

# Framework for Peace and Security in the Pacific: A Boston Global Forum Report



**By Boston Global Forum**

**February 2015**

This report is derived from Boston Global Forum (BGF) conferences. A range of views, some conflicting, were expressed by conference participants. Accordingly, the viewpoints expressed in this report are those of BGF and should not be attributed to individual participants.

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## Introduction

During the past year, the Boston Global Forum (BGF) held a series of online international conferences to address the problem of peace and security in the Pacific. The conferences focused on the tensions between China, the Philippines, Vietnam and Japan over claims to the South and East China seas. Conference participants included leading officials, scholars and policy analysts who have studied, written, lectured and published on the issue. A list of conference participants is appended to this report.

## Threats to Peace and Security in the Pacific

Since the 1980s, the Pacific area has been peaceful compared to the previous decades, which were marked by the Vietnam wars (1946-1975) and the Korean War (1950-1953).

Nevertheless, the Pacific region has not been free of conflict and the past few years have witnessed provocations in the South and East China Seas. These areas have strategic importance in terms of oil, gas, fish, and shipping. According to the Energy Information Administration (EIA), the seas under dispute are laden with vast quantities of natural gas and oil resources—some 11 billion barrels of oil and 190 trillion cubic feet of natural gas.<sup>1</sup> These waters also carry half of all global oil shipments and are vitally important to regional economies and the global economy.<sup>2</sup>

In the past few years, these waters have been a flashpoint. China's economy is heavily dependent on exports, and Beijing sees control of sea lanes as a key to continuing growth. China's aggressive claims to territory in the East and South China Seas also have a larger geopolitical goal—reducing U.S. influence in the region. The United States has largely used its influence to promote democracy, human rights, open seas, and market economies in Asia—objectives that are at odds with China's strategic regional objectives. China has largely used its influence to secure control of natural resources and assert influence over the internal politics of its weaker neighbors.

Despite President Obama's "pivot to Asia," China appears to see the United States in a retreat from Asia, illustrated by its loss of military basing rights in the Philippines, resulting in the closing of Clark Air Force Base in 1991 and Subic Bay Naval Base in 1992. Although the Seventh Fleet subsequently moved to Singapore, its base there is less close to China.

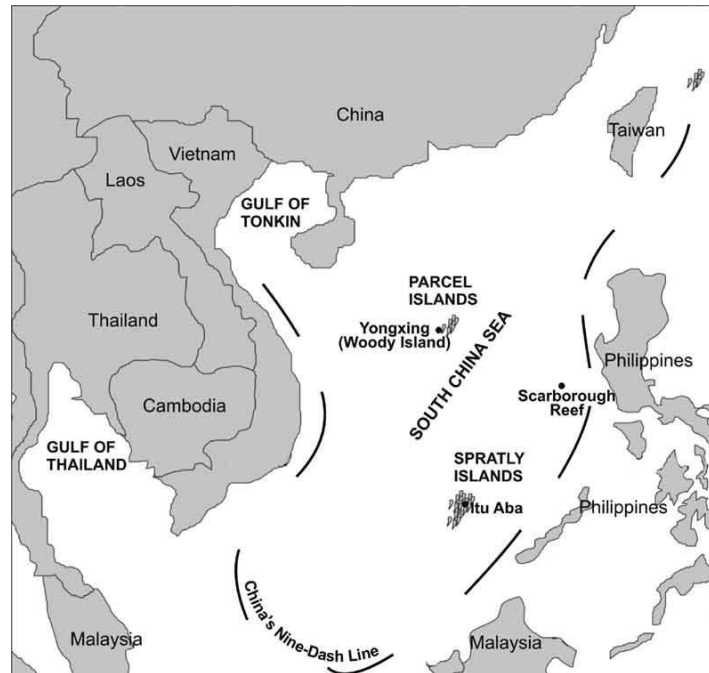
China has used its air and naval forces and even large militarized fishing boats to encroach upon and threaten its neighbors over shoals, islands, undersea oil fields, and fishing grounds. China

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<sup>1</sup> "U.S. Energy Information Administration - EIA - Independent Statistics and Analysis." U.S. Energy Information Administration (EIA). February 7, 2013. Accessed January 22, 2015. <http://www.eia.gov/countries/regions-topics.cfm?fips=scs>.

