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*Ivona LAĐEVAC*<sup>1</sup>  
*Ana JOVIĆ-LAZIĆ*<sup>2</sup>

## **TERRITORIAL DISPUTES IN THE SOUTH CHINA SEA OR THE USA/CHINA REBALANCE OF POWER<sup>3</sup>**

### ABSTRACT

In this paper authors analyze sensitive nature of the existing disputes in the South China Sea. In spite of the fact that disputed territories overwhelmingly are uninhabited, each of the involved state, China, Vietnam and Philippines, claim their sovereignty, based on its own national history. In the back of these disputes is the battle for gaining the influence in the most frequent world sea, as well the battle for significant natural resources of oil and natural gas. It seems that the wealth of this area attracts the USA as well, because they are interest in securing its position as a pivot state in this region. Still, there is one obstacle which interferes to realization of such plan – China.

*Key words:* the South China Sea, China, Vietnam, Philippines, sovereignty, dispute settlement, the USA

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<sup>1</sup> Ivona Lađevac, M.Sc., Research Associate, Institute of International Politics and Economics, Belgrade.

<sup>2</sup> Ana Jović-Lazić, Ph.D., Research Fellow, Institute of International Politics and Economics, Belgrade.

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## Introductory remarks

In last several years in international relations we were witness of sovereignty disputes over certain islands and sea demarcation lines. One of the examples is the South China Sea dispute between China and Taiwan, from the one side, and Brunei, Malaysia, Philippines and Vietnam from the other. Each of these states considers this dispute as a possibility for securing its geostrategic and economic interests in global battle for natural resources. Geostrategic significance of this area in international frame is indisputable, it overcomes regional boundaries. In favor of such claim is fact that one of the worlds' super powers – the USA – is present in the region.

## Territorial Disputes in the South China Sea

The South China Sea covers the area of 3.5 million of square kilometers with over 250, mostly inhabited islands, atolls and reefs. It spreads from Singapore and Moloch pass to Taiwanese pass, then to the west Philippines coast, north of Indonesia and east of Vietnam. Inhabitants of those countries call the South China Sea, because of its shape, “cow’s tongue”. Due to its geostrategic significance, moreover half of the total annual sea trade is pursued by this sea<sup>4</sup>, estimations that sea bed has rich deposits with oil and gas<sup>5</sup>, as well the fact that there is a third of world sea biodiversity, several states has disputes over the islands situated within this sea, but also regarding the related exclusive economic zone introduced in 1982 by United Nations Convention on the Law of the Sea.<sup>7</sup>

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<sup>4</sup> For an illustration, through Moloch pass annually pass three times more tankers than the through the Suez channel and five times more than in the Panama channel. More information in: UCLMUN 2012 – Security Council, *South China Sea Dispute*, Internet, <http://www.uclmun.co.uk/SC2.pdf>, 10/05/2013.

<sup>5</sup> According to certain estimations, the South China Sea contains 1.1 billion tons of oil, while China’s sources claim that deposits of oil goes to 17.7 billion tons (for comparison, Kuwait has 13 billion tons). When it comes to deposits of natural gas, *US Energy Information Administration* – EIA estimates that deposits are 25 trillions of cubic meters, the same as deposits of Qatar. Ibidem.

<sup>6</sup> Ibidem.

<sup>7</sup> “The exclusive economic zone is an area beyond and adjacent to the territorial sea, subject to the specific legal regime established in this Part, under which the rights and jurisdiction of the coastal State and the rights and freedoms of other States are governed by the relevant provisions of this Convention.” – Article 55 of the United Nations Convention on the Law of the Sea. Part V (Articles 55-75) of the Convention regulates the Exclusive Economic Zone.



*The South China Sea*, map taken over from UCLMUN 2012 – Security Council, *The South China Sea Dispute*, Интернет, <http://www.uclmun.co.uk/SC2.pdf>, 10/05/2013.

There are disputes over *Spratly Islands*<sup>8</sup>, *Paracel Islands*<sup>9</sup>, *Pratas Island*<sup>10</sup>, *Macclesfield Bank*<sup>11</sup> *Scarborough Shoal*<sup>12</sup>. All these islands mainly are uninhabited without autochthon population which implies that none of interested parts is not in position to claim sovereignty over the historic circumstances.

While most of the regional countries claim their rights to part of this sea, China and Taiwan consider whole region as their own.

From the China's point of view, the South China Sea represents for thousands of years "natural sphere of its influence".<sup>13</sup> China consider itself as dominant

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*United Nations Convention on the Law of the Sea*, Интернет, [http://www.un.org/depts/los/convention\\_agreements/texts/unclos/unclos\\_e.pdf](http://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf), 10/10/2013.

