

# Whither Multilateral Negotiation? China's Foreign Policy in the South China Sea Dispute

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## ABSTRACT

*This paper aims to examine the factors driving China's rejection of multilateral negotiation to achieve dispute settlement in the South China Sea. China was a relatively closed country striving for internal stability during the leadership of Mao Zedong. The new era for China to engage the world came true after Deng Xiaoping made a history by opening up his country in the late 1970s. From that moment onward, China has been actively involved in varying cooperation both bilaterally and multilaterally. The partners with which China eagerly strengthens its relationship are the neighbors in Southeast Asia. Engagement with the Association of the Southeast Asian Nations (ASEAN) was one of China's most fateful breakthrough in the early 1990s, following the sanction imposed by the Western world due to the Tiananmen outbreak in 1989. China-ASEAN relationship has been thriving by leaps and bounds ever since. The South China Sea dispute putting China against Southeast Asian claimants, however, dims the good prospect of better relationship in the future. China's assertive behavior in dealing with the dispute tarnishes the good image China has been portraying in the last two decades. Adding to such contradiction, China casts aside multilateral talks ASEAN members opt for. Instead, China compels the use of bilateral negotiation to be held between China and each claimant. This paper identifies three factors contributing to China's preference of bilateral over multilateral negotiation: the apprehension about third party's infiltration (i.e. the US), the concern over bargaining power, and the non-negotiable position in territorial sovereignty issue.*

**Keywords:** China, ASEAN, South China Sea dispute, multilateral negotiation

*Makalah ini bertujuan untuk mengetahui faktor-faktor yang mendorong penolakan China atas negosiasi multilateral untuk mencapai penyelesaian sengketa di Laut China Selatan. Di era Mao Zedong, China dengan sengaja negara menutup diri dari dunia luar, demi stabilitas internalnya. Era baru bagi China untuk terlibat dengan dunia luar terwujud setelah Deng Xiaoping membuat sejarah dengan membuka negaranya pada akhir tahun 1970-an. Sejak saat itu hingga sekarang, China telah secara aktif terlibat dalam berbagai macam kerjasama baik bilateral maupun multilateral. Salah satu kerjasama yang sangat ingin dipererat oleh China adalah kerjasama dengan negara-negara tetangganya di Asia Tenggara. Kerjasama dengan Association of the Southeast Asian Nations (ASEAN) merupakan salah satu terobosan besar China pada awal 1990-an, setelah sanksi yang dikenakan oleh dunia barat karena Tragedi Tiananmen tahun 1989. Hubungan China – ASEAN berkembang pesat sejak saat itu. Sengketa Laut China Selatan telah menempatkan China diposisi yang berseberangan dengan negara-negara Asia Tenggara, sehingga meredupkan prospek yang baik dari hubungan yang lebih baik di masa depan. Perilaku asertif China dua dekade terakhir dalam menangani sengketa telah menodai citra baik China. Menambah kontradiksi tersebut, China mengesampingkan diplomasi bilateral yang ditawarkan oleh negara-negara anggota ASEAN. Sebaliknya, Cina memaksa penggunaan negosiasi bilateral yang akan diadakan antara China dan masing-masing penggugat. Makalah ini mengidentifikasi tiga faktor yang berkontribusi terhadap preferensi China terhadap negosiasi bilateral dibandingkan negosiasi multilateral:*

*kekhawatiran tentang infiltrasi pihak ketiga (yaitu AS), keprihatinan atas daya tawar, dan posisi yang tidak dapat dinegosiasikan dalam masalah kedaulatan teritorial.*

**Kata Kunci:** *China, ASEAN, Sengketa Laut Cina Selatan, negosiasi multilateral*

### **Background**

Territory and sovereignty are two inseparable entities states venerate. Within acknowledged territory there lies the government, people, natural resources, rules and law, etc. Sovereignty bestows states the exclusive right to exercise power and control as well as make and enforce law within their defined territory. The importance of these two concepts has been widely proved by the long history of mankind. In ancient times, territory was a proof of superiority. Empire was named great once it acquired vast territory where it could exploit everything existed within the boundaries.

