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Discussion Paper

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***Session II: “War by accident”? –  
How to (de-)escalate conflicts with neighbors?***

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# The Danger of the Downward Spiral of Inter-State Relations in the South China Sea Territorial Disputes

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Since 2009, East Asia has increasingly been cited as a region of intensifying tensions as relations among neighbors have become strained over disputed maritime claims, particularly over the East and South China Seas. Not surprisingly, these intensifying tensions have contributed to increasing efforts on the part of regional states to modernize and strengthen their military capabilities with a focus on naval and air forces. Deepening suspicions as seen in exchanges of accusations about “provocative” activities indicate a downward spiraling of relations that heighten the probability of a violent incident taking place that could escalate conditions farther. This paper focuses on the South China Sea disputes and explores the factors that have contributed to the intensifying situation there and the prospects for their further escalation. It argues that central to all these developments is the emergence of China as a dominant regional power, and its deepening sense of self as a major power. It also argues that even as intensifying tensions between neighboring states (primarily China and its neighbors) may set the conditions for heightening the prospects for escalation into conflict, this is likely to be limited in scope and context. It is the involvement of other major powers, particularly the United States that could potentially expand the scope of any such limited conflict.

## The territorial dispute in the South China Sea<sup>2</sup>

For the most part, the most significant source of tension in the region is over disputed maritime domains. Emmers defines this as unsettled issues that involve the sea over access to territory, energy and power (2010). A significant part of these issues are considered to be about the material resources that could be extracted from the waters in these disputed areas (fisheries), but most particularly from the seabed (gas and oil). Yet, beyond these material resources is the issue of agitated nationalist sentiments that have been growing among the different people of the states involved in these disputes (See Arai, Goto and Wang 2010; and McHale 2012). To an important extent, these

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<sup>2</sup> The waters in the disputed territory are generally referred to as the South China Sea although part of it has been renamed by the Philippines as the West Philippine Sea. For purposes of simplicity in this paper, these waters will be referred to as the South China Sea.

sentiments were stoked by actions undertaken by their respective governments in an effort to generate public support.

At present, there are four issues of maritime territorial dispute that have been sources of tension in relations among the regional states. Three of these are in Northeast Asia and one is in Southeast Asia. Of these, the dispute between China and Japan over the Senkaku/Diaoyu Islands and the dispute involving multiple claimants in the South China Sea have recently been the most important sources of tension in the region. Both have been intermittently over the years but more intensely since 2010 become an arena of escalating rhetoric and action involving the different claimants to the different land features and the waters surrounding these features in the area. The issue over the South China Sea, however, constitutes a more complicated issue that affects the prospects for the peaceful resolution of the different disputes.

The first factor is the multiple claimants involved in the issue and the nature of relations amongst them. The South China Sea territorial dispute involves claims of extensive parts of the waters made by China, the Philippines and Vietnam, and of parts of it by Brunei, Malaysia and Indonesia. These claims are overlapping, with China's claim over what effectively constitutes the greater part of the South China Sea itself constituting the greatest overlap with everybody else's claim.

Second, the multiple claims involved in the issue have made it more difficult to address with the multiple relationships it affects. There has been an ongoing debate over whether the issue/s should be settled through multilateral mechanisms especially since it involves multiple claimants. China, in particular, however, insists that the disputes be dealt with bilaterally. This debate is played out most evidently in the relationship between China and the Philippines with the latter insisting on a multilateral platform for resolving the claims dispute. China, however, is adamantly against the "internationalization" of the issue, and the involvement of any third party. To this end, it has been critical of the Philippines (and to some extent Vietnam as well) for giving the United States entry to be involved in the issue.

A third factor is the sense of being an emergent power evident in China's increasingly active assertion of its claimed sovereign right to the territory and resources in the area. The insistence of its possession of undisputed sovereignty over the area has been increasingly backed up by increased numbers of and more aggressive patrolling by Chinese Coast Guard ships – with reports of naval forces being in supporting positions standing by. This situation of increased "assertiveness" by China can be argued as the game-changer in the situation in the region. The South China Sea dispute has been identified as a potential hotspot especially since the 1988 incident involving Chinese and Vietnamese naval forces in Johnson South Reef leading to the sinking of a number of Vietnamese ships and the death of Vietnamese

sailors and marines.<sup>3</sup> Yet, since that incident, the dispute has been handled largely through diplomatic conduits, until 2009 when there was a noticeable increase in Chinese activity asserting its “undisputed sovereignty” over the area. Admittedly, there have been less than diplomatic undertakings made by the other claimants that contributed to the escalation of rhetoric and tension in the area.<sup>4</sup>

A fourth factor is the intensifying rivalry between the United States and China in the region. This is seen in the increasing involvement of the United States with its pivot into the Asia Pacific and the Chinese response to it. To a large extent this is increasingly becoming the overarching framework of regional security in East Asia, incrementally supplanting the existing “regional security architecture” built around the ASEAN-driven process of regionalism. The renewed security ties between the Philippines and the United States, not to speak of Japan and the United States, has allowed this dynamic to impact on the context within which the territorial disputes in East Asia are being played out. To a significant extent, it has made the process of de-escalating the issue more difficult as great power relations become important considerations in the calculations made by the claimant states.

