

Under the terms of the agreement, Tokyo has not stepped back from its administration of the islands and Taipei has not renounced its claim to them; rather, they have bilaterally agreed to allow joint usage. A similar agreement is currently under negotiation between Taipei and Manila. There are powerful reasons for the new government in Canberra to change its approach to the South China Sea disputes. Australia has in the past risked its immediate relationships with regional countries to advocate solutions in its – and the region's – long-term interests. It should be prepared to again.

### Notes

- 1 Radio Australia Transcript, 30 July 2012, [www.radioaustralia.net.au/international/radio/program/connect-asia/australia-should-stay-out-of-south-china-sea-dispute-says-carr/987932](http://www.radioaustralia.net.au/international/radio/program/connect-asia/australia-should-stay-out-of-south-china-sea-dispute-says-carr/987932) (accessed 2 June 2014).
- 2 Michael Wesley, 'Australia and the China Boom', in James Reilly and Jingdong Yuan (eds), *Australia and China at Forty*, UNSW Press, Sydney, 2012.
- 3 Michael Wesley, 'Asia's New Age of Instability', *The National Interest*, November/December 2012.
- 4 On the complex and ambiguous Sino-Russian relationship, see Bobo Lo, *Axis of Convenience: Moscow, Beijing and the New Geopolitics*, Chatham House, London, 2008.
- 5 Avery Goldstein, *Rising to the Challenge: China's Grand Strategy and International Security*, Stanford University Press, Palo Alto, CA, 2005.
- 6 Michael Wesley, 'The New Bipolarity', *The American Interest*, January/February 2013.
- 7 Siemon T. Wezeman, 'The Maritime Dimension of Arms Transfers to South East Asia, 2007–11', in *SIPRI Yearbook 2012: Armaments, Disarmament and International Security*, Oxford University Press, Oxford, 2012.
- 8 'The Dragon's New Teeth', *The Economist*, 7 April 2002.
- 9 Mutual sea deniability refers to a state of affairs in which no one power is able to assert sea control, or the safety of its own and its allies' shipping at all times in a given body of water. In a state of mutual deniability, the maritime powers in any given body of water are able to threaten the shipping of rivals – a situation that, according to the great naval strategist Sir Julian Corbett, is the usual state of affairs in world politics, whereas the last 60 years of maritime control by the US Navy is the anomaly.

## 10 The South China Sea as a 'crisis'

*Brendan Taylor*

In recent years, numerous commentators have portrayed the Asian region as one engulfed by a series of strategic crises or 'flashpoints'. Prominent among these, Robert Kaplan has characterised the South China Sea as a body of water that is set to be 'the 21st century's defining battleground'.<sup>1</sup> In a similar vein, former Australian Prime Minister Kevin Rudd has described the South and East China Seas as akin to 'a tinderbox on water', not unlike the situation in the Balkans over a century ago.<sup>2</sup> Rudd's compatriot Hugh White predicted at the end of 2012 that China and Japan would go to war over the disputed Diaoyu/Senkaku Islands during the following 12 months.<sup>3</sup> And the respected observer of Korean Peninsula security matters Victor Cha has written that 'there is a real risk of war on the Korean Peninsula'.<sup>4</sup>

Are Asia's crisis points equally perilous, or are some more dangerous than others? Few, if any, analysts have paused to ask this question through a comparative analysis that disaggregates the South China Sea, the Korean Peninsula and the East China Sea to ascertain which among them is the most combustible and potentially catastrophic. This chapter undertakes such a comparative analysis and contends, contrary to much recent commentary on East Asian security, that the South China Sea is the least dangerous among Asia's present crisis points. Unlike tensions on the Korean Peninsula and in the East China Sea, the chapter argues that crisis in the South China Sea is by no means imminent.