China is an ardent disciple of territory-and-sovereignty-come-first school. The long history of humiliation coupled by territorial encroachment and splitting has been cloaking China with its own conception of such doctrine. When the Nationalists took over China after the dramatic demise of Qing Dynasty, chief to their agenda was to recollect pieces of the lost territories. The same mission was passed on to the next ruling Communist party after defeating the Nationalists in a bloody civil war in the 1940s. The Communist government in 1958 convened the Declaration on China's Territorial Sea, conceding that China owned all the territories inherited by the late Qing Dynasty that included also the disputed islands in the South China Sea.<sup>1</sup>

China's claim over its territorial sovereignty remains intact; so does its claim in the South China Sea dispute. China exhibits discrete patterns of dispute settlement. Under Mao Zedong's mighty shadow, China casted itself as an intractable lone actor, being aggressive and skeptical about multilateral problem-solving. Tied up with chaotic domestic struggle and uncertainty concerning China's position vis-à-vis major powers, i.e. Soviet Union and the United States (US), during Cold War, China substantially regarded multilateral cooperation as an unattractive approach to follow. The jaundiced China inordinately suspected any possible attempts by foreign powers to encircle it.

China indeed transformed itself from a highly passive state into a more active one after Deng Xiaoping topped the leadership. China's gradual shift kindles a new hope for a better relationship with other countries, especially the neighbors. Beijing now is keen to utilize multilateral forum to cope with variegated issues that impinge on China's national interests. China's aspiration to multilateralism dates back to the Three World Theory invented by Mao in the 1960s. Mao criticized the uneven classification of international system at that time with Soviet Union represented socialist camp and the US delegated capitalist camp. Mao called for a third category encompassing Third World countries from Asia, Africa, and Latin America that were rising from colonialism. Mao subsumed China under the banner of the so-called 'third poles' siding with other developing and less developed countries.

In the wake of the Cold War China resorted to the idea of creating a multipolar world. Facing a harsh sanction imposed by the West stemming from the Tiananmen incident, China turned to a region in which it had not had strategic interests for decades. In 1991 China paved a way to establish relationship with ASEAN, marking China's first endeavor to involve in multilateral cooperation.<sup>2</sup> Beijing's concern on strengthening relationship with the Association of the Southeast Asian Nations (ASEAN) was a part of its 'good-neighborliness' policy or *mulin zhengce* (Kuik 2005, 103). China has made several prime upturns as the 1990s drew to a close. In March 1997 China co-chaired the

conference on Confidence Building Measures (CBMs) with the Philippine in Beijing. On November 4, 2002 China along with ASEAN members signed the Declaration on the Conduct (DOC) of Parties in the South China Sea during the 8<sup>th</sup> ASEAN Summit in Phnom Penh.<sup>3</sup> On October 8, 2003 China became the second non-ASEAN member countries to sign the Treaty of Amity and Cooperation (TAC).<sup>4</sup>

Unfortunately, China's recent assertive policy in South China Sea dispute tarnishes the good visage Chinese leaders have been working so hard to attain and maintain. China's rather uncooperative demeanor in handling the territorial dispute mars China's reputation and commitment to buoy multilateralism. This paper aims to examine the reasons why China defies the rule of multilateral negotiation in settling the South China Sea dispute with Southeast Asian claimants. This decision is clearly in contrast to China's proclivity to oppose unipolarity and buttress a world of multipolarity, hailing the peaceful development by extensively participating in various multilateral platforms.

### **China in the South China Sea Dispute**

China's claim of its possession of the disputed islands scattered over the South China Sea dates back as far as more than 2,000 years ago. The authority over the islands had existed since the Han Dynasty (206 B.C.-220 A.D.). China has been retaining relatively consistent stance regarding its sovereignty over the disputed islands of Paracel and Spratly.<sup>5</sup> Since the Declaration on China's Territorial Sea was published in 1958 China has been adamant in purporting that the disputed islands are of 'indisputable sovereignty'. The hard line position in this issue indicates the non-compromising part of China's foreign policy. This harsh attitude is perceived by the neighboring states as a signal of China's reverse benign approach toward them.

