A COMPARATIVE ANALYSIS OF DISPUTE RESOLUTION DYNAMICS IN ASIA

Pawel Voronin

Introduction

The overarching theme of this essay is the question of China’s rise to prominence in the international community following the end of the Cold War and whether or not this rise will be peaceful. Growth in economic power and population numbers project that China will become the leading world power within several decades, regardless of the course its government takes.

Historically, power transitions have been accompanied by military conflict as one power seeks to maintain its hegemony and the associated international system underpinning its rule while an emerging power seeks to carve out spheres of influence and change international institutions to suit its interests. This is the realist interpretation of international relations. In fact, realist scholars such as John Mearsheimer insist that China will try to push the US out of the Asia-Pacific region.¹

While the US-China rivalry is about great power competition on a global scale, there is also the question of China’s rivalry with regional powers. To the north, it faces Russia, which is re-emerging from the crisis-riddled aftermath of the Cold War to the centre stage of international politics. To the South, India, the world’s most populous democracy is rising almost as dynamically as China. To the East and Southeast, China is facing a host of middle powers in Japan, Korea and Australia, as well as an increasingly close-knit group in the Association of Southeast Asian Nations (ASEAN).

As China grows stronger in the face of its neighbours, we could expect Beijing to become more expansionist.² The PRC has invested heavily in military modernisation, acquiring capabilities to project force beyond the borders of China. Yet, in many territorial disputes, it has refrained from using force to achieve favourable outcomes against often much weaker neighbours. To the contrary, compromises were achieved in several of these disputes. This study seeks to examine why this occurred in some disputes but not others.

Many of the more theoretical texts on the subject have adopted a “billiard-ball” model of interaction between states, with states being portrayed as unitary actors.³ However, in the cases that will be examined here, it becomes evident that different actors and institutions within states need to be taken into account. Any foreign policy move is restricted by domestic issues and the acceptance of foreign policy outcomes by the domestic audience.⁴ Balancing actions within China as well as within the states it has negotiated with are important to understanding the dynamics that led to resolution of some disputes and not others.

disputes analysed in this study, we consider tensions within governments, such as the competition between Chinese government agencies in the South China Sea as well as the tensions between Kyrgyzstan’s Presidency and Parliament in the country’s border dispute with China.

Issues of territory have become one of the main drivers of military confrontation between states. National borders may lose importance, yet they remain the main cause for armed confrontation between countries. Understanding the dynamics of border disputes therefore increases our understanding of and our ability to prevent violent conflict.

At the same time China is becoming one of the most important countries in the world. It would therefore be useful for the international community to understand the way Beijing operates in territorial disputes in order to prevent the large-scale wars that proponents of the rise of a “revisionist China” expect. Seeing as we have entered a period of power transition and uncertainty under a multipolar world order, understanding territorial dispute settlement around China also helps to shed light on whether such transitions must inevitably lead to armed conflict or under what circumstances this can be avoided.

This study aims to contribute in answering this question through a comparative analysis of resolved and unresolved territorial disputes between China and groups of neighbouring states between 1986 and 2013. It will draw on evidence from previous comparative analysis such as those undertaken by Taylor Fravel and more issue-specific evidence on the individual cases.

While previous studies have focussed rather exclusively on Chinese behaviour, this text will examine both sides of the dispute. It is true that, as the more powerful state, the decision between compromise and conflict often rests with China. But no dispute can be solved without the will of both sides and even small powers can be very intransigent when it comes to territorial compromise. Furthermore, this study will examine the conflicts in light of regional dynamics, hoping to shed light on their influence in bilateral and multilateral phases in the disputes.

The territorial perspective: Characteristics of the disputed areas

Disagreements over territory have come to be seen as “perhaps the most important single cause of war between states in the last two or three centuries”. Scholars who have analysed the impact of territorial disputes on interstate conflict have found that territory matters for three reasons: “its tangible contents or attributes, its intangible or psychological value, and its effects on a state’s reputation”. If this is the case, then states should also be expected to go to war more often over stretches of land that are perceived to be more valuable and be less likely to give up valuable territories to other states. This allows us to define the first independent variable and to form our first hypothesis:

Independent Variable 1: The value of the territory

Hypothesis 1: The higher the value attached to a given territory, the less likely a

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It is difficult to assign numerical values to a given part of territory. While area and population figures can be found, other potential sources of value such as the economic capacity and the exact volume of natural resources the area contains are not easily available. Furthermore, intangible and psychological factors such as the distance to centres of power cannot be easily quantified. Apart from this, the loss or gain to a state's reputation is also not measurable. However, in the case studies considered in this paper we can compare the value attached to the territories and draw connections to whether or not compromises have been reached in the disputes over these territories.