There is a voluminous body of scholarship examining a range of strategic crises and their various elements. Much of this literature was developed during the Cold War period and focused on such areas as crisis dynamics, crisis diplomacy, crisis management and crisis prevention.<sup>5</sup> Interestingly, there was little consensus among authors of this significant body of work regarding what actually constitutes a 'crisis'. Some analysts have suggested, for instance, that an element of surprise is an integral characteristic of any crisis. Others have insisted that any crisis needs to be focused upon a single issue, such as 'a territorial dispute, an economic boycott, a threat to a political regime'. Others distinguish between 'foreign policy' and 'international' crises, wherein the former is a 'crisis' for an individual state resulting from changes in that state's internal or external environment, and the latter involves two or more states and also has broader effects in terms of destabilising the structure of an international system.<sup>6</sup>

This chapter employs a recent and more broad-ranging definition of 'crisis' employed by Michael Swaine in his widely acclaimed co-edited volume addressing Sino-American crises. In this volume, Swaine suggests that a political-military crisis generally has three primary characteristics. First, it must involve key or core interests of the players involved. Second, a sense of urgency ought to surround the crisis. And third, threats or advantage to the interests of all involved players in the crisis are possible, to the point where military conflict could conceivably eventuate. If great powers are involved, such conflict could ultimately threaten the structure and stability of the international system.<sup>7</sup> The chapter will now proceed to apply these three criteria against contemporary tensions in the South China Sea, on the Korean Peninsula and in the East China Sea, with a view to assessing the legitimacy of their respective claims to political-military 'crisis' status.

### The South China Sea

The South China Sea has been routinely referred to as one of, if not *the*, most dangerous and flammable crises points in Asia today. Considering the first of Swaine's three criteria, there has certainly been much speculation in recent years that China's leaders increasingly regard the South China Sea as an area of 'core interest'. The use of this terminology is particularly significant in China's case, given the specific connotations associated with it. The term 'core interest' was one that officially first entered the Chinese foreign policy lexicon on a regular basis in 2003–2004, and was used to describe areas or issues that Beijing would be willing to employ armed force to defend.<sup>8</sup> Traditionally, those areas have come to be recognised as being Taiwan, Tibet and Xinjiang. Certainly, China's leaders have exhibited little reluctance in referring to these three areas in such terms. Speculation that China also regards the South China Sea as a core interest was sparked by an April 2010 *New York Times* article, which alleged that Chinese officials had applied similar terminology to this body of water during a meeting – albeit one held 'behind closed doors' – with senior US counterparts.<sup>9</sup> Further fuelling that speculation, US Secretary of State Hillary Clinton went on the record in November 2010 during an interview with the veteran Australian journalist Greg Sheridan, confirming that Chinese officials had again referred to the South China Sea as a 'core interest' during the May 2010 gathering of the US-China Strategic and Economic Dialogue.<sup>10</sup>

Analysts seeking to explain why Beijing might regard the South China Sea as a core interest typically refer to energy security considerations. In particular, the South China Sea is estimated by the authoritative US Energy Information Administration to contain 11 billion barrels of oil and 190 trillion cubic feet of natural gas<sup>11</sup> – quantities that would certainly go a long way towards meeting China's voracious energy requirements, if secured. The geostrategic location of the South China Sea is also regarded as significant from an energy security perspective. Approximately 80 per cent of China's energy imports, for instance, come from Africa and through the Malacca Strait. China's 'Malacca Dilemma'

is that this narrow choke point could be cut off by an adversary during a crisis, thereby starving China into submission.

While made increasingly frequently, the above claims that Beijing regards the South China Sea as a core interest are open to question. It is interesting to note, for instance, that Chinese officials have yet to publicly refer to the South China Sea in such terms. A similar degree of reticence is certainly not apparent in their public statements on Taiwan, Tibet or Xinjiang, where references to these areas as 'core interests' remain routine.<sup>12</sup> Just as significant, China continues to employ the use of economic levers and paramilitary coastal patrol vessels – rather than military vessels – in its dealings in the South China Sea. Once again, this more calibrated approach stands in contrast to Beijing's stance on the Taiwan issue, where, for example, relatively large-scale military exercises were conducted in waters adjacent to Taiwan during the 1995–1996 Taiwan Strait crisis.

