

Securing the Sea Frontier: China's Pursuit of Sovereignty Claims in the South China Sea

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Abstract

China's maritime territorial claims, and its diplomatic and military measures to attain them, have caused much regional concern in recent years. The expansive maritime sovereignty claims of China in the South China Sea flow from three key goals: the completion of its incomplete nationalist project of territorial consolidation and unifying the state; the desire to control the contested maritime periphery; and the garnering of sea-based resources such as oil and gas that have assumed critical importance for fuelling the economy of a rapidly modernising China. To prevent the deterioration of its ties with its southern maritime neighbours and curb the influence of the United States, the Chinese government has since 2002 signed a series of agreements for cooperation, confidence-building and peaceful settlement of disputes on overlapping claims in the South China Sea territories. But the sovereignty issue remains unresolved and in place. The pursuit of its ambitious maritime territorial agenda complicates its cooperative strategy towards the East Asian states and if not set aside indefinitely or resolved peacefully it could unravel China's moves to build a complex network of interdependence.

Introduction

Despite recent efforts by China to build cooperative ties with Southeast Asia and set aside territorial differences, its maritime territorial claims and the attendant naval build up and diplomacy aimed at attaining the sovereignty goals, have brought to the fore the underlying tensions between China's nationalist and its regional goals. Indeed, this assertion of its maritime claims and takeovers has taken place even as China has settled most of its disputes over land territories through the 1990s.¹ China's expansive sovereignty claims on most of South China Sea, including the Spratly (Nansha) and Paracel (Xisha) islets, directly conflict with the sovereignty claims and security of five Southeast Asian states – Vietnam, the Philippines,

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Malaysia, Brunei and partially Indonesia. Its claims and efforts to assert them on the Senkaku (Diaoyu) island and adjoining waters in the East China Sea affects its ties with Japan, which controls it. Finally, China's sovereignty claims on Taiwan, including the territories held by it in the South China Sea, and the growing trend towards assertion of an independent Taiwanese identity have become the most significant source of instability and potential conflict in the region. In effect, China's maritime territorial claims and steady steps to realise them have introduced a new set of post-Cold War security issues and concerns in East Asia². In the debate over the consequences of China's rise as a great power and the shaping of regional perceptions, the maritime territorial issues and how they are resolved play a crucial role.

The Chinese leadership, especially under President Hu Jintao and Premier Wen Jiabao, has been eager to detract attention away from China's growing power and military developments, as well as from the contentious sovereignty and territorial disputes. It has sought to convince the world why its rise would be peaceful and beneficial to its neighbours in Asia. In November 2002, after many years of negotiations, China finally signed a joint declaration in Phnom Penh with the Southeast Asian states on a peaceful settlement of the territorial dispute in the South China Sea.³ In October 2003, Beijing signed the Treaty of Amity and Cooperation (TAC) with the Association of Southeast Asian States (ASEAN) – a normative dispute-solving framework created by the ASEAN states in February 1976 — that committed China not to “participate in any activity which shall constitute a threat to the political and economic stability, sovereignty or territorial integrity” of other signatory states.⁴ In the meantime, China has systematically worked to strengthen its relations with countries in the region — Indonesia, Myanmar, Thailand, Malaysia, the Philippines and Vietnam. China and Vietnam finalised an agreement on their land border by 2001, and agreed on their sea border in the Beibu (Tonkin) Gulf in 2004.⁵ After its forces occupied Mischief Reef from the Philippines in 1995, it signed a code of conduct with the Philippines in August of the same year to contain the regional uproar and do damage control. The two countries have held bilateral talks since March 1999 to defuse the crisis, and build defence ties.⁶ The agreement with the Philippines on joint seismic surveys for oil and gas signed in September 2004 is Beijing's most recent diplomatic initiative in this context.⁷

Chinese leaders and media in the summer of 2004 also announced that they planned to commemorate in a big way in 2005 the 600th anniversary of the seven voyages of the Chinese Muslim sailor Zheng He, who in the 15th century Ming dynasty period travelled to East Africa and perhaps, according to some theories,

as far as pre-Columbian America.⁸ Zheng He's voyages took place over a 28-year period ending in 1433 — when the Imperial Government brought them to an end for reasons that are not yet clear. But those voyages have gained immense symbolic value in the current politico-security context in East Asia and have been highlighted by Beijing as an early example of China's benevolent diplomacy as against the maritime expansion of the Western states. Chinese leaders and experts have repeatedly underlined that Zheng He, commanding the most powerful ocean-going fleet of the day, did not colonise any of the areas where his ships docked, unlike the Western merchant ships and fleets that became the harbinger of colonial occupations only a few decades after the Ming expeditions. This publicity campaign complemented the initial Hu-Wen promotion of the concept of China's 'peaceful rise' to counter worries about the country's growing influence on trade, regional politics and security. China's Vice Communications Minister, Xu Zuyuan told the media in Beijing:

“We think what's left over from Zheng He's seven voyages to the West is that peaceful rise is the inevitable outcome of the development of Chinese history.The peaceful rise concept embodies the momentum and values of 5,000 years of Chinese civilisation and the nation's moral character of love and peace.”⁹

This is, of course, selective historiography and a broad-brush treatment of the characteristic features of Chinese traditional external behaviour. Unlike Zheng He and the Ming voyages, the People's Republic of China (PRC) for nearly three decades has been engaged in steady territorial expansion in the South China Sea. This includes the capture of the Paracels (Xisha) from a weak and dying South Vietnamese state abandoned by the United States in 1974, even as China's socialist ally, North Vietnam, was on the verge of unifying the country, the 1988 naval seizure of eight Vietnamese claimed and held islets, the 1992 enactment of the Territorial waters law, the 1995 takeover of the Mischief Reef off the Philippines coast and claimed by Manila, and its stepped up oil and gas exploration in contested territorial waters. From China's perspective its territorial claims in the South China Sea are a legitimate assertion of its historically derived sovereignty rights that were enunciated first by the Guomindang government in 1947 and then by the PRC in 1951.¹⁰

Behind much of China's maritime territorial claims lie three key factors: the completion of its nationalist project of territorial consolidation and unifying the state, the desire to prevent any foreign power from retaining significant influence in the maritime periphery, and garnering sea-based resources such as oil and gas that have assumed critical importance for fuelling the economy of a rapidly modernising China.¹¹ While several reports have stressed the importance of the resource factor

behind China's assertion of claims, it needs to be emphasised that they predate the current focus on the source of oil and gas. While resources have become a key element behind the contested territorialities in the region, the claims themselves are deeply rooted in the dominant traditional Chinese security thinking that stresses the importance of controlling the space around the core cultural territory as a vital security buffer. There has, thus, been a visible desire to prevent wherever possible any foreign power from retaining significant influence in the maritime periphery backed by a nationalist ideology based on a constructed historiography of 'traditional' territorial contours that seeks to legitimise its territorial claims. This is not very different from the attempt to create a secure periphery that has driven its approach towards land territories.

