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# Chinese Naval Strategy, the United States, ASEAN and the South China Sea

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The South China Sea has become a focal point for US-China rivalry which makes it such a critical issue today. China's naval strategy demands control over the South China Sea for the various missions the navy has set itself. It justifies China's assertive actions that have been intended to press the ASEAN claimants, Vietnam and the Philippines in particular, to recognise Chinese sovereignty. The United States cannot accept Chinese control over the South China Sea, it has reacted to China's assertiveness by repositioning its forces in the Asia Pacific and strengthening security ties with the ASEAN claimants. ASEAN itself becomes sidelined in this rivalry and struggles to maintain its relevance, the proposals it has promoted to resolve the South China Sea dispute such as the code of conduct lose importance. Rather than discussing a resolution of the issue it would be more realistic to negotiate an agreement preventing incidents at sea or similar measure which would reduce the likelihood of conflict.

Naval strategy has become a major determinant of Chinese policy over the South China Sea introducing new tensions in the dispute. Initially, China's interest in the South China Sea was primarily territorial, and a matter of reclaiming maritime territory and the islands within it from Vietnamese, Philippine and Malaysian occupation. Access to the oil and gas reserves of the area assumed greater importance subsequently as Chinese demand for energy rose, and as the ASEAN claimants involved international oil companies in exploration and drilling. China's rise, however, has given a new significance to naval strategy as a means of countering US regional dominance, for which control over the South China Sea is required. The result has been more assertive behaviour from the Chinese to enforce their claims to the area and to push the ASEAN claimants to recognise Chinese sovereignty. The United States cannot accept Chinese control over the South China Sea since it would undermine its position in the Western Pacific and it has responded to the Chinese challenge by rebalancing its forces in the Asia Pacific region, and strengthening security relations with claimants such as the Philippines and Vietnam. As the South China Sea dispute becomes integrated into the field of Sino-US rivalry ASEAN assumes a subordinate role and comes under increasing pressure to take sides. The proposals it fostered to resolve the dispute, such as the Code of Conduct, though promising at the time are effectively sidelined. While a resolution of the dispute is highly unlikely at this time, measures to prevent incidents at sea and to deal with harassment should be considered to prevent conflict and avoid escalation.

## Off Shore Defence

Chinese naval strategy has shifted from the limited coastal defence of the 1980s to what is called “off shore defence”, which embraces areas contiguous to the Chinese mainland including the South China Sea. China’s 2008 National Defence White Paper noted the navy’s “strategic transformation to offshore defensive operations” which meant “integrated offshore operations” and “strategic deterrence and strategic counterattack”.<sup>1</sup> The 2010 National Defence White Paper discussed the off shore defence strategy in terms of the modernisation of integrated combat forces and enhancing the capability for “conducting operations in distant waters”.<sup>2</sup> The move to offshore defence as a naval strategy involves three major tasks or missions which have guided the development of Chinese capabilities over the past two decades. The first objective is to prevent Taiwan from declaring independence and to deter the US navy from supporting it in the event of a conflict. From the Chinese perspective the US naval presence in the Western Pacific prevents the reunification of Taiwan with the Mainland, prompting China to develop its naval power as a counter. The second is to protect China’s trade routes and energy supplies which run through the Malacca Straits through which an estimated 80 percent of its oil imports are shipped.<sup>3</sup> The third objective is to deploy and defend a submarine-based second strike nuclear capability which would be able to target the mainland United States. Nuclear deterrence is part of China’s strategy to deal with the United States over the Taiwan issue and enhances Beijing’s confidence in negotiating with the United States over a range of related issues on the basis of equality. If the United States was vulnerable to a nuclear strike it would think twice about coming to the defence of Taiwan in any conflict with Beijing, and would avoid challenging China directly in the Western Pacific. For China, strategic equivalence with the United States of the kind that obsesses the Russians is unnecessary since the ability to strike the mainland United States would be sufficient to create the required deterrent effect.

New naval capabilities have been developed to implement these missions. In terms of surface vessels China has purchased four *Sovremenny* destroyers from Russia and another eight are on order.<sup>4</sup> They carry the SS-

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<sup>1</sup> ‘China’s National Defense in 2008’, Information Office of the State Council, The People’s Republic of China, China.org.cn, March 2009, <[http://www.china.org.cn/government/central\\_government/2009-01/20/content\\_17155577.htm](http://www.china.org.cn/government/central_government/2009-01/20/content_17155577.htm)> [Accessed 11 May 2012].

<sup>2</sup> ‘China’s National Defense in 2010’, Information Office of the State Council, The People’s Republic of China, *Xinhuanet.com*, March 2011, <[http://news.xinhuanet.com/english2010/china/2011-03/31/c\\_13806851.htm](http://news.xinhuanet.com/english2010/china/2011-03/31/c_13806851.htm)> [Accessed 11 May 2012].

