Chinese Views on the South China Sea Arbitration Case between the People’s Republic of China and the Philippines

Michael D. Swaine*

The Philippines v. China arbitration case and the furor over its verdict constitute a significant development that could influence the prospects for future rivalry or cooperation in the Western Pacific. This article closely examines the viewpoints of Chinese leaders and knowledgeable observers on the arbitration case. Authoritative sources consistently indicate that China rejects the arbitration and views its verdict as detrimental to vital Chinese interests, regional stability, and international legal order. Non-authoritative sources, while reaffirming the authoritative viewpoint, believe that China enjoys some type of privileged right to exploit resources throughout the area contained within the “nine-dashed line.” China’s categorical rejection speaks to the fundamental Sino-Western division over the application of international agreements to sovereignty issues and indicates that any effort by the US or other powers to pressure Beijing will prove futile and most likely exacerbate existing tensions in the South China Sea. All authoritative sources, however, emphasize China’s commitment to peaceful bilateral negotiations to settle disputes in the South China Sea, and imply that China’s response to the verdict will depend on how other powers respond to it. This might suggest that other powers could play a major role in minimizing the damage from the arbitration and establishing a more stable modus vivendi in the South China Sea going forward.

Introduction

On January 23, 2013, the Philippine government (hereafter referred to as Manila) announced that it had initiated an arbitration case against the People’s Republic of China (PRC) in accordance with the dispute settlement provisions of the United Nations Convention on the Law of the Sea (UNCLOS) concerning a range of issues relevant to the ongoing sovereignty dispute in the South China Sea (SCS) between the two nations. Manila’s case was submitted for arbitration to a five-judge panel formed under the “Settlement of Disputes” process contained in Part XV of UNCLOS and hosted by the Permanent Court of Arbitration (PCA) in The Hague.1

Manila’s submissions to the PCA-hosted UNCLOS arbitral tribunal covered 15 specific points for arbitration.2 In sum, Manila requested that the tribunal: rule on the compatibility with UNCLOS of various aspects of Chinese and Filipino maritime entitlements or designations in the SCS, such as Beijing’s nine-dashed line (hereafter referred to as the 9DL); designate the geographic characteristics of specific features in the

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SCS and their maritime entitlements as based upon UNCLOS; and rule on whether Beijing has committed several specific violations of UNCLOS provisions regarding, for example, the management of marine resources, the activities of Filipino fishermen, and the construction of artificial islands.\(^3\)

In no instance did Manila explicitly ask for the tribunal to rule on whether China, the Philippines, or some other state holds or should hold sovereignty over any of the geological features or maritime zones of the South China Sea. Indeed, UNCLOS has no authority to make such judgments. Its purpose is to provide a legal order identifying the characteristics of the marine environment and the rights and responsibilities of nations regarding the use of that environment.

On October 29, 2015, the arbitral tribunal ruled that it holds jurisdiction regarding the case, addressing seven of the 15 submissions made by the Philippines, and reserving its judgment on the remaining eight submissions for the time of its final ruling. The final ruling occurred on July 12, 2016, when the PCA published the tribunal’s arbitration award. By and large, on most points, the tribunal ruled in favor of the Philippines and against China.\(^4\)

From the inception of this case, Beijing has entirely refused to participate in the arbitration process and has completely rejected the decisions of the PCA-administered tribunal, regarding that entity as illegitimate and illegal and its judgments as null and void and inapplicable to China (see below). In support of this categorical stance, Beijing has issued several authoritative documents and made several authoritative statements explaining the legal, historical, procedural, and other aspects of its position and the implications of the ruling.\(^5\)

In addition, a variety of non-authoritative Chinese observers have also provided their assessment of the meaning and relevance of the arbitration case. And of course many non-Chinese observers, authoritative and otherwise, have also weighed in on the issue.

Coming at a time of arguably growing tensions between Washington and Beijing and Beijing and other Asia powers over maritime disputes in the South and East China Seas,\(^6\) the furor over the Philippine arbitration case constitutes a significant development that could influence the prospects for future rivalry or cooperation in the western Pacific. In assessing such implications for the future, this paper examines more closely the viewpoint of Chinese leaders and knowledgeable observers on the arbitration case.