The lack of a firm security structure in the region makes the territorial dispute in the South China Sea an explosive issue. But the dispute also provides the regional states in Southeast and East Asia with an opportunity to develop regional co-operative institutions. The security of the region is of vital importance to the oil-hungry economies of Japan, South Korea and Taiwan, and increasingly the southern provinces of China, which all depend on safe and open sea lanes through the South China Sea. The fish stocks, coral reefs and marine environment in the South China Sea are under serious stress, but the dispute over maritime delimitation and sovereignty to the South China Sea islands has so far made it virtually impossible to adequately address environmental concerns. Apart from the area's resource significance, control by China would have significant strategic consequences. While it would secure for China a very large area of its periphery along its most developed and rich South-eastern underbelly, it would simultaneously allow the projection of Chinese power deep into Southeast Asia and also significantly enhance its influence on vital trade routes that run through the area.

The dispute in the South China Sea remains a principal irritant in the China-Southeast Asian relationship, even after the joint declaration signed between China and the ASEAN states in November 2002 at Phnom Penh. The disputes involve three layers: the ownership of islands (the Paracels and the Spratlys), the conflicts over maritime resources (fish, oil and natural gas, minerals), and the control over vital sea lanes that pass through the region. It is estimated that over half the world's merchant fleet (by tonnage) sails through the South China Sea each year. Some 75 per cent of Japan's oil, for example, is shipped through these sea lanes. The fishing zone around the South China Sea ranks fourth among the world's 19 fishing zones in terms of total annual marine production.

The Territorial Setting and China's Claims



Two sets of small islets spread over a very large maritime region are at the centre of the dispute in the South China Sea: the Paracels and the Spratlys. The Spratlys consist of at least 190 barren islets and partially submerged reefs and rocks that cover an area of approximately 390,000 sq. km. The exact count of the number of features varies widely because many are often or almost always under water. The Spratlys are located about 500 km off the Vietnamese coast and 950 km southeast of China's Hainan island which itself is at a distance from China's southern-most coastline in Guangdong. The Philippine island of Palawan is 80-150 km to the east and the Malaysian state of Sabah and Brunei are 250 km to the south. The Paracels are a disputed island group that were forcibly occupied by China from Vietnam in 1974, and are claimed by Vietnam as well as Taiwan. These tiny islands have little intrinsic value and have historically not sustained habitation. Yet they have taken on a greater significance for reasons of security, nationalism and economics. Its potential as a resource-rich archipelago has been a driving factor for the contesting states in recent years. The history of occupation and control over the archipelagos during the 19th and early 20th centuries, particularly of the two most contested areas, the Paracels and Spratlys, is chequered. The relative remoteness of the offshore islands and their size were major reasons. Ownership of the islets changed hands repeatedly over the last century as Britain, France and finally Japan exerted influence over the maritime expanse.¹² In fact, until the Second World War, the islands in the South China Sea did not seem too significant.

Since then contested sovereignties and conflicting nationalisms have become involved and have resulted in an increased emphasis on sovereignty claims, particularly in light of expanding economic zones as provided by the Laws of the Sea Convention. The problem has also been complicated by divided nationalisms and complicated identity struggles that have come to characterise China-Taiwan relations since both claim the South China Sea islets based ironically on the same set of historical and nationalist argument.

China claims that the Spratlys and Paracel islands have been part of Chinese territories since the Han dynasty in the 2nd century.¹³ Beijing bases its legal claim through the principle of first discovery, though experts have questioned the legal validity of the claims of visits to the area by Chinese fishermen based in Hainan and not actual record of administration or surveys.¹⁴ Since the founding of the PRC repeated proclamations of China's claims have been internalised by the Chinese elites and has become part of the nationalist psyche.¹⁵

For example, Chinese Prime Minister Zhou Enlai in a statement issued in August 1951 – days before the signing by the United States of the San Francisco Treaty of Peace with Japan on September 8, 1951 – restated China's claims:

“The inviolable sovereignty of the Peoples Republic of China over Nansha (Spratly Island) and the Xisha (Paracel) archipelago will by no means be impaired, irrespective of whether the American-British draft for a peace treaty with Japan should make any stipulation and of the nature of any such stipulation.”¹⁶

In July 1977, Chinese Foreign Minister Huang Hua reconfirmed that China's claim to the South China Sea was “non-negotiable”:

“The territory of China reaches as far south as the James Shoals, near Malaysia's Borneo territory... I remember that while I was still a schoolboy, I read about those islands in the geography books. At that time, I never heard anyone say those islands were not China's... The Vietnamese claim that the islands belong to them. Let them talk that way. They have repeatedly asked us to negotiate with them on the issue; we have always declined to do so... As to the ownership of the islands, there are historical documents that can be verified. There is no need for negotiations since they originally belonged to China.”¹⁷

Between 1988 and 1991, in a set of major articles in China's leading foreign policy journals, Beijing indicated its shift from the land border orientation towards the sea territories. Indeed, since the Chinese seizure of Mischief Reef in waters close by the Philippines' island of Palawan in 1995, China has vigorously repeated that its claim to ownership is based on “unquestionable historical evidence”. The Guomindang had staked its claim on both the Paracels and the Spratlys in the

latter years of its rule in China, and it maintained this claim after it moved to Taiwan. The PRC has continued to make its claims along the expansive lines of the Guomindang. However, while endorsing such a posture, the PRC in 1958 had claimed only 12 nautical miles of territorial waters in keeping with the then prevailing international norm. This has undergone a change as a 200 km exclusive economic zone (EEZ) has been granted under the UN Convention on the Laws of the Sea with major ramifications for its sovereignty claims.

