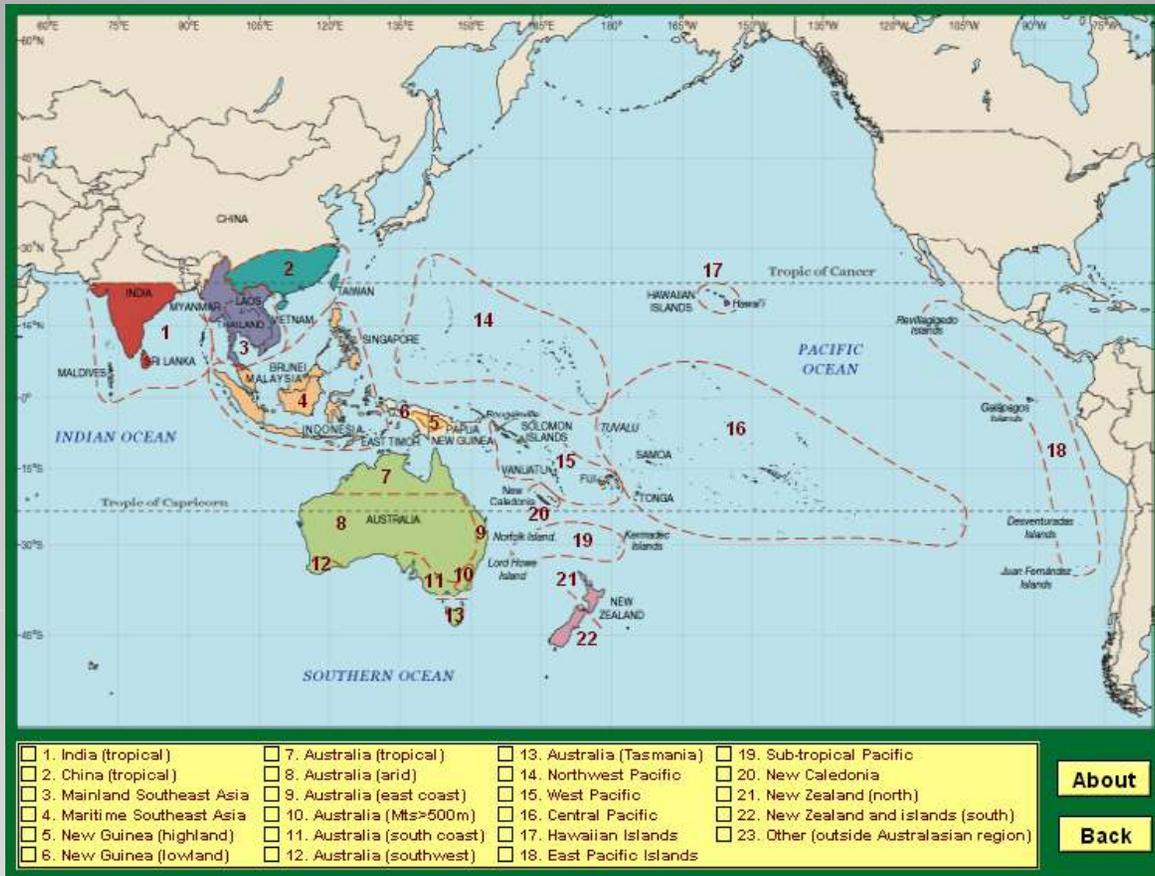


POWER FEUDS IN THE SCS (WPS): Prospects of Dispute Settlement between Philippines & China

Philippines – U.S. pawn in its looming clash with China?