As in past issues of the Monitor, this essay divides Chinese sources into authoritative and non-authoritative categories. However, unlike in past issues, it dispenses with the category of “quasi-authoritative” sources, which in the past was used to describe articles written under the pseudonymous byline “Zhong Sheng.” This is because, according to the author’s recent interviews with experts, while these articles are likely produced by a small group of writers at People’s Daily and thus probably more “important” than articles written by ordinary Chinese academics, they are not even partly authoritative as
expressions of PRC policy. At best, they form a higher, more prominent subset of non-authoritative sources.

The first section of the remainder of this article summarizes the authoritative Chinese viewpoint on the arbitration submission and the judgment of the tribunal. The second section presents the non-authoritative sources, identifying a wider range of viewpoints that are largely repetitive of the authoritative position in most cases but nonetheless include some interesting variations. Finally, the conclusion offers some thoughts on the larger implications of the findings for the management of maritime disputes involving China, for U.S.-China security relations, and for Asian stability going forward.

Authoritative Sources

The abovementioned major authoritative Chinese documents lay out in considerable detail the Chinese stance toward Manila’s submission and the judgment of the tribunal. They are by and large mutually reinforcing and consistent, with little if any variation.

In essence, the Chinese position covers four main points. First, by unilaterally initiating arbitration by a third party (the PCA-hosted tribunal), Manila clearly violated its presumably binding commitment, established through several formal bilateral Sino-Filipino agreements and originally affirmed by both countries in the 2002 Declaration of Conduct regarding SCS disputes, to settle their relevant disputes only through bilateral negotiation and to exclude any third-party procedure. Hence, Manila’s submission constitutes a “deliberate act of bad faith” and a violation of the international legal norm pacta sunt servanda (“agreements must be kept”), and “the compulsory third-party dispute settlement procedures under UNCLOS do not apply.” Because of this, Manila had no right to seek third-party involvement, and that action imposes no obligation on China.

Beijing cites UNCLOS to support its assertion that when two states agree to settle disputes relevant to UNCLOS via their own peaceful method (as Manila and Beijing allegedly did), UNCLOS dispute-resolution procedures apply “only where no settlement has been reached by recourse to such means and the agreement between the parties does not exclude any further procedure.” Since, according to Beijing, “the two states have never engaged in any negotiation on [the subject matters of the arbitration]” and both states have excluded third-party settlement procedures, Manila’s unilateral submission has violated UNCLOS and in particular “the right, as provided for in UNCLOS, of a State Party to UNCLOS to choose the means of dispute settlement of its own will.”

Second, authoritative Chinese sources insist that Manila “camouflaged its submissions” to the tribunal by presenting them as isolated, non-sovereignty-related issues requiring narrow interpretation in relation to UNCLOS provisions, when in fact they all relate to issues of territorial sovereignty and maritime delimitation between Manila and Beijing.

Moreover, in its Position Paper of December 7, 2014, Beijing stated: “China believes that the nature and maritime entitlements of certain maritime features in the South China Sea cannot be considered in isolation from the issue of sovereignty.”
Since the UNCLOS-based arbitral tribunal cannot address sovereignty issues, and because Beijing in 2006 had formally and legitimately excluded itself from “the compulsory dispute settlement procedures of UNCLOS disputes concerning, among others, maritime delimitation,” pursuant to Article 298 of UNCLOS, Manila’s submissions constitute “an abuse of the UNCLOS dispute settlement procedures” and by implication fall outside the purview of any UNCLOS-based tribunal.\textsuperscript{10}

Third, because of the preceding point, the sources argue that “the Arbitral Tribunal in the South China Sea arbitration established at the Philippines’ unilateral request has, [from the beginning], no jurisdiction, and awards rendered by it are null and void and have no binding force.”\textsuperscript{11}

Vice Foreign Minister Zhang Yesui adds: “China opposes and will not accept any proposition and action based on the award and will never negotiate with any other country over the South China Sea based on the illegal award.”\textsuperscript{12}