<sup>3</sup> Military Power of the People’s Republic of China, 2008, Annual Report to Congress, Office of the Secretary of Defense, Washington DC, <[http://www.defense.gov/pubs/pdfs/China\\_Military\\_Report\\_08.pdf](http://www.defense.gov/pubs/pdfs/China_Military_Report_08.pdf)> [Accessed May 2012]. p. 23.

<sup>4</sup> On China’s military capabilities see Office of the Secretary of Defense, ‘Annual Report to Congress, Military and Security Developments Involving the People’s Republic of China 2010’, A Report to Congress Pursuant to the National Defense Authorization Act for Fiscal Year 2010,

N-22 'Sunburn' anti ship cruise missile [ASCM] which can target US surface vessels and carriers. Over the past fifteen years China has developed eight new destroyer and frigate designs, limited numbers have been produced in each class indicating considerable experimentation with design and weaponry; they include two *Luhu* class destroyers introduced in 1994 and 1996, one *Luhai* class introduced in 1999, one *Luyang-1* class and one *Luyang-2*—both which were introduced in 2004, and two *Luzhoi* class appeared in 2006.<sup>5</sup> The *Luyang 2* is a guided missile destroyer with an area defence capability against air attack similar to the US Aegis destroyers.<sup>6</sup> China has been developing its submarine capability to counter the US navy around Taiwan and to challenge its movements in other areas. It has purchased twelve Russian *Kilo* class submarines which carry the SS-N-27 'Sizzler' ASCM, which is of greater concern to the US navy than the 'Sunburn' ASCM. It has deployed two *Shang* nuclear attack submarines (SSNs), sixteen *Song* and four *Yuan* diesel electric submarines that were intended to replace the outdated *Romeo* and *Ming* classes.<sup>7</sup> Most important for power projection into the open sea is China's carrier development program. China purchased several Soviet-era carriers including the *Kiev* in 1996, the *Minsk* and the *Varyag* in 1998. After much speculation about China's intentions the 67,500 ton *Varyag* was refitted and renovated and in August 2011 underwent sea trials. Renamed the *Shi Lang* it will be commissioned in 2012 as China's first carrier. A carrier requires escorts and supporting vessels and two *Luzhu* destroyers were under construction in the same dockyard while the *Varyag* was being refitted.<sup>8</sup> China has planned the construction of two or more indigenously designed carriers around 50,000 to 60,000 tons and a nuclear-powered carrier by 2020.<sup>9</sup> China may by then overcome its deficiency in steam catapults and large capacity aircraft elevators which would enhance the striking power of its carriers. Indeed by that date China may be able to deploy several carrier groups which would signify its emergence as a major naval power with considerably expanded naval ambitions.

## Zonal Defence in Chinese Naval Strategy

The idea of zonal defence in Chinese naval strategy was promoted by Liu Huaqing who was China's naval chief over 1982-1988. Liu envisioned a global naval role for China and drew on Soviet concepts of sea defence

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Department of Defense, <<http://www.globalsecurity.org/military/library/report/2010/2010-prc-military-power.pdf>> [Accessed 12May 2012].

<sup>5</sup> Ronald O'Rourke, *China Naval Modernization: Implication for US Navy Capabilities* (New York: Nova Science publishers, 2008), pp. 14-5.

<sup>6</sup> Bernard D. Cole, *The Great Wall at Sea*, p. 193.

<sup>7</sup> O'Rourke, *China Naval Modernization*, pp. 14-5.

<sup>8</sup> Sam LaGrone, 'China reveals aircraft carrier ambitions', *Jane's Navy International*, 22 December 2010.

<sup>9</sup> *Ibid.*

zones which would allow a smaller navy to develop a presence and protect itself against a stronger naval power, in this case the United States. As a student at the Voroshilov Naval Academy in Leningrad over 1954-58 Liu was strongly influenced by his teacher Sergei Gorshkov who later presided over the growth of the Soviet navy into a global force. Liu gave expression to a Chinese version of zonal defence according to which China's control of sea territory was to extend from the mainland in two island chains. The first island chain runs from Southern Japan and includes Taiwan and the South China Sea and, according to Liu, control over this area was considered vital for China's national interest. China was to establish control over this sea zone by 2000 in what was regarded as "near seas defence". The second island chain ran from Japan into the Pacific Ocean and included the Philippines in what was called "far seas defence". Control over this area was to be established by the year 2020 and in Liu's vision China would become a global naval power by 2050.<sup>10</sup> China, however, had to live with US dominance of the seas and Liu who died in January 2011 did not live to see his vision realised. The concept of island chains or sea zones continues to influence Chinese naval thinking as a way of gradually expanding naval power in an area dominated by a superior rival.<sup>11</sup> The importance of a blue water navy to defend China's maritime interests which was promoted by Liu continues to be advocated today in greater force as China's maritime interests have broadened and expanded. China's Navy chief Admiral Wu Shengli in April 2009 declared that China's navy will develop a new generation of warships and aircraft to give it much longer-range capabilities. China will, he said "establish a maritime defence system that corresponds with the need to protect China's maritime security and economic development".<sup>12</sup>