### Great power dynamics and regional peace<sup>5</sup>

In 2010, the Obama Administration declared what was then referred to as the “US pivot to Asia,” a multi-faceted strategy geared towards bolstering US presence and influence in the Asia Pacific region. At the time of its announcement, though, the strategy was perceived to have two clear elements. The first was that it referred to an increase in the naval and military deployment of US forces in the region. In particular, this meant the shifting of 60% of the United States naval assets to the Pacific theater thereby reversing a policy that had given priority or equal attention to Europe since the Second World War. In November 2011, U.S. President Barack Obama announced the rotational stationing in the Australian city of Darwin of 2,000 Marines. Yet, the strategy was supposed to go beyond the military although it took some time before the Obama Administration began to define its non-military aspects. These included an emphasis on the Trans-Pacific Partnership (TPP), a club of high-performing economies in the region intended to push an economic agenda beyond the pace set by

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<sup>3</sup> In most accounts of the incident, it was the Vietnamese who were reported to have initiated the exchange of fire.

<sup>4</sup> The Scarborough Shoal standoff between the Philippines and China between April and June 2012 could just as easily be attributed to Philippine operational and diplomatic mishandling of the issue as it was to Chinese oversea lousness (Kraft 2013).

<sup>5</sup> This section of the paper is taken from an unpublished paper presented by the author at the 2014 International Conference of the Philippine Political Science Association.

the Asia Pacific Economic Cooperation (APEC). Nonetheless, most of the moves taking place are of a naval or military nature.

The second aspect to the pivot, since 2011 renamed the rebalancing strategy to Asia, is its perceived targeting of China. The United States has been at pains to deny that this strategy specifically responds to the emergence of China as a dominant power in the Asia Pacific. Nonetheless, in January 2012, the Department of Defense released a document which presented the priorities of the US defense posture. It cited the rationale for the “necessity [to] rebalance toward the Asia-Pacific region.” Key to this is the paragraph that notes that

“[o]ver the long term, China’s emergence as a regional power will have the potential to affect the U.S. economy and our security in a variety of ways. Our two countries have a strong stake in peace and stability in East Asia and an interest in building a cooperative bilateral relationship. However, the growth of China’s military power must be accompanied by greater clarity of its strategic intentions in order to avoid causing friction in the region. The United States will continue to make the necessary investments to ensure that we maintain regional access and the ability to operate freely in keeping with our treaty obligations and with international law” (US Department of Defense 2012, 2).

Even as U.S. officials maintain that the pivot is not directed against an emergent China, China is clearly a key part of the agenda (Suryodiningrat 2013). What is perhaps more important as far as this paper is concerned is that the Chinese are aware of it. The Chinese have argued that the U.S. has felt compelled to become more involved in the region because of its weakened global stature – and thus has become more strident in its involvement in territorial disputes in the region (Jia 2013).

Mediyatama Suryodiningrat, the editor of the *Jakarta Post*, has noted that China’s concerns are not without basis. U.S. actions and rhetoric in support of its allies in the region has contributed to the heightening of tensions because it emboldens those allies into taking what might be considered by China as reckless and provocative steps.<sup>6</sup> In this context, the Obama Administration’s policies associated with the rebalancing strategy has intensified the nascent rivalry between China and the United States, and sharpened potential divisions between China and some of its neighbors who happen to be allies of the United States.

While the leaders of the two largest economies in the world and prospectively the two most powerful states in the Asia Pacific have met and discussed issues that

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<sup>6</sup> Of particular interest here was when then Secretary of State Hillary Clinton referred in a speech in November 2011 to the South China Sea by its newly-minted Filipino nomenclature ‘West Philippine Sea’ (See Suryodiningrat, 2013, 21; and Jia 2013, 19).

concern their countries, it has not changed the fact that the United States and China are increasingly becoming rivals for leadership in the Asia Pacific region. While China does not seem to want a direct confrontation with the U.S. that could lead to conflict between them, it has felt compelled to take action on issues that involve its sovereign claims to disputed territory which indirectly affect its relations with the U.S. An argument made by Hugh White about the need for the U.S. to share power with China may be the most obvious way by which the U.S.-dominated regional order transitions into a new arrangement without having to go through the devastating consequences of a systemic or hegemonic conflict (White 2012). It does not seem, however, that the United States is prepared to go that route and neither is China willing to concede ground it has gained as an emerging power. The two powers will have to negotiate what the new regional order will look like, but it does not seem that either is prepared to proceed with the process as equal partners. Consequently, the intensifying rivalry between the two strongest powers in the Asia Pacific is overwhelming the limited capacity of existing mechanisms to manage regional peace and security.