Fourth, in addressing both Manila’s submission and the specific judgments of the arbitral tribunal, authoritative sources assert that it is contrary to “widely recognized international law” to treat the Nansha [Spratly] Islands separately in assessing their maritime features, as both entities have done.\textsuperscript{13}

Beyond the above four main elements of the authoritative Chinese position on Manila’s submission and the arbitral tribunal’s various rulings, other authoritative sources have provided further, arguably more provocative supporting points, including attacks on the U.S. and other powers. For example, State Councilor Yang Jiechi asserted on July 14 in an interview to state media that “Certain countries outside the region have attempted to deny China’s sovereign rights and interests in the South China Sea through the arbitration.”\textsuperscript{14} “Certain countries outside the region” presumably include the United States and perhaps Japan and some European countries.

More explicitly, the Foreign Ministry spokesperson stated on July 13, in characterizing a U.S. State Department statement calling for Beijing and Manila to comply with the legally binding ruling of the arbitral tribunal, that Washington “turned a blind eye to the facts” and thereby

went against the spirit of the rule of law, international law, basic norms governing international relations, and its declaration of not taking sides on issues concerning territorial disputes. . . . [The United States] keeps urging others to abide by the United Nations Convention on the Law of the Sea (UNCLOS) while refusing to ratify the Convention to this day.\textsuperscript{15}

Other authoritative Chinese sources openly criticized the alleged hypocrisy of the U.S. and other states (in particular Japan and Australia) for supporting the ruling:

while advocating “the rule of law on the sea”, it has not acceded to the United Nations Convention on the Law of the Sea (UNCLOS). While
insisting that China must accept the arbitration award, it chooses to forget the Nicaragua case in which it not only withdrew from the proceedings, refused to implement the ruling, but also revoked the declaration of accepting the compulsory jurisdiction by the International Court of Justice.16

Authoritative sources have also elaborated on the alleged perfidies of the arbitral tribunal and the damage the arbitration process has done to the international order. For example,

the arbitration runs counter to the spirit of international rule of law, puts regional peace and stability in jeopardy, and undermines the interests of the international community . . . the Arbitral Tribunal . . . has deviated from UNCLOS from the very beginning and overstepped and expanded its authority to render this award.17

The PRC ambassador to the U.S. (Cui Tiankai) adds:

What is astonishing is that this tribunal even belittles the Declaration on the Conduct of Parties in the South China Sea (DOC). The DOC is an instrument that is the result of a decade-long joint diplomatic efforts [sic] by China and ASEAN countries, and it embodies the solemn commitments of all parties concerned. This arbitration case will probably open the door of abusing arbitration procedures.18

Beyond such criticisms, however, authoritative sources have also explicitly impugned the basic authority and impartiality of the tribunal. As reported by the official PRC Foreign Ministry website, the PRC ambassador to South Africa asserted that “the Arbitral Tribunal is not representative, authoritative and credible and it cannot represent International Law and its award is certainly null and void.”19

Even more provocatively, authoritative sources have asserted that the arbitral tribunal lacked not only legitimacy but also impartiality because the individual who appointed most of the arbitrators, Shunji Yanai, the jurist and then president of ITLOS, is “a right-wing Japanese intent on ridding Japan of post-war arrangements.”20

Adding to these attacks, a PRC ambassador stated:

People are asking if the Philippines “hired the judges.” The composition of the tribunal is a result of political manipulation . . . The composition of the tribunal is quite weird: four of the five arbitrators are from Europe, the fifth one is a permanent resident in Europe, and all of them are lack of basic understanding of Asian culture and the South China Sea issue.21

While leveling such attacks and criticisms, authoritative sources also assert: “China will stay committed to following a path of peaceful development, to resolving the disputes in the South China Sea through negotiation and consultation.”22
Indeed, Vice Foreign Minister Liu Zhenmin said at a July 13 press conference that China had “noted that the new Philippine government led by President Duterte was positive about resuming dialogue with China and moving forward the bilateral relationship from different aspects. We welcome that with our door widely open.”23

