SPECIAL REPORT
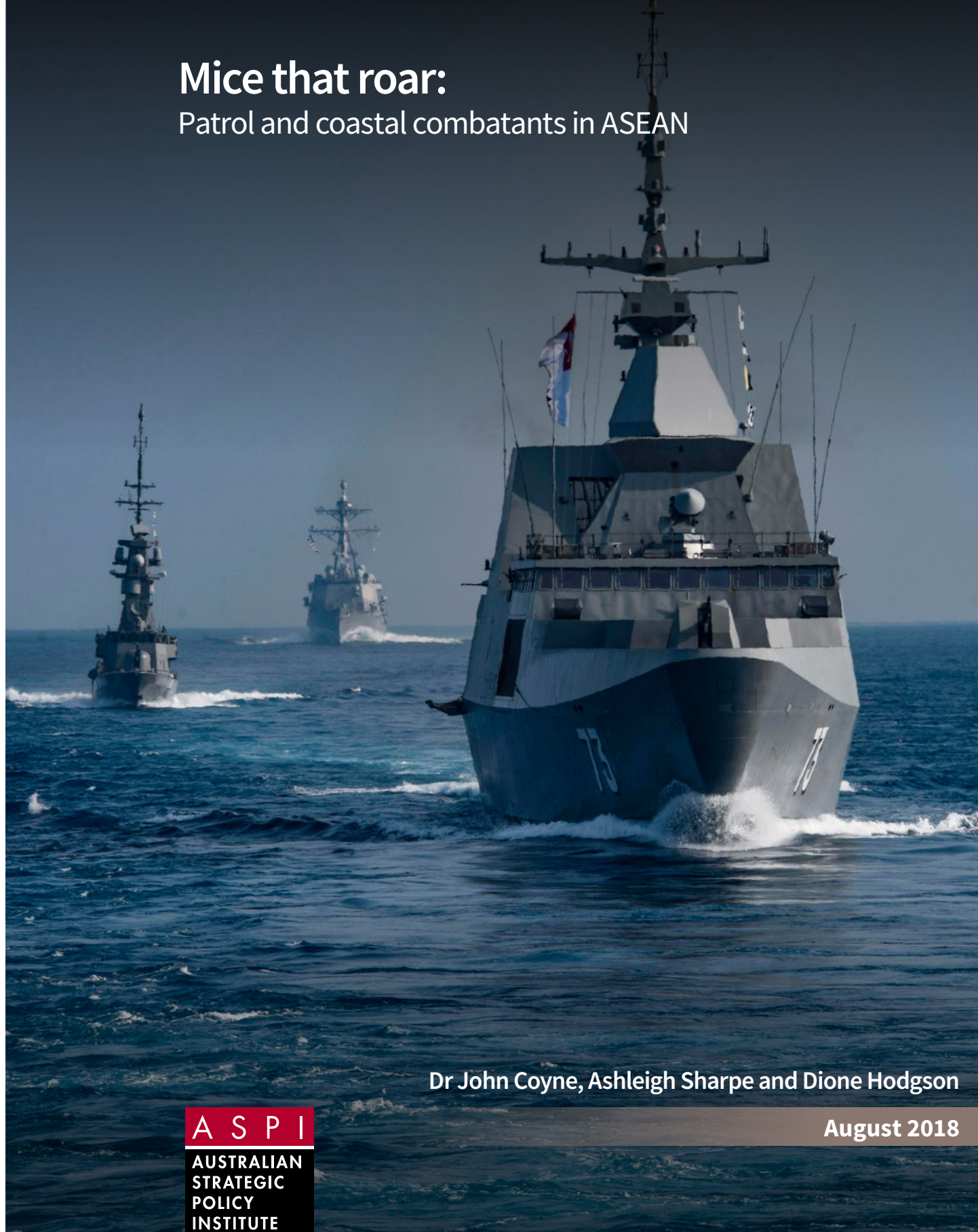
Mice that roar:
Patrol and coastal combatants in ASEAN

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Cover image: The Republic of Singapore Navy Formidable-class frigate *RSS Supreme* (FFG 73), the Victory-class corvette *RSS Valiant* (PGG 91), and the Arleigh Burke-class guided missile destroyer *USS Sampson* (DDG 102) sail in formation with the aircraft carrier *USS Theodore Roosevelt* (CVN 71). Theodore Roosevelt is currently underway for a regularly scheduled deployment in the U.S. 7th Fleet area of operations in support of maritime security operations and theater security cooperation efforts, South China Sea, 6 April 2018. Photo: US Navy, PR Collection/Alamy Stock Photo.

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EXECUTIVE SUMMARY

For very good reasons, maritime security concerns, particularly those centred on the South China Sea (SCS), have featured prominently in ASEAN member states' national and collective agendas since 2010. ASEAN members face a complex array of maritime threats. Issues such as China's aggressive maritime strategy, piracy, terrorism, transnational organised crime and illegal, unreported and unregulated (IUU) fishing are consistently challenging their sovereignty, the rule of law and regional stability.

Maritime sovereignty is a national priority for most ASEAN states. That prioritisation needs to be understood in the context of their diversity.

Over the past five years, there's been an increase in coastguard and maritime border response capabilities across much of ASEAN. Admittedly, the growth has been uneven. For example, whereas Singapore has embarked on investment in near-shore modernisation and fast-response capabilities, little change in capability is evident in Laos, perhaps understandably. Although in many cases there have been increases in the number of surface vessels, there are serious concerns about most states' capacities to deploy and maintain those vessels, and use intelligence and surveillance effectively in coordinating them, into the long term. There are opportunities to do more as a result.

With the exception of Singapore, ASEAN states have primarily focused their new capabilities on enhancing physical presence patrols and response within their respective exclusive economic zones (EEZs). In a general sense, they have an improving capability base from which to draw upon for near-shore maritime patrolling and response. The emergence of greater regional cooperation, especially for hotspots, through mechanisms as the Trilateral Air Patrol between Malaysia, Indonesia and the Philippines, has strong potential to further enhance air and maritime security surveillance in the region.

Some external observers will find themselves reflecting on whether the ASEAN trend of transferring maritime security from military to civilian jurisdiction the form of coastguards strengthens or weakens sovereignty claims. Of the 45 major SCS incidents between 2010 and 2016, 71% have involved at least one China Coast Guard or other Chinese maritime law enforcement vessel.[1]

Asian leaders may well be torn by the lessons learned thus far from China's actions in the SCS. On the one hand, the focus of exercises in maintaining sovereignty are efforts to prevent facts being created on the ground, such as Chinese military constructions in parts of the SCS. On the other hand, the assertion of sovereign authority will be tempered by a fear of the Chinese dragon's wrath and a preference for not antagonising their neighbours. In this context, the transfer of jurisdictional responsibility away from the military may allow ASEAN states to maintain sovereignty through a law-and-order focus while signalling an intent not to escalate to conflict. The risk here, though, is that this signals to an aggressor the very low likelihood that maritime security incursions will result in a military response and by doing so encourages more aggressive behaviour.

Overall, this report argues that coastguards have become important strategic cushions between navies in ASEAN. Underpinning this regional maritime strategic trend is an assumption that coastguard vessels are less threatening, in terms of their potential use of force, to the captains and crews of other nations' vessels during unplanned encounters at sea. The principal argument here is that unplanned encounters between two or more small

coastguard or naval militia vessels at sea are unlikely to create incidents because their freedom of movement is less constrained by the fear of conflict. In practice, a coastguard vessel escorting a vessel from its sovereign waters is seen as proportional: it has less potential to inflame the situation than a naval warfare vessel performing that role. It isn't all plain sailing for this model. Emboldening fishing fleets, coastguards or militias by removing the risk of a military response to aggressive actions in others' jurisdictions may well be a negative for the maritime security of ASEAN nations. An increasing number of encounters are created by ever more crowded international borders, and the associated law of the sea is complex.

This report highlights an opportunity for Australia to cooperate and collaborate with partners across the region on surveillance, maritime domain awareness (MDA) and maritime patrols. However, those efforts should be synchronised with the capacity development programs already being undertaken by India, Japan and the US.

Countering transnational organised crime, including piracy, IUU fishing and other crimes at sea, remains an area open for continued intercoastguard cooperation. Australia's strategic relationship with the US ensures that Chinese leaders pay close attention to its diplomatic and military activities in ASEAN. The promotion of greater regional coastguard cooperation won't deeply offend Chinese Government sensitivities, it will attract Chinese Government attention because it is against the Chinese state's preferred bilateral engagement model, and because it may be effective in creating regional cohesion in dealing with maritime security issues. This approach provides an additional policy lever, short of the deployment of naval warfare vessels. These efforts will send a clear message to Beijing that the region is taking measures to protect the sovereignty of its waters.

Australia's shipbuilding and surveillance industries could well benefit from new markets resulting from regional developments in coastguards and interest in MDA. However, *ad hoc* capacity development will make the nature and scope of those opportunities difficult to predict.

Sheryn Lee's June 2015 analysis of Asia–Pacific naval competition characterised the region as 'crowded waters', which rings especially true for ASEAN. Unsurprisingly, the increased presence of coastguards is going to continue to make it progressively more crowded and complex. The increasing number of military and non-military actors in this environment will also create complex command and control relationships. This will drive a need for non-military coastguards and naval militias to have very high standards of training and clear command and control links to senior government decision-makers if they're not to become part of the problem.

In coming years, it seems a very real possibility that Australia's Maritime Border Command vessels will face increasingly aggressive encounters with illegal fishing fleets operating within or at the borders of Australia's EEZ. While such encounters are unlikely to be confrontational in a military sense, they're likely to be politically volatile, with a risk of escalation as a result. And inter-naval-militia or intercoastguard conflict can quickly result in the deployment of military forces. This again emphasises the importance of coastguard training and command and control.

To be very clear: this report doesn't advocate the formation of an Australian coastguard as a policy response to these ASEAN developments. Rather, it highlights the need for the continued development of a whole-of-government integration of MDA functions to support strategic, operational and tactical decision-making.

INTRODUCTION

Sheryn Lee's June 2015 analysis of Asia–Pacific naval competition—aptly titled *Crowded waters*—found that military expenditure in ASEAN at that time was 'modest but increasing'.[2] With the increasing complexity of ASEAN's maritime security environment, there have been changes in submarine purchases, installations and upgrades of coastal radars and naval modernisation, but capability improvements are arguably yet to be matured and realised. Increases in regional defence spending are being driven by an array of complex strategic and domestic factors. While US strategists might prefer an ASEAN focused on responding to the Chinese state's aggressive maritime expansion strategy, the region's leaders are faced with a much more complex policy context when making decisions about maritime security and naval capability acquisitions. Moreover, those decisions are as much influenced by economic peaks and troughs as by the region's multiple complex challenges to maritime sovereignty.

Against the ASEAN region's complex maritime security context, this research provides an analysis of ASEAN coastguard acquisitions over the past five years. It finds that, while there have already been improvements in regional coastguard capabilities, more are on the horizon with continued Australian, US, Japanese and Indian support.

