MARITIME SECURITY IN SOUTHEAST ASIA
U.S., Japanese, Regional, and Industry Strategies

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Pirate activity in strategically important waterways around the globe, from the Strait of Malacca to the waters off the Horn of Africa, has garnered significant attention recently from states dependent on these waters for international trade and the free movement of goods. State responses have ranged from independently dispatching naval forces to patrol major sea lines of communication to multinational patrols and information-sharing mechanisms to increase domain awareness. Less visible but of equal—or perhaps even greater—importance, are the efforts of shipowners, operators, and maritime industry groups toward increasing ship security and combating pirate attacks.

The United States and Japan, in particular, are concerned with the threat of piracy to their economic interests and the freedom of navigation at sea, given their status as two of the world’s most trade-dependent economies. They are also two of the best-equipped countries to combat the problem. As such, the National Bureau of Asian Research (NBR) partnered with the Japan Forum on International Relations in May 2010 for a one-day workshop in Tokyo that addressed the problem of piracy and considered areas in which the United States and Japan can cooperate to ensure the safety and security of international waters.

The essays in this report were presented at the workshop and address the issue in four dimensions. First, recognizing the particular importance of Southeast Asia’s strategic waterways to the United States and (especially) Japan, Sheldon Simon’s essay explores the complex web of patrol regimes and multinational mechanisms such as information sharing centers that have emerged to combat piracy in the Strait of Malacca and other waterways in the region. Next, John Bradford’s contribution outlines U.S. maritime strategy and the increased U.S. emphasis on promoting cooperative partnerships to meet the world’s ever-expanding maritime security challenges. Third, James Manicom assesses Japan’s activities toward increasing maritime safety and security in Southeast Asia, focusing his analysis on the root causes of piracy found on land. Finally, Neil Quartaro offers a detailed assessment of industry perspectives on piracy and the lessons that have been learned from recent experience. Taken together, the essays demonstrate a series of pragmatic steps that actors in the maritime domain can take to meet maritime security challenges across the globe and especially in East and Southeast Asia.

I would like to recognize and express appreciation to the members of the research team whose essays appear in this report. I would also like to extend sincere appreciation to the Japan Forum on International Relations for its partnership in the May 2010 workshop in Tokyo, as well as to the Japan Foundation Center for Global Partnership for its financial support for the workshop.

This report marks the first of several that NBR will be releasing in the coming year that explore various facets of maritime security in Asia, including the legal, historical, political, economic, and strategic implications of disputed claims in the South and East China seas and the Gulf of Thailand. Future studies will maintain a keen focus on the maritime domain with respect to its strategic importance to U.S. interests, not just in Asia but around the globe.

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Safety and Security in the Malacca Strait: The Limits of Collaboration

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EXECUTIVE SUMMARY

This study addresses prospects for enhanced cooperative security among user states, littoral states, and the private sector shipping industry for improving safety and security in the Malacca Strait—one of the world’s busiest maritime highways.

MAIN ARGUMENT

The Malacca Strait is arguably the world’s busiest and most important waterway. Increased vulnerability of shipments through the area—from such causes as piracy and armed robbery to navigation and safety concerns—prompted littoral and user states to mount a series of initiatives that helped significantly bolster ship security in the region over the last several years. User states are providing financial and technical assistance to the littoral states, but this assistance has been largely bilateral, with some new collaboration among the participants suggesting a multilateral approach to enhancing safety and security. Questions remain, however, about the sustainability of these programs, additional needs and opportunities, and the lessons they may offer for enhancing safety and security in other regions.

POLICY IMPLICATIONS

- Greater cooperation among user states, littoral states, and shippers for enhancing safety and security in the Malacca Strait should be promoted through the 2007 Cooperative Mechanism.

- The shipping industry should increase its contributions for safety and security, perhaps through funding the installation of Automatic Identification System (AIS) transponders on smaller ships to track their locations.

- Malaysia and Indonesia should join the Singapore-based Information Fusion Center, thus providing complete coverage on maritime crime to the Malacca Strait countries.

- The primary user states—the U.S., Japan, Australia, China, South Korea, and perhaps India—should consider forming a users consortium to allocate responsibilities for improving safety features, such as wreck removal and radar installations, in the strait.

- User states should provide technical assistance and financial support to the littoral states’ air force and navy patrols, thus improving their capacities.
At 520 nautical miles long and extremely narrow at numerous places, the Straits of Malacca and Singapore constitute one of the world’s busiest waterways, linking the Indian Ocean and the South China Sea. Commercial traffic from Europe and the Arabian Gulf passes through the straits on the way to Northeast Asia; and maritime trade from the western Pacific Rim reciprocates, destined for South and West Asia as well as for Europe. Tankers and bulk carriers move vast quantities of coal, iron ore, and minerals to manufacturing centers in Southeast and Northeast Asia, while container ships laden with consumer goods flow in the opposite direction. This trade constitutes more than half the world’s merchant fleet tonnage. Because of shallow reefs and many small islands, and with over 70,000 ships passing through every year, maritime traffic in the straits must transit at greatly reduced speeds, making it vulnerable to maritime crime and piracy—a hazard that has plagued the Malacca Strait for centuries. Between 1999 and 2008, traffic in the strait increased by 74%. Japan’s Ministry of Land, Infrastructure, Transport and Tourism estimates that 114,000 ships will use the strait by 2020.¹

