



Oil and Conflict in the Pacific

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ABSTRACT

Oil and conflict are dangerously intertwined in the Pacific, where China has several disputes with its neighbors. The Senkaku (Diaoyu) islands in the Ryuku chain of the East China Sea which are reported to possess large oil reserves offshore are currently disputed by China and Japan. The Paracel (Xisha) islands of the South China Sea, also rich in oil reserves, have caused low intensity conflict between China and Vietnam. And once oil was discovered the Spratley islands, in the South China Sea north of Brunei, are disputed by five countries: Indonesia, Brunei, Philippines, Malaysia and China, whose large blue water navy and military installations are enforcing what it claims to be its exclusive sphere of influence. Meanwhile in the Straits of Malacca the Chinese navy has sent a flotilla to accompany the long column of oil tankers which carry most of the oil imports of East Asia. Oil has caused a veritable 'petro pirate plague' in the straits between Malaysia, Singapore and Indonesia, threatening East Asia's vital supply of crude oil. All of these new conflicts offshore raise questions of regional security in the Asia-Pacific region. Is the oil these islands are reported to possess worth an interstate war? China should instead work with its neighbors to make the East and South China seas safe for commerce.

Key words : oil and conflict, the Pacific, the Senkaku (Diaoyu) islands ,the Paracel (Xisha) islands

Today conflicts over natural resources are increasingly frequent and driven by the relentless expansion in global demand for raw materials, significant shortages, and the proliferation of disputes over resource ownership. Disputes over access to critical or extremely valuable resources leading to armed conflict are often called "resource wars."

Petroleum – oil – stands out from other raw materials like water, fish, minerals and timber because of its pivotal role in the world economy. As a strategic resource and valuable prize, the

fuel of industrial society, oil has a very dangerous propensity to ignite large-scale combat. Of all natural resources traded as commodities none is more likely to provoke interstate conflict than oil. In the Pacific region several conflicts have risen over offshore oil reserves. None of them is worth war.

First, Japan and China are involved in a dispute over the uninhabited Senkaku (Diaoyu) Islands. Both have produced ancient maps to argue their sovereign rights cartographically. But the truth is that these islands were never very important to either great power until 1969 when oil reserves in the waters around Senkaku were announced by the UN. By late 1970s China, a net oil-exporter, claimed sovereignty over the islands and rights to their offshore oil. Japan argued the islands had been terra nullius and were legally occupied during their empire in the Ryuku island chain. In 2012 the Japanese government purchased three islands from a private businessman. China responded angrily. Not only the government, Ordinary Chinese staged protests and took to the streets, outraged by this acquisition of their national territory. In the past ordinary Chinese didn't care much about remote uninhabited rocky Pacific atolls: The discovery of crude oil has changed their salience. Meanwhile the U.S. mutual defence treaty with Japan makes America part of the military equation. Last year the U.S. Senate confirmed its willingness to use force to defend its strategic regional ally. Barack Obama travelled to Tokyo to meet with Japan's Shinzo Abe promising support in event of conflict. Nevertheless, the commander of the Pacific Fleet told a press conference a few days later that his fleet is not prepared for a major naval war with China

A second dispute between China and Vietnam over the Paracel (Xisha) Islands in the South China Sea is also developing into a conflict. In 1950 China seized their Amphitrite group of from Taiwan. Then in 1974 Vietnam fresh from its victory over the U.S. asserted sovereignty with on an old colonial map showing the islands as belonging to the French Extrême Orient. Vietnam claims it inherited them from France. China has its own maps. The matter will not be resolved cartographically. Nor will a third conflict in the South China Sea between China and its neighbours. 30,000 Spraley Islands, uninhabited (no indigenous inhabitants) now have 45 cays and reefs with military installations placed there by China, Vietnam, Philippines and Malaysia. Why? Chinese geologists discovered oil in the waters in 1968. In 1973 Vietnamese troops occupied some of these islands to assert their sovereign rights. Things got worse when the Philippines, major U.S. ally, discovered oil in 1976 and have started calling the region the 'West Philippines Sea.' By 1992 CNOOC and PetroVietnam had signed competing contracts to drill in the waters. In 2009 China lodged a formal request to have its rights over the entire South China Sea recognized by the UN, producing a so-called "Nine Dash Line Map" (because it has dashes marking its sphere of influence offshore).