<sup>8</sup> Dispute between China, Malaysia, Philippines, Taiwan, Brunei and Vietnam.

<sup>9</sup> Dispute between China, Taiwan and Vietnam.

<sup>10</sup> Dispute between China and Taiwan

<sup>11</sup> Dispute between China, Taiwan, Philippines and Vietnam.

<sup>12</sup> Dispute between China, Philippines and Taiwan.

<sup>13</sup> Christopher Johnson, the head of China Studies at the Center for Strategic and International Studies in: Scott Neuman, *Little Islands Are Big Trouble In The South China Sea*, September 07, 2012, Интернет, <http://www.npr.org/2012/09/07/160745930/little-islands-are-big-trouble-in-the-south-china-sea>, 10/05/2013.



*Map of the disputed territories in the South China Sea*

Map taken over from: Scott Neuman, Little Islands Are Big Trouble In The South China Sea, September 07, 2012, Internet, <http://www.npr.org/2012/09/07/160745930/little-islands-are-big-trouble-in-the-south-china-sea>, 10/10/2013.

regional power of eastern hemisphere and at that point resembles of the USA that are, from the time of Monroe's doctrine leading force of the Western hemisphere.<sup>14</sup> Wish for pursuing the dominance in the region of the South China Sea is based on economic reasons as well. Related to the expansion of its economy, which is followed by growing consumption of energy generating products, it is easy to understand China's endeavor to realize its aspirations. Intended to proclaim sovereignty in this area, China in 2009 has declared line of

<sup>14</sup> By Monroe's doctrine is known a statement of the USA President James Monroe in his seventh annually addressing to Congress in December 1823, on which the USA created policy of the new world order "in the rest of Americas and the role of Europe in the Western Hemisphere.(...) The three main concepts of the doctrine are separate spheres of influence for the Americas and Europe, non-colonization, and non-intervention that were designed to signify a clear break between the New World and the autocratic realm of Europe." See more in: "Milestones: 1801-1829: Monroe Doctrine, 1823", US State of Department, Office of the Historian, Internet, <https://history.state.gov/milestones/1801-1829/monroe>, 10/05/2013.

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demarcation known as 9 – (dash) line.<sup>15</sup> Along with this demarcation, Scarborough, Paracel and Spratly islands belong to China. All ASEAN member states objected, but China answered that, being present in this area since XV century, this act only represents realization of its historic right.

As mentioned before, in the core of these disputes is the battle over natural resources. There are scholars that consider existing political turmoil as inevitable consequence of “Asian industrial revolution”.<sup>16</sup> According to the World Bank, the South China Sea contains at least 7 billion barrels of oil and cc 900 trillion cubic feet of natural oil that creates incredible possibilities for economic development of small countries like Malaysia, Philippines and Vietnam, while for China it represents energetic security. Beside that, as great advantage is considered control over one of the most important and most frequent maritime roads.

Apart from countries that are, by the virtue of its geographical position, interested in settlement of these disputes and gaining possibilities for exploitation of some of numerous natural resources, the USA is also interested in the region of the South China Sea. Its presence make situation even more complicate and creates huge security challenges.

### **The USA presence in the South China Sea region and its relations with People’s Republic of China**

It is well known that the USA after the Second World War concluded agreements on joint defense with several East Asia countries. Those agreements

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<sup>15</sup> First demarcation line China published in 1947 in a *Map of the Location of Chinese Islands in the South China Sea*, with a “cow tongue line” or “U-shaped dotted line” enclosing them. That map was included in “The Atlas of the Administrative Areas of the Republic of China”. At that time that line was considered as 11 dotted line. See more in: “Behind the Dotted Line on the Chinese Map of the South China Sea”, Li Jinming, CIR, Vol. 22, No. 6, November/December 2012, Internet, <http://www.cicir.ac.cn/UploadFile/files/20130717113402647.pdf>, pp. 1-11. See also: Li Jinming, Li Dexia, *The Dotted Line on the Chinese Map of the South China Sea: A Note*, *Ocean Development & International Law*, 34:287–295, Taylor & Francis Inc, online, 2003, Internet, <http://cat.middlebury.edu/~scs/docs/Li%20and%20Li-The%20Dotted%20Line%20on%20the%20Map.pdf>, 10/05/2013.

<sup>16</sup> David Rosenberg, *Governing the South China Sea: from freedom of the seas to ocean enclosure movements*, in: *Harvard Asia Quarterly, The South China Sea*, pp. 1-12, Internet, [http://www.southchinasea.org/files/2013/02/Governing\\_The\\_South\\_China\\_Sea.pdf](http://www.southchinasea.org/files/2013/02/Governing_The_South_China_Sea.pdf), 10/05/2013.

