

## China's Evolving Relations with Asia-Pacific Countries: From the Good Neighboring Policy to Aggressively Pursuing the Core Interests

Suisheng Zhao

China's relations with its Asian-Pacific neighbors have been shaped by many factors. Its historical experience is an important variable. The history of China as a predominant political, economic, cultural and military power in the region has certainly created "a deep-rooted belief in the geopolitical centrality of China to the region."<sup>1</sup> China cannot afford to turn its back on its periphery because it would be not just to surrender China's practical advantages of national defense but also to repudiate a heritage in which all Chinese take considerable pride. The experience of collapse of the Chinese empire in the 19<sup>th</sup> century led many Chinese elites to assign high priority to shake off what they saw as a national humiliation of the past and restore its historical status as this region's indispensable power. For this purpose, they have to securing its peripheral areas important to the security of the China core.

China's aspiration in the region is, however, ultimately determined by its relative power capability in relations with its neighbors. Although China would ideally like to have East Asia as its exclusive sphere of influence, this was obviously impractical before the 21st century because of China's relatively weak power position. When Deng Xiaoping started China's modernization drives in the 1980s, China faced chronic economic problems and acute political crisis at home. From a relatively weak position, Beijing devised a *mulin zhengce* (good neighboring policy), building friendly relations with its neighbors to create a favorable peripheral environment for its economic development. This policy continued after the end of the Cold War in the 1990s as the good relationships with neighbors provided China with not only a strategic advantage to increase its influence in regional affairs but also a leverage in relations with the US and other Western powers in the wake of the collapse of the former Soviet Union and Eastern European communist regimes. With the rapid growth of its economic, political and

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<sup>1</sup> Michael D. Swaine and Ashley J. Tellis, *Interpreting China's Grand Strategy: Past, Present, and Future*, Santa Monica, CA: RAND Corporation, 2000, p. 3.

military strength, however, China has become more confident in its ability not only to deal with the US and other Western powers but also to pursue the so-called core national interests of state sovereignty and territorial integrity along its periphery. China's behavior in relations with its East Asian neighbors thereby began to change. Under the pressure of rising popular nationalism, the Chinese government began to redefine China's national interests expansively and took a more aggressive position toward territorial disputes in the South and East China Seas, as shown by its strong reactions to a chain of incidents in 2009-2011. The most notable incidents were China's repeated attempts to prevent Vietnamese and Philippine vessels from exploring oil and gas in disputed waters in the South China Sea and China's punitive actions during the Sino-Japanese standoff over Japan's detention of a Chinese trawler captain whose boat collided with Japanese Coast Guard ships in the water near the disputed Senkaku/Tiaoyu islands in the East China Sea. These incidents provoked diplomatic crises during which China displayed its naval warships to support its sovereignty claims.

China's assertions of sovereignty over disputed territories themselves are not new as the sovereignty claims have been China's long-standing position. "But it is China's actions, now backed by more modern maritime enforcement capabilities and demonstrating a more assertive and decidedly nationalistic streak, that are proving to be most worrisome" to China's East Asian neighbors.<sup>2</sup> With the enhanced capabilities, China has showed its willingness to pursue its expanded national interests by coercing its neighbors into making concessions in territorial disputes. China's maritime territorial claims in East and South China Seas and its increasing ability and willingness to back its claims by military forces have thus become a new variable in regional security calculations and source of friction not only with its neighbors but also with the United States, which has long been invested in its economic and security interests in the region.

Exploring China's relations with its Asia Pacific neighbors since the end of the Cold War, this paper argues that China's rising power and capacity has not only resulted in expanded definition of national interests but also enabled the Chinese government to pursue the expanded national interests. The paper starts with an analysis of China's

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<sup>2</sup> Aileen S.P. Baviera, "China and the South China Sea: Time for Code of Conduct?" *RSIS Commentaries*, No. 91, June 14, 2011.

efforts to build good neighboring relations from the 1980s to the early 2000s and continues to examine China's increasing assertiveness in pursuing its so-called core interests of sovereignty and territorial integrity during the global financial crisis that started in 2008. The third part explores the courses of China's changing behavior.

### **The Making of China's Good Neighboring Policy**

For many years after the founding of the PRC, China was "a regional power without a regional policy,"<sup>3</sup> largely because China's frequent domestic turmoil and policy changes seriously limited its ability to make any coherent foreign policy, including regional policy. After the end of the Cultural Revolution and the Mao era, Deng Xiaoping and his reform-minded colleagues were determined to halt the domestic political turmoil and concentrate on economic modernization, which could benefit from working with the newly industrialized East Asian economies. As a result, Beijing began to make a deliberated effort and devised an integrated regional policy, known as "*zhoubian zhengce*" (periphery policy) or "*mulin zhengce*" (good neighboring policy), to create a peaceful regional environment conducive to its economic development and find a more favorable position in relationships with the US and other Western powers.

China's good neighboring policy was based on careful calculations of its strategic, security and economic interests in relations with its neighbors as well as with the US and other powers. The end of Cold War left China as the lonely communist giant in a defensive position against sanctions from the US and other Western powers after the Tiananmen massacre. Witnessing the collapse of the Soviet Union and other communist regimes across Easter Europe, Beijing's leadership felt vulnerable and marginalized and found it difficult to identify a satisfactory niche in the world affairs. The end of the Cold War, together with China's own immense economic and political problems at home, not only "left China's leaders without a definition of their place in the world,"<sup>4</sup> but also

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<sup>3</sup> Steven I. Levine, "China in Asia: The PRC as a Regional Power," in Harry Harding, ed., *China's Foreign Relations in the 1980s*, New Haven, CT: Yale University Press, 1982, p. 107. Denny Roy, in a book of 1998, still believed that "China has no apparent 'Asian policy.'" Denny Roy, *China's Foreign Relations*, Lanham, MD: Rowman & Littlefield Publishers, 1998, p. 8.

<sup>4</sup> Michel Oksenberg, "The China Problem," in *Foreign Affairs*, vol. 70, no. 3 (1991): p. 9.

profoundly frightened Beijing's leadership.<sup>5</sup> Focusing on its backyard could be a feasible strategy to consolidate China's position in the uncertain post-Cold War world.

Strategically, a Chinese security expert found China sharing with its neighbors a fundamentally interest to avoid a new cold war and regional military conflict. Although some countries might be concerned about China's rise, most countries agreed with China's terms of strategic balance in the region. Yan divided China's periphery countries into three categories according to the degrees of their agreement with China's terms of strategic balance of power. The first category of countries, including Pakistan, North Korea, Burma, Nepal, Cambodia, Malaysia, Singapore, Russia, and central Asian states, shared China's interest in developing a regional multipolarization and hoped to work with China to reduce the pressure of the US intervention in their internal affairs. The second category of countries, including Australia, Canada, Indonesia, Thailand, the Philippines, Vietnam, New Zealand, and India, didn't want to see China to become a balancing power against the US but did not have major conflicts of interest with China either. They hoped to maintain current strategic balance in which the US held a strategic advantage. The third category of countries, i.e., the US and Japan, were concerned about China becoming a security threat to their national interests. In such a regional environment, China could work with the periphery countries that shared the strategic interests of China to balance the influence of the US and Japan.<sup>6</sup>

In the security arena, China was always concerned about its neighbors becoming security threats. A number of its neighboring countries were perceived as a threat to China's national security at various times of PRC history due to border disputes or their alliance relations with hostile powers to China. China fought several wars along its frontiers after the founding of the PRC. One classic example was the Korean War China fought in response to the perceived American intention to invade China via North Korea in 1950. When the US was perceived as the most hostile power in the 1950s and 60s,

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<sup>5</sup> For one discussion of the collapse of communism in east Europe and the Soviet Union, see Michael B. Yahuda, "Chinese Foreign Policy and the Collapse of Communism," in *SAIS Review*, vol. 12, no. 1 (Winter/Summer 1992): pp. 125-137.

<sup>6</sup> Yan Xuetong, *Zhongguo de Jueqi, Guoji Huanjing pinggu* (The Rise of China: An Evaluation of the International Environment), Tianjin, China: Tianjin Renmin Chubanshe, 1998, pp. 234-236.

China was alert against the US allies in the region, including Japan, South Korea, and Thailand. Then the Soviet Union became a more serious threat to Chinese security in the late 1960s-1970s, Beijing perceived Soviet allies in the region, Mongolia, North Korea, and Vietnam, as contributing to the Soviet encirclement of China and was in tension with these communist neighbors. After the end of the Cold War, although no country was officially identified as hostile, Beijing continued suspicious about the intentions of the US alliances in East Asia and would like to develop relations with its East Asian neighbors to defuse the threat.

Accordingly, Beijing's periphery policy looked for settlements of territorial disputes to secure national boundaries. Liu Huaqiu, Director of the Foreign Affairs Office of the State Council, assured China's neighbors that "China advocates dialogues and negotiations with other countries as equals in dealing with the historical disputes over boundaries, territorial lands, and territorial seas and seeks fair and reasonable solutions. Disputes that cannot be settled immediately may be set aside temporarily as the parties seek common ground while reserving differences without letting those differences affect the normal relations between two countries."<sup>7</sup> Implementing the good neighboring policy, China indeed showed a benign face to negotiate with neighboring countries to find peaceful settlements in the most challenging land and maritime territorial disputes. As a study of China border negotiation in the 1990s indicated, foreign policy elites in Beijing deemphasized the use of confrontational claims and increasingly made use of diplomatic measures and international legal agreements to accomplish this goal of stabilizing China's borders. Taking a set of relatively conservative, stability-seeking, diplomatic initiatives and representational practices, China was able to create a relatively stable set of territorial boundaries with each of its continental neighbors, particularly Russia. The study therefore concluded that such a conservative set of territorial practices was indicative of the relatively status quo agenda guiding Chinese behavior with its East Asian neighbors.<sup>8</sup>

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<sup>7</sup> Liu Huaqiu, "Zhongguo jiang yongyuan zhixing dudi zhizhu de waijiao zhengce" (China Will Always Pursue Peaceful Foreign Policy of Independence and self-determination), *Qishi*, no. 23, December 1997, p. 3.

