Possible Scenarios on the Future of the Panatag Shoal (Huangyan Island/Scarborough Shoal) Controversy using Jim Dator’s Four Archetypes of Alternative Futures

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Abstract

Leading scholars of international relations argued that the West Philippine Sea dispute (South China Sea) was a tinderbox waiting to happen. Many analysts fear that the dispute could lead to a direct military conflict if tensions remain at the Panatag shoal. Recently, public interest in the disputed island resurfaced when China, the Philippines and Vietnam traded accusations of repeated incursions. The disputed triangle chain of reefs have caused deep diplomatic divide between the six claimant nations. The tension that was once mutual is now visual and magnified by the sporadic show of deception and force by the Philippines, China, Vietnam and Taiwan at the diplomatic and military levels. The spat is now the news hour and the remarkable story line of Asia. The Panatag Island dispute has disrupted the relative peace of the region and will, in a multifaceted way, affect the future of Asia.

This paper explored possible scenarios on the future of the Panatag island controversy. Using Jim Dator’s four archetypes of alternative futures it asked the questions what are the possible scenarios in Asia when viewed from the Panatag Island controversy? What are the consequences of a continued economic growth, collapse, conserver and transformation scenarios at the Panatag Island? What might happen if conflict escalates and worst case scenario eventuate? What are the likely impacts of these scenarios on other regional disputes like the Senkaku Islands (Diaoyu Islands) and the Takeshima Islands (Dokdo Islands) chain of island dispute? What are the likely impacts of the scenarios on the future of US-China relations? What scenario needs to happen for claimant nation-states to reduce the possibility of direct military conflict and prevent war and for the region to advance demilitarization, reconciliation and convergence to resolve the dispute? While there are other scenarios beyond Dator’s alternative futures, this paper will only explore possible scenarios using Dator’s alternative futures archetypes.

Keywords: Panatag Island, Spratly Island, West Philippine Sea, Alternative Futures, Asia Futures, Panatag Shoal Controversy, Scarborough Shoal
The Panatag Island Controversy

Leading scholars of international relations such as Joyner (1997) argued that the West Philippine Sea dispute (South China Sea) was a tinderbox waiting to happen. Many analysts fear that the dispute could lead to a direct military conflict if tensions remain at the Panatag shoal. As tensions rise at the West Philippine Sea, the six claimant nations have carefully exercised self restraint to avert a military confrontation. While the parties involved have recognized confidence building measures to defuse tension at the Panatag shoal and the Spratly Islands, the “word war” between China, Vietnam, Taiwan and the Philippines remain.

China was accused by the Philippines and Vietnam of violating territorial sovereignty and international laws when it sent a contingent of fleet vessels and warships. China, on the other hand, blamed the Philippines of insincerity for creating “artificial tensions” and faulted Manila’s provocative action for its decision to send more ships in the disputed islands.

The presence of Chinese structures, their aerial and naval maneuvering and increasing military presence in the island could invite an arms race in South East Asia reported the Philippine Daily Inquirer (2011).

The six nation claimants have used historical records, pre-colonial navigation reports, old maps and legal documents to justify their claims of ownership over the disputed islands.

The Promise of Scenarios to Improve Foreign Policy Analysis and Decision-making

According to the recent Australia White Report (2012), Asia has many alternative strategic futures both positive and negative. It noted that many of its societies will transform as they become more prosperous but will face new pressures. These stresses may likely re-ignite old frictions and territorial disputes and controversies could, in the years ahead, pose serious risks of instability and conflict in Asia (Australia White Paper Report, 2012).

As uncertainty and complexity grows in the region, the need to reduce the incidence of ‘inevitable surprises’ and to think and plan for the long-term future had been viewed as crucial to regional peace and security. According to Michael Oppenheimer (2012) the interactions and the dynamics of non-traditional actors (i.e. individual empowerment, social media, decline of US power in global politics, etc.) has actually produced a complexity that defied predictions. He argued that the lack of foresight and imagination, bureaucratic inertia and wishful thinking have played a part in the intelligence failures and policy miss-steps in the last twenty years. He further argued that while “ideas, theories and historical analogies are all essential intellectual equipment for making sense of the stream of events” they could also be ‘disabling in the presence of rapid change’ (Oppenheimer, 2012). For example, the mis-estimation of particular shifts in the Middle East particularly the Arab Spring gave experts a rare unfolding of events that called for a thorough and open re-examination of assumptions on key drivers of regional politics like the role of the military, the effects of economic change and the importance of Arab identity in regional peace and security (Oppenheimer, 2012). Taleb and Blyth (2011) suggested that the Arab Spring event was a classic example of ‘black swan’ event that was
inevitable and unpredictable.

