



Jack D. Gordon Institute for Public Policy
Steven J. Green School of International and Public Affairs

S. China Seas Crisis Management Simulation

CONFLICT ON THE HIGH SEAS :

Averting War in the South China Sea

Preparation Materials

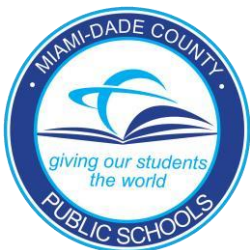
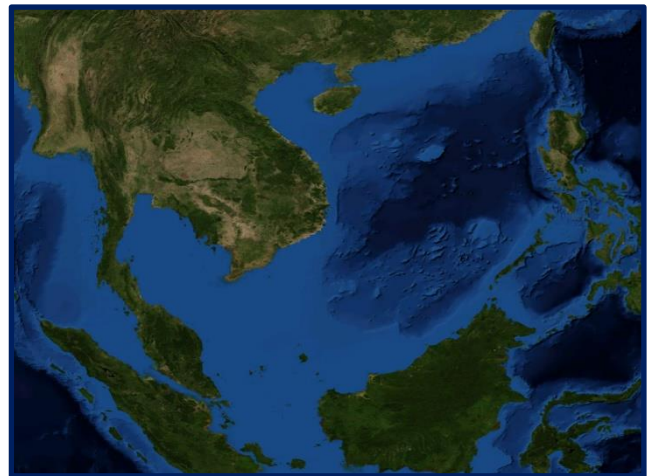


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Disclaimer

** The following active learning product is loosely based on news reports and other publicly available information about the concerns involving the South China Sea. Liberties are taken with the background information, scenario and circumstances to make the activity useful and accessible to students and educators. Therefore, the following activity is not entirely factual or entirely fictitious. It is a simulation that takes cues from current events, but constructs an “alternate reality” fit for an educational setting. Please do not be misled if there are aspects of the exercise that are not entirely consistent with recent developments involving any of the countries used or other actors involved in the exercise.*

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ACRONYMS

ASEAN — Association of Southeast Asian Nations

EEZ — Exclusive Economic Zone

PRC — People's Republic of China

UNCLOS — United Nations Convention on the Laws of the Seas

DEFINITIONS

Arbitrators – a panel of people convened to resolve a problem.

Bilateralism – is the direct negotiations between two countries on a given issue.

Convention – the rules of conduct for states on a given issue area, usually based on international law or international agreements.

Global commons – refers to the earth's un-owned resources, such as oceans, the atmosphere and outer space.

Hegemony – preponderant influence over others; leadership.

Littoral – a country with a shoreline of the sea.

Multilateralism – is the direct negotiations of multiple countries on a given issue.

Regimes – principles, norms and rules that are developed to coordinate action around a given issue.

Security dilemma – when the actions by a state intended to heighten its security, such as increasing its military strength or making alliances, can lead other states to respond with similar measures, producing increased tensions that create conflict, even when no side really desires it.

Sovereignty – the quality of having independent authority over a geographic area, such as territory

Zero-sum game – a game in which the cumulative winnings equal the cumulative losses

INTRODUCTION

The territorial dispute in the South China Sea could be one of the most dangerous flashpoints in the world. The potential for open conflict or warfare among the claimants of the islands and maritime trade and economic zones within the sea has grown over the years as attempts to peacefully resolve the dispute have failed. For the past 40 years, military clashes among the five claimants — China, Malaysia, Taiwan, the Philippines and Vietnam — over parts or all of the Spratly Islands have broken out, raising tensions among all involved. The impact of a war in the South China Sea could have grave implications not only for regional security, but global security as well. Important outside actors such as Japan, Russia and the United States have major vested interests in the region and would likely be involved in any violent conflict. Although all parties involved would like a peaceful resolution to the dispute, there are potential triggers that could engulf the region in major war.

In the past, military clashes between some of the **littoral** states along the sea have erupted in violence leading to casualties. The most severe of these occurred in 1998, when Chinese and Vietnamese navies clashed over the Spratly Islands and several Vietnamese boats were sunk, killing more than 70 sailors. In recent years, Philippine troops opened fire on Chinese fishermen in the Sea, and Vietnamese troops fired warning shots at Filipino military reconnaissance planes circling over the Spratly Islands. Recent discoveries of oil, gas and mineral deposits in the sea have raised the stakes for all involved. Military spending has increased among the claimants, leading to an “arms race” among the regional states. There is growing concern among security analysts that a small encounter between two or more states could lead to a larger global conflict.

Skirmishes in the South China Sea are occurring regularly and there is fear that tensions will escalate further. In order to prevent disputes from triggering a catastrophic war, the Association of Southeast Asian Nations (ASEAN) has called an emergency summit to find a peaceful resolution to the dispute. Five of the six claimant states along with Japan, Russia and the United States have been invited to ASEAN+5 Talks to choose a policy that is acceptable to all involved and avert a possible war. If the dispute cannot be solved by talks, then countries might turn to arms to secure their interests.

The **Jack D. Gordon Institute for Public Policy** offers today’s exercise to highlight the necessity for international cooperation to prevent war and violent conflict. The summit highlights the difficulty policymakers face when **security dilemmas**, economic interests, and national pride combine to produce **zero-sum games**. Negotiating a peaceful resolution is a balancing act when so many resources are at stake. Trust is limited, but cooperation requires that states work together. Policymakers must overcome the security dilemma to achieve a mutually beneficial outcome but more powerful states have more options at their disposal than less powerful ones. In the end, countries must balance achieving their core national interests while averting a costly and deadly war. We hope the simulation will inspire a greater appreciation for international politics and foreign policy and motivate your interest in National Security Studies.

EMERGENCY ASEAN SUMMIT

The ASEAN+5 Talks have been organized at ASEAN headquarters in Jakarta, Indonesia, to address the naval buildup in the South China Sea. Delegations from the eight invited nations will work together to choose a policy that reduces tensions and lays the groundwork for a just and equitable division of maritime and territorial boundaries. The goal of the summit is to choose a policy to resolve the outstanding disputes. However, each delegation has its own self-interests that could undermine cooperation. The goal is to balance national interests with regional harmony.

Simulation participants will be part of a **high-level delegation** representing one of the following countries: People's Republic of China (PRC); Republic of China (Taiwan); Russia, Japan, Malaysia, the Philippines, the United States and Vietnam.

Moderators will direct the delegations through each round of the negotiations while facilitators provide each delegation with guidance.

The goal of the simulation is for the delegations to agree on a course of action that resolves the outstanding disputes between the claimants of territory in the South China Sea. Although the objective of the ASEAN+5 Talks is for the delegations to reach common ground, some delegations might not approve of the final policy recommendation at the end of the negotiations.

Why Peace?

As a result of war's destructive nature, few can claim to come away from it unscathed. In fact, a total war can make everyone losers. Furthermore, international norms generally view war as legitimate in two cases: self-defense and humanitarian intervention. Negotiations are the preferred mechanism to resolve disputes. Nevertheless, we live in a world where some issues are zero-sum — that is, what one gains another loses. Territorial disputes are generally zero-sum games that often lead to conflict and violence. Peaceful resolution to these disputes requires painful concessions. Such concessions, however, might be preferable to war, in which all can be lost.