In terms of area, the disputed territories in Central and Northern Asia are far larger than the combined land area of the islands in the South China Sea. However, considering that control of the islands allows states to claim far ranging EEZs in the South China Sea, the latter could be considered as the larger area under dispute. Nonetheless, we should keep in mind that for small states such as Tajikistan, the relatively small area under dispute constituted a sizeable portion of the country.

In terms of natural resources, while the South China Sea promises to contain large reserves of oil and fish resources, territories in Central Asia also contain hydrocarbons. The question of oil and gas exploration illustrates the problematic aspects of analyzing territorial values for dispute resolution.

Intransigence in territorial disputes over land containing oil and gas deposits does not actually yield access to these deposits. While China could begin drilling in the South China Sea, it is unlikely to gain international partners that could provide necessary technologies unless the dispute is settled. In Central Asia, the peaceful settlement of territorial issues has allowed China, Russia and the states of Central Asia to engage in far-reaching agreements over joint exploration of hydrocarbon resources. With reaching a compromise, China may have ceded a large part of disputed territory but has gained partners in its intensifying search for oil and gas.

The benefits of territory can therefore not only be measured by the resources they contain as benefits achieved from cooperation can far outweigh the value of disputed territory. In this regard, the South China Sea is actually less valuable. Economic relations with Southeast Asian states are already established and are not contingent on dispute resolution. Even though escalations in the South China Sea could disrupt bilateral economic relations, the incidents over the last two decades have passed without serious disruptions.

Central Asian states had strong incentives to normalise their relations with China: economic aid, joint development of industry, and new export markets for natural resources and other goods for landlocked countries with few other close by markets and none as dynamically developing as China's. Central Asia has a geographic disadvantage compared to South East Asia, they are landlocked and thus less able to access international markets by sea. Overland, only Russia and China are close, while instability in Afghanistan prevents transit to South Asia. However, it is possible that the benefits are only tangible for elites. While national territory is traded away for other

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concessions, it is questionable, whether the population benefits or closely knit government circles, as the disagreements between Kyrgyzstan’s President and Parliament illustrate. Nonetheless, the psychological value is equally shared between elites and population.

In terms of psychological value, the South China Sea seems to be more salient because of the high degree of politicisation of the dispute in China, Vietnam and the Philippines. The disputed territories in Central Asia were both far from Beijing and China’s economic and population core along its eastern coastline. However, for Kazakhstan, Kyrgyzstan and Tajikistan, the disputed areas were part of their state core, while Russia saw its Far Eastern regions threatened by potential Chinese encroachment.

For these reasons, it is impossible to conclude that there is a marked difference in perceived value between the South China Sea and the territories in Central and Northern Asia. If only China’s position is analysed, the latter territories are less valuable both economically and psychologically. And China’s compromises in Central Asia can be somewhat explained by this variable. Nonetheless, Xinjiang and Manchuria (especially in its historical dimensions) cannot be discounted easily in value for Beijing. Additionally, if we take the attached values of states other than China into account, the value of territories loses its explanatory power.

Related to the question of value as an explanatory factor is the type of territory under dispute. Quantitative studies show that territorial disputes are more likely to lead to militarised conflict and less likely to be settled peacefully than maritime or river disputes. Again, we cannot find evidence for this explanation to apply to the disputes analysed in this study.

An illustration can be found in the conflicts between China and Vietnam: The two countries fought a fierce border war in 1979. While the confrontation took place along a disputed border, it was not fought mainly for territorial reasons. China had a wider strategic objective of limiting Soviet and Vietnamese expansion in Southeast Asia, most recently in Cambodia, and launched the offensive. Despite a history of confrontations, the border dispute was resolved on Vietnam’s initiative in 1999 while the two countries’ maritime border in the Gulf of Tonkin was resolved in 2000. Meanwhile, the dispute over the Paracel Islands continues.

As demonstrated above, neither the value nor the type of territory provide a sufficient explanation for the resolution of territorial disputes between China’s northern neighbours and the irresolution of the South China Sea disputes.