A strong case can be made that China's energy dependence upon the resources lying beneath the waters of the South China Sea is also overstated. For instance, research published recently by Andrew Erickson and Gabriel Collins suggests that China's 'Malacca Dilemma' is not as acute as many commentators claim. They point out that Beijing's capacity to divert its energy imports via alternative routes – including the Lombok Strait, the Sunda Strait and even South of Australia – is often overlooked. According to their estimates, such diversions could impose additional costs of as little as US\$1–2 per barrel of oil shipped.<sup>13</sup> Likewise, while the US Navy remains the only one in the world that genuinely has the capacity to impose a blockade of the Malacca Strait for any prolonged period of time, certainly there is little in the American foreign policy tradition to suggest that it would take such a step in circumstances short of all-out war with China. As two leading authorities on this subject, Dennis Blair and Kenneth Lieberthal, have observed:

The United States has a very long tradition of promoting and protecting the free flow of trade over the world's seas. When Washington has used its naval dominance to blockade shipping, it has done so judiciously . . . Nothing in the United States' foreign political tradition indicates that the country would abuse its maritime power for its own narrow interests.<sup>14</sup>

A number of commentators have also made the case that the US is increasingly regarding the South China Sea as a 'core' or 'vital' interest.<sup>15</sup> Those making this argument typically attach importance to Secretary of State Hillary Clinton's July 2010 statement that the US has a 'national interest' in the peaceful resolution of the South China Sea disputes. Over the next couple of years, statements of this nature were reiterated by other senior officials. Commentators will often interpret growing American interest in the South China Sea as reflective of a view in Washington that these disputes are a litmus test for China's challenge to America in the broader Asia-Pacific. As Patrick Cronin and Robert Kaplan have observed, 'the South China Sea will be the strategic bellwether for determining the future of U.S. leadership in the Asia-Pacific region'.<sup>16</sup> An alternative, albeit closely

related, interpretation suggests that America's commitment to its Southeast Asian allies – particularly the Philippines – will be seen by its other Asian allies as indicative of Washington's commitment to them also.

Once again, such arguments are open to contestation. While it is true that the balance of military power in the South China Sea between China and a number of Southeast Asian countries – especially Vietnam and the Philippines – is shifting decisively in China's favour, it is important not to uncritically extrapolate from these trends a looming Chinese challenge to American power in the Asia-Pacific. While its naval power is certainly on the rise, the limits to Chinese military power still remain significant. As far as the South China Sea is concerned, China remains some way off from being in a position to decisively project power across this body of water. As Dan Blumenthal has observed:

the PLA lacks a sustained power projection capability associated with asserting full control over the area, including sufficient at-sea replenishment and aerial refueling capabilities, modern destroyers with advanced air defense capabilities, and nuclear submarines, as well as regional bases to support logistical requirements'.<sup>17</sup>

Suggestions that tests to the credibility of the US-led network of Asian alliances will also occur in the South China Sea are also questionable. During the March 2012 stand-off between Chinese and Filipino vessels at the disputed Scarborough Shoal, for example, American backing for its Southeast Asian ally was not particularly robust. Washington did go so far as to confirm that it would meet its obligations to Manila under the terms of the 1951 Mutual Defense Treaty between the US and the Philippines. However, the US also consistently made clear that it does not take sides in territorial disputes and remained ambiguous on the question of whether the Mutual Defense Treaty actually applies in a disputed area, such as Scarborough Shoal.<sup>18</sup> Yet, that seems to have done little to shake the confidence of other regional allies regarding the reliability of the US security guarantee to them. Australia's inaugural National Security Strategy of January 2013, for instance, described the US-Australia alliance as a 'pillar' of Australia's national security, while a subsequent Australian Defence White Paper in May 2013 described that alliance as 'our most important defence relationship'.<sup>19</sup>

Moving to the second of Swaine's criteria, notwithstanding alarmist assessments of the kind made by commentators such as Rudd and White, a strong case can be made that a sense of urgency does not, as yet, surround the South China Sea disputes. This is partly because the South China Sea's maritime strategic environment also reduces the sense of urgency surrounding these disputes. In his seminal text *The Tragedy of Great Power Politics*, John Mearsheimer suggests that maritime tensions have often historically tended not to escalate with the same rapidity as those on land due to what he terms the 'stopping power' of water. Here, Mearsheimer is referring to the additional time that maritime environments

afford diplomats and their search for solutions to crises, in contrast to disputes over more proximate land borders, where crises are prone to escalate more quickly.<sup>20</sup>