<sup>2</sup> Xu, Beina. "South China Sea Tensions." Council on Foreign Relations. May 14, 2014. Accessed January 22, 2015. <http://www.cfr.org/china/south-china-sea-tensions/p29790>.

claims these possessions as within its historical “nine-dash line,” which traverses the maritime territory of Japan, Vietnam, the Philippines, Brunei and Malaysia.



In 2012, China sent marine surveillance ships to surround Scarborough Shoal, 123 miles from the strategic port of Subic Bay and within Philippines’s 200-mile exclusive economic zone (EEZ). The Philippines sent naval boats to oppose the capture of Scarborough, but backed off to pursue a legal strategy instead.<sup>3</sup> Three years later, China still controls Scarborough Shoal.

In 2013, China used its air force to claim an Air Defense Zone (ADZ) over the seas recognized in international law as belonging to Japan. China announced that any aircraft in the zone would have to comply with ADZ composed of its regulations and restrictions, including a requirement that all flights through the region notify Chinese aeronautical authorities. Japan protested China’s actions, and the United States soon thereafter flew nuclear-capable bombers through the ADZ without notifying Beijing. The ADZ includes the Senkaku Islands, which Japan has controlled since 1895. China has contested Japan’s ownership of the island,<sup>4</sup> a dispute that escalated when Tokyo’s governor announced he would use public money to purchase the uninhabited islands from their private Japanese owner.<sup>5</sup> Although the islands are too small to support human life, Japan has argued that under the UN Convention on the Law of the Sea (UNCLOS), it should have an EEZ in the surrounding waters, which contain oil and gas reserves.

<sup>3</sup> If the legal strategy yields a judgment against China, as expected, the Philippines and United States will likely seek to enforce the judgment with an increased likelihood of accompanying conflict.

<sup>4</sup> “How Uninhabited Islands Soured China-Japan Ties.” *BBC News*. November 9, 2014. Accessed January 21, 2015. <http://www.bbc.com/news/world-asia-pacific-11341139>.

<sup>5</sup> “How uninhabited islands soured China-Japan ties.” *BBC*. November 9, 2014. Accessed January 26, 2015. <http://www.bbc.com/news/world-asia-pacific-11341139>.

In 2014, the China National Petroleum Corporation (CNPC) moved a \$1 billion USD exploratory oil drilling rig, HD 981, to the Paracel Islands in the South China Sea, within the 200-mile EEZ of Vietnam. In response, Vietnam sent a flotilla of unarmed boats to confront the rig. Chinese coast guard boats established a 12-mile perimeter around the rig, ramming smaller Vietnamese boats, while flooding them with water cannon. Chinese jet fighters made occasional passes over Vietnamese boats. The Vietnamese, like the Philippines earlier, eventually withdrew rather than risk the deaths of sailors and further escalation of the conflict, which in Vietnam had spread to anti-China protests and the looting and burning of several factories thought to be Chinese-owned. China eventually withdrew its drilling rig.

China has also picked U.S. targets. Included in these acts are a mid-air collision between a Chinese military aircraft and a U.S. Navy surveillance plane (EP-3); the harassment by Chinese fishing and paramilitary boats of the U.S. ship (Impeccable); and the recent close intercept by a Chinese jet fighter of a U.S. Navy P-8 maritime patrol aircraft.

China's tactics in the South China Sea have been described as "peacefully coercive". China has confined itself to aggressive actions that individually are insufficient to provoke a U.S. military response. China recognizes that diplomatic and trade interests force U.S. policymakers to mute their response. The U.S. and Chinese economies are deeply interdependent. According to Chinese and United States government sources, China accounts for 7 percent of the United States federal outstanding debt, \$540 billion of its bilateral trade and more than \$71 billion of FDI in the United States.<sup>6</sup>

In response to China's actions, the United States has tightened diplomatic and defense links with Vietnam, Malaysia, the Philippines, and Indonesia. In 2014, for example, the United States lifted a Vietnam War era arms embargo against Vietnam, enabling unprecedented military cooperation between the two countries. In 2012, United States Secretary of Defense Leon Panetta visited Cam Ranh Bay, a strategic deep water port in Vietnam. Earlier, the U.S. and Vietnam conducted a joint naval exercise—a practice that has continued and is now in its fifth year.