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enabled the USA to firm its presence in this part of world.<sup>17</sup> Speaking of policy towards existing disputes in the region of the South China Sea, the USA has defined it during the nineties of XX century.<sup>18</sup> Surprisingly or not, but pivot of this policy was peaceful settlement of disputes; respect of international law, freedom of sail, neutrality as well the peace and stability. In that manner are written all first articles of the mentioned treaties claiming that contracting parties will, as set forth in the UN Charter, “settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations. The Parties will endeavor in concert with other peace-loving countries to strengthen the United Nations so that its mission of maintaining international peace and security may be discharged more effectively.”<sup>19</sup>

During 2010 as an answer to more frequent conflicts (conflict between Vietnam and China because of oil and gas exploitation, conflict because fishing in the waters of Paracel islands, 9 dash line of delimitation, etc.) the USA announced conduction of the new, improved policy in this part of the world.

Attending the regional ASEAN forum, Secretary of State Hillary Clinton announced that the USA focus slowly is shifting from the Middle East to the Far

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<sup>17</sup> Originally, treaty between USA and Japan was signed following the San Francisco Treaty in 1952, but later, in 1960, it was amended. See: *Treaty of Mutual Cooperation and Security between Japan and the United States of America*, Internet, <http://www.mofa.go.jp/region/n-america/us/q&a/ref/1.html> 10/05/2013.

USA concluded mutual defense treaty after the end of the Korean War, in 1953: *Mutual Defense Treaty between the United States and the Republic of Korea*, October 1, 1953, Internet, [http://avalon.law.yale.edu/20th\\_century/kor001.asp](http://avalon.law.yale.edu/20th_century/kor001.asp), 01/05/2013.

Except with Japan and South Korea, USA in 1951 also concluded Mutual Defense Treaty with Philippines: *Mutual Defense Treaty Between the United States and the Republic of the Philippines*, August 30, 1951, Internet, [http://avalon.law.yale.edu/20th\\_century/phil001.asp](http://avalon.law.yale.edu/20th_century/phil001.asp), 10/05/2013.

More about mutual defense treaties in: Thomas Lum, *The Republic of the Philippines and U.S. Interests*, Congressional Research Service, April 5, 2012, Internet, <http://www.fas.org/sgp/crs/row/RL33233.pdf>, 10/05/2013.

<sup>18</sup> Scott Neuman, *Little Islands Are Big Trouble in the South China Sea*, op.cit.

<sup>19</sup> Article 1 of the *Treaty of Mutual Cooperation and Security between Japan and the United States of America*, op. cit.

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East, and that America will impartially advocates peaceful settlement of disputes, without any force, under the auspices of the multilateral forum.<sup>20</sup> But, along with advocating peaceful settlement of disputes and declaring that the USA although “would not take sides in the sovereignty disputes, it would oppose any action that could threaten freedom of navigation in the South China Sea”.<sup>21</sup> Such development leads to conclusion that (on the base of that opposition) the USA decided to strengthen its military presence in the region while, at the same time, improving its existing alliances with the Philippines and Vietnam.

From the Chinese stand, the USA presence in the region, but even more its declarations related to freedom of navigation in the South China Sea cause reasons for concern.<sup>22</sup> In such development of situation, Chinese economic growth and pursuit of trade could come under the question. That is why are numerous those who “perceive the US rebalancing strategy and its focus on the South China Sea as an attempt by the United States to contain its (PRC) peaceful rise in Asia.”<sup>23</sup>

Such opinions are grass rooted in the USA determination to make stronger its bilateral relation in the region, especially with those countries that have territorial disputes with China. In that aspect, it is impossible not to observe that, while perceiving such relations by itself, in relation to China, the USA is not benevolently on Chinese practice to develop diplomatic relations on bilateral basis neither to settle bilaterally existing disputes.<sup>24</sup> Such manner easily can justify those who describe the USA policy as a policy of hypocrisy. It is obvious that the USA objection against such Chinese policy is based on the fact of their mutual

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<sup>20</sup> Ernest Bower, *Hillary Clinton — A Secretary of State Fluent in ASEAN*, in: Southeast Asia from the Corner of 18th & K Streets, Center for Strategic and International Studies, Southeast Asia Program, Volume I, Issue No. 22, July 20, 2010, Internet, [http://csis.org/files/publication/072010\\_seasia\\_newsletter.pdf](http://csis.org/files/publication/072010_seasia_newsletter.pdf), 10/05/2013.

