

**China Debates South China Sea Policy:
Implications for Future Developments of the Dispute**

Li Mingjiang

The past few years have been an eventful period for the South China Sea dispute, which has always been a crucial issue for peace and stability in East Asia. In 2009, the submissions of extended continental shelf claims to the United Nations Commission on the Limits of the Continental Shelf by various parties in the dispute created the first round of diplomatic tussles. China's action of submitting its nine-dotted line map in the South China Sea to the UN, in particular, sparked strong opposition from other claimant states. The diplomatic contentions at the ASEAN Regional Forum (ARF) in 2010 in Hanoi, particularly between the American and Chinese officials, marked the unprecedented rise of tensions over the South China Sea issue for over a decade. In the first half of 2011, a series of incidents, including Beijing's heavy-handed actions against the Filipino and Vietnamese fishery and energy exploration activities in the South China Sea, further exacerbated the relations among relevant parties in the regional dispute. As a result of all the happenings, the relations between China and some ASEAN claimant countries have worsened and external major powers are getting increasingly involved in the South China Sea issue.

The intense strategic and diplomatic pressures mounted on Beijing have prompted Chinese policy-makers and analysts to give serious attention to the dispute by reviewing other countries' policies and deliberating on China's appropriate responses and future policy options. This paper attempts to examine the domestic debate in China concerning the South China Sea dispute since 2009. It seeks to provide a comprehensive overview of the Chinese debate on three issues: (1) the ways various schools of thought have viewed the South China Sea dispute, (2) the types of policy proposals made, and (3) areas where consensus and disagreements exist. I will also attempt to analyze how the debate relates to China's official position and actual policy and behaviour in the dispute. Being the most powerful party and having engaged in three military conflicts in the territorial dispute, China's policy is critical in shaping the future developments of the dispute and also the dynamics of regional security. From this comprehensive overview, we can derive some useful clues to better understand China's response to the South China Sea dispute in the coming years.

Four notable themes seem to have emerged from the Chinese debate. First, contrary to the widespread external criticism of China for its growing assertiveness, the predominant view among Chinese analysts is that all the tensions and disputes are mainly attributable to the collusion between the United States and regional claimant states. Second, it has been frequently proposed that China should be more proactive in the South China Sea in order to change its current reactive posture. It has been suggested that China can achieve this goal by taking initiatives in three areas: accelerating exploitation of resources in the South China Sea; restraining the involvement of the United States in the South China Sea issue; and exercising greater flexibility in

adopting multilateralism to deal with various non-traditional security challenges in the South China Sea. Third, the majority of Chinese analysts and officials believe that the disputes in the South China Sea in the past few years have led to the worsening of China's regional security environment. Fourth, it appears that there is an emerging consensus that Beijing should practice a qualified moderate policy in the South China Sea in the near future.

It has been argued that there are two camps in the Chinese debate: the hardliners and moderates.¹ This study contends that there is a notable middle-of-the-road school of thought that proposes tougher policies to better protect Chinese interests and at the same time, maintain non-confrontation with external powers and regional claimant states. Based on these findings, I conclude that Beijing is likely to practice non-confrontational assertiveness in the South China Sea dispute in the near future.

China's Views on the Origins of Tensions in the South China Sea

Generally speaking, there seem to be three schools of thought regarding the sources of the tensions in the South China Sea in recent years. Numerous pundits outside of China contend that China has been practising an assertive policy in the South China Sea that has generated the tensions in the region.² This view is widely accepted by international media and many foreign observers and officials. A minority group of international observers argue that China has in most cases simply reacted to the actions of other claimant parties that Beijing viewed as challenges to its own interests and claims in the dispute.³ The debate in China reveals a third view, which indicates strong perceptual differences between China and the outside world on the roots of the tensions and conflicts in the South China Sea in recent years. The predominant view in China is that regional claimant states and the United States have staged a collusion against China. China seems convinced that this collusion explains the tensions and conflicts in the South China Sea since 2009.⁴

Chinese analysts often argue that the lynchpin of the disputes in the South China Sea in the recent years is Washington's strategy of "returning to Asia."⁵ Many Chinese seem to be convinced that America's main objective of "returning to Asia" is to pursue a soft containment against China's rise.

¹ Sarah Raine, "Beijing's South China Sea Debate," *Survival*, 53:5 (2011): 69-88.

² See for instance, Mingjiang Li, "Reconciling Assertiveness and Cooperation? China's Changing Approach to the South China Sea Dispute," *Security Challenges*, vol 6, no.2, (Winter 2010), pp.49-68; Michael D. Swaine, "Perceptions of an Assertive China," *China Leadership Monitor*, No. 32, 2010; Ian Storey, "China's Missteps in Southeast Asia: Less Charm, More Offensive," *China Brief*, December 17, 2010; Sarah Raine, "Beijing's South China Sea Debate," *Survival*, 53:5 (2011): 69-88; and Edward Wong, "China Navy Reaches Far, Unsettling the Region," *New York Times*, June 14, 2011.

³ Michael D. Swaine and M. Taylor Fravel, "China's Assertive Behavior; Part Two: The Maritime Periphery," *China Leadership Monitor*, no. 35, 2011.

⁴ JiPeijuan, "zhongguoxujiasukaifananhai" [China needs to accelerate development in the South China Sea], *National Defense Times*, June 29, 2011.

⁵ Author's interviews with over 10 leading Chinese scholars in May and June, 2011 in Beijing and Shanghai.

RearAdmiral (retired) Yang Yi's view well expresses rising anti-US sentiments in China. Yang accused the US of "exacerbating its time-honoured containment policy against China: On the one hand, it [Washington] wants China to play a role in regional security issues. On the other hand, it is engaging in an increasingly tight encirclement of China and constantly challenging China's core interests."⁶This group of Chinese analysts argue that supporting countries that have territorial disputes with China is part of Washington's strategy.⁷They note that the increasing involvement of the US in the South China Sea dispute has also been instigated by regional states such as Vietnam and the Philippines.⁸Various Chinese official statements seem to corroborate this line of interpretation.⁹

Some analysts have attempted to comprehensively examine the causes of the tensions in the South China Sea. According to a *People's Daily* article, three major factors contributed to the emergence of tensions in the South China Sea in recent years. First, regional states are now increasingly interested in exploiting the economic interests, primarily energy resources in the South China Sea. The article specifically mentions that in 2010 Vietnam's oil and gas revenues accounted for 24 percent of its total GDP. Second, it has to do with American strategic shift to East Asia. Washington has used the South China Sea card to maintain its predominant security position in the region and this coincided with several regional states' desire to internationalize the South China Sea issue. Third, China's rapid rise has caused regional countries to bring in the United States to balance China's rise.¹⁰ The last point, which at least partially looks at China itself for understanding the problem, though not widely shared by Chinese analysts, is better understood by some Southeast Asian experts in China. According to Ma Yanbing, a Southeast Asian specialist at the China Institute of Contemporary International Relations (CICIR), the rise of Chinese power, particularly its naval power, has also contributed to the anxiety of Vietnam. This has prompted the Vietnamese elite to think that they should take this last opportunity to play the game in the South China Sea before China becomes too powerful.¹¹

⁶ *PLA Daily*, August 13; *Reuters*, August 13; *China Daily*, August 13; see also Willy Lam, "Hawks vs. Doves: Beijing Debates "Core Interests" and Sino-U.S. Relations," *China Brief*, Volume 10, Issue 17, August 19, 2010.