The geopolitical and legal complexities of the Malacca Strait may be found in the disputes that encompass the strait’s internal waters, territorial seas, contiguous zones, and exclusive economic zones (EEZ)—all under the 1982 UN Law of the Sea. Overlapping jurisdictions have led to complaints by countries in the strait against one another—for example, Jakarta has protested Malaysia’s use of straight baselines to measure its territorial seas because of alleged encroachment on Indonesian waters.² These disputes, alongside the varying capabilities of the littoral states to maintain good order in the strait, have led user states to regard the Malacca Strait as an area of instability, lurking threats, and ineffective law enforcement. Littoral states have seen the situation differently: as demonstrated in their 2004 reaction to the U.S.-proposed Regional Maritime Security Initiative (RMSI), Malaysia and Indonesia—though not Singapore—have opposed any effort to “internationalize” management of the strait that could compromise their sovereign rights. Whereas piracy and terrorism are priority challenges for Singapore, Malaysia and Indonesia are much more concerned with fishing interests in the area, environmental threats from ship-sourced pollution, and human, arms, and drug trafficking across the Malacca Strait.³

In 2007 the Cooperative Mechanism for the Straits of Malacca and Singapore was formally launched to encourage user states and shippers voluntarily to assist the littoral states in their responsibility to enhance safety, security, and environmental protection in the straits. Possessing sovereign rights in the straits, the littorals—Singapore, Malaysia, and Indonesia—are primarily responsible for maintaining order. The Cooperative Mechanism is a device by which users can assist in fulfilling these responsibilities in the areas of safety and environmental protection but not in maritime security. Indonesia and Malaysia have refused to include security cooperation in the Cooperative Mechanism, which is discussed below.

³ Ibid., 31–32.
Major Actors in the Malacca Strait

The three most important players determining how safety and security in the Malacca Strait are to be achieved are the littoral states, user states, and shippers. The littoral states have the right to prescribe rules for navigation safety and security, prevent accidents, and provide regulations for marine pollution. These rights are set out in the International Convention for the Safety of Life at Sea (SOLAS), International Regulations for Preventing Collisions at Sea (COLREG), and the 1982 UN Law of the Sea. These provisions are limited, however, by the rights of transit passage that the UN Law of the Sea extends to the vessels of user states passing through the strait. The littoral states have taken a number of measures to promote the safety and security of navigation through the strait, though such measures are not sufficient to eliminate the strait’s vulnerability to piracy, terrorism, environmental spills, and accidents. Shippers are major beneficiaries of littoral states’ safety and security procedures. Commercial shippers, whether bulk cargo or energy carriers, desire to reach their destinations as cheaply and expeditiously as possible. Article 26 of the UN Law of the Sea provides that fees may be levied on a foreign ship passing through a territorial sea for services rendered to the ship, but this provision cannot be made compulsory through unilateral action by the littoral states. When shippers use port facilities, fees are standard, and some of these fees have been used to help maintain the strait’s navigational aids. However, no mandatory charges have yet been established for transit because that would violate freedom of passage.4

The Littoral States

At a 2005 meeting in Batam, Indonesia, the three littoral states met to lay out their views of the respective roles of littoral states, user states, and shippers in ensuring sea lane safety and security. The 2005 Batam Joint Statement reaffirmed the sovereign rights of the littoral states and their primary responsibility for ensuring safety and security in the straits. The statement goes on to acknowledge the interests of user states and notes that the littoral states welcome the assistance of user states, international organizations, and the shipping community in the areas of capacity-building, training, and technology transfer. A follow-up meeting of the International Maritime Organization (IMO) in September in Jakarta authorized the Tripartite Technical Experts Group (TTEG) to establish a mechanism for regular meetings between user states and the shipping industry to facilitate cooperation in matters of safety and security in the strait. In effect, the TTEG could become the venue to negotiate aid from user states and shippers.5

There is, however, an underlying difficulty among the littoral states. Their views of best practices for the strait do not always coincide but vary according to national threat perceptions, sovereignty concerns, national capabilities, and nonaligned orientation. Singapore, with the smallest sea space and busiest port, possesses a state-of-the-art ship tracking system that employs coastal radars to track 70,000 vessels simultaneously. Malaysia’s Maritime Enforcement Agency, with 70 patrol craft and 6 helicopters, maintains a considerable presence but is less concerned with piracy than with illegal fishing and the development of tourism. Indonesia’s waterborne trade, on the other hand, travels more through the Straits of Lombok and Makassar than through the Strait of Malacca. Moreover, maritime border disputes with Malaysia, smuggling, illegal fishing, and environmental

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degradation are of greater concern to Indonesia than piracy and maritime crime. Jakarta’s anemic maritime budget means that Indonesia lacks sufficient ships to patrol the waters around its 17,000 islands. Exacerbating these differences is the wide range of maritime coastal organizations among the littorals that interact only with difficulty. Indonesia has a complicated maritime command network encompassing nine agencies that share neither intelligence nor resources often. Local jurisdictions in Indonesian provinces rather than the central government have primary responsibility for coastal waters. Nevertheless, by 2008 Indonesia, with Japanese assistance, was planning to create a separate coast guard. Finally, neither Malaysia nor Indonesia belongs to the Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation, which gives coastal states jurisdiction over the prosecution of crimes even if the perpetrators flee to other countries. This convention is particularly germane to the Malacca Strait, where maritime criminals can move rapidly among the littoral states’ waters.\(^6\)

Looking more closely at the capacities and policies of each littoral state helps in understanding the obstacles to better collaboration. Singapore has the most integrated arrangement of the three countries. Its interagency Maritime and Port Security Working Group brings together the navy, coast guard, and port authority to control ship movements within the port. Employing electronic navigation displays and synchronized voice, track, and data recording, the working group can simultaneously monitor up to five thousand ships. Given the complexity of these activities, Singapore is a vocal advocate of international cooperation and has also provided armed sea marshals who board and accompany high-value vessels that use its port.\(^7\)