Finally, the Chinese military has issued few authoritative statements on the arbitration and its implications. However, the comments have repeated the categorical statement of other such sources.24

Non-Authoritative Sources

A variety of non-authoritative Chinese sources have commented upon the Philippine submission and the ruling of the arbitral tribunal. Most of these sources have largely repeated the authoritative stance of the Chinese government described above. That said, one can detect some interesting variations among these sources in their embellishments on the official viewpoint, and more notably in the conclusions they draw about the implications of the ruling.25

This section will focus on such variations, and less on those many sources that simply repeat the authoritative stance (in many cases word for word).

Perhaps the most significant non-authoritative source commenting on the arbitration issue is Zhong Sheng. As noted above, while no longer regarded as semi-authoritative, it is undoubtedly very prominent. Prior to the July 2016 tribunal decision, Zhong Sheng was a loud voice critical of Manila for hiding its real intent in making the submission of advancing its sovereignty position while undermining that of China, for ignoring and distorting history and existing agreements with Beijing, for belittling the DOC, and for generally engaging in “political provocation.”26

Also, in charging that the Philippines “dismembered China’s historical rights and falsely claims that China’s rights within the nine-dashed line are not legally binding, according to UNCLOS,” one Zhong Sheng article asserts that

UNCLOS is not a legally binding standard by which to judge China’s historical rights. Neither does the arbitral court have the right to exceed the boundaries set by UNCLOS nor make a judgment on historical rights based on customary international law.27

After the tribunal decision, Zhong Sheng continued as a major commentator on the issue. Of particular note is an eight-part series of articles that appeared from July 13 to 23 in People’s Daily. Identified as an editorial, the articles contained even more pointed attacks on Manila, as well as on the U.S. and other Western powers, Japan, the tribunal, and the tribunal process. One article asserted that U.S.-led Western powers manipulated the process knowing “that the so-called arbitration case had no legal grounds.”28
Another article criticized the tribunal for setting “a ridiculous standard for the territorial status of islands and reefs,” and characterized the arbitration as “full of lies” and producing a “foul atmosphere.”

And of course, articles excoriated the U.S. for its alleged hypocrisy in championing the UNCLOS arbitration process while refusing to be subjected to that process, and itself rejecting past decisions by UN judicial bodies.

While again often parroting the authoritative viewpoint, less-prominent non-authoritative Chinese sources also provided some interesting takes on the issue, both before and after the ruling in July.

Before the ruling, a researcher at the Center for Chinese Maritime Development asserted that Beijing should target key decision-makers in the Philippines government in order to force Manila to withdraw the lawsuit; expand its discourse on the South China Sea through academic seminars and make its voice heard in the international stage; and clarify its position on the 9DL as an outer boundary line of jurisdiction over maritime space in the South China Sea and thereby “abandon” the UNCLOS notion of a 200-nautical-mile exclusive economic zone (EEZ) for China.

In an equally alarming manner, a professor at National Defense University asserted that Beijing must grasp that the arbitration case is “the most serious geopolitical crisis that China has faced since Reform and Opening Up.” This is apparently because the event has aided greatly U.S.-led efforts to “smear China’s image and encourage other countries to take actions that harm China’s interests.” The author calls on Beijing to more effectively employ nonmilitary means to advance its interests, as the U.S. has allegedly done in this case.

Another source conveys the views and recommendations of scholars at five Chinese think tanks on the ruling and Chinese policy. Most notable are expectations that Washington will use the verdict to pressure and undermine China, casting it as “unruly,” while Manila will use it as a “bargaining chip” with Beijing. In response, some experts assert Beijing must enhance crisis-management mechanisms and dialogues with the U.S. while using its “trade leverage, international law, and military preparations as the ‘three weapons’ to overturn the verdict.”

Other sources also offer recommendations on how Beijing should respond to the verdict. Most notably, Huang Wei, an associate professor at Wuhan University Institute of Boundary and Ocean Studies, states: “If China can take this opportunity and promote its practices and positions in the South China Sea, it can improve the international rule of law in a way that benefits China.”