Arguably, over the past five years ASEAN coastguard, maritime militia and police vessels have become increasingly important to national security and regional stability. As you would expect, the drivers for coastguard investments, as opposed to investments in traditional naval capability, are as diverse as the region itself. Of course, at the top of this list of drivers and pervasive national and regional security threats remains ASEAN states' claiming and maintaining their maritime sovereignty. Lee's 2015 research report focused on major surface combatants, submarines and aircraft, but gave only limited consideration to capability investments in the region's coastguards and littoral patrol craft.[3]

Despite the best efforts of those involved, effective multilateral and national maritime domain awareness (MDA) in the region still lacks a risk- and threat-sensitive tipping and queuing system. Arguably, the improvement of MDA and response capacity across ASEAN is predicated on improving regional coastguard cooperation. Through international engagement, such as the membership Australia's Maritime Border Command (MBC) in the Heads of Asian Coast Guard Agencies Meeting (HACGAM), Australia could fill important coordination and MDA roles in regional multilateral maritime security by providing enhanced support to the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) Information Sharing Centre and the Information Fusion Centre.

The ReCAAP is the first regional government-to-government agreement to promote and enhance cooperation against piracy and armed robbery against ships in Asia. The ReCAAP Information Sharing Centre provides timely and accurate information sharing between regional authorities and the maritime community to enable timely response and accurate analysis and promote situational awareness among key stakeholders. Established on 27 April 2009, the Information Fusion Centre is a regional maritime security centre hosted by the Republic of Singapore Navy.

METHODOLOGY

The primary research questions that underpinned this report were:

- Has there been a pattern of substantive increases in ASEAN regional coastguard capabilities since 2005?
- How might Australia's policymakers respond to this issue?

The report is underpinned by qualitative and quantitative data on ASEAN coastguard capabilities—both military and civilian—collected from a variety of contemporary peer-reviewed sources and collated. The subsequent quantitative data analysis explored acquisition and capability patterns at national and regional levels. This was supported by the conduct of unstructured interviews with Australian subject matter experts.

THE THREAT PICTURE

ASEAN member states face a complex array of maritime threats. Piracy in the ASEAN region is often linked with regional terrorism challenges, and with good reason. The governments of Indonesia, the Philippines and Malaysia are well and truly alive to the increasing challenge of piracy—driven in part by its economic implications—and along with Singapore have been seeking multilateral cooperation on the problem.[4] The Abu Sayyaf Group has been linked to numerous piracy incidents, including kidnap and ransom plots, in the Sulu Sea. The group reportedly uses these attacks as a means of raising much-needed financing for terrorism attacks and insurgency operations.[5]

While there's been a decline in armed robbery against ships in Asian waters, many ASEAN countries remain concerned about the economic and reputational implications of this crime type.[6] The Singapore Government has been particularly operationally active in the Malacca and Singapore straits to combat robbery at sea.

Soaring fish prices have created a global market for illegally sourced fish, and many fish delicacies are drawing high prices in markets across the region. IUU fishing has left many fisheries severely depleted and places ASEAN's valuable fish resources under constant threat. Regional competition for fish resources is based on fears for food security, as most fish stocks are found within countries' exclusive economic zones (EEZs), and any major collapse would affect coastal communities and potentially create social and political instability.

China's distant-water fishing fleet, a third of which is a large state-owned enterprise, is now the world's largest.[7] There should be little doubt that China operates this global fishing fleet for many reasons—food security economics and strategic interests being some of them, along with the Chinese state's geopolitical aspirations.

The Chinese state uses Chinese fishing fleets to create a strategic presence in the East and South China seas. The strategy allows for the pushing of sovereignty 'red lines' by constant intrusions by fishing vessels,[8] often escorted by the China Coast Guard and its naval paramilitary force, into EEZs across Asia.[9] This also affords China's navy opportunities for both directed and incidental intelligence collection.

That strategy presents a particularly prickly national security challenge for all the players in this strategic game. Military responses to the fishing fleets' operations are quickly portrayed as acts of aggression, notwithstanding aggressive tactics used by the fishing or paramilitary vessels, as the Chinese state portrays non-military vessels as inherently non-threatening. These maritime border issues are quickly unfolding into national security incidents that require careful management. One mistake here, clearly, is to accept the logic that a response to aggressive actions by fishing fleets or paramilitary vessels is an act of aggression, rather than a necessary assertion of national interests.

It's no accident that the governments of Malaysia, the Philippines and Indonesia are increasingly focusing their air forces, navies and coastguards on securing their maritime borders.[10] While those efforts are driven by various threats and risks, the maintenance of maritime sovereignty remains the key driver.

Some research participants argued that the Chinese state may soften the aggressive practices of its fishing and paramilitary fleets in the light of the diplomatic cost of such events. Those comments are based on an analysis of incidents at sea involving Chinese fishing vessels operating in Argentinian waters in 2016 and 2018. The 2016

incident involved the sinking of a Chinese fishing vessel operating within the Argentine EEZ. The February 2018 event involved an eight-hour pursuit of five Chinese fishing vessels. While it could be argued that these kinds of events work against other Chinese objectives, the siloed nature of the Beijing bureaucracy will most likely prevent change in global fishing fleet operations.

In addition, it would seem that the aggressive actions of China and its fishing, military and paramilitary vessels in parts of the South China Sea (SCS), notably around the artificial structures that the Chinese have built, have advanced what the leadership in Beijing characterise as China's national interests, despite a large diplomatic cost. Of the 45 major SCS incidents between 2010 and 2016, 71% involved at least one China Coast Guard or other Chinese maritime law enforcement vessel.[11] It may well be the Beijing leadership's calculation that the diplomatic costs are short term and so worth bearing in order to establish further 'facts on the water'.

Turning to Australia, in coming years, it seems a very real possibility that Australia's MBC vessels will face increasingly aggressive encounters with illegal fishing fleets operating within or at the borders of Australia's EEZ. Many of the fishing vessels that will be encountered will be motivated purely by commercial interests, and interested only in escaping Australian custody rather than engaging in aggressive behaviour. In contrast, the Chinese state's fleets are motivated by resource stocks but also by expansionist geopolitics. Chinese state-owned commercial vessels are likely to at times challenge rather than just evade Australian authorities. While such encounters are unlikely to be confrontational in a military sense, they're likely to be politically volatile. MBC command staff at sea in these circumstances will become increasingly important Australian decision-makers.

FOCUS ON THE MARITIME REALM IN ASEAN

Maritime security concerns have grown to feature prominently in ASEAN. Despite the multitude of issues at hand, the maintenance of sovereignty is the key driver of those concerns. Whether from China's aggressive use of its combined fleets or a neighbour asserting itself in a long-term maritime border dispute, there's a growing awareness among ASEAN states that maintaining control of littoral waters is important.

In 2002, ASEAN adopted a strategy of seeking to conclude a legally binding code of conduct in the SCS with China. The organisation and China signed the Declaration of Conduct of Parties in the South China Sea, which was a political commitment to resolve territorial disputes peacefully.[12]

During its chairmanship of ASEAN in 2010, Vietnam attempted to internationalise its maritime sovereignty disputes, as well as those of its fellow member states. Such pressure led to meetings of the ASEAN–China Joint Working Group on the SCS and discussion of the disputes at the ASEAN Regional Forum for the first time.[13] Since 2010, maritime sovereignty has taken on a new level of significance for some ASEAN states.

In 2011, ASEAN and the Chinese Government agreed on the guidelines for the implementation of the Declaration of Conduct and accepted ASEAN's proposal to begin discussions about a code of conduct in the SCS.[14] But the organisation has struggled to adopt a unified approach to the SCS issue—not all ASEAN countries are claimants, and each has different interests at stake.

The prime example of ASEAN disunity over the SCS was in 2012 during Cambodia's chairmanship of the organisation. Cambodia was widely seen to be acting as a proxy for China in ASEAN, opposing the Philippines' demand to place the SCS on the agenda of the 20th ASEAN Summit in Phnom Penh. In July, the 45th ASEAN Foreign Ministers Meeting failed to issue a communique—for the first time in its history—because the countries couldn't agree on the issue.

Since then, ASEAN statements on the SCS have had a familiar tone and focus. The ASEAN foreign ministers' statement on the SCS in May 2014 encouraged all parties to act 'in accordance with the universally recognised principles of international law', citing the UN Convention on the Law of the Sea (UNCLOS) and pressing for states to 'exercise self-restraint and avoid actions which could undermine peace and stability in the area' and to 'resolve disputes by peaceful means'.[15] The statement didn't mention China or any other claimant by name, and these types of points have become the bread-and-butter of ASEAN statements on the SCS. The statements don't appear to be changing behaviours.

The topic continues to shine a light on disunity within ASEAN, however. In June 2016, at the ASEAN–China Special Foreign Ministers Meeting, Beijing made a heavy-handed attempt to pressure ASEAN to adopt its preferred stance on the issue. In response, the ASEAN ministers drafted a statement of their own without Beijing's involvement, but there was hesitation from some countries about issuing the statement. It wasn't released officially but was distributed to media by Malaysia. The result was an awkward retraction of the statement hours after it was published. The lesson here is that the Chinese state opposes multilateral statements or actions relating to its actions because such statements and responses matter to the Chinese leadership. This makes pursuing multilateral cooperation, in maritime security and other areas, an important priority for smaller states, which are at a disadvantage dealing with major powers bilaterally.

Maritime security issues, particularly centred on the SCS disputes, have featured prominently in ASEAN agendas since 2010. While this has been going on, Japan and China have sought to develop their civil maritime security forces—coastguards—to protect their respective interests.

The Philippines, some other ASEAN member states and Japan have also made efforts to increase ASEAN coastguard cooperation as a mechanism to disrupt non-state threats. Those efforts have revolved around the conduct of joint maritime law enforcement training.

COASTGUARDS VERSUS NAVIES

Where they exist as discrete organisations, navies and coastguards often have both overlapping and supporting roles. Universal hard-and-fast rules for coastguard roles no longer hold true—if they ever did. Both the US and Chinese coastguards have an increasingly wider geographical area of operations, which at times may include conflict zones.[16] In February 2017, the US Government dispatched US Coast Guard cutters to the Asia–Pacific region to thwart North Korean smuggling attempts and enforce international sanctions.[17] For several years, the Japan Coast Guard has been patrolling the Sea of Japan and East China Sea to check for possible violations. Unsurprisingly, outside of the near region, the US, Chinese, Japanese and Indian coastguards are investing in larger (10,000-ton plus) vessels. Such vessels provide additional capability in range, equipment and armament.[18]

While the primary responsibility of a navy remains war fighting, navies often also perform constabulary and search and rescue (SAR) roles. One only need to look at the international efforts off the coast of Africa to see how navies are increasingly involved in law enforcement operations focused on problems such as piracy. In contrast, coastguards are restricted to law enforcement and SAR operations within their own EEZs.

Sam Bateman has argued that both the Chinese and Japanese governments recognise that coastguards might play an important new strategic role as cushions between navies.[19] Even as a cushion, cooperation between coastguards and naval forces is necessary to provide holistic maritime security. Of course, this relies on navies retaining a role in deterring hostile or aggressive actions that impinge on sovereignty, and so supporting peaceful settlement of disputes.