<sup>8</sup> Allen Carlson, "Constructing the Dragon's Scales: China's Approaches to Territorial Sovereignty and Border Relations," in Suisheng Zhao, ed., *Chinese Foreign Policy: Pragmatism and Strategic Behavior*, Armonk, NY: M. E. Sharpe, 2004, pp. 276-296.

Economically, Beijing's good neighboring policy was to take advantage of the rapid economic growth in the East Asian newly industrialized countries to facilitate China's modernization programs. China's overarching national goal was economic development during the 1980s-1990s. Foreign policy was to serve this goal by creating and maintaining a peaceful international environment, including periphery environment, for economic modernization, as stated by the slogan at the time that "diplomacy should serve domestic economic construction" (*waijiao fuwu yu guonei jingji jiangshe*).<sup>9</sup> Seeing economic modernization as both a means and an end of Chinese foreign policy, Chinese leaders paid a special attention to China's economic security, which, as a Chinese scholar indicated, "underscores the safety and survivability of those economic parts or sectors vital to the country's growth, the livelihood, and its whole economic interests."<sup>10</sup> To achieve the goal of economic modernization, Beijing was interested in learning from the development models and technology and management skills of Japan and other East Asian Newly Industrial Countries, including South Korea, Taiwan, and Singapore, while trying to lure of economic gains from increased trade and investment between China and these East Asian countries. Taking the opportunities created by the restructuring of the world economy, China was going to integrate its economy with the rest of the region by working closely with its East Asian neighbors.

China made two important adjustments to implement the good neighboring policy. One was to abandon ideology as the guidance and develop friendly relations with neighbors regardless of their ideological tendencies and political systems (*buyi yishi xingtai he shehui zhidu lun qingsu*).<sup>11</sup> The other was to change the practice of defining China's relations with its neighbors in terms of their relations with either of the Soviet Union and the United States (*yimei huaxian, yisu huaxian*). China would develop normal relations with neighboring countries regardless of their relations with other powers. These policy adjustments resulted in an improvement of China's relations with some of periphery countries previously in tension. One example was the normalization of

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<sup>9</sup> Liu Tsai-ming, "Zhuanfang xing waijiaobuzhang" (A Special Interview of New Foreign Minister), *Wenhui Bao*, June 27, 1998, p. A3.

<sup>10</sup> Wu Baiyi, "The Chinese Security Concept and its Historical Evolution," *Journal of Contemporary China*, vol. 10, no. 27, pp. 279-280.

relationship with Mongolia, which had long been perceived as a Soviet satellite in China's northern frontier. A border agreement between the two countries was signed in November 1988. Another example was the ice-breaking visit of Indian Prime Minister, Rajive Gandhi, to Beijing in December 1988, the first such visit after the Sino-India border war in 1962, marking the beginning of normal relationship between these two countries.<sup>12</sup>

Maintaining a good relationship with North Korea while improving relationship with South Korea was a third example. The so-called "traditional friendship" between China and North Korea had always been delicate, as North Korea had been swung between Moscow and Beijing for many years during the Cold War. This relationship became particularly difficult in the 1980s when differences in ideology, economic and political systems, and foreign policy were growing between these two communist neighbors. However, Beijing managed fairly good relationship with the North while formally established diplomatic relationship with South Korea in 1992. Maintaining the balance, Beijing was very careful not to anger the North by refraining itself from developing any military and security relations with the South. Instead, it focused on bilateral trade and investment relations. In this position, China hoped to better defend its interests in the future reunification process of two Koreas. As You Ji indicated, "this strategy envisages the likely orientation of China's strategic interest in a Korea that is reunified, peacefully."<sup>13</sup> The improvement of relationship with Taiwan was still another example. To create a peaceful international environment for its modernization drive, Deng Xiaoping decided to shift Beijing's policy from "liberating Taiwan" by force to a peaceful reunification offense through cross-strait talks and exchanges. Although the Taiwan government suspected Beijing's policy as "united front" tactic, it began to ease restrictions on trade, investment and travel to the mainland under domestic pressures. By

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<sup>11</sup> Tian Peizeng, ed., *Gaige Kaifang yilai de Zhongguo Waijiao* (Chinese Diplomacy since the Reform and Opening up), Beijing: Shijie Zhishi Chubanshe, 1993, pp. 6-7.

<sup>12</sup> Xie Yixing, *Zhongguo Dangdai Waijiao Shi* (History of Contemporary Chinese Diplomacy), Beijing: Zhongguo Qingnian Chubanshe, 1996, p. 430.

<sup>13</sup> You Ji, "China and North Korea: A Fragile Relationship of Strategic Convenience," *Journal of Contemporary China*, vol. 10, no. 28, August 2001, p. 396.

the end of the 1980s, economic and cultural exchanges across the Taiwan Strait developed rapidly.<sup>14</sup>

The Tiananmen Massacre in 1989 and the subsequent end of the Cold War set the scene for Beijing to consolidate its good neighboring policy. While the massacre led to economic sanctions by and deterioration of relations with Western countries, it had little negative impact on China's relations with its East Asian neighbors as human rights records in most of these countries were not better than that in China. To a certain extent, some of these East Asian governments were sympathetic to China's authoritarian rule and struggle against pressures from the Western countries. Consequently, Beijing set the improvement of relations on China's periphery and establishing a secure and stable periphery environment as its foreign policy priority after Tiananmen, as expressed in a guidance of twelve Chinese characters: *wendingzoubian* (stabilizing periphery), *kaiduowaijiao* (expanding diplomacy), and *liuzhuanjumian* (altering the situation).<sup>15</sup>

In response to ASEAN's initiative of a "constructive engagement" with all the major powers in the region to cope with the post-Cold War uncertainties, China scored an easy diplomatic success by normalizing diplomatic relations with several influential Southeast Asian countries: Indonesia (August 1990), Singapore (October 1990), Brunei (September 1991), and Vietnam (November 1991). In spite of the rising concern over the China threat among many Southeast Asian countries, they not only sided with China against the US pressures on the human rights issue, but also accepted Beijing's position that the reunification with Taiwan was China's domestic affair. China was invited to attend the ASEAN post-Ministerial Conference in 1991 and became a member of the ASEAN Regional Forum (ARF) in 1994 and ASEAN's comprehensive dialogue partner in 1996.

Taking advantage of the Asian financial crisis in 1997, Beijing further improved its relations with Southeast Asian countries. In the wake of the crisis, many East Asian countries looked for the assistance and leadership of the US and Japan to bail them out.

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<sup>14</sup> Suisheng Zhao, "Management of Rival Relations Across the Taiwan Strait: 1979-1991," *Issues and Studies*, vol. 29, no. 4, April 1993, pp. 77-78.

<sup>15</sup> Chen Youwei, *Tiananmen Shijianhou Zhonggong yu Meiguo Waijiao Niemu* (The Inside Stories of Diplomacy between China and the US after the Tiananmen Incident), Hong Kong: Zhongzheng Shuju, 1999, pp. 200-211.



Nevertheless, both countries responded slowly. In contrast, China made a highly symbolic move to announce its “stand-by-Asia” policy by firmly refusing devaluation of its currency. A Chinese devaluation would set off competitive devaluation across the region. This “beggar thy neighbor” competition could undo Southeast Asian countries’ recovery efforts with devastating economic and political consequences for the whole region. As a result, a World Bank report appraised China as “one source of stability for the region.”<sup>16</sup> China’s positive response to the crisis helped China gain influence in the region. Chinese president was invited to meet with his ASEAN counterparts in Kuala Lumpur, Malaysia in November 1997 to start an annual ASEAN+1 summit and then joined the leaders of Japan, and South Korea and ASEAN countries at the first ASEAN+3 summits the next month. Chinese President Jiang Zemin attended the Summit, at which he announced the establishment of a good-neighboring and mutual-trust partnership with ASEAN towards the 21<sup>st</sup> century.<sup>17</sup>

While China’s long-term power potential was still viewed with trepidation in many East Asian capitals, China’s surging economy was welcomed by more and more of its neighbors. As China’s size and rapid growth helped establish it as a powerhouse and an engine for economic growth for the whole region and many East Asian economies benefited greatly from their economic relations with China, the success of China’s good neighboring policy not only improved China’s relations with East Asian countries but also dramatically increased China’s influence in the region. The success of China’s diplomacy came because East Asian countries became increasingly dependent on China in their foreign trade and investment. As one observer found, “burgeoning trade and growing Asian investment in China are the most concrete manifestations of greater Chinese prominence in Asia. China has become the largest trade partner of many Asian neighbors, and Chinese trade expands at almost twice the rate of China's fast-growing economy. Entrepreneurs from the more advanced Asian economies provide the bulk of

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<sup>16</sup> The World Bank, *Global Economic Prospects and Developing Countries, 1998/99: Beyond Financial Crisis*, Washington DC: the World Bank, 1999, p. 34.

<sup>17</sup> Wang Yong, “China, ASEAN Stress Peace: Summit Agrees on Approach,” *China Daily*, December 17, 1997, p.1.

the US\$60 billion in foreign investment China receives annually. Chinese wealth and economic importance support growing popular exchanges in tourism and education.”<sup>18</sup>

Providing the economic engine for the region and waging its neighbors’ reliance on its economy for trade and investment, Beijing built goodwill, closer ties and space for occasional strategic posturing while espousing a “peaceful rise” principle. These diplomatic postures eased suspicion over China’s long-term geopolitical intentions. As indicated by Robert Sutter, “China is clearly more popular and the target of less suspicion than in the past among many Asian governments, elites and popular opinion, and its economic importance as an engine of Asian growth has increased... there is no question that an image of China’s rising influence has been important, particularly in Southeast Asia and Korea, where Chinese relations have improved markedly.”<sup>19</sup> Another scholar also indicated, “ASEAN has gone from being the anti-China club to China’s partner in trade. Beijing has offered the grouping preferential trading status, engaging it more closely than the U.S. as Washington’s attention has been diverted elsewhere.”<sup>20</sup> For its neighbors, an economically vibrant and diplomatically modest China provided a perfect partner.