For their part, some of China's neighbors, including Japan, Indonesia, and Vietnam, have bolstered their defense capacity. Vietnam, for example, has acquired two Russian submarines capable of launching torpedoes and anti-ship missiles that could destroy a Chinese oil rig were it to deploy in Vietnamese waters. Whether Vietnam would take such action is unclear, but it at

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<sup>6</sup> Percentage calculated based on U.S. Treasury's November 2014 estimate of Chinese holdings of U.S. government debt, "Major Foreign Holders of Treasury Securities." United States Treasury. Accessed January 26, 2015. <http://www.treasury.gov/ticdata/Publish/mfh.txt> ; Trade statistic calculated based on U.S. Census data, "Trade in Goods with China." United States Census Bureau. Accessed January 26, 2015. <https://www.census.gov/foreign-trade/balance/c5700.html>. ; "US top destination for capital from China." *China Daily*. January 8, 2015. Accessed January 26, 2015. [http://usa.chinadaily.com.cn/us/2015-01/08/content\\_19268000.htm](http://usa.chinadaily.com.cn/us/2015-01/08/content_19268000.htm).

least has the capacity to do so.<sup>7</sup> Vietnam has also turned to India, which recently provided warships and entered into a joint agreement for oil exploration in the South China Sea.<sup>8</sup>

For its part, China is engaged in a substantial naval buildup. That buildup is part of a larger effort by China to modernize its military capacity. Since 1990, the Chinese government's published military expenditures in nominal terms have risen from \$6.1 billion to an estimated \$132 billion.<sup>9</sup> The Chinese navy has shifted from a defensive coastal capability to an open seas capacity.<sup>10</sup>

However, the balance of Pacific sea power greatly favors the United States. Its naval presence in the region far surpasses that of China. The U.S. Seventh Fleet includes more than 60 ships, 300 aircraft, and the only forward deployed aircraft carrier in the U.S. Navy. All told, the United States has ten carriers to China's one, which is a retrofitted ship purchased more than a decade ago from the Ukraine.

## Principles for Creating Peace and Security in the Pacific

Easing the tensions in the Pacific requires the establishment of a framework for international discussion and resolution of complex issues.

First, international law, where applicable, should be implemented as a means of resolving conflicts. Governments must act in accordance with international law when charged with a dispute, rather than resorting to military means.

Second, all countries should be treated with mutual respect at the negotiating table. Disparities in size and power are not a proper basis for relations among affected countries. Mutual respect requires greater openness, and transparency among all countries in the region.

### Principles for Creating Peace and Security in the Pacific

- 1. Respect for international law**
- 2. Mutual respect among affected countries**
- 3. Regional interdependence**
- 4. Multilateralism**

<sup>7</sup> Torode, Greg. "Vietnam Building Deterrent Against China in Disputed Seas with Submarines." *Reuters*. September 7, 2014. Accessed January 22, 2015. <http://www.reuters.com/article/2014/09/07/us-vietnam-submarines-china-insight-idUSKBN0H20SF20140907>.

<sup>8</sup> Miglani, Sanjeev. "India to supply Vietnam with naval vessels amid China disputes." *Reuters*. October 28, 2014. Accessed January 26, 2015. <http://in.reuters.com/article/2014/10/28/india-vietnam-idINKBN0IH0L020141028>.

<sup>9</sup> Wong, Edward. "China Announces 12.2% Increase in Military Budget." *The New York Times*. March 5, 2014. Accessed January 22, 2015. <http://www.nytimes.com/2014/03/06/world/asia/china-military-budget.html>. "Military." Spending. Accessed January 22, 2015. <http://www.globalsecurity.org/military/world/china/budget-table.htm>.

"China's Xi Assumes New Role Overseeing Military Reform." *Reuters*. March 15, 2014. Accessed January 22, 2015. <http://www.reuters.com/article/2014/03/15/us-china-defence-idUSBREA2E05W20140315>.