SURVEILLANCE

Comprehensive maritime border security strategy depends on a multistage process. A key component of this kind of strategy is MDA provided through surveillance, which has three key stages:

- *Searching* involves surveying an area using active or passive technical or non-technical means to identify anomalous behaviour. Effective searching involves the deployment of a mix of sensor types across a given search area and the integration of the different data feeds into a comprehensive situational domain awareness so that other surveillance or response assets can be cued effectively.

- *Detecting* an object or vessel is achieved through one or more technical (active radar or satellite) sensors, visual detection or self-reporting. Law-abiding vessels displacing over 300 tonnes usually self-report their locations using automatic identification systems, which are used for navigation, preventing at-sea collisions and locating vessels in distress. But they're also useful in policing—vessels that don't self-report their locations may be trying to hide from authorities.

- *Classifying* the vessel by type (fishing ship, container ship and so on) is an important step in evaluating the risk posed by the vessel. A detected vessel may be considered a higher security risk depending on its location, its type and whether it's using an automatic identification system.

COMPARING PATROL AND COASTAL COMBATANTS IN ASEAN

Comparing the vessels of the various ASEAN nations and their capabilities is a complex task. There's a great deal of variance across the region in the size, capabilities and operational readiness of the vessels. Figure 1 compares the numbers of Australian and ASEAN patrol and coastal combatants.

Figure 1: Australian and ASEAN patrol and coastal combatant vessels, 2015–16
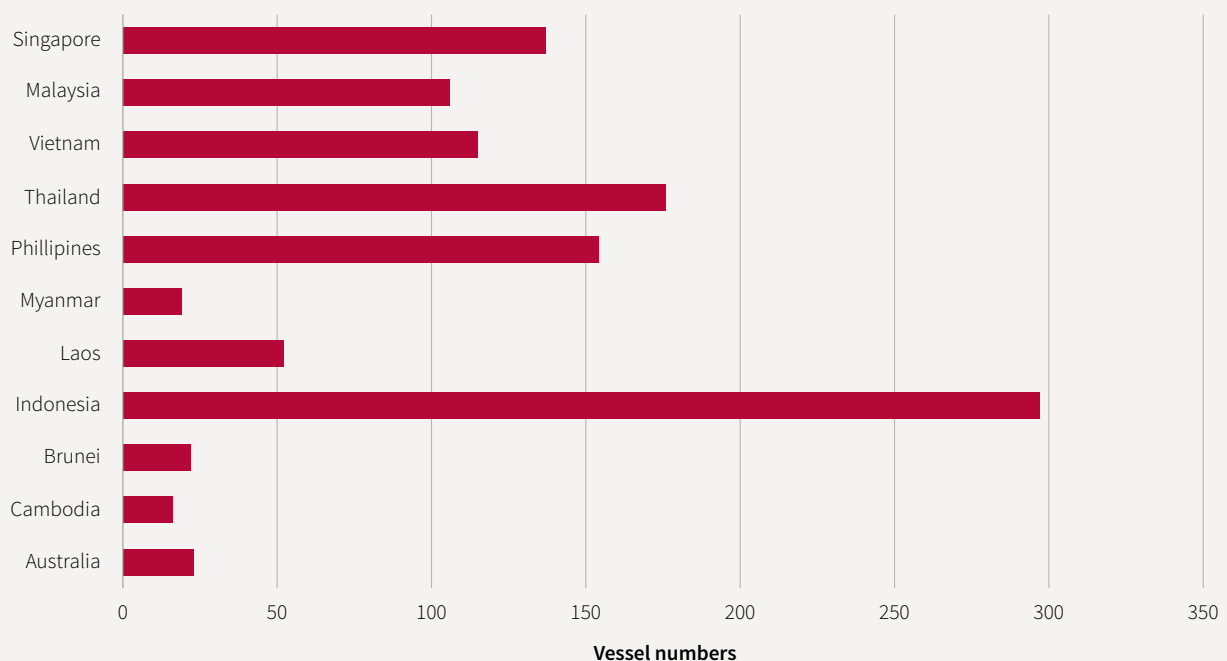
Coastguards in ASEAN have traditionally been 'brown water' capabilities, meaning that most of their vessels are modest in size and capability. For the most part, the vessels have been allocated to either coastal or estuarine constabulary operations. What's clear from the previous sections is that in many places this is changing, for reasons ranging from piracy to maritime sovereignty.

Lee's description of the Asia–Pacific as 'crowded waters' rings especially true for ASEAN's waters. There should be little doubt that maritime sovereignty is a national priority for most ASEAN states. That priority needs to be understood in the context of their diversity. Regional conservatism, underpinned by inter-state rivalry, multiple maritime and land disputes and the consensus-focused 'ASEAN way', ensures that there are more than a few other distractions. Domestic issues, including homeland security, remain the highest priority for most.

The ASEAN region's coastguard and maritime border response capabilities have increased over the past five years, but the growth has been uneven. Whereas Singapore has embarked on near-shore modernisation and fast-response capabilities, little change in capability is evident in Laos. The details of ASEAN states' defence spending are opaque,

concealed by public discourse on overall military spending and the acquisition of new platforms. The *ad hoc* nature of national forward budget estimates has traditionally left military spending susceptible to volatile changes. So, although in many cases there have been increases in the number of surface vessels, there are questions about many states' capacity to deploy and maintain those vessels into the long term.

With the exception of Singapore, ASEAN states are focused primarily on enhancing physical presence patrols and response within their EEZs. While increased response capacity has taken on a new level of importance for ASEAN maritime security, the laws of the sea—especially as applied outside littoral waters—are complex.

From Indonesia to the Philippines, domestic interagency competition and tribalism in the maritime security environment have driven mistrust. In most cases, the overlapping jurisdictions of domestic agencies creates further confusion. In the context of the region's maritime border disputes, a number of maritime border vulnerabilities are created and are regularly exploited by state and non-state actors alike.

The MBC and the Royal Australian Navy operate advanced and highly capable patrol craft that are well supported by an array of surveillance capabilities. In essence, the smaller number of vessels is made more effective by a robust surveillance system supporting MDA. Coupled with secure communications, Australia is able to cue its smaller number of vessels based on risk assessments. In contrast, with the exception of Singapore and perhaps Malaysia, other countries in the region have built capabilities based on increasing physical presence patrols.

This analysis highlights an opportunity, explored below, for Australia to cooperate and collaborate with partners across the region on surveillance, MDA and patrols.

THE RISE OF COASTGUARDS IN ASEAN

Given the diversity of the ASEAN member states and their geopolitical interests, finding a consistent pattern or trend that holds true from Myanmar to the Philippines to Vietnam was always unlikely. Nevertheless, it's possible to provide the following summary of the most substantive changes to the region's coastguard capabilities since 2005.

Cambodia

In recent years, Cambodian defence procurement has been primarily driven by its land border dispute with Thailand and the maintenance of internal security. In 2013, the Cambodian Parliament approved a 17% increase in defence spending for 2014,[20] when the Royal Cambodian Navy's patrol boats increased modestly from 11 to 16 vessels.

Over recent years, the Cambodian Government has enjoyed increasingly closer diplomatic ties with China's leadership, which have brought Cambodia economic and national security. In contrast, border issues between Cambodia and Thailand continue to flare from time to time. However, Cambodian Prime Minister Hun Sen, at least in the short term, has remained more concerned about domestic security and the suppression of opposition parties than about maritime sovereignty.

In October 2011, two Chinese cargo vessels navigating a section of the Mekong River in the infamous 'Golden Triangle' were attacked.[21] All 13 crew members, who were Chinese nationals, were murdered, and their bodies were dumped in the river. The Chinese Government immediately ceased all shipping operations along the Mekong, which had substantial economic impacts on Laos, Myanmar, Thailand and Cambodia. This move was the catalyst for the conduct of joint river patrols and law enforcement operations involving Laotian, Chinese and Thai authorities. It also served as a reminder for the Hun Sen government that Cambodia needs to maintain the security of Chinese nationals travelling along this important waterway.

In 2017, Cambodia announced that it will be developing an offshore oil field in the Khmer Basin of the Gulf of Thailand in partnership with the Singaporean firm KrisEnergy. In time, and following the Mekong River massacre, the Cambodian Government may consider further coastguard investments.

More recently, the Hun Sen government has made known its openness to international financial support for the development of its maritime capabilities. Any further coastguard investment is likely to be modest, however, and more concerned with preventing and responding to robbery at sea and piracy than dealing with the vessels of other states.[22]

Indonesia

Indonesia currently has two agencies vying to be recognised as its 'genuine' coastguard: Badan Keamanan Laut or Bakamla (the Maritime Security Agency)—which replaced Bakorkamla in December 2014—and the Kesatuan Penjagaan Laut dan Pantai (KPLP, Sea and Coast Guard). Figure 2 shows the growth in the KPLP's order of battle since 2005. The KPLP's current fleet of vessels is proportionally modest, but its executive posits that it should be the operational arm of Indonesia's coastguard.

Bakamla was established by the Indonesian Government in an attempt to coordinate 12 different agencies that until then all undertook various forms of coastguard activities, including the Navy, the Water Police, the Customs Office, the Immigration Agency, prosecutor's offices, the Maritime Affairs and Fisheries Ministry, the Foreign Affairs Ministry and the Transportation Ministry.

Bakamla has been tasked by the Indonesian Government to:

• conduct security and safety patrols

• provide a maritime early warning system

• prevent crime and enforce laws in Indonesian maritime territory

• assist in search and rescue.

Figure 2: Indonesian coastguard patrol and coastal combatants, 2005 to 2016
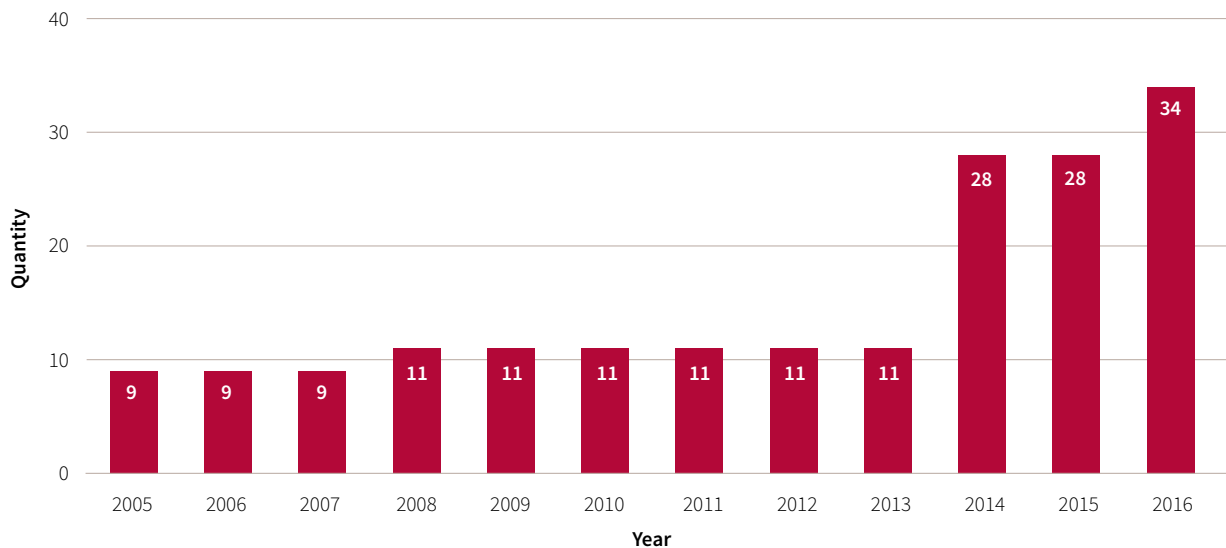
To date, Bakamla has yet to consolidate the operational on-water capabilities of the various government agencies involved in Indonesian maritime security. At the same time, the KPLP's capabilities increased significantly between 2013 and 2014 (an increase of 17 coastal combatants; Figure 3) to meet Bakamla's operational shortfalls.