**Strategic balancing and regional rivalries**

Disagreements over territory do not exist in a void free from other political and strategic questions. While negotiators may be occupied solely with the dispute, leaders have to sign the agreements. Their decisions depend not only on the factors within

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10 International Crisis Group. Stirring up the South China Sea (II. 2012)

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the dispute but on larger questions affecting the situation of their states. One of these factors is the presence or absence of a strategic rivalry between the parties:

“The prevailing idea that contested territorial claims emerge, lead to militarized uses of force when states assert contending claims, and then produce interstate rivalries that occasionally lead to war escalation is not in fact the norm. More commonly, we find that some territorial disagreements are embedded within rivalry contexts and that these are the ones that are most likely to develop into armed clashes.”14

Therefore we can analyse whether strategic rivalries and balancing strategies explain the different outcomes found in the two cases.

**Independent Variable 2: The presence of strategic rivalries**

**Hypothesis 2: The stronger strategic rivalries between parties to a territorial dispute, the less likely is a peaceful resolution**

In both of the two cases discussed above, strategic rivalries were present. The ideological and strategic struggle between the Soviet Union and China corresponded to decades of irresolution in their territorial dispute. Only with the impending collapse of the USSR a compromise solution became possible. Furthermore, as the strategic rivalry between Russia and China weakened, there emerged a shared concern over the predominance of the United States in the international system. This “unipolar moment”15 in the early 1990s, when the U.S. assumed a leading role as the remaining superpower, led Russia and China to look to each other as a counterbalance to the United States. This could mean that the stronger a strategic interest is shared between the parties to a dispute, the more likely a resolution is.

The predominance of the United States was not the only strategic concern shared between Russia, China and the states of Central Asia. As we have discussed in the case study above, the formation of the Shanghai Cooperation Organisation, while emerging from the boundary negotiations, is closely tied to a shared strategic concern with battling separatism and extremism in the region. Additionally, regional organisations create network effects that act in parallel to direct diplomatic ties, further strengthening shared strategic interests.16 In fact, the SCO can be understood as an alliance that conducts military exercises and aims to increase coordination potentials between the armed forces of regional states. While they are primarily directed against insurgencies, coordination effects apply on a broader scale.17

Therefore, the successful resolution process in China’s border disputes with Russia and Central Asia could be understood as an effect of shared strategic interests. However, a central motive of regional cooperation in Central Asia is the stability of regimes.18 Prior to U.S. involvement in Central Asia, unipolarity and the growth of the United States’ status as a remaining su-

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perpower was not of much concern to the newly independent states of Central Asia. Even after September 11th, these states largely profited from U.S. presence both in terms of financial and military assistance as well as a balancing factor to the growth of Russian power in the region.

While cooperation with China could be understood as a balancing strategy for Central Asian states that feared Russian predominance, the evidence of the negotiation process (which involved joint delegations under Russian leadership) as well as the emerging regional organisations (in which Russia is a leading member) points in the opposite direction. This means that, from a Central Asian perspective, the strategic rivalry factor is of secondary importance.

The case of the South China Sea provides better evidence for the importance of strategic rivalries. The leading regional format with ASEAN and China is often characterised as a strategic rivalry in itself. The smaller states of Southeast Asia prefer using the multilateral format offered by ASEAN to confront the regional superpower China.19

This is particularly salient if the U.S. support for ASEAN members is taken into account. In 1951, the United States signed a mutual defence treaty with the Philippines and has extensive partnerships with Thailand. While the islands claimed by the in the South China Sea disputes are not covered by the agreement with the U.S., the strategic rivalry continues over the recent U.S. “pivot” to Asia and its continued support for Japan and Taiwan.20

In China’s disputes with Vietnam, the reduction of strategic rivalry after the collapse of the Soviet Union has led to almost immediate resumption of negotiations and the eventual conclusion of an agreement on the land border and the maritime boundary between the two countries in the Gulf of Tonkin.21 Nonetheless, there were no negotiations concerning the status of the Paracel Islands, occupied by China in 1974 and continuing to be under its sole control.