Neither Malaysia nor Indonesia has anything comparable to these capabilities. Though Kuala Lumpur is acquiring new patrol vessels, they will be deployed in the South China Sea off the east coast of the peninsula to patrol Malaysia’s EEZ and not in the Malacca Strait. Malaysia, however, has built a string of radar tracking stations along the strait and has placed armed police officers on some tugboats and barges in these waters. After 2005, Kuala Lumpur established a centralized coast guard, the Malaysian Maritime Enforcement Agency. The creation of this agency was in part a reaction to the addition by Lloyd’s of London of the Malacca Strait to its “war list” for maritime insurance.\(^8\) Lloyd’s decision raised shippers’ insurance rates through the strait and motivated Singapore, Indonesia, and Malaysia to create a joint patrol arrangement (discussed below), which then prompted the British insurance company to remove Malacca from the war list a year later.

Of the littoral states, Indonesia gives the least attention to the Malacca Strait. With land-based security concerns involving separatist movements and communal strife, piracy is low on its list of priorities. Through 2006, Indonesia was home to the most pirate-infested waters in the world. Frequently, fishermen with bleak economic prospects due to overfished waters and possessing the boats and nautical skills to engage in sea robbery operated from small islets within the strait, sometimes with the assistance of local police and port officials. However, Indonesia’s navy is more concerned with illegal fishing on the eastern end of the archipelago than with piracy in the Malacca Strait. Few ships moving through the strait call at Indonesian ports. In 2004 the Indonesian Navy estimated it would need 302 warships and 170 aircraft to effectively monitor the seas around the country’s 17,000 islands. Although the navy is acquiring new ships, their number

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\(^6\) The foregoing analysis is based on the author’s interview with Lt. Colonel Joshua Ho of the Singapore Navy, who is also a senior fellow and coordinator of the Maritime Security Program at RSIS, October 27, 2009.


U.S. Strategic Interests and Cooperative Activities in Maritime Southeast Asia

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NOTE The views expressed in this paper are those of the author and do not represent official policy of the U.S. Navy, the Department of Defense, or the U.S. government.
EXECUTIVE SUMMARY

U.S. maritime strategy’s focus on building partnerships to execute both high-end hard power security missions and operations such as humanitarian assistance/disaster relief (HA/DR) and maritime security is well-suited for addressing important strategic issues in Southeast Asia.

MAIN ARGUMENT

The U.S. maritime strategy emphasizes the importance of building partnerships with a wide range of actors and specifically names the Western Pacific as a region where U.S. maritime forces will concentrate their attention. The strategic importance of Southeast Asian waterways dictates that these partnership efforts address security threats such as those posed by transnational criminals, terrorists, and natural disasters. Lessons learned from international cooperation in the Strait of Malacca demonstrate that such partnerships can be effective and inform current U.S. operations in maritime Southeast Asia. Given the shared priorities in U.S. and Japanese maritime strategies, a U.S.-Japan partnership affords opportunities to enhance cooperation on safety and security in Southeast Asian waterways.

POLICY IMPLICATIONS

- Southeast Asia is a critical maritime region for commerce, communication, and resources.
- The U.S. maritime strategy is appropriate for addressing safety and security challenges in Southeast Asia.
- Lessons from the international humanitarian response following the 2004 Indian Ocean tsunami and Strait of Malacca counter-piracy cooperation demonstrate the effectiveness of maritime partnerships.
- Shared strategic priorities provide opportunities for the U.S. and Japan to cooperatively contribute to enhance maritime safety and security in Southeast Asia.
- Cooperation on HA/DR is an area where the U.S. and Japan should focus efforts.
n 2007 the United States published a new maritime strategy directing the U.S. Navy, Marine Corps, and Coast Guard to prioritize both sustaining the capacity to win wars and building partnerships that strengthen security in peacetime. The critical strategic importance of maritime Southeast Asia and the nature of the security threats in that region demonstrate that this new strategy is exceptionally appropriate to Southeast Asia. The Strait of Malacca provides specific case studies that aptly illustrate this point. Given these strategic realities, it is not surprising that the United States is aggressively engaged in a variety of partnership activities in maritime Southeast Asia. However, much work remains to be done, and the conflux of U.S. and Japanese strategic priorities provides opportunities for those two nations to strengthen their cooperation in order to further enhance maritime safety and security in the region.

**A Cooperative Strategy for 21st Century Sea Power**

In October 2007 the chiefs of the U.S. Navy, Marine Corps, and Coast Guard issued a new maritime strategy, “A Cooperative Strategy for 21st Century Seapower.” This document, now referred to in short-hand as “CS21,” articulates the first comprehensive U.S. maritime strategy published since 1986. Given the degree to which the world has changed in the more than two decades that passed between the development of these two strategies, it is not surprising that they incorporate marked differences. Perhaps most immediately noticeable, the 1986 maritime strategy pertained to the navy only while CS21 provides a common strategy for all three maritime services.

A classified Cold War product, the 1986 maritime strategy was focused on defeating the Soviet blue-water threat. In the introduction to the 1986 book that was published by the U.S. Naval Institute to provide “the most definitive and authoritative statements of the Maritime Strategy that are available in unclassified form,” Admiral James Watkins explains that “the goal of the overall Maritime Strategy is to use maritime power, in combination with efforts of our sister services and forces of our allies, to bring about war termination on favorable terms.” In contrast, CS21 prioritizes the prevention of war as equal to prevailing in war. CS21 also directs that maritime forces be employed in times of peace to build confidence and trust among nations through collective maritime efforts that focus on common threats and mutual interests. In doing so, CS21 stresses the need for U.S. maritime forces to work with a wide range of partners in order to successfully meet these challenges.