The adoption in February 1992 by the Chinese National People's Congress, of the Law of the Territorial Sea and Contiguous Zone, marks a major development in the maritime territorial policies of China. Contrary to China's promises to resolve outstanding territorial disputes through friendly discussion, the law was a strong assertion of Chinese maritime rights. The Law claimed exclusive sovereignty over the Paracels and Spratlys, asserted a right to evict other nations' naval vessels from its territorial waters (presumably even those still under dispute), and authorised the PLA Navy to pursue foreign ships violating its regulations. The law also required all foreign warships to give notification of intent to pass through China's territorial seas and to receive permission before doing so. These regulations not only threatened freedom of navigation but also revived regional antagonisms over maritime sovereignty.

The 1992 law is similar to the 1958 law in many ways but more expansive in keeping with the UN Convention on the Laws of the Sea that China signed in 1982 and ratified in 1994. On February 25, 1992, the Chinese People's Congress (the equivalent of Parliament) passed a law that listed the Spratlys as sovereign Chinese territory and reserved the right to use force to expel 'intruders' (Article 8). The bill entitled 'The law of the People's Republic of China on the Territorial Sea and Contiguous Zone' claims for China the South China Sea and much of the East China Sea. According to Article 2:

"The PRC's territorial waters refer to the island waters contiguous to its territorial land. The PRC's territorial land includes the mainland and its offshore islands, Taiwan, and the various affiliated islands, including Diaoyu Dao (the Senkaku Islands), the Penghu Islands (the Pescadores), the Dongsha Islands (Pratas Islands), the Xisha Islands (the Paracel Islands), the Nansha Islands (the Spratlys archipelago), and other islands that belong to the PRC"¹⁸

With trade becoming a major component of its GDP and as imported energy become crucial for sustained growth and national security, China seeks some degree of control – on its own or in coordination with others – on the sea lines of communications and major international shipping lanes that pass through the Gulf

to East Asia. Though its current naval capabilities are limited, China's naval plans are steadily moving towards attaining these goals over the next two decades.

Changing Strategic Geography

The dynasties that have ruled China historically placed little emphasis on sea territories or maritime power since the security threats from Inner Asia were paramount. For most of the imperial era – from the Han dynasty until the mid-19th century, when the Manchu/Qing Empire came into contact with many Western imperialist powers, China's vital security zone protecting the core Han civilisational area was perceived to encompass vast expanses along the northern and north-western frontiers: modern day Xinjiang, Tibet, Mongolia (outer and inner), and northeast China (former Manchuria). The northern part of Southeast Asia, especially Vietnam, and Korea, were only intermittently part of the strategic periphery during the imperial era. Pacification and control of this land periphery was usually seen to be essential by the rulers. However, the inward-oriented imperial rulers did not view the maritime regions adjacent to the eastern and southern coastline, the Hainan Island, Taiwan, Japan, and the Russian Far East as strategic as no threats were perceived and, therefore, the maintenance of a major naval force was not seen as necessary. The maritime periphery assumed strategic value only at the end of the imperial era, during the last phase of the Manchu rule, as the European powers and Japan began to make inroads into China. And it is only in the modern era that China's periphery has expanded to encompass both continental and maritime regions.

This is not to say that the Chinese imperial states did not look seawards. The southern Song dynasty evolved into a great maritime trading state. The period, however, was short and came to an end with the Mongol invasion from the north in the 13th century. The successor to the Mongol (Yuan) rulers, the Ming adopted a seaward look in its early years. The Ming merchant fleet and Zheng He's expeditions brought a surge in maritime trade and established Chinese communities throughout Southeast Asia.¹⁹ But as mentioned earlier, this was discontinued and maritime activities were drastically reduced. The Manchus – the last imperial rulers of China – also focused their resources on coping with northern threat posed by Tsarist Russia. Even after the Opium Wars of the 1840s, the Manchu/Qing Empire could not overcome its northern orientation, ultimately with far reaching consequences. As Japan rose to become the dominant Asian power, China's influence over Korea and control over its own coastal cities and Taiwan, which had been incorporated into the Empire in the 1870s, were lost.

In the period between the collapse of imperial rule in 1911 and 1949, China was too weak, internally troubled and war-torn to pose any challenge to the powerful maritime states that dominated East Asia. That phase closed with the founding of the strong centralised state by the Communist Party in 1949. Yet, for 25-years after, PRC too was an inward-looking continental power. Like the Manchu/Qing rulers and the Guomindang before it, the Communist Party of China (CPC) was too overwhelmed by acute internal problems, developmental challenges, securing the land frontiers and dealing with an external security crisis – mainly along its land frontiers – to concentrate on its maritime territories or the strategy towards securing them. Party leaders such as Mao Zedong, Liu Shaoqi, Zhou Enlai, Zhu De, Chen Yun and Deng Xiaoping were not oblivious to the perils of the neglect of sea power and control, but the wider oceans had a secondary priority in Maoist developmental and security strategy. The focus was on coastal defence. Trade and investment ties with the capitalist states that surrounded its coastal region were politically and economically largely shunned as China adopted an inward looking autarchic state socialist model. The once-vibrant coastal cities of China atrophied. The wars in Korea and Vietnam, the conflict with India, and the growing crisis in relations with the Soviet Union after 1960 reinforced the continental view of the Maoist regime as it concentrated its energies on countering the threat from inner Asia and the north. A 25-year effort to build Chinese defences against the Soviet Union began in the 1960s. The Chinese Government worked feverishly to create the so-called “third line” that involved the mass transfer of strategic industries to China’s interior where they would be less vulnerable to potential Soviet or US attack. There was neither any capacity nor any urgency to pursue China’s maritime territorial claims.

That situation changed following the normalisation of diplomatic relations with the US and the adoption of the new modernisation strategy in the late 1970s. The reforms initiated since 1978 have produced dramatic changes in China’s strategic geography. Its most valuable economic and social resources now lie along its eastern and south-eastern territorial periphery as opposed to interior China as was the case during the Cold War and before. The post-Mao reforms and ‘open policy’ have galvanised China’s trade, port and ship building, and an ambitious naval expansion programme. The maritime regions adjacent to China: the East China Sea, the South China Sea and the Pacific – have emerged as a strategic periphery in a radical departure from the Maoist era.

