Tensions have escalated in the maritime zone surrounding the Sea of Japan and South China Sea since 2009, and particularly in the past few months. China’s strategic policy on the South China Sea disputes, formulated way back around 1989, is now being put to the test. Beijing’s policy is of bilateral negotiations with rival claimant nations and opposes any regional approach. Its adherence to this policy is evident in its use of economic and other levers to cow down rival claimant nations.

Viewed from a geo-political perspective, the current dispute between China and Japan over the Diaoyu (in Chinese), or Senkaku (in Japanese), islands is really not a territorial dispute, but more fundamental involving China’s national identity and is about China’s place in the sun. China, which seeks to cast off humiliations of the past and regain its ‘lost’ territories and self-perceived rightful status, views repossession of the disputed territories as recognition of its predominance in the region.

Its economic and military ‘rise’ has given it confidence that the time is opportune to assert its claims and wrest international recognition of its pre-dominant position in the Asia-Pacific. Pertinent is its assertion at the 18th Party Congress that China will be a maritime power. Japan is similarly unwilling to yield its position in the region and views sovereignty over the uninhabited rocks as symbolic. Japan’s Prime Minister Shinzo Abe spelt out his country’s position recently in Washington, when he said: “Japan is not, and will not be, a second-tier country”.

The recent round of escalation in tension has come about during the interregnum
when the US is widely perceived as a power on the decline -- or at least stretched to the limits of its capacity because of the financial and material strain of its involvement in Iraq and Afghanistan -- and which coincides with China’s rise. A complication for countries in the region as well as the US is China’s growing economic and military might combined with the considerable influence that it wields in East Asia, which has made the majority of countries dependent on its goodwill. It simultaneously means that these countries are unwilling to choose between the US and China, though they would like to see US power stay.

I

BEIJING’S QUEST FOR SOUTH CHINA SEA

China has for decades eyed the South China Sea islands and waters and regarded them as China’s maritime territories. In fact, China lays claim over large portions of these waters and China’s official media at regular intervals asserts that at least “3 million sq kms” of the South China Sea is Chinese maritime territory. As in the case of other territorial and sovereignty claims, China has consistently used history to bolster its claims and the estimates of huge reserves of oil and natural gas have seen reinforcement of these claims. China claims that its naval forces began to patrol and exercise jurisdiction over the area, establishing China’s maritime boundary in the South China Sea, and cited maps published in April 1935 and February 1948, as evidence. ‘Sanzhong Dafa’ (or the ‘Three Warfares’, involving legal, propaganda and psywar) to further claims is part of Chinese strategy.

The 4,982,900-square kilometers maritime area in the Asia-Pacific is poised to remain a cockpit of tension in the coming decade. Though Chinese President Hu Jintao deliberately avoided categorizing the South China Sea as one of China’s ‘core interests’ along with Taiwan and Tibet when he visited the US in January 2011, and China was compelled to acquiesce to the US being designated as an Asia-Pacific power in the joint communiqué issued in January 2011, China has not given up its quest to ‘recover’ its ‘lost’ maritime territories.

As China accelerated its bid to secure international acceptance of its dominance in this region, it was prompted by mixed signals emitted by the US, or miscalculation of its own strength and its perception of the decline of US power. Signals possibly mis-interpreted by Beijing as US recognition of its pre-eminent status in the region include Kissinger’s remarks to Chinese Foreign Minister Huang Hua in the 1970s, then US President Clinton’s speech in Beijing in 1991, and a senior Chinese Navy officer’s remark about sharing the area west of Hawaii made to visiting US Admiral Keating in 2009. This region has, meanwhile, attracted the renewed attention of major powers.

The US Chairman of the Joint Chiefs of Staff, Admiral Mike Mullen, on February 8, 2011 signed the US National Security Strategy, a document in which China’s influence is implicitly present throughout. It states that US “strategic priorities and interests will increasingly emanate from the Asia-Pacific region” and that the US will “seek new ways to catalyze greater regional security cooperation”, including with ‘traditional Chinese allies’ like Vietnam. “Assured access to and
freedom of maneuver within the global commons — shared areas of sea, air, and space — and globally connected domains” is declared as of enduring interest to the US.

Separately and soon thereafter, Russian Defense Minister Anatoly Serdyukov said on February 26, 2011, that Russia would deploy troops on the disputed Kurile Islands to ensure the security of the islands which are “an inalienable part of Russia”. Russia will deploy military units on the Iturup and Kunashir islands which are part of the Kurile Island chain. Coincidentally, Russia and China are co-founders of the Shanghai Cooperation Organisation (SCO).