The case of the South China Sea provides evidence to the importance of strategic rivalries in the resolution of territorial disputes. However, China has behaved differently in past disputes along its other borders. Comprehensive studies of China’s behaviour have shown that concerns over regime security are the most important motivator for compromise and that alliances or open rivalries made little difference in Beijing’s stance on territorial disputes.22

Additionally, concerning the South China Sea we find that increased Chinese moderation seems to come as a response to increased US involvement in Asia.23 As Beijing is not willing to risk open confrontation with the United States over islands in the South China Sea, it has reduced its assertiveness over the island dispute. However, the main question is over how long this state of affairs will last.

There is a vibrant debate on whether China can be considered a “status-quo” power without territorial ambitions beyond its borders or whether it is a revisionist power seeking to expand its influence and become a regional or even global hegemon

23 Fravel, T. All Quiet in the South China Sea. 2012.
against the background of its growing economic and military power.

Realists like John Mearsheimer argue that the latter development is unavoidable and that China, as a rising power, is doomed to clash with the current hegemon, the United States, eventually.24 Others, like Robert Ross, argue that China is a conservative power that seeks to “consolidate regional trends and promote stability”.25

Evidence for the latter proposition is provided by the resolution process in Central Asia, as discussed in the first case study. The disagreements over borders in Central Asia demonstrated that it is difficult for any side to make an argument based on historic grievances. The Russian Empire’s expansion is named the “longest and widest land corridor of territorial expansion in the history of colonialism”26. Nonetheless, China did not seek to regain lost territories, even in a moment of profound Russian weakness in the early 1990s. Historic rhetoric, while used both in Northeast Asia and in the South China Sea, does not necessarily correspond with political demands. China is defining its moment of maximum expansion much in the same way that Russia is defining territories acquired in the 19th century as its legitimate sovereign territory. Both countries have recognised the futility of engaging in discussions of legitimacy of century-old conquests in today’s international system. Even though governments can score points domestically, the risks to peaceful resolutions with neighbours outweigh the benefits. This issue has been recognised by Chinese scholars and a change in Chinese historiography has taken place in the 1990s, portraying national borders as the product of an evolutionary process, rather than an unchangeable historic fact.27

In the South China Sea, the strategic rivalry is not only based on historic claims but also on current strategic imperatives for China, the states of Southeast Asia and the United States. If the latter decides to see China’s rise as a threat to its own interests and takes preventive measures, a self-fulfilling prophecy could be the result and China would become the antagonist feared by the U.S.28

If such a confrontation takes place, it will likely be played out in the South China Sea. There is ample evidence that the factor of strategic rivalry explains the lack of dispute resolution over the Paracel and Spratly Islands. At the same time, it only partially explains the success of dispute resolution in Central Asia, where a shared concern over regime security seems to have played a larger role.

Regime insecurity as a motivator for cooperation

Based on analyses of Chinese behaviour in territorial disputes, the question of strategy between compromise, delay and escalation has been found to be related to phases of regime insecurity for Beijing. As a result of uncertainty over its position, the government in Beijing has reacted to internal

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crises by cooperating in its territorial disputes.  

**Independent Variable 3: Regime security**

**Hypothesis 3:** The more insecure the regime of a party to a territorial dispute, the more likely it is to compromise and the more likely a successful resolution

It is difficult to measure regime security. However, we can point to events within the country that have made the government more or less secure in its position of power and legitimacy.

In the case of Central Asia, the Tiananmen Square demonstrations and uprisings in its predominantly ethnic Uighur region of Xinjiang have corresponded with Chinese compromises in territorial disputes in Central Asia. Additional evidence is provided by the fact that China was assured of Central Asian cooperation in limiting ethnic Uighur political groups at home in exchange for Chinese compromises on territory.

The regime security argument could also be applied to China’s neighbours. In the case of the border negotiations in Central Asia, all sides’ regimes were insecure, having just emerged into independence. The collapse of the Soviet Union has also led to a political and economic crisis in Russia at the beginning of the 1990s. Compared to the turmoil following the dismantling of the USSR, the regimes of Southeast Asia can be considered relatively stable.

However, it does not appear that fluctuation in Southeast Asian regime security has affected the willingness of these states to compromise in territorial disputes in the South China Sea. The Philippines went through different administrations and moments of government crises, but with only marginal changes to its negotiating position in the South China Sea disputes. Vietnam has remained relatively stable, although the loss of the Soviet Union as a sponsor has led the country to be more open to negotiations with China over territory that did not include the islands in the South China Sea. Having already lost the Paracels in 1974, national sentiment is strongly clinging to the territories they still hold. Taiwan is preoccupied with the issues of its own sovereignty and largely aligns its claims to those of the PRC. The evidence so far is inconclusive and a closer examination of Southeast Asian countries is needed to ascertain whether they have changed their position as a result of fluctuations in regime security.