China have managed to shelve the South China Sea dispute by persuading its Southeast Asian counterparts to focus more on joint development as a win-win solution for all parties. China unequivocally states that "joint development around the disputed islands is negotiable, but China's sovereignty over the islands is not negotiable," (Pan 2009, 185). In spite of the track record Beijing holds showing its willingness to recourse to force in preserving its sovereignty, China's push-forward-claim policy in the South China Sea dispute is halted in favor of greater economic cooperation with ASEAN (Kivimäki 2002). Leszek Buszynski (2003) points out that it was not after the Mischief Reef incident in 1995 that China became more receptive to negotiation with ASEAN for the sake of managing the dispute and heading it off from bursting into a military conflict. However, China favors bilateral negotiation with each claimant states without any third parties interfering (Gill 2004, 219). China's former Premier Wen Jiabao once uttered that "referring bilateral disputes to multilateral forums.....will only complicate the [South China Sea] issue," (Thayer 2011, 560). For Beijing the South China Sea dispute is nothing but a bilateral issue between China and each claimant states. China's preference of bilateral negotiation for peaceful resolution does not receive substantial support from some of the claimant states. These states have for several times attempted to up the ante the dispute through international and multilateral forums. Malaysia and Vietnam made a joint submission to the United Nations Commission on the Limits of Continental Shelf in 2009 and the Philippines filed an arbitration case against China with the International Tribunal for the Law of the Sea (ITLOS) in 2013, to name a few. Confronted with instances as such, Beijing sternly opposes any means to convolute the dispute by internationalizing it, pushing others to call off any actions that will stoke up the crisis. When China agreed to sign the DOC in 2002, it was praised as a notable change converting China from refusal to acceptance of multilateral negotiation (Buszynski and Sazlan 2007, 154). It should be noted nonetheless that the DOC is not a binding regulation. Nor it is a means for dispute settlement.

Apart from China's assiduous involvement in multilateral cooperation, Beijing's foreign policy varies depending on the issue and whom it is dealing with.<sup>6</sup> Cheng-Chwee Kuik defines multilateralism "as the tendency and preference of a country to use multilateral diplomacy as a means to attain its foreign policy ends," (2005, 104). In order for China to live up to its commitment to struggle against the odds, multilateral diplomacy has to play a complementary rather than merely a supplementary role in China's foreign policy toward ASEAN. Brantly Womack articulates that "China's decision to become more active in regional multilateral organizations [in this regard ASEAN] involve[s] a sacrifice of potential leverage against individual states in favor of stable regional relationship (2003/2004, 540). Alastair Iain Johnston and Paul Evans assert that "the issue [of multilateralism] is not whether Chinese leaders are sacrificing national interest in favor of promoting multilateralism. Rather, the issue is whether the promotion of multilateralism is now seen as consistent with [China's] national interests," (1999, 264). Insofar as toeing the line of multilateralism is cordial with the pursuit of its interests, China will stick with it. The protracted conflict in the South China Sea delineates a different picture notwithstanding. Thus, it is meritorious to scrutinize the incompatibility between China's eagerness to embrace multilateralism and its shying away from multilateral framework in coming to grips with the South China Sea dispute.

### **Multilateral Negotiation in Question**

This paper attempts to answer the question of why China discards the rule of multilateral negotiation with ASEAN member states to solve the South China Sea dispute and choose the bilateral negotiation instead. Three reasons are listed below, followed by a more comprehensive analysis respectively:

1. China is highly wary of the possible infiltration of third parties in the South China Sea dispute settlement, especially the US.