<sup>21</sup> Ralf Emmers, “The US rebalancing strategy: Impact on the South China Sea”, in: *The South China Sea and Australia’s Regional Security Environment*, Internet, <http://nsc.anu.edu.au/documents/occasional-5-brief-8.pdf>, p. 43.

<sup>22</sup> Op. cit., p. 44.

<sup>23</sup> Ibidem.

<sup>24</sup> Vietnam and China in 2011 signed an *Agreement on basic principles guiding the settlement of sea-related issues* (previously both countries in the 1993 signed *Agreement on Basic Principles for the Settlement of Border Territory Issues between the Socialist Republic of Vietnam and the People’s Republic of China*), Internet, <http://en.vietnamplus.vn/Home/VNChina-basic-principles-on-settlement-of-sea-issues/201110/21524.vnplus>, 10/05/2013.

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direct rivalry in this redundantly important region. Above all, America dislikes extremely pragmatic Chinese policy of successful distinction of economic from political questions that always give advantage to economic ones.

But, in spite of all discontent it looks like that America has not assets that will enable it to constrain Chinese influence in the region. Although China is often understood as a “soft power” country, one should not forget the fact that China is one of permanent member of the United Nations Security Council and also a country with the most populated army in the world. Chinese military and space program investments are yearly increasing.<sup>25</sup> Result of those investments is development and implementation of new technologies<sup>26</sup>, such as Dong Feng 21D rocket, popularly called “killer of the aircraft carriers”, the first aircraft carrier “Liaoning” and their operative use.

Apart from that, China is still strengthening its influence both in the region and the worldwide in the subtle way – providing different types of assistance and support that are not screen for policy of conditionality. During its visit to Mexico, in 2009, at the time when he was not yet president of the Communist Party of China, Xi Jinping, retrospectively towards growing concern about strengthening of Chinese power, said “unlike others, China does not export revolution, hunger and poverty and does not interfere into internal matters”.<sup>27</sup> Because of that attitude, widening network of associates, getting regional support regarding Tibet, better cooperation with Taiwanese government, disputes in the South China Sea, insisting on implementation and respect of the international law principles, China bears a lot of critics but it is unlikely to expect confrontation with severe consequences. The USA may still stands for the number one world power, but their greatest creditor is China.<sup>28</sup>

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<sup>25</sup> According to SIPRI, China’s military budget in 2000 was 30 billion dollars while in 2012 it reached 160 billion. More in: *China’s military rise – The dragon’s new teeth*, Economist, April 7th, 2012, Beijing, Internet, <http://www.economist.com/node/21552193>, 10/05/2013.

<sup>26</sup> *Annual Report to Congress, Military and Security Developments Involving the People’s Republic of China 2012*, May 2012, Office of the Secretary of Defense, Internet, [http://www.defense.gov/pubs/pdfs/2012\\_CMPR\\_Final.pdf](http://www.defense.gov/pubs/pdfs/2012_CMPR_Final.pdf), 10/05/2013.

<sup>27</sup> *Xi to open new pages of diplomacy*, China Daily, Internet, [http://www.chinadaily.com.cn/cndy/2012-11/29/content\\_15969805.html](http://www.chinadaily.com.cn/cndy/2012-11/29/content_15969805.html), 10/10/2013.

<sup>28</sup> Alex Van Ness, *China and U.S. Debt*, American Thinker, April 08, 2013, Internet, [http://www.americanthinker.com/2013/03/china\\_and\\_us\\_debt.html](http://www.americanthinker.com/2013/03/china_and_us_debt.html), 10/05/2013.



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## Conclusion

After the end of the cold war, the USA remained as only super power. Yet with the collapse of the communist countries in the Europe, dissolution of the former Soviet Union, vanishing of the Warsaw Pact alliance, the new world order starts to emerge. No matter how convulsive the USA tends to grasp its dominant position in international community either on its own or as NATO leading state, the fact is that current world order is much more multipolar than they wish it to be.

And while strictly in the territory of Europe they have no rival, situation change going east. Immediately at the border between Europe and Asia, there is Russia, while China is at the Far East. It is very likely that in, not so far future, existing partnership between China and Russia could cause lot of concern for the USA. But at this moment that remark stands for China's raising. Economic growth of this Asian state seems to be unstoppable and is followed by growing appetite to strengthen its political influence first regionally, then globally. China is pursuing its political influence in the region through network of good bilateral connections. One of the goals of such connections is settlement of dispute, if any.

Having on mind that in the region of South China Sea such disputes are realistic that opens possibility for the USA to challenge raising of China and to make an effort to pursue rebalance of power in that region.

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