CS21 also contrasts with the previous maritime strategy by specifically affirming the value of U.S. maritime forces’ constabulary and civil assistance missions. In fact, CS21 elevates maritime security and humanitarian assistance and disaster response (HA/DR) to core capabilities, placing them together with four hard-power capabilities: deterrence, power projection, forward presence, and sea control. HA/DR represents a mission set that U.S. maritime forces have always performed, but for the first time, the maritime strategy dictates that these capabilities will be central to planning. Far from signaling a shift away from Mahanian concepts of sea power toward the notions of law enforcement and humanitarianism, CS21’s new emphasis is a logical

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extension of the navy’s need to address the diversity of the challenges of today’s operating environment most effectively.\textsuperscript{4}

CS21 observes that in an increasingly interconnected world it is not feasible for any nation to operate independently when confronting the challenge of ensuring the safety, security, and stability of the global commons. Therefore, the strategy embraces a flexible vision of voluntary partnerships of varying levels of formality, scope, and capability to meet the world’s needs. CS21 places specific importance on working with international partners and broadening the range of those partners to build mutual understanding and respect with all maritime stakeholders. As a result, CS21 calls on U.S. maritime forces to strengthen efforts to cooperate with foreign navies, coast guards, maritime law enforcement bodies, international organizations, NGOs, private companies, and the general public.

Global Maritime Partnership (GMP) is a concept by which the U.S. Navy fosters and sustains these cooperative relationships. The flexible nature of the GMP concept allows maritime stakeholders to come together, at times without formal agreement, in response to emergent crises or to solve maritime problems that require long-term effort, such as building regional maritime capacity. GMP can be accomplished in a manner that complements existing alliances, partnerships, and coalitions without necessarily establishing a new organization or governing body, as long as the challenge addressed is of mutual concern.\textsuperscript{5} GMPs represent the implementation of a key observation found in CS21: “Although our forces can surge when necessary to respond to crises, trust and cooperation cannot be surged.”

The Strategic Importance of Maritime Southeast Asia

CS21 specifically mentions two regions as places where maritime forces must focus their energies, the Western Pacific and Arabian Gulf/Indian Ocean. Both regions are areas where the United States maintains a presence in order to reduce contingency response times and thereby assure allies while dissuading and deterring those actors that might otherwise seek to disrupt the balance of power. U.S. maritime forces also maintain force presence in these regions to build trust and cooperation among friends and allies and to improve partner capacity.\textsuperscript{6} Within the Western Pacific, maritime Southeast Asia is a region of exceptional strategic importance.

When addressing the senior naval officers gathered for the International Maritime Seminar in Manado, Indonesia, on August 18, 2009, Admiral Gary Roughead, Chief of Naval Operations, described Southeast Asia as “a critical maritime region for commerce, for communication and for resources; three vital areas in which the oceans connect our nations.”\textsuperscript{7} Perhaps most importantly, Southeast Asian waterways provide some of the world’s most important sea lines of communication (SLOC). In particular, the Malacca Strait serves as the primary link between the Indian and Pacific oceans. An estimated 50,000 vessels transit this route each year carrying about a third of the globe’s total trade.\textsuperscript{8} However, the world’s largest ships, mostly supertankers, draw too much

\textsuperscript{5} Robb Bennet and Brian Kawamura, “Global Maritime Partnerships: The Navy’s Lessons Learned” (unpublished manuscript, September 2009).
\textsuperscript{7} Gary Roughead (conference remarks at the International Maritime Seminar, Manado, August 18, 2009).
draft for the Strait of Malacca, and these ships that exceed “Malaccamax” typically transit between
the oceans via Indonesia’s Lombok Strait or Sunda Strait. Other Southeast Asian waterways, such
as the Makassar Strait, Sibiu Passage, and Mindoro Strait, also carry huge volumes of trade. These
trade lanes are tremendously important both because of the volume they transport and because of
the critical nature of the cargo. For example, Japan imports 98% of the petroleum it consumes, and
roughly 80% of that supply passes through the Strait of Malacca. Similarly, approximately 85%
of Chinese oil imports transit the same strait. South Korea and Taiwan are also critically reliant
on Southeast Asian waterways for their energy needs. Beyond petroleum, the sea lanes passing
through maritime Southeast Asia bring raw materials from Africa and Australia to the industrial
engines of East Asia and carry their exports to important markets in Europe, the Middle East,
Africa, and Australia.

By their geographic nature, these straits are also chokepoints and therefore represent strategic
vulnerabilities. If they were closed, the economic fallout would be catastrophic. Although the United
States does not directly rely on these waterways for its energy needs (most Middle East oil bound
for the United States crosses the Atlantic Ocean), its critical interests in a stable East Asia dictate
that Washington be fully invested in freedom of navigation through Southeast Asian SLOCs. As
a result, the United States has long taken an active interest in regional maritime security. Acting
on similar strategic drivers, Japan has adopted increasingly robust initiatives to help guarantee
the free flow of shipping through these waters for more than 30 years. More recently, Chinese
security planners have also begun to actively discuss solutions to this vulnerability, commonly
referred to as China’s “Malacca Dilemma.” The rise of the country’s blue water capabilities are
likely motivated, at least in part, by a desire to find alternative solutions to this dilemma.