## The South China Sea as a Sanctuary

The South China Sea is a prominent part of the Chinese concept of zonal defence, one that has assumed a special significance within it as China's naval power has expanded. While Chinese naval capabilities are in the development phase the navy requires protective sanctuaries against preemptive attack and harassment by submarines or aircraft. As new naval capabilities are developed and deployed in safe bases the surrounding zones become subject to various degrees of control and become sanctuaries

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<sup>10</sup> Bernard D. Cole, *The Great Wall at Sea: China's Navy in the Twenty-first Century*, 2<sup>nd</sup> edition (Annapolis Maryland: Naval Institute Press, 2010), pp. 174-8; Yu Wanli, 'The American Factor in China's Maritime Strategy', in Andrew S. Erickson, Lyle J. Goldstein and Nan Li, *China, the United States, and 21<sup>st</sup> Century Sea Power* (Annapolis, Maryland Naval Institute Press, 2010), pp. 475, 483.

<sup>11</sup> Cole, *The Great Wall at Sea*, pp. 177-178.

<sup>12</sup> Cui Xiaohuo and Peng Kuang, 'Navy Chief Lists Key Objectives', *China Daily*, 16 April 2009, <[http://www.chinadaily.com.cn/cndy/2009-04/16/content\\_7681478.htm](http://www.chinadaily.com.cn/cndy/2009-04/16/content_7681478.htm)> [Accessed 11 May 2012]; Also 'China Planning Huge Navy Upgrade', *channelnewsasia.com*, 16 April 2009, <[http://www.channelnewsasia.com/stories/afp\\_asiapacific/print/422735/1.html](http://www.channelnewsasia.com/stories/afp_asiapacific/print/422735/1.html)> [Accessed May 2012].

to be protected.<sup>13</sup> Sanctuaries would allow protected access to the high seas to implement the wider missions of the Chinese navy. Without this protection aircraft carriers and nuclear ballistic missile carrying submarines (SSBNs) would be rendered useless in a confined area by a hostile naval or airforce. China has based the *Xia* class SSBN at Qingdao in Shandong province and *Jin* class SSBNs have been reported at Xiaopingdao near Dalian on the Liaodong Peninsula. Both are located on the East Sea which is relatively shallow thereby facilitating detection and enhancing vulnerability to US interdiction from the open sea. The Hainan area offers a relatively secure place for naval bases as well as access to the open sea through the South China Sea which for submarines has the advantage of depth to escape detection. In places the depth drops to 2000 metres. Proximity to the Malacca Straits which is critical for China's oil imports from the Middle East is another advantage as is the ability to field a submarine presence in the Taiwan Straits from the South.

China has been constructing an underground base in Sanya on Hainan Island which would house not only SSBNs but also aircraft carriers and their escort vessels when they are deployed. In 2008 one *Jin* class SSBN was deployed there, China has two such SSBNs and is expected to construct four to six. The *Jin* SSBN carries 12 Julang-2 (JL-2) nuclear missiles (SLBMs) which have a range of 8000 km and can target the west coast of the United States. In October 2010 two *Shang* SSNs docked in Sanya.<sup>14</sup> China's first aircraft carrier the *Shi Lang* with its accompanying escorts is likely to be based there as well. As Hainan develops as a naval base the Paracel Islands, which are further south, assume an important role in providing air cover and sea protection in relation to US naval movements. The Chinese have been acutely sensitive to US surveillance of this zone and confronted the USNS *Impeccable* when it came too close to Sanya on 9 March 2009. Five Chinese vessels surrounded and harassed the *Impeccable* about 121 km off Hainan Island.<sup>15</sup> This area would be off limits to US surveillance vessels and should any intrude here China would react swiftly and aggressively. China requires assured access to the open sea for its carriers and SSBNs through the South China Sea down to the Malacca Straits which means it should have the ability to prevent external powers from interfering with its naval movements. In this context China's moves in the Spratly Islands have another purpose besides the defence of territorial claims. Former deputy Chief of the Peoples Liberation Army, General Zhang Li in 2009 called for an airport and seaport on Mischief Reef, a feature in the

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<sup>13</sup> Toshi Yoshihara and James R. Holmes, *Red Star over the Pacific; China's Rise and the Challenge to US Maritime Strategy* (Annapolis, Maryland: Naval Institute Press, 2010), pp. 141-2.

<sup>14</sup> 'New Attack Sub Docked at China's Navy Base in Hainan Island', *Mainichi News*, 21 October 2010.

<sup>15</sup> See Thom Shanker and Mark Mazzetti, 'China and U.S. Clash on Naval Fracas', *The New York Times*, 10 March 2009.

