South China Sea: How We Got to This Stage

Fu Ying, Wu Shicun

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Understanding the source of the tension
The South China Sea issue has become one of the major irritants in the China-US relations in recent years, over which the public opinion in the two countries are very critical of each other. There are even frictions in the sea between the two navies. The South China Sea seems like an outlet for the rivalry and confrontation that are building up of late between China and the US. As a result, the two sides seem to be reassessing each other’s intentions on a strategic level. The latest rhetoric is about “militarizing the South China Sea”, and on the part of the US, announcements to carry out “freedom of navigation operational assertions”. Hawkish voices are growing louder in both sides of the Pacific. Such frictions surrounding the South China Sea are leading to further strategic mistrust and hostility. The American scholar David M. Lampton was straightforward when he observed worriedly in reference to the existing situation, “A tipping point in the U.S.-China relations is upon us”. It is obvious that the South China Sea issue is a major catalyst for the troubled China-US relations, if not the key contributing factor.

Opinions diverge in both countries on what has led to the current situation in the South China Sea. In China, it is widely believed that it is the US’s Asia-Pacific rebalance strategy, its taking sides on disputes in the South China Sea, and its direct intervention that have escalated the tensions and made the issue more complicated. In the US, accusations are strident of China’s defiance of international law, coercion of smaller neighbors by force and attempted denial of access to the US, in its bid to gradually take control of the South China Sea using a salami-slicing strategy and to eventually turn it into a Chinese lake.

It is obvious from the incidents and events that have unfolded in the South China Sea over the years that all disputes are centered on sovereignty and rights over the Nansha Islands and their surrounding waters. In fact, such disputes were not uncommon in third world countries in modern history, including during the Cold War era. But the discovery of abundant oil reserves in the Nansha waters in the late 1960s and the introduction of international arrangements concerning the EEZs or the continental shelf, such as the *Convention on the
Continental Shelf and the United Nations Convention on the Law of the Sea, provided fresh incentives for other claimants to covet and grab China’s Nansha Islands. The disputes then spilled from those islands and reefs to wider maritime areas, but without spinning out of control. A good proof was the “golden era” of the China-ASEAN relations from 1991 to the end of 2010, during which bilateral cooperation flourished and trade ballooned nearly 37 times, from no more than 8 billion to 300 billion USD. During this period, China’s GDP rose rapidly, and most Southeast Asian economies expanded more than five-fold.

Tensions started to build up in 2009 and have escalated since 2012. How have things festered against a backdrop of peace of development, and following a sustained period of regional cooperation? It is obvious that no single event or cause could have escalated and changed the situation in the region. So it is worth examining the incidents and behavior that have happened, the reactions they triggered, and the consequences incurred, in the leading up to the current state of affairs. This paper provides an overview of the chain of events contributing to the escalation of tensions in the South China Sea, as well as the context in which they occurred and potential connections they have. It is hoped this paper will help those concerned about the disputes see the bigger picture and get to the heart of why things have happened that way. It also serves as a warning against further deepening of misunderstanding and spiraling of tensions for all countries concerned.

**Imperial Japan’s Occupation of the Nansha Islands and Post-war Arrangements**

The South China Sea is the largest marginal sea in the West Pacific region, covering an area of 3.5 million km². It is located south of mainland China and the island of Taiwan, west of the Philippines, north of Kalimantan and Sumatra, and east of the Malay and Indo-China peninsulas. It connects the Pacific through the Bashi and Balintang channels in the northeast, and the Mindoro and Balabac straits in the southeast; joins the Java Sea through the Karimata and Gaspar straits, and is linked with the Indian Ocean through the Strait of Malacca in the southwest. Rich in fisheries resources and oil and gas reserves, the sea plays an important role in the economic development of the coastal countries.

China has sovereignty over four archipelagos in the South China Sea, namely, the Xisha, Nansha, Zhongsha and Dongsha Islands, which are indicated by the dash lines on the map drawn in 1947. The Nansha Islands (or the Spratly Islands; coordinates: 3°40’-11°55’ N;
109°33'-117°50' E) comprise over 230 islands, islets, sandbanks, rocks and shoals that are scattered along a 1,000 kilometer span from the southeast to the northwest of the Sea. This area in question was initially discovered and named by China as the Nansha Islands, over which China was the first to exercise sovereignty and that exercise has been ongoing. [i] Before the 1930s, there was no dispute over China’s ownership of them, as reflected in many maps and encyclopedias published around the world.

Beginning in the 20th century, western colonial powers, including the United Kingdom, Germany and France, followed by Asia’s emerging power Japan, kept coveting the Nansha Islands as they colonized Southeast Asia and invaded China. Most of their territorial ambitions ended in failure due to strong resistance from China’s Late Qing government, the succeeding Nationalist government and the general public. Japan was the first to have seized some of the islands in the South China Sea, including the Nansha Islands. In 1939, Japan occupied part of the Nansha Islands in an effort to control Southeast Asia and in preparations for an invasion of Australia. [ii]

The Cairo Declaration of November 1943, signed by the heads of the governments of China, the United States and the United Kingdom, proclaimed that “...Japan shall be stripped of all the islands in the Pacific which she has seized or occupied since the beginning of the first World War in 1914, and that all the territories Japan has stolen from the Chinese, such as Manchuria, Formosa, and the Pescadores, shall be restored to the Republic of China.” The Potsdam Declaration of July 26, 1945 also stipulated in its eighth article that “the Japanese sovereignty shall be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku, and such minor islands as we determine, as had been announced in the Cairo Declaration in 1943.”

In December 1946, a year after the defeat of Japan, the Nationalist government of China sent warships to occupy Taiping Island (Itu Aba Island) and Zhongye Island (Thitu Island) and set up a base on Taiping Island. In 1947, the Ministry of the Interior of China’s Nationalist government renamed a total of 159 islands, islets and sandbanks, including those of the Nansha Islands, historically under China’s jurisdiction in the South China Sea. Meanwhile, the Nationalist government officially published a chart of its territorial waters that China had owned in the South China Sea demarcated by an eleven-dash line. For a long time afterwards, the US made no objections whatsoever. Given it being a long-term ally of Taiwan and its heavy presence in postwar Asia, the US had every reason to be aware of the existence
of the chart. Obviously, China’s position was recognized and acknowledged.