The strategic importance of Southeast Asia stretches beyond its sea lanes. Southeast Asia’s
growing economies, large populations, and rich cultures are directly linked to the U.S. economy.
The region is rich in petroleum and minerals that are extracted from both onshore and offshore
sites. Other Southeast Asian exports—namely, manufactured goods such as electronic components
and textiles—are important to the United States’ consumption-based economy. U.S.-ASEAN
trade totals more than $200 billion annually. Deputy Assistant Secretary of Defense Robert Scher
summed up the geostrategic importance of Southeast Asia in testimony to Congress: “[Southeast
Asia] is a region that is central to the continued peace and stability of all Asia-Pacific as well as the
continued economic prosperity of the United States.”

Security Threats to Maritime Southeast Asia

Given the strategic importance of maritime Southeast Asia, its security is of utmost importance
to the United States. Fortunately, from a geopolitical standpoint, the region appears relatively

10 Andrew Erickson and Lyle Goldstein, “Gunboats for China’s New ‘Grand Canals’? Probing the Intersection of Beijing’s Naval and Oil
11 Tsuneo Akaha, “Japan’s Response to Threats of Shipping Disruption in Southeast Asia and the Middles East,” Pacific Affairs 59, no. 2
(Summer 1986): 255–77; Peter Woolley, Japan’s Navy: Politics and Paradox, 1971–2000 (London: Lynne Rienner Publishers, 2000), 70; and
Southeast Asia 26, no. 3 (December 2004): 480.
12 Erickson and Goldstein, “Gunboats for China’s New ‘Grand Canals’?” 43.
13 Robert Scher, “China’s Activities in Southeast Asia and the Implications for U.S. Interests,” testimony before the U.S.-China Economic and
Japan’s Role in Strengthening Maritime Security in Southeast Asia

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EXECUTIVE SUMMARY

This essay assesses Japan’s contributions to anti-piracy efforts in Southeast Asia and proposes measures to improve its regional security efforts.

MAIN ARGUMENT

This essay explores the impetus for Japan’s efforts to improve the security of Southeast Asian waters, with specific reference to the Straits of Singapore and Malacca, and assesses how these initiatives have been received by coastal states. It argues that the bulk of Japan’s efforts have been aimed at treating the symptoms of maritime piracy (broadly defined) rather than the root causes. By contrasting the country’s anti-piracy initiatives in Southeast Asia with its efforts to combat piracy off the coast of Africa, the essay argues that Japan could reduce the incidence of piracy by doing more to build state capacity and foster development.

POLICY IMPLICATIONS

- Policymakers should bear in mind that the causes of piracy lie on land rather than at sea. As a result, the effectiveness of enforcement side-measures may be limited and may cause pirates to relocate to more remote waters.
- Responses that target the roots of piracy may encounter resistance from countries that host pirate havens based on sovereignty concerns. These challenges can be overcome through existing aid mechanisms. Japan can directly target official development assistance (ODA) funding to reduce poverty, improve governance, and address human security challenges in known pirate havens in Southeast Asia.
- Japan’s willingness to contribute ODA funds to alleviate poverty and foster employment in known pirate havens may be limited in the current fiscal climate. It is not clear that the costs of piracy to Japan are high enough to warrant expensive long-term aid solutions.
Piracy in Southeast Asia, the one-time scourge of the region, may in time be remembered as a successful example of cooperation on an issue of broad regional importance. The International Maritime Bureau (IMB) reported zero attacks in the Strait of Malacca in the first quarter of 2010. Combating piracy in Southeast Asia is complicated because it pits the interests of the user states of regional sea lines of communication (SLOC)—such as Japan, China, and the United States—against the interests of the coastal states (the Philippines, Malaysia, Indonesia, and Singapore). Further complicating the matter is that neither user states nor coastal states are united in their preferred approach to the problem. Nevertheless, there is no doubt that the regional response to piracy in Southeast Asia is in some way responsible for the decline in the frequency, severity, and cost of pirate attacks from their peak in 1999. Japan made a significant contribution to this initiative.

The importance of Southeast Asian sea lanes to Japan’s national security cannot be overstated. As a resource-poor island nation, the country relies on secure seas to provide for the well-being of its citizens. Japan imports 99% of its oil—80% of which travels through the Malacca Strait—and 60% of its caloric intake. As a trading state, 99% of Japan’s trade by value travels by sea. Therefore, policing its maritime approaches and SLOCs is a cornerstone of the military dimension of Japan’s comprehensive national security. It is thus unsurprising that Japan led the response of user states to the piracy problem in the Malacca Strait. This essay examines the impetus for Japan’s efforts to combat piracy in Southeast Asian waters, particularly in the Strait of Malacca, and assesses how these initiatives were received by coastal states. The essay argues that the bulk of Japan’s efforts have been aimed at treating the symptoms of maritime piracy (broadly defined) rather than the root causes. By contrasting Japan’s efforts to combat piracy off the coast of Africa, the essay concludes that Japan could reduce the incidence of piracy by doing more to build state capacity and foster development.

Japan’s Interests in Sea Lane Security

During the Cold War the Japanese economy’s reliance on secure sea lanes, combined with the limits Japan’s constitution imposed on its military, created an engrained sense of insecurity on the part of Japanese military officials. U.S. pressure on Japan to assume a greater share of the defense burden and Washington’s expectation that allies would defend their own convoys highlighted critical deficiencies in Japan’s naval force structure. This was compounded by concerns that attacks against Japanese ships were the most likely form of Soviet aggression. As a consequence, the protection of vital sea lanes became a priority mission for the Maritime Self-Defense Force (MSDF) by the late 1970s. According to Mihara Asao, then director-general of the Japanese Defense Agency (JDA), Japan was prepared to defend its sea lanes as far as 1,000 nautical miles (nm) offshore as early as 1977. 

that sea lane security beyond 1,000 nm was the responsibility of the United States.\(^7\) While the end of the Cold War removed the threat of Soviet interference with Japan’s sea lifelines, SLOC security retained its policy relevance in Tokyo for four reasons.