Philippine claim zone that was occupied by China, to conduct air patrols over the area.<sup>16</sup>

The Chinese have increased the pressure upon the ASEAN claimants to recognise Chinese sovereignty over the South China Sea, but the use of direct military force would provoke an international backlash and could push ASEAN to the United States. As Beijing proclaims its “indisputable sovereignty” over the South China Sea and as military representatives declare it to be a “core interest” for China it emboldens various local and central agencies to act forcefully to enforce Chinese claims. The Hainan and Guangdong provincial governments have unveiled plans to develop the fishing resources of the area and have been responsible for assertive action against Vietnam, particularly around the Paracel Islands. Agencies such as the Marine Police under the Security Ministry, the Fisheries Law Enforcement Command under the Agriculture Ministry, the Maritime Safety Administration under the Transport Ministry and China Marine Surveillance under the State Oceanic Administration have been allowed by Beijing to press China’s claims and to harass the presence of ASEAN claimants in the area without the need to resort to military force.<sup>17</sup> Over the past few years their activities have become more aggressive and confident as they have taken their cue from central government authorities. They have challenged ASEAN attempts at oil exploration and maritime surveying; arrested Vietnamese fishermen and confiscated their vessels; and have also harassed naval vessels from external powers in this area reminding them that the waters were contested, and that China’s claim should be respected. China’s ocean going naval capability is still nascent and not until aircraft carriers are fully deployed with their submarine and destroyer escorts would the navy be able to move into the Pacific and Indian oceans. When that capability is developed, however, China would be compelled to reduce the threat of attack from the US navy or from maritime allies of the United States. Diplomatic pressure on the littoral states to side with China would increase, as would the pressure upon the United States to withdraw from the area and to accept it as a Chinese sphere of influence.

## **Spheres of Influence and the US Response**

Naval strategy has been supported by diplomacy as the Chinese have pressed for recognition of spheres of influence in the Western Pacific, with Taiwan and the South China Sea securely within the Chinese sphere. Chinese interest in spheres of influence was revealed in the idea of a “core interest” which was first applied to Taiwan and subsequently extended to the

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<sup>16</sup> Nong Hong and Wenran Jiang, ‘China’s Strategic Presence in the Southeast Asian Region’, in Andrew Forbes (ed.), *Maritime Capacity Building in the Asia Pacific Region*, Papers in Australian Maritime Affairs No. 30 (Canberra: Commonwealth of Australia, 2010), pp. 141-56.

<sup>17</sup> ‘Stirring up the South China Sea (I)’, International Crisis Group, Asia Report No. 223, 23 April 2012, <<http://www.crisisgroup.org/~media/Files/asia/north-east-asia/223-stirring-up-the-south-china-sea-i.pdf>> [Accessed 12 May 2012].

South China Sea by lower level officials and media commentary. In March 2010 Assistant Minister of Foreign Affairs Cui Tiankai told two senior US officials, NSC director Jeffrey Bader and Deputy Secretary of State James Steinberg, that China regards the South China Sea as its “core interest”, similar to Tibet and Taiwan.<sup>18</sup> A *Xinhua* commentary declared that “by adding the South China Sea to its core interests, China has shown its determination to secure its maritime resources and strategic waters”.<sup>19</sup> Similar expectations were raised in the preparations for the Hanoi ASEAN Regional Forum (ARF) in July 2010; China’s embassy in Washington requested the State Department not to raise the issue of the South China Sea in the expectation that the United States would agree.<sup>20</sup> Until then the United States had shown little interest in the dispute and its representatives repeatedly declared that they had no position on the claims but would act to uphold freedom of navigation in the area. This occasion seemed no different to the Chinese who had expected that the the United States would go along with their request. However, the the United States unexpectedly made a stand at the 2010 ARF and rejected any notion of a division of the Western Pacific into separate spheres. Secretary of State Hillary Clinton rallied the ASEAN claimants who had been alarmed by Chinese pressure and who had turned to the United States for support. She affirmed US interest in the South China Sea and stressed the need for a “collaborative diplomatic process by all claimants” which clashed with China’s insistence on bilateral negotiations with the ASEAN claimants.<sup>21</sup>

The United States was obligated to respond to Chinese pressure and to affirm its interest in the South China Sea to prevent its position in the Western Pacific from unravelling. If the United States had complied with Chinese expectations and had brushed off the ASEAN entreaties they would have confirmed to Asian audiences that it was truly and irreparably in decline before a rising China. The United States would have lost credibility before its Asian allies which would have been prompted to seek their own accommodation with China. The security system that the United States had been developing over past decades, which has included security partnerships with major regional states such as Vietnam and Indonesia, would have been undermined. To avoid this prospect the Obama administration reaffirmed the US presence in the Asia Pacific region which

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<sup>18</sup> Edward Wong, ‘Chinese Navy Seeks to Extend its Naval Power’, *The New York Times*, 23 April 2010.