PARTICIPANT ROLES

High School Student Roles

High school students should take their roles as Senior Advisors seriously. Participant roles will include: 1. Head of Delegation 2. Chief Secretary 3. Military Advisor 4. Legal Advisor 5. Negotiators. The Advisory Groups must share information and think critically in order to select the best course of action for the National Security Action Memorandum. This simulation includes a companion Rule Book for students. The Rule Book is handed out with the Role Book at the start of the simulation.

High School Teacher Roles

The simulation seeks to develop students' independent critical thinking and conflict management skills. Teachers are encouraged to answer specific questions from their students, but they should be careful to allow students freedom to debate with their peers.

Facilitator Roles

The facilitators (FIU undergraduate and graduate students) will guide the students through the negotiation rounds. Each facilitator will be assigned to one advisory group and informally act as the organization's administrator. It is expected that the facilitator provide assistance, answer relevant questions, and ensure a focused discussion.

BACKGROUND

The Importance of the World's Oceans¹

The oceans are important to sustaining life on this planet. Indeed, life itself arose from the oceans. The world's oceans are vast, covering 140 million square miles or about 72 percent of the earth's surface. The earth's climate and weather depend on the interplay between the ocean and the atmosphere. Not only are the oceans a prime source of nourishment for the life it helped generate, but from earliest recorded history it has served for trade and commerce, adventure and discovery. It has kept people apart and brought them together. Even now, when the continents have been mapped and their interiors made accessible by road, river and air, most of the world's people live no more than 200 miles from the sea and relate closely to it.

As human civilization had developed, whole bodies of custom, tradition, and law arose defining the rights of the ships and mariners who navigated the oceans. Attempts have been made through the years to regulate the use of the oceans in a single **convention** that is acceptable to all nations. This effort finally culminated with the adoption of the 1982 United Nations Convention on the Law of the Sea (UNCLOS), which has gained nearly universal acceptance since its entry into force on 16 November 1994. UNCLOS provides a universal legal framework for the management of marine resources and their conservation for future generations. The passage of UNCLOS has thus been hailed as the most important international achievement since the approval of the United Nations Charter in 1945 and remains the central instrument for promoting stability and peaceful uses of the seas and oceans.

Although UNCLOS has been ratified by most member states of the United Nations, some, including the United States, have not ratified the treaty. Some critics of international organizations and conventions argue that UNCLOS is detrimental to U.S. national interests because it impinges on American **sovereignty**. Furthermore, it would entangle the United States in **multilateral** frameworks and could potentially subject American territorial claims to the International Tribunal for the Law of the Sea, which could bind the United States to outcomes that it disagrees with. Many American critics of UNCLOS also argue that is unnecessary for the United States to ratify the convention because the U.S. already accepts the norm of "freedom of the seas" and abides by customary laws of the sea. In fact, they argue, the United States Navy is necessary to global security and trade because it enforces the rights of passage for trade and other legal activities on the high seas, which are considered **global commons**.

Some scholars maintain that international conventions, no matter how well intended, are virtually useless because there is no enforcement mechanism; countries can break them at will and disregard rulings that go against them and go unpunished. For many conventions, there is no way to penalize the states that cheat the rules unless other countries take it upon themselves to do so.

¹ This excerpt comes from http://www.un.org/Depts/los/oceans_foundation.htm

Historical Perspective on the Laws of the Sea²

The oceans had long been subject to the freedom-of-the-seas doctrine — a principle put forth in the 17th Century that limited national rights and jurisdiction over the oceans to a narrow belt of sea surrounding a nation's coastline. The remainder of the seas was proclaimed to be free to all and belonging to none. While this situation prevailed into the 20th Century, by mid-century there was an impetus to extend national claims over offshore resources.

There was growing concern over the toll taken on coastal fish stocks by long-distance fishing fleets and over the threat of pollution and wastes from transport ships and oil tankers carrying toxic cargoes that traversed the globe. The hazard of pollution was ever present, threatening coastal resorts and all forms of ocean life. Powerful navies also were competing to maintain a presence across the globe on the surface waters and even under the sea. Over the centuries, the freedom-of-the-seas doctrine has faced a number of challenges: increasing territorial disputes, spreading pollution, competing demands for fish stocks and the growing presence of maritime powers were some of the serious problems that threatened the idea of freedom of the seas.

In 1945, President Harry S Truman, responding in part to pressure from domestic oil interests, unilaterally extended United States jurisdiction over all natural resources on that nation's continental shelf — oil, gas, minerals, etc. This was the first major challenge to the freedom-of-the-seas doctrine. Soon after the Second World War, Egypt, Ethiopia, Saudi Arabia, Libya, Venezuela and some Eastern European countries laid claim to a 12-mile territorial sea, thus clearly departing from the traditional three-mile limit. Later, the **archipelagic** nation of Indonesia asserted the right to dominion over the water that separated its 13,000 islands.

The oceans were being exploited as never before. Countries began claims on the seas for mineral extraction, fishing rights and offshore oil drilling. The dangers of conflict became numerous: nuclear submarines charting deep waters never before explored; designs for antiballistic missile systems to be placed on the seabed; supertankers ferrying oil from the Middle East to European and other ports, passing through congested straits and leaving behind a trail of oil spills; and rising tensions between nations over conflicting claims to ocean space and resources.

The immense resources in the oceans and their strategic importance produced a multitude of claims, counterclaims and sovereignty disputes. To resolve these claims and promote better management of ocean resources, countries began to negotiate **regimes** — which are agreed upon rules — to govern the oceans. To prevent an outbreak of war over these claims, the United Nations established the Convention on the Law of the Sea (UNCLOS). The Convention is unique because it obligates parties to the Convention to go through a settlement procedure in case of a dispute with another party.

² This section was adapted from the UN Convention on the Laws of the Sea,
[http://www.un.org/Depts/los/convention_agreements/convention_historical_perspective.htm#Historical Perspective](http://www.un.org/Depts/los/convention_agreements/convention_historical_perspective.htm#Historical%20Perspective)

Problems with International Conventions, Regimes and Institutions

In the field of International Relations, some scholars argue that conventions and institutions can overcome **anarchy** — in other words, they believe that states can cooperate even when there is no higher authority to force them to. Without rules or codes of conduct (called norms), states are likely to resort to war to resolve their conflicts. During the drafting of UNCLOS, some proponents of the convention argued that it was necessary for the peaceful settlement of disputes because the convention used third-party judges as **arbitrators**. However, critics of the convention opposed it because they felt that disputes could be best resolved **bilaterally** — or by direct negotiations between the claimants. Furthermore, critics argued that there was no way to enforce binding agreements by a third party. If one side did not like the decision of an arbiter, it could simply ignore it or violate it with impunity. Proponents of the convention replied that states that violate agreements would be ostracized by the rest of international community. If they do not follow rules, for example, no one would want to cooperate with them. Also, proponents argue that it is in the best interests of states to follow rules because they increase transparency and efficiency. In other words, rules make it easier for people to conduct business.

DEFINITIONS OF MARITIME AREAS³

UNCLOS introduced a number of provisions. The most significant issues covered were setting limits, navigation, **archipelagic** status and transit regimes, exclusive economic zones (EEZs), continental shelf jurisdiction, deep seabed mining, the exploitation regime, protection of the marine environment, scientific research, and settlement of disputes. The convention set the limit of various areas, measured from a carefully defined baseline. The areas are as follows:

Archipelagic waters: A baseline is drawn between the outermost points of the outermost islands, subject to these points being sufficiently close to one another. All waters inside this baseline are designated *Archipelagic Waters*. The state has full sovereignty over these waters (like internal waters), but foreign vessels have right of innocent passage through archipelagic waters (like territorial waters).