⁷ Wang Xi, "zhongguozainanhaiqiaomiaofanjimeiguo 'ruan e zhi'," [China smartly fights back at American "soft containment"], *National Defense Times*, August 5, 2011.

⁸ Ji Peijuan, "zhongguoxujiasukaifananhai" [China needs to accelerate development in the South China Sea], *National Defense Times*, June 29, 2011.

⁹ See for instance, Foreign Ministry spokespersons' comments on September 21, 2010 and October 14, 2010:

<http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/jzhsl/t761090.htm> and

<http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/jzhsl/t754554.htm>, accessed November 10, 2011.

¹⁰ Ding Gang, "nanhaiwentiyuanhehuibeichaore" [why the South China Sea issue has become so hot], *People's Daily*, August 2, 2011.

¹¹ Zhou Biao and Jiao Dongyu, "nanhaiboyixiyibu" [the next step in the South China Sea game], *National Defense Times*, August 17, 2011.

In the past few years, a frequently noted theme in the contentions in the South China Sea has been the concerns for the freedom of navigation. One particular point that has been frequently made by Chinese analysts is that Washington has concocted the myth of “freedom of navigation” and used this concern as a tool to pressure China. They argue that the US has posited a false thesis about the threat to the freedom of navigation in the South China Sea. They believe that the United States is simply using the “freedom of navigation” myth as an excuse to intervene in the South China Sea dispute in order to maintain US military superiority in the region.¹² Many Chinese analysts believe that the American rhetoric about the freedom of navigation in the South China Sea underscores American insistence for freedom to conduct military survey activities in China’s EEZ, as evident from the Impeccable Incident.¹³ One article in the *Defense Times* notes that the US has been sending numerous military surveillance vessels to collect intelligence information on coastal states in the South China Sea, gravely threatening the national security of these states. The author declares that “the real freedom of navigation that the US wants to maintain is American freedom to militarily threaten other countries.”¹⁴ This view seems to reflect the official Chinese position as well. Foreign Minister Yang Jiechi, at the ASEAN Regional Forum in July 2010, countered Hillary Clinton’s statement on the South China Sea by denying that freedom of navigation was a problem. Since then, Chinese Foreign Ministry spokespersons, on many occasions, have suggested that Washington was only using the rhetoric of the freedom of navigation for strategic and diplomatic gains.¹⁵

Charting an Approach

The Growth of Hard-line Views

It is probably safe to conclude that the tensions and disputes in recent years have fostered the growth of nationalistic sentiments in China. Chinese netizens have constantly expressed their extremely harsh views on other claimant states, particularly Vietnam, the Philippines and the United States. They have also criticized the Chinese government for its weak stance in the South China Sea issue.¹⁶ A reader’s letter to the *National Defence Times*, entitled “No Striking in the South China Sea Now, No Opportunity in the Future”, reflects the hawkish view of a significant proportion of the Chinese

¹²Li Xiaokun, “Navigation in South China Sea ‘not a problem’”, *China Daily*, October 23, 2010.

¹³ Zhang Jie, et al., “meiqiangtuinanhaiwentiguoji hua, yang jiechi qi bo xi lali ‘wailun’” [US forcefully pushes internationalization of South China Sea issue, Yang Jiechi uses seven arguments to counter Hillary’s “incorrect points”], *Dongfangzaobao* [oriental morning post], July 26, 2010.

¹⁴ Liu Feitao, “shuishuonanhai buneng ‘ziyouhangxing?’” [who says there is no freedom of navigation in the South China Sea?], *National Defence Times*, November 12, 2010.

¹⁵<http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/jzhsl/t834597.htm>, accessed December 10, 2011.

¹⁶ Author’s interviews with China-based analysts in the past two years.

public.¹⁷China's *Global Times*, notorious for profiting from commercial nationalism, has published many hard-line articles and editorials on rising tensions in the South China Sea in the past two years. In an editorial that has attracted a lot of attention, the newspaper proclaimed the following:

...some of China's neighbouring countries have been exploiting China's mild diplomatic stance, making it their golden opportunity to expand their regional interests... Currently, China's mainstream understanding is that it should first go through the general channels of negotiating with other countries to solve sea disputes. But if a situation turns ugly, some military action is necessary.... If these countries don't want to change their ways with China, they will need to prepare for the sounds of cannons. We need to be ready for that, as it may be the only way for the disputes in the sea to be resolved.¹⁸

It appears that the Chinese military has taken a hard-line stance towards the South China Sea dispute as well. Very soon after the bickering between Chinese and American officials at the ASEAN Regional Forum in July 2010 in Hanoi, the People's Liberation Army Navy organized large-scale exercises in the South China Sea. PLA Chief of General Staff Chen Bingde commented: "We must pay close attention to changes in [regional] situations and the development of our mission; prepare ourselves for military struggle."¹⁹ The three fleets of the PLAN carried out a major joint exercise instead of conducting their customary separate missions during PLA's founding anniversary celebrations on August 1. Xu Guangyu, a senior fellow at the China Arms Control and Disarmament Association, suggested that this was the PLA's response to "a strategic necessity."²⁰ Major General Luo Yuan commented that "China is the victim in the South China Sea issue yet China has been tolerating regional claimant states should not continue to be pushy. ... Otherwise consequences may be more serious than 'muscle flexing'."²¹

Calculated Moderation

Amid all the hawkish rhetoric and remarks, China has been cognizant of the negative impact of the developments in the South China Sea on its security relations in the region. The annual White Paper on China's Diplomacy, published by the Chinese Ministry of Foreign Affairs, and the Asia-Pacific Blue Paper, published by the Chinese Academy of Social Sciences (CASS) in January 2011, suggest that China was facing unprecedented security challenges in 2010.²² A group of analysts at CASS also

¹⁷Long Siqi, "nanhaizaibu da, jiumeiyoujihui le" [no striking in the South China Sea now, no opportunity in the future], *National Defense Times*, October 3, 2011.

¹⁸*Global Times*, "Don't take peaceful approach for granted," October 25, 2011, <http://www.globaltimes.cn/NEWS/tabid/99/ID/680694/Dont-take-peaceful-approach-for-granted.aspx>, accessed December 10, 2011.

¹⁹*South China Morning Post*, July 30, 2010.

²⁰*South China Morning Post*, July 30, 2010.

²¹Luo Yuan, "zhongguozainanhaiwentishangyijingyirenzairen" [China has tolerated time and again in the South China Sea issue], *National Defense Times*, June 20, 2011.

²²Dingli Shen, "A Chinese Assessment of China's External Security Environment," *China Brief* Volume 11, Issue 5, March 25, 2011.

concluded that American “returning to Asia” has jeopardized China’s relations with its neighbors by driving a wedge between them, weakening political trust, and adding new complexities.²³ Many Chinese analysts remain sober-minded and advocate a more or less cautious approach to the South China Sea issue.