Stewart, Phil. "Chinese Military Spending Exceeds \$145 Billion, Drones Advanced: U.S." *Reuters*. June 6, 2014. Accessed January 22, 2015. <http://www.reuters.com/article/2014/06/06/us-usa-china-military-idUSKBN0EG2XK20140606>.

<sup>10</sup> "Pentagon Reports Show China's Military Strength Is Growing." *PBS*. Accessed January 22, 2015. <http://www.pbs.org/newshour/rundown/pentagon-reports-show-chinas-military-strength-growing/>.

Third, all parties should seek to promote regional interdependence. As history has shown, the benefits of negotiation and the costs of aggression are magnified when countries are linked through economic and social exchange. Although this does not always prevent war from breaking out,<sup>11</sup> countries with strong trade and investment ties are less likely to resort to armed conflict.

The fourth principle is multilateralism. All affected parties should be included in negotiations. No single nation or pair of nations can solve the problem of peace and security in the Pacific. Moreover, diplomatic arrangements tend to be longer lasting if all affected parties have a voice in the negotiations. The region's challenges are best addressed if the affected countries resolve their differences jointly.

## Policies to Promote Peace and Security in the Pacific

The nations of the Pacific community need policy solutions that will encourage and enforce respect for international laws and conventions, respect for common values and norms such as openness, transparency, development, opportunity, rule of law, and freedom of information.

All countries in Asia must uphold relevant international law in settling disputes. In particular, they must adhere to UNCLOS, which defines the territorial seas of nations and outlines their rights and responsibilities in their marine areas. In the absence of a solution to the territorial dispute through multilateral channels, an international court should make a final decision to adjudicate the disputed territories, including the South and East China Seas and the disputed Spratly, Paracel and Senkaku Islands.

So far, China has rejected UNCLOS as the instrument for settling maritime disputes, while also rejecting multilateral negotiations as a means of settling disputes. It has insisted upon bilateral negotiations with its weaker neighbors, a process aimed at giving China the upper hand but one that is inconsistent with the principles of decision-making through international law and multilateralism. Great powers have responsibility to uphold the international order, and China must be persuaded to act in accordance with this responsibility.

The ongoing arbitration case between the Philippines and China will serve as an important test case. Both sides should acknowledge, before and after the decision, the legitimacy of the court's judgment. This acknowledgement would establish a precedent that would substantially promote peace and security in the Pacific region.

To develop mutual respect among Pacific nations, states must move toward greater openness and transparency, as well as acceptance of domestic political differences. Mutual respect and trust also requires countries to avoid fomenting the rabid nationalism that serves only to heighten regional tensions. The governments of China and Japan, for example, have both stirred up nationalist sentiments that could prove dangerous. A recent opinion poll in China, for example,

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<sup>11</sup> Take, for instance, the classic example of how strong, special interests in Britain's merchant class and their business connections in Germany failed to prevent World War I.

found that 41 percent of respondents would support military action to secure control of the Senkaku Islands.<sup>12</sup>

Greater interdependence can be achieved in a number of ways but especially through the strengthening of economic ties. The Trans-Pacific Partnership is an important free trade initiative that includes the United States, Canada, Mexico, Australia, New Zealand, Japan, Singapore, Brunei, Chile, Malaysia, Peru, and Vietnam. In 2014, China proposed an Asian free trade partnership. Provided they do not become instruments of major-power rivalry, such arrangements create forms of interdependency that can dampen hostilities.

However, trade and assistance should not be seen as a simple solution in isolation. Along with trade and economic ties should come an effort to democratize autocratic governments. Historically, democracies have not waged war on each other, a claim that cannot be made of autocracies.

There is also a need for regional mechanisms for resolving conflict. In a Defense White Paper, the Australian government highlighted this need, noting that the establishment of the Association of South East Asian Nations (ASEAN) Regional Forum (ARF) is a step in this direction.<sup>13</sup> Although still evolving and constrained by the large differences in the participating countries, it provides a mechanism for the region's countries to reduce tension and misunderstanding through dialogue and holds out the promise of building trust among these countries. Since ARF was established, no tension between the involved countries has escalated into armed conflict. It should be strengthened.