Contiguous zone: Beyond the 12 nautical mile limit there was a further 12 nautical miles or 24 nautical miles from the territorial sea baselines limit, the contiguous zone, in which a state could continue to enforce laws in four specific areas: pollution, taxation, customs, and immigration.

Continental shelf: The continental shelf is defined as the natural prolongation of the land territory to the continental margin's outer edge, or 200 nautical miles from the coastal state's baseline, whichever is greater. A state's continental shelf may exceed 200 nautical miles until the natural prolongation ends. Coastal states have the right to harvest mineral and non-living material in the subsoil of its continental shelf, to the exclusion of others. Coastal states also have exclusive control over living resources "attached" to the continental shelf, but not to creatures living in the water column beyond the exclusive economic zone.

Exclusive economic zones (EEZs): These extend from the edge of the territorial sea out to 200 nautical miles from the baseline. Within this area, the coastal nation has sole exploitation rights over all natural resources. In casual use, the term may include the territorial sea and even the continental shelf. The EEZs were introduced to halt the increasingly heated clashes over fishing rights, although oil was also becoming important. Foreign nations have the freedom of navigation and over-flight, subject to the regulation of the coastal states. Foreign states also may lay submarine pipes and cables in this zone.

Internal waters: Covers all water and waterways on the landward side of the baseline (for example, rivers, lakes and inland seas). The coastal state is free to set laws, regulate use, and use any resource. Foreign vessels have no right of passage within **internal waters**.

³ These definitions come from http://en.wikipedia.org/wiki/UNCLOS#Historical_background
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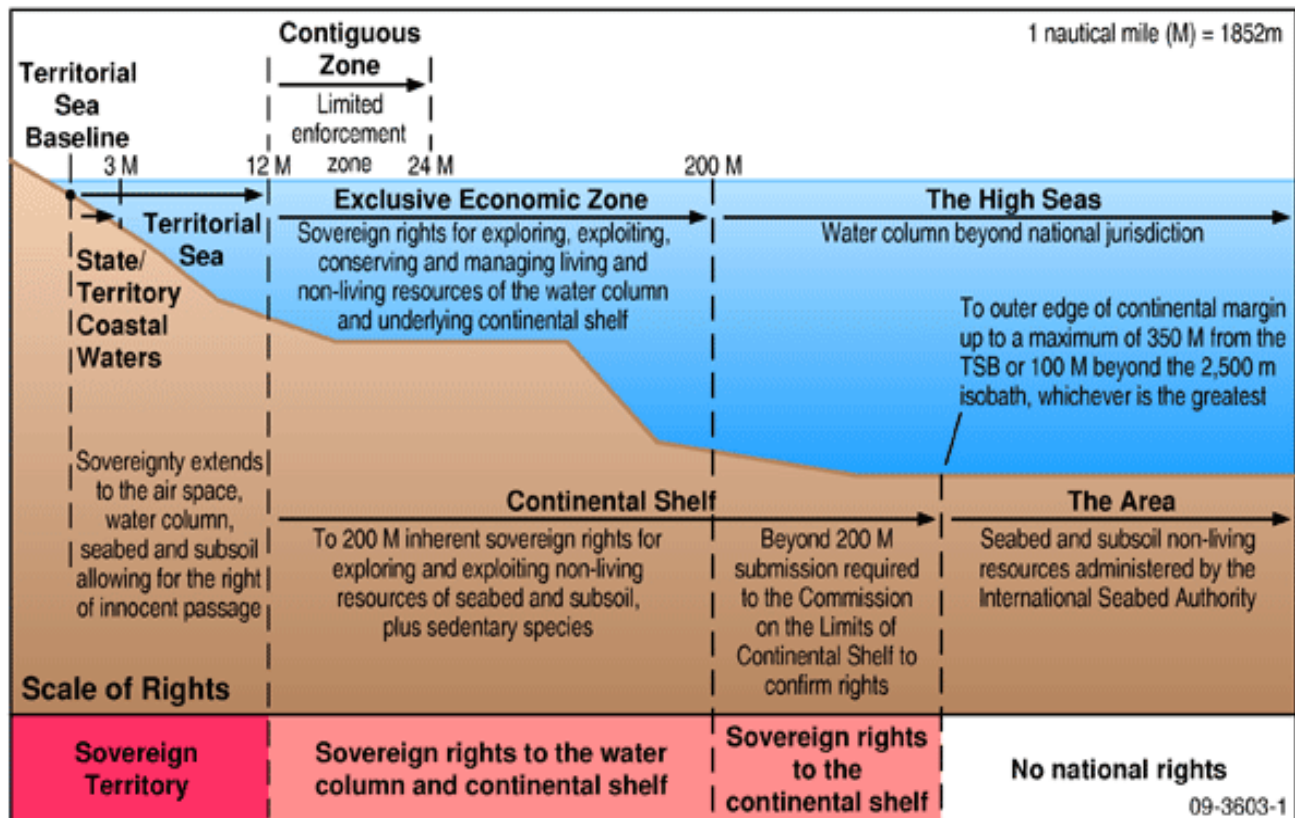
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Conflict on the High Seas: Averting War in the South China Sea

Territorial waters: Out to 12 nautical miles from the baseline of a coast, the coastal state is free to set laws, regulate use, and use any resource. Vessels are given the right of **innocent passage** through any territorial waters, with strategic straits allowing the passage of military craft as well as long as they do not pose any threat. “Innocent passage” is defined by the convention as passing through waters in an expeditious and continuous manner, which is not "prejudicial to the peace, good order or the security" of the coastal state. Fishing, polluting, weapons practice, and spying are not “innocent,” and submarines and other underwater vehicles are required to navigate on the surface and to show their flag. Nations also can temporarily suspend innocent passage in specific areas of their territorial seas, if doing so is essential for the protection of its security.

Figure 1-UNCLOS Definitions



Source: https://www.nauticalcharts.noaa.gov/publications/coast-pilot/files/xml2html.php?xml=cp5/CPB5_E45_C01_20171120_1326_WEB.xml

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The South China Sea

The South China Sea is of significant **strategic** importance. It is the shortest route between the Pacific and Indian Oceans and it has some of the world's busiest shipping lanes. More than half the globe's oil tanker traffic passes through it. Most shipping is of raw materials, such as crude oil from the Persian Gulf to East Asian countries. The sea holds valuable fishing grounds, and as-yet largely unexploited oil and natural gas fields. The South China Sea is rich in natural resources such as oil and natural gas, but ownership of the resources is in dispute. Asia's robust economic growth has boosted demand for energy in the region.

The United Nations Convention on the Law of the Sea (UNCLOS) has not yet resolved ownership disputes in the South China Sea. The 1982 convention created a number of guidelines concerning the status of islands, continental shelves, exclusive economic zones (EEZ), enclosed seas, and territorial limits. UNCLOS states that countries with overlapping claims must resolve them by negotiation. The map below shows the lines drawn under UNCLOS (blue) and those drawn by China (red).