In early June 2011, a few prominent Chinese think tanks, including CASS, Pacific Society of China, China Foundation for International and Strategic Studies, Renmin University, and Shanghai Institute of International Studies, co-organized a forum on security issues concerning China and the Pacific region. The overall tone of the forum, attended by some of the most prominent Chinese analysts, was drastically different from the hawkish and hardline positions described earlier. For instance, Liu Jiangyong, a security analyst at Tsinghua University, noted that China should attempt to reconcile its “low profile” (*taoguang yang hui*) by “doing something” (*you suo zuo wei*) in the South China Sea dispute. He recommends a proper guideline for China’s security policy in East Asia: long-term cooperation, long-term development and sustainable security, simultaneously preventing threats through cooperation, and pushing for cooperation while preventing threats.²⁴

Many Chinese analysts reject outright the option of using force in the South China Sea. They argue that the use of force is not realistic because of China’s constraints. The Hainan-based scholar Wu Shicun stresses that China has to keep a balance between protecting its own rights and maintaining stability in the South China Sea, while aiming for overall stability in the South China Sea in order to sustain its period of strategic opportunity. Therefore, he believes that in the future, the resolution of the South China Sea problem will most likely be by peaceful means, particularly through negotiations on the basis of international law and contemporary law of the sea.²⁵ Second, the use of force might cause China to fall into America’s trap. One Chinese scholar surmises that US intervention in the South China Sea might be an American conspiracy to drag China into a protracted regional war to weaken China. He argues that simply for this reason, China should be cautious. Furthermore, China is still lagging far behind the United States and will need more time for domestic development. Thus, he concludes that it would be extremely unnecessary and risky for China to get involved in military conflict.²⁶ Third, the use of force in the South China Sea would also divert China’s attention from disputes over Taiwan. From a geo-political point of view, China should keep its major security focus on Taiwan and Japan while seeking cooperative partnerships with Southeast Asian countries. As long as China has not

²³Zhang Jie, et al., “zhoubian anquan xingshi si da bianhua yu zhongguo duice” [four changes in regional security situation and China’s responses], *shijie zhishi* [world knowledge], issue 2, 2011, pp. 14-21.

²⁴Shang Hao, “nanhai you cheng gedian, zhongguo ying ru he ying dui?” [South China Sea becomes a hotspot again, how should China respond?], *huaxiashibao*, June 6, 2011.

²⁵Ji Peijuan, [China needs to accelerate development in the South China Sea].

²⁶Zhuang Liwei, “nan zhongguo hai duice ying fu cong zhan lue da ju” [south china sea policy should follow the overall strategic situation], *dongfang zaobao* [oriental morning post], March 18, 2009.

resolved the Taiwan issue and the Diaoyu island dispute, China should avoid a showdown with Southeast Asian countries.²⁷

Xue Li, a strategist at CASS, also reproves the use of force in the South China Sea. Xue argues that the use of force would lead China into several difficult consequences: enormous diplomatic pressure from the international community for challenging international law; destruction of the stable neighbourhood environment for China's peaceful development; and losing the period of strategic opportunity for further national development.²⁸ Rejecting the use of force, other analysts emphasize the need for China to continue to emphasize peaceful means to resolve the dispute, and engage with regional states militarily to enhance mutual confidence. They urge China to work with claimant states to reduce tensions and achieve some breakthrough in the negotiations lest the US finds an excuse to intervene.²⁹

Official Handling of the Disputes

At the official level, China firmly insisted on its claim in the South China Sea and defended its assertive actions against other parties. At the same time, Beijing also took opportunities to mend fences with other claimant states. By and large, the official handling of the crises in the South China Sea in the past few years have reflected the policies advocated by those moderate scholars. The Chinese Foreign Ministry has been the agency that has played the leading role in handling the South China Sea dispute and it has always favoured a moderate policy. When asked to comment on the above-mentioned *Global Times* editorial, Foreign Ministry spokesperson said that the media has its right to edit and comment, adding that she believes the Chinese media will report on the basis of truth, objectivity and a sense of responsibility. The spokesperson then reiterated China's peaceful intention in its neighbourhood and emphasized talks and negotiations as the preferred means to stabilize the situation.³⁰ Her statement can be interpreted as a disapproval of the *Global Times*' editorial.

Chinese Foreign Ministry officials have constantly attempted to defend the perceived weak policy. Zhang Yan, an official at the Foreign Ministry, encountered criticisms that Chinese policy in the South China Sea has been too weak at the June 2011 forum. She defended China's policy on the grounds that Chinese foreign policy is supposed to serve the domestic goal of building

²⁷ Yuan Huajie, "nanhaifengbopinqi, zhongguoshishi 'liangjian'," [tensions in the South China Sea rise, China to show sword at the right moment], *CASS bulletin*, March 19, 2009.

²⁸ TuFei and XuXin, "zhongguoyingjianliguojiahaishiwei yuanhui baonanhai" [China should set up a state maritime commission to protect the South China Sea], *National Defense Times*, October 7, 2011.

²⁹ Zhang Jie, et al., [US forcefully pushes internationalization of South China Sea issue, Yang Jiechi uses seven arguments to counter Hillary's "incorrect points"].

³⁰ http://news.xinhuanet.com/world/2011-10/25/c_111123305_2.htm, accessed December 9, 2011.

a well-being society.³¹ Zhang Jiheng, the former Director-General of the Department for Asian Affairs at the Chinese Foreign Ministry, was also defensive of the official policy: “the South China Sea issue is indeed very complicated. We need to acknowledge the existence of dispute. ... No one wants to see tensions in the region. No one wants to see military conflict in the region.”³² In response to the growing domestic calls for China to adopt a tougher stance in international affairs, Dai Bingguo, a State Councilor in China, published an article in *People's Daily* in December 2010, in which he stated that “if we cannot properly handle our relations with the outside world, the development opportunity in the 20 years of the new century provided by overall international peace, overall stability in the relations among major powers, and the rapid development of new science and technology will likely be lost.”³³

The diplomatic clashes at the 2010 ARF in Hanoi prompted Beijing to seriously consider the South China Sea issue, in particular the more interventionist posture of the United States. After summer 2010, China began to take various actions to play down the dispute in the South China Sea and other disputant parties have responded positively to these diplomatic efforts. In August, Vietnamese Deputy Defense Minister Nguyen Chi Vinh visited Beijing and reassured China of Vietnam's benign intentions and commitment. He indicated that Vietnam would refrain from the following three actions: forging an alliance with another country; allowing foreign bases in Vietnam; and developing relations with another country targeted against any third country.³⁴ At the China-ASEAN Summit in October, Premier Wen Jiabao reaffirmed China's willingness to work with ASEAN countries to implement the Declaration on the Conduct of Parties in the South China Sea (DOC). At the inaugural ASEAN Defense Ministers Meeting Plus (ADMM Plus), Chinese Defense Minister Liang Guanglie responded in mild terms when the South China Sea issue was raised. In October, Vice Foreign Minister Zhang Zhijun visited four ASEAN countries on a fact-finding trip. In November, Vice President Xi Jinping, during a visit to Singapore, attempted to reassure regional states of China's peaceful intentions in the region.