In the face of the division of both sides of the Taiwan Straits, the outbreak of the Cold War and tensions between the two Camps, the US opted for a pragmatic attitude toward the ownership of the islands and reefs in the South China Sea. This pragmatism was reflected in the Peace Treaty of San Francisco between Japan and some of the Allied Powers. Signed on September 8, 1951 and entering into force on April 28, 1952, the document served to end the Allied post-war occupation of Japan and establish Japan's role in the international arena. It officially renounced Japan's rights to the land it occupied including “renounces all right, title and claim to the Spratly Islands and to the Paracel Islands”. Its Article 2(6) provided that "Japan renounces all right, title and claim to the Spratly Islands (the Nansha Islands) and to the Paracel Islands (the Xisha Islands)", but did not specify the ownership of these islands.

However, as the biggest victims of the Japanese militarism and one of the four major victors in WWII, the PRC was not invited to the treaty talks held in San Francisco. In reaction to that, on 15th August, the Chinese government issued the Declaration on the Draft Peace Treaty with Japan by the US and the UK and on the San Francisco Conference by the then Foreign Minister Zhou Enlai, affirming China's sovereignty over the archipelagos in the South China Sea, including the Nansha Islands, and protesting about the absence of any provisions in the draft on who shall take over the South China Sea islands following Japan's renouncement of all rights, title and claim to them. It reiterated that "the Chinese government of the day had taken over those islands" and that the PRC's rightful sovereignty "shall remain intact".[iii]

In its effort to reconcile the relations between Japan and the Taiwan authorities for better US strategic deployment in the APAC region, the United States presided over the signing of the Treaty of Peace between Japan and the Republic of China in 1952. Article 2 of the document provided that "It is recognized that under Article 2 of the Treaty of Peace which Japan signed at the city of San Francisco on 8 September 1951 (hereinafter referred to as the San Francisco Treaty), Japan has renounced all right, title, and claim to Taiwan (Formosa) and Penghu (the Pescadores) as well as the Spratly Islands and the Paracel Islands." Indeed, the United States and Japan deemed the Taiwan authorities as China’s legitimate government to take over China’s rightful territories in the South China Sea forcibly seized by Japan.
Disputes during the Cold War

Since mid-1950s, the Philippines and South Vietnam started their encroachment of the Nansha Islands. In 1956, Tomas Cloma, a Filipino adventurer announced his discovery of a group of islands in the Nansha waters, and renamed them "Freedomland". Shortly after, the Philippine government argued that these Islands should belong to their country on the grounds of the "Cloma discovery", and threatened to take over the islands immediately. Obviously aware of the Taiwan authority’s position on the sovereignty over the islands, Manila even intended to send a delegation to Taiwan to discuss the matter. [iv] Since 1962, South Vietnam occupied Nanzi Cay (South West Cay), Dunqian Cay (Sandy Cay), Hongxiu Island (Namyit Island), Jinghong Island (Sin Cowe Island), Nanwei Island (Spratly Island), and Anbo Cay (Amboyna Cay), which was strongly objected and protested by both sides of the Taiwan Straits.

A bigger wave of encroachment happened in the 1970s and 1980s, under the influence of the discovery of rich oil and gas reserves on the continental shelve of the South China Sea by the US and a number of UN survey agencies in the late 1960s, and the signing of the United Nations Convention on the Law of the Sea (the Convention) in 1982, which introduced the 200 nautical mile exclusive economic zone (EEZ) regime.

Greatly incentivized by a high potential for resource exploration, Vietnam, the Philippines and Malaysia set their sights on islands and reefs in the Nansha Islands.

North Vietnamese regime had openly recognized China's sovereignty over the South China Sea islands, but soon abandoned this policy after its unification of Vietnam. [v] In 1975, North Vietnam, on the pretext of "liberation", occupied six islands and reefs of the Nansha Islands which were formerly seized by South Vietnam. Later, it seized another 18 islands and reefs, including Ranqingsha Reef (Grierson Reef) and Wan’an Bank (Vanguard Bank). On March 14, 1988, Vietnam had a skirmish with China in waters near China’s Chigua Reef (Johnson South Reef).

The Philippines occupied 8 islands and reefs, including Feixin Island (Flat Island) and Zhongye Island (Thitu Island); Malaysia seized Danwan Reef (Swallow Reef), Nanhai Reef (Mariveles Reef) and Guangxingzai Reef (Ardasier Reef).

At the same time, these countries dramatically altered their original stance on the issue of
the Nansha Islands. By formulating national laws of the sea and issuing political statements, they officially asserted sovereignty over the Nansha Islands and made claims on the territorial waters surrounding the Nansha Islands.

At the same time, US clearly demonstrated its acknowledgment of China’s sovereignty over the Nansha Islands in its diplomatic inquiries, measurement requests and flight plan notifications. In addition, the Taiwan authorities have also received the American military personnel on Nansha Island where it stationed forces. For a long period of time, the US remained silent to the encroachments by the Philippines and Vietnam, but it did consulted the Taiwan authorities on many occasions related to the sovereignty issue over these islands and reefs. [vi] From February 1957 to February 1961 the US Government made multiple application requests to the Taiwan authorities to allow the US Air Force based in the Philippines to conduct nautical chart measurement and meteorological surveys in the vicinity of Huangyan Island (Scarborough Reef) and the Nansha Islands, obviously acknowledging China's sovereignty over these islands through the role of the Taiwan authorities. Such acknowledgment was confirmed in books and maps published around this time such as Columbia Lippincott Gazetteer of the World (1961), Worldmark Encyclopedia of the Nations (1963), and Constitutions of the Countries of the World (1971), all of which clearly state that the Nansha Islands belong to China. Indeed, the US policy-makers faced a dilemma at that time: on one hand, out of a moral commitment to its Chinese Nationalist ally in Taiwan, and in accordance with international law, the US should have announced these features as Chinese territory; on the other hand, out of its anti-communism policy and Asia-Pacific strategy, it could not possibly recognize Mainland China as their rightful owner, nor did it want to hurt its relations with its important allies, such as the Philippines, through such recognition.