China’s security environment in its periphery, therefore, improved significantly as a result of formulating and implementing the prudent good-neighboring policy. A Chinese official publication proudly declared that “we have established a relatively stable periphery environment around our neighboring areas from east to west and from north to south as our country maintain good neighboring relations with all our neighbors. This is the best period since the founding of the PRC.”<sup>21</sup> Talking about China's relations with Southeast Asian countries in 1999, another Chinese scholar found that "the foundation

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<sup>18</sup> Robert Sutter, “Why a rising China can't dominate Asia,” *Asia Times*, September 15, 2006. <http://www.atimes.com/atimes/China/HI15Ad02.html>

<sup>19</sup> Robert Sutter, *China’s Rise in Asia: Promises and Perils*, Lanham, MD: Rowman & Little Field Publishers, 2005, p. 10.

<sup>20</sup> Hugo Restall, “China’s Bid for Asian Hegemony,” *Far Eastern Economic Review*, May 2007.

<sup>21</sup> Tian Peizeng, ed., *Gaige Kaifang yilai de Zhongguo Waijiao* (Chinese Diplomacy since the Reform and Opening up), Beijing: Shijie Zhishi Chubanshe, 1993, p. 20.

for the mutual trust has been laid. The only problems are to overcome some barriers to the mutual trusts.”<sup>22</sup>

### **Aggressively Pursuing Core Interests and Rising Tensions on the Seas**

The mutual trust, however, did not have enough time to be established. China’s long term power potential and its long history of cultural and political domination of the region as well as the degree of China’s remaining condescension toward its periphery countries determined that the success of the good neighboring policy was momentary. Indeed, while the rhetoric of the good neighboring policy continued, China’s behavior in relations its East Asian neighbors began to change as a result of its rapid economic growth with growing military might in the 21<sup>st</sup> century.

With its enhanced power position, China began to embark on a new pattern of aggressively asserting its sovereignty and territorial claims in the disputes with its neighbors. China’s core national interests, defined as “the bottom line of national survival,”<sup>23</sup> suddenly became a fashionable term and appeared more and more frequent in the speeches of the Chinese leaders and the publications of Chinese scholars and newspaper commentators. Chosen obviously with intent to signal the resolve in China’s sovereignty and territorial claims, Chinese scholars have been in debate about what issues should be included in the expanding list of China’s core interests. While some Chinese scholars have cautioned to be ambiguous in listing China’s core interests to leave room for maneuver, Chinese leaders have made it clear that sovereignty and territorial integrity are among China’s core national interests. Chinese president Hu Jintao stated in July 2009 that China's diplomacy must "safeguard the interests of sovereignty, security, and development."<sup>24</sup> Chinese State Councilor Dai Binguo specifically told Americans at the first China-US Strategic & Economic Dialogue that

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<sup>22</sup> Zhang Xizheng, "Zhongguo tong dongmeng de muling huxin huoban guanxi" (The good neighboring, mutual trust, and partnership between China and ASEAN), in Zheng Yushou, ed., *Huolengzhan shiqi de zhongguo waijiao* (Chinese Diplomacy in the Post-Cold War Era), Hong Kong: Tiandi Tushu, 1999, p. 224.

<sup>23</sup> 陈岳 (Chen Yue), “中国当前外交环境及应对”(The current international environment and the responses), 现代国际关系 (Contemporary International Relations), November 2011, p. 4.

<sup>24</sup> Wang Jisi, “China’s Search for Grand Strategy: A Rising Power Finds its Way,” *Foreign Affairs*, March/April 2011, p.

China's number one core interest is to maintain its fundamental system and state security, next is state sovereignty and territorial integrity, and third is the continued stable development of the economy and society.<sup>25</sup>

According to one Chinese scholar, China's official statements on the sovereignty and territorial integrity referred almost exclusively to the three issues of Taiwan, Tibet and Xinjiang: "where the secessionist momentum challenges not only China's territorial integrity, but also the legitimacy of the Chinese Communist Party as the ruling party of China."<sup>26</sup> Among the three issues, Taiwan, which Beijing considers to be an integral part of China's territory, is the most frequently mentioned foreign policy issue that the Chinese government has officially identified as one of the country's core interests. An issue left from history, the question of sovereignty over Taiwan remains unresolved and likely unsusceptible to progress toward resolution any time soon, even in an era of striking advances in cross-Strait economic relations. Beijing has concerned mostly of the foreign support of the Taiwan independence, particularly the US intention of keeping China divided and using Taiwan as part of the US strategy of containing China's rise. The Taiwan issue, therefore, involved not only China's territorial integrity but also China's national pride and security. Showing determination in defending its core interests, China ratcheted up the rhetoric in its warnings about the consequences of the routine and predictable arms sales to Taiwan as a serious challenge to China's core interest after US president Barack Obama came to office in 2009. When the Obama administration announced the sale of Patriot III missiles on January 6, 2010, Chinese foreign and security policy analysts for the first time openly warned about sanctioning the US firms to "reshape the policy choices of the US."<sup>27</sup> After the Obama administration ignored Beijing's warning and continued the decades-long policy by notifying the Congress of its \$6.4 billion arms sale to Taiwan on January 29, the Obama administration was met with unprecedented Chinese objections. In addition to announcing the

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<sup>25</sup> "首轮中美经济对话:除上月球外主要问题均已谈," 中新社, July 28, 2009, <http://www.chinanews.com.cn/gn/news/2009/07-29/1794984.shtml>.

<sup>26</sup> Wu Xinbo, "Forging Sino-U.S. Partnership in the 21<sup>st</sup> Century: Opportunities and Challenges," *Journal of Contemporary China*, Vol. 21, no. 75, May 2012, p.

<sup>27</sup> No author, "China yesterday urged the United States to cancel a massive arms deal to Taiwan, warning of severe consequences if it does not heed the call," *China Daily*, January 8, 2010.

immediate suspension of some military exchanges with the US and unleashing a storm of bluster by various government and military agencies, the Chinese Foreign Ministry spokesman threatened to impose sanctions for the first time on American companies involved in the arms sales.<sup>28</sup>

Continuing the pressure on the Taiwan issue, Chinese leaders in 2009 expanded China core interest issues involving sovereignty and territorial integrity to include the maritime territorial claims in South China Sea, which are disputed by several of its neighboring countries. The news about a private meeting between Assistant Minister of Chinese Foreign Affairs Cui Tiankai and two visiting U.S. officials, Deputy Secretary of State James Steinberg and Senior Director of East Asian Affairs at the National Security Council Jeffery Bader in March 2010 caused a lot of disturbances and easiness among China's Southeast Asian neighbors as Cui said that China now viewed its claims to the South China Sea, an international waterway through which more than 50 percent of the world's merchant fleet tonnage passes each year, as its core interests, on par with its claims to Taiwan and Tibet, which China sees as vital to its territorial integrity.<sup>29</sup> Although this claim was not confirmed afterward by the Chinese government and even denied by some Chinese scholars close to the government,<sup>30</sup> a Xinhua News Commentary said that "By adding the South China Sea to its core interest, China has showed its determination to secure its maritime resources and strategic waters."<sup>31</sup> US Secretary of State Clinton in an November 2010 interview also revealed that China told the US at a meeting of the Strategic and Economic Dialogue in May 2010 that "they viewed the South China Sea as a core interest."<sup>32</sup>

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<sup>28</sup> No author, "Chinese threats to sanction Boeing are more sound than fury," *Chinese Economic Review*, February 3, 2010, [http://www.chinaeconomicreview.com/today-in-china/2010\\_02\\_03/Dont\\_worry\\_about\\_Boeing.html](http://www.chinaeconomicreview.com/today-in-china/2010_02_03/Dont_worry_about_Boeing.html)

<sup>29</sup> John Pomfret, "U.S. takes a tougher tone with China," *Washington Post*, July 30, 2010, A1.

<sup>30</sup> Wang Jisi, Dean of Beijing University's School of International Studies, wrote that "some Chinese commentators reportedly referred to the South China Sea and North Korea as such (China core interests), these reckless states, made no official authorization, created a great deal of confusion." Wang Jisi, "China's Search for Grand Strategy: A Rising Power Finds its Way," *Foreign Affairs*, March/April 2011, p.

<sup>31</sup> No author, "Modernizing navy for self-defense," *Xinhua*, July 13, 2010.

<sup>32</sup> US State Department, "Interview With Greg Sheridan of The Australian," Melbourne, Australia, November 8, 2010, <http://www.state.gov/secretary/rm/2010/11/150671.htm>

Whether or not the South China Sea is officially declared a core interest, China has accelerated its pace of mapping the deep seabed in the South and East China Seas. In an interview, Zhang Jixian, President of the Chinese Academy of Surveying and Mapping, declared that “China’s surveying and mapping science will gradually extend from the ground area to the country’s 3 million square kilometers of water territory.” The result will “help people know the undersea resources and the ocean better and help turn the ocean into new economic boom zone.”<sup>33</sup> In the meantime, China’s maritime neighbors began to see a renewed and more aggressive claim of Chinese sovereignty over the disputed maritime territories as China increased naval patrols in the area, pressured foreign energy companies to halt operations in contested waters, and imposed fishing bans on parts of the sea.