II
SECURING SOUTH CHINA SEA: BEIJING’S STRATEGIES

The Chinese leadership, however, remains intent on restricting the scope of activity of the US and other powers in Asia-Pacific waters. China’s ambition is to dominate at least the area within the ‘first Island chain’, which is bounded between the Chinese mainland up to southern Japan along the Philippines and down to Brunei and Vietnam. The maritime area of serious Chinese interest comprises large areas of the Sea of Japan (978,000 sq kms), Yellow Sea (380,000 sq kms), East China Sea (124,900 sq kms) and the South China Sea (3,500,000 sq kms).

On the sidelines of the Eleventh National People’s Congress held in Beijing in March 2011, a Xinhua news agency despatch reiterated that China’s maritime resources extended over 3 million square kilometres of offshore waters, adding that these contained proven marine oil reserves of 24.6 billion tones and 1.6 billion cubic metres of natural gas. The statement was an important reassertion of Chinese sovereignty.

As China’s leadership stays focussed on ensuring the security of vital energy sea lanes and on ‘recovering’ sovereignty over claimed maritime territories, ‘deterrence’ and ‘reach’ will remain the guiding philosophy for the Chinese Navy through this decade. Beijing’s determination to achieve its national objective of ‘recovering’ claimed maritime territories and dominating the region was discernible in its response to the joint military exercises conducted in April 2010, by the US with South Korea and later with Japan.

Quite significantly and as part of its strategy, China made a differentiation at the time between the US and other neighbouring countries In a move which highlighted the importance of the US to China, Beijing eased off on its angry rhetoric before it could damage Sino-US relations and ensured a good atmosphere for President Hu Jintao’s visit to the US in January 2011, which was quite pointedly not called off at any time during this period. China’s Party and military leadership additionally publicly asserted that China had no intention of ‘confronting’ or ‘challenging’ the US. This position remains unchanged.

In contrast, China showed no such softening of stance against the neighbouring countries. Japan was subjected to protracted pressure with Beijing insisting on the release of the Captain of a fishing vessel and demanding an apology from Japan. Beijing’s pressure was reinforced with the suspension of exports of vital rare earths to Japan and all shipments were halted.
ostensibly due to procedural delays in Customs. Japan is entirely dependent on these rare earth exports, which are essential ingredients for the manufacture of a variety of items ranging from hair dryers to Ipods to missile guidance systems. Exports were resumed after almost three months. Though this was the first time that China used rare earth exports as an economic weapon, the action has wider implications and indicates that Beijing would not hesitate to take similar steps in future when considered necessary.

Japan, also because it is the larger regional power, has been singled out for special attention and China’s pressure on Japan has been sustained. On August 29, 2011, China’s official news agency ‘Xinhua’, reminded Japan’s new Prime Minister, Yoshihiko Noda, that he “should take concrete and substantial steps to promote its relations with China, and respect China’s core interests”. It accused Tokyo of managing “its relationship with Beijing without due respect for China’s core interests” and emphasized that “Japan needs to show enough respect for China’s national sovereignty and territorial integrity, especially when it comes to matters concerning Diaoyu islands, which are an integral part of China’s territory.” At the same time, it said China “would like to settle its differences with Japan through candid dialogue...” and is “willing to shelve differences and jointly explore...the resources in the surrounding waters of the Diaoyu Islands, on condition that Tokyo recognized China’s complete sovereignty over the archipelago”. The term “core interests” reappeared in the Chinese official media after many months.

This caution was strengthened on September 17, 2012, when China’s solitary official English-language ‘China Daily’, published an article by Jin Baisong, Deputy Director of the Department of Chinese Trade Studies at the Chinese Academy of International Trade and Economic Cooperation affiliated to the Ministry of Commerce. He described the tension as a “well orchestrated plan” by Japan and recommended strong counter-measures, especially economic sanctions. Listing potential retaliatory measures he observed that the US$345 billion two-way trade was crucial in helping Japan avoid another recession in 2013 and was giving Japan’s economy impetus. He cautioned that China held short-term and long-term Japanese government bonds worth US$230 billion by the end of 2011 and had become Japan’s largest creditor in 2010.

In early 2013, tension has escalated with Chinese vessels regularly and deliberately intruding Japanese-claimed waters or patrolling off the Diaoyu Islands. Earlier, Beijing had taken steps to tackle the issue on a substantive level and established a new ‘Office to Respond to the Diaoyu Crisis’. Headed by Xi Jinping, it includes Dai Bingguo, several military officers and possibly the Commerce Minister as members. While the officials in this office will change following the 12th NPC, this Office has reportedly already formulated a series of step-by-step responses for possible contingencies with the goal of compelling Tokyo to, at the minimum, accept Chinese sovereignty over the Islands.

Purchase by Tokyo of the disputed Islands provoked Beijing to begin enforcing its sovereignty. Chinese civilian law enforcement vessels now patrol the area around the Senkaku/Diaoyu islands and cross into the 12-nautical-mile territorial

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BEIJING’S STRATEGIES TOWARDS SOUTH CHINA SEA
zone around the islands, with the intention of “protecting” China’s sovereignty. Aircraft of both nations are engaged in close patrols. Serious was the provocation when Japan accused a Chinese Navy frigate of ‘locking’ its radar on a Japanese vessel. China has promised an enquiry but denied that the incident occurred.