As far as China is concerned, over the years, only the Taiwan authorities had station forces on Taiping Island. It’s not until the late 1980s in the 20th century when the mainland China started to take control over six minor islands and reefs. In 1994, China built fishery and sheltering facilities on Maiji Reef.

The Road to the Declaration on the Conduct of Parties in the South China Sea

In the early 1990s, as the Cold War came to an end, the relations among the countries began
to reconcile and economic development became the primary focus in the APAC region, China switched to a fast track toward establishing rapport with Southeast Asian countries and the Association of Southeast Asian Nations (ASEAN). In 1990, it established official diplomatic relations with Singapore and resumed diplomatic ties with Indonesia. A year later, China launched a dialogue process with ASEAN, and in 1992, it started dialogue with ASEAN.

China then embarked on a path of confidence-building and all-round cooperation with ASEAN, guided by its new foreign policy of realizing and maintaining stability in Southeast Asia. In spite of all these developments, sovereignty over the Nansha Islands remained the most frequently debated issue between China and its ASEAN neighbors. China, based on its historical ownership of these islands and widely-recognized international documents, consistently defended its indisputable sovereignty over them as it had done in the past. On the other hand, China decided to copy here its policy of "setting aside dispute and pursuing joint development",[vii] which was practiced over the Diaoyu Island of the East China Sea, for the sake of cooperation and regional stability. However, China made clear this did not mean renouncing its sovereignty over Nansha Islands.

In 1994, China normalized its diplomatic relations with Vietnam. In 1995, ASEAN's membership extended to 10 countries with the admission of Vietnam, Myanmar, Laos and Cambodia. In 1996, China became ASEAN's full dialogue partner, and in the 1997 Asian Financial Crisis, China lived up to being a responsible partner, winning wide praise and greater trust from ASEAN countries. In 1997, the first China-ASEAN Informal Summit was held in Kuala Lumpur, Malaysia, at which both sides announced the establishment of "a 21st century-oriented partnership of good neighborliness and mutual trust".

Throughout the 1990s, the rapid development of the China-ASEAN relations largely masked seething contention in the South China Sea; nevertheless, disputes surfaced from time to time.

A major development was a new wave of unilateral occupation of the Nansha Islands and development of oil and gas in surrounding waters by some countries. Entering the 1990s, Vietnam occupied 5 more reefs, bringing a total of 29 islands and reefs under its control. By March 1994, Vietnam had illegally licensed out 120 oil blocks in the bulk of the Nansha and Xisha waters through bidding rounds. Malaysia seized Yuya Shoal (Investigator Shoal) and Boji Reef (Erica Reef) in 1999, and has been actively exploiting oil and gas and fisheries
resources in surrounding waters. It accounted for half of the oil rigs among the disputed parties in Nansha areas, and its maritime law enforcement made the largest number of expulsions and arrests of Chinese fishermen in the 1990s.

The Philippines also orchestrated a number of provocations on China’s Meiji Reef (Mischief Reef), Huangyan Island, and Ren’ai Shoal (Second Thomas Shoal).

The most extreme behavior was in reaction to China’s 1994 installation of fishery facilities and shelters on Meiji Reef. The Philippine Navy, in late March of the following year, blew up survey markers that China had installed on Wufang Atoll (Jackson Atoll), Xian’e Reef (Alicia Annie Reef), Xinyi Shoal (First Thomas Shoal), Banyue Shoal (Half Moon Shoal) and Ren’ai Shoal. Supported by Philippine Air Force planes, it also launched a raid on four Chinese fishing vessels working near Banyue Shoal, detaining 62 Chinese fishermen on board. On May 13, the Philippine military attempted to escalate the dispute by sending warships and planes to Meiji Reef, which then started an 8-hour standoff with the China Fisheries Law Enforcement Command’s No. 34 boat patrolling the surrounding waters. Regardless of the attacks and confrontations, China completed the installations.

In late April of 1997, the Philippine Navy landed on Huangyan Island, blew up the territory monument that China had erected, and planted a flag of the Philippines on the island. China reacted by sending marine surveillance ships to the waters of the island, which faced a standoff with Philippine warships that did not ease until a few days later on May 3. In subsequent years, the Philippines expelled, arrested and even shot at Chinese fishermen passing through the waters near Huangyan Island.

On May 9, 1999, the Philippine Navy deliberately ran its landing craft BRP Sierre Madre (LT-57) aground at Ren’ai Shoal, using hull leak repair as an excuse, and stayed there with regular rotated soldiers, refusing to withdraw ever since. China reacted with a series of strong diplomatic representations to no avail. On November 3 of the same year, the Philippine Navy repeated the behavior by running another decommissioned warship aground at Huangyan Island on the pretext of cabin leakage, blocking the southeast entrance to its lagoon. Already immune to this old trick, China applied great diplomatic pressure on Manila. On November 29, the then Philippine President Joseph Estrada ordered the withdrawal of the vessel.

Following the incident, the Chinese government, with a view to stopping the dispute from
boiling over and maintaining the sound China-ASEAN partnership, resorted to all-round diplomatic efforts on the consultations with countries like Vietnam, Malaysia and especially the Philippines. Then, the tension began to ease. In March 1999, the working group on the development of confidence-building measures held their first meeting in Manila, at which both sides agreed, after multiple consultations, to exercise restraint and refrain from taking any action that may escalate disputes.

Meanwhile, ASEAN also follow closely on the situation in the South China Sea, and held multiple discussions with China. There was also a “Track 1.5” closed-door dialogue on the disputes participated by all the relevant parties including not only from mainland China but also Taiwan. An important consensus coming out of these dialogues was that to address the disputes over the sovereignty of the Nansha Islands, which were complicated and had no easy solutions, all parties concerned should resort to peaceful talks. China’s “setting aside disputes” proposal proved the most feasible option. They also acknowledged that as no delimitation of maritime boundaries would be possible without settling sovereignty disputes over islands and reefs in question, thus maintaining ambiguity on the maritime claims might be the best choice for the moment. These ideas and proposals provided the basis for future consensus between China and ASEAN. Adopted at the 1998 ASEAN Summit with an aim to enhance regional integration, the Hanoi Plan of Action proposed that efforts should be made to "establish a regional code of conduct in the South China Sea among the parties directly concerned".[viii] In order to promote confidence-building and good-neighborly friendship, China agreed in principle to start consultations with the ASEAN countries on a “code of conduct”. [ix]

An informal consultation was held between China and the ASEAN countries in Thailand on March 15, 2000, and "the code of conduct" documents respectively drafted by both sides were exchanged and discussed. However, due to considerable different views on its binding powers among the parties, and China and Vietnam’s differences on the areas it should cover, the drafting process did not go very well, and subsequent consultations yielded no substantial outcome.

