



FPC Briefing: Seven geo-political challenges facing China

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This FPC Briefing examines seven of the key current geopolitical challenges currently facing China. Each challenge is summarized in a detailed two-page review as set out below.² The briefing explores:

1. The **Ambiguous Regional Order** that hinges on the triangular relationship between China, Japan and the United States.
2. The disputed **Diaoyu/Senkaku Islands**, to which China, Japan, and Taiwan have made territorial claims.
3. The on going security challenges posed by the **North Korean Nuclear Weapons Program**.
4. Political and historical tensions stemming from Taiwan's lack of de jure independence, which has intensified **Cross Strait Relations** between China and Taiwan.
5. Territorial disputes over underwater oil and natural gas reserves in the **South China Sea**.
6. **Domestic Separatist Movements** in China's westernmost provinces, Xinjiang and Tibet.
7. The pressure that China's emergence as a global power has placed on **Energy Security and Climate Change**.

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² All maps used in this document, which have not been previously cited, were accessed from the Wikimedia Commons. The files are listed in order of appearance: Senkaku Diaoyu Tiaoyu Islands.png; Senkaku_Diaoyu_Tiaoyu_Islands.png; Schina_sea_88.png (south china); Xinjiang_in_China_(de-facto).svg; Tibet_in_China_(undisputed_%2B_other_de-facto_hatched)_(%2BAll_claims_hatched).svg

The Ambiguous Regional Order

Overview

- The triangular relationship between China, Japan, and the U.S. has yet to solidify.
- The current U.S.-led regional power hierarchy is deteriorating, and may prove unfeasible as China rises.
- Increased cooperation between all parties could be undermined by a number of salient destabilizing factors.

Background

Japan ascended to the apex of the East Asian power hierarchy during the early 20th century. With Japan's surrender in 1945, the U.S. claimed the mantle of regional leadership. The U.S. maintained this position through the Cold War and into the early 2000s. Despite Japan's defeat in WWII, its close military and economic integration with the U.S. enabled Japanese leaders to retain much of their regional power.³

The on going War on Terror and the global economic downturn have combined with the rise of other economic poles to challenge American supremacy in the region. China presents the primary challenge to U.S.-led regional status quo.⁴ Rising powers present both opportunities and challenges to regional stability. While economic integration remains high between the three powers, it is unclear what regional order will emerge.

Recent Events

- 2010: China overtakes Japan as the second largest economy in the world.⁵
- July 2011: Japan opens a military base in Djibouti, its first overseas base since the passing of Japan's postwar constitution.⁶
- March 2013: The U.S. and China agree to harsher sanctions against North Korea. Increased security cooperation between the two powers has followed the accord.⁷
- May 2014: Chinese military officers are charged with cyber-spying by U.S. firms.⁸

Stakeholders

China: The tone of Chinese foreign policy has changed dramatically over the past twenty years. During the 1990s, Chinese foreign policy was marked by considerable antagonism towards Taiwan and Japan. However in the post-9/11 world, the Chinese strategy now centres on a 'peaceful rise' policy.⁹

At the core of this strategy is a desire by Chinese officials to cooperate with their neighbours, and to work within the existing power structure while their economy develops. It is strategy designed to permit China the necessary time to go unchallenged as it evolves into a mature power.

³ Pyle, *Japan Rising: The Resurgence of Japanese Power and Purpose*, A Century Foundation Book (New York: Public Affairs, 2007), 28-32.

⁴ Kang, *China Rising: Peace, Power, and Order in East Asia* (New York: Columbia University Press, 2007), 1-17.

⁵ World Bank: <http://siteresources.worldbank.org/DATASTATISTICS/Resources/GDP.pdf>

⁶ Kato, 'Sdf's New Anti-Piracy Base Creates a Dilemma,' *The Asahi Shimbun* 05 August 2011.

⁷ Green, 'China-U.S. Accord Sets UN Vote on North Korea Sanctions,' *Bloomberg* 07 March 2013.

⁸ 'Chinese internet body alleges 'unscrupulous' surveillance by U.S.'

<http://www.chinanews.net/index.php/sid/222347975/scat/c08dd24cec417021>

⁹ Kang 2007, 83-5.

Evidence of the peaceful rise strategy is witnessed by three factors:

- China's continued participation in international organizations such as ASEAN and the WTO.
- China's emphasis on sub-regional 'growth triangles' and global trade.¹⁰
- The diplomatic emphasis on utilizing its economic and cultural soft power.¹¹

While these factors exhibit a tentative acceptance of the status quo, two caveats must be noted:

- Numerous hot-button destabilizing factors continue to permeate East Asia. These elements are explored in the subsequent pages.
- The Chinese strategy is likely to change as Chinese power continues to expand.

U.S.: The Obama administration continues to stress economic cooperation with China, while simultaneously expressing concern over the value of China's currency. Obama and Chinese President Xi Jinping met in June 2013 to develop a 'new model' of Sino-American relations.¹² The leaders identified shared concerns, namely the North Korean nuclear weapons program and global climate change, and pledged greater cooperation. The leaders remain divided on the Taiwan issue and cyber-security.