Multilateralism should be applied broadly, not only for dispute resolution but also to build capacity for regional cooperation on a range of problems. Climate change is an area where multilateral negotiated agreements could contribute not only to a strengthened policy response but build capacity for cooperation in other areas.

Disaster relief also has this potential. The Philippines received considerable help, for instance, in dealing with the human and economic loss it suffered as a result of typhoon Haiyan. A multilateral approach to cybersecurity could also prove more effective than the bilateral efforts of the United States and China, which so far have been largely unproductive.<sup>14</sup>

The United States military presence in Asia should be expanded in the near term as a means of deterring China from aggressive behavior. China's recent actions have served to retard regional cooperation and erode regional trust, thereby delaying the type of mutual forward movement that

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<sup>12</sup> "A Glimpse Into Chinese Nationalism." *The Diplomat*. November 2014. Accessed January 26, 2015. <http://thediplomat.com/2014/11/a-glimpse-into-chinese-nationalism/>. ; Chubb, Andrew. "Exploring China's 'Maritime Consciousness': Public Opinion on the South and East China Sea Disputes." Perth USAsia Centre. 2014. [http://perthusasia.edu.au/usac/assets/media/docs/publications/2014\\_Exploring\\_Chinas\\_Maritime\\_Consciousness\\_Final.pdf](http://perthusasia.edu.au/usac/assets/media/docs/publications/2014_Exploring_Chinas_Maritime_Consciousness_Final.pdf).

<sup>13</sup> Robert Roy, "Australia's Strategic Approach," *NATO Review* 43:3 (1995): 25-30. Accessed February 11, 2015. <http://www.nato.int/docu/review/1995/9503-5.htm>

<sup>14</sup> "China Says It's Hard to Resume Cyber Security Talks with U.S." *Reuters*. October 19, 2014. Accessed January 22, 2015. <http://www.reuters.com/article/2014/10/19/us-china-usa-cybersecurity-idUSKCN0180GU20141019>.



is required to promote peace and security in the Pacific. U.S. military power is the only conceivable deterrent to a further heightening of Chinese aggression in the region.

The importance of a strong U.S. presence in the region also rests on its commitment to orderly institutions and processes as a means of promoting peace, security, and prosperity. The international system (including the UN and the World Bank) that the United States helped construct after World War II was designed to be inclusive. China has already benefitted from that system. It has, for example, been granted a seat on the UN Security Council and been admitted to the WTO. China needs to more fully understand the benefits of that model and apply it in dealings with its neighbors. International law is not self-executing, depending instead on compliance by affected parties, even when not in their immediate self-interest. Nations need to look at disputes in terms of the long run and what is required over time for them to live and work in harmony with other nations.

The Shangri-La Dialogues, which periodically bring together the region's defense ministers, should be strengthened and limited to friendly nations as a means of strengthening collective security. Such efforts could be interpreted by China as hostile action, leading it to additional provocations and an accelerated military buildup. But China should be encouraged to undertake policies that would lead other countries in the region to bring it into such efforts. In the long run, non-coercive relations with its Pacific neighbors are in China's interest as well as those of its neighbors.

## APPENDIX:

### Participants in the Boston Global Conferences on Peace and Security in the Pacific

#### Moderators

Michael S. Dukakis, Co-Founder and Chairman, Boston Global Forum, Former three-term Governor of Massachusetts, and 1988 Democratic presidential nominee.

Joseph S. Nye, Jr., Member of Board of Thinkers, Boston Global Forum, University Distinguished Service Professor, Harvard University

#### Speakers

David A. Andelman, Editor, World Policy Journal. Columnist, USA Today, President-emeritus, Overseas Press Club

James D. Bindenagel, Former U.S. Ambassador, Henry Kissinger Professor for International Security and Governance, Bonn University, Member of Board of Thinkers, Boston Global Forum

Stephen W. Bosworth, Former U.S. ambassador to South Korea, Senior fellow, Belfer Center for Science and International Affairs, Harvard Kennedy School, Dean Emeritus, Fletcher School of Law and Diplomacy, Tufts University

Bui Duc Lai - Special Advisor of Chairman, Vietnam National Assembly

Bui Viet Lam, Member of Editorial Board, VietNamNet

Andrew Caaney, Government Advisory, Tony Blair Associates, Senior Fellow, Fung Global Institute

Ling Chen, Rajawali Fellow, Ash Center for Democratic Governance and Innovation, Harvard Kennedy School

Richard Cooper, Maurits C. Boas Professor of International Economics, Harvard University

Anders Corr, Principal, Corr Analytics Inc.