China has been highly suspicious of US active presence in multilateral cooperation existed in China's neighborhood. The alliance between the US and Japan and South Korea is perceived by China as a deliberate policy to contain and constrain China's rise in the region. When ASEAN invited the US to join the East Asian Summit (EAS), China is apprehensive about the motive behind this decision. China believes that ASEAN member states intend to keep the balance between China and the US, while the US aiming to check China's growing dominance in the region. It is US involvement that China has been critical about, harping on about US malign agenda to keep its preponderant power in China's surrounding areas. Recent policy fomented by the Philippine and Vietnam governments to rebuild and strengthen military cooperation with the US serves as a hint for Beijing that the multilateral negotiation proposed by ASEAN is likely to be hijacked by Washington.

2. China is concerned over its bargaining power vis-à-vis ASEAN member states, particularly the claimants, to weather the South China Sea dispute.

Despite being a bigger and stronger state economically and militarily compared to ASEAN members, Beijing still longs for a higher position in the Southeast Asian political stage. China declines a multilateral negotiation with ASEAN in which China is regarded as one single party dealing with ASEAN as a group of ten sovereign states. This refusal is not rooted in China's fear over ASEAN's comparative advantage as a group, rather the assumption that ASEAN is less likely to join the game as an individual player, meaning that third-party infringement cannot be taken off the table.

China notices some ASEAN states cling toward itself—for instance Cambodia, Laos, and Myanmar, and some, such as Indonesia and Thailand, take a rather neutral stand. China is also mindful of some states openly challenge its presumed dominance in Southeast Asia, namely the Philippine and Vietnam. The tricky part of China's approach is dealing with the two 'resistant' states which have been calling for US assistance. China might get the upper hand vis-à-vis the 'smaller' states, but have to face a 'coalition' that includes the US—the scenario Beijing likes the least.

3. China has a tough position on territorial sovereignty which it believes cannot be incorporated into multilateral talks.

China is a loyal fellow of the non-intervention doctrine underlining the salient of state's sovereignty. China defies any territorial encroachment that intrudes on sovereignty as the highest principle of state. In the South China Sea dispute, the tough-minded view of the indisputable sovereignty over the notorious nine-dashed line is regarded as China's fidelity toward such principle. China has been consistently reiterating its rightful claim as the legal owner of the disputed islands. Beijing will not compromise any endeavors of any states that may lead to the loss of territorial sovereignty. The only possible outlet China has proposed in reference to the skirmish over the Paracel and Spratly Islands is by jointly managing the resources without alluding to sovereignty issue.

### **The US Engagement in the South China Sea Dispute**

The US has been a distinct player in the South China Sea dispute. In the first decade after the dawn of the post-Cold War era the US committed itself to relegating its overweening power and influence in this region. But the rapid burgeoning power of China which Washington thinks of overshadowing the region, coupled with the rising tension between China and its neighbors in Southeast Asia over territorial dispute drags the US back in this area.

There is a common view that China and the US are involved in the new type of a struggle for power in Asia-Pacific. For Chinese strategic analysts, Southeast Asia, partly due its long historical relationship with China under the tributary system, is the 'backyard' where Beijing can exert its sway over the region. China—thanks to its 'peaceful development' since Deng opened the China's doors—has been seen by Southeast Asian nations as a relatively benign emerging power. That China and Southeast Asian states share the same view of several basic concepts of state-to-state relations, it is foreseen that the two are to get along much better in the future. Territorial fad in the South China Sea thus is a litmus paper to verify this assumption.

G. V. C. Naidu states that "China's growing military capability, coupled with its intermittent saber-rattling and threats to use force if necessary to establish its sovereignty over disputed territories, have disquieted many in the region," (2000, 4). Cognizant of this possible scenario when China might employ its relatively better military capability vis-à-vis other ASEAN member states combined once the South China Sea dispute settlement reaches a bottleneck, some states such as the Philippines and Vietnam take precaution by drawing themselves closer to the US.