Map 1-South China Sea UNCLOS Lines

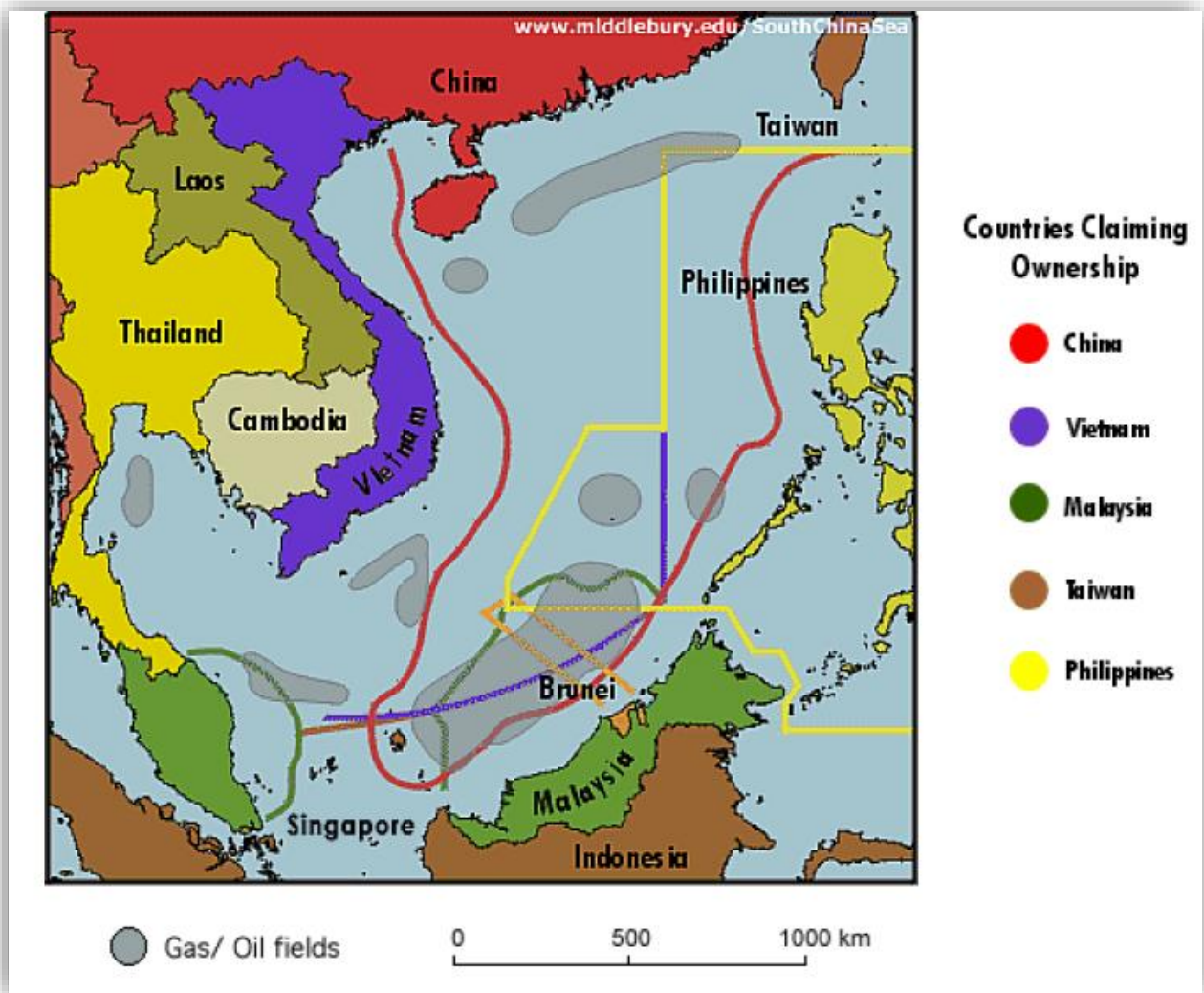


Conflict on the High Seas: Averting War in the South China Sea

National Maritime Claims vs. UNCLOS Claims

The map below highlights the claims to the South China Sea made by each country. These claims do not fully correspond with the UNCLOS division lines (see Map 1 on the previous page). This divergence is because countries interpret UNCLOS differently. Under international law, countries should submit their disputes to international courts for resolution. However, some of the major actors in the dispute refuse to submit to outside resolutions and prefer to solve the claims through direct talks.

Map 2- South China Sea National Lines



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Claimants

Competing territorial claims over the South China Sea and its resources are numerous, with claims for various areas by Brunei, Cambodia, China, Indonesia, Malaysia, the Philippines, Taiwan, Thailand, and Vietnam. The UN Convention on the Law of the Sea (UNCLOS) provides for claims to areas of the ocean to be made using a 200 mile Exclusive Economic Zone (EEZ) and/or the continental shelf principle.

China — China claims almost all of the South China Sea. China claims all of the Spratly Islands and occupies several of the islands with its military. In 1974, China seized the Paracel Islands from Vietnam and continues to maintain sovereignty over the islands. China's claims to the South China Sea are based on the EEZ and continental shelf principle as well as historical records from ancient Chinese kingdoms.

Malaysia — Malaysia's claim to the South China Sea is limited to the boundaries of the EEZ and continental shelf. Malaysia claims three islands of the Spratly Islands, having built a hotel on one and bringing soil from the mainland to raise the level of another. Malaysia makes no claim to the Paracels.

Philippines — The Philippines claim a sizeable portion of the South China Sea. The Philippines occupy eight of the Spratly Islands. The Philippines do not claim the Paracel Islands. Filipino claims are based upon the EEZ and continental shelf principle and historical claims.

Taiwan — Taiwan claims almost all of the South China Sea. Taiwan claims all of the Spratly Islands and has announced its intention to build an airstrip on one of them. Taiwan claims all of the Paracel Islands and occupies one of them. Taiwan's claims are based on principles similar to those of China.

Vietnam — Vietnam claims a significant portion of the South China Sea based upon its EEZ and the continental shelf principle. Vietnam claims all of the Spratly Islands and has occupied 20 of them. Vietnam claims all of the Paracel Islands despite being forcibly ejected by China in 1974.

Spratly Islands — a group of more than 750 reefs, islets, atolls, cays and islands in the South China Sea. Most of them are very tiny. There are nine major islands in the chain. The largest is about 1-square mile.

Paracel Islands — a group of 30 islets, sandbanks and reefs that occupy about 9,320 square miles of the South China Sea. The largest island is about 1.3 square miles.

Table 1-Claims by Country

Country	South China Sea	Spratly Islands	Paracel Islands
China	All	All	All
Malaysia	EEZ	3 islands	No
Philippines	Significant portions	8 islands	No
Vietnam	All	All	All
Taiwan	All	All	All

Source: Energy Information Administration, "South China Sea Energy Data, Statistics and Analysis"

Outside interests in South China Sea

United States — Washington considers free passage of the South China Sea and a peaceful resolution to claims accepted by all parties as U.S. “national interest.” The United States has treaty allies in the region, sends ships through the South China Sea regularly, and views the waters as critically strategic. This position, however, infuriated China.⁴ Many of the smaller countries are concerned about China’s rise and look the United States as an ally and guarantor of peace in the region. The United States bolstered its naval presence in the sea but this could eventually bring the United States into conflict with China. The United States is also concerned about China’s increasing power in Asia. If China continues to grow, it could potentially challenge U.S. interests in the Pacific and other areas of the world. In the future, a powerful China could cut off U.S. access to the sea, which could lead to a naval confrontation.