With a view to diffuse the standoff, Malaysia proposed to replace "the code of conduct" with a compromising and non-binding "declaration" at the 35th ASEAN Ministerial Meeting held in Bandar Seri Begawan, Brunei in July 2002. The motion was approved by the ASEAN
Ministerial Meeting, and a joint statement was published after the meeting, stating that ASEAN and China would work closely together to make "the declaration" a reality. Several months later, a consultation on the Development on the Conduct of Parties in the South China Sea (DOC) was held in place of a consolation on "the code of conduct", where both sides engaged in many rounds of difficult negotiations. At the 8th ASEAN Summit convened in Phnom Penh, Cambodia on November 4, 2002, Mr. Wang Yi, then Vice Minister of Foreign Affairs, and Foreign Ministers of the ten ASEAN Member States jointly signed the DOC.

In the DOC, which contains ten provisions, the parties recognize the need to promote a peaceful, friendly and harmonious environment in the South China Sea; undertake to resolve their territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force, through friendly consultations and negotiations by sovereign states directly concerned, in accordance with universally recognized principles of international law, including the 1982 UN Convention on the Law of the Sea; reaffirm their respect for and commitment to the freedom of navigation in and overflight above the South China Sea; undertake to exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability including, among others, refraining from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features and to handle their differences in a constructive manner; and agree to work, on the basis of consensus, towards the eventual attainment of the document’s objective. The focus throughout the negotiations was on the disputes over the sovereignty of the Nansha islands and reefs. Much attention was directed to preventing escalation of disputes and the main purpose of the DOC was to prevent further act of occupying and controlling islands.

It is worth noting that right before the signing of the DOC, opinions divided about what name to use referring to the disputed areas. Most ASEAN Member States wanted to use the expression of “Spratly Islands”, while having no objection to China using “Nansha Islands”. However, Vietnam insisted using “the Hoang Sa Islands” and “the Truong Sa Islands” (respectively referring to the Xisha Islands and the Nansha Islands) as a way to assert its stance. And this violated China’s bottom line, as China had never admitted the existence of any dispute in the Xisha Islands, nor had the consultations touch upon those islands. Eventually, in the hope of breaking the long deadlock and maximizing common interests, China agreed to use a more ambiguous expression —"the South China Sea", for example
"Parties in the South China Sea", "the freedom of navigation in and overflight above the South China Sea" and "code of conduct in the South China Sea". Description about islands disputes were also vaguely rendered as "refraining from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features", without specific mention to the Nansha Islands. The DOC played a vital role in diffusing disputes in the Nansha Islands and maintaining regional stability, but its ambiguous renderings of features in dispute sowed the seeds for turning the local territorial disputes to a more generalized maritime issue. The concepts of “disputes over islands” and “maritime disputes” became confusingly mixed up. Driven by other factors, disputes over portions of the Nansha Islands and delimitation of their surrounding waters gradually ballooned into an overall South China Sea issue.

Shortly after the Cold War, the US remained committed to its previous policy of not taking sides on the legitimacy of territorial claims, emphasizing that the disputes should be peacefully resolved, and that the freedom of navigation in the South China Sea should be maintained. As Asia was not the focal point of the US’s global policy at that time, the occasional heating up of disputes over the Nansha Islands did not move the US to change its neutral stance. It stressed that parties concerned should settle territorial disputes through peaceful means. [xii]

A Decade with Tensions Simmering under the Surface

In nearly ten years after the introduction of the DOC, China was the only keen abider of the document. It refrained from taking actions that might escalate the dispute in the South China Sea, and kept pushing for peace and cooperation and joint development in disputed areas. By contrast, Vietnam, Malaysia, the Philippines and some other ASEAN countries were half-hearted about the DOC. They kept on transforming and expanding occupied islands, reinforcing their administrative management of them, and accelerated the development of oil and gas in surrounding waters. They also made occasional arrests of Chinese fishermen working in these waters. One common efforts of these countries is to solidify their illegal occupation and extend the territorial dispute to the maritime sphere. What they were trying to do was more of denying the existence of the disputes than shelving them. This continuously enraged the Chinese public and media, eliciting sustained attention. Vietnam was the most active violator of the DOC. For example, in April 2003, it held a
commemoration to celebrate the 28th anniversary of the "Liberation of the Nansha Islands". In June, it signed a secret pact with Indonesia on the delimitation of continental shelf under the South China Sea. In April 2004, it organized the first commercial tour to the Nansha Islands. In early 2005, it published a revised map of Vietnam, which included China's Xisha and Nansha Islands into its Khanh Hoa Province. In early 2006, Vietnam and Malaysia set up a navy hot-line to coordinate resource development and settlement of their disputes about the Chinese islands. In April, it started another bidding round for oil blocks in surrounding waters, and announced cooperation with a third party on building natural gas transmission pipelines in the Nansha Islands. In May 2007, it conducted an extensive geological survey in surrounding waters using a charted foreign surveying ship; a month later, it held elections of "National Assembly representatives" on some of the occupied Nansha islands.

In April 2003, Malaysia sent four flotillas totaling 11 surveying vessels to the waters around Nantong Reef (Louisa Reef) to conduct prospecting operations; in May, it organized an international maritime challenge in waters around Danwan Reef and approved for the first time commercial tours to Yuya Shoal organized by travel agencies. In November 2004, it published stamps showing a Malaysian map with newly included Nansha islands. In August 2008, Malaysia's Defense Minister landed on Danwan Reef with some 80 journalists to declare "sovereignty".