This seaward thrust is entirely new for China. The post-Mao reformers have embraced the sea as their new expanding frontier vital to China’s current strategic

concerns and interests as never before in its long history. China's maritime territorial claims, which did not have much significance as long as it was a weak naval power, have become enormously significant now that it is increasingly powerful. The new policies towards the South China Sea and other maritime areas, are being shaped by multiple interests – security, the rising demand for industrial resources, the interests of the PLA Navy (PLAN) as well as that of the PLA as a whole.

Nationalist Impulse

By attaching the regime's legitimacy to its ability to protect and defend Chinese sovereignty, the communist party leaders committed themselves to holding firm on their claims on Taiwan, the South China Sea islands, and other maritime territorial claims such as Diaoyutai or Senkaku possessed by Japan. Any Chinese leader, who suggests independence for these areas or gives up 'historical' claims, risks being ostracised for surrendering the "sacred motherland". Having wrapped themselves in the flag, the regime's leaders find it difficult to compromise on the issue of territorial integrity.

The roots of modern Chinese nationalism lie in its sustained memory of the encounters with the Western powers, Tsarist Russia and Japan in the 19th and 20th centuries. The 19th century saw European powers seize concession areas in Hong Kong, Guangzhou, Shanghai, Qingdao, and Dalian; while Russia expanded into sections of Manchuria that were earlier part of the Qing empire. After the 1890s, Japan occupied Taiwan, Korea, and the Ryukyus; and France colonised Indochina – all around China. Outer Mongolia and Tibet asserted independence as Manchu imperial rule was overthrown in 1911. In 1932, Manchuria was carved out by Japan and set up as a separate 'Manchuguo'. Although China made major territorial gains on land after the defeat of Japan in 1945 – especially after the CPC came to power in 1949 – as it regained control over Manchuria and Xinjiang, and took over Tibet, some parts of the old Qing Empire such as the now independent Mongolian People's Republic, Macao, and Hong Kong remained outside its control. Taiwan was taken over by China but became, and remains an issue of unification as the Guomindang set up its own state called the Republic of China. Both the nationalists and the communists added in the late 1940s the South China Sea islands to their list of territorial claims as Japanese control was surrendered and the uninhabited islets became a no man's land. They were simultaneously claimed by other littoral states, such as Vietnam.

The official historiography of "lost territories" and "national humiliation" has fostered among the Chinese elites particular sensitivity about territorial and

sovereignty issues that finds expression in contemporary nationalist statements about reunifying the motherland. The persistent use of terms “inseparable” or “inalienable sovereignty” by the media while referring to claims over the Paracel, Spratly and Diaoyu/Senkaku islands sustains support for the claims among the people. In the reform years, with the old revolutionary and socialist ideology losing ground as a source of social cohesion, nationalism around the issue of modernisation and growing comprehensive power on the one hand, and the state’s capacity to restore sovereignty, territorial integrity, and lost territories has gained a new political relevance for the state. These sentiments directly relate to Chinese pride, and the regime has consciously elevated the people’s collective “consciousness of suffering” (with regard to historiography and sovereignty) as a way of uniting the people and mobilising a Chinese society that is increasingly disenchanted with the Party’s ideological rhetoric.

The 1958 and the February 1992 territorial water laws and the steady expansion of China’s occupation of claimed territories in the South China Sea since 1974 underline the resolve of China’s governing elites to regain what they believe the Chinese lost to the European powers and Japan when it was weak. However, with the old European empires liquidated, the newly independent states of Asia see the territorial arrangements left behind by the erstwhile powers as their own and Chinese claims as being based on its old pre-European imperial expansion. This has set the stage for territorial conflicts between China and several of its neighbours derived from two very different sets of territorial thinking and boundary claims – both bearing the thrust of new and ascendant nationalism.

The South China Sea occupies a vital geo-strategic position for littoral states and for other maritime powers. Vital trade routes pass through the area and move through the Straits of Malacca and Sunda to the Indian Ocean. The waters thereby connect East Asia to Southeast Asia, India and West Asia and are among the busiest trade and energy shipping lanes. China’s territorial claims and its steady expansion in the South China Sea bring it into conflict with nationalist sentiments in Southeast Asia, Taiwan, and Japan.

The territorial goals and the military-diplomatic thrust to attain them also entail an emphasis on naval and air power and change in China’s military strategy. China has so far adopted a gradualist and calculated strategy to expand its control of the maritime space and territories it deems as its own and has avoided a military confrontation with a major power such as the US or even Japan.

The Naval Factor

Assertive nationalists, however, are not the only elements in Chinese society that have shaped its maritime territorial policies and thrust. The PLA Navy has seized on instability and tension in the South China Sea to advance its own cause. In its aggressive effort to acquire larger budgets and more modern capabilities, the PLAN has consistently spotlighted as threats the issues emerging from the South China Sea. In the mid- and late 1970s, the PLAN crafted and obtained political endorsement of an offshore defence policy by linking naval expansion with the maritime threats posed by the ever-present US Seventh Fleet and Soviet Pacific Fleet. Sino-American rapprochement in the 1970s and Sino-Soviet warming in the mid-1980s, however, dealt major blows to the PLAN's offshore strategy by depriving it of overt threats with which to justify a large, ocean-going maritime force. Recovery of so-called "lost territories," which hitherto had been a secondary priority of the PLAN, now surfaced as a major, budget-driving mission. Other primary missions of the PLAN, which include strategic deterrence (by submarine-launched ballistic missiles) and the liberation of Taiwan, did not warrant the expensive and wide-ranging capabilities that sea control would. Defending maritime economic interests, particularly offshore territorial claims, also became a justification for the PLAN's prospective blue-water navy. Operations at long range from the mainland, such as in the remote Spratlys archipelago - an area fraught with navigational hazards - required a "modern, technically proficient, combat-ready, long distance navy skilled in joint operations."