For the most part, U.S. leaders have accepted China's rise. The U.S. strategy hinges upon binding China to existing international institutions and legal regimes (maintaining the status quo) and hedging its security concerns through its network of alliances. In particular, stronger ties with Japan, India, and Australia is anticipated to contain any unforeseen challenge posed by China.¹³

Japan: The 'lost' decades of economic stagnation might be over for Japan, but it remains in a tough position between the two powers. Under Prime Minister Abe, Japan has returned to the assertiveness it demonstrated under Koizumi during the mid-2000s.¹⁴ While the U.S. is likely to welcome a stronger military stance from its long-time ally, Japan is handicapped by the pacifist elements of its constitution. Should the constitution remain unrevised, Japan is likely to be pushed into a second-tier status within the regional power hierarchy.¹⁵ Any loss of power or prestige will be mitigated by Japan's on going military integration with the U.S., and its high level of domestic and technological development

¹⁰ Li, *A Rising China and Security in East Asia: Identity Construction and Security Discourse* (Routledge, 2008), 3.

¹¹ *Ibid.*, 6.

¹² Jackie Calmes and Steven Lee Myers, 'U.S. and China Move Closer on North Korea, but Not on Cyberespionage,' *The New York Times* 08 June 2013.

¹³ William T. Tow, *Bilateral Perspectives on Regional Security: Australia, Japan and the Asia-Pacific Region* (Palgrave Macmillan, 2012), 145-51.

¹⁴ Hughes, *Japan's Remilitarization* (Routledge for International Institute for Strategic Studies, 2009), 10-20.

¹⁵ Samuels, *Securing Japan: Toyko's Grand Strategy and the Future of East Asia* (Ithaca, NY: Cornell University Press, 2007), 110-3.

Diaoyu/Senkaku Islands Dispute

Overview

- A series of eight uninhabited islands claimed by China, Japan, and Taiwan.
- Undersea oil reserves have been discovered in the waters surrounding the islands.
- Heightened tensions have led the U.S. government to condemn Chinese actions.



Background

Over the past five years, East Asia has witnessed increased interstate tensions over the disputed Diaoyu/Senkaku Islands. The islands are claimed by the Chinese, Japanese, and Taiwanese governments as part of each state's respective territory. The uninhabited archipelago is located due east of Mainland China, northeast of Taiwan, and west of Okinawa.

The U.S. administered the islands from 1945-1972, at which point the islands reverted to Japanese control under the 1971 Okinawa Reversion Agreement.¹⁶ The legitimacy of the Japanese administration of the islands is disputed by China and Taiwan. Both countries claim the islands are contained within their territorial borders. The contentious territorial issue is compounded by material considerations. Energy surveys have discovered undersea oil reserves in the waters surrounding the islands.

Recent Events

- 7 September 2010: A Chinese fishing trawler, collides with Japanese Coast Guard boats in disputed waters near the islands. The Japanese government detains the Chinese crew. The Chinese Government cancels official meetings. The Chinese crew members are later released without charge.¹⁷

¹⁶ Lee, Territorial Disputes among Japan, China and Taiwan Concerning the Senkaku Islands (Boundary & Territory Briefing Vol.3 No.7) (University of Durham, 2002), 10.

¹⁷ Yoko Kubota and Chris Buckley, 'Japan refuses China demand for apology in boat row,' *Reuters* 25 September 2010. <http://uk.reuters.com/article/2010/09/25/uk-japan-china-idUKTRE68N09H20100925>

- September 2012: Japanese Prime Minister Yoshihiko Noda purchases the islands from a private owner on behalf of the Japanese government.¹⁸ The purchase results in anti-Japanese demonstrations in China.¹⁹
- 30 January 2013: A Chinese frigate establishes locked weapons-targeting radar on Japanese vessels. The two sides go to battle stations.²⁰
- 30 July 2013: The U.S. Senate unanimously approves a resolution condemning Chinese aggressiveness over the islands.²¹
- 24 May 2014: Japanese and Chinese military jets almost collide in the disputed airspace over the islands. Chinese fighter jets were taking part in a joint military exercises with Russia when they encountered Japanese reconnaissance planes. Both China and Japan have blamed each other for the incident.²²

Stakeholders

China: Prior to the 1970s, China made no official statements regarding the sovereignty of the islands. According to the Chinese, the islands have been part of their territory since the 14th century. The Treaty of Shimonoseki, which ended the First Sino-Japanese War in 1895, ceded Formosa (Taiwan) and all surrounding islands to the victorious Japanese.²³

When the Japanese Empire was dismantled through the Potsdam Declaration in 1945, Japanese sovereignty over the islands ceased.²⁴ The Chinese believe the complexities of the ongoing Chinese Civil War prevented the islands from passing directly back under their control.

Japan: The Japanese contest the islands were first discovered in 1884 by Japan. The Meiji Government officially claimed the islands in 1895, and later sold the islands to a Japanese national. Legally, the Japanese reject Chinese claims that the islands were ceded to Japan under the Shimonoseki Treaty. The Japanese allege Taiwan and China only started claiming the islands following a May 1969 U.N. report that discovered potential oil and gas reserves under the seabed near the islands.²⁵

Taiwan: The basis for Taiwan's claim mirrors that of China, whereby the islands were to be returned to them following WWII. See pages 8-9 for clarification on overlapping Chinese and Taiwanese territorial claims.

U.S.: During the 1950s-1970s, the U.S. repeatedly stated that Japan held 'residual sovereignty' over the islands. These claims were closely linked to U.S. strategic interests involving the Ryukyu Islands.²⁶ Currently, the U.S. government has no official position on ownership of the islands. However, several leading politicians have noted that should Japan come under attack when defending the islands, the U.S. is obligated to militarily support Japan under the 1960s Treaty of Mutual Cooperation and Security.²⁷

¹⁸ Joseph S. Nye, 'Our Pacific Predicament,' *The American Interest* (12 February 2013).