Applying scenarios to analyzing the Panatag shoal controversy brings into debates plausible alternative futures (Dator, 2009; Oppenheimer, 2012). It affords policy-makers an opportunity to explore new understandings about conflict and expand strategic options for coping with complexity. Scenarios as a method could enable state as well as non-state actors to imagine multiple possibilities and design new strategic innovations to address future shocks and surprises (Freeman; Watson, 2012). As Matt Oppenheimer argued “multiple scenarios are designed to challenge the mindsets of policy-makers…by presenting alternative narratives that capture less conventional but plausible futures…In doing so, they can reveal dubious assumptions, conveniently looked policy trade-offs and future wild-card events or trends that can invalidate current policies and pose new challenges.”

This is an initial attempt by the author to investigate the Panatag shoal controversy using Dator’s scenario alternative futures method. Incasting techniques as prescribed by Dator have been applied in the scenario writing process. The scenarios were deliberately written based on the characteristics of the scenarios described by Dator.

Dator’s Scenario Archetypes on the Panatag Shoal Controversy

Dator’s archetypal scenario recognizes and integrates the value of historical narratives, cultural, geographical settings and trends in creating alternative images of the future. He recently described his alternative futures as broader than scenarios as they are based on deeper patterns of change that reoccur over time (Inayatullah, 2009 as cited by Bezold, 2009). The main idea behind the four different broad scenarios was to illuminate the importance of pluralistic scrutiny of the future (Ruostalainen, 2012) and while there are billions of images they could be classified into four generic alternative futures (Dator, 2012):

1] Continued Growth - this image of the future is based on the belief that whatever is happening now are extended and even amplified into the future. The assumption of “continuation” and a “flat image” of the future are obvious in this alternative future.

2] Collapse, the second archetype of Dator’s alternative future is the scenario where our world collapses. The collapse is an image of the future driven mostly by people’s fear of natural resource shortage, food shortages, and climate change. The image of war, bankruptcy, the extinction of humans is the image of this alternative future scenario (Dator, 2009).

3] Conserver/Disciplined, scenario is the image of the future when people wish to preserve or restore places, processes and values. This image is obvious when humans aspire for preservation over acquisition and/or production of resources. According to Dator (2009) survival, conserver and disciplined societies promote preservation and conservation, managing growth, etc. (Dator, 2009);

4] Transformation is the image of the future that anticipates and welcomes the transformation of all life – values, institutions, relations and worldviews. The transformation scenario is a future that does not yet exist. To Bezold (2009) it is the “north star” that gives people direction for creating a desirable future state.

The four archetypal futures have equal probabilities of happening and they must
be considered in equal measure and importance (Dator, 2012).

Considering the above statements, this paper sought to answer the following questions: What are the possible scenarios at the Panatag Island using Jim Dator’s four future archetypes? What are the consequences of a continued economic growth, collapse, conserver and transformation scenarios at the Panatag Island? What might happen if conflict escalates and worst case scenario eventuate? What are the possible impacts of these scenarios on other regional disputes like the Senkaku/Dokdu Island and the Takeshima/Diaoyu chain of island dispute? What are their similarities and differences? To what extent will the Panatag shoal scenarios impact US-China relations in the Asia-Pacific? What scenario needs to happen for claimant nation-states to reduce the possibility of direct military conflict and prevent war and for the region to advance demilitarization, reconciliation and convergence in the Panatag shoal? Will we see a military stand off or a diplomatic trade off at the Panatag shoal?

What’s in a Name? What are their claims?

The disputed island is known by many names and for strategic and political reasons, the claimants have named the islands their own to solidify perceptual ownership (Shi-Ching, 1999).

The Philippines called it the Panatag shoal or Bajo De Masinloc and the People’s Republic of China referred to it as the Huangyan Island. Taiwan, on the other hand, (officially known as the Republic of China) whose claims are similar to China named it the Minzhu Jiao (democracy reef) while Vietnam, another claimant, called it the Hoang Sa (Paracel) and Troung Sa (Spratly) islands. Malaysia named its claimed territory as Tereumbo Layang Layang, Matanani Reef and Ubi Reef and Brunei announced its sovereignty claim on the seas surrounding Luisa reef (Shi-Ching, 1999).

With a sea area of 150,000 square miles, the Spratly Islands is a triangular-shaped chain of 230 scattered islands, isles, shoals, banks, atolls, cays and reefs.
What Lies Beneath?

While the islands are unsuitable and barren for human habitation, the small islands are considered strategic for the following reasons:

1. They constitute important sea lanes for commerce and transport;
2. The seabed is believed to hold one of the largest oil deposits in the world;
3. They contain some of the richest living resources and substantial hydrocarbon and mineral deposits; and
4. Control of the archipelago means control of the sealanes from the Persian Gulf in the West to the South China Sea and to the Pacific (Shi-Ching, 1999; Hung, 2012).

