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## **SOUTH CHINA SEA DISPUTES: HARBINGER OF REGIONAL STRATEGIC SHIFT?**

***Yoichi Kato***

The territorial disputes in the South China Sea between China and the other littoral states, including Vietnam and the Philippines, are gaining more strategic significance for the entire Asia-Pacific region and beyond. Japan cannot discount this issue as an isolated phenomenon in the remote region because it reflects China's regional strategy, which is based on its growing economy and national confidence.

*The views expressed in this piece are the author's own and should not be attributed to The Association of Japanese Institutes of Strategic Studies.*

The more fundamental challenge is how the regional countries, including Japan, should deal with the emerging strategic ambivalence, which is caused by both the growing economic interdependence with China and the continuing dependence on the regional security order guaranteed by the United States.

The territorial disputes in the South China Sea seem to have reached a certain equilibrium at the ASEAN-China Ministerial Meeting and the following ASEAN Regional Forum (ARF) in July in Bali, Indonesia. The 10 member states of ASEAN and China agreed upon new guidelines, which stipulate a path to the implementation of the long-standing Declaration of Conduct (DOC) for peaceful resolution of the disputes in the South China Sea.

Japan's then foreign minister, Takeaki Matsumoto, who participated in this round of ASEAN-related meetings, welcomed the development. He stated in the Diet, "I regard it as a step forward."

US Secretary of State Hillary Clinton also praised it as "an important step," and at the same time urged ASEAN and China to move quickly to achieve the next step: the establishment of a legally binding code of conduct to prevent conflicts. Clinton added, "Every claimant must make their claim publicly and specifically known so that we know where there is any dispute."

But the equilibrium seems to be fast collapsing. Less than two weeks after the conference in Bali, the People's Daily, the official newspaper of China's Communist Party, published a front-page commentary that accused the Philippines of violating China's territorial sovereignty by building a military shelter on one of the disputed Spratly Islands. The article ended with a harsh warning: "Those who make serious strategic misjudgments on this issue will pay the appropriate price."

The Xinhua News Agency immediately carried an English summary of this story. It was clear that the party and the Chinese government intended to send this message to all the parties concerned. And, in fact, it created quite a stir in the region.

The governments of Japan and the United States still regard this past round of ASEAN-related ministerial meetings as a success because they managed to include "maritime security" in the agenda for the upcoming East

Asia Summit in November. With this decision, the South China Sea issue can be further discussed in a larger multilateral context at EAS in addition to ASEAN-related meetings. This will guarantee an opportunity for the non-claimant, user-states of the South China Sea, such as Japan and the United States, to keep engaged in the discussion.

On a more sensitive front, it was also regarded as a success because there was a tacit agreement formed among the claimant states and the major user-states of the South China Sea to keep questioning the legal legitimacy of China's claim of so called "9-dotted line" or "9-dashed line" for the South China Sea. The discreet strategy seems to steer China into a new multilateral agreement, a code of conduct to solve the disputes in a peaceful manner by collectively applying pressure through continuously challenging the legitimacy of the "9-dotted line" claim.

China uses this U-shaped, 9-dotted line along the coastal line and the island chains in the South China Sea as the basis for their claim of sovereignty. The encircled area extends to the almost entire South China Sea. According to the official document that Chinese government submitted to the United Nations in 2009 along with a map, Beijing claims to have "indisputable sovereignty over the islands in the South China Sea and the adjacent waters." It is not clear, however, whether China claims the entire South China Sea inside of the 9-dotted line as its territorial waters or whether their claim of sovereignty extends only to the islands and the adjacent waters.

On Aug. 24, about a month after the ARF conference, two patrol boats of the Chinese Fishery Administration entered Japan's territorial waters around one of the Senkaku Islands in the East China Sea. It was the first time for Chinese government ships to violate Japan's territorial waters around the Senkakus since 2008, when two China Marine Surveillance (CMS) patrol boats entered and stayed in Japan's territorial waters for more than nine hours. This time, the duration of the violation was much shorter. But the Japanese government took the incident very seriously because even when a Chinese trawler collided into a Japan Coast Guard cutter last September near the Senkakus, all of the Chinese

government vessels, including the Fishery Administration and CMS, stayed clear of Japan's territorial waters.

In response to the formal protest from the Japanese government, a spokesperson of China's Foreign Ministry said: "The Diaoyu (Senkaku) island and its affiliated islands have been China's inherent territory since ancient times. Chinese Fishery Administration Vessels patrolled the waters to maintain normal orders of fishery production."

This position was nothing new, but the intensified action by one of the maritime law enforcement agencies was. There is some speculation on the part of the Japanese government that China's intention might have been to check the firmness of the position of the Japanese government on its territorial claims after the ARF meeting, and especially when Japan was going through the power transition from the Kan administration to the next.

The prevailing view within the Japanese government is that what is happening in the East China Sea is closely connected with the disputes in the South China Sea. Foreign Minister Matsumoto stated in the Diet, "Japan has a great interest in the territorial disputes in the South China Sea because they could have an impact on peace and security of the Asia-Pacific region, and they are also closely related to safeguarding the security of maritime traffic."

The territorial disputes are not limited to the maritime domain. There are some signs of intensification in the Sino-Indian land border area as well. Among Indian scholars is a view that China is engaged in the redefinition of both its land and maritime borders in its pursuit of the great power status. And such a series of redefinition actions has been carried out at the expense of territorial integrity and security of China's neighbors. India pays close attention to the situation in the South China Sea because they see it as an indication for what might happen in their border disputes with China.

The more fundamental challenge that the entire Indo-Pacific region faces is perhaps the newly emerging strategic ambivalence. Most of the countries in the region have China as their major trading partner, if not the largest, while they depend on the United States for the maintenance of the regional security order, including freedom of navigation. This dual dependency,

however, makes it harder for the regional states to decide what course of action to take, if and when China challenges the US primacy. This seems to be what is happening in the South China Sea now.

Last year, Hugh White, former deputy secretary of Australian Department of Defense, published a paper, titled "Power Shift--Australia's Future between Washington and Beijing." In it, he points out that the era of "uncontested American primacy" is over and that a peaceful new order in Asia can be built "if America is willing to allow China some political and strategic space."

The very core of his argument is that the United States should refrain from competing primacy with China but instead share power with it. He also suggests that it is time to rethink the hedging strategy. This is one possible answer to deal with the dilemma of "dual dependency."

What is emerging through the debate over the South China Sea issue is a recognition that the territorial disputes take on the nature of Sino-US competition for influence and that the United States alone cannot dominate the region any more in spite of its enormous military capabilities. The majority view among the ASEAN states may not be as clear-cut and extreme as White's. But if in fact "the rise of China and the relative decline of the United States" further proceeds, as it is often mentioned as a cliché, this shift from "US primacy" to a "Sino-US power share" construct may gain more traction and relevance among the regional countries and the people. That would be a great challenge for Japan, which builds its security strategy based on a premise that the US primacy is unshakable.

What is happening in the South China Sea can be a harbinger of the potential shift of the strategic thinking among the regional states and eventually the regional strategic order itself. 

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