¹⁹ BBC News, 'Viewpoints: How serious are China-Japan tensions?' 7 February 2013. <http://www.bbc.com/news/world-asia-21290349>

²⁰ Eric S. Margolis, 'Stopping Short of War,' *The Nation* 13 June 2014. <http://www.nation.com.pk/international/11-Feb-2013/stopping-short-of-war>

²¹ S.Res.167 — 113th Congress (2013-2014). <http://beta.congress.gov/bill/113th-congress/senate-resolution/167>

²² Tim Hume, 'Close call as China scrambles fighter jets on Japanese aircraft in disputed territory,' 26 May 2014.

<http://www.cnn.com/2014/05/26/world/asia/china-japan-jets-scramble/>

²³ Lee 2002, 10-31 of Diaoyu/Senkaku Islands

²⁴ 'Potsdam Declaration,' National Science Digital Library. <http://www.atomicarchive.com/Docs/Hiroshima/Potsdam.shtml>

²⁵ Lee 2002, 10.

²⁶ Kerry Dumbaugh et al., 'China's Maritime Territorial Claims: Implications for U.S. Interests,' *CRS Report for Congress* 12 November 2001.

²⁷ Paul Eckhart, 'Treaty with Japan covers islets in China spat: U.S. official,' *Reuters* 20 September 2012.

The North Korean Nuclear Crisis

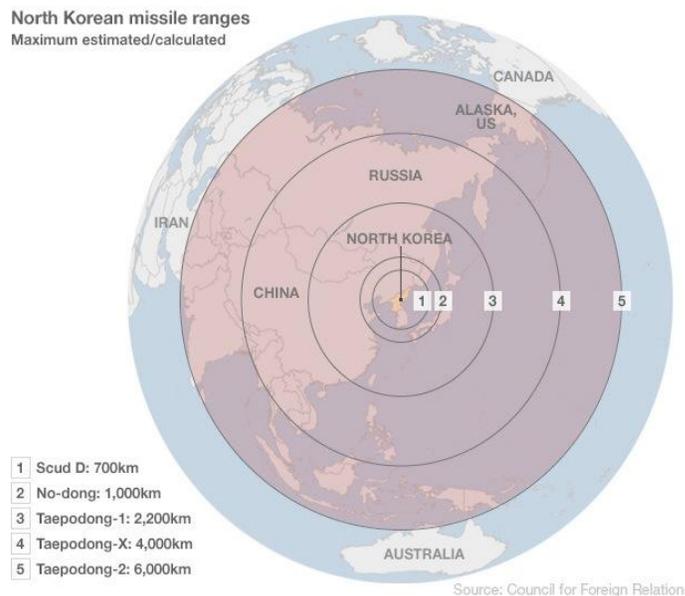
Overview

- Over the past decade, North Korea has conducted 3 successful nuclear tests.
- Since 2009, the six-party talks have remained on hold, leaving North Korea diplomatically isolated.
- East Asia has 4 nuclear powers (China, the U.S., Russia, and North Korea) and 2 nuclear capable powers (Japan and South Korea).

Background

North Korea is an unpredictable variable in international affairs that threatens long-term regional security. Since North Korea withdrew from the Nuclear Non-Proliferation Treaty in 2003, it continues to defy international pressures and maintains its nuclear weapons program.²⁸

The Asia-Pacific region has three nuclear powers besides North Korea (China, the U.S., and Russia) and two technologically capable nuclear powers (Japan and South Korea). North Korea's rejection of the regional nuclear regime is exacerbated by the competing interests of these states. North Korea's capacity to execute a nuclear strike against the U.S. mainland is unlikely due to technological limitations and superior U.S. interceptor technology (see graphic).²⁹ Nevertheless, the other Asian-Pacific powers are highly vulnerable to North Korean nuclear missiles.



Recent Events

- 9 October 2006: North Korea announces its first successful nuclear test.³⁰
- April 2009: Reports surface of an on going nuclear weapons program. Six-party talks are suspended.³¹

²⁸ Ogden, 'High Stakes Gambit- Regional Positions on the North Korea Nuclear Crisis,' Foreign Policy Centre (15 April 2013): 1.

²⁹ <http://www.bbc.com/news/world-asia-17399847>

³⁰ Jeff Bliss, 'North Korea Nuclear Test Confirmed by U.S. Intelligence Agency,' *Bloomberg* 16 October 2006.

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aO7kW.RiqqaE&refer=japan>

³¹ Mark Lander, 'North Korea Says It Will Halt Talks and Restart Its Nuclear Program,' *The New York Times* 14 April 2009. <http://www.nytimes.com/2009/04/15/world/asia/15korea.html?ref=global-home&r=0>

- 25 May 2009: A second nuclear test is conducted with an explosion estimated to between 2 and 7 kilotons.³²
- 11 February 2013: A third nuclear test is detected by the U.S.. North Korea announced a successful nuclear test with a lighter warhead.³³ Payload estimates range between 6-40 kilotons.³⁴