### The effect on institutional mechanisms and multilateral security cooperation in the region

The great power dynamic between China and the US, without the moderating influence of multilateral platforms, will increasingly push regional dynamics into a competitive context reminiscent of balance of power politics. Unfortunately, the same dynamic is undermining the influence and impact of multilateral institutions, particularly ASEAN. It has made the ASEAN-driven processes that had powered security cooperation in the East Asia and the Asia Pacific since 1994 largely irrelevant. This does not mean that there is no longer any place for these processes in a regional order that is being shaped by the relationship between China and the U.S. It does mean, however, that ASEAN, the ASEAN Way and the ASEAN-driven processes in the region will no longer be the driving force behind East Asian regionalism or the broader context of Asia Pacific regionalism. Regional security will once again be based the nature of the China-U.S. dynamic, whether it tends towards cooperation or competition. If it is the former, there will be no need for ASEAN and its processes to broker relations between China and the U.S. If it will tend towards a more competitive relationship, then ASEAN has neither the material nor the ideational resources to manage the relationship. ASEAN had its chance to put together a regional order based on an inclusive and cooperative regionalism. Its refusal to take a more active role in directing the region and the inability of its

members to act more in concert in doing so has made it miss that opportunity. At present, it has been overtaken by a relationship which it cannot hope to play a role in managing or directing and whose main players have no intention of letting it do so. Even as ASEAN looks towards the establishment of the ASEAN Community in 2015, its role in the region will only increasingly be diminished by the China-U.S. dynamic.

## Prospects for conflict

The quote from Otto von Bismarck about “some damned foolish thing in the Balkans” being responsible for the next great European war is perhaps appropriate in discussing the situation in the East Asian region. As the intensifying rivalry between the United States and China become a looming consideration in how states in the region work out the issue of their sovereignty claims, there is a noticeable increase in the willingness to confront the issue head on unilaterally. This increases the possibility of unexpected and unintended consequences forcing the situation.

The first example of this is the Philippine submission to the International Tribunal on the Law of the Seas (ITLOS) on 21 January 2013 requesting arbitration around issues revolving around the legality of the “nine-dash line” basis of China’s claim to nearly the whole of the South China Sea as being part of China’s territory. On 21 June 2013 when the President of the ITLOS, Shunji Yanai, informed the Solicitor General of the Philippines, Francis Jardeleza, about the completion of the appointments to the five-person tribunal that would hear the Philippines’ complaint over China’s claims over the waters and land features in the South China Sea. The actions of the Philippine government was in response to what it felt was the narrowing of its options in relation to China’s increasing assertiveness in its maritime dispute with the Philippines (and other countries in Southeast Asia) over the South China Sea.

Not surprisingly, China did not take kindly to these actions and refused to participate in the arbitration process. The process will continue through a number of preliminary determinations the most recent of which is the question of whether the Tribunal has jurisdiction over the case. The most obvious problem of Chinese non-participation is whether a decision that does not favor China can be enforced in the face of Chinese intransigence. China has in fact taken steps to further assert its claim a number of which directly targets the Philippines. These include the projected building of an airstrip in one of the land features occupied by China and the land reclamation projects being done in the area possibly to increase the Chinese naval and military presence in the area.

The recent deployment by China of an oil rig near the disputed Paracel islands in an area considered to be well within Vietnam’s exclusive economic zone has led to

intensified confrontations between Coast Guard and fishing boats of both countries. A Vietnamese fishing boat has already reported to have been sunk and a number of accusations have been hurled by both China and Vietnam about deliberate rammings being conducted by boats and ships on both sides.

The confrontation over the oil rig between Vietnam and China, the increased patrols and more aggressive actions taken by China in relation to the Philippines, as well as the increasing levels of defense cooperation between the Philippines and the United States have all contributed to a hardening of positions. Incidents at sea are dangerously increasing in intensity. At the same time, there is a question of whether these could escalate into all-out conflict. The indications are that while these are increasingly dangerous conditions, the incidents could very well be contained events rather than one that spirals into all out conflict. This, however, is only as long as the countries involved keep it as such. It is when the intensifying incidents lead to the involvement of great power relations that the situation could spiral out of control. Hopefully, there won't be the "one damned foolish thing" that ignites such a confrontation.

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