By the end of 2010, many observers expected a period of relative calm in the South China Sea as the claimant parties were engaged in discussing the draft of the implementation guideline for the DOC. A series of Chinese law enforcement agencies' actions against the Philippine and Vietnamese economic activities in the South China Sea again incited the flames from March to June, 2011. Before the conflicts escalated further, Beijing and Hanoi agreed to talk. In June 2011, Vietnam sent its special envoy to Beijing. The two sides agreed on the following: to resolve their dispute through negotiations; to refrain from taking actions that would escalate the tensions; to

³¹ Shang Hao, [South China Sea becomes a hotspot again, how should China respond?].

³² Deng Yajun, “xinbagueolianjuntumougua fennanhai” [new group of eight countries plotting to divide the South China Sea], *National Defense Times*, August 3, 2011.

³³ Dai Bingguo, “jianchizouhepingfazhandaolu” [stick to a peaceful development road], *People's Daily*, December 13, 2010.

³⁴ VNA, August 26.

oppose the intervention of a third party; and to actively lead public opinion in their own countries.³⁵ In late August, Chinese and Vietnamese defense officials met in Beijing and discussed ways to reduce tensions in the South China Sea. Senior officials of the two countries met again in Hanoi in early September for the fifth round of the Annual Sino-Vietnamese Steering Committee. Both countries took the opportunities to mitigate the tensions. The joint statement issued by the committee chairs, State Councillor Dai Bingguo and Deputy Prime Minister Nguyen Thien Nhan, was reconciliatory in tone, with both sides pledging to abide by the DOC.

After a few months of negotiations, Beijing eventually decided to conclude the document with ASEAN as a group in July 2011 at the China-ASEAN Foreign Ministers Meeting. China pledged to work with other claimant states to implement the DOC and proposed to hold a seminar on the freedom of navigation in the South China Sea and set up three technical commissions on marine scientific research and environmental protection, navigation safety and search and rescue, and combating cross-border crimes in the sea.³⁶ After the guideline was adopted, a *People's Daily* article stated: "This is conducive to peace and stability in the South China Sea and will be significant for the resolution of territorial disputes and the demarcation of parts of the South China Sea among relevant countries. This also indicates that China and ASEAN countries have the resolve, confidence, and capability to promote peace and stability in the South China Sea."³⁷

The visit by the Vietnamese Party leader to China in October 2011 was particularly significant. During the visit, both countries decided to establish a telephone hotline between the leaders of both countries, an indication of a common interest in preventing future crises. Both countries agreed to deepen their military cooperation by various means: continuing the strategic dialogue at the deputy defense minister level; working to establish direct phone communications between their national defense ministries; expanding exchanges of young military officers; exploring the feasibility of conducting joint patrols along land borders; continuing the joint naval patrol in the Tonkin/Beibu Gulf, and increasing the port calls of both navies. In the agreement concerning the basic principles for resolving their maritime disputes, China and Vietnam pledged to seek a basic and long-term solution to their maritime disputes. Both sides agreed to actively discuss temporary solutions that would not affect the positions and claims of either side, including joint development. Both countries agreed to first address less conflict-prone tasks, including the demarcation and joint development in the southern area of the mouth of the Tonkin/Beibu Gulf, cooperation in marine

³⁵ Ministry of Foreign Affairs of the People's Republic of China, <http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/jzhsl/t834597.htm>, accessed December 15, 2011.

³⁶ *Global Times*, July 20, 2011, <http://world.huanqiu.com/roll/2011-07/1835028.html>, accessed December 15, 2011. China organized the workshop on the freedom of navigation in the South China Sea in mid-December, 2011 in Haikou.

³⁷ Wang Muke, "zhongguo, nanhaihezuo de jijituidongzhe" [China: an active promoter of cooperation in the South China Sea], *People's Daily*, August 2, 2011.

environmental protection, marine research, search-and-rescue operations, and disaster prevention and relief. China and Vietnam also agreed that their heads of border negotiation delegations hold regular meetings and set up a hotline to communicate in order to quell maritime conflicts timely and effectively.³⁸

During the Philippine President Aquino's visit to China in late August and early September 2011, both countries downplayed their dispute in the South China Sea. The Joint Statement publicized during the visit simply briefly mentioned that maritime dispute should not affect the overall bilateral cooperative relationship between the two countries. The leaders of the both countries reiterated that they would resolve the dispute through peaceful negotiations and observe the DOC.³⁹ Accordingly, China and the Philippines focused on economic ties. Two hundred Philippine entrepreneurs joined Aquino's visit. During the trip, various proposals for closer economic ties were announced. Both sides expressed their common interest in joint mining ventures in the Philippines that may involve US\$2 to \$7 billion of new Chinese investment.⁴⁰ Beijing and Manila vowed to increase their bilateral trade volume to US\$60 billion and the number of tourists to two million by 2016.⁴¹

At the November 2011 ASEAN-China Summit, Chinese Premier Wen Jiabao said that China will continue to be a good neighbour, good friend and good partner of ASEAN. He stated that China is willing to work with ASEAN countries towards a comprehensive implementation of the DOC. He added that China is also willing to discuss the drafting of a Regional Code of Conduct in the South China Sea (COC). Wen also vowed to increase Chinese aid and economic cooperation with ASEAN. He suggested sending more business groups to ASEAN to enhance trade and investment ties, setting up an exhibition centre for ASEAN products in Nanning (capital city of Guangxi), and further enhancing the land and maritime connections between China and Southeast Asia. Wen also pledged to provide US\$10 billion in loans (including US\$4 billion preferential loans) for infrastructure projects in ASEAN countries and a RMB 3 billion China-ASEAN maritime cooperation fund to support marine scientific research and environmental protection, maritime transport, navigation safety, search and rescue, and anti-transnational crime operations.⁴² At the East Asian Summit, Wen did not lash out at the remarks by US President Obama and other leaders. Instead, he reaffirmed the freedom of navigation in the South China Sea. He also expressed a positive view on the

³⁸ Xinhua News Agency, http://news.xinhuanet.com/politics/2011-10/12/c_122144683.htm, accessed December 10, 2011.

³⁹ Ministry of Foreign Affairs of the People's Republic of China, http://www.fmprc.gov.cn/chn/pds/gjhda/gj/yz/1206_9/1207/t854349.htm, accessed December 12, 2011.

⁴⁰ Xinhua, August 31.

⁴¹ Xinhua, September 1.

⁴² *Straits Times*, "China pledges to be 'good friend'," November 19, 2011; *Lianhezaobao*, "zhongguozongli wen jiabao: fanduiwaibushilijierunanhai" [Chinese premier Wen Jiabao: China opposes the involvement of external forces in the South China Sea], November 19, 2011.