Figure 3: Indonesian coastguard acquisitions, 2007 to 2016

Incident   ## Acquisition

2007

2008

July: China warns Exxon Mobil to end exploration deal with Vietnam, claiming the deal breaches Chinese sovereignty

2009 — Contract awarded for **three CN-325 maritime patrol aircraft**

January: Navy commissions **two KAL 40-type patrol craft**

2010

September: A **Chinese fishing boat rams a Japan Coast Guard patrol vessel**

2011

May: Vietnamese officials accuse **Chinese surveillance ship of severing exploration cables of the Binh Minh 02 seismic vessel** chartered by the Vietnam Oil and Gas Corporation

September: TNI-AL accepts a grant from Brunei for **two used fast patrol boats** equipped with guided missiles

2012 — Production begins on **three KCR-60 missile attack craft** for TNI-AL

April: Scarborough Shoal stand-off

July: ASEAN fails to issue a Foreign Ministers' joint communique for the first time in 45 years

2013

January: The Philippines formally initiates arbitration through UNCLOS of maritime claims in the SCS

September: Two indigenously built **PC-43 fast patrol vessels** launched

November: China announces an ADIZ in the East China Sea

2014

August: Indonesian Government confirms acquisition of **four Klewang-class stealth patrol ships**

May: China's **HD-981 oil rig standoff** with Vietnam

September: Three **Bung Tomo-class corvettes** acquired by TNI-AL arrive from the UK

November: TNI-AL introduces into service **four KCR-40 missile attack craft**

2015

October: US destroyer *USS Lassen* navigates within 12nm of land masses in the Spratly Islands in the **first US SCS FONOP**

2016

March: Indonesian government places an order for **fourth KCR-60 missile attack craft**

January: China conducts test flights to Fiery Cross Reef

June: Work begins on a lightly-armed variant of the **KCR-40 missile attack craft,** dubbed the **PC-40**

Indonesia's Navy—the TNI-AL—is undergoing a period of modernisation inspired by the Minimum Essential Force Blueprint. The blueprint comprises three strategic plans that run until 2024. The third stage is to result in the creation of a greenwater TNI-AL by 2024, meaning that the TNI-AL will have an increased patrol and response capability to cover Indonesia's archipelagic EEZ. The capability will enable the TNI-AL to undertake an array of missions within its immediate region. More broadly, by 2024 TNI-AL should have 274 vessels, including 66 patrol vessels, and up to 35 maritime patrol aircraft. However, much of this planned capability remains unfunded, and real capability levels are likely to fall well short of those numbers. Questions remain about the true operational capability and serviceability of Indonesia's rapidly ageing fleet. Indonesian President Joko Widodo has consistently made maritime security a national priority, particularly the maintenance of sovereignty over the Natuna Island territories. Such strong words need to be interpreted in the light of ongoing fiscal constraints that will constrain Indonesia's maritime capability ambitions.

Lee's observations of naval competition in the Asia–Pacific highlight how 'acquisition decisions remain haphazard and are taken with little or no consideration for their impact on the country's overall and future forces structures.' The timeline in Figure 3 tracks major Indonesian coastguard acquisitions against maritime strategic incidents in the region, showing how acquisitions rapidly follow security incidents. While that by no means proves causality, it does provide supporting evidence for a hypothesis that Indonesia is responding to real events in the maritime domain in the region. It also appears to reveal that its acquisition and capability development in maritime border assets remains *ad hoc* and opportunistic.

Laos

There have been no quantitative or qualitative changes in the patrol boat capacity of the Lao People's Armed Forces Marine Section over the past decade (Figure 4). Laos is landlocked, so its demand for coastguard capabilities is limited to riverine patrol and interdiction capabilities. In July 2017, China and Laos pledged greater law enforcement cooperation along the Mekong River,[23] but that has led to joint patrols with the Chinese People's Liberation Army (PLA), rather than new capability investments.

Figure 4: Lao People's Armed Forces Marine Section patrol and coastal combatants (riverine), 2005 to 2016
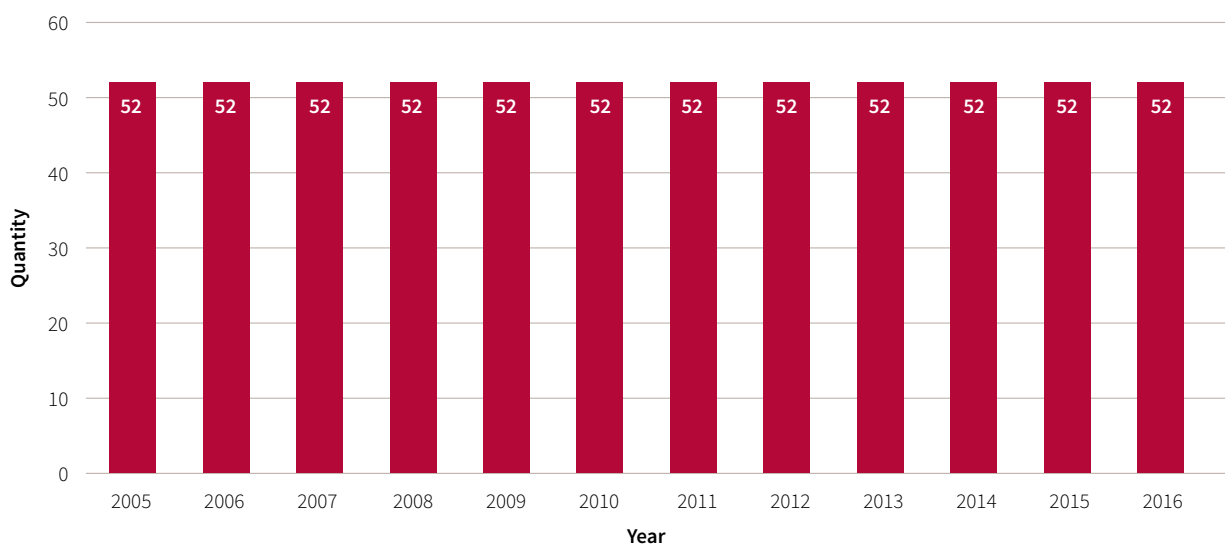
Malaysia

Malaysia faces a number of maritime threats, including piracy, smuggling, terrorism, kidnapping, IUU fishing and territorial disputes with Indonesia and the Philippines.

The Malaysian Maritime Enforcement Agency (MMEA) was established in 2005 to patrol coastal areas (out to 50 nm). The MMEA's primary mission was to address piracy in the Strait of Malacca. However, the Royal Malaysian Police view this division of responsibility differently, claiming that they maintain responsibility for near-shore maritime law enforcement.

In 2013 and 2014, MMEA capabilities increased significantly to include:

- 105 new patrol and coastal combatants, bringing the force to 2 offshore patrol vessels, 57 fast patrol boats and 132 patrol boats
- three AS365 Dauphin multi-role helicopters
- a logistic support vessel
- two Bombardier 415MP fixed-wing aircraft.

The helicopters, support vessel and aircraft were all new acquisitions.

In response to this increase in capability, the Royal Malaysian Navy has over recent years scaled down its constabulary duties in order to focus on more traditional military patrolling roles.

The Marine Operations Force is the marine police division of the Royal Malaysia Police, which is charged with maintaining law and order and coordinating SAR and is under the control of the Malaysian Ministry of Home Affairs. Its primary role is SAR and helping to transport victims of floods, other natural disasters and shipwrecks.

The MMEA has since taken security responsibility for Malaysian waters from the coast to the edge of the EEZ. In that area, it's in charge of, and responsible for, law enforcement and SAR. The MMEA is increasingly considered one of the best equipped and most capable coastguards in the ASEAN region. Its success has been supported through its close relationships with the US and Japanese coastguards.

The patrol and combat capabilities of the navy and the MMEA increased significantly between 2010 and 2011. The navy had a 54% (13 vessel) increase in the number of patrol and coastal combatants, and the MMEA had a 30% (15 vessel) increase.

Myanmar

The Myanmar Navy is responsible for all of the country's maritime activities other than those related to fisheries, where the People's Pearl and Fishing Ministry also plays a role. For the most part, until 2008, the navy's operational activity was limited to:

- offering riverine support to the army in its counterinsurgency tasks
- protecting fisheries
- conducting coastal patrols against smuggling.

The number of the navy's patrol and coastal combatants increased steadily from 2010 to 2014 (Figure 5), partly driven by an increased focus on brown-water responsibilities following the 2011 Mekong River massacre. During that period, the Myanmar Government sought to secure its substantial EEZ—particularly its offshore oil and natural gas deposits and fishing waters in the Andaman Sea—through investments in offshore patrol vessels. This was brought about by incidents in 2008—Cyclone Nargis and a stand-off with Bangladesh in the Bay of Bengal—that revealed the Myanmar Navy's weakness. Before then, the navy took a back seat to Myanmar's army.