In 2006, a joint seismic survey conducted by China, Vietnam and the Philippines reported “good data” (Shi-Ching, 1999; Livingstone, 2006) implying that oil potential was not less or more than 200 billion barrels (International Gas Report, 2005). Some reports also indicated that mineral resources such as manganese nodules, nickel, copper and cobalt were prevalent in the disputed islands (Shi-Ching, 1999; Oil and Gas Journal, 1980). The University of the Philippines-Marine Science Institute assessed that the area could generate up to US$79 billion worth of fish resources annually (Makiniano, 1997).
By reason of proximity and national security, the Philippine government officially declared ownership of the islands in 1978. Thereon, it became an integral part of its territorial sovereignty. As part of its exclusive economic zone (EEZ) it consequently divided it into sectors of its national jurisdiction (Shi-Ching, 1999).

China, Taiwan and Vietnam based their claims on historical records, old maps, legal and territorial sovereignty. Malaysia and Brunei asserted its claim based on their right to continental shelf.

Possible Scenarios on the Panatag Shoal Controversy

This part of paper discusses the four alternative futures namely: the seaborne lifeline for continued economic growth; the dangerous games and dangerous ground scenario; the fighting with fire with water and the iconic status quo and the “Z” scenario.

These scenarios were constructed using experts analysis, editorial, academic and scholarly journals as references. Official and unofficial statements, audio and video recorded conversations and analysis on the interactions between the Philippines and China were also utilized to explore and create the four alternative scenarios.
Seaborne Lifeline for Continued Economic Growth Scenario

From a “purely commercial” perspective, the overheating Asian economy exploits the Panatag shoal. The resources found in the shoal would turbo charge the region’s continued economic growth model. The demand for more energy and the need to guarantee material resources to feed Asia’s protruding population and consumption would drive the future of the disputed islands. The six claimant nation would transform the disputed island as the “seaborne lifeline for continued economic growth” in Asia.

The shoal affluent with oil, gas, fish and hydrocarbons steered the six claimants to drill, extract and commercialize the triangle chain of reefs. In a short span of time, the Panatag shoal would become a critical component of the region and the world’s “supply-energy chain”. The scale of off-shore gas exploration, drilling and extraction would increase and would peak in the year 2025. The key actors here succeed in unlocking the commercial and market potentials of the islands. The 11 billion barrels of oil and 190 trillion cubic feet of natural gas reserves and other conventional hydrocarbons are extracted by the claimant’s national oil companies in partnership with foreign firms such as BHP Bilton, Conoco Philips, Exxon Mobil, Mitsubishi, Petronas, Shell, Total, Chevron, and others.
In this alternative future world, the claimant nations are guided by conventional precepts of free market economics, Western laws and maritime navigation. They could freely operate and forge commercial partnerships to develop and extract their respective continental shelves and exclusive economic zones. Their shared commercial interests strengthened by a new economic liberalization agenda would partly resolve their territorial disputes. The cliché “let the economic avengers take over” (Tempo, 2012) decreed their relationships in the disputed islands.

The threat of collisions and increased incidence of ground and oil spill, however, would pollute the once calm and majestic triangular chain of reefs. Due to over extraction activities and poor maritime ecological management, marine species extinction would proliferate.

Overall, the continued economic growth scenario anticipates a Panatag shoal that is transformed by private and commercial interests. An ‘amazing oil race’ between and among nation-states occurs at the Panatag shoal in this scenario.

**Dangerous Games, Dangerous Grounds Scenario**

Fueled by pessimism, aggressive realism and mutual distrust, the five claimant nation states has perceived China’s peaceful rise as arrogant and intimidating. The China threat theory would intensify fears and mutual distrust of China. They would assert that China’s U-dash claim was exceptionally irresponsible and highly offensive to regional peace and security. China’s rapid economic growth and military strength would add to the fear of China emerging as a regional and global superpower. The Philippines, South Korea, the United States, Vietnam and Japan,
Possible Scenarios on the Future of the Panatag Shoal (Huangyan Island/Scarborough Shoal) Controversy using Jim Dator's Four Archetypes of Alternative Futures

in this scenario, would only see an uncompromising, belligerent, antagonistic and expansive China. The so-called “peaceful rise” they argued would only trigger a disruptive power shift and could break existing international order. Hence, must be contained as soon as possible.

The dangerous games, dangerous ground scenario anticipates an arms race, war, environmental, and/or economic collapse in the Asia Pacific region. The impact to contain China would spark a network of entangled alliance that would ignite an unprecedented arms race in Asia. The fears that were partly exaggerated by United States and Japan would drive smaller nation states like the Philippines, Taiwan and Vietnam to increase their arms purchases and military budget annually. Narratives such as “we must prepare and better buy war equipment to strengthen our war preparations to defend our territorial integrity” (Tempo, 2012) and “these military drills and agreements will lead the South China Sea in the road towards a military confrontation and resolution through armed force” (PLA, 2012) would become the stock in trade of nation-states embroiled in the controversy.

The “China as a threat” and “China as the belligerent expansionist” would drive smaller states to ratify their multi-state security and defense arrangements with the so-called “big brothers” of Asia such as the United States, Japan and possibly Australia. Their arms deal and security arrangements would bolster their goal to achieve a “credible defense posture” against China at the diplomatic and military levels.