In April 2003, the Philippines celebrated the 25th anniversary of the establishment of Kalayaan Municipality on Zhongye Island. In June 2006, it started to renovate and upgrade the air strip and other facilities on the island. In March 2008, it set up satellite communications facilities on some of the occupied islands and shoals.

But it must be admitted that despite a continuing tug-of-war in the South China Sea, the general situation was under control before 2009. Soon thereafter, things became more complicated, mostly due to an official deadline set by the UN Commission on the Limits of the Continental Shelf (CLCS), according to which relevant states should submit claims over a continental shelf extending the 200 nautical miles from its territorial sea by May 15, 2009. An even greater factor is the introduction of the American Asia-Pacific rebalancing strategy.

Shortly after taking office in January 2009, the Obama administration signaled that it would correct the Bush administration's misplaced foreign policy by shifting the US's strategic priority to the Asia-Pacific region, which obviously contributed to the confidence of the other
claimants in the South China Sea to challenge China.

Between January and February 2009, the Philippines’ House of Representatives and Senate adopted the *Territorial Sea Baselines Bill*, which claims China's Huangyan Island and some islands and reefs in the Nansha Islands as Philippine territory. On May 6, choosing to ignore the outstanding territorial and maritime delimitation disputes in these waters, Vietnam and Malaysia jointly submitted to the CLCS information on the outer limits of the continental shelf beyond 200 nautical miles in the South China Sea. On May 7, Vietnam separately submitted to the CLCS information on the outer limits of the continental shelf beyond 200 nautical miles, claiming sovereignty over China's Xisha and Nansha Islands. Under such circumstances, China had no choice but to submit to the CLCS the preliminary survey findings on the outer limits of its continental shelf beyond 200 nautical miles, in order to prevent further undermining of its own interests.

Meanwhile, US started to have frictions with China in the South China Sea. 2009 alone saw at least five confrontational incidents between US and Chinese ships, with the USNS Impeccable incident being the most conspicuous.

The year of 2010 witnessed a faster shifting in the US policy on the South China Sea issue, which showed an inclination to “take sides”. At the ministerial meeting of the ASEAN Regional Forum held in Hanoi, Vietnam on July 23, 2010, US Secretary of State Hillary Clinton spoke on the South China Sea issue, stating that the United States “has a national interest in freedom of navigation, open access to Asia’s maritime commons, and respect for international law in the South China Sea”, and emphasized that claimants should pursue their territorial claims and accompanying rights to maritime space in accordance with the Convention. Later Clinton wrote in her memoir: "That was a carefully chosen phrase, answering the earlier Chinese assertion that its expansive territorial claims in the area constituted a 'core interest'." [xiii] Clinton continued to make a series of remarks on the Obama administration’s Asia-Pacific policy and the South China Sea issue on other occasions. Meanwhile, the US has beefed up its presence and enhanced military exercise efforts in the region.

On the other hand, the Chinese side continued its diplomatic efforts, in order to maintain stability in the South China Sea and diffuse tensions with ASEAN countries. China achieved some progress for its painstaking efforts to seek to resolve disputes via peaceful talks. At the
ASEAN-China Ministerial Meeting (10+1) held in Bali, Indonesia in July 2011, the Guidelines to Implement the DOC was adopted by China and ASEAN countries. China reached some understanding with the Philippine and Vietnam through bilateral negotiations. Yet these efforts were not enough to offset US's Asia-Pacific rebalance strategy, and claimants like the Philippines and Vietnam, in turn, didn’t display much restraint.

They began to step up their reclamation efforts on the encroached islands and reefs and frequently conduct military exercise with the US near the South China Sea. Some countries even intended to group-up against China, taking a series of provocative actions in disregard of China's concern. In March 2011, the Philippines military disclosed plans to invest 230 million USD in the renovation of the barracks and the airports on the South China Sea islands. In June and July, the Philippines and Vietnam conducted a series of joint exercises with other foreign powers in the disputed waters. Looking to strengthen the Philippines' territorial and maritime claims in this region, Aquino III ordered the official use of the "West Philippines Sea" to replace the internationally standardized geographical name of "South China Sea", and such move even temporarily gained some US official acknowledgement, and to some extent, it gained official recognition from the US. In March 2012, the Philippines and Vietnam reached an agreement on joint military exercise and maritime border patrol in the South China Sea. In April, Vietnam dispatched several monks to some temples on South China Sea islands.

These provocative activities by some ASEAN member countries and the US’s intervention have been closely watched and widely reported in China, evoking strong repercussions among the public. Under the doubling-down pressure of policy sustainability and public opinion, China’s restraint policy is approaching to its brink.

**Tensions as Result of Wrestling among Multiple Players**

In April 2012, the Philippine Navy made a provocative arrest of Chinese fishermen working in the Huangyan Island waters in what was later known as the Huangyan Island Incident. Arguably this became the "last straw on the camel's back" in the fragile stability in the South China Sea, and it tested the bottom line of China's policy and patience.

On April 10, 2012, Philippine warships launched a surprise raid on twelve Chinese fishing
vessels working in the lagoon, disturbing and harassing their operations, and even forcibly boarding one vessel and arresting the fishermen. Almost instantly, images of the arrested Chinese fishermen being stripped to the waist and exposed to the scorching sun on the deck made headlines on print and digital media in China, triggering off an outcry among the Chinese general public. China was thus forced to take countermeasures, making urgent diplomatic representations to the Philippines, and sending marine surveillance ships and fishing administrative ships to the waters around Huangyan Island. Both sides engaged in a tense standoff till June 3, when all the Philippine ships had left the lagoon at the island. To prevent further moves by the Philippines, China sent marine surveillance ship for long-term deployment in the waters surrounding Huangyan Island, putting the Island under its control.

As if the Huangyan Island Incident was not bad enough for tensions, Vietnam adopted its domestic Maritime Law on June 21, in an attempt to legalize its territorial claims in the South China Sea. [xiv] On the day of its adoption, China's then Vice Minister of Foreign Affairs Zhang Zhijun summoned the Vietnamese Ambassador in China Nguyen Van Tho to protest against this move. On the same day, China announced its long-planned establishment of Sansha, a prefecture-level city, on Yongxing Island (Woody Island) in the Xisha Islands. Its jurisdiction covers the Xisha, Zhongsha and Nansha Islands and surrounding waters. Relevant administrative, jurisdictional and military arrangements were made in the following months.