Figure 5: Myanmar Navy patrol and coastal combatants, 2005 to 2016
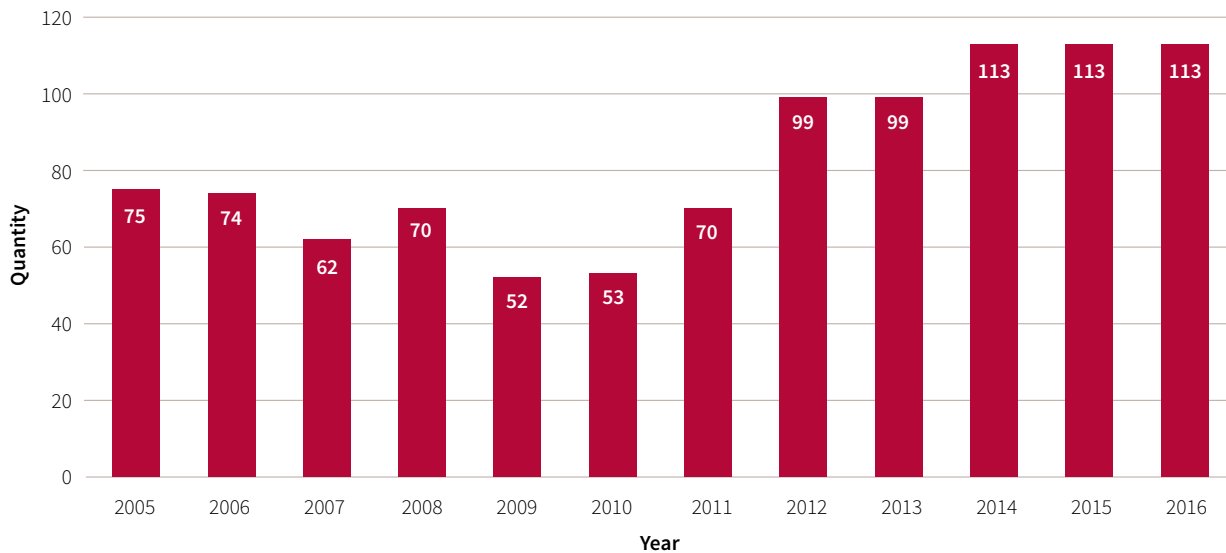
Until recently, Myanmar's naval modernisation relied on Chinese military assistance, and almost 60% of its military procurements from 1998 to 2013 originated from China. Because of Myanmar's declining diplomatic relationship with China and the cancellation of other military aid due to ongoing condemnation of Myanmar's treatment of the Rohingya, the Myanmar Navy is unlikely to acquire any new capabilities in the short term.

The Philippines

Over the past five years, the Philippines has been gradually improving its maritime patrol and surveillance capabilities. The Philippine Coast Guard (PCG) is an armed and uniformed service tasked with:

- enforcing laws within Philippine waters
- conducting maritime security operations
- protecting the marine environment and resources.

In 2013, the PCG sought to begin a major capability development process with the acquisition of logistics and support vessels. It received a major boost to its patrol capabilities that year with an extra 14 boats and two transport aircraft. The Philippine National Police had a maritime patrol capacity until 2016, when it transferred 14 patrol boats to the PCG.

The capability growth in this area is a reflection of several factors affecting the Philippines. Primarily, it was humiliated in mid-2012 during the Scarborough Shoal stand-off (see box). The Scarborough Shoal is an important source of food for both the Philippines and China. The sovereignty dispute has reinforced competition for marine resources, further driving capability enhancement in the Philippines.

The Scarborough Shoal stand-off

In early April 2012, the Philippine Navy sighted several Chinese fishing vessels anchored in the waters off the Scarborough Shoal. It responded by sending its largest warship, BRP *Gregorio del Pilar*, which inspected the Chinese vessels and discovered large quantities of illegal marine catch.

Philippine Navy personnel attempted to arrest the Chinese fishermen but were blocked by two Chinese maritime surveillance ships.

By July, the Chinese Government had established a barrier to the entrance of the shoal and has since maintained effective control of the area.

The Scarborough Shoal incident highlighted the asymmetry in maritime capabilities between the Philippines and China and underscored the weakness of the Philippine Navy and PCG in defending claimed Philippines territory. The stand-off stimulated investment into the capabilities of the PCG in the years following (Figure 6). The recent increase in the PCG's maritime patrol and surveillance capabilities has also been influenced by the growing competition for marine resources.

The Philippines' capabilities are developing with considerable assistance from Japan and the US through aid.

Figure 6: Philippine Coast Guard acquisitions, 2007 to 2016

Incident		Acquisition

2007

2008

July: **China warns Exxon Mobil** to end exploration deal with Vietnam, claiming the deal breaches Chinese sovereignty

2009

2010

September: A **Chinese fishing boat rams a Japan Coast Guard patrol vessel**

2011

May: Vietnamese officials accuse **Chinese surveillance ship of severing exploration cables of the Binh Minh 02 seismic vessel** chartered by the Vietnam Oil and Gas Corporation

September: Philippine Navy signs contract with US Navy for the delivery of **six riverine patrol boats**

2012

April: **Scarborough Shoal stand-off**

July: **ASEAN fails to issue a Foreign Ministers' joint communique** for the first time in 45 years

October: Philippine Coast Guard announces it will procure **five offshore patrol vessels** from France

2013

January: **The Philippines formally initiates arbitration through UNCLOS** of maritime claims in the SCS

November: **China announces an ADIZ in the East China Sea**

2014

May: China's **HD-981 oil rig stand-off** with Vietnam

2015

October: US destroyer USS Lassen navigates within 12nm of land masses in the Spratly Islands in the **first US SCS FONOP**

April: The Philippines **signs a deal with Japan for the delivery of 10 patrol vessels** to the Philippine Coast Guard

2016

January: **China conducts test flights to Fiery Cross Reef**

Brunei

The Royal Brunei Navy is responsible for conducting SAR missions as well as protecting Brunei's waters against attack. In contrast, the Royal Brunei Police has responsibility for sea and border patrols. In 2011, Brunei transferred three Bendaharu patrol boats from the navy to the police. The transfer signalled the increased significance of border patrol issues for Brunei and is also likely to reflect the broader regional maritime geopolitical situation, including greater contestation of territorial claims since 2010. Apart from that transfer, the coastguard orders of battle of the navy and police have remained stable for the past five years, and there's little indication of any new acquisitions.

Singapore

For a city-state, Singapore operates a highly diverse and capable maritime force of some 137 craft, 87 of which are fast patrol boats designed for rapid responses, such as ship underway interdictions in response to criminal and terrorist threats. Singapore's coastguard capabilities are divided between the Republic of Singapore Navy (RSN) and the Police Coast Guard, which is a specialist sub-unit of the Singapore Police Force.

The Police Coast Guard is responsible for anti-illegal-migrant operations, handling foreign government vessel intrusions and guarding Horsburgh Lighthouse in the Singapore Strait. Since 1993, it has taken on greater policing roles at sea, which has led to the regular conduct of joint operations with the RSN. It regularly operates with the Royal Malaysian Marine Police and the Indonesian Navy on cross-border operations and shares information with them.

Since 1975, the RSN has transformed from a coastal patrol force to a formidable navy capable of projecting naval power beyond the Strait of Singapore to the entire Malacca Strait.

While the RSN operates with the Police Coast Guard, its key role is the protection of sea lines of communication. The navy provides the overall coordination of maritime security efforts through its Information Fusion Centre. It's been integrally involved in the surveillance and security of the Singapore Strait from robberies at sea, piracy and terrorism.

The Police Coast Guard's and the RSN's coastal combatants have remained consistent in numbers since a significant increase in boats in 2007 and 2008 (50% for the navy and 10% for the then Singapore Police Force).

For several years, both the RSN and the coastguard modernised through the purchase of 2nd-generation coastal patrol craft, 4th-generation PT-class ships and 2nd-generation PK-class ships. Those improvements, combined with MDA provided by the National Maritime Security System, ensure that Singapore is operating an intelligence-led whole-of-government approach to maritime security. Singapore is the one outlier country in ASEAN in terms of its significant coastguard and naval capabilities. The development of those capabilities is hardly surprising, given that it also has the most to lose as a maritime trading state in the event that maritime terrorism or piracy increases.

Thailand

The Thailand Maritime Enforcement Coordination Centre was established in 1997 under the Office of the National Security Council. The centre comprises five units: the Royal Thai Navy (RTN), the Marine Police, the Customs Department, the Department of Fisheries and the Marine Department. All of these stakeholders work through the coordination centre to protect national maritime interests.

The RTN has a Coast Guard Command to enforce the laws of the sea and render assistance. For inland operations, the navy deploys special task units that serve directly under the Naval Command Centre. Coastguard functions are also performed by the Marine Police under the Royal Thai Police.

The RTN's annual budget has been increased so that it can procure modern platforms and weapons (including US$383.4 million for the purchase of three S26T air-independent propulsion submarines). The increases are due to piracy in the region and expected issues near the Spratly Islands that may threaten Thai shipping lanes (Figure 7). Despite those increases, the RTN still has a limited ability to provide seaward defence in the Gulf of Thailand, SCS and Andaman Sea due to budgetary constraints, lack of trained personnel and a relative lack of serious external maritime threats.

Figure 7: Thailand coastguard acquisitions, 2007 to 2016

Incident		Acquisition

2007

April: Royal Thai Navy **commissions its first T 991-class coastal patrol craft**

2008

July: China warns Exxon Mobil to end exploration deal with Vietnam, claiming the deal breaches Chinese sovereignty

2009

2010

September: A **Chinese fishing boat rams a Japan Coast Guard patrol vessel**

2011

May: Vietnamese officials accuse **Chinese surveillance ship of severing exploration cables of the Binh Minh 02 seismic vessel** chartered by the Vietnam Oil and Gas Corporation

July: Royal Thai Navy (RTN) **signs contract for three M21 patrol vessels** for the Coast Guard Squadron

2012

RTN **awarded contract for three M36 multipurpose patrol vessels**

April: Scarborough Shoal stand-off

July: ASEAN fails to issue a Foreign Ministers' joint communique for the first time in 45 years

2013

January: The Philippines formally initiates arbitration through UNCLOS of maritime claims in the SCS

November: China announces an ADIZ in the East China Sea

August: RTN **commissions a modified River-class offshore patrol vessel**

2014

May: China's **HD-981 oil rig stand-off** with Vietnam

January: RTN **signs contract for delivery of M58 vessel**

2015

October: US destroyer *USS Lassen* navigates within 12nm of land masses in the Spratly Islands in the **first US SCS FONOP**

July: RTN **signs contract for four new M21-class patrol boats**

2016

January: BAE Systems signs contract with Thai shipbuilder to support its program to build a **second modified River-class POV for the RTN**

**January: China conducts test flights to Fiery Cross Reef**

The number of patrol and coastal combatants in the RTN, Border Patrol Police and Marine Police decreased in 2011, due to economic constraints and an ageing fleet. RTN expenditure is focused on the acquisition of high-end warfare capabilities, such as submarines.
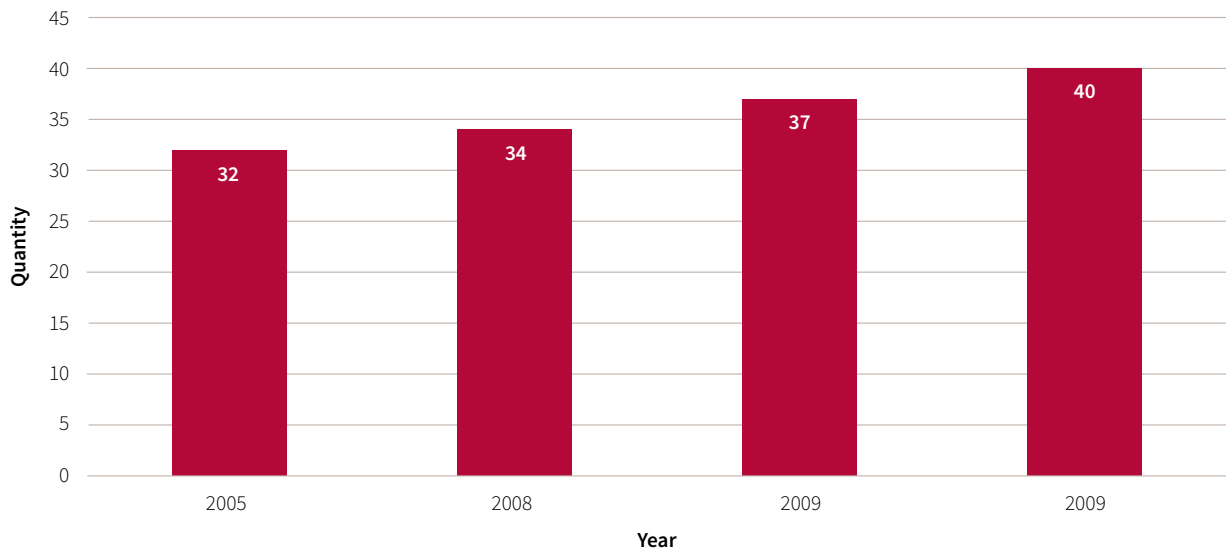
Vietnam

Vietnam has steadily increased its maritime patrol capabilities, particularly over the past five years (Figure 8). The Vietnam People's Navy is responsible for the protection of Vietnam's national waters and maritime economic interests, as well as the coordination of the maritime police, customs service and border defence force. There was a distinct increase in the number of naval patrol and coastal combatants in 2011 compared to the five years prior, and the numbers have continued to steadily increase since then.