This brings us to the third of Swaine's criteria and to the question of whether the South China Sea has the potential to escalate into a conflict that could threaten the structure and stability of the international system more generally. History suggests that a conflict of such proportions is unlikely to develop over the South China Sea. When previous military clashes have occurred in the waters of the South China Sea – such as in 1974, when Chinese and Vietnamese forces clashed over the Paracel Islands, and again in 1988 over the Johnston South Reef – lives have been lost, but these losses have been less than 100 (53 and 70 Vietnamese sailors, respectively), and these clashes have subsequently been contained.<sup>21</sup>

Added to this, Beijing and Washington have, over the last two or more decades, demonstrated their capacity to manage crises in the US-China relationship, including in the waters of the South China Sea. In April 2001, for instance, a serious crisis in US-China relations erupted when a US Navy EP-3 surveillance aircraft operating over the waters of the South China Sea collided with a Chinese jet fighter and was forced to make an emergency landing on Hainan Island. To be sure, efforts to address this crisis did not initially proceed particularly smoothly, as Chinese officials refused to answer incoming calls from the US Embassy. Ultimately, however, those most intimately involved in this crisis – such as then Commander of the US Pacific Command Admiral Dennis Blair – have written subsequently regarding the efforts that US policymakers made to exercise 'prudence and restraint' in addressing this crisis. They have also acknowledged that their Chinese counterparts 'made a series of grudging concessions that ultimately resulted in success . . . after they decided that it was important to overall Sino-American relations to solve the incident'.<sup>22</sup> More recently, when in 2009 a number of Chinese vessels performed provocative and potentially dangerous manoeuvres in close proximity to a survey ship, the USNS *Impeccable* – again in the waters of the South China Sea – US and Chinese policymakers went to considerable lengths in their public statements to emphasise a desire to work to deepen their bilateral ties and to ensure that episodes such as the *Impeccable* incident did not become the norm in US-China relations.<sup>23</sup>

### **The Korean Peninsula**

While commentators for some time now have referred to the North Korean nuclear 'crisis', in general a much greater sense of complacency has tended to surround tensions in this part of the region than has been the case in recent times in many analyses of the South China Sea disputes. South Korean public opinion polls, for instance, routinely show a populace that fears the North Korean nuclear threat far less than the prospect of a peaceful Korean reunification, given the substantial financial costs that such a scenario would impose on the South. As alluded to at the outset of this chapter, however, in recent years respected commentators such

as Cha have referred to the Korean Peninsula as a dangerous crisis point. Most notably, in late December 2010 – and in the aftermath of the March 2010 *Cheonan* sinking and the November 2010 Yeonpyeong Island bombardment – Cha made the following chilling assessment:

There is a real possibility of war on the Korean Peninsula. The cause is not a second North Korean invasion of the South like in June 1950, which was successfully deterred by U.S. and South Korean forces. The danger stems from two combustible trends. A North Korea which mistakenly believes it is invulnerable to retaliation due to its nascent nuclear capabilities, and a South Korea that feels increasingly compelled to react with military force to the string of ever more brash provocations like the artillery barrage on Yeonpyeong Island.<sup>24</sup>

Applying the first of Swaine's three criteria, there is little question that the Korean Peninsula is an area where the core interests of both China and the US are genuinely engaged. Indeed, the strategic importance of North Korea to China goes back several decades and is reflected in Beijing's long-standing references to that relationship as akin to the intimacy between lips and teeth. The bond is partly historical in nature, and relates to the significant number of Chinese troops – more than a million, according to one respected authority<sup>25</sup> – who fought and died in the Korean War of 1950–1953. China also fears the potential flood of refugees that could come spilling across its shared land border with North Korea in the event of severe economic or political dislocation there.