US' main concern on South China Sea lies in the strategic sea-lanes that run through this area. It is where ships go back and forth to keep the billions of US dollars-worth world trade alive. The US places some warships for 'surveillance' purpose lest piracy happens or terrorists pass through. The US under Obama administration was

eventually disposed to accede to the TAC in 2009. The primary motive was to send a signal that the US would be putting back its foot in Southeast Asia. The decision was in contrast with the incessant refusal of Bush administration to sign up for the TAC, accusing its non-interference core principle would constrain US freedom of action, while jeopardizing the security agreements with Asian allies. Mark E. Manyin et al (2012) contends that one crucial factor motivating US further engagement with Southeast Asian nations is to support its political stature as China shrewdly expands its influence over the region.<sup>7</sup>

During the ARF Summit held in Cambodia in July 2012, Secretary of State Hillary Clinton addressed a bold remark emphasizing US interests and stance in the South China Sea dispute.

“.....as a Pacific nation and resident power, the US has a national interest in freedom of navigation, the maintenance of peace and stability, respect for international law, and unimpeded lawful commerce in the South China Sea. We do not take a position on competing territorial claim over land features there, yet we remain intensely focused on conduct involving these claims.....to resolve disputes without coercion, intimidation, threats, and the use of force,”  
(US State Department 2012)

Albeit the US—mostly through Secretary Clinton speech and remarks to various multilateral forums involving ASEAN, the member states, and China—repeatedly says its neutral position by not siding with any claimants and instead supporting peaceful settlement in accordance with international law, China is still leery of the real intention of US back-to-Asia policy. Robert Jervis (1979) argues that no matter how states attempt to give good image about themselves, their counterparts and adversaries will construe it suspiciously. In other words, perception of others will alarm states to always be ready for whatever contingencies.

Jervis' argument is well suited to the puzzle of US-China relationship in the South China Sea dispute. The US endeavors to depict its good intentions by not taking side, but China sees it nearly possible for the US to be flat out impartial in this matter. China perceives the US as a trouble-maker in disturbing the balance of power that was extant in the region. The newly reborn bilateral military cooperation between the US and the Philippines and the US and Vietnam appears to be a wake-up call for China of US interference. Some Chinese analysts believe that the US is bent on exploiting Beijing's differences with its neighbors over maritime issues as part of its plan to encircle China with an “arc-shaped encirclement’ along China’s periphery” (Chase 2011, 140-141). In response to US official statement with regard to the South China Sea dispute, Chinese Foreign Minister Yang Jiechi at the ASEAN Regional Forum 2010 said that “Beijing strongly opposed any effort to ‘internationalize’ the [South China Sea] issue,” (Raine 2011, 72). This indicates China’s awareness of the growing US vested interest to upgrade its dominance in the region and to enable Washington to check China’s military development (Raine 2011).

This explication confirms the first argument that the reason China demurs to commit to multilateral negotiation is due to its mindfulness of third party’s intrusion, namely the US. When China asks for a bilateral dispute settlement with the Philippines, the query is answered by the Philippines-US security cooperation. Vietnam, another claimant state standing up against China, also reinstates its security cooperation with the US. Dovetailing Jervis’s study pertaining to perception of states toward each other, China’s firm stance on bilateral over multilateral negotiation is relevant.

### **China's Quest for Bargaining Power**

Realists have a unanimous voice on the question of power. Traditionalists, e.g. E.H. Carr and Hans Morgenthau, set the bedrocks for states' ultimate goal to pursue power. The offspring of realists, namely structuralists (e.g. Kenneth Waltz) and its variant of offensive realist (e.g. John Mearsheimer), also regard power as sacrosanct and salience. Within their school of thought, state cannot be dissociated from power.

Realists see cooperation with mind full of hackles. For them, cooperation is just another way states exercising their power. Waltz states that cooperation is not impossible—it is just ponderous in a self-help world where each state has to out-power the others for the sake of self-survival. In line with Waltz, Mearsheimer contends that “states can cooperate, although cooperation is sometimes difficult to achieve and always difficult to sustain,” (Mearsheimer 2001, 51). The implication of these realists perspective is that state might enjoin in cooperation as long as by doing so will gain itself power.