Figure 8: Vietnam People's Navy patrol and coastal combatants, 2005 to 2016
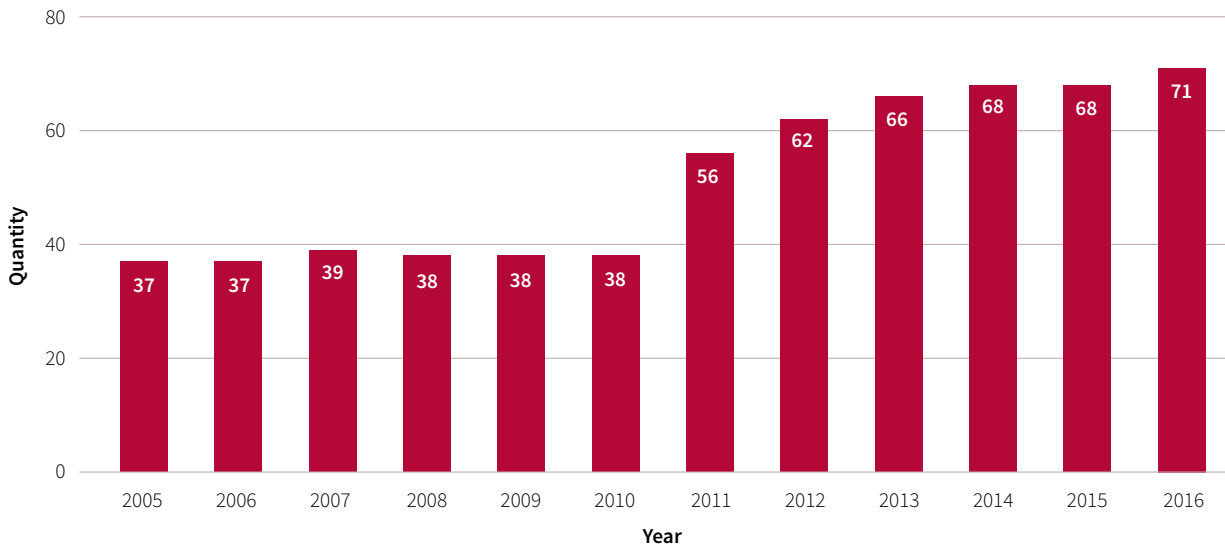
The Vietnam Coast Guard—originally called the Vietnam Marine Police—was created in 1998 and became independent of the navy in 2008. It has responsibility for maintaining security and order along the Vietnamese coastline and protecting the country's maritime economic interests in its EEZ. Data on the Vietnam Coast Guard, as opposed to overall naval data, is available only from 2013 and shows a modest year-on-year increase in quantity (Figure 9).

Figure 9: Vietnam Coast Guard patrol and coastal combatants, 2013 to 2016

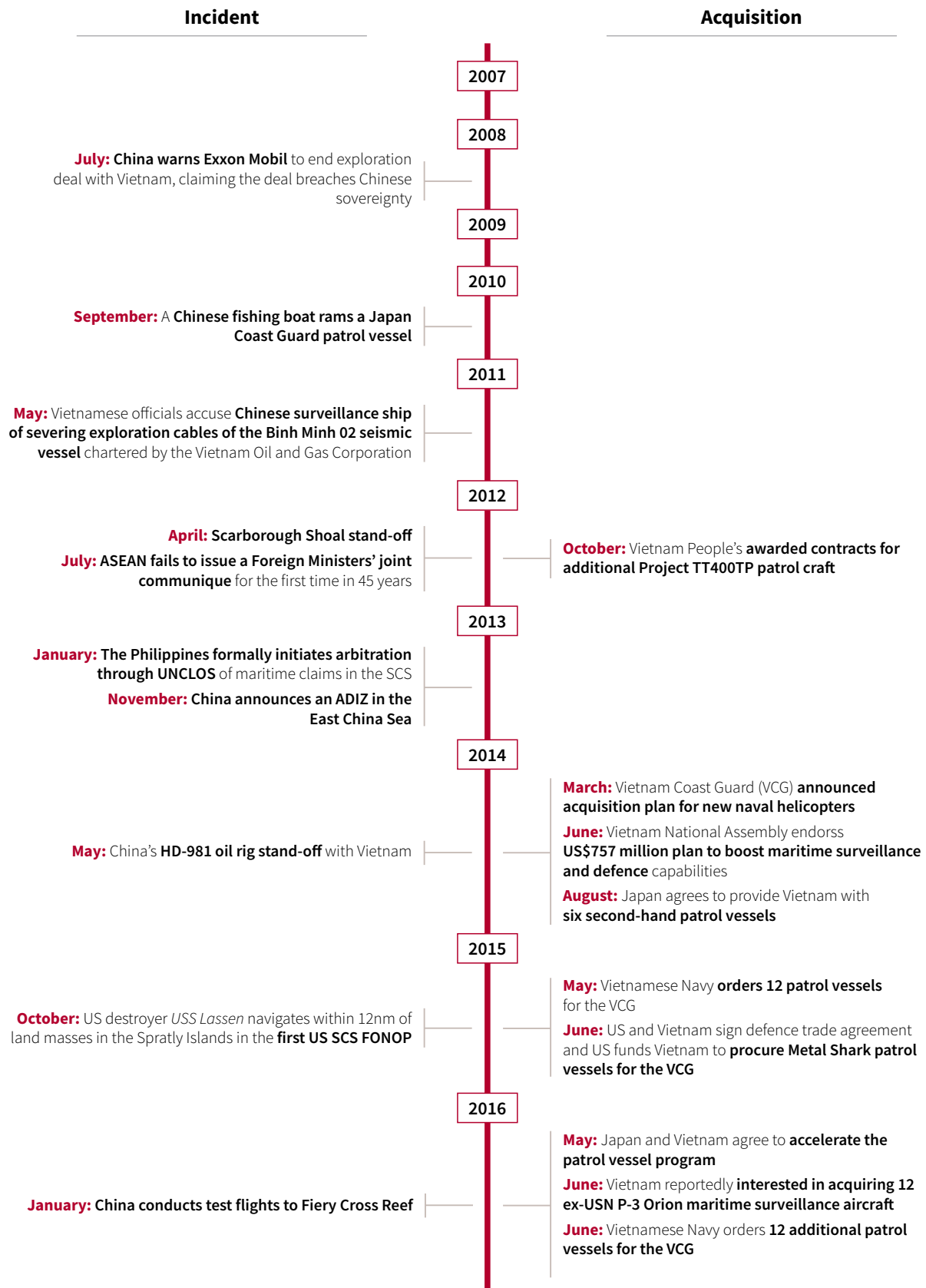
Vietnam has also invested US$211.5 million in developing a maritime militia—a civilian force known as the Vietnam Fisheries Surveillance Force. While primarily a constabulary force, it forms part of Vietnam's MDA and SAR capacity.

The overall increase in Vietnamese naval patrol and coastal combatants since 2011 reflects increased maritime patrolling and surveillance programs driven by a conflation of national security issues (Figure 10).

Hanoi remains primarily focused on maintaining its maritime sovereignty in the face of intensified Chinese assertiveness in the SCS. Since 2010, Vietnam's patrolling and protecting of features and resources within its EEZ has become increasingly challenging. While there have always been simmering border disputes between Vietnam and China, they have escalated significantly over the past eight years, especially over the exploration and exploitation of natural resources in the SCS. In 2011, the Vietnamese Government accused the Chinese Government of deliberately severing a seismic exploration cable.[24] Then, in 2017, Spanish firm Repsol was forced to cease drilling operations in the SCS in partnership with the Vietnamese Government after China repeatedly threatened military action.[25]

Figure 10: Vietnam Coast Guard acquisitions, 2007 to 2016

Incident		Acquisition
	2007	
	2008	
July: **China warns Exxon Mobil** to end exploration deal with Vietnam, claiming the deal breaches Chinese sovereignty		
	2009	
	2010	
September: A **Chinese fishing boat rams a Japan Coast Guard patrol vessel**		
	2011	
May: Vietnamese officials accuse **Chinese surveillance ship of severing exploration cables of the Binh Minh 02 seismic vessel** chartered by the Vietnam Oil and Gas Corporation		
	2012	
April: **Scarborough Shoal stand-off** **July:** ASEAN fails to issue a **Foreign Ministers' joint communique** for the first time in 45 years		**October:** Vietnam People's **awarded contracts for additional Project TT400TP patrol craft**
	2013	
January: **The Philippines formally initiates arbitration through UNCLOS** of maritime claims in the SCS **November:** China announces an ADIZ in the East China Sea		
	2014	
		March: Vietnam Coast Guard (VCG) **announced acquisition plan for new naval helicopters**
May: China's **HD-981 oil rig stand-off** with Vietnam		**June:** Vietnam National Assembly endorss **US$757 million plan to boost maritime surveillance and defence** capabilities **August:** Japan agrees to provide Vietnam with **six second-hand patrol vessels**
	2015	
		May: Vietnamese Navy **orders 12 patrol vessels** for the VCG
October: US destroyer *USS Lassen* navigates within 12nm of land masses in the Spratly Islands in the **first US SCS FONOP**		**June:** US and Vietnam sign defence trade agreement and US funds Vietnam to **procure Metal Shark patrol vessels for the VCG**
	2016	
		May: Japan and Vietnam agree to **accelerate the patrol vessel program**
January: **China conducts test flights to Fiery Cross Reef**		**June:** Vietnam reportedly **interested in acquiring 12 ex-USN P-3 Orion maritime surveillance aircraft** **June:** Vietnamese Navy orders **12 additional patrol vessels for the VCG**

Vietnam has also been experiencing the impacts of growing competition for the control and exploitation of marine resources, particularly fish. The rising presence of Chinese fishing vessels in Vietnam's EEZ has pushed the country to enhance its capacity to protect and exploit areas that it claims within its EEZ.