Arguably even more significant than these considerations, North Korea's geostrategic position as a 'buffer' between China and a number of key American allies – namely Japan and South Korea – render the Korean Peninsula, more generally, and North Korea, in particular, an area of vital interest to Beijing. To be sure, there has been some speculation in recent times that Beijing is growing increasingly frustrated with Pyongyang's nuclear and missile provocations, and that an increasingly vigorous North Korea policy debate within China itself is indicative of the extent to which Beijing can no longer be relied upon to back Pyongyang in the manner it traditionally has. For example, China supported new sanctions imposed against North Korea in January and March 2013 following their latest ballistic missile and nuclear tests. According to South Korean officials, Beijing has instructed local governments to implement these measures.<sup>26</sup> China's three largest banks announced in May 2013 that they were ceasing to deal with North Korea. New Chinese President Xi Jinping has also asserted that 'no one should be allowed to throw a region and even the whole world into chaos for selfish gains' in a statement widely interpreted as being directed at Pyongyang.<sup>27</sup>

An equally strong case can be made, however, that North Korea's significance to China has only increased in recent years against the backdrop of the US 'pivot' or 'rebalancing' strategy. Despite Washington's reassurances to the contrary, Chinese strategic analysts remain convinced that the rebalance has been designed

and implemented with a view to 'containing' China's re-emergence. The view that the Obama administration is out to 'contain' China's rise is especially prevalent among the People's Liberation Army (PLA), whose influence on the making of China's North Korea policy is particularly strong. This group sees little value in taking a tougher line against North Korea, particularly if any ensuing collapse of the Kim Jong-Un regime were to lead to a reunification of the two Koreas. As Cha has recently observed:

such an outcome would only reinforce in Chinese minds an important lesson of history – instability on the Korean peninsula has never redounded to Chinese interests. The last two times this occurred, the result was war with Japan (1895) and the US (1950), which cost China dearly.<sup>28</sup>

A strong case can also be made that US interest in the Korean Peninsula is also significant. The interests of America's two closest, and arguably most important, Asian allies are readily apparent here. For South Korea, the military threat posed by the approximately 30,000 North Korean artillery pieces positioned within striking distance of its capital, Seoul, is of most immediate concern. For Japan, the North Korean missile threat serves to focus strategic minds in Tokyo. Previous North Korea missile tests have, for instance, flown over Japanese territory.

Both alliances are central in the wider US-led network of Asian alliances that has been operative in the region since 1951 – the 'San Francisco System'. Indeed, for much of the period since, Washington has referred to the US-Japan alliance as the 'lynchpin' of that system.<sup>29</sup> In more recent years, US officials have also taken to describing the US-South Korea alliance relationship in such terms.<sup>30</sup> Other American allies seeking to gauge Washington's commitment to its strategic partners at any given point in time are thus likely to pay particularly close attention to the credibility of the US commitment to these two central players, particularly during periods of crisis. This, in part, serves to explain, therefore, why Washington's backing of South Korea in the wake of the aforementioned *Cheonan* sinking and the Yeonpyeong Island bombardment was so robust – even in the face of Beijing's equally strong opposition to US-South Korean military exercises in waters proximate to China at various times during 2010.<sup>31</sup>

A less compelling case can be made regarding the second of Swaine's criteria as far as the sense of urgency surrounding tensions on the Korean Peninsula is concerned. Indeed, a curious feature of developments in recent decades has been the sense of complacency that has surrounded political and security developments here. When the US and North Korea signed what appeared at the time a landmark 'Agreed Framework' in October 1994, for instance, some US officials privately regarded this as a useful stalling mechanism while they awaited the inevitable collapse of North Korea. According to this view, time was on Washington's side and the North Korean 'can' was one that the US could afford to essentially keep 'kicking down the road'.<sup>32</sup> That said, there remain periods when tensions continue to spike on the Korean Peninsula, and where that air of complacency gives way to a greater sense of urgency. The above quote from

Cha regarding what he saw as the prospect for conflict in the aftermath of the *Cheonan* sinking and the Yeonpyeong Island bombardment serves to illustrate this point.

Moving to the third of Swaine's criteria and its applicability to the Korean Peninsula, history suggests that the prospects for system-altering conflict here are also very real. The Korean War of 1950–1953, for example, claimed the lives of an estimated 2 million military personnel.<sup>33</sup> Estimates produced at the height of the 1993–1994 North Korean nuclear crisis suggested that conflict on the Korean Peninsula at that time would likely result in the loss of up to 1 million lives and cost somewhere in the vicinity of US\$ 1 trillion during the first 90 days of conflict.<sup>34</sup> It is worth noting here that such estimates were made at a time when North Korea's nuclear and missile programs were significantly less advanced than is the case today.