China in this scenario would respond, acknowledging the impact of relative isolation, cautiously and surreptitiously. Instead, China as they always have would only respond by “cautioning” and softly “reprimanding” smaller states like the Philippines and Vietnam to refrain from their “trouble making” and “ripple creating” publicity stunts. However, they would, be hard and would face head-on the US demanding to “shut-up” and “butt-out” from the dispute (Taylor, 2012). And as China prepares for a small and large scale war in the Asia Pacific, China would continue to send in more ships and military satellites in the disputed waters. China will likely respond to the containment strategy by deepening its military agreements with Iran, North Korea and Russia. They would launch new military strategies and more sophisticated military projects and would not hesitate to use their economic leverage to push back the small and big “trouble making” states in the South China Sea.
China and the Philippines inches towards a small scale war

In a scenario where the “worst comes to worst” that is if a war breaks out in the disputed island, China is certainly primed to engage in a direct military confrontation. A small scale war scenario with the Philippines would give China an avenue to display their military superiority in the disputed waters. Their unique brand of sophisticated and newly upgraded war artilleries will be tested. In the event that China wins in a small scale war, China’s military victory would increase their moral stock and war competitiveness. It is likely that China would pressure the Philippines to surrender their claims in the disputed island.

The winner in this war would certainly occupy, administer and fortify the Panatag. The dangerous games, dangerous ground scenario anticipates a barren and devastated Panatag shoal. The conflict may likely give birth to future military legends (new Sun Tzu’s, Mao Tse Tung’s and Lapu-lapu’s), spirit warriors and hero-generals.

Conflict escalates and the ‘big brothers’ jumps in

While many risk analysts doubted the possibility that China would not go to war to defend its territorial claims in 2013, the legal victory the Philippines had at the International Court of Justice in 2018 would deeply infuriate China. In a scenario where a decision favors the Philippines claim of ownership and invalidates China’s nine-dash claim, China would not hesitate to occupy and defend their “sovereign right” to administer the Panatag shoal. These acts would deeply increase tensions at the Panatag shoal and increase risk of a direct military confrontation. China would likely ignore the demand and appeal of the international community led by the US and the UN to respect the tribunal’s decision and comply with the laws of the seas. This event would set a new precedent (the status quo is disturbed here) and would escalate military actions and movements of the two contesting nations and their allies. The number of military personnel, fleets and vessels dispatched from both countries would increase as the US would consolidate military preparations. Japan
and the other claimant nation-states would continue to charge China of increased belligerency and would likely change their military drafts codes to prepare in a war case scenario. Only a slight provocation and/or an unassuming miscalculation (i.e. live fire exchanges, missteps in the use of force, etc.) would trigger the conflict (further induced by local politics and nationalism).

In a war case scenario, the dynamics and relationship of international actors embroiled in the conflict (possibly the US, Japan, Australia, Vietnam, Taiwan, Philippines, China, North Korea, Russia, Iran, India) would be at a crucial tipping point. It is likely that they would be overwhelmed by the magnitude of war in the West Philippine Sea. A frightening and threatening disequilibrium could happen in a direct military confrontation scenario.

**Conserver Scenario: Fighting Fire with Water and the Iconic Status Quo**

Acknowledging that a collapse scenario would be disastrous to the six claimant nation-states, China and other claimants would renounce war as an option to resolve the Panatag shoal controversy.

Here two conserver scenarios may likely emerge: the fighting fire with water scenario and the iconic status quo scenario. The first anticipates the conservation of the Panatag shoal for future generation’s sake and the second awaits a future where China nurtures a volatile status quo.

![Factors contributing to the conserver/disciplined scenario at the Panatag.](image)

**Figure 6.** Factors contributing to the conserver/disciplined scenario at the Panatag.

**Fighting fire with water**

The first conserver scenario story here is fronted by an award winning Filipino environmental lawyer and activist demanding the Philippine government to declare
the Panatag shoal as an international marine reserve for future generations. He and his vast network of global environmental movement and supporters would pressure the Philippine government to declare the shoal as a fish sanctuary and to elevate it to the United Nations for its declaration as a World Heritage Site. This is the story where non-State actors like international non-government organizations and award winning environmental advocates challenges China’s nine-dash claim and plans to drill and exploit the resources at the Panatag shoal.

These environmental actors would prefer to take the moral high ground and mobilize the support of a world that is increasingly becoming more environmentally aware. They would attempt “to bring the countries together” to cooperate to preserve the resources for future generations (Oposa, 2012).

An event for global peace, climate change and freedom at the Panatag shoal will spark a worldwide debate on its preservation (Oposa, 2012). The Panatag Shoal in this alternative future world is preserved and transformed into an international marine station similar to the international space station (Oposa, 2012). The area would become a global center for global warming, coral reefs and marine life studies (Oposa, 2012). The fight fire with water scenario anticipates a Panatag shoal shaped by a world community committed to preserve the resources of Panatag “for the greater good, for the greatest number for the longest time” (Oposa, 2012).