On January 22, 2013, the Philippines initiated an arbitral proceedings against China at the International Tribunal for the Law of the Sea. Shortly after this announcement, China's Foreign Ministry made multiple official responses: "The Philippines and the Arbitral Tribunal have abused relevant procedures and forced ahead with the arbitration, disregarding the fact that the subject matter of the arbitration involves territorial sovereignty and maritime delimitation and related matters, deliberately evading the declaration on optional exceptions made by China in 2006 under Article 298 of the UN Convention on the Law of the Sea", stating "China does not accept the arbitration initiated by the Philippines" and therefore "will not participate in the proceedings".

Obviously, China disagrees with the Philippines which applied for arbitration on account that its consultations and negotiations with China reached an impasse. The fact is that ever since the Huangyan Incident, the Philippines refused to have any serious dialogue with
China, let alone negotiations, nor did they consult the other DOC parties. As far as arbitration is concerned, China already made a declaration on optional exceptions in 2006 under Article 298 of the UN Convention on the Law of the Sea. Since the Arbitration Court jurisdiction concerns sovereignty, historic rights and entitlement, China is exempt from the arbitration. There is no provision in the convention to enforce an adverse award on China.

The subsequent Ren’ai Shoal Incident and Drilling Platform 981 Standoff further aggravated the situation. As its landing craft aground at Ren'ai Shoal was disintegrating, the Philippines kept looking for opportunities to start construction projects to get the shoal under its control. China has kept a watchful eye on the activities. In March 2014, China discovered that some Philippine warships were transporting supplies to Ren'ai Shoal and immediately intercepted them, which lead to a standoff between both sides. The Philippines incited a storm of media coverage of the incident, trying to elicit global attention and the US's intervention.

In May 2014, a drilling operation by the HYSY 981 rig was completed inside the contiguous zone of China's Xisha Islands. The drilling was performed 17 nautical miles from the south of Zhongjian Island (Triton Island) from May 2 to August 15, during which it was harassed by hundreds of vessels sent by the Vietnamese government, resulting in intensified situation with multiple chases and even collisions between the China Coast Guard flotilla and the Vietnamese law enforcement vessels.

In 2013, in view of the changing situation in the South China Sea, and to meet the civil and defense needs on the islands and to defend its sovereignty, China launched reclamation projects on its controlled Nansha islands. As all of these islands are far away from the international navigation routes, there was no question of these projects having any impact on the freedom of navigation. But the US and the Philippines kept accusing China and hyping the issue. In response to the concerns, China's Foreign Ministry spokesperson Hua Chunying made a detailed explanation at a press conference held on April 9, 2015: The Chinese government has been carrying out maintenance and construction work on some of the garrisoned Nansha islands and reefs with the main purposes of optimizing their functions, improving the living and working conditions of personnel stationed there, better safeguarding territorial sovereignty and maritime rights and interests, as well as better performing China's international responsibility and obligation in maritime search and rescue, disaster prevention and mitigation, marine science and research, meteorological
observation, environmental protection, navigation safety, fishery production service and other areas. The relevant construction, which is well within China's sovereign responsibility. It does not impact or target any country. [xv] It is recently reported that a series of projects are underway to construct facilities that can provide public service, like lighthouses, automatic weather stations, marine observation centers and marine research institutes. Five lighthouses for navigation safety have been built, and four of them have been put into use.

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China’s actions have not been fully understood by its neighbors who expressed concerns. The US also stepped up its intervention, buzzing over China’s island reclamation projects using
rhetoric like “reaching too far and too fast” and “islands militarization” to pile pressure on China, and even sending ships to sail near the Nansha and Xisha Islands. All these were perceived in China as serious security challenges.

From the perspective of many Chinese people, the US is the invisible hand behind the rising tension in the South China Sea. First, the US is increasingly targeting at China as it steps up its Asia-Pacific rebalance strategy. In 2013, the US announced to reinforce its military presence in the Asia-Pacific region by deploying 60% of its fleet and 60% of its overseas air force to the region by 2020. [xvi] Also, the US military has purported to be threatened by “China’s anti-access and area denial efforts”, and actively promoted some operational concepts like Air-Sea Battle, with China as a main target. These moves have undoubtedly further complicated and intensified the situation in the South China Sea and in the Asia-Pacific region as a whole. Many Chinese scholars start to suspect that the US may be creating illusionary threats and crises in the region which can turn into a self-fulfilling prophesy.

Since 2014, the US has made clearer responses to China in the South China Sea, in postures of direct intervention in the disputes and often in favor of other claimants, especially its own allies.

On February 5, 2014, US Assistant Secretary of State for East Asian and Pacific Affairs Daniel Russel said at a congressional hearing that China was “lack of clarity with regard to its South China Sea claims has created uncertainty, insecurity and instability in the region.”[xvii] He also urged China to clarify its nine-dash line claim. This was the first explicit and official comment made by the US to challenge China on the South China Sea issue. And obviously the US was well aware that, as the Nansha Islands dispute was still unsettled, any attempt to clarify the dash line or maritime claims would only lead to an escalation of tensions. In the same month, US Chief of Naval Operations (CNO), Admiral Jonathan Greenert announced US's support for the Philippines in the event of a China-Philippines conflict. [xviii] This is the toughest stance expressed by the US in the China-Philippine dispute. At the Post Ministerial Conference of the ASEAN Foreign Ministers' Meeting in Naypyidaw in August 2014, US Secretary of State John Kerry directly called for a moratorium on land reclamation, building on disputed islands, and actions that might further escalate disputes.

The US started to opt for a cost-imposing strategy against China, meaning to make it more costly for China to take any actions in the South China Sea by resorting to political,
diplomatic, public opinion and military means, so as to force China to pull back without inciting arms confrontation.[xix] In 2015, the US released three strategic security documents, titled *Forward, Engaged and Ready: A Cooperative Strategy for 21st Century Seapower, National Security Strategy, National Military Strategy* and *Asia-Pacific Maritime Security Strategy*, respectively, all of which talked about the South China Sea issue at fairly great length, and asserted that the US would make China pay the price.