Malaysia and Brunei both backed down. They prefer to cooperate with China for larger economic growth than dispute its sovereign rights to these islands. But Vietnam – the Prussia of Southeast Asia – does not stand down to anybody. In 2011 Chinese patrol boats attacked two Vietnamese drilling vessels in the Paracel islands. In 2012 Taiwan conducted five military exercises in the immense archipelago. When U.S. aerial photographs revealed in 2015 that China had constructed a 10,000-meter air strip, Obama sent in patrol boats and made a clear assertion of U.S. sea power which still may be supreme but is not unchallenged. Before the US patrol boats were sent in, President Xi Jinping was invited to Washington D.C. for an official state visit with

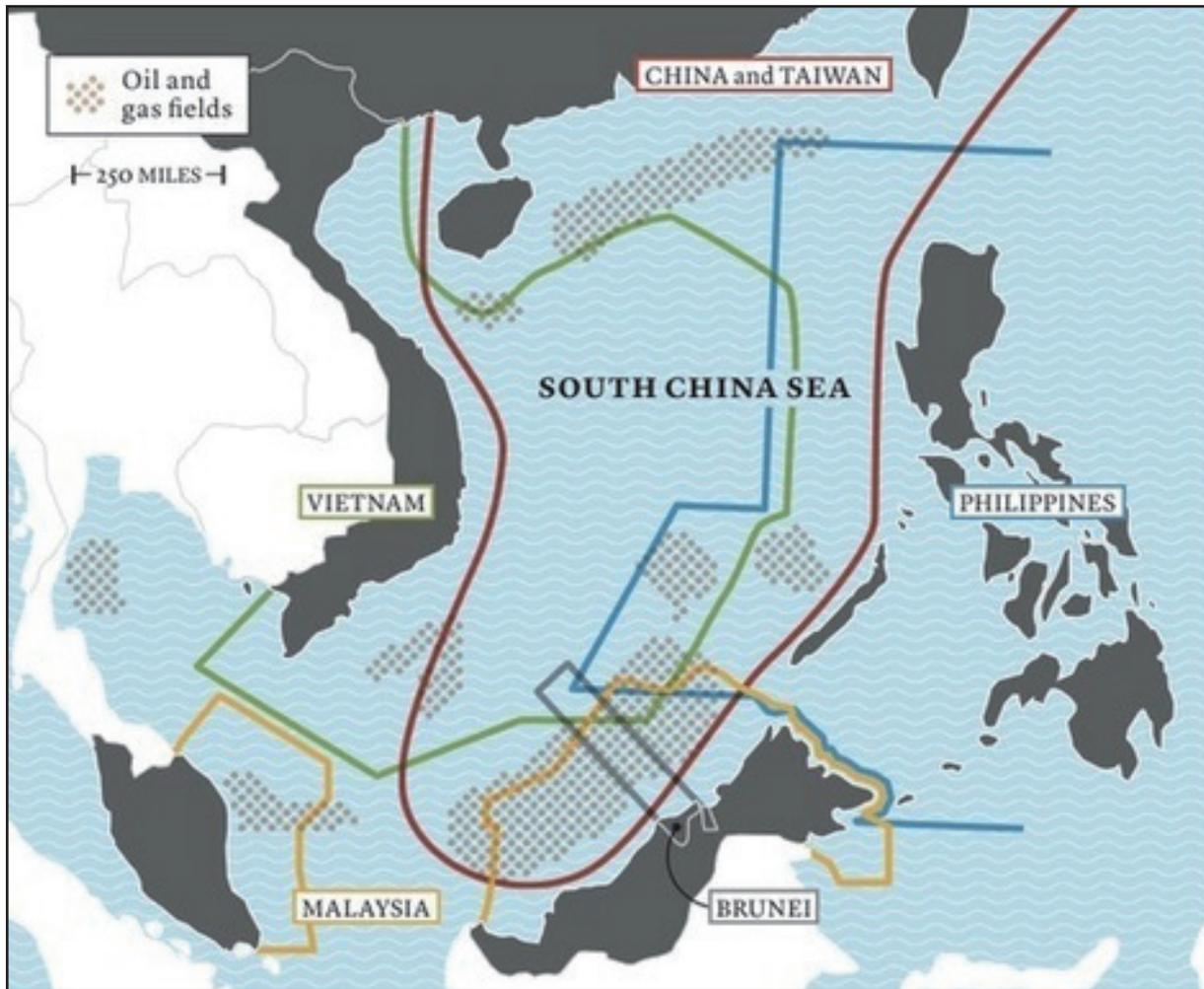
President Obama, where the Chinese leader protested that his government no longer accepts that America should be Asia–Pacific’s dominant naval power. By conducting patrols within its putative 12–mile territorial zone the US has asserted its right to freedom of navigation under international law. But it has also asserted its ‘hard’ sea power. (as opposed to ‘soft’ sea power which involves trade and the exploitation of ocean resources) is vital to the last remaining superpower.

