South China Sea—A Conflict-Prone Place?

TANG Shaocheng

National Chengchi University, Taipei, Taiwan, ROC

A military escalation between China and the United States in the South China Sea (SCS) is staged which resembles the Cold War crisis in Europe in the 1950's and 1960's. The PRC has reclaimed and fortified its holdings in the SCS since 2013; in 2017, the US has declared an "Indo-Pacific Strategy" to contain China. Due to differences of interest of the relevant countries, it will be difficult to create an effective united front against China in the near future. It remains to be seen whether armed conflict between China and the US be avoided.

Keywords: South China Sea, Indo-Pacific Strategy, China-US trade war, Code of Conduct (COC), Made in China 2025, Freedom of Navigation Operation (FONOP), Association of Southeast Asian Nations (ASEAN)

In recent years, there has been frequent ups and downs concerning the dispute in the South China Sea (SCS), since most of the countries in and out of the region, especially the US, do not accept the territorial claims of the PRC. Still China retains its firm position on the historic sovereignty over the SCS and has extended reclamation of the features under its control (Wu, 2013).

To counter China's actions in the SCS, the US attempts to win over as many countries as possible by means of its "Free and Open Indo-Pacific Strategy". Thus, a game of power struggle between China and the relevant countries is underway. Accordingly, this article tries to highlight the interest based power pursuing of the actors involved to maximize their influence and security through the lens of defensive and offensive realism (Mearsheimer, 2001).

China's Options

Although in the spring of 2010, China has declared the SCS as "an area of core interest", Beijing seems to have backed away from this stance in 2011. Beijing's definition of the traditional "nine-dash line" is vague; no straight baselines of the holdings in the Spratly island chain area are drawn. Therefore, China's legal claim in the SCS is questionable. In other words, it is a competition between the idea of a revisionist and a status quo state China.

On the other hand, along with Vietnam and the Philippines, the PRC has begun to reclaim and fortify its features in the SCS since 2013. To this date, 3,200 acres of land, three runways more than 2,600 meters long and other military facilities have been constructed in spite of the 2016 ruling of the Permanent Court of Arbitration (PCA) in The Hague which has invalidated China's claims. Moreover, China plans to install floating nuclear power plants in the disputed areas of the SCS before 2020, a measure which could escalate the already tense situation over there.

Due to heightened trade war with the US, China tries to court the Association of Southeast Asian Nations

(ASEAN) countries by means of a Code of Conduct (COC) and a Regional Comprehensive Economic Partnership (RCEP) mechanism in order to strengthen its stance in the SCS. Besides, it is also believed that if China fortifies the disputed Huangyan Island (黃岩島, Scarborough Reef), which is under its effective control, a PRC's air-defense identification zone (ADIZ) would be established in the SCS. Manila has made clear that if any country wants to develop the West Philippine Sea (i.e., SCS), then the Philippines will declare war on them.

US Indo-Pacific Strategy

In the perception of the US, the post-war American rule-based order in East Asia is challenged by China since 2001—following the 911 Incident that year which distracted the US attention from East Asia. It gave China a good chance to evolve and an industry chain with East Asian countries was built which led to rocketing modernization of its military. Backed by its social and economic prosperity, a more assertive China emerged which has begun to disregard the rules and norms existing in the international arena.

USA

As far as America is concerned, in order to maintain its geopolitical position in the Western Pacific, Washington is obliged to defend its regional alliance system, and reassure local powers who are concerned about China's intentions. Leaving the SCS to China would undermine that alliance system and America's presence in the western Pacific, China would become the dominant power in the area.

To counter China's actions in the SCS, the US attempts to win over Japan, Australia, and India (hereafter referred to as the Four Countries) by means of a "Free & Open Indo-Pacific Strategy". All Four Countries are concerned about the trend of economic and military security in East Asia in which China plays a vital role, e.g., the North Korean nuclear crises, terrorism, strategic competition with China as well as the Taiwan and the SCS issues.

The Four Countries are especially worried about the possibility of China's effectively control of the SCS in the near future. Should that happen, not only could the "Freedom of Navigation" (hereinafter FON) be disrupted, the US military base of Diego Garcia in the Indian Ocean could be separated from the Pacific Ocean. In addition, the Four Countries urge New Zealand, the Philippines, Thailand, Vietnam, Singapore, Indonesia and Malaysia to cooperate in order to contain China.

Since the Four Countries possess no operating bases in the SCS, their involvement in the disputed maritime affairs take the banner of FON and "governance with international law". Nevertheless, their willingness is different due to various political and economic stances. Thus, the Freedom of Navigation Operation (FONOP) staged by the United States, once every two months since May 2017, aim not only to keep the sea lanes and airways open, they are designed to prevent the mainland from using the SCS as a staging area for the launch of underwater strategic nuclear missiles.