Stakeholders

China: Ideological and geographic links with North Korea provide China a tremendous capacity to positively shape security outcomes. China desires a stable, non-aggressive neighbour that will not undermine China's regional emergence. Should conflict arise, U.S. intervention is possible.³⁵ In such a scenario, the three options facing China all threaten its regional position. (1) China could resist the external intervention, likely resulting in an anti-China coalition. (2) China could abstain from acting, allowing the U.S. a greater foothold in the peninsula. (3) China could join the U.S., mitigating its regional power loss but severing its ideological ties with North Korea. This might erode the legitimacy of China's communist rulers. China's desire for stability is evidenced by on going aid to Pyongyang. Nevertheless, reports indicate that China is growing impatient with North Korean belligerency.³⁶

U.S.: North Korea poses a significant challenge to the existing international order. The U.S. desires a stable, non-nuclear peninsula. Opinion is divided on Korean unification, as it may undermine the necessity of U.S. troops in Korea - resulting in a loss of regional power vis-à-vis China. Japan may also come to question the U.S. troop presence in their country. With nearly 30,000 troops stationed in South Korea, the U.S. could quickly move to counter North Korea. Should North Korea attack either South Korea or Japan, the U.S. would be obligated by its respective alliances with both countries to intervene. As neither South Korea or Japan are nuclear powers, a nuclear strike by North Korea might precipitate a nuclear counterstrike by the U.S.

Japan: As a possible target for North Korean aggression, Japanese leaders support U.S. efforts towards a non-nuclear peninsula. Japan remains reliant upon its alliance with the U.S., as its constitution limits its military capacity to counter North Korea. A reunified Korea may compete economically with Japan for regional power. Any drastic shift on the peninsula (conflict or reunification) may also result in Japan absorbing a significant number of refugees.³⁷

South Korea: The South Korean position is similar to Japan's in terms of its reliance on the U.S. and the possibility of a humanitarian crisis emerging from refugees. However, given the cultural ties to the North, the desire for reunification in South Korea is extremely strong.

Russia: Multilateral engagement with North Korea provides Russia with a stepping stone for improving its own relations with Pyongyang. A stable North Korea provides greater avenues for Russia to export its energy resources throughout the peninsula and into Japan. Unification is desirable, as it would open direct trade links and reduce North Korean workers in the Russian Far East with their ties to drugs, human, and nuclear smuggling.³⁸

³² Fedchenko, 'North Korea's Nuclear Test Explosion, 2009,'(SIPRI Fact Sheet, December 2009).

³³ Jethro Mullen, 'Tough U.N. action vowed after North Korean nuclear test,' *CNN World* 12 February 2013.

³⁴ <http://www.cnn.com/2013/02/11/world/asia/north-korea-seismic-disturbance/index.html>

³⁵ The Korea Herald, 'Estimates differ on size of N.K. blast' 14 February 2013. <http://www.koreaherald.com/view.php?ud=20130214000765>

³⁶ Ogden 15 April 2013, 4.

³⁷ Celia Hatton, 'Is China Ready to Abandon North Korea,' *BBC News* 12 April 2013. <http://www.bbc.com/news/world-asia-china-22062589>

³⁸ Ogden 2013, 3.

³⁸ Ogden 2013, 5-6.

Cross Strait Relations

Overview

- Taiwan is a quasi-state that lacks de jure independence.
- The Chinese government claims Taiwan is part of their national territory.
- The U.S. has sold billions of dollars worth of arms to the Taiwanese government. China maintains around 2,000 missiles pointed at Taiwan.

Background

The status of Taiwan is a pressing legal and political concern for China. The roots of the controversy lie in the Chinese Civil War (1929-1949). Following the Communist Party's victory in 1949, the ousted Kuomintang (KMT) Nationalists retreated to Taiwan. The KMT established a new government in Taiwan under the same name they had used while in power on the mainland: The Republic of China (ROC). KMT leaders believed they were the legitimate rulers of China, and maintained claims on the Chinese mainland.³⁹

Until the 1970s, the majority of NATO nations recognized the KMT government as the official Chinese government. The Sino-American rapprochement shifted international support to the Communist regime in China. Taiwan has persisted as a quasi-state with de facto independence. On going arms transfers from the U.S. bolster the status quo.⁴⁰

Relations between China and Taiwan have fluctuated considerably, with discernible periods of relative hostility (1949-1979) and limited non-contact throughout the 1980s. Semi-official representatives of both sides reached a consensus regarding the 'One China Principle' in 1992. The policy insists that Taiwan and the mainland are indivisible units of a single political entity (China).⁴¹

Tensions heightened in the mid-1990s when Chinese politicians conducted controversial missile tests to counter Taiwanese politicians calling for de jure independence. Growing popular support for independence within Taiwan continues to complicate cross strait relations.⁴²

Recent Events

- March 2008: The KMT regains control of the Taiwanese government from pro-independence Democratic Progressive Party. Cross strait talks resumed over the 1992 Consensus.⁴³
- 1 May 2009: Taiwan's Financial Supervisory Commission announces that Chinese investors will be permitted to invest in Taiwan for the first time since 1949.⁴⁴
- 30 January 2010: The U.S. announces plans to sell \$6.4 billion worth of arms to Taiwan. Chinese officials warn the move could compromise Sino-American relations.⁴⁵

³⁹ Lynch, *The Chinese Civil War 1945-49* (Osprey, 2010), 14-9.

⁴⁰ Roy, *Taiwan: A Political History* (Cornell University Press, 2003), 105-14.

⁴¹ *Ibid.*, 131-9.

⁴² Cole, *Taiwan's Security: History and Prospects* (Taylor & Francis, 2006), 28-30.