The image of a Panatag shoal as a high sea reserved for peaceful purposes, as a world monument for friendship and cooperation is likely in this alternative future scenario.

The Iconic Status Quo

Another likely conserver scenario is the iconic status quo. This scenario imagines an alternative future world where stagnation and latent conflict continues at the Panatag shoal. This is the story where despite all hope for improvement, the economic, cultural and emotional variables that lie dormant in the dispute would nurture a volatile status quo (Valencia, 2000). China, as a “status-quo tidal power” (White, 2010) would always maintain a permanent presence in the shoal given that they have a direct and consolidated control of the area. Their capacity to control and pursue unilateral actions to maintain status quo favors China. A no lose and no win standoff is anticipated in this scenario.

Transformation Scenario: Deep Diplomacy, Demilitarization and Joint Development

In 2011 at a bilateral meeting held at the Great Hall of the People in Beijing, the Philippines and China agreed to make the Panatag shoal an area of friendship and cooperation. Philippine President Aquino pushed for a regional solution and Hu his Chinese counterpart acknowledged the need to resolve their dispute in a peaceful manner. Chinese President Hu remarked “the strategic waterway should be developed into a sea of friendship, peace and cooperation”. In response, President Aquino urged the Chinese President to declare 2012-2013 as the year of China-Philippine friendship (Boradora, 2012). Chinese President Hu acceded to the request of the Philippine President. With this in mind, a transformative scenario at the Panatag Shoal is likely a possibility.
Deep Diplomacy

“I do not fear that the flowing clouds may block my vision, for where I stand is the top of the mountain”

Ma Keqing
Chinese Ambassador
to the Philippines (2012)

In the Z scenario, the nation-states in dispute would agree to harmonize their intentions and interests. Based on openness, mutual trust and goodwill, they would formalize an accord with specifics stating in clear language their relationships and conduct in the disputed islands.

The six nations in a Z scenario agrees to issue a joint communiqué and ratify dozens of treaties to enact and enforce a new deal which they will call the Zone of Peace, Friendship, Freedom and Cooperation in the South China Sea or simply the “Z”. Their new found peace will be celebrated and compromises and concessions that emphasized reciprocity and interdependence would be championed.

As a matter of policy, they would agree to shelve their sovereignty claims and collaborate to work on a system of distribution for joint development agreements and joint venture systems to occur in the disputed islands.

New treaties and hybrid forms of alliances (economic, political, scientific, environmental, and military) would transpire in the harmonization process. They would also agree to progressively demilitarize the South China Seas and would adopt alternative and conciliatory legal procedures to prevent future legal confrontations.

A well articulated and negotiated scheme of sharing wealth would be devise to address sharing of wealth at the Panatag shoal. Moreover, they would agree to the establishment of marine conservation park for scientific research and environmental purposes for future generations.

The conduct of a collaborative search and rescue operation to ensure the safety of communication and sea navigation; the fight against transnational crimes were also collectively and collaboratively undertaken (Saleem, 2000).

The “Z” scenario is the most optimistic of the alternative scenarios and anticipates a future where claims of ownership are freeze (similar or better to the Antarctic Treaty of 1959), the Panatag shoal demilitarized (the US pivot is now unnecessary) and long-term partnerships and joint development agreements are formalized.
Table 1. Panatag Shoal Alternative Futures and Scenarios