The underwater nuclear missile launching platforms are more difficult to be detected than land based ones. The seas along the Chinese coast, such as the Bohai Sea, the East China Sea, and the Yellow Sea are shallower and narrower than the SCS. As Chinese nuclear submarines still encounter difficulties in passing the first island chain undetected, the central part of the SCS, which is more than 5,000 meters deep and 3,000 kilometers wide, would be an ideal place to conduct a second strike nuclear attack. It may be decisive in case of a nuclear war.

Australia

According to Australia's *2016 Defense White Paper* (Australian Government Department of Defence, 2016), Canberra has publicly taken a "stand", namely law and order, but not taken a "side" between US and China, as far as the territorial disputes of the SCS are concerned. Among the Four Countries, Australia is located closest to the SCS, Washington's closest ally in the region in view of the "Five Eyes" intelligence alliance.

However, its major intention is to strengthen its alliance with the US instead of supporting a wide stretched Indo-Pacific strategy, thereby stabilizing its relations to Beijing since China is Australia's largest trading partner. Australia was able to avoid participating in joint FONOPs in the SCS to challenge China's 12-mile territorial waters claim. Nevertheless, the Australian navy regularly conducts presence patrols, exercises and port calls throughout the region.

Japan

Sino-Japanese relations have been improving recently, mainly due to President Trump's uncertain policy toward East Asia. Premier Li Keqiang visited Japan in May 2018. After Abe's re-election as the chairman of the Liberal Democratic Party in September, he plans to visit China in October to create a friendly atmosphere for Xi Jinping's visit to Japan next year. For Japan, to keep the balance between China and the US is therefore also a delicate matter.

In September 2018, the Japanese Marine Self-Defense Force (MSDF) dispatched their submarines alongside the helicopter carrier Kaga and two other destroyers, to the SCS to participate in maneuvers with the US Navy. In order not to offend China, the Japanese vessels did not enter the 12-nautic-mile territorial water zone of the features under China's effective control. Japan's MSDF emphasized, that their battle group was on its way to Vietnam.

On the other hand, Japan is strengthening its relations with the five Mekong River countries based on the "Tokyo Strategy 2018", since they all have spats with China. Because the upstream of the Mekong River is in the south western high lands of China, Beijing has built multiple dams along the river since decades to control the water flow for extorting these countries. Thus, Beijing's water policy contains conflict potential—not only with the five Mekong River countries, but also with India.

India

Among the Four Countries, the United States and Japan; the United States and Australia have bilateral mutual defense treaties, with the exception of India. Due to the intractable border disputes between China and India and the construction of the China-Pakistan Economic Corridor through the contested Kashmir region between India and Pakistan, the Sino-Indian confrontation escalated in spring 2018. India views the development of the "Belt and Road Initiative" both as an encirclement and an infringement on its sphere of influence in South Asia (Rajagopalan, 2018).

In spite of these differences, Indian Prime Minister Narendra Modi visited China at the end of April 2018. He was received by Xi Jinping in Wuhan, diverging from normal state visits which usually take place in Beijing. This particular move was deemed in China as an act between intimates. The two countries held six rounds of "informal talks", further highlighting the improvement of Sino-Indian relations.

China & US High-Tech Competition

Following President Obama's "pivot to Asia policy", President Trump is using trade warfare to curb the rise of China.¹ Prima facie, this strategy aims to tackle the bilateral trade issues. In fact, it is a struggle concerning high-tech industries and economic hegemony. It could even evoke a geopolitical collision and the competition of spheres of influence and even values between East and West.

In particular, in terms of the mainland's "Made in China 2025" policy, China has already gained the upper hand in establishing big data and its applications. Because the mainland's personal data protection is rather loose, the huge amount of personal information materials is especially favorable for the research of the artificial intelligence (AI), particularly in e-commerce and facial recognition.

Moreover, in January 2017, the US Department of Labor filed a lawsuit hoping to prevent Google from doing business with the federal government and expelling Google from government contractors (Dickey, 2018). The allegation suggests that Google has repeatedly refused to provide the Department of Labor with employee compensation records and other information needed for audits. The Department of Labor requires this information to ensure that Google does not differentiate between employees based on gender or race.

On the contrary, on October 2 this year, the China Securities Regulatory Commission issued newly revised "Guidelines for Corporate Governance of Listed Companies", one of which requires state-controlled listed companies to establish a Chinese Communist Party organization and carry out party affairs activities, which will be implemented with immediate effect. Not only state-owned enterprises, but also private ones have followed up. Several well-known Internet private enterprises in China have also automatically established party organizations.

For instance, Tencent (騰訊) has established 226 party organizations to date, with more than 17,000 party members; the number of party members of the e-commerce company Jingdong (京東) has risen from 100 in 2011 to over 13,000. Alibaba has already upgraded its party branch to the rank of party committee; Xiaomi (小米) also set up a party committee in 2015.