Success in acquiring the requisite share of the defence budget hinged on the Navy's ability to fuse its organisational interests with broad economic goals and core national issues. Toward that end, since 1984-85 one of the Navy's main goals has been to build capability to defend Beijing's claim to sovereignty over the South China Sea's rich maritime resources, including offshore petroleum deposits, manganese nodules, and fish. In 1992, during budgetary debates in the National People's Congress, the naval representatives echoed these resource-based arguments, especially China's long-term necessity to make better use of maritime riches, particularly petroleum. Observing that China's offshore oil production output was only 62 per cent of Vietnam's, they warned that China could not continue to lag behind other nations in exploiting marine resources without a negative impact on China's economic growth levels in the next century. The PLAN believes the seas have become the "new high ground of strategic competition." In the words of Admiral Zhang Lianzhong:

“We will never forget that China was invaded several times by imperialist troops from the sea. The nation’s suffering from lack of sea defence (*haiwufang*) still remains fresh in our minds; and the history should not repeat itself.”²⁰

Chinese naval planners consider two island chains in its maritime periphery to be America’s principal ocean barriers for a possible containment of China. The first chain begins in Japan, passes through the Liuqu Islands of Taiwan, and then to the Philippines. The second chain stretches from Japan’s Ogasawa-gunto Islands, through to the Iō-retto Islands, and then to the Mariana Islands. These two island chains are prominent in the seaward military defence barrier against China. As a counter to these two US-dominated chains, in 1985, China began to shift its military strategy from its largely continental focus. An integral part of this strategy is the establishment of a defensive zone around the heart of China, an island chain or perimeter extending from Korea in the north, to the Senkaku Islands (Diaoyutai), to Taiwan, Hainan, the Paracels (Xisha) and the Spratly Islands (Nansha). Within this “zone of active defence,” China plans to be the dominant power.

Given its current capabilities, the PLAN has tried to exercise sea control in the coastal waters that are crucial to prevent the enemy navy from bombarding Chinese coastal cities at close range, or from landing forces on Chinese soil with little resistance. In the outer waters radiating gradually to the first island chain, the navy is trying to develop sea denial capability meant to inflict heavy losses on the enemy. The effort is to enlarge China’s defence depth and to protect the key waterways for the country’s growing commercial shipping. The zones of sea control currently are around its three major channels: the Bohai Strait, the Taiwan Strait, and the Qiongzhou Strait. The PLA pays special attention to the first two. The sea denial strategy gives China larger maritime defence depth. Inflicting damage and casualties, not victory, are its objectives in the zone of sea denial. In time as the navy becomes more capable, PLAN will look at the second island chain.

Chinese statements place naval modernisation at the head of the priority list, followed by the air force and “rapid reaction units” - all of which will allow China to reach out into the oceans to defend its “zone of active defence.”²¹ Chinese strategy of “active defence” entails preparations for limited, high-tech war with weaker neighbours on China’s periphery, especially on its maritime periphery. Chinese acquisitions of naval ships and equipment from Russia fit this pattern of priorities. Moreover, Chinese attempts to secure its northern and Central Asian borders, reflected in its growing ties with Russia and the recently signed border agreements with its Inner Asian neighbours, all facilitate China’s turn to the east and the sea.

Economic Factors

The immediate compulsion for China, however, also prominently relate to economic and energy factors. By 1992, almost all Southeast Asian states were heavily involved in oil exploration off their coasts. A joint venture sponsored by the Philippines had recently discovered oil off the northwest Palawan Island. Malaysia was producing oil from 90 wells in 1992, about half the region's total offshore output. Vietnam was emerging as a major regional oil producer, with its offshore production surpassing China's by mid-1992. Most compelling, a month before China passed its sea-claims law, Vietnam and Malaysia had announced their mutual interest in joint development of oil reserves where their claims overlapped. The ASEAN viewed China's territorial sea law and its manifestations as ominous.

The near-simultaneous declaration of the Law of the Territorial Sea, the Chinese occupation of reefs, and the skirmish with Vietnamese naval units all reflected China's heightened sensitivity to the resource and sovereignty-driven activities of the other littoral states in the South China Sea. They constituted a warning to its neighbours that they could not takeover the area's natural resources without taking China's interest and claims into account. China's efforts in this direction were undoubtedly encouraged by a promise of huge finds. Revised geological surveys by the Chinese Ministry of Geology and Mineral Resources led to speculation that the Spratlys archipelago could contain as much as 105 billion barrels of oil, an amount greater than China's onshore reserves. The area surrounding James Shoal alone was also estimated to contain upwards of 90 billion barrels of oil.²² While these estimates have not been realised as yet, they have strongly shaped perceptions and policies.

The encroachments by the other claimants, coupled with China's shifting status from oil exporter to net importer, appears to have convinced Beijing that it needed to become more active in asserting its rights over a potentially large petroleum field. For influential elements in the Chinese leadership the South China Sea was probably worth the minor costs of diplomatic turbulence with ASEAN. At stake was China's modernisation programme, which depended upon the finite fuel resources then at its disposal.

China's new emphasis on petroleum exploration in distant waters manifested itself in an unprecedented cooperation contract between CNOOC and an American firm, the Crestone Energy Corporation, in May 1992. The contract called for joint exploration in a 25,000 sq. km block in the southwest perimeter of the Spratlys archipelago, just inside China's sweeping claim line. The contract was significant because the concession was located within 200 nautical miles of the Vietnamese

coast. China appeared to be using Crestone to reaffirm and internationalise its title, justifying its actions by pointing to Vietnamese exploration activity directly west. Hanoi insisted the Crestone concession was illegal, because it fell on Vietnam's continental shelf, but it avoided chastising the US oil company in order not to jeopardise the lifting of the US trade embargo. Endeavouring to reap a share of the rewards of the offshore oil production of its competitors, China was willing to run the risk of sponsoring exploration within Vietnam's exclusive economic zone (EEZ). China even promised PLAN protection for Crestone personnel and equipment.²³

A more assertive policy to satisfy energy concerns helps explain some of Beijing's recent actions in the southwest Spratlys where oil prospects were perceived to be good. In 1995, however, Beijing decided to occupy Mischief Reef, inside the Philippines claim zone and well within its EEZ, though the oil potential was relatively meagre. China's occupation of Mischief Reef was not sudden; it was preceded by a chain of events that began with a falling-out with the Philippines over hydrocarbon exploration in the northeast region of the Spratlys, and actions by Manila to strengthen its control over claimed but contested territories.