<table>
<thead>
<tr>
<th>Continued Growth</th>
<th>Collapse</th>
<th>Conserver</th>
<th>Transformation</th>
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<tbody>
<tr>
<td><strong>Seaborne lifeline for Continued Prosperity</strong></td>
<td><strong>Dangerous Games, Dangerous Grounds</strong></td>
<td><strong>Fight fire with Water</strong></td>
<td><strong>The “Z” Scenario(s)</strong></td>
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<tr>
<td>“A purely commercial activity for us”</td>
<td>“The mentality behind this sort of military exercises will lead to the road of military confrontation and armed force as a resolution.”</td>
<td>“Fight fire with water – take the debate into an altogether different and a highly moral plane”</td>
<td>“I do not fear that the flowing clouds may block my vision, for where I stand is the top of the mountain”</td>
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<tr>
<td>Six claimant nation collaborates in the development, exploration, extraction, distribution and sharing of resources to sustain their “maturing” economies, to guarantee their respective energy requirements</td>
<td>Arms race, war, ideological conflict is the immediate future</td>
<td>A moral might to make things right</td>
<td>“Disagreements are just minor when compared to the vision of friendship and cooperation”</td>
</tr>
<tr>
<td>They operate “within” their respective exclusive economic zones</td>
<td>The official view of the future: Aggressive realism and the China Threat Theory.</td>
<td>Declare the Panatag Shoal and the West Philippine Sea into an international marine reserve and nature park and UN World Heritage Site</td>
<td>The six claimant nation agree that the dispute be resolve peacefully at different tracks and at different levels</td>
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<td>Operations are guided by UNCLOS, Freedom of Sea Principle and Maritime Laws</td>
<td>Six claimant nation disagrees and compete to assert their historical claims and territorial sovereignty</td>
<td>Reserve resources for the future</td>
<td>The six claimant nation are cognizant of each others claims and recognize their valuable and long-standing friendship</td>
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<tr>
<td>Treaties are governed by Western precepts and laws of the seas govern maritime trade, naval entry, ownership, exploitation and extraction of seaborne resources</td>
<td>Distrust is high and govern their relationship</td>
<td>Spark a worldwide debate that is attuned to the desire of the world community to preserve coral reefs and marine life</td>
<td>Deep diplomacy is imperative</td>
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<tr>
<td>Ownership is liberalize. Libertarian growth in Asia fully realized.</td>
<td>Smaller states initiate a military collaborative and defense alliances to achieve “minimum defense posture” to counter China’s growing military threat.</td>
<td>“no one really owns anything and we are all just passing through”</td>
<td>Agrees to demilitarize the area</td>
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<td>Nation-states bilaterally engaged to develop their respective exclusive economic zones.</td>
<td>China reacts and sees this movements as non-condoning</td>
<td>“high seas are reserved for peaceful purposes”</td>
<td>Ignore territorial sovereignty claim and expedites a joint development agreement</td>
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<td>Territorial sovereignty is not questioned for the sake of continued economic growth.</td>
<td>China is committed to strengthen its defensive capabilities. The Shanghai five deepens their military to military assistance and cooperation.</td>
<td>UNCLOS provisions on preservation and conservation highlighted</td>
<td>Transcend disagreement to a vision of peace, friendship, prosperity and cooperation</td>
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<td>It’s a “corporate to corporate thing”; a concern of multinational corporations backed by their respective governments</td>
<td>Stranded bananas, economic sanctions, suspension of group tours and flight cancellations, cyber wars, distrust visits and spy games leads to more war games in Asia</td>
<td>Spratly Fish Bank created</td>
<td>Freeze the claims, shelf the claims without prejudice to their own claims</td>
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<td></td>
<td>Deeper warnings worsening perceive threats</td>
<td>“we must use whatever power we have in our hands to strive for the greater good for the greatest number for the longest time”</td>
<td>Perceives the Spratly dispute as a dispute over relations rather than things or physical ownership,</td>
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<td></td>
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<td>“despite all hope for improvement the most likely scenario for the dispute is the status quo”</td>
<td>Asia leads the world in global and regional governance</td>
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Journal of Futures Studies
Panatag Dispute Scenarios and their implications to the Senkaku/ Diaoyu and Takeshima/Dokdo Island Disputes

While this is not the place to articulate other disputes in the Asia Pacific, an analysis of the scenarios impacts on the Senkaku and Takeshima island controversy, the US pivot to Asia, the futures of Philippines-US-China relations offers several rewards. This part of the paper attempts to explore the plausible impacts of the Panatag shoal scenarios on some of the most controversial issues facing the Asia Pacific region. But first a brief discussion on the geneses, link, similarities and differences of the Senkaku and Takeshima island controversies must be in place.

Figure 7. Panatag Shoal Alternative Futures and plausible impacts on other regional disputes and issues in the Asia Pacific.

Multilateral Origins and Link of the Territorial Disputes

According to Hara (2012) and Keyser (2012), the Panatag, Senkaku and Takeshima island disputes are causally linked to each other. They argued that the island disputes were a repercussion of the San Francisco Peace Treaty signed in 1951 (Hara, 2006; Keyser, 2012). The postwar treaty that was drafted and facilitated by the United States (whose earlier drafts were based on wartime studies) sowed the seeds of the most controversial frontier problems in East Asia (Hara, 2012). The boundary disputes according to Hara were deliberately left unresolved. While Chinese possession of the Spratly’s was considered essential in the postwar settlement (the US might have acknowledged China’s ownership of the Spratly’s
during postwar settlement), its final disposition was not specified in the peace treaty (Hara, 2012).


Similarly, the final disposition of the territorial problem between Japan and China that originally focused on Okinawa would later shift to the Senkakus. The US occupation of Okinawa would trigger a number of problems associated with bases and territorial disputes today (Hara, 2006). The impact would line up like wedges for Japan hence dividing the Northern Territories/Southern Kuriles with the USSR, Takeshima/Dokdo with Korea, and the Senkaku/Diaoyu with China and Taiwan. Likewise on the southwestern end of the Acheson Line, the Spratlys/Paracels were left unresolved to be disputed by China and its Southeast Asian neighbors (Hara, 2006).