⁴³ Mo Yan-chih, Ko Shu-ling and Shih Hsiu-chuan, 'Decisive victory for Ma Ying-jeou,' *Taipei Times* 23 March 2008.

⁴⁴ <http://www.taipeitimes.com/News/front/archives/2008/03/23/2003406711>

⁴⁴ Kerry Brown, 'Investment across the Taiwan Strait: How Taiwan's Relationship with China Affects Its Position in the Global Economy' (Chatham House, November 2010), 17.

⁴⁵ Charley Keyes, 'U.S. announces \$6.4 billion arms deal with Taiwan,' *CNN World* 30 January 2010. <http://www.cnn.com/2010/WORLD/asiapcf/01/29/taiwan.arms/>

- 11 February 2014: The first official, high-level governmental meeting occurred between China and Taiwan since 1949.⁴⁶

Stakeholders

China: The Chinese position is underwritten by concerns over its national identity. China claims that Taiwan has always existed as an informal part of China. Records from the 18th century indicate that China recognized Taiwan as a ‘frontier area’ different from Han China but not a separate political entity.⁴⁷ In this manner, Taiwan’s quasi-state status is consistent with historical Chinese understandings of Taiwan.

China firmly rejects any claim of de jure Taiwanese independence, and has proposed a ‘one country, two systems.’ The system would allow Taiwan relative political autonomy comparable to that of Hong Kong.⁴⁸ China has not ruled out the possibility of a military solution to the problem. The military build-up continues to the present, with approximately 2,000 ballistic missiles currently aimed at Taiwan.⁴⁹

Taiwan: Taiwanese President Ma Ying-jeou has indicated support for the ‘One China Principle,’ however he contests that the Taiwanese government is the legitimate ruling party of that China.⁵⁰ Domestic opinion within Taiwan remains divided on independence, with the majority supporting the status quo, a minority supporting formal de jure independence, and an even smaller percentage supporting reunification with China.⁵¹ A rising number of Taiwanese nationals have also begun self-identifying themselves as ‘Taiwanese’ or ‘Taiwanese and Chinese’ as opposed to ‘Chinese.’⁵² Shifting identity may contribute to increased calls for national self-determination in the future.

Regarding a potential military confrontation, U.S. government documents indicate that China holds the clear advantage (assuming U.S. inaction). Given this revelation, some within Taiwan have questioned the motives of U.S. officials for continued arms sales.⁵³

U.S.: The U.S. appears content to support the status quo through arms sales to Taiwan, which compounds any military solution sought by China. It is unclear how the U.S. would respond to a military confrontation between China and Taiwan. In the past, the U.S. has dispatched battle carrier groups in the South China Sea as a form of diplomatic brinkmanship. Taiwan has strategic value to the U.S. in countering Chinese influence. Furthermore, there is a salient ideological component to the controversy. Taiwan is a capitalist democracy. Should it fall under China’s control, it would be a serious blow to U.S. prestige.⁵⁴

⁴⁶ Chris Wang, ‘MAC Minister Wang in Historic Meeting,’ *Taipei Times* 12 February 2014.

<http://www.taipeitimes.com/News/front/archives/2014/02/12/2003583307>

⁴⁷ Kang 2007, 95.

⁴⁸ Roy 2003, 202-14.

⁴⁹ Reuters Canada, ‘China on track to aim 2,000 missiles at Taiwan: report,’ 19 July 2010.

<http://ca.reuters.com/article/topNews/idCATRE66I13F20100719>

⁵⁰ Kang 2007, 97.

⁵¹ Chris Wang, ‘Taiwanese prefer independence over unification: survey,’ *Taipei Times* 31 October 2013.

<http://www.taipeitimes.com/News/front/archives/2013/10/31/2003575806>

⁵² Shen, ‘Democracy and Nation Formation: National Identity Change and Dual Identity in Taiwan, 1991-2011’ (Columbia University, 2013).

⁵³ Kang 97

⁵⁴ Tucker, *Strait Talk: United States-Taiwan Relations and the Crisis with China* (Harvard University Press, 2009), 2-8.

South China Sea Territorial Disputes

Overview

- The South China Sea is rich in underwater oil and natural gas reserves.
- Jurisdiction over two archipelagos, the Spratly and Paracel Islands, is disputed.
- There is an ongoing standoff between Vietnam and China over a Chinese oil rig built in an area of the Paracels claimed by both countries.

Background

The South China Sea is home to a number of rich fishing zones, potential underwater reserves of crude oil and natural gas, and strategically important shipping lanes. At the centre of the controversy are two archipelagos, the Spratly (Nansha in Chinese) and the Paracel islands. In the area, seven different states have disputed island and maritime claims. This review focuses primarily on the claims made by China.

The Spratly Islands are a group of over 750 islands off the coast of the Philippines, Malaysia, and southern Vietnam. Some of the islands are controlled by small numbers of military personnel from various countries. Seven are controlled by China, 21 by Vietnam, 8 by the Philippines, 3 by Malaysia, and 1 by Taiwan.⁵⁵ The Paracel Islands are a group of around 30 islands, approximately equidistant from the coastlines of Vietnam and China. As of 2012, China controls all the islands, but Vietnam and Taiwan maintain respective claims.