The first reason SLOC security remained relevant was structural. The post–Cold War security environment was full of uncertainty. Following the 1991 Gulf War, the prevailing academic wisdom was that East Asia would become dramatically less stable as old animosities, long buried under shared Cold War prerogatives, resurfaced.\(^8\) Low-level conflict was expected over disputed land and maritime boundaries, facilitated by the region’s marked growth in military spending.\(^9\) The 1993 North Korean nuclear crisis and the possibility of Japanese participation in a blockade of the peninsula further reinforced these threat perceptions. Japan’s first post–Cold War strategic assessment, the 1994 Higuchi Report, argued that while multilateral cooperation would be the defining characteristic of the post–Cold War world, several security challenges would endure that necessitated continued military spending. The report identified the continued interference with maritime shipping as a potential threat and argued that sea lane security was “a matter of life and death to Japan.”\(^10\) This perception of SLOC vulnerability was reinforced by the rise of maritime piracy in East Asia. Southeast Asia emerged as the most piracy-prone region in the world, witnessing 501 attacks in 1991, predominantly in the Malacca and Singapore straits.\(^11\)

The second reason was institutional. As an island state, Japan’s navy had developed the status of *primus inter pares* among the three branches of the Self-Defence Forces (SDF). The MSDF had undergone a dramatic modernization effort to meet the objective of defending shipping as far as 1,000 nm off Japan’s shores. This justification for improved naval capabilities remained a prominent theme in Japanese defense circles. Defense publications did not abandon the possibility of Russian interference with Japanese shipping until the mid-1990s, despite the atrophy of the Russian Far East fleet after the Cold War.\(^12\) The Higuchi Report is credited with maintaining the bulk of the MSDF force structure despite pressure to downsize. In the context of debates over Japan’s post–Cold War security policy, several constituencies pushed for a more active Japanese defense posture, either as a peacekeeping nation or as a “normal” military power.\(^13\) Furthermore, the MSDF and Japan Coast Guard (JCG) stood to benefit from the perpetuation of the SLOC defense mission. According to one author, these institutions helped ensure that post–Cold War issues such as piracy were interpreted through a security lens for popular consumption.\(^14\)

A third reason is that Japan was increasingly viewed as a victim of piracy. As attacks became more frequent during the 1990s, the threat of piracy was perceived as one that disproportionately affected Japanese shipping interests and, more importantly, Japanese people. The hijacking of the Japanese-owned *Alondra Rainbow* shortly after leaving Indonesia was a watershed event for

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\(^12\) Graham, *Japan’s Sea Lane Security*, 175.


Japanese threat perceptions. The ship was hijacked in October 1999, and the Japanese captain and chief engineer were among the seventeen member crew that was cast overboard and left to drift. The vessel was later found in waters off India under a Belizean flag and different name. Attacks like this, and the resultant media attention, raised the profile of piracy issues in Japan.

A final impetus for Japan’s preoccupation with SLOC security was the emergence of China, particularly the mounting threat posed by China’s growing military and naval ambitions. Suspicions of Chinese state-sponsored piracy attacks in the East China Sea in the early 1990s gave way to more concrete concerns that China sought to project power beyond the Japanese islands into the Pacific Ocean. One side effect of China’s ambitions to control the “first island chain” is that the area includes the bulk of the sea lanes used by Japan. First articulated in the mid-1990s, this issue is now raised in defense publications as a source of concern for Tokyo. Furthermore, according to a prominent Japanese think tank, Japan’s activism on sea lane security, particularly its overtures to member states of the Association of Southeast Asian Nations (ASEAN), reflected its desire to be perceived as a regional leader at the expense of China.

Japan’s Efforts to Combat Maritime Piracy

As a result of these pressures, Japan embarked on a concerted effort to combat piracy in Southeast Asia, with a focus on the Malacca and Singapore straits. Spurred by the public outcry following the Alondra Rainbow incident, the government’s efforts were initially ambitious, state-centric, and clumsy. These were tempered by the reluctance of the coastal states to admit that there even was a piracy problem in Southeast Asia, much less that this problem required a solution imposed from the outside.

Prior to 1999, the bulk of Japanese anti-piracy efforts focused on Track II initiatives to raise awareness of piracy as well as encourage private sector assistance to improve navigation safety. Following the Alondra Rainbow affair, Prime Minister Keizo Obuchi proposed joint JCG patrols with coastal states with the aim of eventually forming a regional coast guard force. The proposal was initially well received but collapsed as coastal states remained reluctant to accept foreign interference in their territorial waters. Perhaps as a symptom of regional power jockeying, Beijing also resisted the idea. One Chinese delegate at a regional anti-piracy conference wondered why joint patrols of the straits were necessary at all. Japan subsequently opted for a less direct path, using bilateral and multilateral collaboration with coastal states to provide technical assistance and to facilitate information-sharing and capacity-building. While piracy remained hostage to Chinese opposition at ASEAN-related meetings, Japan concluded bilateral agreements on anti-piracy training exercises with a host of regional states. The JCG was the lead organization and has held training exercises with two or more Southeast Asian states, as well as with India, every year.
The Challenges of the Jolly Roger: Industry Perspectives on Piracy

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NOTE The views expressed herein are solely those of the author.
EXECUTIVE SUMMARY

This essay presents viewpoints from nonstate stakeholders in the marine transportation system regarding the problem of piracy in the Gulf of Aden (GOA) region compared to piracy in the Strait of Malacca.