### The East China Sea

Tensions between China and Japan over disputed islands in the East China Sea – that the Japanese refer to as the Senkakus and China the Diaoyu – have been building over recent years. In September 2010, for instance, tensions intensified between Beijing and Tokyo following a collision between a Chinese fishing trawler and a Japanese coastguard vessel. But reference to Sino-Japanese tensions as reaching full-blown 'crisis' proportions began to become much more prevalent following Tokyo's September 2012 announcement of its intention to purchase three of the disputed Senkaku/Diaoyu Islands from their private Japanese owner.

During the period since, both China and Japan have increased their maritime patrols around the disputed islands. Chinese vessels have, on at least four occasions, provocatively locked fire control radar on to their Japanese counterparts. China has also penetrated Japanese airspace for the first time since 1958, leading Tokyo to scramble fighter jets in response. Consistent with this, Japan's 2013 Defence White Paper exhibited a particularly strong anti-China sentiment, making specific reference to the aforementioned locking of fire control radar on to Japanese vessels and observing that 'coupled with the lack of transparency in [China's] military and security affairs these moves are a matter of concern for Japan'.<sup>35</sup> Likewise, Japan's Prime Minister Shinzo Abe has more recently made public statements highlighting Tokyo's willingness to take on a more assertive role in countering the rise of China.<sup>36</sup>

According to the first of Swaine's criteria, it seems fair to conclude that disputes between China and Japan over the East China Sea involve key interests of the players involved. Indeed, in recent times Chinese scholars affiliated with the People's Liberation Army (PLA) have taken to publicly referring to the East China Sea as a Chinese 'core interest'.<sup>37</sup> The waters of the East China Sea are certainly economically significant to both China and South Korea, in particular, in view of the fact that the trans-pacific trade of both countries passes through these waters. Trillions of cubic feet of natural gas and billions of barrels of oil are also thought to lie beneath the waters of the East China Sea – resources that

are of particular interest to energy-hungry China and energy-dependent Japan. The East China Sea is equally of growing strategic significance to the region's key players. As China's gateway to the Pacific Ocean, for instance, Japan's Ryukyu Island chain has become an increasing preoccupation of Chinese strategic thinkers, while the Chinese Navy has, in recent years, traversed this patch of the East China Sea on their way to conduct military exercises in the wider Pacific Ocean.<sup>38</sup>

Developments in the East China Sea are also of key or core interest from Washington's perspective, particularly as these relate to regional perceptions regarding America's commitment to its Asian allies. To an even greater extent than the case of the US-South Korea alliance referred to previously, the US-Japan alliance has long been, and remains, a barometer for America's alliance commitment among its other Asian allies. This is arguably why routine enquiries from Tokyo as to whether the US would meet its alliance commitments to Japan in the case of a military clash over the Senkaku/Diaoyu Islands have tended to draw a positive response from Washington.<sup>39</sup> As an analyst from the Australian Strategic Policy Institute (ASPI) has recently observed:

The costs to America's alliance and partner network in Asia would be huge. Abandoning Japan would mean relinquishing the alliance, and likely also America's whole position in Asia. Talk of an Asian 'pivot' or 'rebalance' – already being challenged in many circles – would clearly be done for.<sup>40</sup>

Moving to the second of Swaine's criteria and its applicability to the East China Sea disputes, for some time commentators have taken refuge in the high level of economic interdependence between China and Japan to make the case that war between East Asia's two historical great powers is virtually unthinkable.<sup>41</sup> Others have described the evolving strategic competition between them as having something of a 'slow motion' character to it, making the case that it thus lacks the sense of urgency required by Swaine's conception of crisis.<sup>42</sup>

For two reasons, however, a case can be made that the East China Sea disputes, and indeed the larger China-Japan relationship, has a growing sense of urgency associated with it. At one level, societal antipathies between the Chinese and Japanese public are at their worst ever levels. Public opinion polling conducted in 2013, for instance, revealed that more than 90 per cent of the Japanese and Chinese publics now view the other negatively.<sup>43</sup> That animosity was certainly on display when crowds took to the streets in more than 100 Chinese cities following Japan's aforementioned 'island grab' of September 2012. Added to this – and unlike the case of the US-China relationship discussed earlier in this chapter – there remains a dearth of crisis management mechanisms and shared experiences between Beijing and Tokyo at present. Indeed, as a recent edition of the *PacNet* publication usefully documents, Beijing and Tokyo have consistently tried, and failed, to implement a series of relatively modest confidence-building and communication mechanisms designed to prevent maritime incidents from spiralling out of control.<sup>44</sup>