Ninety percent of global trade by weight and volume travels by sea, through strategic shipping lanes (Economist, 17 Oct 2015) But the sea’s freedom and connectivity rely on a international legal system of rules to which almost all states subscribe for their own benefit, but which only America in partnership with close allies has had the means and will to police”. Of course in addition to resource wars in the Pacific there another kind of conflict caused by oil, strategic conflict, fought with blue–water navies. The Straits of Malacca are a good example, a strategic chokepoint for East Asian oil imports. China has sent its blue water navy to assert its control over this vital strategic shipping lane. In 2014 a flotilla of Chinese warships sailed in the column oil tankers to protect commerce. For another kind of conflict bred by oil transportation – piracy – has turned into a veritable plague in the Straits of Malacca. Chinese warships now have to patrol the straits for pirates, stop and seize their vessels, arrest their crews. But according to the International Maritime Organization these straits through which most of East Asia’s crude oil passes suffer from a petro pirate plague. Oil tankers attract pirates like dogs attract fleas. Manned by a handful of unarmed merchant marines, large slow petroleum tankers make easy targets for small craft. As well as maintaining a permanent counter–piracy flotilla in the Indian Ocean, China now conducts naval exercises far out in the western Pacific. In 2015 a group of give Chinese naval vessels passed close to the Aleutians after a Russian–Chinese military exercise.

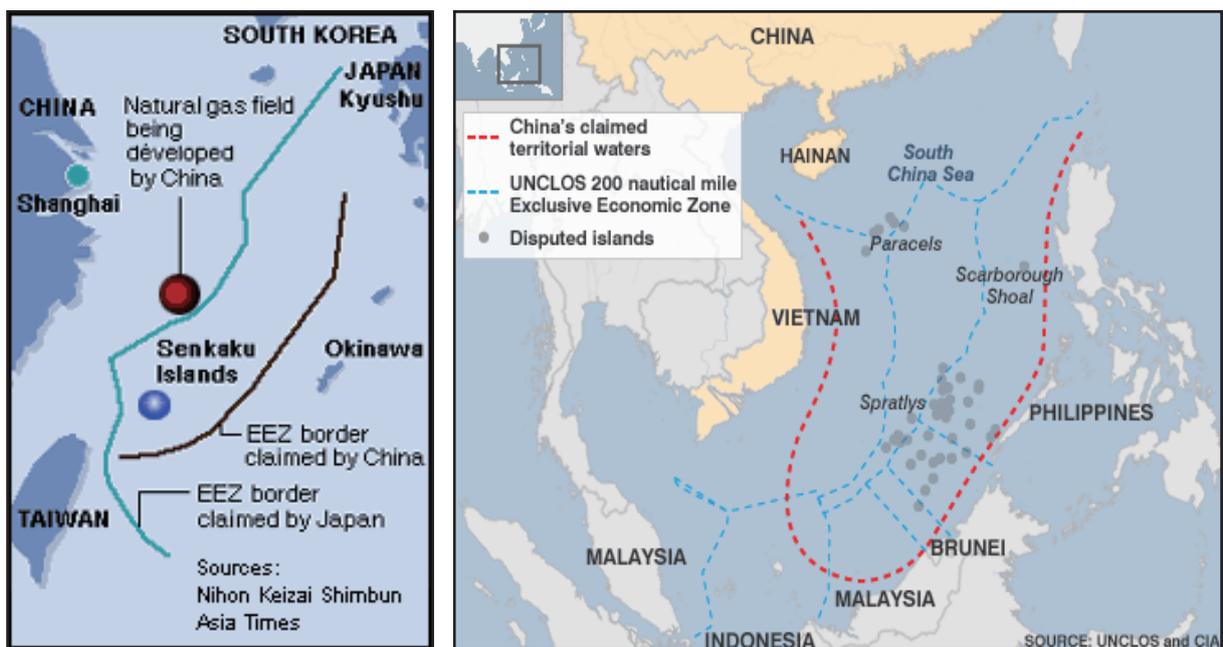
China issued a military white paper about ‘open–seas protection’ and ‘offshore–waters defence’ which said “the traditional mentality that land outweighs the sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests. It is necessary for China to develop a modern maritime force structure commensurate with its national security.”

