

In the contested waters of the South China Sea, China seems able to do whatever it wants

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FOR a man leading a country castigated in the official Chinese press as America's "paranoid junior ally", President Benigno "Noynoy" Aquino of the Philippines seems both remarkably relaxed and surprisingly conciliatory. Territorial disputes in the South China Sea, which prompted *China Daily's* scolding, are not, Mr Aquino says, the "be-all and end-all" of his country's relations with China. He has to manage the "tension between being as forthright as possible and weighing whether or not I am tweaking their nose". As he spoke to *Banyan* this week in the presidential palace in Manila, the non-nose-tweaking side of Mr Aquino's internal debate seemed to be winning: bilateral trade and tourism are booming, both sides are trying to "isolate" the complex row from the broader relationship, and Mr Aquino has tried not to respond to "provocative statements".

Yet recent weeks have seen China engage in behaviour in the South China Sea that shows total disregard for the noses of its neighbours. In the northern part of the sea, near the Paracel islands, which it disputes with Vietnam, China has moved a massive oil rig, defended by a large flotilla, into waters Vietnam regards as within the Exclusive Economic Zone (EEZ) it is entitled to under the international law of the sea. Anger at this in Vietnam sparked rioting in which hundreds of factories were looted and torched and six Chinese died. China has since evacuated thousands of its expatriate workers and demanded compensation. Few of the ravaged factories were in fact Chinese-owned. Most were investments from Taiwan. So the destruction has both lost Vietnam any moral advantage and suggested more may be going on than simple patriotism turned on a historical enemy.

Farther to the south, photographs have shown China engaged in filling in the sea at the Johnson South Reef, in the Spratly chain of islands. Some analysts suggest that China intends to build an airstrip there. The Philippines has protested. It regards the reef as within its EEZ. And a declaration signed in 2002 by the ten-member Association of Southeast Asian Nations (ASEAN) and China bars new building on disputed rocks.

Perhaps most outrageous, China does not even deign to explain the basis of its claims. In the case of the oil rig, for example, it might regard the area where it is operating as part of the EEZ attached to Hainan province, an undisputed part of its territory. Or perhaps it belongs to the Paracels, from which China expelled the former South Vietnam in 1974. Or perhaps it is just encompassed by the "nine-dash line", a lolling tongue of passive cartographic aggression that China says gives it historical rights over almost the entire South China Sea. The nine-dash line is itself ambiguous. Chinese scholars say that it probably implies a claim to the land features inside the line, an interpretation which could in theory be squared with the law of the sea. But even they are not sure that it does not assert sovereignty over the water as well.

In the face of all this Mr Aquino tempers his outrage with realism. "They are 1.3 billion people and we are 98m", he says. This echoes the words of the then Chinese foreign minister in 2010, who reminded ASEAN that "China is a big country and other countries are small countries and

that is just a fact.” A sober assessment suggests that none of the three approaches the Philippines has adopted to resist Chinese encroachment stands much hope of success—though they have certainly annoyed China.

The first approach is a legal avenue. The Philippines has taken the Chinese claim in the sea to an international tribunal under the law of the sea. This will take months, and it is not certain the tribunal will accept that it has jurisdiction, nor that, if it does, it will rule in the Philippines’ favour. And even if the Philippines wins the case, the court has no power to enforce the judgment; China will simply ignore it. A moral defeat may serve only to make China more hostile to Mr Aquino and his government.

The second approach is a united front against Chinese expansionism in the sea. Mr Aquino has likened the world’s acceptance of China’s creeping expansionism to the appeasement of Nazi Germany in the 1930s. He says he was pleased an ASEAN summit in Myanmar this month agreed on a strong expression of concern about recent events. It was too much to hope that the summit might make clear China was causing the concern. Its actions may have pushed the Philippines and Indonesia to announce an agreement this week on their maritime boundary, after two decades of on-off negotiations. But although the nine-dash line encroaches on its EEZ, Indonesia has no territorial claim in the sea. Reaching agreement with other claimants seems impossible. Vietnam, for example, claims all the Spratlys and in 1988 lost over 70 lives in a skirmish with China at the Johnson South Reef.

The third approach is to invoke the might of the Philippines’ “senior” treaty ally, America. As Barack Obama toured the region last month, America and the Philippines signed an “enhanced” security agreement. But America claims to take no sides in the South China Sea’s territorial squabbles. It is not likely to go to war with China over reefs and shoals claimed by the Philippines, let alone by Vietnam, which is not a treaty ally.

Living with it

That leaves two other ways of dealing with China’s claims, or at least of mitigating the damage. One is to turn the 2002 declaration into a binding code of conduct, in which the countries with overlapping claims (the others are Brunei, Malaysia and Taiwan) agree to avoid the sorts of provocations seen this month. Such a code is, in theory, in negotiation, though nothing suggests China wants an agreement. The other hope is that China realises, in Mr Aquino’s words, that its “ability to carry on growing depends on the goodwill of the rest of the world”—ie, that it should restrain itself. But since its recent aggression seems to have had little impact on its economic interests, it is hard to see why it should. Being feared and resented does not have to be bad for the economy.