MAIN ARGUMENT

Although the concerns of individual actors within each group of stakeholders may vary, there is a growing consensus that the response to piracy in the GOA region must be significantly more robust than the response to piracy in the Strait of Malacca. Part of this growing consensus stems from the differing nature of the GOA attacks, which impose significantly higher costs on vessel owners, charterers, and crew members than attacks in the Strait of Malacca. Further fueling the belief that stakeholders must take aggressive action is the fact that providing armed security details to vessels transiting the GOA region has proven very effective, with no such vessels having been captured. However, the Strait of Malacca experience does provide some useful lessons that apply to piracy in the GOA, most notably the creation of a central information center to coordinate between commercial vessels and military assets in the area and the involvement of local states to assist in preventing attacks and punishing attackers where feasible.

POLICY IMPLICATIONS

• If ships carrying armed security details continue to avoid capture, this practice is likely to become a standard security response for many vessels transiting the GOA. However, the presence of armed guards raises many public policy issues, including the unintentional importation of armed guards’ weapons into jurisdictions where these weapons are not permitted; the potential to increase the level of violence used to capture a vessel; and the legality of an armed response by private persons in international waters.

• If stakeholders in the marine transportation system respond aggressively and proactively to the threat of piracy in the GOA, national governments with military assets deployed in the area are likely to continue the current high level of engagement. However, these responses are essentially prophylactic in nature, given that they do not address the root cause of the problem, which is the failure of Somalia to function as a normal state.

• Assuming that the current high level of coordination between stakeholders and information sharing centers created by nation-states continues, the ability to prevent and deter attacks in the GOA region will likely continue to improve. Somali pirates are aware of this coordination and its resultant success and are responding by attacking ships farther away from Somalia. This raises the specter of Somali-organized pirate attacks in waters far from Somalia, thereby diluting the effectiveness of the current response.
Piracy is not a new problem for maritime commerce, though it has been rare in modern times. Yet there has been a recent upswing in attacks, commencing in the mid-1990s with ship boardings and robberies in the Strait of Malacca region and continuing today, most notably off Somalia. Piracy has many forms, and so there are varying definitions. One of the broader definitions, supplied by the International Maritime Bureau (IMB), is that piracy is “the act of boarding any vessel with an intent to commit theft or any other crime, and with an intent or capacity to use force in furtherance of that act,” which is a suitable definition for this article.

To put the piracy problem in perspective, over 400 attacks took place worldwide in 2009, with 217 in the Gulf of Aden (GOA) off Somalia. South America saw 37 reported attacks, while Nigeria had 28 attacks. Indonesia and the South China Sea accounted for another 28 attacks, while the Strait of Malacca saw only 2. The attacks off Somalia have been particularly troublesome, often involving the hijacking and ransom of the victim ship. Nearly 700 crew members were taken hostage in the GOA in 2009, a record for the region. An unknown amount, but certainly in excess of $20 million, was paid in ransom to pirates based in Somalia to free these vessels and hostages.

The international security response to these predations in the GOA has been the deployment of naval forces from a number of countries and coalitions, including the North Atlantic Treaty Organization (NATO) and the European Union. Commercially, many vessel owners and operators have responded by taking more robust measures to deter the boarding of their vessels, to the point of employing armed guards in some instances. The combination of these responses has pushed the pirates further out to sea, with the result that attacks have occurred over a thousand kilometers (km) from the Somali coast, far out in the Indian Ocean. Such a large geographic area is difficult to patrol, especially for the ubiquitous small fishing vessels that Somali pirates tend to use as motherships for their attacks.

With over 20,000 vessels a year transiting the GOA, the piracy problem in this area poses a significant threat to international commerce. A comparison can be drawn with piracy in the Strait of Malacca region, which is also a very important strategic waterway. In that case, the cooperation of the neighboring states was crucial to reducing the number of incidents and restoring a measure of peace to the waterway. As this essay explores, there are significant structural differences between the two situations, but this should not preclude looking to the Strait of Malacca experience for important guidance in reducing piracy in the GOA region.

Stakeholders in the marine transportation system have responded in various ways to the problem of GOA piracy. This essay also offers a canvas of the responses of certain non-stakeholders to the GOA situation and compares some of these responses to those in the Strait of Malacca.

**Key Nonstate Stakeholders in the Global Marine Transportation System**

There are numerous stakeholders in addition to nation-states in the international marine transportation system. Given the disparate threats posed by piracy to these interests, it is perhaps

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Piracy consists of any of the following acts: (a) any illegal acts of violence or detention, or any act of depredation, committed for private ends by the crew or the passengers of a private ship or a private aircraft, and directed: (i) on the high seas, against another ship or aircraft, or against persons or property on board such ship or aircraft; (ii) against a ship, aircraft, persons or property in a place outside the jurisdiction of any State; (b) any act of voluntary participation in the operation of a ship or of an aircraft with knowledge of facts making it a pirate ship or aircraft; (c) any act inciting or of intentionally facilitating an act described in sub-paragraph (a) or (b).
unsurprising that stakeholders do not have a common level of concern in addressing the issue or taking measures to avoid piracy incidents. Moreover, each stakeholder in the international marine transportation system actually comprises a number of individual interests and thus has a range of concerns and issues regarding piracy.