Instead of moving from dispute to conflict to hostilities over the Senkaku (Diaoyu), Paracel (Xisha) and/or Spratley islands, China should be building regional maritime security with its neighbours for vital trade routes, eliminating piracy in the international waters and protecting free navigation of merchant vessels from all around the world. For in the end, this is the peace message: There is not enough oil in the Pacific to meet growing consumption

A map locating the potential oil fields offshore in the South China Sea



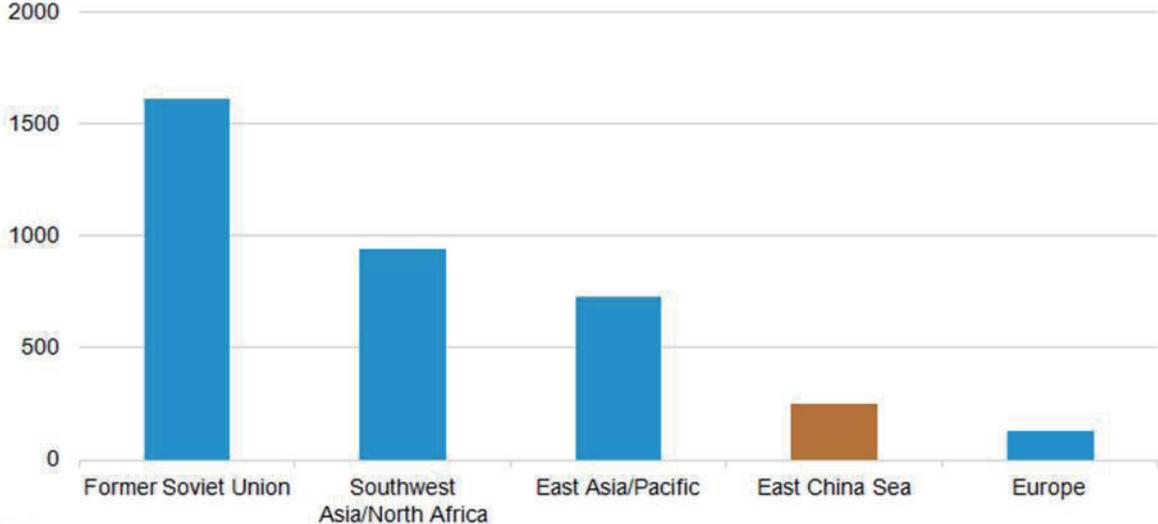
A map showing the oil conflict in the Senkaku Islands with claims



An interesting chart of natural gas (a byproduct of oil, usually flared into atmosphere)

Natural gas, mean undiscovered technically recoverable resources, 2012

trillion cubic feet



Sources: U.S. Energy Information Administration, USGS World Estimate of Undiscovered Resources 2012

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