The Spratly and Paracel Islands

Recent Events

- April 2012: A Philippine warship was involved in a standoff with two Chinese surveillance vessels.⁵⁶
- June 2012: Indian Navy vessels traveling through the South China Sea were monitored by a Chinese frigate.⁵⁷

⁵⁵ GlobalSecurity.org, 'Territorial claims in the Spratly and Paracel Islands.' <http://www.globalsecurity.org/military/world/war/spratly-claims.htm>

⁵⁶ CNN Wire Staff, 'China, Philippines locked in naval standoff,' *CNN* 11 April 2012. <http://edition.cnn.com/2012/04/11/world/asia/philippines-china-naval-standoff/index.html>

- 1 September 2012: Taiwan performs military exercises on Taiping island in the Spratlys. The Taiwanese military named Vietnam as the 'imaginary enemy' in the drill.⁵⁸
- 11 March 2014: The Chinese Coast Guard expels Philippine ships from the Spratlys.⁵⁹
- May 2014: There is an ongoing standoff between Vietnam and China over an oil rig setup by China in an area of the Paracels claimed by both countries. On 2 May Vietnamese and Chinese vessels collided. A Vietnamese fishing boat sank after a similar collision on 26 May.⁶⁰

Stakeholders

China: There is a historical precedent for China's claim over the islands. The Chinese contest that maps dating back to 12th century show the islands under Chinese control. Both archipelagos were captured by Japan during WWII, and returned to China following the war (note: China was under KMT control at the time). In 1947, China's Ministry of the Interior issued a map in which both the Parcel and Spratly Islands were under Chinese control.⁶¹ This map is the basis of China's 'nine-dash line' claim.⁶²

Taiwan: Taiwan's claim is predicated upon the same basis China has offered, and is tied in with the previously discussed controversy over China's legitimate government. Specifically, the islands were returned to the KMT government prior to their escape to Taiwan. The 1947 map used to justify China's 'nine-dotted line' claim was also issued by the KMT government.⁶³

Vietnam: Vietnam rejects China's historically rooted claim, contesting that the islands were under Vietnamese control since the 17th century, until later being invaded by the Chinese. The Vietnamese note that at the 1951 San Francisco Peace Conference, a proposal that declared the Spratlys as Chinese territory was rejected. A proposal that included both island chains as Vietnamese territory met no opposition. Vietnam has also claimed the islands lie within its continental shelf.⁶⁴

Philippines: The Philippines claim the Spratlys based upon geographic proximity. Furthermore, they argue that there was no effective sovereignty over the islands until the 1930s. When Japan renounced their sovereignty over the islands following WWII, the islands became *res nullius* and were claimed by a Philippine explorer in 1956.⁶⁵

Malaysia: Malaysia claims some of the Spratlys are within its continental shelf, and has used this justification to seize territory.⁶⁶

Brunei: The Bruneian government does not claim any islands, but it has claimed that part of the South China Sea is within their continental shelf and Exclusive Economic Zone.⁶⁷

⁵⁷ Forbes, 'China's Great White Fleet - Will China's Secret Fleet Soon Outnumber The U.S. Navy?' 19 June 2012.

<http://www.forbes.com/sites/gcaptain/2012/06/19/chinas-great-white-fleet-will-a-secret-fleet-soon-outnumber-the-us-navy/2/>

⁵⁸ Ben Blanchard, 'China calls in U.S. diplomat over South China Sea.' *Reuters* 4 August 2012. <http://www.reuters.com/article/2012/08/05/us-china-usa-southchinasea-idU.S.BRE87401120120805>

⁵⁹ Frances Mangosing, 'DND confirms report on expulsion of PH vessels by Chinese ships,' *Philippine Daily Inquirer* 11 March 2014.

<http://globalnation.inquirer.net/100159/dnd-confirms-report-on-expulsion-of-ph-vessels-by-chinese-ships>

⁶⁰ Bloomberg News, 'Vietnam Says China Still Ramming Boats, Airs Sinking Video,' 6 June 2014. <http://www.bloomberg.com/news/2014-06-05/vietnam-says-china-still-harassing-boats-shows-video-of-sinking.html>

⁶¹ Dzurek, *The Spratly Islands Dispute: Who's on First?* (International Boundaries Research Unit, University of Durham, 1996), 10-1.

⁶² Cáceres, *China's Strategic Interests in the South China Sea: Power and Resources* (Taylor & Francis, 2013), 113-4.

⁶³ Dzurek 1996, 10-4,46.

⁶⁴ Severino, *Where in the World Is the Philippines?: Debating Its National Territory* (Institute of Southeast Asian Studies, 2011), 66-99.

⁶⁵ GlobalSecurity.org, 'Territorial claims in the Spratly and Parcel Islands.'

⁶⁶ *Ibid.*

⁶⁷ *Ibid.*

Domestic Separatist Movements

Overview

- Two regions in China, Xinjiang and Tibet, have pushed for independence.
- Radical Islamist separatists in Xinjiang have killed numerous Chinese citizens.
- The Tibetan independence movement has broad international support, owing to the Dalai Lama's popularity.