Moving to the third of Swaine's criteria, the prospects of a system-altering conflict between China and Japan are also worrying. As Rana Mitter's meticulous new study of the last Sino-Japanese War (1937–1945) reminds us, an estimated 14 million people perished on the Chinese side alone during that conflict.<sup>45</sup> Were such a conflict to occur today, it is important to bear in mind that China and Japan currently possess Asia's two most powerful militaries – meaning that the potential for similar, if not even more significant, damage to be inflicted would be substantial, particularly given the likelihood that neither side would be able to readily gain a decisive advantage in any such conflict. As the respected naval strategist James R. Holmes has recently observed:

Despite Japan's latter-day image as a military pushover, a naval war would not be a rout for China. While the Japanese postwar 'peace' constitution forever renounces war as a sovereign right of the nation and the threat or use of force as means of settling international disputes, the Japan Maritime Self-Defense Force (JMSDF) has accumulated several pockets of material excellence, such as undersea warfare, since World War II. And Japanese mariners are renowned for their professionalism. If commanders manage their human, material, and geographic advantages artfully, Tokyo could make a maritime war with China a close-run thing – and perhaps even prevail.<sup>46</sup>

This is not to mention the fact that, for reasons outlined above relating to issues of alliance credibility, the US would find it exceedingly difficult not to also become embroiled in any such conflict. Hence, the potential for Sino-Japanese tensions to spiral to the point of major war remain disturbing.

### Asia's 'crises' compared

Asia's 'strategic flashpoints' are receiving more attention currently than perhaps at any other time previous. Yet, few, if any, analyses have thus far attempted to disaggregate the various points of tension in the region and to differentiate these from one another in terms of their prospective combustibility and potential consequences. Using a definition of political-security crisis developed by Michael Swaine, this chapter constitutes a 'first cut' at such an exercise in disaggregation – more of which are still needed in the future. Of the three most prominent points of tension in contemporary Asia examined in this chapter – the South China Sea, the Korean Peninsula and the East China Sea – only the last unambiguously meets Swaine's three criteria for qualification as a crisis at present. The Korean Peninsula meets two, while lacking the sense of urgency that Swaine deems necessary. Of particular interest to readers of the current volume, it remains questionable whether the South China Sea meets any of Swaine's three criteria, and hence whether it is genuinely a political-security crisis or has the potential to become one.

In the final analysis, this is not to dismiss altogether the strategic significance of the South China Sea. As studies of international conflict dating back to

Thucydides' famous history of the Peloponnesian Wars have demonstrated, 'a quarrel in a far-away country' that bears little obvious or immediate relevance to the central dramas of the international politics of the day can still provide the spark that ignites wars of epochal proportions.<sup>47</sup> That said, it is equally important to think rigorously, and in a discerning and objective manner, regarding the prospects for conflict emanating over any point of tension in international politics – if only to avoid unduly and indiscriminately overstating the importance of each and every one. For to do so in relation to the South China Sea, this chapter suggests, unnecessarily raises the temperature around a set of disputes that, while protracted and complex, appear imminently manageable and conducive, with time and patience, to creative diplomatic solutions. Beyond this, the analysis undertaken in this chapter highlights two possible avenues for further research. First, while understandings of the term 'crisis' and much of the study of this phenomenon have tended to study 'crises' in isolation, further work looking at various points of tension in comparative perspective might be helpful, both in terms of highlighting the commonalities and differences between Asia's various 'flashpoints'. Little work of this nature has thus far been undertaken. One obvious exception, of course, is Ralf Emmers' excellent study of the influence of geopolitical factors upon the South China and East China Sea disputes.<sup>48</sup> More work of this nature would be helpful in terms of ascertaining whether 'strategic learning' can occur both within and between various crises. It would also assist in highlighting when any degree of interdependence exists between various flashpoints – in other words, whether developments in one point of tension can condition another. It might also reveal something regarding the nature of relations between East Asia's major powers – China, Japan and the US – in terms of whether they are pursuing coherent and consistent strategic approaches, and with what implications for the region's emerging strategic order. Second, and flowing directly from this observation, much more work could usefully be done in terms of drawing from the voluminous body of scholarship on crisis – crisis diplomacy, crisis dynamics, crisis management and crisis prevention, to name just a few areas – that was developed during the Cold War period. Some of this work could certainly be adapted and applied to the contemporary East Asian context. For as Evelyn Goh has recently observed, 'in none of these flashpoints is there widespread political appetite for the difficult process of actually solving the conflicts'.<sup>49</sup> Understanding the dynamics of 'crisis', and having rigorous analytical frameworks through which to illuminate these dynamics, is thus becoming an increasingly important and necessary scholarly endeavour.

