brzezinski	Allan J. MacEachen	
Kim Campbell	Graça Machel	
Jorge Castañeda	Jessica T. Mathews	