The next big question worth asking is what kind of cooperation these realists can tolerate. The same puzzle China now is putting a show about. The intransigent yet restless efforts to embrace multilateralism by joining itself in numerous kinds of cooperation appear to be preposterous when China sternly oppose multilateral negotiation to solve the heated South China Sea dispute with the neighbors. Realists might have the answer for this idiosyncrasy.

According to Zhu Zhiqun (2001), realists believe that great powers prefer unilateral action or bilateral negotiations instead of multilateral approach on the international stage since they enjoy a wider range of options and face fewer structural constraints in doing so. The problem of relative gains can also be the clue. Mearsheimer (2001, 51-52) lays out two concerns states need to ponder as to whether or not join cooperation by calculating the relative gains and the likelihood of cheating. When states withhold the relative gains over cooperation, what they care about the most is not how much pie I get, but how the pie is divided and who gets the biggest slice. In Erik Gartzke's words, the most important thing out of cooperation is not just “whether nations benefit from [it], but which benefit most,” (2009, 4).

China's decision to exploit the bilateral over multilateral means can be derived from such calculation. If China agreed to adhere to multilateral negotiations just as what the ASEAN member states prefer, Beijing would risk the relative gains. When the pie is served China may get smaller slice. How much slice you get is equal to the bargaining power you have vis-à-vis your counterpart. The issue of bargaining power then surfaces.

Bargaining power is one of the classic concepts in international relations. It does not have a universal definition. Robert Dahl (quoted in Petersen 1986, 187) opines that bargaining power refers to the ability of one actor to make another actor do what he does not want to do otherwise. Bargaining power depends on the context and the character of the bargaining process. It also depends on the situation of crisis and non-crisis or cooperative and competitive. Simply put, to get the high ground in negotiation is to be relatively stronger than those sitting on the other side of the table. The stronger you become; the more bargaining power you earn.

In the case of the South China Sea dispute, China's preference to negotiate bilaterally rather than multilaterally can be analyzed through the prism of bargaining power. China would be more likely to get the lower hand if it nodded to the multilateral negotiation with ASEAN for two reasons. First, set aside the fact that three states of Cambodia, Laos, and Myanmar to some extent follow the lead of China, pitting China

against the rest are unfavorable for Beijing's bargaining power. Second, some facts put China at loggerhead with its Southeast Asian fellows. That the Philippines and Vietnam renew and strengthen their security cooperation with the US, non-claimant Singapore and Thailand have been enjoying cordial relations with the US, and not to mention Indonesia has a defense pact with Australia, to China's consternation its bargaining power vis-à-vis Southeast Asian nations might be compromised.

Bilateral negotiation, on the other hand, will benefit China in two ways. First, China has already had an upper bargaining power over the three 'allies', namely Cambodia, Laos, and Myanmar. Second, in spite of the aforementioned relations between some ASEAN states with China's purported enemies, bilaterally China is superior to the rest. Michael Kelly (2012) says that China is highly aware of the possibility that it would have to succumb to a multilateral environment with an array of states working against it. Thus, Beijing consents to deal with states in bilateral settings where it can better utilize its leverage.

The second argument stating that China is concerned about bargaining power is relevant to the mentality of realists whose major interest is counting the relative gains, in which China can wield its power and leverage in bilateral negotiation much better than multilateral one.