### Notes

- 1 R. D. Kaplan, 'The South China Sea is the Future of Conflict', *Foreign Policy*, 188: 76–85, 2011.
- 2 K. Rudd, 'A Maritime Balkans of the 21st Century', *Foreign Policy*, 30, January 2013, [www.foreignpolicy.com/articles/2013/01/30/a\\_maritime\\_balkans\\_of\\_the\\_21st\\_century\\_east\\_asia](http://www.foreignpolicy.com/articles/2013/01/30/a_maritime_balkans_of_the_21st_century_east_asia) (accessed 2 June 2014).

- 3 H. White, 'Caught in a Bind that Threatens an Asian War Nobody Wants', *Sydney Morning Herald*, 26 December 2012.
- 4 V. Cha, 'What to Do About N. Korean Aggression', *The Chosun Ilbo*, 6 December 2010.
- 5 For a sampling of this literature, see C. Bell, *The Conventions of Crisis: A Study in Diplomatic Management*, Oxford University Press for the Royal Institute of International Affairs, London, 1971; J. H. Kalicki, *The Pattern of Sino-American Crises*, Cambridge University Press, Cambridge, 1975; J. L. Richardson, *Crisis Diplomacy: The Great Powers since the Mid-Nineteenth Century*, Cambridge University Press, Cambridge, 1994. On crisis management/prevention, see A. L. George (ed.), *Managing U.S.-Soviet Rivalry: Problems of Crisis Prevention*, Westview Press, Boulder, CO, 1983.
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## 11 The South China Sea

### Stabilisation and resolution

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#### Introduction

Many proposals for a resolution of the dispute have been made in the past. They have sought to tie the claimants to an existing status quo, which, of course, have favoured ASEAN, but not China, and for that reason could not be implemented. Resolution demands the acceptance of the status quo, and while Vietnam and the Philippines would be pleased at the prospect, it would be only be an impediment to Chinese ambitions. It would be fantasy to imagine that such proposals would be accepted at the present time by China against its interests when it has the hope and expectation of obtaining acceptance of its extensive claim. Those proposals, which would, in some way, meet those interests in changed conditions when China may realise the diplomatic and political costs of its efforts to control the South China Sea, would have a greater chance of success. Until that time, these proposals may set a framework that may be applied or invoked when conditions are propitious. One intermediary step is stabilisation of the situation in the South China Sea, which falls short of the resolution of the issue. It entails measures, actions and agreements directed to the maintenance of the status quo, or prevention of activities that may bring about conflict or stimulate clashes between any of the claimants. Stabilisation requires particular constraints on activities to avoid provocation to minimise the risk of escalation that may follow. Such measures may be opposed by those who attempt to change the status quo, or who derive political advantages from raising tensions by challenging it. These measures would only be accepted if the benefits of a more stable environment would outweigh the risks of challenging the status quo, and whatever gains may be obtained by doing so.

Resolution, however, is a further step, and is more than stabilisation, since it addresses the underlying issues, grievances and claims that have given rise to the dispute in a final settlement. It is possible to have stabilisation of a dispute in an uneasy stalemate without resolution, where the disputants are unprepared to deal with others or unwilling to forgo the opportunity of turning the situation to their advantage. An uneasy stalemate of this kind may not last, and there would be the danger of a breakdown and a reoccurrence of hostilities. When the disputants understand that resolution of an issue brings benefits of a kind that cannot be