While China has claimed sovereignty over a large portion of the South and East China Seas and the ownership of rich mineral resources that surround these maritime territories, China’s territorial claim has been a very complex and contentious issue involving many of China’s East Asian neighbors. Before the arrival of Western powers, territorial boundaries along China’s frontiers had little significance under the tributary system. After the decline of the Chinese Empire in the 19<sup>th</sup> century, Western powers not only took over many of China’s tributaries but also pushed the frontiers forward into areas that China would have preferred to control itself. These new frontiers were often institutionalized in what China called “unequal treaties.” As a result, after the founding of the PRC, communist leaders in Beijing found themselves in a series of territorial disputes with its neighbors.<sup>34</sup> The divisive maritime territorial disputes with Vietnam, the Philippines, Malaysia and Brunei over the Spratly/Nansha islands in the South China Sea and with Japan over the Diaoyu/Senkaku Islands in the East China Sea are among the historically left ones.

Reasserting the former Republican government’s “historical” claims over all the islets, Beijing draws a nine-dotted U shape boundary that encompasses the major features in the South China Sea, running from Taiwan southwestward virtually along the coasts of

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<sup>33</sup> Wang Qian, “China to dive into mapping seabed,” *China Daily*, September 14, 2011, [http://www.chinadaily.com.cn/usa/2011-09/14/content\\_13684343.htm](http://www.chinadaily.com.cn/usa/2011-09/14/content_13684343.htm)

<sup>34</sup> Harold C. Hinton, “China as an Asian Power,” in Thomas W. Robinson and David Shambaugh, eds., *Chinese Foreign Policy: Theory and Practice*, Oxford, Clarendon Press, 1995, p. 349.

the Philippines and East Malaysia and Brunei and then northward more or less along the coast of Vietnam. According to a scholar in the Center for Chinese Borderland History and Geography at the Chinese Academy of Social Sciences, “the U-shaped line is the result of a long historical process that has established China’s sovereignty over the islands in the South China Sea and their surrounding waters.” He claimed that the Chinese people discovered the islands in the South China Sea during the Qin (221-206 BC) and Han (206 BC-AD 220) dynasties. While Chinese people first sailed in the waters off the islands more than 2000 years ago and discovered and named these islands and exercised effective jurisdiction over them, Vietnam, Malaysia and the Philippines hardly knew anything about the islands in the South China Sea before China’s Qing Dynasty (1644-1911), nor did they have any evidence to prove their forefather’s activities in the South China Sea, not alone naming any of these islands. “China’s maritime boundary in the China Sea is the result of historical involvement,” and China was “the only country to have developed the region continuously through history.” Therefore, “the Chinese people have the primal right over the islands in the South China Sea.”<sup>35</sup>

China’s claim is criticized and ridiculed by other claimants of Philippines, Malaysia, Brunei, and Vietnam. For example, the Philippines government argued that China cannot legally claim ownership of the Spratlys, which are at least 800 miles away from the nearest Chinese territory, while some of the islands are within the 200-mile economic zone limits of the Philippines under the United Nations Convention on the Law of the Sea (UNCLOS). China’s claim violates the UNCLOS, which both China and the Philippines are signatories, and, therefore, has no international legal ground.<sup>36</sup> China’s response is that modern international law is not fully applicable to historical fact of pre-modern times. China’s maritime territorial claims came before the UNCLOS and are therefore not bound by the UNCLOS on its claims. As a Chinese scholar at the Center for Southeast Asian Studies in Xiamen University stated, although the UNCLOS is the contemporary law to regulate maritime activities, it cannot be applied to China’s historical rights over the isles in the South China Sea because China’s traditional maritime border took shape in 1947, far before the UNCLOS came into force in 1994.

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<sup>35</sup> Li Guoqiang, “Claim over Islands Legitimate, People’s Daily, July 22, 2011.

The concepts such as continental shelf and exclusive economic zone were not yet known at the time. Moreover, although the UNCLOS provides a coastal country certain rights over its EEZ, such rights are restricted to the natural resources and the country has no sovereignty title over the islands in the region. Therefore, the surrounding countries in the South China Sea cannot use the EEC as an excuse to forcibly occupy China's islands, even though some of them are less than 200 nautical miles from their coastal baselines.<sup>37</sup> China thus sees the UNCLOS illegitimate when it does not serve China's interests and sustains its nine dot claim and extends a maximum territorial grab based on its non-acceptance of some legal concepts of UNCLOS while making selective use of the UNCLOS to exert its sovereignty claims over the islets in other's EEZ.

Although China has showed certain degree of flexibility by suggesting "shelving the disputes (of sovereignty) and working for joint development" (*gezhi zhengyi, gongtong kaifa*), China's maritime neighbors have remained unconvinced because China's joint development offer in the disputed areas is pre-conditioned on the recognition of China's sovereignty by other claims. In addition, although most disputes require concessions by multiple claimants, Beijing insists on bilateral talks between the parties directly concerned and refuses participating in multilateral negotiations to resolve the disputes. Opposing the 'internationalisation' of the disputes, China has reacted angrily to attempts by the United States or Japan to get involved. Insisting on the joint development deals of natural resources to be negotiated one-to-one between China and each of the individual claimants, Beijing plays obviously to its own strengths to because China would be in a much more powerful position in dealing with each of these smaller states.

After China expanded its maritime law enforcement in the South China Sea, tensions with several of China's East Asian neighbors were escalated dramatically as Chinese vessels routinely clashed with the ships of the other claimants, causing incidents with the Vietnam oil exploration ships and the Philippine navy naval patrol vessels. Both

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<sup>36</sup> Perseus Echeminada , "Sulu Sultanate rejects China claim over Spratlys," *Philippine Star*, July 14, 2011,

<http://www.philstar.com/Article.aspx?articleId=705932&publicationSubCategoryId=63>

<sup>37</sup> Li Jinming, "Time to review law of the sea," *China Daily*, August 30, 2011,

[http://www.chinadaily.com.cn/cndy/2011-08/30/content\\_13215982.htm](http://www.chinadaily.com.cn/cndy/2011-08/30/content_13215982.htm)



China and Vietnam have claimed the Paracel and Spratly Archipelagos in their entirety. Vietnam occupies most of the Spratlys to which China claims sovereignty while China has occupied the Paracels (Xisha and Zhongsha in Chinese) since 1974 and had military clashes with Vietnam over the two large islands groups in 1988 and 1992. Although Beijing and Hanoi reached an agreement in defining their disputed 1,300-kilometer land border after Chinese Premier Zhu Rongji visited Vietnam in December 1999, no resolution was found over these islands. These two countries have competed to assert their claims of sovereignty, causing tensions.

In early 2004 Vietnam announced that it would start commercial flights and tours of the disputed Spratlys and Vietnam's state oil and gas firm PetroVietnam (PVN) would welcome international bids for drilling and exploration activities in the disputed waters. Soon after, a Vietnamese-Russian joint venture operating off Vung Tau successfully produced crude oil, which accounted for “the single biggest slice of Vietnam's foreign exchange earnings.”<sup>38</sup> Hanoi claims that it has a sovereign right to explore and tap oil within its EEZ according to the UNCLOS, which gives a state the right to use resources and regulate the behavior of other states in the EEZ. China expressed its opposition strongly to Vietnam's exploitation activities and demanded Vietnam seek Beijing's permission to sign joint development deals in the disputed waters, whether or not they are within Vietnam's exclusive economic zone, citing its historic claim to the disputed areas in the South China Sea. China's position is expressed clearly by the Ministry of Foreign Affairs spokeswoman: "We oppose the oil and gas operations conducted by Vietnam, which have undermined China's interests and jurisdictional rights in the South China Sea and violated the consensus both countries have reached on the issue."<sup>39</sup> Vietnam continued to strike a series of deals with foreign oil giants and deployed advanced survey ships to push ahead with extensive exploration and survey work on the disputed continental shelf. In response, China swiftly expanded its increasingly large and aggressive flotilla of marine surveillance and patrol ships to enforce its claims in the disputed waters. Tensions intensified as Vietnamese fishermen came to encounter with Chinese vessels more and more often and Vietnam reported growing number of cases of

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<sup>38</sup> Greg Torode, “Sailing into troubled waters,” *South China Morning Post*, June 13, 2011.

fishing boats and equipment being seized by Chinese patrol vessels and incidents involving Chinese ships cutting or damaging cables used by Vietnamese vessels to tow hi-tech seismic survey equipment in the South China Sea.

On May 26, 2011 three Chinese marine surveillance vessels approached and challenged a Vietnam seismic survey ship, Binh Minh 02, which was chartered to a subsidiary of PVN, conducting surveys some 120 nautical miles of the southern Vietnamese coast. Warning the ship violating Chinese territory, a Chinese maritime surveillance ship was filmed cutting the Vietnam ship's exploration cables. This incident sparked anti-China demonstrations in Vietnam where public demonstrations were rare and usually restricted by the government. In the meantime, the Vietnam government lodged a formal protest with the Chinese embassy in Hanoi, claiming the incident seriously violated Vietnam's sovereignty and the UNCLOS. It insisted that PVN would continue oil exploration in the area because it is Vietnamese territory. When the maritime tension with China was intensified, the prime minister of Vietnam signed an order on eligibility for military conscription on June 14, 2011, the same day Vietnam's navy said it conducted about nine hours of live-fire artillery training in the South China Sea to send "a message to China that Vietnam has significantly upped the ante in this dispute."<sup>40</sup> Sino-Vietnamese relationship thus came to its worst point since ties between Hanoi and Beijing were normalized in 1991 after a brief but bloody border war 12 years earlier.