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**By Center for People Empowerment in Governance (CenPEG)
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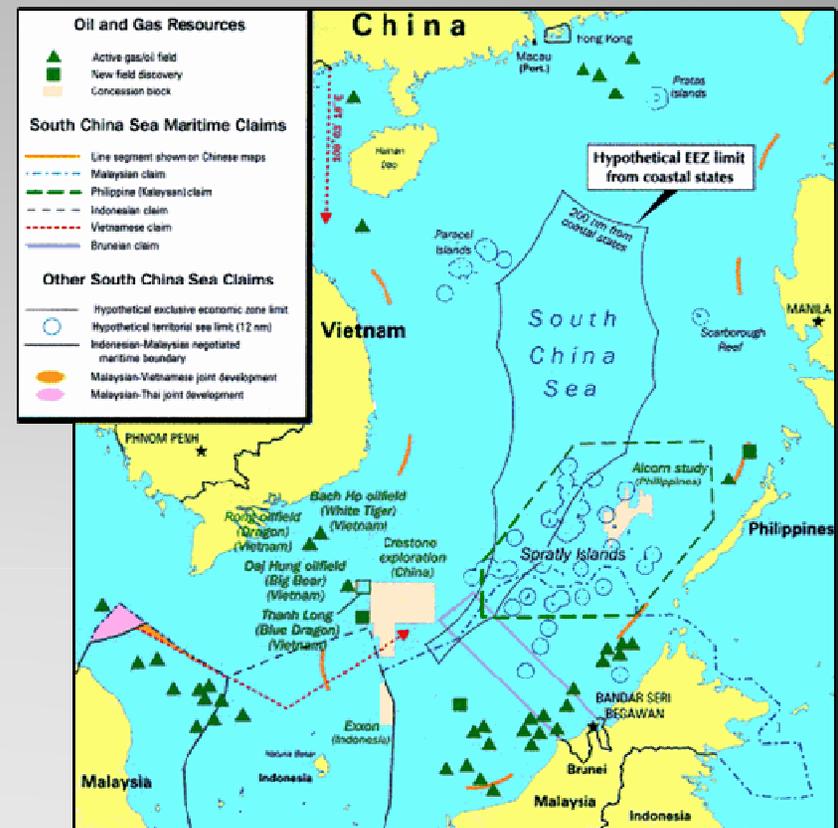
South China Sea in Asia Pacific



- 'Second Persian Gulf': Presumed to be rich in oil, gas, sea-based minerals;
- One of the world's richest fishing grounds;
- World's busiest maritime superhighway (over 50% of world's merchant fleet and supertanker traffic flows through the SCS; route for Japan's energy needs (70%))

South China Sea (SCS): 'Mother of all territorial disputes'

- CHINA claims: Over all of SCS and Spratly islands, etc; dating back to 2 BC, first direct claim in 1951
- Other Claimants: Vietnam, Philippines, Malaysia, Taiwan, Brunei
- Philippines: Parts of the Spratlys, first territorial claim in 1956; Paracels; Scarborough Shoal



Overlapping territorial claims in the SCS



Overlapping territorial claims

SCS territorial rows are just some of several flashpoints & border disputes in the region, among these -

- China's claim of Taiwan
- Korean peninsula
- Senkaku (Diaoyu) islands (Japan vs China)
- Socotra Rock (South Korea vs China)
- Sabah (Philippines, Malaysia)
- India vs China, India vs Pakistan
- Australia vs Indonesia (Hibernia reef)
- Indonesia vs Malaysia (Kanang Unarang)
- Thailand vs Burma (Doi Lang)

What SCS is to China's strategic objectives

China: World's top energy consumer, second biggest oil importer

South China Sea (or West Philippine Sea): “Core national interest” of China (similar to Taiwan and Tibet)