### **China's Indisputable Sovereignty**

Sovereignty has always been China's 'core national interest'.<sup>8</sup> It implies the high stake of this issue for Beijing. The unpalatable memories of territorial loss especially after the all-out war against Japan in the 1930s has taught Chinese leaders a lesson-learned worth re-invoking that territorial sovereignty is the ultimate national interest second to none. China, in the eyes of its neighbors in Southeast Asia, has been seen as a new regional power to be reckoned with as the marvelous economic growth started to take place in 1978. China's highly appreciation of the non-interference norm in one's internal affairs accords with the belief of ASEAN member states. Unlike the Western counterparts who decided to isolate China after the shocking Tiananmen crackdown of 1989, ASEAN states welcomed China warmly instead. The relations of the two grows steadily from then on out. Today, China and ASEAN are in a stalemate grappling with the South China Sea fad. The question of how important this issue for China remains obscure. Michael D. Swaine asserts that "the Chinese application of the term 'core interest' to an issue is intended to convey a very high level of commitment to managing or resolving that issue on Chinese terms, without much if any discussion or negotiation," (2011, 10).

If we discount the debate over China's 'core interest' in the South China Sea, whether Beijing deliberately etches that very term on the simmering territorial dispute in the region, sovereignty and territorial integrity claims which are essential for Beijing had been put forward several times, e.g. the 1974 statement issued during and after the battle for the Paracel islets against Vietnam, the 1976 report in response to a Swedish-Filipino oil consortium to explore the Reed Bank Area, and the 1980 paper of the Ministry of Foreign Affairs after President Marcos of the Philippines signed Presidential Decree No.1596 proclaiming sovereignty over 53 islands of the Spratly group (Lo 1989, 34-35). In February 1992 the Chinese National People's Congress codified China's claim to sovereignty over the Spratly Islands by passing the Law of the People's Republic of China on the Territorial Sea and Contiguous Zone. The recent documents were submitted to the Secretary General of the UN in May 2009 and April 2011. Both documents reinstated that China rightfully owns indisputable sovereignty



over the islands in the South China Sea and the adjacent waters.<sup>9</sup> These claims showcase how tough China's position in dealing with territorial sovereignty issues with constant, and watertight, claim since the 1970s to date.

In December 2008 China's first appointed ambassador to ASEAN Xue Hanqin highlighted China's intention to continue discussing the disputes bilaterally. Two years later in December 2010, the Chinese ambassador to the Philippines Liu Jianchao warned that the disputes were and should remain a bilateral issue (Raine 2011, 75-76). Swaine (2011, 10) points out that even though the disputes drag in several parties, China insists to solve it in bilateral manner with each claimant.

It is crystal clear that for China territorial sovereignty is an undeniable and unquestionable issue. China unreservedly makes a statement that there is no way for China to forfeit its sovereignty to other states, in this case the Southeast Asian claimants. Although China welcomes bilateral negotiation with its adversaries, China implicitly proclaims that the disputed islands are part of China's indisputable sovereignty. Disregarding the debate about China's designation of the South China Sea as 'core interest' for a while, China hard-heartedly acknowledges the contested territory to belong solely to China.

The third argument fits the evidence that China will not bow to multilateral negotiation in solving the South China Sea dispute. Likewise, that very evidence displays China's reluctance to let bilateral negotiation disturb its indisputable territorial sovereignty.

### **Conclusion**

China transforms its image from a closed country to one that actively seeks for building relationship with the outside world. Started in the 1990s, China becomes a strong proponent of multilateralism by enshrining itself to copious multilateral cooperation and institutions. But China has the world taken aback when it rebuffs to solve the South China Sea dispute in a multilateral setting with ASEAN as a group of nations. Such contradiction is founded on three factors: the apprehension about third party's infiltration—the US, the concern over bargaining power, and the non-negotiable position in territorial sovereignty issue.

China is vigilant that multilateral negotiation can be used by third party, specifically the US, to enter and interject its own interest in the dispute settlement. This suspicion leads to China's preference of bilateral negotiation which Beijing believes will give itself an advantage in bargaining power vis-à-vis ASEAN member states. China's pliant stance roots likewise in the fact that for China an issue with regard to sovereignty and territorial integrity is simply non-negotiable. But Beijing comes up with a win-win solution to joint-manage the exploration and exploitation of the contested areas under one circumstance: that the sovereignty question shall never be raised. The argument demonstrates also that China might not resort to both bilateral and multilateral negotiation when it comes to territorial sovereignty. The only possible scenario for the dispute to be properly managed, if not resolved, is for the claimant states to hold back any plausible escalatory words and deeds. China might have championed multilateralism in its foreign policy approach and the trend is likely to continue, but it does not necessarily translate into an automatic mode of accepting a multilateral dispute settlement especially over a prickly territorial issue which is deemed to be indisputable.