Background

Located on China's western border with Central Asia are the provinces of Xinjiang and Tibet (or Xizang). The two provinces lag behind the economic development found in China's eastern provinces. They are also the only two provinces in China where Han Chinese are in the ethnic minority. Within both provinces, there are separatist movements that challenge the territorial integrity of China. Note: this review uses the term separatism when referring to these movements. Officially, Chinese leaders classify these movements as acts of terrorism.⁶⁸

Recent Events

- 19 August 2010: An Uyghur man detonates explosives near police in Aksu, Xinjiang.⁶⁹
- 18 July 2011: Eighteen Uyghur men occupy a police station in Hotan, Xinjiang.⁷⁰
- 30-31 July 2011: A series of deadly attacks occur against civilians in Kashgar, Xinjiang by Uyghur men.⁷¹
- 30 April 2014: A suicide bomber in Ürümqi, Xinjiang launches an attack to correspond with a visit from President Xi.⁷²
- 22 May 2014: Explosives are thrown at crowds of civilians in Ürümqi. It is the deadliest attack of Xinjiang separatists, killing 43 (including assailants) and injuring more than 90.⁷³

Stakeholders

Xinjiang: Xinjiang features abundant oil and natural gas reserves, and is home to a number of ethnic minorities. The largest group are the Muslim, Turkic-speaking, Uyghurs (43% of the region's population).⁷⁴

Uyghurs nationalists resist Chinese authority in the hopes of establishing an 'East Turkestan Republic.' Soviets previously supported the movement at various points towards their own political objectives.⁷⁵ Over the past two decades, extremists have carried out assassinations and bombings. The Chinese government condemned these as acts of terrorism.⁷⁶ Classifying the separatists as terrorists, provides the grounds for harsh treatment of prisoners and detainees by the Chinese government.

⁶⁸ Weitz, Global Security Watch—China (ABC-CLIO, 2013), 74-5, 116.

⁶⁹ Reuters, 'China detains four over attack on Xinjiang police,' 25 August 2010. <http://www.reuters.com/article/2010/08/25/idU.S.TOE670081>

⁷⁰ Jonathan Watts, 'China police station attack leaves several dead in Xinjiang,' 18 July 2011.

<http://www.theguardian.com/world/2011/jul/18/china-police-station-attack-xinjiang>

⁷¹ BBC News, 'Islamic militant group 'behind Xinjiang attacks,' 8 September 2011. <http://www.bbc.co.uk/news/world-asia-pacific-14834042>

⁷² BBC News, 'Deadly China blast at Xinjiang railway station,' 30 April 2014. <http://www.bbc.com/news/world-asia-china-27225308>

⁷³ Jethro Mullen, 'Terrorist attack kills dozens in China's tense Xinjiang region,' 22 May 2014.

http://www.cnn.com/2014/05/21/world/asia/china-xinjiang-explosions/index.html?hpt=hp_inthenews

⁷⁴ BBC News, 'Xinjiang profile,' 22 May 2014. <http://www.bbc.com/news/world-asia-pacific-16860974>

⁷⁵ Dillon, Xinjiang: China's Muslim Far Northwest (Taylor & Francis, 2003), 57-60.

⁷⁶ Weitz 2013, 116.

Uyghur culture is actively suppressed by the Chinese government, fuelling the separatist sentiment. Classrooms in Xinjiang teach in Mandarin,⁷⁷ Muslims must use a state-approved Koran, and millions of Han Chinese have immigrated to the region under the direction of the Chinese government.⁷⁸



Xinjiang Uyghur Autonomous Region



Tibet (Xizang) Autonomous Region

Tibet: Tibet is a formerly independent nation and the centre of Tibetan Buddhism, a religious movement with approximately 10 to 20 million global adherents. The religious head of Tibetan Buddhism is the Dalai Lama. Ethnic Tibetans constitute over 90% of the region's population.⁷⁹

In 1950, Chinese forces defeated the Tibetan army. Over the next several years, Tibet gained sovereignty over the area and incorporated Tibet into mainland China. Chinese annexation of Tibet resulted in a number of uprisings through the 1950s and 1960s. The response from the Chinese government was harsh. Hundreds of thousands of Tibetans were arrested, killed, or placed into forced labor camps. Many fled the country. Thousands of religious sites were also destroyed.⁸⁰

In recent years, violence in Tibet has decreased, although suppression of Tibetans remains difficult to assess due to the Chinese government's restriction of information. The most visible symbol of Tibetan identity is the Dalai Lama. The Dalai Lama has advocated non-violent, dialogue driven engagement with the Chinese government towards some level of self-rule. The issue of Tibetan independence has been greatly compounded by an international 'Free Tibet' movement cultivated by celebrities in America and Europe.⁸¹

China: China firmly rejects any call for separatism, and sees these movements as threats to its legitimacy. Furthermore, Xinjiang is rich in natural resources. Both provinces offer access to valuable trade in Central Asia. Recently, China has engaged in multilateral cooperation to combat terrorism and separatism. This includes support for the U.S. War on Terror and engagement with Russia and the Central Asia states through the Shanghai Cooperation Organization.⁸²

⁷⁷ Starr, Xinjiang: China's Muslim Borderland (M. E. Sharpe Incorporated, 2004), 354-5.

⁷⁸ Ibid.

⁷⁹ Xinhua News, 'Tibet's population tops 3 million; 90% are Tibetans,' 04 April 2011.

⁸⁰ Schaik, Tibet: A History (Yale University Press, 2011), 212-20, 37-42.

⁸¹ Jenny George Daccache, Hollywood's Representations of the Sino-Tibetan Conflict: Politics, Culture, and Globalization (Palgrave Macmillan, 2012), 177-89.

⁸² Weitz 2013, 74-5, 115-6.