<sup>19</sup> ‘Modernizing Navy for Self-defense’, *Xinhuanet.com*, 13 July 2010, <[http://news.xinhuanet.com/english2010/indepth/2010-07/13/c\\_13397060.htm](http://news.xinhuanet.com/english2010/indepth/2010-07/13/c_13397060.htm)> [Accessed May 2012].

<sup>20</sup> John Pomfret, ‘Beijing Claims “Indisputable Sovereignty” over South China Sea’, *The Washington Post*, 31 July 2010.

<sup>21</sup> On the events of the July 2010 ARF see ‘Remarks at Press Availability, Hillary Rodham Clinton, Secretary of State, National Convention Center, Hanoi, Vietnam, 23 July 2010’, U.S. Department of State, <<http://www.state.gov/secretary/rm/2010/07/145095.htm>> [Accessed May 2012]; ‘Andrew Jacobs China Warns U.S. to Stay Out of Islands Dispute’, *The New York Times*, 26 July 2010; Greg Torode, ‘How US Ambushed China in its Backyard’, *South China Morning Post*, 25 July 2010.

was the result of the President's trip to Bali and Australia in November 2011. In Canberra on 16 November President Obama announced the rotational deployment of 2500 marines in Darwin, and on the following day the President addressed Australian parliament and declared that he had "made a deliberate and strategic decision—as a Pacific nation, the United States will play a larger and long-term role in shaping this region and its future, by upholding core principles and in close partnership with our allies and friends".<sup>22</sup> US Defence Secretary Leon Panetta explained that the United States would engage in "rebalancing our global posture and presence, emphasising the Pacific and the Middle East", as the United States withdraws from Iraq and Afghanistan.<sup>23</sup> As part of that rebalancing effort the United States announced on 26 April 2012 that it would move 9000 marines from Okinawa and spread them around different locations, 5000 would be sent to Guam and others would go to Hawaii or Australia.<sup>24</sup> The rebalancing of the US presence, however, comes at time of stringent budget cuts in the Pentagon which compels the United States to rely more on partnerships with regional powers, such as the Philippines and Vietnam, which share US concerns about China.<sup>25</sup>

The Philippines has been disturbed by China's actions in its claim area since the Chinese occupied Mischief Reef in 1995 and built permanent structures there. More recently in 2011 the Philippines reported seven incidents involving Chinese harassment; on 2 March two Chinese patrol boats harassed an oil exploration ship in the Philippine claim zone 250 km west of Palawan, they left the area after the Philippine air force was scrambled. On 5 April the Philippines lodged a formal protest at the UN and sought ASEAN support in the forging of a common position over the issue.<sup>26</sup> The Philippines again raised the alarm when it declared that on 11 and 12 December 2011 two Chinese vessels and a naval warship were spotted near Sabina Shoal in its claim area. On 8 April 2012 a Philippine maritime vessel responded to the presence of eight Chinese fishing boats around Scarborough Shoal and tried to arrest one of them. Two Chinese maritime surveillance vessels arrived which resulted in a continuing standoff. Hillary

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<sup>22</sup> 'Remarks By President Obama to the Australian Parliament, Parliament House Canberra, Australia', The White House, Office of the Press Secretary, 17 November 2011, <<http://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament>> [Accessed 11 May 2012]; Jackie Calmes, 'A U.S. Marine Base for Australia Irritates China', *The New York Times*, 16 November 2011.

<sup>23</sup> 'Defense Secretary Panetta's Remarks on Defense Strategic Guidance', U.S. Department of Defense, Office of the Assistant Secretary of Defense (Public Affairs), IIP Digital, 5 January 2012, <<http://iipdigital.usembassy.gov/st/english/texttrans/2012/01/20120105163808su0.3729451.html>> [Accessed 11 May 2012].

<sup>24</sup> Greg Jaffe and Emily Heil, 'U.S. Comes to Agreement with Japan to move 9,000 Marines off Okinawa', *The Washington Post*, 28 April 2012; 'U.S. to Move 9,000 Marines from Okinawa; No Change to Futenma Plan', *Japan Today*, 28 April 2012.

<sup>25</sup> Mark Landler and Sewell Chan, 'Taking Harder Stance toward China, Obama Lines up Allies', *The New York Times*, 25 October 2010.

<sup>26</sup> 'Philippines protests China's Spratly claim at UN', *AFP*, 13 April 2011.



Clinton has reassured the Filipinos of the United States' commitment to them under the bilateral defence treaty and has stressed that the United States opposes the "threat or use of force by any party to advance its claim".<sup>27</sup> As a demonstration of commitment, beginning on 25 April the United States conducted the annual Balikatan exercise with the Philippines which staged a mock assault on an "occupied" island off Palawan in the South China Sea. Indeed, the Philippines may assume an important role in the United States' rebalancing efforts in view of its proximity to the South China Sea and the willingness of its leaders to accommodate the Americans, despite the anti-American protesters who oppose their return. Permanent bases are not on the agenda but more marines are likely to be rotated through Philippine airports and US naval vessels will again be serviced and repaired in Subic Bay which was a US naval base until 1992.<sup>28</sup> The difficulty is that the Philippines has a weak naval force and little ability to defend its maritime claims; it has relied upon second hand naval vessels from the United States, the pride of the fleet is the *Rajah Humabon* a former US frigate which was commissioned in 1943 and is the oldest naval vessel still operating. Since Cory Aquino in the late 1980s successive Philippine governments have declared naval modernisation programs but the outlay was consistently beyond their budgetary means. The Philippine Government expects US support in this area and obtained US agreement to triple Foreign Military Financing for the Philippines in 2012 to help build a "credible minimum defence posture" for the country.<sup>29</sup> However, much more would be required to achieve that objective.