China also decried efforts by some other Southeast Asian countries to invite multinationals to explore oil and gas in the South China Sea and came into conflicts with the Philippines. While the Philippines-China part of the maritime dispute has been long-standing, it flared up once again after Manila invited foreign companies to bid for the right to explore oil and gas in the areas that China claimed as Chinese sovereign territory but close to the Philippines' coast in 2011. One of the offshore areas claimed by Beijing lies just 49 miles northwest of Palawan province and the other is 76 miles from the Western Philippine province, while both areas are more than 500 miles from the nearest Chinese coast. About 50 foreign investors, including some of the world's largest oil

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<sup>39</sup> Liu Linlin, "Beijing rebuffs Hanoi offshore oil, gas claims," *Global Times*, May 30 2011] <http://china.globaltimes.cn/diplomacy/2011-05/660024.html>

<sup>40</sup> Agence France-Presse, "Hanoi airs rules for conscription in a war," *South China Morning Post*, June 15, 2011.

companies, expressed interest in exploring for oil and gas in the disputed areas because of strong indications of oil there. According to the Philippines press, the Chinese Embassy delivered a protest to the Philippine government on July 4, 2011 and urged the Philippine side to immediately withdraw the bidding offer and refrain from any action that infringes on China's sovereignty and sovereign rights. The Philippine government responded that the areas are located well within Philippine waters and are far from any disputed area.<sup>41</sup>

Before the response to China's protest, Manila already had logged complains over six incursions across the South China Sea in the waters off Philippines's Palawan province in the first half of the year. In February 2011, there were reported incidents of Filipino fishermen being threatened and fired on from Chinese vessels. The next month, two Chinese patrol boats tried to drive away a Philippine Energy survey vessel MV Veritas from Reed Bank, an area west of Palawan that China said was under Chinese jurisdiction. Two Philippine air force planes were deployed, but the Chinese vessels had disappeared by the time they reached the submerged bank. In late May, the Philippines discovered posts and a buoy on unoccupied Amy Douglas Bank inside the Philippines' Exclusive Economic Zone unloaded by Chinese navy ships and a marine surveillance vessel, indicating possible new construction plans. Sending military planes to the area and intensifying its diplomatic protests against Beijing, the Philippines Government filed a formal protest at the UN over China's actions surrounding the disputed Spratly Islands and its adjacent waters.<sup>42</sup>

In the East China Sea, the maritime territorial dispute between China and Japan over the Diaoyu/Sankaku islands has also been a recurring issue since 1970 when the US decided to hand the disputed islands over to Japan along with the islands of Okinawa but the dispute has been intensified over time. The Diaoyu islands lie in about 12 nautical miles northeast of Taiwan and 200 nautical miles southwest of Okinawa. The five small

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<sup>41</sup> Associate Press, "Manila rejects new Chinese claim to territory just 50 miles away from Philippine province," *Washington Post*, November 14, 2011, [http://www.washingtonpost.com/world/asia-pacific/manila-rejects-new-chinese-claim-to-territory-just-50-miles-away-from-philippine-province/2011/11/14/gIQAv3lmJN\\_story.html](http://www.washingtonpost.com/world/asia-pacific/manila-rejects-new-chinese-claim-to-territory-just-50-miles-away-from-philippine-province/2011/11/14/gIQAv3lmJN_story.html)

<sup>42</sup> Victor Reyes, "China intrusions in Spratlys reported," *Malaya*, June 2, 2011, <http://www.malaya.com.ph/june02/news4.html>

volcanic islands and three rocky outcroppings total only 2.7 square miles are incapable of sustaining human habitation but in practice controlled and administered by Japan. China's claim to the Diaoyu/Senkoku islets is based on the discovery of unclaimed territory, which Chinese fishermen used the islets for several centuries after their discovery, and derives from a range of Chinese governmental contacts and references going back to 1372. The Japanese claim over the territory is based on the effective administration.

For a while, the two governments essentially agreed to put off the issue because neither side made a convincing case for sovereignty over the islands. A crisis took place in July 1996 when a right-wing Japanese group went to the islands to renovate a lighthouse they constructed in 1978 and demanded that the lighthouse be recognized by the Japanese government. Ethnic Chinese people in Taiwan and Hong Kong responded angrily. Beijing's response, however, was very calculated because 1996 was the 65<sup>th</sup> anniversary of the Japanese invasion of Manchuria, known as the September 18 Incident in China, an anniversary very sensitive in Sino-Japanese relations and leaders in Beijing feared the Diaoyu Islands dispute would fan popular anti-Japanese sentiment that in turn would force the government to take proactive action to seriously damage relations with Japan when China was still badly in demand of Japanese economic assistance and investments. As a result, throughout the dispute, there was minimal coverage of the overseas Chinese demonstrations in the Chinese media. The dispute was not reported at all in the Chinese media until tensions subsided.

China's position, however, began to change in the new century, partially in response to the burst of popular anti-Japanese nationalism and partially due to the discovery of the potentially huge amount of energy reserves. For historical and geopolitical reasons, Japan occupies a central place in the rise of China's nationalism. Historically, China's humiliating defeat in the Sino-Japanese War of 1894-95 was fundamental to the rise of the first generation of Chinese nationalists. Japanese expansion in China after the Versailles Peace Treaty triggered the anti-imperialist May Fourth Movement in 1919. This anti-Japanese sentiment was reinforced by Japanese invasion of China in the 1930s-40s. Although a Sino-Japan peace treaty was signed in 1978, this formally friendly relationship was largely superficial. Alerting against any signs of Japan's remilitarization, the Chinese people are resentful about Japan for what they

perceived as whitewashing of the aggression history and lack of sincere efforts of restitution. With the rise of China as a great power in the 21<sup>st</sup> century, the Chinese people began to push the Chinese government to take a hard-line position against Japan. It was astonishing to witness more than 20 million Chinese signatures gathered on the Internet in early 2005 to oppose Japan's bid to join the UN Security Council and thousands of Chinese protesters marched through major Chinese cities, shouting slogans and throwing rocks, bottles and eggs at the Japanese consulates, protesting Japan's approval of history textbooks and pledge to help the U.S. defend Taiwan in the event of an attack by Beijing. Such public sentiment hardened Beijing's policy to Japan. When seven Chinese activists shook off Japanese coast guard vessels and landed on one of the disputed islands in March 2004, the Chinese government did nothing to stop these protesters setting sail from a Chinese port although until very recently, the government repeatedly prevented the activists from setting sail for the archipelago or even simply protesting outside Japanese diplomatic missions in China. When they were taken into custody by Japanese police and coast guards, the Chinese foreign ministry made official protests. After the seven finally returned to Shanghai from Okinawa, they were hailed as national heroes.

The tension between Japan and China was fueled also by reports of substantial quantities of undersea oil and gas reserves and other valuable mineral resources in the disputed waters of the East China Sea. Both China and Japan are net oil importers, with Japan importing as much as 80% of its oil needs and China catching up quickly, overtook Japan as the second largest oil consumer next to the US in 2003 and become the third largest oil importer after the US and Japan in 2004. China National Offshore Oil Corp (CNOOC) started drilling in the gas field called Chunxiao by China and Shirakaba by Japan, located nearby the median line that Japan regards as the border of its exclusive economic zone in 2003. China does not recognize the median line as the border line and claims jurisdiction over the entire continental shelf. Although the gas field lies largely on the Chinese side of the median line, Japan claimed that China was siphoning energy resources from its side. Japanese Foreign Minister Yoriko Kawaguchi raised the issue with Chinese Foreign Minister Li Zhaoxing in June 2004.<sup>43</sup> In a muscular display of its rising military and economic might and ignoring the Japanese complaints, China

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<sup>43</sup> Editorial, "China's Quest for Energy," *Asahi Shimbun*, June 24, 2004.

deployed a fleet of five warships on September 9, 2005, accompanying Chinese research vessel surveying the seabed for oil and gas drilling purposes near the Chunxiao field to back up its claim of sovereignty. It was the first time that Chinese warships were seen in that area. In response, in March 2007, Japan proposed new laws to protect offshore oil and gas rigs in the country's exclusive economic zone. One senior Japanese foreign ministry official expressed concern that this move “could bring the territorial dispute with China to a head.”<sup>44</sup>

The dispute intensified and evolved into a crisis in the wake of a diplomatic row after Japanese coast guard vessels intercepted a Chinese fishing boat off the disputed Senkaku/Diaoyu Islands in September 7, 2010. Trying to flee and colliding with two of the coast guard vessels although with only little damage and no loss of life, the Chinese boat and its 16 member crew were held for about 12 hours at sea and then brought to Okinawa. The Japanese authorities released the vessel and its crew quickly but detained Captain Zhan Qixiong and were to pursue the matter through their domestic legal system in a local court. By one account, the Japanese arrest and turning on the Chinese captain to a local court was a violation of the Sino-Japanese Fisheries Agreement that was concluded in 1997 and took effect in 2000, which deemed the areas around the disputed Diaoyu/Senkaku islands as part of the high seas in which plying vessels are subject to flag-state jurisdiction. The UNCLOS’ general provisions Article 97 regarding high seas jurisdiction provide that in the event of a collision or any other incident of navigation concerning a ship on the high seas, involving the penal or disciplinary responsibility, no arrest or detention of the ship, even as a measure of investigation, shall be ordered by any authorities other than those of the flag State. Accordingly, the fisheries accord requires that even infractions within the shared fishery zone that lead to arrest are to result in prompt release of detained captain and crew following posting of appropriate bond or other security. Domestic investigation and trial is to be abjured in all circumstances by the coastal state.<sup>45</sup> In this case, the bilateral Fisheries Agreement in effect allows both

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<sup>44</sup> David Pilling and Victor Mallet, “Japan set to raise stakes in China row,” *Financial time*, March 20, 2007.

<sup>45</sup> Sourabh Gupta, “China-Japan trawler incident: Japan’s unwise – and borderline illegal – detention of the Chinese skipper,” *East Asian Forum*, September 30, 2010,

sides' fishermen to operate free of regulation around the islands. The Japanese detention of the Chinese skipper could be borderline illegal and also an epoch-making event that signified a unilateral reversal of practice that had been followed by both countries.