Russia — Moscow is considered by some to be a “silent player” in the South China Sea dispute. Russia has sold submarines and weapons to Vietnam and is cooperating with Vietnam to conduct offshore oil exploration in the South China Sea.⁵ As one commentator put it Russia “continues to sell advanced weapons to Vietnam for its own economic and political benefit. These foreign arms sales have never been simply for economic gain; Russia views the sales as a way to intervene in regional affairs. Likewise, in partnering with Vietnam in oil exploration in the South China Sea, Russia has not only made huge profits, but also gained increased power to check China's economic development. While Russia has not been directly involved in the South China Sea territorial disputes, with its arms sales and stake in Vietnamese offshore oil exploration, it has shown that it can wield considerable influence behind the scenes.”⁶ Although China is concerned about the relationship between Moscow and Hanoi, China and Russia have a strong partnership and both consider U.S. **hegemony** to be a threat to their interests. China and Russia often cooperate to oppose U.S. interests in other parts of the world, for example in the Middle East. Although Russia benefits from trade with Vietnam, it is more likely to support its ally China in a major dispute over the South China Sea unless all three make an agreement.

Japan — For Tokyo, the South China Sea dispute indicates how aggressive China’s foreign policy will be. Japan has unsettled border disputes with China in the East China Sea. More importantly for Japan, the safety of its sea lines of communications are a vital security interest because more than 80 percent of the country’s oil imports from the Middle East pass through the South China Sea. Japan has met with leaders of the Philippines, Vietnam and Indonesia about improving military partnerships in response to Chinese claims in the area. Japan is also a strong ally of the United States and is increasing its relations with India to contain China’s maritime activities.⁷ Recently, Japan claimed that Chinese naval vessels locked their radar onto a Japanese destroyer and helicopter, raising tensions between the two countries. China disputed the accusations.

⁴ Joshua Kurlantzick, “Growing U.S. Role in South China Sea,” *Council on Foreign Relations website*, Oct. 11, 2011, <http://www.cfr.org/china/growing-us-role-south-china-sea/p26145>

⁵ Wen Zieren, “The Silent Player in the South China Sea,” *China.org.cn*, Aug. 9, 2011 http://www.china.org.cn/opinion/2011-08/09/content_23173568.htm

⁶ *Ibid.*

⁷ Andy Lee, “India and Japan’s Involvement in the South China Sea Disputes,” *East Asia Forum*, <http://www.eastasiaforum.org/2011/11/10/india-and-japan-s-involvement-in-the-south-china-sea-disputes/>

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Map 3-Disputes in the South China Sea

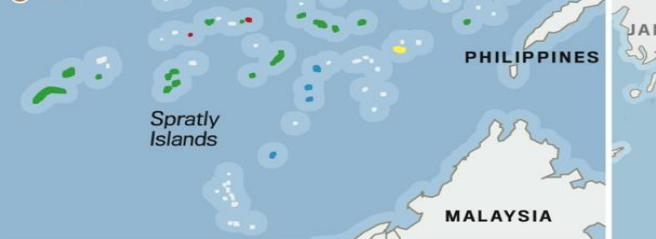
Intrigue in the South China Sea

By Eleanor Smith | Map by Lon Tweeten

The Paracels and the Spratlys, two archipelagoes consisting of hundreds of tiny islands, reefs, and sandbanks, are at the center of fierce territorial disputes in the South China Sea. The islands are desirable not for their land, which totals about five square miles, but for their proximity to some of the world's busiest shipping lanes, access to fishing resources, and the oil and gas believed to lie beneath.

The Spratlys, color-coded by occupying country

- China
- Malaysia
- Philippines
- Taiwan
- Vietnam
- Unoccupied or unclear



PARACEL ISLANDS

Vietnam and China both claim the Paracels, which are roughly equidistant from the two countries' coastlines. (Taiwan also claims them.) But since 1974, when Chinese troops forcibly drove out the Vietnamese in a deadly skirmish, the archipelago has been occupied exclusively by China. Recently, China raised tensions again by announcing its plan to develop tourism opportunities in the area.

OIL SKIRMISHES

Last year, Vietnam claimed that Chinese boats twice deliberately sabotaged oil-exploration missions by cutting ship cables in its waters. China called one of the cable-cutting incidents accidental, and accused Vietnam of violating its "sovereignty and maritime rights." Vietnam responded by conducting naval exercises off its coast.

SPRATLY ISLANDS

Though many of their features are above water only at low tide, the Spratlys are fervently claimed by China, Vietnam, and Taiwan, and in part by Malaysia, the Philippines, and Brunei. To bolster their claims, all but Brunei have occupied islands and built infrastructure, including docks, research stations, barracks, and at least one bird-watching platform. In April, Vietnam dispatched five Buddhist monks to live on an island in peaceful defense of its claim.

PALAWAN ISLAND/REED BANK

The Philippines recently announced plans for oil exploration off Palawan Island, in waters also claimed by China. Last year, two Chinese patrol boats chased a Philippine-approved survey boat out of the area. The Chinese boats left as Philippine military aircraft were deployed, but other incidents have flared since then. According to David Rosenberg, a South China Sea expert at Australian National University, this is "the next hot spot to watch."

SHIPPING LANES

The majority of Asia's energy supplies, and more than half of the world's annual merchant-fleet tonnage, pass through the Malacca, Sunda, Lombok, and Makassar Straits.

NATURAL RESOURCES

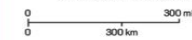
The South China Sea has proven oil reserves of 7 billion barrels (and by some estimates will ultimately yield 130 billion barrels), and some 900 trillion cubic feet of natural gas.