DOC and reiterated China's official position of seeking a peaceful resolution of the dispute with relevant disputant states.⁴³

Many observers would agree that Chinese maritime law enforcement agencies have become more assertive and tougher in protecting perceived Chinese interests in the South China Sea. While this is certainly true, it is also worth noting that the Chinese patrol vessels seem to have exercised some degree of caution. On March 2, 2011, after warning the Philippine survey ship MV Veritas Voyager for navigating near the Reed Bank, the two Chinese patrol vessels promptly left the scene before the Philippine aircrafts and coastguard boats arrived. And the Chinese vessels did not return to the scene to harass the ship again.

The cases of Chinese cutting the cables of the Vietnamese oil survey ships in May and June 2011 reflect the slight differences in the way the Chinese handled the two events. In the first case in late May, the crew of the Chinese marine surveillance ship cut the cable of the Vietnamese survey vessel. In the second case in early June, the Chinese attempted to play a more skilful game. According to Chinese Foreign Ministry spokesperson, China's fishing boats were chased away by armed Vietnamese ships, and while fleeing, the fishing net of one of the Chinese boats got tangled up with the cable of the Vietnamese oil exploration vessel. The Chinese fishing boat was dragged for more than an hour before it was set free. The second case, if proven to be true as China has claimed, would indicate that China has attempted to be more skilful to avoid direct confrontation with Vietnam. Besides arguing that the Vietnamese vessel was operating illegally in the maritime zone claimed by China, Beijing also tried to justify its cable-cutting act on the grounds that it was trying to save the Chinese fishermen and the fishing boat from danger.⁴⁴

Looking to the Future

In recent years, growing tensions have prompted many Chinese analysts to substantiate China's claim in the South China Sea on historical and legal grounds.⁴⁵ The Chinese debate also addressed some important issues that would help shape China's approach to the South China Sea dispute in the future. Participants in this debate have contended on the following issues: (1) whether China should regard the South China Sea as a core interest; (2) whether China should be more flexible in allowing multilateral institutions to get involved; (3) whether China should be more active in exploiting the resources in the South China Sea; (4) whether China should consider the legal

⁴³ Xinhua News Agency, http://news.xinhuanet.com/2011-11/19/c_111180192.htm?prolongation=1, accessed December 15, 2011.

⁴⁴ Ministry of Foreign Affairs of the People's Republic of China, June 9, 2011, <http://www.fmprc.gov.cn/chn/gxh/mtb/fyrbt/dhdw/t829297.htm>, accessed December 10, 2011.

⁴⁵ See for instance, Li Jinming, "Nansha indisputable territory," *China Daily*, June 15, 2011; Li Jinming, "Time to review law of the sea," *China Daily*, August 30, 2011.

approach in solving the dispute; and (5) how China could cope with the United States in the South China Sea dispute.

Core Interest?

Since summer 2010, Chinese analysts had intensively debated whether China should regard the South China Sea as its core interest. While some scholars applauded the notion of core interest, many prominent Chinese analysts cautioned China against labelling the South China Sea as part of Beijing's core interest immediately after the notion surfaced in American and Japanese media in 2010. For example, Han Xudong, a senior security analyst at the National Defense University (NDU), did not support the idea of including the South China Sea as China's core interest. Han pointed out that given China's limited military capability, it is premature and counter-productive to publicize a broad list of China's core interests.⁴⁶ Da Wei, an America watcher at China Institute of Contemporary International Relations (CICIR), recommended that China maintain a "minimalist definition" of core interest. He pointed out that "when handling territorial disputes, many countries often adopt compromises such as exchanging [disputed] territories or recognizing the status quo." He reasons that "often, big powers may 'let go of' some disputed areas. This doesn't mean that such countries have forsaken their core interests."⁴⁷

Peking University Professor Zhu Feng believes that China's rhetoric of core interest in relation to the South China Sea has been misinterpreted by the media in Japan and the United States. He argues that Chinese leaders, including the President, Premier, and Foreign Minister, have never made such remarks. Zhu notes that the belief that China now regards the South China Sea as a core interest is a misunderstanding. He argues that the Chinese officials used the term "core interest" in the context that the resolution of the South China Sea dispute through peaceful means concerns China's *core interest*.⁴⁸ Analysts at the Institute of Asia-Pacific Studies at CASS similarly note that the "core interest" thesis was blindly believed to be true and circulated widely. They contend that such remarks neither had any official source nor substantiation.⁴⁹ Xue Li, an expert on China's international strategy at CASS, also notes that Chinese interests pertaining to the South China Sea are not core interests, but as China's "important national interests." Xue further argues that maritime interests in the South China Sea are not general interests or secondary interests either, but they do not impact on the survival of the nation.⁵⁰

⁴⁶ *Liaowangzhoukan*, [Outlook Weekly], July 25, 2010; *Xinhua*, July 25, 2010.

⁴⁷ *People's Daily Net*, July 27; *Global Times*, July 27. See also Willy Lam, "Hawks vs. Doves: Beijing Debates 'Core Interests' and Sino-U.S. Relations," *China Brief*, Volume 10, Issue 17, August 19, 2010.

⁴⁸ Author's interview with Zhu Feng, May 2011, Beijing.

⁴⁹ Zhang Jie, et al., [four changes in regional security situation and China's responses].

⁵⁰ TuFei and Xu Xin, [China should set up a state maritime commission to protect the South China Sea].

It is probably clear that Chinese officials have never officially linked the South China Sea issue with China's core interest.⁵¹ When asked whether Chinese officials used the term "core interest" during his visit to China in March 2011, former US official James Steinberg said that "I didn't come away from our visit there as a decision that they were now defining the South China Sea as a core interest."⁵² Besides, some Chinese analysts lament the media's misinterpretation of ranking China's core interest in the South China Sea on a par with the Taiwan and Tibet issues, thus raising the concerns of the United States and regional states. They believe that the American definition of South China Sea as US "national interest" was a direct response to the Chinese rhetoric of "core interest."⁵³

Despite the fact that prominent scholars in China dismiss the idea of defining the South China Sea as China's core interest, tensions in recent years have certainly furthered the growth of Chinese nationalism. It seems that the majority of the Chinese public support the core interest idea. A survey featured on the official website of the *People's Daily*, in January 2011, revealed that 97 percent of nearly 4,300 respondents agreed that the South China Sea should be China's "core interest".⁵⁴ The newly publicized White Paper on China's peaceful development stipulates that China's core interests comprises six categories: national sovereignty, national security, territorial integrity, national re-unification, the stability of the national political system set up by the Constitution and the sustaining development of the overall socio-economic order.⁵⁵

In September 2010, the Chinese Foreign Ministry spokesperson Jiang Yu was asked to confirm the authenticity of reports on China's intention to regard the South China Sea as its core interest. She gave an ambiguous reply:

All countries have core interests. Issues concerning statesovereignty, territorial integrity, and fundamental development interests are all crucial for any country. China believes that the South China Sea issue only concerns the disputes in territorial sovereignty and maritime interests of relevant countries. It is neither a problem between China and ASEAN nor a regional or international problem.

⁵¹See the thorough study on this controversy by Michael D. Swaine, "China's Assertive Behavior Part One: On "Core Interests"," *China Leadership Monitor*, no. 34, 2011.

⁵²Yoichi Kato, Sep 24, 2011, INTERVIEW/ James Steinberg: U.S. Leadership restored in 10 years after 9/11, *Asahi*, <http://www.asahi.com/english/TKY201109230187.html>, accessed November 12, 2011.