Joint development talks between China and the Philippines over gas-rich Reed Bank broke down in early 1994; in May, Manila decided to grant a six-month oil exploration permit to Alcorn Petroleum and Minerals. The Philippines was interested in collecting seismic data on the seabed southwest of Reed Bank. Following news of the collaboration, Beijing quickly issued a statement reasserting its sovereignty over the area covered by the license and ignored Manila's belated invitation to become a partner in the project. By licensing an exploration effort without informing Beijing, The Philippines had appeared to engage in unilateral efforts to exploit the natural resources of the Spratlys. Upset by the reversal, China decided to advance eastward for better surveillance coverage of any Philippine-sponsored oil exploration. Mischief Reef is in the lower-middle section of the Alcorn concession; a presence there would also strengthen China's hand were petroleum ever to be discovered in the area. The Chinese post on Mischief Reef was discovered by Filipino fishermen in February 1995, the advanced state of its buildings indicating that construction had begun in the Fall of 1994, just a few months after Manila's decision. China had advanced onto the reef because it believed physical occupation was the only method by which Chinese interests could be protected.

The Evidence and the Legal Regime

Though China has claimed "unquestionable" and historically established

sovereignty rights to its vast maritime region, to the other regional claimants to the islands and the related territorial waters and EEZs, China's claims do not have much legal or historically derived validity. Imperial Chinese court annals are a rich source of history, not only for China, but for surrounding territories including *Nan Yang* [the "Southern Ocean", a generic Chinese term for Southeast Asia] as well. Without seeking to prove or disprove the validity of Chinese claims on disputed territories such as Tibet, Eastern Turkistan and Mongolia, the annals do at least establish that such claims have existed for many years.

However, in spite of repeated Chinese affirmations of historical control, it is much harder to establish evidence of any national interest in either the Paracels (Xisha, now controlled entirely by China) or the Spratlys (Nansha, still in dispute) much before the start of the present century. One obvious reason is that these islands in the South China Sea are uninhabited - or were until recently, when the surrounding states began setting up military outposts throughout the region. Comprised mainly of tiny islets surrounded by small reefs, the Spratlys have traditionally been seen by seamen as a hazard to be avoided. Only pirates, seeking havens remote from authority, paid them much mind until the mid-1840s, when the islets were surveyed and mapped by the British Admiralty. But the British made no attempt to claim either archipelago as their territory – the sole purpose of the survey was to improve navigation. According to a recent study:

“ Attempts to establish sovereignty over the formerly uninhabited archipelagos in the South China Sea – the Paracels and Spratlys being the largest – are a modern phenomenon. Today China is the most adamant of claimants, but for thousands of years the Chinese saw these uninhabited cays and shoals as places off the map, zones beyond civilisation.”²⁴

Indeed, China expressed no desire to control or possess barren, peripheral territories until Western encroachments, beginning with the Opium War in 1839, shocked China into a new awareness of its geographic vulnerabilities. Until then, because the islands were of marginal economic value, few other Southeast Asian states made any effort to secure clear title to them either. The littoral states in Southeast Asia around the South China Sea only gradually awakened to the porosity of their borders by prolonged periods of foreign victimisation during the colonisation era. The history of exploitation from the sea crystallised the notion among Asian leaders, especially in China and Vietnam, that they must not be soft on the issue of territorial integrity.

This, of course, explains why despite Chinese claims that the Paracels and the Spratlys belonged to it since the Han dynasty, the islands were not mapped and

described by anyone until the British surveyed and identified them in the mid-19th century. This also underlines the fact mentioned earlier that China has historically been a continental power, rarely venturing to sea. These islets simply did not hold any importance to China – or for that matter to any of the other Southeast Asian states – historically.²⁵

Chinese merchants, of course, would have known of the reefs and shoals of the Spratlys long before Western shipping entered Asian waters. So, too, did other regional traders – Vietnamese and Thai, Malay and Filipino – as well as a handful of long-distance sailing peoples like the Japanese and the Arabs. But all alike, just as the British in the 19th century, considered the reefs and shoals hazards to steer clear of. The idea of claiming such semi-submerged, rocky outcrops as a national asset remained absurd, at least until 20th century technology made the seabed accessible.

A detailed analysis of all known Chinese knowledge relating to the South China Seas during the 15th century – that is, during the one period when Chinese shipping, including Zheng He’s famous voyages, traversed the region on a regular basis and made systematic surveys of the seaways – reveals no mention whatsoever of the Spratly Islands. Thus the question has been asked: when did these far-flung islets become “an integral part of the Chinese motherland”? How valid are the proofs, the “incontrovertible historical evidence” on which China now bases its claims for hegemony in the South China Sea?²⁶

The United Nations Convention on the Law of the Sea (UNCLOS) provides a good framework for dealing with the South China Sea issue. In its basic philosophy, UNCLOS looks back to the work of the 17th century Dutch jurist Hugo Grotius, whose concept of *mare liberum* “open seas” declared the high seas as open to all humankind and not subject to the monopolistic claims of any single state or nation. UNCLOS itself carried on the juridical work begun by The Hague Conference, convened by the League of Nations in 1930, which drafted a convention setting the legal status of territorial seas. A modern convention binding state parties became necessary because of the technological transformation of the traditional uses of the sea: seabed mining, the building of artificial islands, the industrialisation of coastlines, ocean pollution, and so forth.

UNCLOS set up a comprehensive framework for regulating the use of all ocean space and its resources. It came into force in November 1994, after it had been ratified by 60 states. By August 1997, there were 122 state parties to the Convention. China acceded to UNCLOS in 1994. UNCLOS creates a global legal order for the use and management of the oceans. However, without a

fundamental agreement among the involved states on the interpretation of some of the clauses of this legal order the potential for conflict over the South China Sea territories would remain.

