

PART V: Suggestions and Prospects

Hu Bo

It is imperative that China and the US enhance the quality of maritime strategic dialogue. To date, China and the US has not held any in-depth substantial talks over the situation of the South China Sea. Both sides are still reiterating their positions through various mechanisms, including the US-China Diplomatic and Security Dialogue (2+2). China asks the US not to violate China's sovereignty over its islands and reefs or to infringe on its security and rights, while the US stresses that China should not undermine the freedom of navigation in the South China Sea or engage in the "militarization" of islands and reefs. Nonetheless, the focal issue of China-US contention is not about sovereignty or freedom of navigation. Instead, it is about power and orders. What concerns the US with regard to islands and reefs is not sovereignty but China's capability to build installations on them; no evidence suggests that China's "nine-dash line" claim undermines the freedom of navigation beyond the 12-nautical-mile limit of islands stationed by China in the South China Sea, and no sails including those of warships and military aircrafts have encountered any substantial obstruction. To some extent, both sides attempt to limit the ability of the other side to operate in the waters by stressing basic international norms, including sovereignty and freedom of navigation, which sounds morally correct. The US, in particular, is well aware of the fact that China cannot control the South China Sea. Yet, it continues to direct domestic and international attention to such a possibility with various policies.

As China-US strategic competition over the waters intensifies, they should give priority to substantive issues including arms control, power structure and rules for military operations rather than superficial problems, such as sovereignty and freedom of navigation. As the situation of the South China Sea unfolds, neither side could afford to waste any more

time. If they could not reach consensus on core issues of the waters in the future, including the power structure, codes of conduct and maritime orders, armed conflicts might actually break out. Therefore, we encourage both sides to stop hovering over superficial issues to focus on essential and meaningful concerns. Now that China has not act in any way to compromise freedom of navigation, the US should stop taking sides regarding sovereignty issues, so that a supportive and encouraging atmosphere can be created for in-depth bilateral dialogue. At present, the US still seems to hold an official neutral stance in the ownership of islands and reefs in the South China Sea. However, it has already taken its side in the maritime boundary delimitation and the ruling of the South China Sea arbitration, which actually concerns territorial sovereignty and maritime rights. This has further complicated the matters.

Extraregional powers, including Japan, Australia and the UK, should play an important role in easing the tensions over the waters.

Intensified China-US competition in the waters is bound to narrow the strategic space of Japan, Australia and the UK, although they will not hesitate to take the US side, which is an easy choice for them. What remains unclear is to what extent they will employ the flexibility of their policy, which is vital to ease the tensions over the waters. If they choose to keep their policies completely in line with the US in disregard of the basic balance in the South China Sea, it will greatly heighten the tensions. When the situation spirals out of control, they will be left with limited options and end up compromising their own interests. Hence, it is inadvisable and extremely dangerously to blindly play up the tensions in the South China Sea. For the moment, these extraregional countries serve as the final weight. In spite of their general inclination towards the US, they do not intend to cross the bottom line to aggressively provoke China. Once they take things to the extreme, it will fuel the aggressive move of the US and trigger China's compelling countermeasures, which will throw the situation out of control. Naturally, these countries have reasonable request for unimpeded access to the South China Sea and freedom of navigation, but they also have some illegitimate desires, such

as containing China with South China Sea issues. It is definitively unwise to pressure China blindly or even resort to military operations when their freedom of navigation and other interests are not compromised.

Small moves of some claimants should be watched closely. Driven by their established position, Vietnam and the Philippines are speeding up reclamation and infrastructure construction on islands and reefs they have occupied. It has been reported that the Philippines and Malaysia have even attempted to occupy more uninhabited islands and reefs, which severely violates the DOC. If they cannot exercise self-restraint, their conduct will become a grave threat to the peace and stability of the region. Vietnam and Malaysia have expanded their new petroleum and gas exploitation to a wide range of disputed areas. The disputes over resources, if not handled properly, could also trigger new repercussions. China's proposal of shelving disputes and exercising restraint is not unconditional. In other words, the parties concerned are expected to make coordinated efforts towards the same goals. If any party misunderstands China's goodwill and becomes overly aggressive, China may take necessary measures in response.

It will become more difficult to push for substantial progress in COC negotiations. If Single Text Consultation in earlier stages was to find the sum, which means the concerns of all parties concerned were brought in the initiative; then the latter stage is more like doing subtraction, because some tradeoff or compromise would inevitably be made as negotiations over substantive terms begin. ¹It affects the vital interests of the parties concerned, so it is conceivable to encounter daunting barriers under tangled circumstances. China said it hopes to complete the talks within three years, but it is merely the country's expectation and resolution. Whether it can be accomplished in three years depends on whether the intentions of ASEAN countries are on the same page. Even if they are, it is not an easy task to reach consensus on a great deal of sensitive and complicated terms in three years.

Joint development and maritime pragmatic cooperation are now at an impasse. COC negotiations and maritime pragmatic cooperation are two important tools for China and ASEAN countries to stabilize the situation of the South China Sea. Over the last two years, relevant parties have secured solid progress in cooperation on fisheries, petroleum and gas development and defense. In October 2018, China and the Philippines signed the MOU, which marks a major breakthrough in joint development. However, conflicts and barriers begin to swarm in as the two sides move from general consensus to details about specific sites and fields of cooperation. One underlying issue at stake is how to determine or understand disputed areas. Even if the consensus is reached among the parties concerned, the cooperation on oil and gas development and fisheries will not have substantial impact on the final maritime boundary negotiations. Likewise, claimants can hardly ignore the importance of resource exploitation and economic presence in the competition over the waters.

As the cooperation on oil and gas development and fisheries in the South China Sea constantly hits the headlines these days, some think tanks have issued cooperation plans or initiatives with a clear intention of influencing the development of the situation in the South China Sea. Among them, AMTI released a comprehensive and exhaustive roadmap for cooperation in the South China Sea, exploring cooperation on joint crackdown on transnational crimes and joint marine scientific research, fishery management and environmental protection and oil and gas exploitation.² The report “seeks practicality and feasibility”. Yet, it has not received any positive response from any party concerned. Reports of the kind are no doubt valuable for theoretical research. In reality, however, joint development and maritime pragmatic cooperation are more likely to experience a lot of trial and error, and such roadmaps are merely empty talk to a large extent. For many issues, including fishery frictions, China is not at the centrality of the disputes. Instead, ASEAN member states face more acute conflicts among themselves. Considering that the fishery resources are especially mobile, coastal states of the South China Sea are

expected to foster a multilateral fishery cooperation mechanism to regulate fishery production and strengthen resource conservation in the region. Cooperation on oil and gas development can be more sensitive, as the parties concerned are faced with different conditions. Thus, preferable way is to push for the cooperation steadily with bilateral participation.

¹ This saying is quoted from Wu Shicun, President of National Institute for South China Sea Studies.

² Defusing the South China Sea Disputes: A Regional Blueprint, 11 October 2018, https://csis-prod.s3.amazonaws.com/s3fs-public/publication/181011_DefusingTheSouthChinaSea2.pdf?b4g3jomy63uhQq4DzsnV.vJuhmlkl6Qu