Oil/gas fields

Major shipping lanes

China's claimed territorial waters

UN Law of the Sea Convention's 200-nautical-mile exclusive economic zones



SOURCES: INTERNATIONAL ENERGY AGENCY;
SOUTHCHINASEA.ORG; U.S. DEPARTMENT OF STATE

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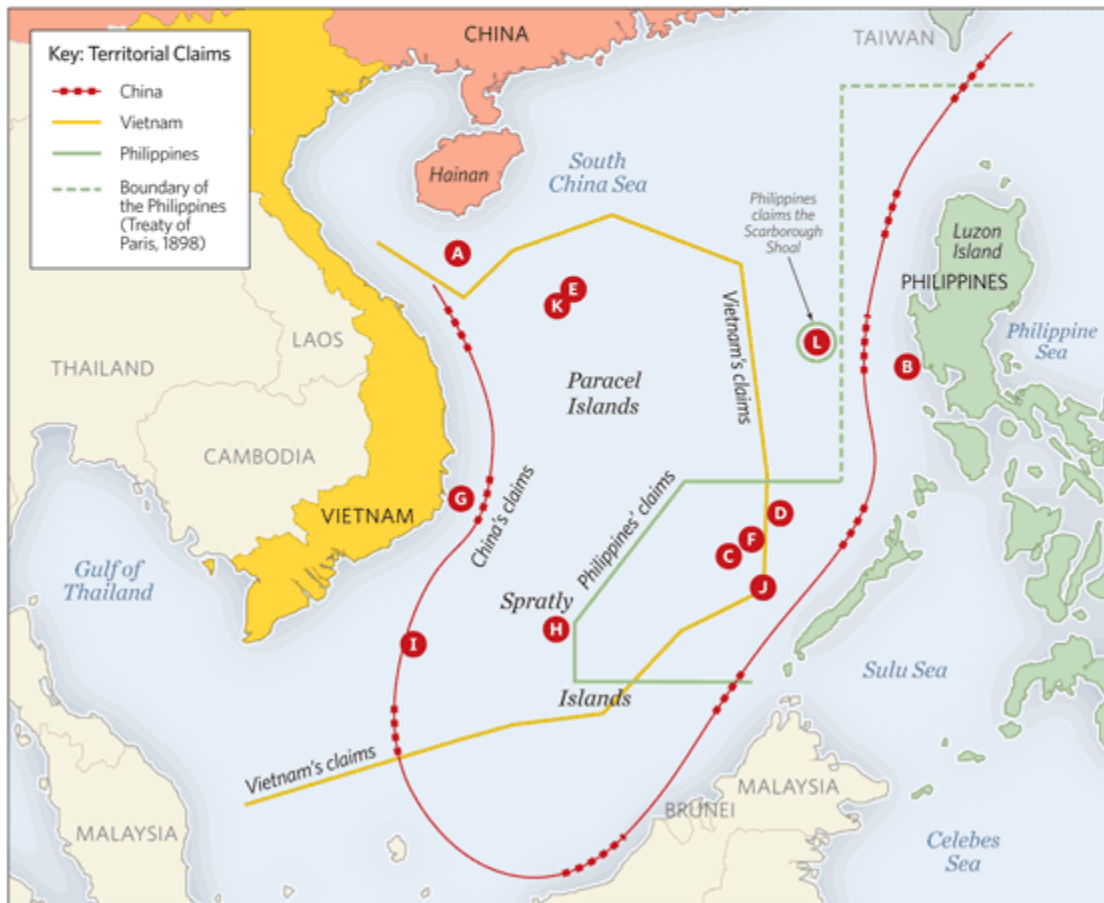
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Map 4-Recent Clashes in South China Sea

China's Disruptive Activities in the South China Sea

Since 2009, Chinese vessels have been involved in a growing number of aggressive incidents in the disputed waters of the South China Sea.

- A March 2009.** Chinese vessels harass USNS *Impeccable*
- B June 2009.** Chinese submarine collides with the sonar cable of the USS *John McCain*
- C February 2011.** Chinese frigate fires at Philippine fishing boats
- D March 2011.** Chinese patrol boats attempt to ram a Philippine government energy research vessel
- E May 2011.** China unilaterally announces four-month fishing ban for northern part of South China Sea
- F May 2011.** Chinese vessels lay steel posts and buoys
- G May 2011.** Maritime security vessel from China cuts the cables of an exploration ship from Vietnam
- H May 2011.** Chinese military vessels use guns to threaten crews of four Vietnamese fishing boats
- I June 2011.** Three Chinese vessels disabled cables of a PetroVietnam oil survey ship, the *Viking 2*
- J December 2011.** Two Chinese civilian ships and Chinese naval vessel seen in Philippine territorial waters
- K March 2012.** China detains 21 Vietnamese fishermen in the Paracel Islands for seven weeks, sparking a diplomatic row
- L April 2012.** Chinese fishing at the Scarborough Shoal prompts an ongoing standoff between Philippine patrol vessels and Chinese surveillance ships. The shoal is 124 nautical miles from Luzon Island, well within the Philippine Exclusive Economic Zone (EEZ)



Sources: U.S. Department of Defense, "Military and Security Developments Involving the People's Republic of China 2010," http://www.defense.gov/pubs/pdfs/2010_CMPR_Final.pdf (accessed February 27, 2012); Martin Stuart-Fox, *A Short History of China and Southeast Asia* (Sydney: Allen & Unwin, 2003), map by R.B. Cribb, "Territorial claims in the South China Sea," p. 217; and Heritage Foundation research.

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Conflict on the High Seas: Averting War in the South China Sea

ORGANIZATION OF SIMULATION

- **First Round (30 minutes):** Delegations will discuss available options *within* their group and then rank their policy preferences from best to worst.
- **Second Round (60 minutes total):** Delegations will negotiate *with other* groups to express their preferences and to try and persuade them to ally with their goals. Delegations can use their negotiation points to offer deals or bribes to get other delegations to join them. Delegations can renege on deals if a better one is made or they are influenced by a more powerful state. *Remember, no deal is binding unless it is ratified into a treaty.* (See Rule Book: Negotiation Rules)
 - **First half (35 minutes):** Round-robin talks. No deals offered yet. Each session lasts five minutes
 - **Second half (25 minutes):** Open talks. At this stage deals can be offered.
- **Third round (10 minutes):** Delegation heads vote on the preferences. There are two ways for a policy to be adopted: consensus or bloc vote. If there is deadlock.

ENDING THE SIMULATION

After intergroup negotiations, the delegation heads for each group will go to the head table for final negotiations.

The delegation heads have ten (10) minutes to form a consensus or bloc vote. If there is no consensus or bloc vote by the time limit, then a deadlock is declared diplomatic talks have failed. There are three possible outcomes:

1. Consensus
 2. Bloc vote
 3. Deadlock
- **Consensus:** If there is consensus among the spokespersons (at least six nations in favor), then they must return to their delegations to get a final vote. If the policy passes on consensus, there will be a signing ceremony to close the summit.
 - **Bloc vote:** If there is a bloc vote, the members of the bloc must pool amongst themselves at least 750 points for a bloc vote to be successful. If a bloc vote passes, there will be a signing ceremony only among bloc members.
 - **Deadlock:** If there is no consensus during the third round, then no agreement is reached and tensions in the region will continue to mount.

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APPENDIX A — POWER RANKINGS



1. UNITED STATES: Although in economic decline, the United States still remains the undisputed power in the international system. The U.S. Navy can pretty much travel where it wants and the U.S. can project power across the world. Despite its unmatched military supremacy, the U.S. is slowly losing its position at the top of the pecking order. The country was mired in two wars that strained its military and is struggling to come out of an economic **recession**. The United States has a number of core interests around the world, including naval superiority in the Pacific and Indian oceans. The South China Sea strategically links these two oceans, which is important because of trade and commerce.

Population: 326,625,791 (3rd in the world)

Capital: Washington

GDP: \$18.62 trillion (1st in the world)

Military Spending: \$598.5 billion (1st in world)

Most likely allies: Japan, Vietnam, Philippines, Taiwan

Points for game: 300 points



2. CHINA: China is one of the fastest growing nations in the world and over the past two decades has moved into position as the second most powerful military and economic power in the world behind the United States. Although China's rise has corresponded with the decline of the United States, the military gap between the two countries is still large. China has a number of territorial disputes with Vietnam and Japan, among others.

Population: 1,379,718,015 (1st in the world)

Capital: Beijing

GDP: \$11.94 trillion (2nd in the world)

Military Spending: \$148.3 billion (2nd in world)

Most likely allies: Russia, Malaysia, Vietnam

Points for game: 250 points



3. RUSSIA: After the collapse of the Soviet Union, the power position of Russia decreased dramatically. However, the country still retained a strong arsenal of nuclear weapons and a sizeable, albeit weakened, military. Flush with oil and gas reserves, Russia has been able to rebuild itself as a great power. After the United States, Russia is the biggest seller of advanced weapons systems and provides arms to other major countries, including China and India. Russia is no longer a superpower but it is still a major player in the game. Russia has strong ties to China and Vietnam.