Scenarios Impact on other Island Disputes, the US Pivot to Asia and the Asia Pacific

The table below provides a summary of the Panatag shoal disputes impact on other territorial disputes and issues shaping the future of East Asia. It mapped the likely impact of Panatag to anticipate events and emerging narratives.
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<td><strong>Scenario</strong></td>
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<td><strong>Seabed/Takeuchi Island Dispute</strong></td>
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<td><strong>Soksha/Okinawa Island Dispute</strong></td>
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<td><strong>Nakasone/Chinurashi Island Dispute</strong></td>
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<td><strong>Japanese</strong></td>
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<td><strong>Cooperation</strong></td>
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<td><strong>Subjugation</strong></td>
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<td><strong>US Pivot to Asia</strong></td>
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**Notes:**
- The Z Scenario is the most severe, with the potential for armed conflict.
- The X Scenario is the next most severe, with increased economic friction.
- The Y Scenario is the least severe, with increased military tension.
The following is a brief narrative of the scenario impacts to Senkaku and Takeshima Island disputes, US pivot to Asia and the US-China-Philippine relations.

Seaborne Lifeline for CEG Scenario: Corporate Driven Concessions

Guided by their interest to sustain domestic and regional economic growth, States embroiled in the conflict have sanctioned their corporations to negotiate a multiple commercial and market agreements. The marketization of the Panatag shoal controversy would stir Japan and China and Japan and South Korea to resolve their issues in a private led production-sharing agreement.

Corporate driven concessions would also drive concerned states to renegotiate previously signed trading agreements. Their commercial and transactional deals would, in some measure, sort out their respective territorial conflicts. This would also prompt the US to recalibrate its pivot to Asia policy and shift from a military to a purely commercial and economic perspective.

Diamond Security and Zero-sum Rivalry

In a dangerous game and dangerous ground scenario, Tokyo and Manila, whose defense agreements were signed recently, will test China’s grip through an arms race. Both countries would try to establish a credible defense posture to counter the threat and complement China’s aggressive military expansionism.

This zero-sum rivalry would obscure the possibility of corporate driven concessions occurring in East Asia. This scenario anticipates a fully re-armed Japan rallying its allies and strengthening the “democratic diamond security” strategic initiative. The diamond security initiative envisions a future where Australia, India, Japan and the US form a diamond to safeguard the maritime commons stretching from the Indian Ocean to the Western Pacific (Amcham Vietnam, 2012).

In this scenario, the world’s second and third largest economies will likely intimidate each other and may engage in a direct military confrontation and with their allies throwing their weight around the conflict (Auslin, 2013). As such, US-China relations would be at a high-water mark. The Philippines, in this scenario, would look at a re-armed Japan, a US pivot and weakening US-China relations the strongest counterweight to China’s aggressive expansionism in the Asia Pacific.

A Do Nothing Approach and the Refusal to Participate in Arbitration Proceedings

Early this year the Philippines filed a case before the International Tribunal for the Laws of the Sea (ITLOS) questioning the validity of China’s nine dash line claim at the West Philippine Sea. China responded by re-echoing its claim and has repeatedly rejected the Philippine arbitration bid. The Philippines however stated its intention to proceed with the arbitration with or without China (Quismondo, 2013). Just recently, according to DFA spokesman Raul Hernandez (2013), the ITLOS was formally constituted and held its first meeting at the Hague, Netherlands. The tribunal will likely consult both parties to ensure a peaceful resolution of the issue. While some US lawmakers support the Philippine case against China (Dy, 2013), some Asian scholars considered the Philippines case a desperate act of publicity

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stunt to regain international prestige in the region (Hamzah, 2013). According to Hamzah (2013), Manila’s request for an arbitral award has opened up a can of worms and so far has not garnered any support from claimant parties.

Given that China has rejected the Philippine arbitration bid at the Hague it is likely that China will oppose or ignore the Hague proceedings. China has always been unbending of its position to observe the Declaration on the Conduct of Parties in the South China Sea and is seriously committed to fulfill the declaration. Like most Asian nations that refuse to endorse and participate in arbitration proceedings (i.e. Japan and South Korea) to settle their maritime disputes, China reiterates the dialogue framework currently endorsed by the nations region.

Similarly, in the case of Japan and South Korea, Japan had formally asked South Korea to settle their maritime dispute at the International Court of Justice last year. South Korea, however, rejected the proposal as “it is not worthy of attention” (Ku, 2012). The Korean refusal to participate in ICJ proceedings prompted Japan to defer the issue (Shimbun, 2013). As regards to the Senkaku island dispute, the Japanese government has, likewise, declared arbitration proceedings as a non-option to resolve its maritime tensions with China. Ku’s (2012) critique on the utility of international arbitration proceedings to resolve maritime dispute have brilliantly asked this question “if the two (Japan and Korea) of the most pro-international adjudication countries in the world can’t agree to go to international arbitration, what are the chances that China will ever agree to such arbitration?” The answer of course, basing from the conduct and policy statements of China on the South China Sea, is none.

According to international relations expert Omar Saleem (2000), nation-states, Non-Western nations in particular, have always been reluctant to submit to an adversarial system that uses and advocates Western perspectives and philosophy. There is a general belief among Southeast Asian nations that international organization such as the International Court of Justice has always created more confusion than resolution because of unsatisfactory results.

As the ‘legal battle’ lodged by the Philippines gathers pace, its allies sees it as an emerging ‘proxy battle’ against Beijing’s territorial reach. The US and other claimant-nation states continue to monitor this legal gambit as any result would carry considerable diplomatic and political risks with China over sea territory (Torode, 2013).