⁵³Interviews with scholars at CASS in Beijing and at SIIS in Shanghai, June 2011.

⁵⁴Edward Wong, "China Hedges Over Whether South China Sea is a 'Core Interest' Worth War," *New York Times*, March 30, 2011.

⁵⁵The Information Office of the State Council, *China's Peaceful Development*, September 2011.

*Hence, the issue has to be resolved through friendly talks among relevant parties and peaceful means.*⁵⁶

Jiang's remarks indicate that while the South China Sea is a very important concern for China, it is not tantamount to a core interest on par with Taiwan and Tibet. This is so because two characteristics distinguish the issue of South China Sea from the issue of Taiwan and Tibet. First, China openly acknowledges that the South China Sea is under dispute. Second, China seems willing to settle the South China Sea issue through negotiations with other claimant parties.

Multilateralism?

For many years, China has quite strongly resisted the “internationalization” of the South China Sea dispute. It prefers to deal bilaterally with the claimant states, particularly regarding issues of territorial ownership and demarcation of maritime zones. This strategy has persisted in recent years. For instance, in the process of negotiating the implementation guideline of the DOC, China succeeded in persuading ASEAN countries to drop words such as “multilateral” and “international” from the final document. Beijing regards this as a success in its diplomacy.⁵⁷ Initially, China was reluctant to sign the implementation guideline with ASEAN. Instead, it preferred to conclude the deal with other claimant parties only.⁵⁸ China has also successfully vetoed the proposed ASEAN's adoption of prior consultation mechanism before engaging with China on the South China Sea issue.⁵⁹

But in the course of the debate in the past few years, dissenting views on how China should handle the South China Sea are often heard. Pang Zhongying, an academic at Renmin University, for instance, has openly argued in an article published in *Global Times* in August 2010 that China's bilateral approach with regional claimant states will run into many difficulties. Therefore, he advocated a multilateral approach involving ASEAN, the United States, Japan, and the United Nations.⁶⁰ But Liu Zhongmin, an experienced Chinese analyst on the South China Sea, opposed Pang's idea. On the substantive issue of sovereignty over the islands and the demarcation of maritime zones, he insisted that Beijing uphold its principle of bilateral talks. He stressed that the multilateral approach should be reserved for non-traditional security issues such as the safe navigation and counter-piracy.⁶¹

⁵⁶Chinese Foreign Ministry, September 21, 2011, <http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/jzhsl/t754554.htm>, accessed December 10, 2011.

⁵⁷Zhong Feiteng, et al., “nanhaice: jieshiquanyuhaiquanyigebunengshao” [South China Sea policy: not one less for interpretation rights and maritime rights], *huaxiashibao*, August 8, 2011.

⁵⁸Interviews with ASEAN Secretariat officials in Jakarta, June 2011.

⁵⁹Interviews with Thai and Indonesian diplomats in Hainan, December 2011.

⁶⁰*Global Times*, August 5.

⁶¹Liu Zhongmin, “nanhaiwenti, bunengjiandan tan duobian” [south China sea issue: not to simply consider multilateralism], *National Defense Times*, August 11, 2010.

Zhang Yunling at CASS, argues that the current situation in the South China Sea has undergone significant changes and China should not cling to its traditional thought. He sees value in discussing concrete measures for the demarcation of the EEZ in the South China Sea in accordance with UNCLOS. He also proposes that ASEAN play a coordinating role, for instance, on the issue of safety of the sea lines of communication. Moreover, China can even take the lead to discuss safety of navigation. Relevant parties can discuss ways to distinguish areas that are under dispute from areas that are not. While no party should engage in resource exploitation in the disputed areas, they can always explore the idea of joint development in disputed areas. To prevent conflict, islands and reefs that are under dispute may not be entitled with any EEZ.⁶² Zhang's ideas deviate from official Chinese positions.

Other scholars have proposed that an appropriate policy is to handle traditional and non-traditional security issues in the South China Sea separately. On traditional security issues, such as territorial sovereignty, it is unlikely to find any solution in the near future. These scholars propose that China shelve these traditional security issues so that it can choose to achieve a breakthrough in pushing for cooperation in the non-traditional security arena to promote safe navigation and marine environmental protection. They cited several cooperative initiatives that China proposed at the recent July ARF as an example.⁶³ This line of policy proposal may receive more official attention because in the past decade or so, China has been dealing with ASEAN as a collective to pursue many confidence-building measures and dispute management measures. For instance, the 1997 Joint Statement of ASEAN and Chinese leaders included the possibility of adopting a code of conduct in the South China Sea. The DOC was signed by all ASEAN foreign ministers and Chinese Special Envoy Wang Yi in Phnom Penh on November 4, 2002. According to the 2003 Joint Declaration of the Heads of State/Government of the Association of Southeast Asian Nations and the People's Republic of China on Strategic Partnership for Peace and Prosperity, the two sides will implement the DOC, discuss and plan the way, identify areas and projects for follow-up actions. The Plan of Action to Implement the Joint Declaration on ASEAN-China Strategic Partnership for Peace and Prosperity included detail on various ways both sides could implement the DOC.

Coping with the United States

In the policy debate in the past few years, many Chinese scholars suggested that Beijing will have to give priority to properly coping with the US presence in the South China Sea. Liu Jianfei, an expert at the Central Party School, argues that Sino-US coordination is the most important factor in resolving the South China Sea issue. If Sino-US coordination falters, regional claimant states will seek to play up Sino-US differences to their advantage. If Sino-US relations are harmonious, regional states may not be able to play the major-power rivalry.⁶⁴ Jin Canrong, at Renmin University, supports this view.

⁶²Zhou Biao and Jiao Dongyu, [the next step in the South China Sea game].

⁶³Zhong Feiteng, et al., [South China Sea policy: not one less for interpretation rights and maritime rights].

⁶⁴Zhou Biao and Jiao Dongyu, [the next step in the South China Sea game].

He argues that the competition between China and the US in Asia-Pacific will further intensify in the near future, leading to the inevitable outcome of contention of both powers for regional leadership. Besides making effort to stabilize China's periphery, he suggests that Beijing put a premium on working with the United States. He argues that some of the regional states are simply opportunistic and improving relations with these countries would not solve the problems because China's efforts will be rendered futile if the overall situation favors the US. As long as China can exercise certain leverages over the US (*chi dingmeiguo*), regional states will make their appropriate choices. At the same time, Jin argues, China should feel free to compete with regional states to gain what it is entitled to and to deter when necessary.⁶⁵