Vietnam has also come under pressure from China, and because it claims both the Paracels and the Spratly Islands has become China's main target. On 26 May 2011 two Chinese maritime surveillance vessels cut the exploration cables of a Vietnamese survey ship which was towing a submerged seven kilometre seismic cable while searching for oil and gas deposits in Vietnam's EEZ, some 120 km off Nha Trang; the Vietnamese Foreign Ministry released videos of a Chinese vessel actually breaking the cable attached to the Vietnamese vessel *Binh Minh*.<sup>30</sup> A Chinese Foreign Ministry spokeswoman Jiang Yu declared that the Chinese vessels had engaged in "completely normal marine enforcement and surveillance activities in China's jurisdictional area".<sup>31</sup> On 9 June a Chinese fishing boat

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<sup>27</sup> Floyd Whaley 'US Reaffirms Defense of Philippines in Standoff with China', *The New York Times*, 1 May 2012.

<sup>28</sup> Floyd Whaley, 'Philippines Role May Expand as US Adjusts Asia Strategy', *The New York Times*, 29 April 2012.

<sup>29</sup> They would provide \$30 million in FMF for 2012, an increase over the 2011 figure of \$11.9 million. Manuel Mogato, 'US Triples Military Aid to Philippines in 2012', *Reuters*, 3 May 2012, <[www.reuters.com/assets/print?aid=USBRE8420IU20120503](http://www.reuters.com/assets/print?aid=USBRE8420IU20120503)> [Accessed May 2012].

<sup>30</sup> Alex Watts, 'Tensions Rise as Vietnam Accuses China of Sabotage', *The Sydney Morning Herald*, 2 June 2011.

<sup>31</sup> 'China Reprimands Vietnam over Offshore Oil Exploration', *Reuters*, 28 May 2011, <<http://af.reuters.com/article/energyOilNews/idAFL3E7GS07E20110528>> [Accessed May 2012].

in similar fashion rammed the survey cables of another Vietnamese survey vessel. The Chinese regularly arrest Vietnamese fishermen around the Paracel Islands; they confiscate their vessels and equipment and demand a ransom for their release. The Vietnamese have been alarmed by Chinese behaviour and have hoped that a security relationship with the United States would provide support, though their anxieties about Chinese reactions act as a constraint. The United States has regarded Vietnam as a useful counter to China since President Bill Clinton made a well-publicised visit to Vietnam in November 2000, which was the first ever by a US president. The US concern with human rights imposes limits on the development of the relationship however, which has been promoted in a low profile way by the defence ministries in both countries. Three US defence secretaries have visited Vietnam, William Cohen in March 2000, Donald Rumsfeld in June 2006 and Robert Gates in 2010; Two Vietnamese defence ministers visited Washington, Pham Van Tra in 2003 and Phung Quang Thanh in December 2009. On 1 August 2011 the United States and Vietnam concluded what was lauded as their first military agreement since the Vietnam War; though it was limited to cooperation in health and research collaboration in military medicine it is likely to open the door to further agreements.<sup>32</sup> On 23 April 2012 the United States began what were described as non combatant naval exchange activities in Danang which included the flagship of the seventh fleet the *Blue Ridge*, a guided missile destroyer, a rescue and salvage ship.<sup>33</sup> The US navy had hopes of using Cam Ranh Bay which it had developed into a base during the Vietnam War but Hanoi had resisted, mindful of the Chinese response. It may be that as the Chinese continue to encroach on the Vietnamese claim area this resistance may be lifted.

## ASEAN's Role

As the United States reacts to Chinese assertiveness by strengthening relations with these claimants, ASEAN's dilemma of managing both the United States and China intensifies. Though the ASEAN claimants may be alarmed by Chinese behaviour the regional body includes non claimants—Thailand, Cambodia, Myanmar and Laos—which have had historically good relations with China and would be unlikely to sacrifice them over the issue of the South China Sea. As Chinese pressure over the South China Sea increases ASEAN will face competing demands from claimants who want ASEAN support and non claimants who want to keep out of the dispute. ASEAN devised a common policy toward China over the issue which was intended to preserve its unity by ensuring that members would not be obliged to choose between China and the United States. It was based on the assumption that the Chinese claim to the South China Sea area was negotiable, and that China would settle for a resolution of the dispute in

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<sup>32</sup> 'US, Vietnam Start Military Relationship', *DefenseNews*, 1 August 2011, <<http://defensenews.com/story.php?i=7264252&c=AME&s=TOP>> [Accessed May 2012].