Energy Security and Climate Change

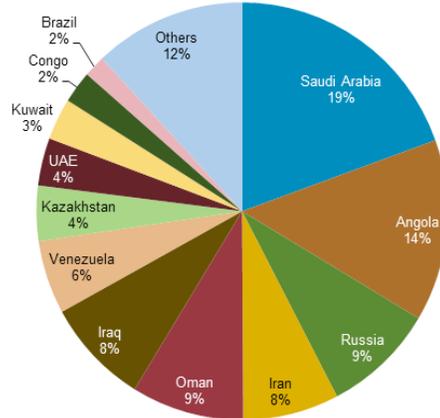
Overview

- China's growing economy needs stress global energy reserves.
- CO2 emissions from China are double that of the U.S.
- The struggle for energy security may contribute to heightened territorial disputes over the Diaoyu/Senkaku, Spratly, and Paracel Islands.

Background

Three decades of economic growth have transformed China in the world's second largest economy, making it a major player in global climate and energy security issues. Continued development requires China to secure energy resources, and to protect itself from the effects of climate change.

China's crude oil imports by source, 2013



Source: FACTS Global Energy, Global Trade Information Services.

Energy is a double-edged sword for China. Domestically, its energy needs are met primarily by coal, with some access to crude oil and natural gas. In recent years, China has become increasingly dependent upon foreign oil and gas. Since 1993, China has been a net importer of oil. Chinese leaders have expressed a desire to reduce or restrict their growing need for foreign energy, but China's most abundant domestic energy resource, coal, has long-term environmental consequences.⁸³ This review examines China's energy and climate security relationship with the U.S., Russia, Middle East, and India.

Recent Events

- 2006: China overtakes the U.S. as the leading contributor to CO2 emissions.⁸⁴
- 2012: Mounting concerns over heavy pollution cause China's Ministry of the Environment to put a temporary ban on the approval of new refineries and expansion of existing refineries.⁸⁵
- 2013: China's oil consumption growth accounted for one-third of the world's total oil consumption growth.⁸⁶
- 2014: China becomes the world's largest net oil importer.⁸⁷

⁸³ 'Country Brief: China,' (U.S. Energy Information Administration), 1. <http://www.eia.gov/countries/analysisbriefs/China/china.pdf>

⁸⁴ PBL Netherlands Environmental Assessment Agency, China now no. 1 in CO2 emissions; U.S.A in second position.' <http://www.pbl.nl/en/dossiers/Climatechange/moreinfo/Chinanowno1inCO2emissionsU.S.Ainsecondposition>

⁸⁵ 'Country Brief: China,' (U.S. Energy Information Administration), 1.

⁸⁶ Ibid

Stakeholders

Middle East: China relies heavily upon energy imports from the Middle East. China is the largest net importer of oil in the world, and nearly fifty per cent of those imports come from the Middle East.⁸⁸ Politically, China is not vested in the Arab-Israeli conflict, allowing China to foster primarily economic relations with the Middle Eastern states. Nevertheless, with both the U.S. and China being reliant upon Middle Eastern oil, political and ideological tension could compromise China's access to Middle Eastern energy.

U.S.: As the dominant oil market force for the past several decades, the U.S. has been the primary rule-maker and institution-builder regarding global energy. During the mid-2000s, there was considerable tension between China and the U.S. on energy policy. The Chinese accused U.S. policy makers of using their position within international organizations and institutions to restrict Chinese access to global energy. While U.S. leaders argued these measures were driven by environmental concerns, the Chinese perceived them as part of a broader containment strategy.⁸⁹

Under the Obama administration, there has been a greater level of cooperation between the two states. The U.S. Departments of Energy and Commerce as well as American NGOs, are currently working closely with their Chinese counterparts to address climate and energy security. 'Clean' energy technology exchanges may prove possible if both sides continue working towards CO2 reduction. Nevertheless, economic competition between the two powers could inhibit either side from agreeing to legally binding environmental legislation.⁹⁰

Russia: Since the collapse of the Soviet Union, there has been increased political cooperation between China and Russia, including improved energy relations. The two states share considerable geopolitical and strategic interests. China is reliant upon foreign energy reserves, and Russia's economy is driven largely by exporting natural resources, including petroleum. Given the proximity between China and Russia, there is tremendous potential for a long-term energy relationship.⁹¹

Despite Russia's energy reserves, China must compete with Korea and Japan for access to valuable pipelines into Russia. Additionally, China and Russia remain tentative geopolitical rivals. There is considerable disagreement between China and Russia over trade tariffs and institutional energy restrictions. Furthermore, both states are currently competing for influence among the emerging economies of Central Asia.⁹²

India: India nearly matches the prolonged rates of growth witnessed in China. The expanding economy of both states require tremendous access to energy, creating a potential flashpoint in the coming years. As a democratic state, India is better positioned to benefit from the existing U.S.-led global order. Considerable Indo-American energy exchanges have occurred across the nuclear energy sector, with a bilateral nuclear agreement having been signed in 2008.⁹³

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⁸⁷ Ibid, 14.

⁸⁸ Ibid, 12.

⁸⁹ Howell, 'Jai You! (Add Oil!)*: Chinese Energy Security Strategy,' in Energy Security Challenges for the 21st Century: A Reference Handbook, ed. Anne Korin Gal Luft (ABC-CLIO, 2009).

⁹⁰ 'U.S.-China Clean Energy Cooperation,' (U.S. Department of Energy), 1-2.

⁹¹ Downs, Sino-Russian Energy Relations: An Uncertain Courtship, (University Press of Kansas, 2010). Section 2.5.

⁹² Ibid.

⁹³ Schaffer, India and the United States in the 21st Century: Reinventing Partnership (CSIS Press, 2009), 89-117.