A Japanese investigative journalist confirmed the position. According to her, the Fisheries Agreement was concluded because Japanese fishing boats frequently operated close to or even inside the Chinese territory of the East China Sea and Yellow Sea in the 1950s and 1960s when China was poor and fishing technology was under-developed. Protesting this Japanese random fishing, China announced in 1958 that it would enlarge its territorial seas from three to twelve nautical miles. Japan, actively fishing near Chinese territorial seas, did not recognize that. Achieving rapidly economic growth, China wanted the fisheries and energy resources from the East China Sea and enacted a Marine Law in 1992, which included territorial rights over the Senkaku Islands. Chinese boats started fishing in the sea near the Diaoyu/Senkakus. The Japanese Coast Guard stationed patrol boats to track Chinese fishing boats around the Diaoyu/Senkaku Islands, but never captured or arrested a Chinese boat for many years as both countries adopted the attitude of avoiding conflict at the governmental level, even if political activists among the people demanded the protection of the Senkaku/Diaoyutai Islands.<sup>46</sup>

This time, however, the Japanese authorities captured a Chinese boat and arrested the captain. Beijing could not accept the arrest and the attempt to try him under Japanese domestic law because recognizing Tokyo's right would be de facto recognition of Japan's sovereignty over the islands. The arrest of the Chinese captain thus sparked a wave of anti-Japanese agitation on the Internet in China. The Chinese government acted quickly and demanded the Japanese government "immediately and unconditionally" release the captain. China's top-ranking foreign policy officials from State Councilor Dai Bingguo on down summoned the Japanese ambassador six times to express their outrageous and protest, including an unceremonious midnight call. While such repeated summons were unprecedented and could be a breach of diplomatic etiquette and protocol, Beijing

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<http://www.eastasiaforum.org/2010/09/30/china-japan-trawler-incident-japans-unwise-and-borderline-illegal-detention-of-the-chinese-skipper/>

escalated the rhetoric, enraging Chinese leader up to the level of Premier Wen Jiabao who personally called for Japan's release of the captain while refusing to meet the Japanese prime minister Naoto Kan during the UN development conference in New York City. Making clear that Beijing would not tolerate Japan trying to create a fait-accompli over ownership of the disputed Diaoyu islands, Wen stated that "The Diaoyu Islands are sacred Chinese territory and if Japan clings obstinately to its mistake, China will take further actions. The Japanese side shall bear all the ensuing severe consequences."<sup>47</sup>

Locking in a diplomatic row, China sharply raised the stakes in the dispute. The Chinese government not only suspended high-level exchanges with Japan, called off the scheduled round of talks with Japan over the joint exploitation of Chunxiao gas fields in the East China Sea, and discouraged Chinese citizens from traveling to Japan but also blocked the shipments to Japan of the rare earth elements, a crucial category of minerals that the Japanese industry desperately needs in the production of electronics, hybrid cars, wind turbines and guided missiles. China mines 93 percent of the world's rare earth minerals and exports more than 99 percent of the world's supplies. As a further retaliatory measure, the Chinese authorities arrested four Japanese nationals in Hebei Province, accusing of them illegally entering a defense zone and videotaping military targets.<sup>48</sup> Taking an unprecedented hard-line position in response to this incident, the Chinese government displayed its newly obtained power to force the Japanese government come to its terms of resolution.

The combination of diplomatic paroxysm and economic blackmail eventually led to the outcome that Beijing demanded. After the arrest of the four Japanese nationals in China, the Naha District Public Prosecutor's Office released captain Zhan on September 24, citing that the decision was made "taking into account the impact on our citizens and

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<sup>46</sup> Tanaka Sakai (Translation by Kyoko Selden), "Rekindling China-Japan Conflict: The Senkaku/Diaoyutai Islands Clash," *Japan Focus*, October 22, 2010, <http://www.japanfocus.org/-Tanaka-Sakai/3418>

<sup>47</sup> "China seeks apology, redress over skipper," *Japan Times*, September 25, 2010

<sup>48</sup> "China frees last Fujita employee," *Japan Times*, October 9, 2010, <http://search.japantimes.co.jp/cgi-bin/nn20101009x1.html>



Japan–China relations.”<sup>49</sup> The Chinese government sent a chartered plane to fetch Zhan back to Fuzhou and gave him a hero’s welcome upon his arrival. After Japan’s release of the Captain, Beijing continued to ratchet up pressure by demanding an apology and compensation from Tokyo over Zhan's "unlawful" detention. Although the Japanese government rejected the demands, it was clearly bowing under Chinese pressure for Tokyo to release the Chinese captain in the face of such assertive Beijing diplomatic offense. Indeed, the decision to release the Chinese captain was made at least partially to avoid the impacts of the deterioration of the Sino–Japanese relations on Japanese economy because China was now Japan's biggest trading partner and Japan's sluggish economy became increasingly reliant on China's dynamism for growth. As one reporter suggested, “The Japanese economy's future performance seems to depend on whether the problem is solved quickly.”<sup>50</sup> With the hard-line moves, China certainly made a public statement out of the territorial right over the Diaoyu/senkaku Islands. The tiff thus marked an important development in the Sino-Japanese relationship. As an article in *Economist* observed, “the incident may be an isolated one, but China’s efforts to secure its maritime interests have thus become “more provocative and overconfident.”<sup>51</sup>

### **A Realist Explanation**

China’s new pattern of diplomatic intimidation over the course of the maritime territorial disputes in South and East China Seas undid its good neighboring policy and alienated many of its East Asian neighbours. As a result, the number of China’s friends is reduced while China is arisen and China’s influence in the periphery is decreased while China becomes stronger.<sup>52</sup> The strident Chinese diplomacy is in line with the realist logic of China’s rise as a great power. With enhanced power position, Chinese leaders

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<sup>49</sup> Sachiko Sakamaki, “Japan Cites China Relations in Releasing Boat Captain,” *Bloomberg*, September 24, 2010, <http://www.businessweek.com/news/2010-09-24/japan-cites-china-relations-in-releasing-boat-captain.html>

<sup>50</sup> Yoko Kubota, “Japan releases Chinese boat captain,” *Reuters*, September 24, 2010. <http://www.reuters.com/article/idUSTRE68I06520100924>

<sup>51</sup> “Getting their goat: Trouble over some caprine islands,” *The Economist*, September 16, 2010, [http://www.economist.com/node/17049121?story\\_id=17049121](http://www.economist.com/node/17049121?story_id=17049121)

<sup>52</sup> 汪铮, “崛起了, 为什么朋友越来越少? ”, *联合早报*, October 27, 2011, [http://www.zaobao.com/yl/y1111027\\_001.shtml](http://www.zaobao.com/yl/y1111027_001.shtml)

expanded the horizon of their calculation and ability to pursue China's strategic and economic interests.

Strategically, with 18,000 kilometers of coastline, maritime security is always an integrate part of China's strategic calculation in relations with Asia-Pacific countries. For a long while, however, China's strategic thinking of its maritime interests was seriously constrained because China's military forces were mostly land-based and its naval capacity could rarely reach beyond its near seas. Fueled by rapidly economic growth, China has engaged for nearly two decades in a rapid and wide-ranging military modernization program, with an emphasis on building naval capacity, and transformed its traditionally land-based military force, enabling Chinese military extending its reach beyond its near waters to the Pacific and Indian Oceans. The PLAN's mission has, therefore, evolved from mainly defending China's coastlines and focusing mainly on the Taiwan Strait contingencies to securing water from East China Sea along the Ryukyus island chain, through Taiwan and the Philippines and to the Strait of Malacca in the South China Sea. Starting to move deep into the Western Pacific, filling the power vacuum created by the withdrawal of US forces from the Philippines in 1991, the PLAN has tried to assert its exclusive control over waters within what it calls the "First Island Chain," a series of islands stretching from the East China Sea to the South China Sea, to gain exit routes toward the open seas for its emerging blue water naval fleets.

With enhanced military capacity, China's strategic calculation of its maritime rights and interest was expanded beyond its coastline to the resources and sea lanes far from its shores in the Pacific. This new strategic position becomes increasingly imperative as more than 90 percent of the trade that drives China's growth is now carried by sea. The demand for ocean shipping as a result of foreign trade continues to increase rapidly. Its shipping capacity is listed as one of the largest in the world. "The contribution of the marine economy to overall national development is also increasing. Ocean-related activities accounted for about 9.53 percent of total gross domestic product in 2009; in coastal areas that figure rose to 15.5 percent of regional GDP."<sup>53</sup> It is particularly important for China to secure its position in the South China Sea, including the 630 mile-

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<sup>53</sup> Yang Mingjie, "Sailing on a Harmonious Sea: A Chinese Perspective," *Global Asia*, vol. 5, no. 4, winter 2010,

long Malacca Strait which is just 1.5 miles wide at its narrowest point, where 80% of China's oil imports flow through. The world's second busiest international sea lane that links Northeast Asia and the western Pacific to the Indian Ocean and the Middle East traverse the South China Sea. More than half of the world's shipping tonnage sails through the South China Sea each year. Over 80% of the oil for Japan, South Korea and Taiwan flows through the area; two-thirds of South Korean energy needs, and more than 60% of that of Japan and Taiwan, transit the region annually. Chinese control of the strategically important water would give China a grip on the economic jugulars of all of those nations. Jose Almonte, former national security adviser to the Philippine government, is blunt about the strategic importance of the area: "The great power that controls the South China Sea will dominate both archipelagic and peninsular Southeast Asia and play a decisive role in the future of the western Pacific and the Indian Ocean - together with their strategic sea lanes to and from the oil fields of the Middle East."<sup>54</sup>

It is from this perspective that Zhu Feng, a Chinese scholar at Beijing University, suggested "the strategic competition between China and major powers has gone beyond the Cold War issues, such as Taiwan, Tibet, and human rights, and extended to a series of new arenas such as naval force and the maritime sphere of influence. As a result, maritime security has become a new hot-point in China's periphery security."<sup>55</sup> Another Chinese scholar also urged that "China must protect its maritime resources with firm resolve to safeguard economic, security interests" because "China's marine rights and interests have been challenged by modern foreign powers." To defend its "maritime rights and interests, China is facing many urgent needs to deal with the issue of sovereignty... These problems have seriously affected the country's maritime security and even national security." Therefore, "the necessity for China to flex its muscles on the sea appears to be nothing but pressing."<sup>56</sup>

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[http://www.globalasia.org/V5N4\\_Winter\\_2010/Yang\\_Mingjie.html?PHPSESSID=85334648f6085f2a1b817371decea408](http://www.globalasia.org/V5N4_Winter_2010/Yang_Mingjie.html?PHPSESSID=85334648f6085f2a1b817371decea408)

<sup>54</sup> Brad Glosserman, "Cooling South China Sea Competition," PacNet, No. 22A, June 1, 2001.