Even applied to China, the regime security argument does not always hold in its position on the South China Sea. The transition to the 5th generation leadership of the Chinese Communist Party constituted a profound moment of insecurity for the regime, sometimes described as “the greatest political upheaval in years.” The Communist Party faced various challenges from outside, e.g. a rise in protest movements and internet-based criticism of its policies, as well as from within, as the rise and fall of Bo Xilai illustrates. While it is difficult to estimate the intrigues in the Zhongnanhai and the vast apparatus that is the Chinese Communist Party, we can nonetheless assume

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that there was a period of regime insecurity as the leadership changed in 2012.

While China did not change its stance to one of compromise, even heightening nationalist rhetoric on the South China Sea disputes, it did become more moderate following a rise in U.S. involvement in Southeast Asia in 2011. The timing of these policy changes is pointing somewhat more in favour of strategic balancing rather than regime security as the most important factor. Instead, China has behaved less assertively even before instability over the leadership transition became apparent, possibly believing that without further escalation the U.S. will not increase its presence in the South China Sea. The signing of the ASEAN Declaration of Conduct declaration is also seen as largely motivated by increased US involvement in 1998.33

In conclusion, regime security remains the factor that best explains success in Central Asia’s territorial disputes and provides a partial explanation for the lack of success in the South China Sea. The history of territorial disputes between China and its neighbours to the Northwest and Southeast illustrates the shortcomings of the arguments that China is an expansionist power seeking to regain lost territories. On the contrary, China seems to remain rooted in the mindset of a “satisfied empire with limited territorial ambitions”34 as under the Qing dynasty.

Nonetheless, China has shown that it is willing and able to achieve its objectives by force, as was seen in the Sino-Soviet border clash of 1969 and the incident with Vietnam over the Paracel Islands. China’s military build-up in the South China Sea can be seen as preparing for such a step by making it physically possible as well as by preparing the domestic audience for escalation.

However, this study has shown that other factors that an inherent expansionism play a more important role in whether or not territorial disputes around China are resolved peacefully. The disputes in Central Asia and in the South China Sea have more in common than widely assumed. Similar obstacles existed in Central Asia to those that preclude a breakthrough in the disputes over the South China Sea. At the forefront is a shared interest for joint exploration of the resources these regions have to offer. While the settlement of border disputes paved the way for economic cooperation in Central Asia, economic partnerships in the South China Sea are already strong and growing despite latent tensions.

What seems to preclude the settlement of the South China Sea dispute is a wider strategic rivalry between ASEAN and China. However, we also need to take into account regime security factors for China and possibly other states in Southeast Asia. If the region experiences a crisis that limits the existing economic cooperation, the parties could be forced to come to agreement over the South China Sea. Joint development may become a necessity.

33 Buszynski, L. ASEAN, the Declaration on Conduct, and the South China Sea. 2003.
Confrontation between China and the United States over the South China Sea is not inevitable, as concerns over strategic rivalry can be overcome by phases of regime insecurity that prompt China, and possibly the other countries surrounding the South China Sea to an agreement. Further analysis of regime security dynamics in Southeast Asia could shed light on this problem but are beyond the scope of this study.

As this study has demonstrated, strategic rivalry and regional dynamics matter in the two cases. The implication for the wider discipline of peace and conflict studies is that other disputes may benefit from an analysis in a regional perspective, including not just the two sides but the wider international framework.

A Comparative Analysis of Dispute Resolution Dynamics in Asia

Pawel Voronin, Political Scientist, M.A. graduate of MGIMO-University

Abstract. China’s rise to prominence in the international community following the end of the Cold War, the growth in economic power and population numbers project that China will become the leading world power within several decades, regardless of the course its government takes. The article aims to contribute to answering the question whether this rise will be peaceful through a comparative analysis of resolved and unresolved territorial disputes between China and groups of neighbouring states between 1986 and 2013. While previous studies have focused rather exclusively on Chinese behaviour, this text will examine both sides of the dispute and the behavior of the parties in light of regional dynamics.

Key words: China, territorial dispute, ASEAN, Asia-Pacific region.

References