<sup>33</sup> 'Vietnam, US to Hold Five Day Naval Exchange', *AFP*, 17 April 2012.

which territorial claims would be adjusted and the oil and gas reserves would be shared. ASEAN's strategy over the South China Sea was to persuade China into accepting a regime of norms which would govern behaviour there and forestall any effort to resort to force. The first such attempt was made in the Declaration of the South China Sea of July 1992 which obliged China and ASEAN to resolve questions of sovereignty in the South China Sea "by peaceful means, without resort to force".<sup>34</sup> The Declaration on the Conduct of Parties in the South China Sea (DOC) signed with China on 2 November 2002 was regarded as a very promising development within ASEAN circles which could prevent conflict and keep the peace in the South China Sea. China had previously insisted on bilateral negotiations with the claimants but this was the one occasion when it agreed to a multilateral document. This agreement was followed by China's accession to the ASEAN Treaty of Amity and Cooperation (TAC) on 8 October 2003 according to which disputes are to be settled peacefully. Since 2004 ASEAN has been discussing the idea of a legally binding Code of Conduct and when Vietnam was ASEAN chair in 2010 it vigorously promoted the proposal. ASEAN at least managed to persuade China to agree to "guidelines for the implementation of the declaration of conduct" at the 18<sup>th</sup> ARF held in Bali in July 2011. The guidelines comprise eight short sentences calling for dialogue, consultations, and confidence building measures which would "lead to the eventual realization of a code of conduct".<sup>35</sup> Chinese Foreign Minister Yang Jiechi said that they encourage the resolution of disputes through cooperation and negotiation, and when conditions are "ripe" China would be willing to discuss a code of conduct with ASEAN. The document simply repeated phrases that had been circulating for years without committing anyone to anything. It was praised by Hillary Clinton and US officials for defusing tensions over the issue but whether the effect would be lasting is very much in doubt.<sup>36</sup> Later, Philippine President Benigno Aquino met Hu Jintao in Beijing and claimed that China and the Philippines agreed on the need for a binding code and an "implementing agreement" for it: he called for a binding agreement on how each party should behave in the South China Sea.<sup>37</sup>

Differences within ASEAN were revealed at the 20<sup>th</sup> Summit which was held in Phnom Penh in April 2012 and showed how the regional body could be divided over the issue. As a non claimant Cambodia has little interest in the issue and traditionally has maintained good relations with China to balance

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<sup>34</sup> ASEAN Declaration On The South China Sea Manila, Philippines, 22 July 1992, <<http://www.aseansec.org/3634.htm>> [Accessed May 2012].

<sup>35</sup> Abdul Khalik and Desy Nurhayati, 'South China Sea Guidelines Agreed', *Jakarta Post*, 21 July 2011.

<sup>36</sup> David Gollust, 'Clinton Welcomes South China Sea Guidelines', *VOAnews.com*, 22 July 2011, <<http://www.voanews.com/english/news/asia/Clinton-Welcomes-South-China-Sea-Guidelines-126002064.html>> [Accessed May 2012].

<sup>37</sup> 'Philippines, China Seek South China Sea Code of Conduct', *Reuters*, 31 August 2011, <<http://www.reuters.com/article/2011/09/01/us-philippines-china-idUSTRE7800KY20110901>> [Accessed May 2012].

Vietnam. After Hu Jintao visited Phnom Penh and promised additional economic support Cambodia openly sided with China and demanded that the Chinese be allowed to take part in the drafting of the code of conduct. The Philippines, Thailand and Vietnam opposed this proposal and wanted the draft to be agreed by ASEAN first and then presented to China.<sup>38</sup> Kao Kim Hourn, Cambodia's Secretary of State for the Ministry of Foreign Affairs told the press that the dispute should not be internationalised which was the Chinese position.<sup>39</sup> The Chairman's statement from the summit affirmed the significance of the DOC as a "milestone document" and mentioned that ASEAN would move for the "eventual realization" of a regional code of conduct.<sup>40</sup> The issue of the code was simply postponed. One major difficulty with the code is its extent and the area to which it would be applied as Vietnam has pressed for its application to the Paracel Islands which the Chinese side opposes. Another is more fundamental as China has prevaricated over a proposal that could hinder its freedom of action against the ASEAN claimants. Moreover, there is a tendency amongst the Chinese to insist that any code of conduct so devised would not in any case apply to the area they claim. This means that Chinese action against the Filipinos and the Vietnamese is justified because it has taken place in Chinese waters and does not breach the DOC, and would not become subject to a code. This interpretation would make the code virtually irrelevant. ASEAN's approach to China made sense in the past when China placed a premium on good relations with ASEAN to weaken US influence in the region. The situation changed, however, when Beijing perceived that the balance of forces had shifted, that the United States was in decline after the global financial crisis and that China had less need of ASEAN to counter the United States. A new confidence in China's rise has stimulated Beijing's ambitions and its desire to challenge US regional dominance through naval expansion in areas critical for China, such as the South China Sea and the Taiwan straits. As the South China Sea becomes a focal point for Sino-US rivalry in the Western Pacific ASEAN is relegated to a less important role and its initiatives miss the mark. When the ASEAN claimants called upon the United States for support during the 2010 ARF they implicitly recognised that the issue was no longer in ASEAN hands, that ASEAN could not deal with it alone, and it was an issue for the United States and China.