COASTGUARD COOPERATION IN ASEAN

The story of ASEAN coastguard capability developments involves much more than the efforts of individual member states. Bilateral and multilateral engagement on coastguards in ASEAN is a busy space. There have been numerous efforts to encourage coastguard cooperation in ASEAN waters, most of them in response to the simmering tensions in the SCS.

There are now two good examples of intra-ASEAN cooperation:

- the Malacca Strait Patrols (involving Singapore, Indonesia, Malaysia and Thailand)
- the sea–air trilateral security agreement in the Sulu and Celebes seas (involving Indonesia, Malaysia and the Philippines), in which several other ASEAN member states also have observer status.

Despite this policy-level success, capability differences, equipment constraints, historical distrust between partners and jurisdictional issues prevent these agreements achieving their full potential. While shared security concerns and growing consensus among ASEAN nations may drive further policy cooperation, these underlying issues will need to be addressed before real progress can be achieved.

Australia is actively involved in naval cooperation programs in the region. However, in terms of MDA and coastguards, it's Australia's MBC's membership of HACGAM that offers significant promise. The HACGAM initiative was initially developed in 2004 to discuss cooperation among the member organisations to combat piracy in the region, and the scope of discussions was expanded to include law enforcement, maritime security, disaster prevention and relief, and capacity building.

This membership provides Australia with an opportunity to perform important coordination and MDA[26] roles in regional multilateral maritime security.

In 2015, as part of Washington's 'pivot' to Asia, then US President Barack Obama announced a commitment to increase the maritime capacity of its partners in ASEAN.[27] At the 18 March 2016 session of the US–Philippines Bilateral Security Dialogue, the US Government announced that it was preparing to deliver a new maritime capacity-building initiative for Southeast Asian states near the SCS. And so the Southeast Asia Maritime Security Initiative (MSI) was born.

While the US asserted that the MSI was concerned with building regional capacity to respond to a number of maritime challenges, it seems abundantly clear that the initiative is driven at least as much by China's actions in the SCS.

The MSI was to be delivered through 'improving regional MDA, expanding exercises and leveraging senior-level engagements'.[28] The initiative isn't without precedent but, in contrast with other US programs, its focus is firmly fixed on MDA and the establishment of a regional common operating picture. Prashanth Parameswaran argues that:

> Washington is working with Southeast Asian states to improve their ability to detect, understand, react to, and share information about air and maritime activity in the South China Sea, eventually leading to a common and regularly updated picture so that the nations concerned are on the same page.[29]

The Trump administration was vocal in its promotion of a free and open Indo-Pacific at the 2018 Shangri-La Dialogue. Despite questions over the administration's commitment to its predecessor's Asia pivot, the US Department of Defense has continued to deliver a broad range of MDA programs, from continued support for the Philippines National Coast Watch Center to bolstering the maritime surveillance and radar capabilities of Indonesia and Malaysia. Recent reports reveal that the Indonesian Navy will receive four drones from the US Government.[30] While the Pentagon is well aware of the TNI-AL's need for ongoing operating assistance for such platforms, there's been little open-source evidence that this assistance package includes that type of long-term commitment. In a region in which the capability for ongoing maintenance of cutting-edge technologies appears limited, the longer term benefits of this kind of gifting program seem equally limited.

Of course, building MDA capacity and a common SCS operating picture is a long-term activity in ASEAN. Washington has a lot of trust to build with its partners in Vietnam and Indonesia. The MSI's national security focus on the SCS will need to navigate the complex cultural environment that's ASEAN. And, while the MSI was funded to the tune of US$425 million, that's a fraction of what's needed, given the operating environment and capacity starting base. The key message here, though, is that US maritime capacity building and MDA strategy in the region have a coastguard focus.

In an effort to prevent conflict in the region, organisations such as the Centre for Human Dialogue (CHD), a Swiss-based private diplomacy organisation, have discreetly approached the issue from an operational level. While originally driven by a desire to improve the treatment of fishermen at sea, the CHD quickly came to the realisation that:

> Increasing use of coast guards and other maritime law enforcement agencies as proxies in the dispute, combined with a greater number of fishing vessels present in contested waters, have made encounters at sea more unpredictable and prone to incident.[31]

Since 2015, the CHD has facilitated six 'working level dialogues between the various maritime law enforcement agencies'. The dialogues have focused on developing practical and consistent mechanisms to promote predictability during coastguard encounters at sea. Much more will need to be done before those mechanisms are truly operationalised. The CHD has played a critical role in improving coastguard cooperation at the operational level through meetings that reduce the uncertainty surrounding unplanned encounters and is worthy of further support and encouragement.

Japan

Japan has a long history of engagement with the ASEAN region. Several high-profile hijacking incidents in the 1990s, involving Japanese commercial vessels and crew being kidnapped, prompted Tokyo to look at extending assistance to a number of ASEAN nations to improve civil maritime security. Since 2010, Tokyo's engagement with the region has increased, most notably in the realm of maritime capacity building assistance.

Japan's engagement with ASEAN states has been driven by a number of factors, including its rivalry for influence with China, its territorial disputes with China in the East China Sea and its foreign policy banner of 'proactive contribution to peace' under Prime Minister Shinzo Abe. Since 2016, a key concept of its foreign policy has been 'the free and open Indo-Pacific'.[32] James Brown argues that 'free and open' in this strategy is concerned with maintaining 'a system in which international maritime areas remain a global commons, which are governed by the rule of law and not might-makes-right, will allow small and large trading states to flourish alike'.[33]

Since 1983, Japan has been actively involved in supporting capacity development in ASEAN maritime security. As with all Japanese aid, Tokyo's contributions to ASEAN's coastguards are strictly defensive in nature, and no weapons are provided. Japan is providing significant collective and individual maritime law enforcement training, including training on UNCLOS, to many of ASEAN's coastguards.[34]

By any measure, Japan is qualitatively and quantitatively increasing its own coastguard capabilities, as shown by a 12% budget increase last year. The Japanese Government sees this 'white hull' force as the front line in defending the Senkakus and dealing with any non-military threats emanating from South Korea (including IUU fishing), and giving the government an additional rung in the ladder of escalation, which can help manage incidents. It also appears to view promoting the development of ASEAN's coastguards as a tangible means to maintain free and open ASEAN waters.

The Japanese Government has been keen to build the maritime capacity of ASEAN nations—particularly those embroiled in the SCS territorial disputes—due to the linkage it sees between the Chinese state's actions in the SCS and the East China Sea. The two seas are linked by what Tokyo sees as Beijing's strategy of weakening other claimants' effective control while simultaneously strengthening its own territorial and judicial claims using the PLA Navy and other maritime agencies.[35] Japan's argument seems to be that the overall Chinese strategy is to deny the US Navy access to waters surrounding China and to assert control of those waters—its anti-access/area-denial strategy.[36] From Japan's perspective, any gains that China makes in the SCS could also embolden it in its disputes with Japan.[37]

Capacity-building assistance is consequently seen as a way to give the ASEAN nations greater potential to resist Chinese assertiveness and avoid further changes to the status quo.[38] It offers Japan a way of shaping developments in the SCS without direct involvement, which is restricted because it isn't a claimant and has constitutional restrictions on its military activities.

Japan hasn't been shy in making tangible investments in ASEAN coastguard vessels. In August 2014, it pledged six used patrol vessels to Vietnam, and in June 2015 it provided the Philippines with a loan for the acquisition of 10 patrol vessels.

India

India has both direct and indirect interests in maritime security and coastguard cooperation with ASEAN. At the very least, the position of its Andaman and Nicobar Island Territory, which straddles the line between the Bay of Bengal and the Andaman Sea, ensures that India's a key stakeholder in security in the Malacca Strait. India's cooperation brings with it an air and naval presence that provides ASEAN partners with enhanced MDA from those assets' radar capabilities. Although it's outside ASEAN, India is likely to seek a progressively greater cooperative maritime role with the bloc. Given Indian interests and capabilities, Australian efforts to enhance regional coastguard cooperation should at the very least consider how India might be engaged.

IMPLICATIONS

Some external observers will find themselves reflecting on whether transferring maritime security from military to civilian jurisdiction, in the form of coastguards, strengthens or weakens ASEAN countries' sovereignty claims. Many an ASEAN leader will be torn by the lessons learned thus far from the Chinese state's actions in the SCS. On the one hand, the focus of exercises in maintaining sovereignty are on efforts to prevent facts being created, such as the China's construction and fortification of islands and reefs along the 'nine-dash line'. On the other hand, this assertion of sovereign authority will be tempered by a fear of the Chinese dragon's wrath, or of antagonising a less dangerous neighbour. Increased coastguard capabilities and responsibilities give ASEAN states an additional lower rung in the escalation ladder. If used in this way, rather than as a signal that a military response is off the table, this can help in managing incidents. In this context, the transfer of jurisdictional responsibility is allowing ASEAN states to maintain sovereignty with ample opportunity for de-escalation.

ASEAN states are investing in coastguard capabilities because they're taking a more leading role in managing maritime security. Under this policy, coastguards are more likely than ever to be early or first responders in maritime incidents. This drives the need for well-equipped, trained and disciplined crews. The region's coastguards will need a clear understanding of policy and operational practices. Coastguard leaders will need well-defined lines of communication to senior government leadership to help manage crises and any potential escalation. As those capabilities mature, ASEAN coastguard vessels are likely to be increasingly used assertively to exercise control over their respective EEZs. But being assertive within their own jurisdictions doesn't suggest that they'll become aggressive or more prone to the use of force on their own. As the old adage goes, 'It takes two to tango.'

Underpinning these ASEAN maritime security developments is a strategic assumption that coastguard vessels are a lesser threat during unplanned encounters with Chinese vessels at sea. The main argument is that unplanned encounters at sea between two or more small coastguard or naval militia vessels are unlikely to create incidents. ASEAN states are betting on the role of coastguards as buffers between navies and the less confrontational nature of white versus grey vessels. However, such an argument doesn't account for the increasing number of encounters created by ever more crowded international borders and the associated complexities of the law of the sea. Nor does it engage with the fact that increasingly aggressive Chinese state maritime activity and tenser IIU fishing incidents could push well-intentioned coastguards into being even more assertive, perhaps even using force and needing to fall back on navies as part of a larger deterrence strategy.

Since 1998, the Western Pacific Naval Symposium has sought to develop and implement a common system—initially called the Code for Unalerted Encounters at Sea, but now called the Code for Unplanned Encounters at Sea (CUES)–for use in communications and manoeuvring by naval ships and aircraft.[39] The code has been purposefully developed to avoid conflict at sea by accident: the US and Chinese navies are reported to routinely use CUES.[40]

Understandably, there's been diverse interest—from Laos to the Philippines–in using CUES or a similar coastguard code to guide conduct during unplanned encounters in the SCS and wider ASEAN waters.[41] While the diversity of the region's coastguards, and their roles, does create uncertainty, CUES aren't necessarily a perfect solution. First, such agreements are non-binding and may make a challenging operating context even more complex—a point not lost on operational staff.[42] Second, it's China's ongoing strategy of using fishing and coastguard vessels to force encounters

across much of ASEAN that's creating the problem. The adoption of a non-binding code may do little more than strengthen and embolden Chinese freedom of movement. Third, and most important, the region's coastguards are for the most part involved in law enforcement matters, which shouldn't be conflated in any way with naval operations more broadly.