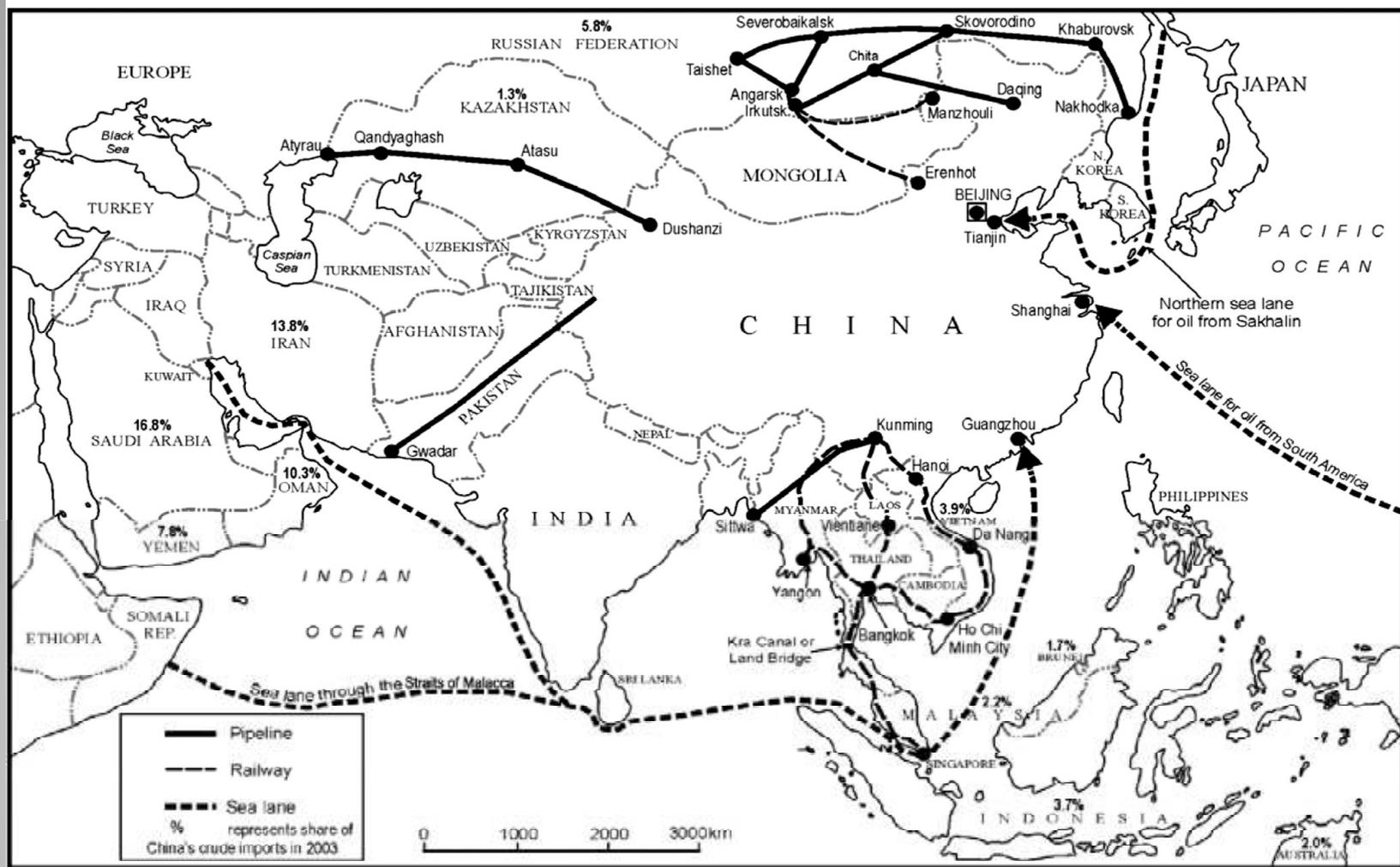
- 75% of China's energy needs currently supplied through the SCS via Malacca Straits
- SCS is also China's gateway to the Indian Ocean and other trade routes
- By 2020, China is projected to overtake the U.S. and “dominate” global trade, featuring in 17 of the top 25 bilateral sea (especially SCS) and air freight trade routes
- Long term: Strategic security area for China
- To the U.S.: two-fold approach - stay out of the SCS territorial disputes, but assures “freedom of navigation”