For the purpose of this paper, the nonstate stakeholders in the international marine transportation system include (1) vessel owners and operators, (2) charterers and cargo interests, (3) crew, and (4) protection and indemnity clubs and marine insurance. Although this list is by no means exhaustive, each of these stakeholders can fairly be defined as a “commercial stakeholder” in reference to their underlying pecuniary motivation for involvement in the international marine transportation system (which is different than the underlying national security and strategic concerns that primarily motivate nation-states). In addition to these commercial stakeholders, all of whom have existed in some form for millennia, is a relative newcomer, the private security company (PSC). In their most typical seafaring role, PSCs provide armed guards, usually former military servicemen, for vessels transiting areas where the risk of piracy is high, especially the GOA area off the coast of Somalia. Many PSCs are currently actively providing security services, in particular, to shipowners.

The Strait of Malacca Experience

Piracy in the post–World War II era has been exceedingly rare until recently. That said, post–World War II incidents can be divided into two basic types: robbery of the target vessel’s supplies and the hijacking of an entire vessel, cargo, and crew for ransom. The former type has probably always existed and likely always will. Ports, by their nature, tend to be somewhat lawless places that are difficult to police with so many people, vessels, and goods constantly coming and going. Ships at anchor in or near port offer an opportunity for suitably minded locals to illicitly board and steal whatever can be had, and robberies are common in countries such as Nigeria, Brazil, the Philippines, and Indonesia.

In particular, ship robbery has been endemic in Southeast Asia, with certain exceptions such as Singapore. This is notable because Singapore sits at the bottom of the Strait of Malacca, a long and narrow body of water also bounded by Malaysia and Indonesia that functionally separates the Indian Ocean from the Pacific. Well over 50,000 commercial vessels per year transit the Strait of Malacca, and it has been estimated that a quarter of the world’s goods traded by water go through this area. The Strait of Malacca is widely considered one of the most strategically important maritime chokepoints in the world. It is thus somewhat ironic that the more pernicious form of modern piracy, involving the boarding and hijacking of vessels, began its resurgence in this highly sensitive waterway.

Beginning in the 1990s, a series of attacks took place in the Malacca Strait that involved the attacking pirates coming alongside in small boats and boarding vessels underway. Once aboard, the pirates restrained the crew and stole whatever they could, usually focusing on the captain’s safe. Japan, which receives a large portion of its energy supplies through the Strait of Malacca, took the lead in establishing regional cooperation to combat this problem. This effort resulted in the 2004 Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) between the 10 members of the Association of Southeast Asian Nations (ASEAN) and Japan, China, the Republic of Korea, India, Sri Lanka, and Bangladesh. ReCAAP
calls for “cooperation among member countries, based on three main pillars of information sharing, capacity building and operational cooperation, with information sharing as the main pillar.” To this end, ReCAAP established the Information Sharing Center (ISC) in Singapore. The ISC has proven effective in coordinating responses to piracy reports, and the ReCAAP agreement has been credited with reducing piracy in the Strait of Malacca region.

In recent months, an increased number of piracy incidents have occurred just outside the Strait of Malacca in the area east of Malaysia. These attacks exhibit the pattern typical for the area, with vessels boarded by knife-wielding pirates while underway, cash and valuables stolen, and the vessel then abandoned back to the crew. These incidents have largely involved tugboats and tows, which present particularly easy boarding targets due to their low freeboard and slow speeds. There have also recently been robberies of more sizable ocean-going vessels: on April 7, 2010, the 17,000 deadweight tons (dwt) MV Theresa Libra was boarded and robbed while underway; and on April 9, 2010, a cape-sized bulker, MV Star Ypsilon, was boarded and robbed. These incidents highlight an increase in attacks in the region, particularly off Indonesia, where eight vessels reported attacks in the first quarter of 2010, compared to just one in 2009.

Piracy in the Gulf of Aden Region Compared to the Strait of Malacca

The most immediate difference between piracy in the GOA and the Strait of Malacca is of course the presence of a failed nation-state, Somalia. The lack of central authority and the rule of law along the majority of Somalia’s lengthy, rugged coastline is often cited as the root cause of piracy in the GOA, as well as the primary reason that such activities cannot be stopped. Although Somalia’s neighbors have largely been as cooperative as their means allow, the GOA is a vast physical area of open ocean that is beyond the means of any or all the countries in East Africa to effectively control.

This is fundamentally different from the situation in the Strait of Malacca in the 1990s or now. There, all the neighboring states have functioning governments, albeit with different levels of resources and ability to control the strait and its environs. Certainly, the writ of Jakarta or Kuala Lumpur may not always be present in the more remote areas at all times, but both those central governments are perfectly capable of extending their authority at any time they choose. Additionally, the geographic area of coverage is smaller and thus more conducive to patrolling with the smaller vessels typical of the Indonesian, Malaysian, and Singaporean militaries. In contrast, the GOA area covers over one million square miles, most of it open ocean, rendering the region hard to effectively police.

Another key difference between piracy in the two areas is the nature of the attacks. While both Somali pirates and some of the attackers in the Strait of Malacca boarded and took control of vessels while they were underway, the Southeast Asian experience has been largely limited to robbery of the ship’s stores and the contents of the master’s safe (which usually contains cash). Occasionally cargo has been taken, and in a few cases the entire ship disappeared, but these have been the exceptions rather than the norm. In the GOA incidents, the entire object of piracy is usually to take control of the ship, crew, and cargo for a prolonged period of time in order to negotiate a ransom.

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