Discussion of bilateral and multilateral maritime security cooperation in regional hotspots such as the Sulu Sea and Singapore Strait is becoming increasingly common in public policy dialogue. Operational cooperation creates an opportunity for sharing data and information to improve regional MDA. In this environment, commercial surveillance using satellites, unmanned aerial vehicles and unmanned maritime vehicles is likely to become increasingly important for focusing coastguard operations.

Australia's 2016 Defence White Paper makes it clear that Australia's position is that 'South East Asia's stability is underpinned by the pivotal role of the United States in supporting stability and promoting economic growth.' To date, Australia and the US have worked well together to participate in and support ASEAN's security architecture through such mechanisms as the East Asia Summit, the ASEAN Regional Forum and the ASEAN Defence Ministers Meeting Plus. The aim is to strengthen the ASEAN member states' commitment to a security architecture that supports transparency and cooperation.

Australia's 2017 Foreign Policy White Paper, like the Defence White Paper, argued the importance of safeguarding maritime security in the region, but went further in recognising the importance of coastguards by committing to 'promote confidence-building measures and cooperation among regional coast guards and maritime enforcement bodies, assist in efforts to counter terrorism and offer to support regional littoral states to develop comprehensive national maritime strategies'. The key practical commitment was to invest in maritime security capacity-building in Southeast Asia.

The MBC and the Royal Australian Navy are well versed in navigating the region's difficult jurisdictional and structural frameworks. However, over recent years there have been a number of calls by some Australian officials and commentators for the creation of an Australian coastguard, on the basis that it would make the lines of responsibility and jurisdictions clearer for domestic stakeholders and regional partners. Those advocating for an Australian coastguard then hypothesise that this clarity would make regional cooperation easier. Australia's MBC, under the Australian Border Force, already works through regional coordination, especially with Indonesia against people smuggling.

Australia's experience with MBC and Royal Australian Navy cooperation has been that 'complexity is a given.'[43] Furthermore, the MBC's operational activity is never entirely a civilian or military function. And at times the decision to use the Navy or the MBC depends on which gives the Australian Government more 'options and flexibility'. Regardless, the MBC and Australian Border Force experience reinforces the need for a central civilian agency to coordinate maritime security surveillance and response.[44]

This report doesn't advocate the formation of an Australian coastguard. It does, however, advocate for the continued development of a whole-of-government integration of MDA functions that supports strategic, operational and tactical decision-making. In practical terms, the current MDA capability within Home Affairs' MBC could be the basis of a national MDA fusion centre that brings together the watch offices and data feeds of agencies such as the Department of Agriculture and Water Resources, the Australian Maritime Safety Authority and the Civil Aviation Safety Authority.

In a general sense, the ASEAN member states have an improving capability base to draw upon for near-shore maritime patrolling and response. The emergence of greater regional cooperation, especially over hotspots, through mechanisms as the Trilateral Air Patrol has strong potential to enhance air and maritime security surveillance in the region.[45]

Comprehensive MDA depends on a multistage process: searching, classifying, identifying, tracking and detaining. While most ASEAN member states have implemented this or a similar process, in many cases its full impact is yet to be realised due to various challenges, such as real-time or near-real-time data collection and analysis. As highlighted above, greater focus has been placed on patrolling and response capabilities.

Australia's experience in MDA could be invaluable for queuing regional response capabilities and building enhanced MDA capability for individual nations, as well as multilaterally through groups such as HACGAM and ReCAAP. Australia could share its expertise and experience in designing integrated searching, classifying, identifying and tracking 'systems of systems'.

Between ASEAN's ongoing challenge in dealing with the SCS, and distrust among its members, meaningful maritime security cooperation is going to be a long, slow journey. While some policymakers might yearn for a clearer, centralised strategy for that cooperation, a messy and often overlapping approach may arguably be more congruent with the ASEAN context.[46] In this coastguard space, Australia's assistance is less controversial but, just as importantly, very noticeable to China. Combating transnational organised crime, including piracy, IUU fishing and other crimes at sea, remains an area open for continued intercoastguard cooperation.

Of course, bilateral cooperation with, say, Indonesia or the Philippines isn't without benefit, but it ought to be the means to an end: addressing regional maritime domain security vulnerabilities. And arguably, multilateral, not bilateral, cooperation will be pivotal in that task. While the Five Power Defence Arrangements offer some scope for regional cooperation, it's likely that a new arrangement would be more beneficial for all regional stakeholders. Given the challenge of ASEAN-level multilateral regional cooperation, the most likely approach for the Australian Government could be an offer of assistance and cooperation to the Trilateral Air Patrol in developing a regional MDA ecosystem. It's clearly in Australia's interests to play a more proactive role in this space, especially in order to restrict terrorist groups' regional freedom of movement and resupply. At the very least, Australia ought to continue the MDA conversation with ASEAN members.

Regional developments in coastguards and interest in MDA also have the potential to create a number of commercial opportunities for Australian companies. The Australian Government is already banking on such an opportunity for a continuous shipbuilding industry. There's certainly some evidence that there'll be continued regional demand for vessels ranging from small riverine craft to fast patrol boats and offshore patrol vessels. Australian industry would need to be quite price-competitive and well supported by the Australian Government to realise those opportunities. For sales to be beneficial to regional users, ASEAN states would need to have well-thought-through training and sustainment packages.

The *ad hoc*, short-notice nature of defence acquisition in ASEAN means that industry will need to be agile to meet short-notice demands. Furthermore, the often limited capacity of the region to operate and maintain sophisticated defence capabilities could create a market for reliable and easy-to-maintain platforms.

Another regional opportunity relates to the provision of low-cost unclassified MDA solutions. Australia has firsthand experience in the use of such systems in border security. Australian companies could also assist with the broader challenge of integrating and fusing all-source unclassified MDA data. At the very least, there could be opportunities to support further system-of-systems integration of MDA.

CONCLUSION

It's a truism that ASEAN waters are going get busier and carry more traffic. Throughout modern history, those waters have been strategic transit corridors for trade and migration. While it's also true that the world is experiencing a shipping industry surplus and a temporary period of declining export volumes, that won't last forever; nor will it diminish the strategic importance of ASEAN waters.[47] Moreover, growing populations across the region are increasing regional demand for fish protein, which is also increasing the flow of maritime traffic.

Maritime patrols by navies and coastguards remain important to the region's national security and sovereignty. Unsurprisingly, many ASEAN states have begun to invest in the expansion of comparatively low-cost coastguard capabilities by buying more vessels. However, there's little evidence that they're investing in individual or collective coastguard training. With the exception of Singapore, there are substantial questions about whether they can maintain the new capabilities over the whole of the capabilities' lives.

While patrolling remains an important element of maritime security, integrated MDA remains critical to achieving real security improvements. There's an opportunity for the Australian Government to work at either the multilateral or the bilateral level to establish frameworks to enhance national and regional MDA, especially in current security hotspots. This also creates a number of economic opportunities in the provision of unclassified surveillance data and integrated data fusion.
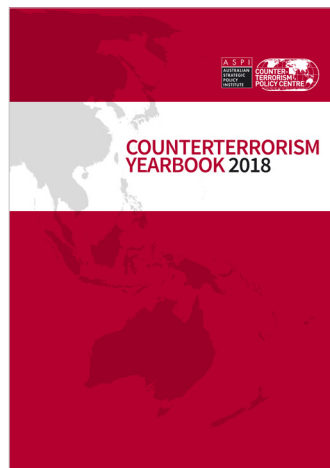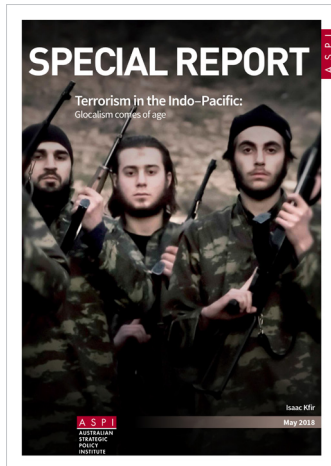
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ACRONYMS AND ABBREVIATIONS

ASEAN   Association of Southeast Asian Nations

CHD   Centre for Human Dialogue

CUES   Code for Unplanned Encounters at *Sea*'Sea

EEZ   exclusive economic zone

FONOP   freedom of navigation operation

HACGAM   Heads of Asian Coast Gguards Agencies Meeting

IUU   illegal, unreported and unregulated

KPLP   Kesatuan Penjagaan Laut dan Pantai Indonesia (Indonesian Sea and Coast Guard)

MBC   Maritime Border Command (Australia)

MDA   maritime domain awareness

MMEA   Malaysian Maritime Enforcement Agency

MSI   Southeast Asia Maritime Security Initiative

nm   nautical mile

PCG   Philippine Coast Guard

PCG   Philippine Coast Guard

ReCAAP   Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia

RSN   Republic of Singapore Navy

RTN   Royal Thai Navy

SAR   search and rescue

SCS   South China Sea

TNI-AL   Tentara Nasional Indonesia Angkatan Laut (Indonesian Navy)

UN   United Nations

UNCLOS   UN Convention on the Law of the Sea

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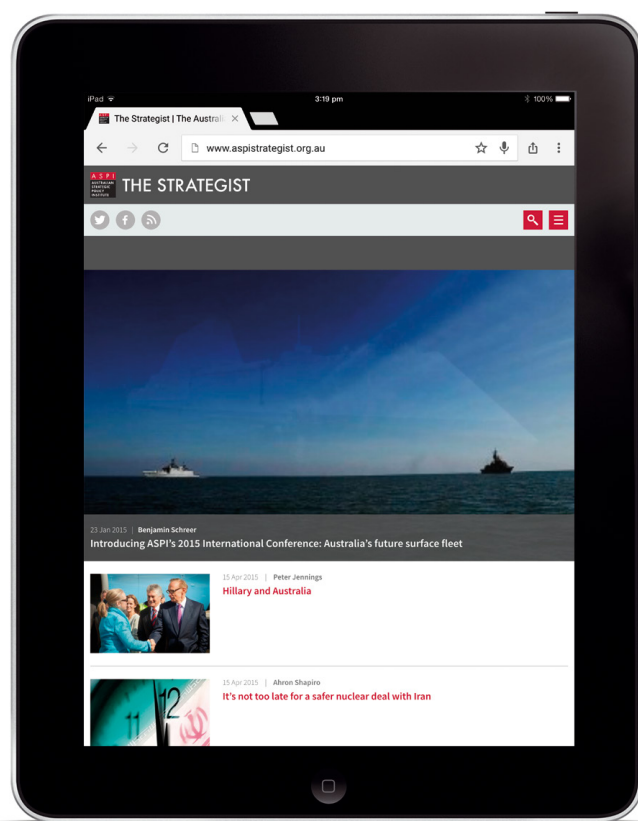
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