Consistent with the prevalent view on US becoming more assertive in the South China Sea issue, it appears that Beijing indeed has been paying more attention to working on Washington. Before the 2010 ARF meeting in Hanoi, Beijing was prescient that the US Secretary of State Hillary Clinton might take the lead to highlight the South China Sea issue and urged the US officials not to do so.⁶⁶ Clearly, China's urging was not successful and this explains the fury of the Chinese officials at the ARF and afterwards. Despite this failure to restrain Washington's interference, China continued to urge the US not to be assertive in the South China Sea dispute. In June 2011, before the Sino-US Consultation on Asia-Pacific affairs in Honolulu, Chinese Deputy Foreign Minister Cui Tiankai urged the United States, as a non-claimant party, not to get involved in the South China Sea dispute. He warned that in the South China Sea, "A certain country's behaviour is tantamount to 'playing fire' and it's better that the US not get burned by this fire." Cui suggested that while the US implements its policy of maintaining overall peace and stability in the South China Sea region, it should also seek to do two things: (1) review its options in terms of effectiveness for problemsolving and improving relations among relevant states in the region, and (2) exercise caution in making statements and actions.⁶⁷

At the ASEAN-China summit in November 2011, Chinese Premier Wen Jiabao warned external forces not get involved in the South China Sea dispute, regardless of any excuse. He said that the South China Sea dispute has been going on for many years and should be resolved through peaceful negotiations among direct claimant states.⁶⁸ Wen made the remarks before the East Asia Summit where US President Obama was expected to raise the South China Sea issue. Apparently, in response to the high-profile US "returning to East Asia", Chinese State Councilor Dai Bingguo recently noted that the Asia-Pacific region is different from other regions in the world in many aspects and proposed the following:

⁶⁵ Shang Hao, [South China Sea becomes a hotspot again, how should China respond?].

⁶⁶ Zhang Jie, et al., [US forcefully pushes internationalization of South China Sea issue, Yang Jiechi uses seven arguments to counter Hillary's "incorrect points"].

⁶⁷ Deputy foreign minister Cui Tiankai's news briefing on June 22, 2011, <http://www.mfa.gov.cn/chn/gxh/tyb/wjbxw/t832915.htm>, accessed December 8, 2011.

⁶⁸ *Lianhezaobao*, November 19, 2011.

*“things like what to be done, what not to be done, how to do it, and when to do it, have to be based on the actual situation and the valuable experiences that have been accumulated in the region, full coordination, the views of regional states, and the comfort levels of all regional states.”*⁶⁹

China to Be More Active in Resource Exploitation

The tensions and disputes in recent years have prompted Chinese analysts to urge their government to be more active in exploring the resources in the South China Sea. They argue that China cannot always keep its “low profile” (*taoguang yang hui*) posture in natural resource exploitation in the region. They add that a certain level of deterrence is necessary to protect such activities.⁷⁰ ZengXingqiu, the Chief Geologist of Sinochem, one of the major state-owned oil companies in China, noted that China’s effort to fully explore the geological conditions in the South China Sea has been obstructed by Vietnam. He suggested that China should attempt to adopt some hardline elements to back up its policy in the South China Sea.⁷¹ Wu Shicun contends that now since regional states are not willing to participate in “joint development”, China should take the right opportunity to accelerate its own development of energy resources in the South China Sea. He reasons that any further delay in development will weaken China’s influence and increase the costs of protecting its interests in the Spratlys area.⁷² Another observer noted China’s financial and technological advantages over other claimant states in the South China Sea. He believes that if China could mobilize all its resources to dig a few oil and gas wells in the Spratlys area, the whole situation will immediately be reversed: “We don’t need to beg those so-called ‘claimant states’ to join us for ‘joint development’—they will scramble to us to discuss ‘joint development.’”⁷³

Even at the official level, there have been various proposals for more active utilization of the South China Sea. In 2009, General Zhang Li, the former Deputy Chief of the General Staff of the PLA, declared that China should build an airport and seaport on Mischief Reef so that Chinese aircrafts could patrol the area to protect Chinese fishing activities and declare Chinese sovereignty over the islands in the Spratlys.⁷⁴ In the same year, in July, a senior official at the Administration of Fishery and Fishing Harbour Supervision of the South China Sea proposed that China build fishery administration bases on

⁶⁹ Xinhua News Agency, “Dai Bingguo: zaiyataizuoshenme, zenmezuoyaozhaogudajia de shushi du” [Dai Bingguo: what to do and how to do have to be based on the comfort level of all regional states], November 22, 2011, <http://news.china.com/domestic/945/20111122/16880700.html>, accessed December 8, 2011.

⁷⁰ Zhang Jie, et al., [US forcefully pushes internationalization of South China Sea issue, Yang Jiechi uses seven arguments to counter Hillary’s “incorrect points”].

⁷¹ Shang Hao, [South China Sea becomes a hotspot again, how should China respond?].

⁷² JiPeijuan, [China needs to accelerate development in the South China Sea].

⁷³ Yang Xiyu, “nanhaiwentizhong de san gecengcimaodun” [the three-layer conflicts in the South China Sea issue], *Economic Observation Newspaper*, June 20, 2011.

⁷⁴ *Ming Pao* [Hong Kong], June 22, 2009.

features under China's occupation to better protect China's fishery resources in the South China Sea.⁷⁵ As expected, China's Fishery Administration vessels began regular patrols in the Spratlys area in April 2010.

Energy resources are an important driving force behind China's activism in the South China Sea. In 2005, the Chinese Ministry of Land and Resources identified the South China Sea as one of the ten strategic energy zones and made plans to accelerate efforts to exploit the deep water oil and gas reserves in the region. China National Offshore Oil Corporation (CNOOC) and several scientific research institutes in China have stepped up efforts to further study the oil and gas reserves in the deep water areas of the South China Sea.⁷⁶ CNOOC plans to invest RMB200 billion (US\$29 billion) before 2020 to set up 800 oil platforms in deep water areas. The company also plans to produce 250 million tons of crude oil equivalent in deep water areas by 2015 and 500 million tons by 2020. To meet these targets, CNOOC is now stepping up efforts to develop the required technologies, equipment, and human resources.⁷⁷

With the growth of China's deep-water oil and gas exploration technologies and its rapidly growing law enforcement capabilities,⁷⁸ these proposals may soon become reality. Gao Heng, a senior researcher at CASS, among others, suggested that China should set up a state commission on maritime affairs.⁷⁹ A centralized system in managing 22 agencies involved in China's maritime affairs will certainly help Beijing implement a more active policy in the South China Sea.

Clarifying the Nine-Dotted Line?

China's ambiguity in its claim in the South China Sea has caused confusion to outsiders as to what exactly China has attempted to claim. Some observers believe that China claims "historical waters" within the "nine dotted lines" in the South China Sea.⁸⁰ The Chinese media and many Chinese analysts have used very loose terms to describe China's claim in East Asian seas. From time to time, they would claim that China is entitled to three million square kilometres of "water territory,"⁸¹ "ocean territory,"⁸² "maritime territory,"⁸³ or

⁷⁵ *China Daily*, "China Charts Course toward Secure South China Sea," July 1, 2009.

⁷⁶ *China Ocean Petroleum Newspaper*, January 23, 2009.

⁷⁷ Zhou Shouwei, "nan zhongguohaishenshuikaifa de tiaozhanyujiyu" [challenges and opportunities for deep water exploitation in the South China Sea], *gaokejiyucanyehua* [hi-technology and industrialization], December 2008, pp.20-23.

⁷⁸ Russell Hsiao, "China Intensifies Maritime Surveillance Missions," *China Brief*, Volume 11, Issue 10, June 3, 2011.