### **Endnotes**

1. China's darkest episode of losing territory dates back to the Treaty of Versailles ending the First World War, in which Japan gained Germany's preoccupied area of Shandong. The misery continued by Japan's annexation of Manchuria in 1932, followed by an all-out war against China. After the Second World War, Japan was propelled to return the arrogated territories during its expansion era, including the islets in the South China Sea. China firmly believes that the islets are supposed to be reverted to Beijing. The islands are still being disputed between China and several claimants in Southeast Asia.
2. During the Cold War era, China had painted a hazy picture of its relations with Southeast Asian countries. The Vietnam War and the spread of communism in the region were the bottom line of Southeast Asian countries' perception of China's hawkish policy toward its southern neighbors.
3. The Declaration regulates the Parties in the South China Sea dispute to build trust and confidence between and among them, including, holding dialogues and exchange of views between their defense and military officials and notifying on a voluntary basis of any impending joint/combined military exercise. The full documents on ASEAN and the South China Sea are available from <http://cil.nus.edu.sg/wp/wp-content/uploads/2011/06/Documents-on-ASEAN-and-South-China-Sea-as-of-June-2011.pdf>.
4. The TAC was signed originally by the five founding members of ASEAN—Indonesia, Malaysia, the Philippines, Singapore, and Thailand—at the First ASEAN Summit in Bali, on February 24, 1976. The Treaty had been amended twice in 1987 and 1998 to permit the accession of non-regional state or states outside Southeast Asia to accede to the Treaty. The core principles of TAC are mutual respect for independence, sovereignty, equality, territorial integrity and national identity, non-interference, settlement of differences and disputes by peaceful means, renunciation of the use of force, and effective cooperation among signatories. The TAC document is available from <http://www.asean.org/component/zoo/item/treaty-of-amity-and-cooperation-in-southeast-asia-indonesia-24-february-1976-3>.
5. China's claims are predicated on the so-called 'nine-dashed line map' officially published in 1947 by Kuomintang government. This map also was submitted to the UN in 2009 as part of China's strategy to secure its sovereignty.
6. Mitsuru Kitano (2011) scrutinizes the evolution of China's foreign strategy within two axes: X-axis with emphasis on domestic revitalization and increased foreign influence, Y-axis with emphasis on nationalism and internationalism. The result is four trends of strategy varies from opening course (domestic revitalization combined with conciliation with international values or internationalism), one-nation course (domestic revitalization and nationalism), responsible-great-power course (internationalism and foreign influence increase), and China-centric order course (foreign influence increase with China's nationalism). He concludes that there is a tendency when China starts thinking to become a more responsible player in international level, it will return to the old dogma of 'core interest' which is protecting sovereignty.
7. For comprehensive analysis on the US accession to the TAC and how it helps Washington to project its influence in Southeast Asia, see Mark E. Manyin et al. (2012). The term 'core national interest' refers to issues that allude to China's sovereignty and territorial integrity. The issues include Taiwan, Tibet, Xinjiang, and the South China Sea. Concerning the South China Sea dispute, there is still a debate over the inclusion of it as a real 'core national interest' on par with Taiwan, Tibet, and Xinjiang. For more discussion about the internal debate among Chinese leaders in determining the status of South China Sea, see Sarah Raine (2011).

8. The 2009 and 2011 documents represent China's expanding claim over the disputed islands that include the standard 12-nautical-mile territorial sea around the island, the Exclusive Economic Zone (EEZ), and an extended continental shelf measured from the islands. For comprehensive explanation about China's maritime claim over the islands, see Michael D. Swaine and Taylor M. Fravel (2011).

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