From the Chinese perspective, as well as undermining the US credibility as a potential mediator, the US's dramatically altered policy on the South China Sea has heightened China's fears that its interests would be further undermined, thus inspiring its determination and measures to defend them.

Echoing its policy readjustments, the US has accelerated provocative and coercive actions that are clearly targeted at China. For example, the US's surveillance at the Nansha Islands and its surrounding waters have intensified. The number of sorties flown by the US planes to conduct close-in reconnaissance at the South China Sea Islands has increased from about 260 in 2009 to over 1,200 in 2014. [xx] Also, as a way to flex its muscle and assert freedom of navigation, the US keeps sending ships to sail within 12 nautical miles of the Nansha Islands or even the non-disputed Xisha Islands. On October 27, 2015, the USS Lassen navigated within 12 nautical miles of Zhuhai Reef (Subi Reef). On January 30, 2016, the USS Curtis Wilbur trespassed China’s territorial waters near Zhongjian Island. Quite different from its usual practice, the US media began to buzz over these events. US Pacific Command commander Harry Harris even openly declared to take more sophisticated and wide-ranging activities in the future, and send warships to the South China Sea about twice a quarter. [xxi]

Other deterrent actions taken by the US include the followings: In July 2015, the new commander of the US Pacific Fleet Admiral Scott Swift joined the surveillance mission on board the ASW P-8A Poseidon to conduct close-in reconnaissance at the South China Sea; on November 5, US Secretary of Defense Ashton Carter cruised on the USS Roosevelt, and when he began to deliver a speech on board, the carrier was churning through the disputed waters about 150-200 nautical miles south of the Nansha Islands and about 70 nautical miles north of Malaysia; on November 8 and 9, two US B-52 strategic bombers flew near the Chinese islands under construction; and during his visit to the Philippines on April 15, 2016, Carter landed aboard the aircraft carrier USS John C. Stennis and joined a patrol in the South China
South China Sea. US warships and planes also frequently conducted “innocent passage” through China’s territorial waters and airspace.

The US has also sought to strengthen its alliance system and forces network surrounding the South China Sea. Since the implementation of the Asia-Pacific rebalance strategy, the US has been stepping up deployment of forces around the South China Sea rim, including the Australian port of Darwin, the Changi Naval Base in Singapore, the Philippines and Malaysia. The US is also enhancing cooperation with Malaysia, Indonesia and Vietnam to conduct intelligence gathering and enhance maritime domain awareness capabilities in the region, and expanding military support to some claimants in the dispute like the Philippines and Vietnam, to help improve their reconnaissance, patrol control and anti-access capacity. In March 2016, the US and the Philippines announced at their sixth annual Bilateral Security Dialogue that the US forces were allowed to use five Philippine military bases. In April 2016, the US and the Philippines conducted again the Shoulder-to-Shoulder exercises in the South China Sea, with more targeted items like retaking over islands, oil rig defense, etc., obviously aiming at disputes in the South China Sea.

The US’s military deployment in the South China Sea has further flared up tensions in the region, giving the disputes in the South China Sea larger than real role on the international strategic chessboard. The apparent China-US rivalry is seemingly taking over other disputes in the region and starts to occupy center stage. Looking back at the post-Cold War era, we can see that nearly all the contentions and conflicts involved or even engineered by the US, some with complications lingering till today. The Chinese are thus prompted to ask a question: what is the US playing at in the South China Sea this time?

**Conclusion**

It can be seen from the above narrative, the situation in the South China Sea came to the state of where we are today is the result of the entangling effect of the actions and reactions along multiple lines. There is also the influence of the changes in the international and regional security environment. The elements that pushed the spiraling twists and turns include not only sovereignty, resources and strategic security considerations, but also tangible interests. There is also the problem of information dis-link and historical and institutional memory loss. Moreover, the guessing game about each other’s strategic
intentions and policy objectives is also playing a role. The US as a power from outside the region has played a major role by coming into the issue and adjusting its policies towards the region since 2009. So now, what’s next, what will happen in the South China Sea? The US is trying to find out what China’s next move will be. On the part of China, suspicion is rising about the US’s intention. Obviously, there is a risk of escalation of tension and danger of miscalculations at strategic level.

China’s pursuit in the South China Sea has been consistently maintained. That is to safeguard national territorial integrity and maintain regional peace and tranquility. To observe China, one should never lose sight of the historical dimension. Though China is growing into a strong country, the painful memory of history is not long gone. The Chinese people have not forgotten that the country stumbled into the 20th century with its capital under the occupation of the imperialists’ armies, and for over a century before and after, China suffered the humiliation of foreign invasion and aggression. That is why the Chinese people and government are very sensitive about anything that is related to territorial integrity and would never allow such recurrence even if it’s just an inch of land. This is something the outside world needs to keep in mind when looking at China and trying to understand China’s behavior. Admittedly, there is no major external threat that can endanger China’s survival or development in today’s world. China adheres to the path of peaceful development and it dedicates to promoting world peace, development and cooperation. Its belief and commitment are firm and unchanged.

In his speech at the Opening Ceremony of the Fifth Meeting of the CICA Ministers of Foreign Affairs on April 28 2016, the Chinese President Xi Jinping stated: Let me stress that China is committed to maintaining peace and stability in the South China Sea. We firmly stand by our sovereignty and rights and interests in the South China Sea, and remain committed to resolving disputes peacefully through friendly consultation and negotiation with countries directly concerned. From the consultations the Chinese Foreign Minister Wang Yi held in recent months with his counterpart among ASEAN countries, one could also see that China’s proposition of “dual-track” approach, meaning disputes be resolved peacefully through negotiation between the parties directly concerned and China ASEAN countries work together to maintain peace and stability in the South China Sea, have been well received and supported. ASEAN start to realize the importance of keeping the situation under control and return to the track of dialogue.
So, to be specific, China’s policy objectives in the South China Sea could be read through following angles.