More broadly, other non-authoritative sources have cast the tribunal issue within the larger context of the changing strategic balance between Beijing and Washington. For example, Liang Fang, a professor at the Strategic Research Department from the National Defense University, argues that after the verdict the U.S. will likely expand its “rebalance
to Asia” strategy, strengthen its alliance systems, resume the U.S.-Japan-Australia-India security dialogue mechanism, and escalate tensions in the region. In response to such actions, Liang recommends that Beijing must claim complete sovereign rights over water areas within the 9DL, continue land reclamation activities, increase the ability to control potential threats, and win the public opinion and propaganda war.34

In a partial contrast to such recommendations, Ding Gang, a senior researcher at the Chongyang Finance Institute of the Renmin University, argues that the South China Sea tribunal and its verdict could “become a turning point in raising or lowering” Sino-U.S. strategic tension.35 For Ding, the best means of attaining the latter outcome is for both sides to use the verdict to establish a balance of power that preserves some distance between the two nations in the South China Sea.

Zhu Feng, executive director of the China Center for Collaborative Studies of the South China Sea and dean of the Nanjing University School of International Studies, expresses another somewhat more moderate view. While largely reflecting mainstream views on the challenge posed by the arbitration, Zhu asserts that Beijing must increase the effectiveness of its diplomatic, legal, and public opinion positions, by, for example, getting Chinese research and other institutions to come up with China’s own interpretation of UNCLOS.36

Another unconventional view of the implications of the ruling for China is provided by Shen Dingli, a professor and vice dean at the Institute of International Studies, Fudan University. Shen argues that the verdict has placed great pressure on Beijing’s past essential strategy of balancing support for UNCLOS (despite the possible limits it imposes on China’s maritime economic rights) while maintaining its more expansive historical resource claims based on the nine-dashed line. By invalidating the latter, according to Shen, the verdict has weakened the ability of China to support UNCLOS, and has undermined efforts at negotiation.37

Concluding Remarks
The most significant aspects of the above Chinese viewpoints on the South China Sea arbitration issue are as follows:

First, the categorical and complete Chinese rejection of the arbitration process and the tribunal’s ruling as illegal, illegitimate, a serious threat to vital Chinese interests, and damaging to the international legal order and regional stability strongly indicates that Beijing is highly unlikely to accommodate to (much less accept) the ruling in any foreseeable time frame. This is reinforced by Beijing’s strong view that the entire process and ruling were created and manipulated by the U.S. and other powers to weaken China and foment disorder in the region, and that the U.S. is highly hypocritical in supporting the ruling.

Second, the above in turn strongly suggests not only that the arbitration process has inadvertently deepened the strategic rivalry between the U.S. and China but also that overt efforts by the U.S. and other powers to press Beijing to accept the ruling will almost
certainly prove to be extremely damaging to regional order and to Sino-U.S. relations. No external entity exists to enforce the ruling, and while Beijing may eventually come to accept aspects of it, this will most likely only occur over the long term, and as a result of growing awareness in Beijing that its stance on the issue is having a serious negative impact on the PRC’s prestige and influence in the global order, on important inter-state relationships, and on China’s international image as a peace-oriented, law-abiding citizen of the global community.

Third, the apparent Chinese belief that no third-party entity, whether UNCLOS-based or otherwise, can make any authoritative judgment about the specific geographical context relating to territorial sovereignty disputes (e.g., concerning the nature of land features and related maritime zones) largely makes such entities irrelevant to Beijing in clarifying important aspects of such disputes. For Beijing, the only relevant means of doing this is via bilateral diplomatic negotiations between the disputants.

In particular, on two specific aspects of the South China Sea dispute (i.e., the nature and extent of a) maritime sovereignty-related zones near the Spratly Islands and b) Beijing’s historical rights across the entire maritime region), Chinese views confirm that Beijing rejects the notion, held by many Western legal scholars and apparently the arbitral tribunal itself, that UNCLOS can serve as the primary if not sole authority on such matters. Moreover, such views indicate that Beijing regards the islands as an integral unit deserving an internal territorial sea and an EEZ, and believes that it enjoys some type of undefined, non–UNCLOS-based, privileged right to exploit maritime resources throughout the huge area contained within the 9DL. The latter view is primarily conveyed by non-authoritative sources, but is at least implied in authoritative sources.