<sup>55</sup> 朱锋 (Zhu Feng), "东亚安全局势: 新形势, 新特点与新趋势"(Security Situation in East Asia: New Situation, new features and new trends), 现代国际关系 (Contemporary International Relations), December 2010, p. 12.

<sup>56</sup> Li Jingyu, "Ocean of dreams," China Daily, August 20, 2011, [http://www.chinadaily.com.cn/usa/business/2011-08/19/content\\_13152341.htm](http://www.chinadaily.com.cn/usa/business/2011-08/19/content_13152341.htm)

China's economic interests in East Asia have also expanded along with its rapid economic growth. For one thing, China's consumption of natural resources, particularly energy, has increased steadily and the trend is to continue as China's economic growth has produced more demands for resources, leading to an unprecedented resource vulnerability that could threaten China's sustainable development. Zheng Bijian, a senior advisor to Chinese President Hu Jintao, listed the shortage of resources as the first of three fundamental challenges to China's peaceful rise in the 21<sup>st</sup> century. According to him, China's per capita water resources are ¼ of the amount of the world average, and its natural gas, copper, and aluminum resources in per capital terms around 8.3%, 4.1%, 25.5% and 9.7% of the respective world average.<sup>57</sup> China has responded to the challenges by increasing energy efficiency, developing alternative energy and exploring new sources of energy supplies, including overseas supplies. China shifted from a net petroleum exporter to a net importing country in 1993. Its dependence on overseas energy supplies have increased steadily since then. As a solution, China has searched intensively for offshore sources in the East and South China Seas.

Traditionally a continental power, China has thus looked toward ocean for its continued economic development in the 21<sup>st</sup> century. China's 12th Five-Year Plan, a blueprint of the economic and social development from 2011 to 2015, for the first time incorporated maritime economic development guidelines in a single chapter to emphasize an optimal marine industry structure that includes exploiting and utilizing marine resources rationally and scientifically, enhancing maritime development, and improving control and management capabilities. It stated that "(China will) stick to coordinating the development of the land and the ocean, formulate and carry out the strategy of developing the ocean and enhance the ability of developing, control and comprehensively manage the sea."<sup>58</sup> Following the ocean strategy spelt out in the 12th Five-Year Plan, some of the major coastal provinces announced plans to shore up their marine economy or the so-called Blue economy. The State Council approved three plans to build national-level marine economic development zone by Shandong, Zhejiang and Guangdong's plan

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<sup>57</sup> Zheng Bijian, "China's Peaceful Rise to Great Power Status," *Foreign Affairs*, vol. 84, no. 5, September/October 2005, p. 19.

within one year of 2011 because “China’s marine economy initiatives are an important part of its strategic reorientation from a traditional export-driven economy depending more on hinterland resources.”<sup>59</sup>

As a result, state-owned energy companies are pushed to develop the capacities to explore oil and gas in deeper and broader waters offshore. After the China National Offshore Oil Corporation (CNOOC), the biggest offshore oil and gas producer in China, launched the most advanced oil and gas drilling platform CNOOC981 in June 2011, enabling the drilling of oil and gas in waters up to 3000 meters deep, China announced the successful 5,188-meter dive of China's manned deep-diving submarine *Jiaolong* in July 2011. According to *People’s Daily*, the high-tech equipments of *Jiaolong* would enable China to reach 70% of the global deep ocean and earn the priority exploration rights over ocean minerals in the 75,000 square meters of the Pacific’s Ocean. China’s energy exploration activities would thus go beyond shallow waters to extract oil under more challenging geological conditions further and deeper in the oceans.<sup>60</sup>

With its expanded interests in maritime resources in the ocean, China has intensified the search for offshore energy in the South and East China Seas where maritime boundary disputes are lingering, becoming a source of conflict between China and its maritime East Asian neighbors. Many of them, such as Japan, the Philippines, and Indonesia, possess almost no petroleum, natural gas, or coal resources on their land. Maritime resources are plentiful in the region but tend to be located in waters that are not clearly demarcated with respect to national sovereignty, and hence are prone to disputes. As maritime resources have become an increasingly important factor in settling these territorial disputes, China's unquenchable thirst for these resources has flared up in its dispute with some of Southeast Asian nations over maritime territories and complicated Beijing's effort to settle the dispute with Japan over the group of supposedly oil-rich Diaoyu/Senkaku islands.

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<sup>58</sup>“国民经济和社会发展第十二个五年规划纲要”(The Outline of the 12<sup>th</sup> Five Year Plan of National Economic and Social Development), 新华社 (Xinhua), march 16, 2011, [http://www.gov.cn/2011lh/content\\_1825838.htm](http://www.gov.cn/2011lh/content_1825838.htm)

<sup>59</sup> Liu Shuguang, “China’s Marine Economy: Opportunities for International Cooperation?” ISIS Commentaries, No. 154/201, October 25, 2011.

<sup>60</sup> 张保淑 (Zhang Baoshu), “蛟龙再创中国深度” (The Ocean Dragon made the record of deep level,” *人民日报* (People’s Daily), July 27, 2010, p. 1.

For one thing, the Chinese government has come under increasing pressure of rising popular nationalism to take advantage of its enhanced power position and aggressively pursue these expanded interests. Although the Chinese government has also exploited nationalism to compensate the decline of communism and reinvigorate the loyalty of the Chinese people after the end of the Cold War, Chinese popular nationalism, sustained by a strong sense of wounded national pride, is more vocal than the communist state in the criticism of the Western evil intentions and the perceived “anti-China” forces to harm China’s national interests. Holding high expectations for the government to fulfill its promise of safeguarding China’s national interests, popular nationalists often charged the Chinese government as too soft in dealing with Western powers. Popular nationalism is thus a double-edged sword: both a means for the state to legitimate its rule and a means for the Chinese people to judge the performance of the state. The Chinese leaders would be vulnerable to nationalistic criticism if they could not deliver on their nationalist promises. In this case, while the Chinese leadership often encouraged nationalist expression for certain political and foreign policy objectives, they were very cautious to prevent nationalist sentiment from getting out of hand. The leadership transition in the run-up to the 2012 Party Congress, however, created an opportunity for the powerful expression of popular nationalism. The Hu Jintao and Wen Jiabao leadership was very weak, white-knuckling their way through their final two years in office before handing over to the next generation of leaders. As the succession process geared up, hard-line nationalist policies were popular because they could become springboards to power for ambitious and unscrupulous leaders during a caustic period.

The leadership succession in China coincided with the global financial crisis that started in the US in 2008. Popular nationalism ran particular high when the global economy sputtered because a battered West presented a gratifying target for pent-up contempt. A popular book, *China is Not Happy* was to tap into what the authors believed a widespread public feeling of disgruntlement with the West, claiming that the financial crisis could result in an envious West doing whatever it can to keep China down. Relations between the West and China reached to a critical point, whereby a showdown was anticipated.<sup>61</sup> Facing rumblings of discontent from those who saw the global

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<sup>61</sup> Song Xiaojun, Wang Xiaodong, Huang Jisu, Song Qiang, etc, *Zhongguo Bugaoxing* (China is Not Happy), Nanjing: Jiangsu Renmin Chuban She, 2009.

downturn as a chance for China to assert itself more stridently, the Hu-Wen leadership did not make serious effort to control the extreme popular nationalist demands. Senior military officers were allowed to openly put pressures on the government to shove back against the US over the South China Sea and other issues. Colonel Dai Xu's popular book in late 2009 and his provocative speeches that were among the most popular videos on China's internet claimed that China was encircled in a C-shape by hostile or wary countries in China's periphery beholden to the United States and could not escape the calamity of war in the not-too-distant future, at most 10 to 20 years. Because the US put a fire in China's backyard, he called for the Chinese leaders to light a fire in the US backyard.<sup>62</sup> Senior Colonel Liu Mingfu's 2010 book, *The China Dream*, stood out for its boldness in the chorus of popular nationalist expressions. Reflecting in China's swelling nationalist ambitions, the book called for China to abandon modest foreign policy and build the world's strongest military to deter the wary US from challenging China's rise while the West was still mired in an economic slowdown. If China were powerful, the US would not dare and not be able to intervene in military conflict in the Taiwan Strait. If China cannot become world number one, it would inevitably become a straggler cast aside in the 21st century.<sup>63</sup> Opposing the US to internationalize the South China Sea issue and the US-South Korean joint military exercise in the Yellow Sea in 2010 as an attempt to cozy up to East Asian countries and contain China's rise, Major General Lu Yuan published a commentary in the official *PLA Daily*, accusing the US of carrying out three "isms": hegemonism, gunshipism, and unilateralism. Stating that "although we would not want to be the enemy of any country, we would not be afraid of any country which dares to ignore our solemn position and core interests," he quoted Mao Zedong's saying that "If no one harms me, I harm no one, but if someone harms me, I must harm them."<sup>64</sup>

Partially because of the popular nationalist pressure, particularly the hyper-nationalist expressions on the internet, China's state-run press gave wide coverage of

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<sup>62</sup>戴旭 (Dai Xu), *C形包围——内忧外患下的中国突围* (C shape encircle, China's Breakthrough with the internal concerns and external dangers), Beijing, Wenhui Chubanshe, 2009.