Population: 142,257,519 (9th in the world)

Capital: Moscow

GDP: \$1.469 trillion (6th in the world)

Military Spending: \$69.3 billion (5th in world)

Most likely allies: China, Vietnam

Points for game: 200 points



4. JAPAN: Japan has close economic and military ties to the U.S. Although the Japanese constitution renounces the country's right to declare war, it does have self-defense forces and one of the largest military budgets in the world. Japan has several territorial disputes with other great powers; with Russia over the South Kuril Islands and with China over islands in the East China Sea. The rise of China is of great concern to the leaders in Tokyo.

Population: 126,475,664 (10th in the world)

Capital: Tokyo

GDP: \$4.88 trillion (4th in the world)

Military Spending: \$51.4 (6th in the world)

Most likely allies: United States, Taiwan, Philippines, Vietnam

Points for game: 150 points

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5. VIETNAM: Vietnam has had a decades-long land boundary dispute with China that was resolved in 2009. Vietnam and China have had several skirmishes over the Paracel and Spratly Islands. Vietnam also has conflicts with the Philippines over the islands and maritime boundaries in the South China Sea. China and Vietnam are the most likely states to go to war over the territorial disputes. Vietnam also has received millions in weapons deals

from Russia, which is also seeking oil and gas contracts with Hanoi. Although sometimes at odds, Vietnam and China have a number of trade agreements and their ties are strengthening. **Vietnam is a member of ASEAN.**

Population: 96,160,163 (14th in the world)

Capital: Hanoi

GDP: \$216 billion (42nd in the world)

Military Spending: \$2.4 billion (52nd in world)

Most likely allies: United States, Russia, Malaysia, Japan, Philippines, China

Points for game: 25 points



6. MALAYSIA: Malaysia's claims in the South China Sea overlap with those of China, Vietnam, Taiwan and the Philippines. Since the end of the Cold War, relations between Kuala Lumpur and Beijing have improved greatly. There are many ethnic Chinese who live in Malaysia as well. Malaysia's biggest military suppliers are Russia and the United States.

Malaysia is a member of ASEAN.

Population: 31,38,992 (43rd in the world)

Capital: Kuala Lumpur

GDP: \$309.9 (30th in the world)

Military Spending: \$3.25 billion (47th in world)

Most likely allies: United States, Russia, China, Philippines, Vietnam

Points for game: 25 points



7. PHILIPPINES: The Philippines claims sovereignty over some of the Spratly Islands claimed by China, Malaysia, Taiwan, and Vietnam. Manila has had armed conflicts with Taiwan, Malaysia, China and Vietnam over parts of the sea and some of its islands. The Philippines is a strong ally of the United States. **The Philippines is a member of ASEAN.**

Population: 104,256,076 (12th in the world)

Capital: Manila

GDP: \$321.2 billion (34th in the world)

Military Spending: \$1.486 billion (59th in the world)

Most likely allies: United States, Japan, Malaysia,

Points for game: 25 points



8. TAIWAN: Taiwan claims almost all of the South China Sea and has had military conflict with the other claimants. China (Peoples Republic of China) considers Taiwan (Republic of China) to be a part of the mainland although Taipei has *de facto* sovereignty. Taiwan has no status at the United Nations and lacks diplomatic recognition from most countries. The United

States does not formally recognize Taiwan's status as an independent state but Washington is Taipei's main ally and biggest weapons supplier.

Population: 23,071,779 (50th in the world)

Capital: Taipei

GDP: \$571.5 billion (19th in the world)

Military Spending: \$10.5 billion (22nd in the world)

Most likely allies: United States, Japan

Points for game: 25 points

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APPENDIX B — POLICY OPTIONS

Policy options: Delegations will be presented with six (6) policy options at the emergency conference. During the first round, each group must rank the six policy options from best to worst for their state. This will help when intergroup negotiations begin in the second round. In the second round, each delegation will be able to negotiate their preferences with other delegations. In the final round, the head delegates from each national group will attempt to find a consensus among all of the preferences.

Policy Options

- A. Direct bilateral talks with China (**DIRECT**)
- B. Multilateral talks for a Binding Code of Conduct (**MULTI**)
- C. Joint Development of South China Sea (**JOINT**)
- D. Accepting current UNCLOS territorial lines (**UNCLOS**)
- E. Submit claims to the International Court of Justice (**ICC**)

A. Direct bilateral talks with China — China insists that negotiated settlement of the Spratly dispute should proceed on a bilateral basis or, if multilaterally, then among claimants only. While Beijing has acknowledged the useful role of some ASEAN non-claimants in the talks, as a general rule it believes that “outside forces” (the U.S. and Japan in particular) should not be involved in this “internal dispute.” Since the Spratly dispute involves the issue of Chinese sovereignty, Beijing claims it is of a domestic nature and should not be internationalized. Armed conflict, especially against a U.S. ally, is almost sure to internationalize the conflict. Beijing refuses to talk to Taiwan directly on this issue because it considers Taiwan part of China. However, Taiwan also agrees on direct bilateral talks with other claimants because it shares the same territorial interests as the mainland government. In fact, Beijing and Taipei have almost the same exact views on territorial issues because both governments consider themselves the legitimate sovereign authority over all of China.

Implications: Despite recent talks between China and the United States, relations between the two countries remain fragile, with debates continuing in both capitals as to how much one side can or should trust and cooperate with the other. The United States is unlikely to agree to bilateral talks between China and the other claimants because too much is at stake. Taiwan and Japan also would object to direct bilateral talks because this would leave them out of the process. In bilateral talks, China could easily use the “divide and conquer” strategy with its smaller rivals. However, China also could offer incentives to the claimants that outsiders cannot, such as joint development, favorable trade relations or economic aid. The other actors would lose leverage in direct talks but they could score big concessions if they play their cards right.

B. Multilateral talks to create Binding Code of Conduct: All claimants but China prefer a multilateral approach. However, the goal of a Code of Conduct is to dampen conflict and manage disputes, not to resolve them. The code calls on all claimants to explore ways to build trust and confidence, resolve the dispute peacefully, to exercise self-restraint and to cooperate on marine environmental protection, scientific research, safety of navigation, search and rescue and to combat transnational crime such as illegal trafficking and piracy in the South China Sea. Claimants also should voluntarily notify one another about any military exercises in the region. The United States supports the code and believes that adopting one would ensure regional stability, freedom of navigation and international commerce. The major problem with a code of conduct is there is no way to enforce the agreements. This code does not define territorial limits or allocate which rights each state has to fishing, oil exploration or mineral extraction.

Implications: Efforts in the past to create a “code of conduct” have failed and resulted instead in political declarations with little force. China is willing to hold multilateral talks on non-traditional security issues such as safe navigation and anti-piracy measures. However, Beijing refuses to negotiate in multilateral settings on what it considers “core interests” such as sovereign territory. A code also does not resolve the territorial disputes and would simply maintain the status quo. This just kicks the can down the road and holds off decisive action that will inevitably be needed to find a resolution to the dispute. Nevertheless, multilateral talks are probably the best avenue to produce results that all parties can live with. It might not resolve the problem but it would at least keep the dispute from escalating and prevent war for the foreseeable future.