Moreover, these enterprises also handed over their "important work" to party members. For example, 80% of the employees of Tencent's security department are members of the Communist Party of China. Jingdong's party committee selected 200 party members to serve as cyber security officers and a data security team of 300 party members has been doing security work for a long time.

As demonstrated by these two cases, it is evident that under China's one party system, the relationship between government and enterprises is indeed much closer than that of the US. This could also pose a challenge of system effectiveness between China and the US which affects not only AI research but also aspect of comprehensive national strength.

Other Concerned Actors

In the SCS, China and Vietnam have experienced multiple clashes in the 1970's and 1980's (Poling, 2017). Vietnam's massive energy exploitation in the SCS region has resulted in numerous spats with China, which resulted in improvements in military cooperation with both the US and Russia. China, on the other hand, is negotiating with the Philippines on fishery issues related to the disputed Scarborough Reef (Galang, 2018). It offers Manila massive financial support for investment in its infrastructure.

¹ US-China trade row: What has happened so far? Retrieved from <https://www.bbc.com/news/business-44529600>.

After the new government of Mahathir bin Mohamad came to power in May 2018, China-Malaysia relations have also improved.² Although Mahathir has cancelled some of the projects China signed with his predecessor both countries have come to a good understanding through his visit to China in August this year. As a consequence of the coup in Thailand in 2014, the relationship between the military government and the United States has deteriorated. It provides room for improvement in the Sino-Thai relations. While Singapore has long standing military relations with the United States, the city state has improved its relationship with China recently (Sun, 2018). Defense ministers of both countries have co-chaired the ASEAN-China Defense Ministers' Informal Meeting in February 2018.

China-ASEAN Code of Conduct (COC)

As a reaction to these US challenges, Beijing actively reached the SCS Code of Conduct (COC) framework with the ASEAN countries in August this year (2018) for peace and development in the SCS (Thayer, 2018). This draft includes regular military exercises between China and ASEAN countries and joint exploration of oil and gas in the SCS. In accordance with the Charter of the United Nations and the 1982 United Nations Convention on the Law of the Sea (UNCLOS), the COC also includes a mechanism for dispute settlement and commitments to the legal FONs as well as free over flight over the SCS air space. The COC insists on the exclusion of interference of the other out-of-area countries, however, especially the United States.

The extent of the maritime area involved to be included in the COC has not yet been finalized, as it touches on issues of sovereignty and the delimitation of the disputed seas. In addition, the positions on the legally binding effect of the COC are also divided, since the ASEAN countries are in favor of seeking a solution, China, however, is opposed of it. In China's perception, the COC should work as a crisis management mechanism, while the ASEAN states conceive of it as a dispute resolving instrument. Again, the sovereignty issue is involved.

Latest Confrontation with China

In June 2018, the US Department of Defense uninvited China from attending the RIMPAC (Rim of the Pacific) Exercise in the vicinity of Pearl Harbor which brings together 25,000 military personnel from 25 countries (Freiner, 2018). The reason for this action, according to the US side, relates to China's military expansion in the SCS. This unexpected act from the US has led the Chinese People's Liberation Army (PLA) to station missiles and fighter jets in the disputed features there.

In September, the US military undertook concrete actions. First, a B-52 bomber exercised in the SCS and the East China Sea airspaces (Pickrell, 2018). Then, the missile destroyer USS Decatur was dispatched to the South Island Reef 12 miles territorial waters, forcing the mainland to send a "Chinese Aegis" Lanzhou to chase it away. The two vessels almost collided, so demonstrating the degree of tension between the United States and China.

In the first week of October, CNN (Cable News Network) has announced that the US military plans to hold a large-scale military exercise near the SCS and the Taiwan Strait in November.³ It will be in the month

² For Prime Minister Mohammad Mahathir, revisiting China's Malaysian projects is part of resetting a relationship. Retrieved from <https://www.scmp.com/news/china/diplomacy/article/2162339/mahathir-revisiting-chinas-malaysian-projects-part-resetting>.

³ US Navy draws plan for show of force in Taiwan Strait, SCS: report. Retrieved from <https://www.taiwannews.com.tw/en/news/3544558>.

of US mid-term elections and Taiwan's local election. This act is a clear military escalation between China and its opponents is obvious; it resembles the Cold War crisis in Europe in the 1950's and 1960's. Should RIMPAC 2020 move to the SCS, as suggested by the US side, it might be a nightmare for China.

Concluding Remarks

In summary, the US Indo-Pacific strategy is still in its initial stage. Due to different interests of the countries involved, it is difficult for them to create an effective united front against China in the near future. The concerns of the littoral states in the SCS, especially Vietnam and the Philippines, have heightened due to the ambiguity of the US attitude toward East Asia. But the Trump Administration's policy seems mainly trade-centric and falls short in aspects of security. As a result, regional states can hardly find reassurance in the Trump Administration's plan to deal with China's *fait accompli* in the SCS.

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