China's regional sources of imported crude oil (1995-2003) %

REGIONS	1995	2000	2003
Middle East	45.4	53.6	51.3
Africa	10.8	24.0	24.4
Asia Pacific	42.3	15.0	15.3
CIS (Russia & Kazakhstan)	0.2	3.1	7.2
Europe	2.1	3.6	1.8
South America	0	0	0.4



China's oil projects worldwide



China's petroleum routes (2007)



China: Security of sea-lanes (from Persian Gulf to SCS)



China: Goal is to become a Maritime Power

- China's naval capability mainly covers the Taiwan Strait
- Most of Beijing's efforts at securing oil routes have been alternative land pipelines or railway links
- 'String of pearls strategy': building close ties along the sealanes from Middle East to SCS in order to protect energy interests – Pakistan, Bangladesh, Burma, Thailand, Cambodia and SCS

U.S. RESPONSE to ongoing territorial tensions in SCS

- Stresses China is a “rising military hegemon” but should be a “responsible stakeholder”
- Reassures defense commitment to the Philippines citing the Mutual Defense Pact 1951
- Publicly calls for “restraint” and “multilateral talks”
- But is using the current tension to enhance and realign its military presence in the SCS and Asia Pacific as part of Pentagon’s “encirclement” strategy and in countering China’s “anti-access and area-denial” buildup in the area
- Note, however, that China is the biggest foreign creditor (\$1 trillion+) to the U.S.; 50% of its exports to the US comes from US-led MNCs



- National Security Adviser Tom Donilon: “The U.S.’s rebalancing posture toward Asia...is a long-term effort to better position ourselves for the opportunities and challenges we’re most likely to face in the century.”

Obama’s New ‘Pivot to Asia strategy’



US Pacific Command

- Reinforcing permanent bases in the west coast of Australia
- Advancing the new “US-Japan-Australia” trilateral security initiative
- Strengthening treaty alliances or access agreements with South Korea, Philippines, Thailand, Singapore, Malaysia, Indonesia, New Zealand
- Enhanced partnership with ASEAN toward the building of a proposed ASEAN NATO
- Discussing potential defense partnerships with India, Indonesia, and Vietnam
- Strengthening/realigning two major commands straddling Asia Pacific: PACOM and CENCOM
- Unified commands – U.S. Forces Japan, U.S. Forces Korea, Special Operations Command Pacific, & the Alaskan Command; Standing Joint Task Forces
- Increase in military and naval war exercises with numerous countries in the region

US' specific moves vis-à-vis China (2010-2011)

- “String of pearls”: basing and access agreements with Myanmar, Sri Lanka, Pakistan, and possibly Bangladesh
- Hainan Island naval base
- Missile delivery systems, ballistic missiles, submarine fleet, cyber-warfare, military space technology



China's first aircraft carrier



China's military modernization



China navy in South & East China Sea

- Bilateral negotiations
- Joint development:
Economic cooperation & integration ('soft diplomacy')
- Territorial claims can be settled later
- Note: 22 of 27 border & territorial disputes have been settled by China

DISPUTE SETTLEMENT

CHINA:

**Real core
interest:
Maritime /
territorial
security**

- Mutual Defense Treaty (1951) with U.S. & arms modernization
- Multilateral approach (Asean)
- UNCLOS
- International Court of Justice or International Tribunal on the Law of the Sea

DISPUTE SETTLEMENT

PHILIPPINES

Is it sovereignty claim – or oil corporate claim?

**What some legal experts say:
Waters /oceans have no fixed territorial boundaries;
disputable claims**

- Definition of approaches: Military / alliance with U.S. – or foreign policy?
- Redefine and build a strategic but independent foreign policy
- Adopt a comprehensive development of sea resources primarily for Philippine interests in cooperation with other countries
- Confrontation or economic cooperation?

Philippines must put its acts together first