This arguably extreme, categorical position, evident in both authoritative and non-authoritative sources, places Beijing in opposition to the apparently prevailing Western notion that legal entities such as UNCLOS have an essential (albeit indirect) positive role to play in maritime sovereignty disputes. Hence, this fundamental Sino-Western division over the application of international legal agreements to sovereignty disputes will arguably increase the notion among some (primarily Western) observers that Beijing does not support the international legal order.

Fourth, on the positive side, both authoritative and non-authoritative Chinese sources suggest that, despite the furor and extremism resulting from the arbitration issue, Beijing will continue to support the use of peaceful, negotiated methods in addressing the SCS disputes. Indeed, it apparently welcomes a renewed effort at diplomatic negotiation with Manila and presumably other claimants.

That said, non-authoritative Chinese sources also confirm that some civilian and military observers favor the use of clearly provocative, escalatory actions in response to the ruling. This is of course no surprise. There is little doubt that hardliners on the South China Sea disputes exist within Chinese expert and policy circles. Fortunately, no authoritative Chinese source openly endorses such behavior.
Finally, most Chinese sources of whatever type seem to suggest that long-term Chinese responses to the ruling will depend most importantly on what others do in the future. This might be of little consolation to many, but it at least suggests that other powers could contribute to minimizing the damage generated by the arbitration issue and perhaps even turn it into a genuinely renewed effort at confidence building, crisis avoidance, and the establishment of a more stable modus vivendi in the South China Sea.

Notes
2 “Press Release: the South China Sea Arbitration.”

7 “Full Text: China Adheres to the Position of Settling Through Negotiation the Relevant Disputes Between China and the Philippines in the South China Sea.”


10 “Full Text: China Adheres to the Position of Settling Through Negotiation the Relevant Disputes Between China and the Philippines in the South China Sea.”

11 Ibid.


16 PRC Ministry of Foreign Affairs, “Dao Inhabits People’s Hearts (from Chinese Embassy in Malaysia) Huang Huikang,” July 21, 2016, http://www.fmprc.gov.cn/mfa_eng/wjb_663304/zwjig_665342/zwbd_665378/t1383350.shtml. Also see PRC Ministry of Foreign Affairs, “Foreign Ministry Spokesperson Lu Kang’s Remarks on the Joint Statement on South China Sea and East China Sea Issued by Japan, US and Australia,” July 28, 2016, http://www.fmprc.gov.cn/mfa_eng/xwfw_665399/s2510_665401/t1385297.shtml. Lu states: “For a while, Japan, US, Australia have been preaching international law at any given opportunity. As a matter of fact, when it comes to international law, these three countries have always been applying double standards: adopt whatever serves their purposes and disavow the rest. They are in no position to point fingers at other countries.”
17 “Yang Jiechi Gives Interview to State Media on the So-called Award by the Arbitral Tribunal.”
20 “Yang Jiechi Gives Interview to State Media on the So-called Award by the Arbitral Tribunal.”

21 “Dao Inhabits People’s Hearts (from Chinese Embassy in Malaysia) Huang Huikang.”
22 “Yang Jiechi Gives Interview to State Media on the So-called Award by the Arbitral Tribunal.”
25 At least one Hong Kong media source argues, based on interviews, that many Chinese international relations and law experts “have questioned the central government’s handling of the case, complaining that politics appears to have been deemed more important than international legal considerations. They have argued that China should not have abstained itself from the highly charged legal proceedings.” See Shi Jiangtao, “Is Beijing Courting Disaster by Shunning South China Sea Tribunal?” South China Morning Post, June 20, 2016, http://www.scmp.com/news/china/diplomacy-defence/article/1977418/beijing-courting-disaster-shunning-south-china-sea.