C. Joint development — Joint development has been offered as a way to foster confidence among the claimants. In recent years, Chinese and Philippine companies have undertaken joint exploration in areas claimed by both countries. But as one senior ASEAN official has noted, “everyone supports joint development in principle, but not in practice.” The prevailing mood seems to be “what’s mine is mine and what’s yours we can jointly develop.” Furthermore, this plan has been frustrated by each country’s unwillingness to define what it means by “joint development.” For external actors, joint development would be a good option because they could sign contracts with the smaller countries for oil and gas exploration and mineral and fishing rights. Joint development would allow for open travel of military and commercial vessels.

Implications: Joint development could lead to armed conflict because of the seizure of fishing boats or other commercial vessels within claimed boundaries. This will happen if the areas under joint development are not adequately defined. Showdowns between military ships patrolling in disputed areas or accompanying commercial ships could easily evolve into gunfire exchanges, which could further escalate into naval engagements. Some nations may find it difficult to back down gracefully from such standoffs in claimed sovereign territory. There is also the ever present possibility of accidents or miscalculations on the part of any of the parties, especially when military forces come in close contact with one another in disputed territory. Active patrolling by naval gunboats of several claimants adds to the prospects of inadvertent (as well as deliberate) naval confrontations. States will easily agree to joint development in areas they do not claim but will try to prevent joint development in areas they do claim.

D. Accepting current UNCLOS territorial lines — All parties in the dispute are signatories of the UN Convention on the Laws of the Seas. In fact, independent advisors have drafted maps using the UNCLOS lines to define territorial boundaries in the sea. The problem with the current UNCLOS territorial lines is that each country interprets the law to claim sovereignty over overlapping areas. Using interpretations from independent analysts would cause some countries to restrict their claims and lose territory. Under UNCLOS, China would be the biggest loser if independent mediators define the territorial boundaries of the sea based on UNCLOS guidelines. UNCLOS states that an Exclusive Economic Zone (EEZ) cannot extend more than 200 miles from the baseline of the state but China's claims extend further than that. Each country also has historical claims that conflict with UNCLOS guidelines.

Implications: The U.S. has signed but not ratified UNCLOS because it objects to a clause on seabed mineral exploration. Therefore the United States is not a party to the treaty. China would argue that the U.S. should not be a party to any talks that were held under UNCLOS guidelines. If UNCLOS guidelines were used, China likely would apply pressure on U.S. naval activities in the South China Sea. In particular, China would like to restrict military activities in the EEZs, which the United States opposes and argues is not a part of international law. UNCLOS is a helpful instrument for beginning discussions of sovereignty among South China Sea claimant states because it is the only document signed by all six countries that addresses issues related to the dispute. However, despite all its positive contributions, UNCLOS has significant shortcomings. For one, the law has the potential to create overlapping claims if two countries establish structures or claim territory in close proximity.

E. Submit claims to the International Court of Justice (ICJ) — The International Court of Justice decides on cases brought to it by member states and can give advice on issues regarding UN treaties and international law, including UNCLOS claims. Since there is no international constitution, the Court bases its decisions on treaties, universal principles of law, international customs and by precedent from similar cases. A willingness of all parties to submit their claims to the Court (and then abide by the results) also could defuse tensions. So too would a willingness to place the disputed territories under UN trusteeship, which would then allow joint development under UN auspices. These and other well-intentioned suggestions merit serious consideration by the claimants.

Implications: It is difficult to resolve the disputes by using international laws because neither China nor Vietnam accepts the jurisdiction of the ICJ (nor does the U.S.). The Philippines has accepted the ICJ's jurisdiction but has reservations on its jurisdiction over sea and land territorial disputes. Furthermore, China doesn't accept any international court or arbitration in disputes over sea delimitation, territorial disputes and military activities. Moreover, without an agreement among the relevant countries, no arbitration organization can deal with the disputes. Additionally, although the rulings of the ICJ are binding, they cannot be enforced by the court or by the UN. So states that do not like the decision could simply ignore it. On the positive side, arbitrators can peacefully resolve the competing claims and distribute the claims as fairly as possible. Claimants might get a better result going to court than through fighting.

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APPENDIX C – HISTORICAL DISPUTES IN SOUTH CHINA SEA

Table 2: MILITARY CLASHES IN THE SOUTH CHINA SEA SINCE 1970

Date	Countries Involved	Military Action
1974	China and Vietnam	China seized the Paracel from Vietnam, with 18 Vietnamese troops killed in clashes on one of the islands.
1988	China and Vietnam	Chinese and Vietnamese navies clashed at Johnson Reef in the Spratly Islands. Several Vietnamese boats were sunk and over 70 sailors killed.
1992	China and Vietnam	Vietnam accused China of landing troops on Da Luc Reef. China seized almost 20 Vietnamese cargo ships transporting goods from Hong Kong from June-September.
1994	China and Vietnam	China and Vietnam had naval confrontations within Vietnam's internationally recognized territorial waters over Vietnam's oil exploration blocks. Chinese claim the area as part of its territory.
1995	China and Philippines	China occupied Philippine-claimed Mischief Reef. Philippine military evicted the Chinese in March and destroyed Chinese markers.
1995	Taiwan and Vietnam	Taiwanese artillery fired on a Vietnamese supply ship.
1996	China and Philippines	In January, Chinese vessels engaged in a 90-minute gun battle with a Philippine navy gunboat near the island of Capone, off the west coast of Luzon, north of Manila.
1997	China and Philippines	The Philippine navy ordered a Chinese speedboat and two fishing boats to leave Scarborough Shoal in April; the Philippine navy later removed Chinese markers and raised its flag. China sent three warships to survey Philippine-occupied islands.
1998	Philippines and Vietnam	In January, Vietnamese soldiers fired on a Filipino fishing boat near Pigeon Reef.
1999	China and Philippines	In May, a Chinese fishing boat was sunk in a collision with Philippine warship. In July, another Chinese fishing boat was sunk in a collision with a Philippine warship.
1999	China and Philippines	In May, Chinese warships were accused of harassing a Philippine navy vessel after it ran aground near the Spratly Islands.
1999	Vietnam and Philippines	In October, Vietnamese troops fired upon a Philippine air force plane on reconnaissance in the Spratly Islands.
1999	Malaysia and Philippines	In October, Philippine defense sources reported that two Malaysian fighter planes and two Philippine air force surveillance planes nearly engaged over a Malaysian-occupied reef in the Spratly Islands. The Malaysian Defense Ministry said it was not a stand-off.
2000	China and Philippines	In May, Philippine troops opened fire on Chinese fishermen, killing one and arresting seven.
2001	China and Philippines	During first three months, the Filipino navy boarded 14 Chinese boats, confiscated their catches and ejected vessels out of contested portions of the Spratly Islands.
2001	China and Philippines	In March, the Philippines sent a gunboat to Scarborough Shoal "to ward off any attempt by China to erect structures on the rock."
2002	Philippines and Vietnam	In August, Vietnamese troops fired warning shots at Filipino military reconnaissance planes circling over the Spratly Islands.
Source: Energy Information Agency, "South China Sea Country Analysis Brief," March 2008. www.eia.doe.gov		

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