<sup>63</sup>刘明福, (Liu Mingfu), *中国梦* (*The China Dream*), Beijing: Youyi Chubanshe, 2010.

China's maritime territorial disputes with Vietnam, the Philippines, and Japan. Some of China's leading national newspapers have even become the major outlets of the popular nationalist expressions thanks to the commercialization in the shifting Chinese media landscape as the government limited or withdrew funding and pushed newspapers to make money from subscriptions and advertising. Adopting a variety of approaches in fighting for readers to increase their revenues, some newspapers found nationalistic expression one of powerful approaches to attract readers' attention and help raise the newspapers' profile. *The Global Times* is the most-well known paper that has taken a stridently nationalist tone to please its readers to raise its profile and become the third-largest newspaper in China. With a focus on international issues that has been at the center of popular nationalist concerns, *Global Times* is best known not for its news but its provocative editorials and commentaries on sensational topics, including asserting China's unassailable claims to the South China Sea and criticizing the perfidy of the West to presents China as a besieged underdog. Gaining popularity among its Chinese readers, the *Global Times* published English edition in 2009 in the midst of surging overseas interest in China following the 2008 Beijing Olympics. The topic and slant of the lead editorial is the same in both editions, with some slight textual variance in translation. Saber-rattling editorial, printed with only slight variations in the Chinese and English editions, which duly unnerved many overseas readers.<sup>65</sup>

The *Global Times* published an astonishing editorial in Chinese and English simultaneously on October 26, 2011, warning the countries disputing China's maritime claims, including the Philippines, Vietnam, South Korea, and Japan, to be prepared for the sounds of cannons if they don't want to change their ways with China. Titled, "Don't take peaceful approach for granted," the editorial stated that while China has emphasized its reluctance in solving disputes at sea via military means on many occasions, "some of China's neighboring countries have been exploiting China's mild diplomatic stance,

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<sup>64</sup> Luo Ruan, "The US sending aircraft carrier to the Yellow Sea shows its gunboat policy," *PLA Daily*, August 12, 2010, [http://chn.chinamil.com.cn/xwpdxw/jsyxxw/2010-08/12/content\\_4277766.htm](http://chn.chinamil.com.cn/xwpdxw/jsyxxw/2010-08/12/content_4277766.htm)

<sup>65</sup> Christina Larson, "China's Fox News: Meet *Global Times*, the angry Chinese government mouthpiece that makes Bill O'Reilly seem fair and balanced," *Foreign Policy*, October 31, 2011, [http://www.foreignpolicy.com/articles/2011/10/31/global\\_times\\_china\\_fox\\_news?print=yes&hidecomments=yes&page=full](http://www.foreignpolicy.com/articles/2011/10/31/global_times_china_fox_news?print=yes&hidecomments=yes&page=full)



making it their golden opportunity to expand their regional interests.” The editorial believes that “the sea disputes that some countries have created not only threaten China's long-term interests over the sovereignty of its sea borders, but also challenge the unity of China's politics on the issue.” In a tone of condescension, the editorial called such challenges an “opportunistic strategic offensive launched by little countries against a big country.” The editorial thereby threatened that the game these countries play against China would not be easy to win because “China possesses the force to end such game anytime.” Appealing to the popular nationalism, the editorial held that “Growing voices urging the government to ‘strike back’ will eventually form and influence China's future foreign policy. Countries currently in sea disputes with China may have failed to spot this tendency, as they still perceive China through conventional wisdom. Thus, the South China Sea, as well as other sensitive sea areas, will have a higher risk of serious clashes.” Therefore, war “may be the only way for the disputes in the sea to be resolved.”<sup>66</sup>

A few days after, the paper published a commentary by Long Tao (a pen name of Col. Dai Xu), urging that China consider using force to resolve maritime disputes, partly because the US was by now too weak and exhausted to help the disobedient “little countries” of the region. According to the commentary, the root cause of China’s trouble with these “little countries” was the United States support. Because the US had no energy to start a new war after a decade of continuous wars preceded the financial crisis, it is not in the position to have a military confrontation with China. So, in the maritime disputes, “the US challenges China's strategic bottom line cautiously, as if walking on a minefield. If China does not show off its strength, the US will push the small countries to test the bottom line. Once China has a drastic reaction, the US will stop its provocation. The US will not allow the provocations of small countries to result in a war.”<sup>67</sup>

The pressures, therefore, were built upon the Chinese government to take a hard-liner position in pursuing the core interests of national sovereignty and territorial integrity. Although China's authoritarian political system gives the state immense power

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<sup>66</sup> Editorial, “Don't take peaceful approach for granted,” *Global Times*, October 25, 2011 <http://www.globaltimes.cn/NEWS/tabid/99/ID/680694/Dont-take-peaceful-approach-for-granted.aspx>

to drive foreign policy, its power has become more and more conditional on its ability to defend China's national interests as Communist ideology sputtered and social controls loosened by market-oriented economic reform and nationalist appeals of prosperity and power became the new base of the regime legitimacy. Chinese foreign policy makers had to occasionally but increasing often refer to the constraints that the surging popular nationalism as a "public opinion" placed upon them to resist foreign entreaties and make their own policy positions more credible.<sup>68</sup> This is not simply an excuse. Chinese leaders have found themselves with less and less room to operate on the sensitive issues such as Taiwan, Tibet, and the South China Sea as levels of foreign policy debate increase through society, magnified by a more commercially driven press and a vibrant internet. Part of the legitimacy of the Chinese Communist Party lies in the notion that it ousted foreign powers from China and defended the state sovereignty. In addition, there was not any strongman like Mao Zedong or Deng Xiaoping in the Chinese leadership who could make a major policy initiative without worrying the challenges from his colleagues or buttressing the power of entrenched interests. While this development is in a way healthy, it could result in inflexibility and stop the give-and-take that China often did well as no Chinese leaders could afford to be seen as too dovish or appear weak to the Chinese people. This "could trigger a power struggle whereby hawks, accusing the leaders of being spineless weaklings, could try to topple them and change the overall political system, endangering the political stability of the whole country."<sup>69</sup> Political leaders understood that mishandling sensitive issues could not only lead to social instability but also provide political competitors an avenue by which to undermine their political standing. This created a vague sense of "boundary of permissible,"<sup>70</sup> which led

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<sup>67</sup> Long Tao, "US has no stomach for South China Sea military clash," *Global Times*, October 30, 2011, <http://www.globaltimes.cn/NEWS/tabid/99/ID/681576/US-has-no-stomach-for-South-China-Sea-military-clash.aspx>

<sup>68</sup> Joseph Fewsmith and Stanley Rosen, "The Domestic Context of Chinese Foreign Policy: Does Public Opinion Matter?" in David M. Lampton, *The Making of Chinese Foreign and Security Policy*, Stanford, CA: Stanford University Press, 2001, pp. 151-190.

<sup>69</sup> Francesco Sisci, "The peace imperative," *AsiaTime Online*, Jan 8, 2010, <http://www.atimes.com/atimes/China/LA08Ad02.html>

<sup>70</sup> David M. Lampton, "China's Foreign and National Security Policy-Making Process: Is It Changing and does It Matter?" in David M. Lampton, *The Making of Chinese Foreign and Security Policy*, Stanford, CA: Stanford University Press, 2001, p. 14.

to the match of who was tougher on the issues that defined the game for political gains or at least not to lose any ground. Under these circumstances, political leaders pushing a nationalist line on the sensitive issues would not only stir up disgruntled youth but also boost the support among the government officials and military officers. To prove their nationalist credentials, Chinese leaders had to take an assertive stance in defending China's core interests, where national pride and regime survival were seen as at stake. Chinese leaders were thus left with almost no room but to make unusually strong reaction even at the danger of overplaying nationalism. They heeded public reactions in dealing with the volatile subjects of the South China Sea, seen by most Chinese as parts of China and presented by the government as China's core interests.

### **Conclusion**

In contrast to three decades of successful good neighboring policy, “beginning in early 2009, China committed a series of diplomatic blunders that ultimately elicited a near-universal condemnation of Chinese diplomacy.”<sup>71</sup> The evolving relations between China and its East Asian neighbors showed that China's good neighboring policy was an expediency measure made by the Chinese leadership based on the calculation of China's momentary interests when China was relative weak and had to concentrate on building its national strength in the 1980s and 1990s. Growing its economic, diplomatic, and military muscle in the 21<sup>st</sup> century, however, China began to assert its territorial claims more aggressively and even seek power dominance in the region, causing diplomatic and even military frictions with its neighbors. In particular, the disputed maritime territories in East and South China Seas that are variously claimed by China, Japan, South Korea, and several ASEAN states have been a recurrent focus of tension between China and the other claimants. In spite of the often cooperation-inducing prospect of economic gain through agreements for shared or collaborative exploitation of natural resources, Beijing has not only become more forceful in its sovereignty claims against its East Asian neighbors with regard to the maritime territories but also unprecedentedly displayed its growing naval power to support its sovereignty claims.

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<sup>71</sup> Robert S. Ross, “Chinese Nationalism and Its Discontent,” *National Interest*, October 25, 2011, <http://nationalinterest.org/article/chinese-nationalism-its-discontents-6038?page=show>

The result is that China became a strategically isolated rising power in the region as China managed to sour relations with most of its neighbors. “China’s only true allies in the region are weak or tailing states—North Korea, Burma and Pakistan. This makes China one of the loneliest rising powers in world history.”<sup>72</sup> China’s long-term rise and its increasingly assertive behavior in relations with its neighbors have made long-standing issues of China’s aspiration in East Asia matters of pressing concern and a new variable with significant consequence for the uncertain future of East Asian peace and security.

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<sup>72</sup> John Lee, “Lonely Power, Staying Power: The Rise of China and the Resilience of US Pre-eminence,” *Strategic Snapshots*, no. 10, September 2011, p. 1.