First, China’s fundamental policy objective for the South China Sea is to protect the security of its sovereignty and maritime rights. Tactically, China has been coping with all motions by refraining from proactive motions, which means to act with restraint, and to take countermeasures when provoked. The Chinese people will not allow any further infringement of the country’s sovereignty and rights concerning land features in the South China Sea, and therefore hold high expectations towards the government to protect its national interests. As for the current status quo of some of the Nansha islands and reefs under other countries’ occupation, China will not give up its sovereignty stance. However, considering that China has significantly increased its capacity to control the situation and to prevent any further loss, it is highly advisable that as long as no new major threat looms large, China should continue to uphold the policy of “shelving the disputes and seeking joint development”, and to take in store the reality in the field. The outcome of the arbitration initiated by the Philippines should not shake China’s fundamental policy lines.

Second, China’s policy on the South China Sea also concerns the freedom and safety of navigation. Being an international pathway of strategic importance, the South China Sea has the busiest commercial shipping routes, allowing 40 percent of the world’s ocean freight to pass through. The freedom and safety of navigation in the area are indispensable to all major economies, China included. As the biggest benefactor of the pathway, China relies on those routes for 70 to 80 percent of its trade and energy supplies. The pathway also serves as an important passage for the Chinese navy to sail to the wider sea.

Third, the common denominator of China and its neighbors in the South China Sea is regional peace and stability. China does not have an agenda or motive to seek hegemony in the region. The very reason that China exercises restraint and keep the disputes and differences under control is exactly for the sake of maintaining peace in the general environment. In this regard, China should continue to make efforts in the following aspects: to provide and share more information with others for better understanding; to offer more public goods for the well-being and safety of all; to complete the “code of conduct” with ASEAN members for a rule based regional order. From a long-term perspective, as the biggest coastal country in the South China Sea, China should keep the ability not only to
defend itself but also to maintain peace in the South China Sea, and to gain a good position for seeking a negotiated settlement.

Fourth, China and the US share common strategic interests in maintaining the freedom and safety of navigation, and promoting stability and prosperity in the South China Sea area. China and the US and are not disputing parties to each other. Therefore, the two countries should avoid the trap of security dilemma and misunderstandings by engaging in dialogues and clarifying each other’s intentions. China and the US need and should be able to work towards cooperation. As China is growing into a maritime power, the wider seas and oceans in the world are increasingly important to its development as well as its global cooperation. China’s vision will surely go beyond the South China Sea. Therefore, any speculations on its intentions based on conventional land power mentalities may not be accurate.

The future direction of trend would very much depend on the perceptions and choices of the parties involved. If they choose to cooperate, they may all win. If they choose to confront each other, they may only head for impasse or even conflict and no one can benefit totally.

Ms FU Ying is Chairperson of Foreign Affairs Committee of China’s National People’s Congress; Chairperson of Academic Committee of China’s Institute of International Strategy, CASS; and Specially Invited Vice Chairperson of China Center for International Economic Exchanges. Mr. WU Shicun is Ph.D Senior Research fellow and President of the National Institute of the South China Sea Studies.

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[i] China’s discovery of the Nansha Islands dates back to the Han Dynasty (206 B.C.–220 A.D). During the Tang and Song dynasties (7th-13th century), China’s knowledge and development of the islands increased substantially. The Ming dynasty (1368-1644) exercised jurisdiction over the islands, and since then, China’s official maps have included the Nansha Islands.

[ii] In 1939, Japan circled out a heptagon area (at 7°-12°N; 111°36'-117°30' E) in the Nansha Islands and the surrounding waters, which included Taiping Island, Nanzi Island and Beizi Island, collectively known as “the Xinnan Islands”. They then were under the jurisdiction of Kaohsiung City, and of the Office of the Governor-General.

[iii] The Ministry of Foreign Affairs of the People’s Republic of China and the Party


[v] Before 1974, all note verbales and announcements by the Vietnamese government and all Vietnamese publications and official maps recognized the Xisha and Nansha Islands as Chinese territory. For instance, on September 4, 1958, the Chinese government issued the Declaration on China’s Territorial Sea, which specified that “the Xisha and Nansha Islands are Chinese territory, and China’s sovereignty extends 12 nautical miles from their baselines”. Shortly after this, on September 14, the Democratic Republic of Vietnam President Pham Van Dong delivered a note verbale to China’s premier Zhou Enlai, to confirm Vietnam’s “recognition and acknowledgement of China’s declaration, and its “full respect” for China’s sovereignty over its territorial waters on September 14.


[vii] In July 1992, China’s then Foreign Minister Qian Qichen exchanged views with six of his counterparts from ASEAN countries at the Dialogue following the 25th ASEAN Ministerial Meeting, reaffirming China’s proposal for “setting aside dispute and pursuing joint development” and China’s intention to seek settlement of disputes with countries concerned when conditions were ripe.


[xii] Nguyen Hong Thao, “The 2002 Decalaration on the Conduct of Parties in the South


[xv] The Law of the Sea of Vietnam mainly consist the following elements: first, providing for the baseline, the internal waters, the territorial sea, the contiguous zone, the exclusive economic zone, the continental shelf, islands, the Paracel and Spratly archipelagos and other archipelagos under the sovereignty, sovereign rights and jurisdiction of Vietnam; second, emphasizing that Vietnamese agencies, organizations and citizens have the responsibility to safeguard the sovereignty, sovereign rights and jurisdiction of Vietnam over its maritime zones, islands and archipelagos; third, providing that the State exercises full and absolute sovereignty over the territorial sea in conformity with the 1982 United Nations Convention on the Law of the Sea, and the baseline used for measuring the breadth of Vietnam’s territorial sea is the straight baseline already publicized by the Government. The concept of “archipelagos” which is seldom used by continental countries is specially stressed here; forth, emphasizing the development of maritime economy and expand international and regional cooperation; and fifth, clarifying the roles of the Vietnamese sea patrol and surveillance forces.


[xvii] In Shangri-La Dialogue held on 3 June, 2012, the US Secretary of Defense Leon Panetta officially proposed the American rebalance strategy, aiming to reinforce the US’s military presence in the Asia-Pacific region by deploying 60% of its warships to the region. His successor, Secretary of Defense Chuck Hagel, reiterated this goal on 1 June 2013, and
announced the two 60% deployment, which is to deploy 60% of its warships and 60% of its overseas air force to the Asia-Pacific region by 2020.