Chinese Territorial Diplomacy

China's peripheral diplomacy and related security policies in the post-Mao reform era have been dominated by two broad trends: one, a shift away from the prominence of land-based territorial conflicts to the pursuit of maritime territorial claims in the seas around it that conflict with the claims and interests of largely a new set of its neighbours; and two, the simultaneous attempt to embrace a policy of confidence building, improvement in bilateral ties, sub-regionalism, and conflict avoidance with several of its Asian neighbours under the rubric of what has been variously described as "good neighbourly policy", "new security concept", or "a new international order based on the five principles of peaceful coexistence." These trends are at times contradictory. China's pursuit of sovereignty claims, often militarily, has been a source of instability in Asia for now five decades and gives rise to uncertainties and a security dilemma among many of its neighbours. On the contrary, China's engagement strategies and new bilateral and multilateral initiatives have created a far improved international relations scenario in Asia.

The developments also underline two other parallel threads in China's external behaviour in the post-Mao reform years: the first flowing from the need to stay focused on the country's modernisation goals, build up comprehensive national power, and deepen international cooperation for advancing these goals; the second emanating from the political and ideological need to assert its nationalism, pursue the sovereignty and territorial agenda, unify the state, ensure maritime and coastal security, and secure vital resources such as oil and gas. Both threads are seen as necessary for regime legitimacy and are being simultaneously pursued – often causing deep uncertainty in the region.²⁷

Imperial Chinese dynasties when they were powerful historically believed in pacification and control of the periphery and frontiers as crucial to the security of the Han heartland. Yet for bulk of its history, vast areas of the periphery were not directly ruled by these dynasties. Even control waxed and waned.²⁸ However, with the steady growth of the power of the European states, their territorial expansion all around China and direct attacks on its core areas from the 1840s, a new strategy came to be adopted by both the imperial state and its successor republican governments. Expanding direct rule over the periphery with which the Chinese empires historically had close ties or upon which the empire had wielded

influence came to be seen as the most effective way to control and keep the states and regions around it away from hostile and more powerful foreign states. The loss of control by the Qing Empire over much of this periphery – on land and sea – to more powerful imperial states during the 1890-1945 period, became a nationalist rallying point for the Chinese elite and the attendant growth of a strong sense of historically derived territorial claims on land, and later sea.

In dealing with its claims, China has used both diplomatic and military strategy. Diplomatically, it has claimed all the areas named above and has insisted that China's sovereignty should be respected. The strategy has involved:

- Establishing diplomatic legitimacy by constant pronouncements on sovereignty over claimed territories;
- Gradual, creeping occupation;
- Steady build-up of military capability to secure claims;
- Diplomacy of reassurance calling for cooperation, “keeping aside disputes and carrying out joint development” without revoking China's sovereignty claims, and engagement in both bilateral and multilateral talks towards confidence-building and code of conduct.

China's steady territorial acquisitions in the Southeast and East Asian waters was tactically calibrated and calculated to thwart any significant opposition. Between 1974 and 1992, it was targeted only at Vietnam, which was in this phase estranged from the rest of Southeast and East Asia and the United States. At the same time, China forged a ‘united front’ with the US and its East and Southeast Asian allies aimed at the Soviet Union and its socialist allies. In the mid-1990s, it began to focus on the Philippines as the United States withdrew its presence from the Subic and Clarke bases weakening the security relationship.

In June 1974, the PRC published its first authoritative map showing the extent of its claims in the South China Sea. It was also the year in which the PRC began to take over territories it deemed as its own. The Paracels (Xisha) were forcibly occupied from South Vietnam as the regime was collapsing following the withdrawal of US forces. For the next decade, China was focused on its conflict with Vietnam over Cambodia and the evolving Soviet-Vietnam security ties, which led to its invasion in 1979. In 1987 and 1988, China made territorial inroads into the Spratlys – again by taking over several islands from Vietnam. In March 1988, the PLA Navy forcibly took over a set of eight or nine islets in the Spratlys from Vietnam, by sinking two naval ships and killing 70 sailors. The next move came in 1992. Less than a month after the territorial sea law's proclamation in February 1992,

Chinese naval forces landed on Da Ba Dau reef, near the Vietnamese-held island of Sin Cowe East. A clash took place between Chinese and Vietnamese forces on March 19, 1992. Four months later, Chinese marines landed on Da Lac reef on Tizard Bank. No direct economic benefits accrued from occupying these features. However, Da Ba Dau reef, as of then the easternmost point occupied by the PLA in the Spratlys, is so close to Sin Cowe East Island that its occupation would seem an attempt to trump Vietnam's claims to resources in the eastern part of the archipelago. As in 1988, the PLA avoided direct assaults on occupied islands, landing only on uninhabited reefs. Finally, in 1995, China captured Mischief Reef claimed by the Philippines and lying 130 miles off its coast and more than 600 miles from the nearest Chinese territory.²⁹

In the 1990s, China has pursued a strategy of expanding its military sphere of influence in the area to include strategic waypoints in the Paracel Islands, in the northern portion of the South China Sea (particularly Woody Island), down through the Spratlys. In the Paracels, the Chinese have established a major presence and have built a 350-metre pier and a 2,600-metre airstrip, which is capable of handling all types of PLA aircraft. There are also oil tanks, gun emplacements and ammunition storage bunkers, which underline the perception that this island could be used as a staging point to support offensive operations in the Spratlys. There have been reports about the presence of Silkworm anti-ship cruise missile installations in the Paracels. The Silkworm has a range of some 59 miles and could be used to threaten nearby shipping traffic. A Chinese signals intelligence station, meanwhile, has reportedly been established on Rocky Island, just to the north of Woody Island. Rocky Island is one of the highest points in the area, and thus provides good coverage of military signal activity in this part of the South China Sea.

The enactment of the TWL and the diplomatic and military strategies to secure its vast maritime territorial claims constitute an increasingly significant dimension of China's recent history of assertion of sovereignty and territorial consolidation. The TWL is not a new statement of China's maritime territorial claims; it had been preceded by 'the Declaration on China's Territorial Sea' in 1958.³⁰ But the strategic context had dramatically changed by the 1990s and therefore its import. In 1958, China was pursuing an inward oriented national strategy and was focused on consolidating its land frontiers. Sea-borne trade and investment ties with the outside world played a small role in the economic development and external strategies in Maoist China. The Chinese navy was small and its coastal defence strategy was essentially an extension of Maoist "peoples' war" at sea. By the late 1980s, reformist China was keenly focused on the sea through which flowed the lifelines

of its new outward oriented modernisation strategy. Trade, investments, rapid development of coastal cities, shipping, energy imports, shipbuilding, and port construction had all assumed strategic importance. The sea frontiers had simultaneously assumed new significance and China had initiated a series of initiatives – political, economic, diplomatic, and military – to secure its expansive territorial claims.