During the stand-off in July 2012, between the Philippines Navy and armed Chinese vessels around the contested Scarborough Reef, Beijing prohibited the import of bananas and pineapples from the Philippines and instructed Chinese tour operators to cancel tours to the Philippines.

III
SOUTH CHINA SEA, BEIJING AND THE PHILIPPINES

The Philippines was also marked out for Beijing’s attention. China has periodically asserted its claims, but just before Philippines President Aquino’s arrival in Beijing, the official Chinese news agency ‘Xinhua’, on August 31, 2011, warned that bilateral relations cannot be boosted only through trade but are dependent on a commitment to “proper settlement of the maritime disputes in the South China Sea”. It declared “China has always made itself loud and clear that it has indisputable sovereignty over the sea’s islands and surrounding waters, which is part of China’s core interests.” Stating that Beijing is willing to shelve differences and seek joint development, it “urged the Philippines to halt its action deemed detrimental to China’s maritime sovereignty and interests in the South China Sea and to cease releasing irresponsible remarks.”

During the stand-off in July 2012, between the Philippines Navy and armed Chinese vessels around the contested Scarborough Reef, Beijing prohibited the import of bananas and pineapples from the Philippines and instructed Chinese tour operators to cancel tours to the Philippines. Manila lost 400,000 jobs and its economy was adversely impacted. The US brokered an end to this stand-off between China and the Philippines.

However as soon as the Philippines withdrew its ships, Chinese Navy vessels returned and placed a chain marker demarcating their claimed area. This elicited no reaction from the US. China had effectively demonstrated its ready willingness to use economic ties and military might as coercive instruments of foreign policy.

IV
CONCLUSIONS

India was also brought into the orbit to warn New Delhi against drawing too close to the US. Official media articles critical of the military exercises in 2010-11, bracketed Japan, India and Vietnam as countries that were drawing closer to the US to ‘contain’ China. Some articles observed that history had imposed limits on the extent to which China’s relationship with Japan and India could develop, while others observed that China would have to ultimately use military means to settle outstanding border disputes and that India will likely be the first choice. Muscle was added to these warnings with the People’s Liberation Army (PLA) and People’s Liberation Army Air Force (PLAAF) staging major exercises across the Line of Actual Control (LAC). Directly related were the Chinese warnings to ‘INS Airavat’ and the ONGC survey vessel off Vietnam.

The purpose of warning India and Japan would be three-fold: to demonstrate to other countries in the region that it would be of no use, and possibly even counter-productive, to forge close relations with either of these bigger countries in the region against China; that the US would
More than half of the three million sq kms of waters that should fall under China’s jurisdictions according to the UN Convention on the Law of the Sea are under demarcation disputes with peripheral countries.'

Washington’s action in brokering a defusing of tension between China and the Philippines and, more recently, to unsuccessfully reduce tension between China and Japan have been carefully monitored in the region’s capitals and have raised doubts about US willingness to abide by Security Treaty commitments. Future trends are uncertain, however. Japan could, if pushed unduly, decide to become a nuclear power. Estimates are that this would take not more than 10 months. It could also amend its ‘Peace’ constitution citing threats from Beijing and Pyongyang as justification. The US could, in turn, try and accelerate creation of a coalition combining Japan, South Korea, Indonesia, Australia and India, but back that by some guarantees.

This policy of being tough with neighbours was amplified in a signed article published in ‘Qiushi’ (Seeking Truth), the authoritative theoretical magazine of the Central Committee of the Chinese Communist Party (CCP). Published on December 10, 2010, the article detailed its perception of the US strategy against China and how China should counter it. It listed seven types of US pressure on China and China’s counter-measures. Asserting that: “the U.S. seems highly interested in forming a very strong anti-China alliance...” it said “countries like Japan, India, Vietnam, Australia, the Philippines, Indonesia, and Korea are trying to join the anti-China group because they either had a war or another conflict of interest with China. They are attempting to gain benefits by using the U.S, and these are the countries that surround China...” It concluded that “China must adhere to a basic strategic principle: We will not attack unless we are attacked; if we are attacked, we will certainly counterattack. We must send a clear signal to our neighboring countries that we don’t fear war, and we are prepared at any time to go to war to safeguard our national interests. China’s neighboring countries need China’s international trade more than China needs them...Therefore, they, but not China, will suffer greater damage by antagonizing China... This is also the most effective means to avoid a war.”

Tension in this region is unlikely to reduce early as China will push the envelope to ascertain the US ‘red line’ and simultaneously coerce Japan to back down. China’s determination was spelt out by the Jiefangjun Bao of July 27, 2012, which said ‘...the People’s Republic of China is facing a very grim situation ...