Patrick M. Cronin, Senior Advisor and Senior Director, Asia-Pacific Security Program, Center for a New American Security (CNAS)

Kosaku Dairokuno, Dean, Professor, School of Political Science and Economics, Meiji University

Jill Dougherty, Public Policy Scholar, Woodrow Wilson International Center for Scholars, former Foreign Affairs Correspondent, CNN

Michael H. Fuchs – Deputy Assistant Secretary of State for Strategy and Multilateral Affairs, Bureau of East Asian and Pacific Affairs, U.S. Department of State

Ichiro Fujisaki, Former Ambassador of Japan to the United States

Bonnie S. Glaser, Senior Adviser for Asia, Freeman Chair in China Studies, Senior Associate, Center for Strategic & International Studies (CSIS) Pacific Forum

Koichi Hamada, Professor Emeritus, Yale University and University of Tokyo, Special Advisor for the Prime Minister of Japan and his Cabinet, the originator of Abenomics

Zengke He, Director, China Center for Comparative Politics & Economics in Beijing, Rajawali Fellow, Ash Center, Harvard Kennedy School

Swanee Hunt, Former Ambassador to Austria, Eleanor Roosevelt Lecturer in Public Policy, Adjunct Faculty, Harvard Kennedy School, Member of Board of Thinkers, Boston Global Forum

Robert D. Kaplan, Chief Geopolitical Analyst, Stratfor, Non-resident senior fellow, Center for New American Security (CNAS)

Llewellyn King, Member, Boston Global Forum Editorial Board, Co-Host and Executive Producer of “White House Chronicle” program, PBS

Seiichi Kondo, Special advisor to the Minister for Foreign Affairs, Specially-appointed professor at the University of Tokyo, Former Commissioner, Agency for Cultural Affairs, Japan

Holly Morrow, Fellow, The Geopolitics of Energy Project, Belfer Center for Science and International Affairs, Harvard University

Nguyen Anh Tuan, Co-Founder, Editor-in-Chief and Chief Executive Officer, Boston Global Forum, Founder and Former Editor-in-Chief, VietNamNet .

Barry Nolan Member, Boston Global Forum Editorial Board; Professor, Department of Journalism, Boston University

Suzanne P. Ogden, Professor and Interim Chair of Department of Political Science, Northeastern University

Thomas Patterson, Co-Founder, Member of Board of Directors, Boston Global Forum, Bradlee Professor of Government and the Press, Harvard University

John Quelch, Co-Founder, Member of Board of Directors, Boston Global Forum, Charles Edward Wilson Professor of Business Administration, Harvard University

Richard N. Rosecrance, Adjunct Professor of Public Policy, Harvard Kennedy School, Research Professor Of Political Science, University of California, Los Angeles

Kevin Rudd, Former Prime Minister of Australia

David E. Sanger, Chief Washington Correspondent, New York Times, Senior Fellow and Adjunct Lecturer, Belfer Center for Science and International Affairs, Harvard Kennedy School

Hei Seki, Columnist, Sankei Shimbun Newspaper, visiting professor, Takushoku University

Charles M. Sennott , the Founder and Executive Director of The GroundTruth Project, the co-founder of GlobalPost .

Etel Solingen, Thomas T. and Elizabeth C. Tierney Chair in Peace and Conflict Studies, Chancellor's Professor, University of California Irvine; Lim Chong Yah Chair in Social Sciences, National University of Singapore

Shigeto Sonoda, Professor of sociology and Asian studies, University of Tokyo

Thomas Vallely, Member of Board of Thinkers, Boston Global Forum, Senior advisor, Mainland Southeast Asia, Former Director of the Vietnam Program, Ash Center for Democratic Governance and Innovation, Harvard Kennedy School