In keeping with the changing strategic environment and the new economic and security demands in the late 1980s, Chinese elite discourse and official posture on territorial sovereignty shifted from the previous overwhelming land orientation to the seas. The vast majority of new writings on territorial issues after 1989 focused on China's maritime territorial claims. With Soviet power disintegrating around it, China now actively sought to reach peaceful settlements of its pending land border disputes – substantially along the existing *status quo* and where this was not possible at least reach confidence-building agreements to lower tensions. On the seas, however, China initiated a series of aggressive moves to take over claimed territories with a parallel rise in writings on maritime claims in its leading journals and the media.

Chinese claims unfortunately clash with the claims, identities, interests and nationalisms of the states around it.³¹ Just as its notions of peripheral security and the irredentist territorial agenda on land had a destabilising effect on continental Asia and led to conflicts with India, Russia and Vietnam in the 1957-1979 period, China's calculated strategy to bring within its sovereignty ambit its large maritime periphery – swathes of which are also claimed by Vietnam, the Philippines, Malaysia and Brunei as their own while others want to see the waters as open sea lanes not occupied or controlled by any one state – is loaded with potential conflict. Conflict has already occurred with Vietnam in 1974 and 1988, and fire has been exchanged across the Taiwan Straits in 1954, 1958 and 1995-1996. The jockeying-for position, setting up of naval posts, mapping and surveys, mutual encroachments and the search and prospecting for energy resources in disputed territorial waters have continued through the 1990s and over the past few years.

Conclusion

China's claims to the South China Sea and its islets are expansive and deeply affect the Southeast Asia and the Asia Pacific region. Its territorial policies and the attendant naval activities, and its cooperative regional diplomacy towards Southeast Asia in recent years reflect contradictory pulls in its evolving Asian strategy. China signed the joint declaration with the ASEAN states in 2002 that committed it to

peacefully resolve the issue was a compromise that emerges from the divergent pulls of policies. The cooperative regional stance was bolstered further by its signature of the treaty of amity and peace in 2003. Yet concerns about China's territorial goals remain in the region. While Beijing has set aside the dispute with the Southeast Asian states for the time, it has not relinquished its claims and remains committed to pursuing its territorial goals in the maritime zone around it. China's leaders have over the past decade actively encouraged a state-centric patriotic nationalism to replace the old ideological moorings of the Communist Party. Official statements emphasise redressing historical grievances, resisting foreign intrusions, and asserting China's influence on the international arena.

Most modern states seek to consolidate their hold over territory or pursue irredentism not only to bring together perceived core cultural/civilisational area but also to secure critical resources or to pursue perceived vital strategic, geopolitical and security interests. Territorial consolidation, however, is directly related to relative power of states. This gives significant advantages to major powers and militarily powerful states to pursue their irredentist goals. Through the 17th to the mid-20th centuries, the European powers, the United States, Russia and Japan did so. The Manchu/Qing Empire expanded its control over vast territories, peoples and cultures of inner Asia in the two centuries before the Opium War. Yet, in the last half of the twentieth century as European and Japanese colonial empires broke up, new norms began to underpin territorial sovereignty. The United Nations Charter made major advances in establishing the right of self-determination of colonised peoples, state formation and sovereignty. But vast areas of uncertainties remain – uncertain sovereignty claims, uninhabitable rocks and islets whose sovereignty can hardly be proven, and unmet unification desires that drive states. China continues to be in the midst of many of these tensions and fault lines.

Official Chinese rhetoric insists on “opposing all forms of power politics,” and peaceful resolution of disputes. Its practice in relation to sovereignty claims has often been in contradiction with such principles. Over the past five decades, China's drive for security and sovereignty has often fanned power politics and conflict in Asia and its adjoining waters. In the coming years, Asian security will critically depend on how China decides to pursue the nationalist goals. If China moves towards becoming a modern, stable and responsible state at peace with itself and with the rest of the world, engaged in building a regional collective security system where old historical wounds and claims are finally laid to rest, Asia could collectively benefit. China's official policy of course emphasises the primacy of economic development, and indicate that Beijing would like to opt for more moderate policies

in dealing with areas of potential disagreement with neighbouring states. In the near term, therefore, China and its neighbours are likely to remain engaged in building stronger bilateral and multilateral ties. However, this is not certain.

The ability of China's 'fourth generation' leadership to balance the diverse demands of security, nationalism, modernisation, and regionalism is crucial for maintaining stability in Asia. If China abandons its current cooperative regional strategy in favour of an ambitious territorial agenda or if the unfolding moves to integrate China and Southeast Asia and create a framework of complex interdependence unravels because of great power rivalries, the situation may dramatically change. Fears exist in the region that China will use its strength to increase its military presence in the South China Sea. The second Mischief Reef crisis in 1998 over the construction of facilities by the PLA, however, did not provoke the same massive criticism of China from the side of the ASEAN countries as the first one did in 1995. Since then China and the Southeast Asian states have taken active steps to build confidence and avoid conflict. China's posture has shifted from implacable opposition to a code of conduct in the late 1990s, to a cautious flexibility.

The steep rise in global oil prices too has had an impact on Beijing's current negotiating position over the South China Sea. In the face of a looming energy crunch, China's national oil companies have drawn up ambitious exploration plans for zones in the South China Sea and East China Sea that are potential flashpoints because of unresolved territorial disputes with Southeast Asia and Japan. For example, it reached an agreement for joint explorations The Philippines in waters also claimed by Vietnam. Any such exploration, technically violates the 2002 agreement with ASEAN, which bans the installation of any structures on or near the atolls until the various territorial conflicts have been settled. However, most of the claimants have already violated the code. Five have permanent military garrisons on atolls, and two – Malaysia and Vietnam – have tourism facilities; others have hidden their monitoring stations under the guise of "bird-watching towers" or weather huts. The code of conduct is therefore under stress. However, China's fear of US enhancing its influence in Southeast Asia is likely to sustain its cooperative and peace drive for some time to come, creating the opportunity for a negotiated settlement.

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