⁷⁹ TuFei and Xu Xin, [China should set up a state maritime commission to protect the South China Sea].

⁸⁰ Nguyen Hong Thao and Ramses Amer, "A New Legal Arrangement for the South China Sea?" *Ocean Development & International Law*, 40:333-349, 2009.

⁸¹ Wang Qian, "China to dive into mapping seabed," *China Daily*, September 14, 2011.

⁸² Wang Xinjun, "China one step closer to developing aircraft carrier," *China Daily*, August 1, 2011.

⁸³ *China Daily*, "Refitting aircraft carrier not to change naval strategy," July 27, 2011.

“territorial seas.”⁸⁴ Supposedly, the three million square kilometers would include about two million square kilometers of sea area within “nine dotted lines” in the South China Sea. Although unclear of the exact terms of entitlement, the general Chinese public seems to believe that China enjoys some exclusive entitlement in the South China Sea. By and large, this sentiment is more or less shared by a fairly large segment of the Chinese international relations experts who are not specialists in maritime affairs.⁸⁵

Some Chinese analysts advocated the need for China to clarify its claim in the South China Sea. One analyst argued that “currently the biggest and most urgent challenge for China is how to interpret the nine-dotted line because the ambiguity associated with this line concerns ASEAN countries and other countries the most.”⁸⁶ Professor Sun Zhe, at Tsinghua University, noted that while the South China Sea is very important for China, China should recognize that the South China Sea is not China’s internal lake, for much of it is international waters. He cautions China against being perceived by the rest of the world of attempting to control the South China Sea as its internal lake.⁸⁷

In the past years, Chinese officials have maintained this position: China possesses indisputable sovereignty over the islands in the South China Sea and the adjacent waters, and it enjoys sovereign rights and jurisdiction over the relevant waters as well as the seabed and subsoil thereof.⁸⁸ More recently, in attempts to justify Chinese opposition against other claimant states’ energy resource exploration in the South China Sea; Chinese officials have frequently used the term “jurisdictional waters” or “jurisdictional rights.” Take for instance, on September 22, 2011, Chinese Foreign Ministry spokesman Hong Lei’s response to a question regarding India-Vietnam joint oil exploitation in the South China Sea:

*The oil and gas exploration activities of any foreign company in China’s jurisdictional waters, without the permission of China, are illegal and ineffective. We hope that relevant foreign companies will not participate in those oil and gas exploration activities and not get involved in the South China Sea dispute.*⁸⁹

A Legal Approach?

Despite the fact that the Chinese government has openly and formally ruled out the option of submitting the South China Sea issue to any

⁸⁴Zhang Zixuan, “Cultural relics discovered under sea,” *China Daily*, May 17, 2011

⁸⁵Author’s interviews with over 50 Chinese scholars since 2009.

⁸⁶Zhong Feiteng, et al., [South China Sea policy: not one less for interpretation rights and maritime rights].

⁸⁷Zhang Jie, et al., [US forcefully pushes internationalization of South China Sea issue, Yang Jiechi uses seven arguments to counter Hillary’s “incorrect points”].

⁸⁸China’s Responses to Vietnam Submission & Joint M-V Submission to UNCLCS-7 May 2009.

⁸⁹Chinese Foreign Ministry, September 22, 2011, <http://www.fmprc.gov.cn/chn/gxh/tyb/fyrbt/t861266.htm>, accessed December 10, 2011.

international arbitration process, some Chinese scholars have suggested that China should be prepared to consider the legal approach. A veteran Chinese maritime lawyer Liu Nanlai at CASS suggests that there are mainly three options for a resolution of the South China Sea dispute: war, political negotiations, and international (third party) arbitration. He argues that war is no longer an option for China. Even though political negotiation is currently China's basic approach, in the future, China may still need to consider arbitration and adjudication methods. Hence, China should start conducting feasibility studies to prepare for international arbitration.⁹⁰ Li Jinming, another veteran expert on the South China Sea issue, concurs that China may not be able to refuse international arbitration indefinitely because the longer the South China Sea dispute lasts, the more disadvantaged China will be. Therefore, he recommends that China start to prepare now by accumulating sufficient evidences to prove that the South China Sea indeed belongs to China.⁹¹

Conclusion

Heightened tensions and conflicts in the South China Sea sparked a new round of policy debate in China. The policy proposals presented by Chinese analysts reflect a diverse range of opinions on four aspects: the origins of the tensions, a fairly comprehensive review and reflection of China's erstwhile policy, the strategic dimensions of the South China Sea issue, and China's future policies.

The majority of Chinese analysts seem to agree on the origins of the conflicts in the South China Sea: the failure of regional states to respect Chinese interests as seen in their collusions with external powers targeted against China. This consensual view is perhaps an indication that China is unlikely to make any significant amendment to its policy on the South China Sea issue. The logic is that if there is nothing seriously wrong with Chinese behavior, there should be no major policy overhaul. However, the pressure for a tougher policy does not come from the mainstream scholarly community, but from the popular nationalists.

China has seen recent progress in terms of the growth of nationalism, the growth of Chinese capabilities, and the compartmentalization of administrative duties among different agencies. These new developments will very likely spur China to reinforce its economic and military presence in the South China Sea. Beijing is unlikely to reduce law enforcement activities in the region. Furthermore, it is becoming more challenging to coordinate the actions of the different Chinese agencies involved in maritime affairs.⁹² Very likely, in a few years, China will take on a more assertive economic role in the

⁹⁰NieXiushi, "woyuanxuezhobiaoshi: falvcaijuehuokejiejuenanhaiwenti" [CASS scholar: legal adjudication may solve the South China Sea problem], *CASS bulletin*, April 23, 2009.

⁹¹ Zhang Jie, et al., [US forcefully pushes internationalization of South China Sea issue, Yang Jiechi uses seven arguments to counter Hillary's "incorrect points"].

⁹² Author's interviews with officials at Chinese Foreign Ministry, Hainan, November 2011.

South China Sea, which might cause sporadic skirmishes and conflicts in the region.

Yet China's concerns over its relations with Southeast Asia, its strategic rivalry with the United States, and its priority for domestic economic development will likely constrain China from becoming openly confrontational. Beijing seems to understand that the strategic dynamics in East Asia do not favor China and that an overly assertive posture in the South China Sea will only further generate suspicions in many regional states towards China. The net result will only be the further enhancement of US political and security role in the region and the increased involvement of other major powers such as Japan and India in the South China Sea issue. Beijing seems to understand that it is necessary to take actions to prevent the tensions and dispute from spinning out of control. The official handling of the disputes in the past few years has attested to this strategic thinking.

Eventually, this combination of non-confrontation and assertiveness is likely to dominate China's behaviour in the South China Sea. The rest of the region may see many inconsistencies in China's policy ranging from constant rhetorical reassurance to heavy-handedness towards other claimants' actions. Despite Chinese displays of assertive actions and reactions, Beijing will refrain from escalating tensions and conflicts into any major confrontation. Under the right conditions, China will not hesitate to do damage-control by mending fences with relevant parties in ways that are easier to justify before its domestic audience.