Two scenarios are anticipated here: “If the Philippine team submits a less than convincing case...this would be very embarrassing for Manila and put it right back to square one in its dispute with China...Beijing would also be emboldened to pursue its claims even more assertively than it has been doing over the past few years” (Storey as cited by Torode, 2013). “A favorable ruling, however would give Manila the confidence in developing oil and gas reserves in disputed areas such as the Reed Bank. Foreign energy companies would also feel more comfortable about investing in areas...that lie within the Philippines’ exclusive economic zone” (Storey as cited by Torode, 2013). Legal experts expect that any result would “be unenforceable but will carry considerable moral and political weight” (Torode, 2013).

Positive Sum-Gains, Reconciliation and Convergence

In a Z scenario it is likely that concerned parties will converge, reconcile and negotiate a compromise. They would, for regional peace, settle their conflicts
by focusing more on the positive gains such as joint venture, bilateral sharing agreements and demilitarization. Acknowledging that the Pacific was “big enough” for them, their mutual and long-term strategic interests will shape the future of the disputed territories. Narratives such as the “ocean does not divide as it is a critical node for transnational interaction and network” (Tsang, 2012), “that the disputes were just minor when compared to the vision of peace, prosperity and cooperation in Asia” will likely be the core of the dispute resolution. As such, the sovereign states embroiled in the controversy will agree to a compromise that would give way to new accords and treaties that defuse tensions; that advances reconciliation and convergence. The impact of the Z scenario is a recalibrated balance of power in the Asia Pacific. A “light house of peace, harmony and prosperity” would be built to commemorate the peaceful resolution of the disputed islands.

China in a Z scenario will gladly soften their militarization efforts and claims to restore mutual trust and understanding in East Asia. A non-US and a non-China dominated East Asia could also transpire in a Z scenario.

Conclusion: Military Confrontation or Diplomatic Trade Off?

The Panatag shoal controversy is a very complex issue. The dispute is also closely related to issues of freedom of navigation, maritime security and conflict of laws. While it is overwhelmingly hard to foresee what lies ahead, there are rare events, patterns, images, ideas and worldviews shaping the ascent of some plausible futures.

Dator’s four future archetypes had at best allowed us to penetrate in broad strokes the positive and negative futures of the controversy. It enabled us to navigate a number of thought provoking launch points to further our inquiry that would require a more profound examination such as why would China prefer bilateralism over multilateralism to resolve the crisis? Why would the Philippines consider international arbitration proceedings? Is this an issue of sequencing or a matter of timing the future? What are the worldviews and myths informing the dispute? What are the known unknowns and unknown unknowns of the Panatag shoal issue? If the controversy is a problem of relations rather than things what actions should claimant nation states do to resolve them? What might be learned about conflicts in maritime territorial dispute? How do we resolve them to avert and lessen the risk of war and advance peace? What are the possible game-changers?

Scenarios when applied to conflict studies could stimulate new discussions and actions for peace. The archetypes presented here illustrated how and when different alternative worlds like war and peace at the Panatag shoal could emerge. There are vivid images, values and patterns that emboldens the possibility of war like meddling and third party intervention, legal battles, cancellation of trade agreements, increasing military spending and build-up, the China threat theory, trade sanctions, etc. And strategies and images that reduces conflict and promote peace and understanding such as joint venture, bilateral and multilateral agreements, demilitarization, transnational interaction and network, alternative dispute resolution, cake sharing, regional convergence, shelving the claims, etc.

The desirable endpoints like factors driving the “Z scenario” should be further articulated and analyzed. The steps necessary to achieve them must be explored. A backcasting or a futures wheel analysis is a good complement to Dator’s method to explore the policy choices needed to promote peace to achieve the aspired future.
solutions like demilitarization, joint cooperation, and negotiated agreements. Also, a causal layered analysis to the conflict can move us beyond the superficial and imagine alternatives policy actions that are broader, sustainable, and transformative. A layered analysis may reveal the deeper civilizational dialectics, deep structures, episteme, values and social structures that drives particular future scenarios. To understand the larger patterns, an understanding of ‘deep civilization codes’ is essential as “the action of nations are symptomatic of deeper historical causes and civilizational cosmologies” (Ramos, 2004).

Taking into consideration the uncertainties and drivers surrounding the Panatag shoal controversy and if we were to apply neo-realist frameworks and thinking to forecast the most likely future, the dangerous games, dangerous grounds and the iconic status quo would be the most plausible future. But if we were to thread on a rather more unfamiliar perspective and allow ourselves to imagine alternatives and force ourselves to think outside of the box beyond the most familiar possibilities, the “Z” scenario is very much plausible. The openness of the claimant nation-states to dialogue and the region’s willingness to enter into an accord and adopt a more pragmatic approach to resolve the Panatag shoal dispute makes the “Z” scenario a plausible alternative future.

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