## Conclusion

As China rises in power it unfolds an extended naval strategy that requires control over the South China Sea as an outlet for its navy. Its SSBNs require deployment zones which can be protected against US killer

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<sup>38</sup> Christine O. Avendaño, 'Aquino Wants "First Crack" at Code', *Philippine Daily Inquirer*, 4 April 2012; 'Philippines Urges United ASEAN Stand on South China Sea', *Straits Times*, 3 April 2012.

<sup>39</sup> 'ASEAN Ready to Discuss Disputed Seas with China', *Asia News Network*, 3 April 2012.

<sup>40</sup> Chairman's Statement of the 20<sup>th</sup> ASEAN Summit, Phnom Penh, 3-4 April 2012, ASEAN Summit 2012, <<http://asean2012.mfa.gov.kh/index.php?page=detail&menu1=5&menu2=35&menu3=90&article=90&lg=en>> [Accessed May 2012].

submarines, its own submarine force requires access to Taiwan Straits to launch a naval blockade of the island, and its carriers when they are completed will require access to the open sea. As new carriers, SSBNs and surface vessels are deployed China would become more insistent on its maritime claims in the South China Sea, which it would turn into a sanctuary, and off limits for the naval vessels of external powers. China's first carrier the *Shi Lang* would probably be deployed in this area and would give the Chinese the airpower to cover the Spratlys down to the Malacca Straits which they have lacked until now. This would be a demonstration of Chinese power that would signal to the region that China had come of age and that its historical claims should be recognised: in the South China Sea, in the East Sea and elsewhere. Rivalry with the United States would increase as the Americans resist the Chinese effort to impose separate spheres of influence in the Asia Pacific that would leave the South China Sea and surrounding areas to China. The United States would continue to strengthen security relations with the ASEAN claimants most concerned about China and would position its forces in the region to counter Chinese naval expansion and influence over the Western Pacific. These developments would polarise the region and could immobilise ASEAN as the claimants seek US support while the non claimants either avoid the issue or openly turn towards China. ASEAN had assumed that it was in the "driver's seat" over this issue, and devised initiatives such as the DOC and the code of conduct to enhance diplomatic leverage within the region and to preserve its fragile unity. Whatever the merits of the code of conduct proposal its time has passed and China is less likely than ever to be interested in a regional resolution of the issue with ASEAN.

In view of these destabilising trends what is required is not a code of conduct but an agreement which would prevent incidents at sea and provide for procedures to deal with the harassment of vessels and stand offs between navies and maritime vessels. One such agreement was the US-Soviet Incidents at Sea Agreement of 25 May 1972 which was negotiated after several disturbing near clashes at sea in preceding years. On 19 January 1998 the United States concluded an agreement with China to establish a Consultation Mechanism to Strengthen Military Maritime Safety, but this is too vague and general to be effective. The United States, ASEAN and external powers such as India and Japan should explore an incidents at sea agreement which could be preliminary to a code of conduct but would differ from it in several ways. First, it would not be legally binding which is one major reason for Chinese procrastination. Secondly, it would include external powers such as the United States, India and Japan as well as the claimants to the area since serious incidents may arise from their involvement in the South China Sea. At one level there could be an agreement between ASEAN and China which would cover incidents at sea, oil exploration and fishery disputes and would lay down guidelines for their negotiation and resolution. It would also include procedures to resolve

clashes between fishing fleets and confrontations between naval and/or coast guard vessels. These procedures would facilitate speedy communication between the political leaders to ensure that incidents do not get out of hand. At another level there could be a similar agreement between the United States, China and external powers which would cover surveillance and exploration activities perceived as threatening by China while maintaining the principle of freedom of navigation in the South China Sea. China may oppose any measure that would deprive it of the means of exerting pressure on the other claimants, but it might be attracted to the restrictions upon US maritime surveillance that would be part of the agreement and to the conflict avoidance procedures which would prevent the United States from being drawn in. The attraction for China would increase if as a result of the United States' effort to reposition its forces in the region it feels disadvantaged and constrained. A workable agreement has to build upon the self interest of all the parties which is what the code of conduct proposal failed to do. This kind of agreement would not be solution to the dispute but it would bring a temporary stability in the area which is the best that one can hope for at this time.

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