A THREAT LOOMS LARGE:

CHINA’S TERRITORIAL DISPUTES IN THE SOUTH CHINA SEA, 1989-2011

By

Tuan Minh, Tran

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The Australian National University

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Date: November 4th, 2011
ABSTRACT

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China’s foreign policy in Southeast Asia regarding the South China Sea disputes has fundamentally changed since the end of the Cold War. Following the end of the Cold War, China transformed from a previous hostile and antagonistic stance towards Southeast Asian countries to a friendlier approach which is usually termed as a ‘good neighbor policy’. Many scholars especially constructivists therefore argue that China has changed its identity to become a benign rising power. Since 2010, however, China has again changed its diplomatic approach and became even more aggressive in its claims in the South China Sea disputes. Why was there such a dramatic change in China’s regional foreign policy? Constructivists remain silent in answering this question. This study argues that the change of power distribution between China and other states in Southeast Asia is the major driving force that has facilitated change in Beijing’s diplomatic approach to this region since the end of the Cold War. Through a historical analysis within an offensive realist theoretical framework, this study concludes that China’s change of its diplomatic approach is mainly driven by change of power distribution in the region, or in other words, by realist factors.
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CHAPTER 1
INTRODUCTION

Background to the Study

Chinese foreign policy in Southeast Asia has substantially changed since the end of the Cold War. In 1991, after the Chinese Foreign Minister was invited by Malaysia to the ASEAN Annual Ministerial Meeting (AMM) in Kuala Lumpur, relations between China and ASEAN were normalized. From 1992 to 1995, China attended AMMs as a guest of the ASEAN Chair. In 1996, China became a regular dialogue partner of ASEAN. In 1997 Chinese President Jiang Zemin and ASEAN leaders inaugurated the first ASEAN plus Three (ASEAN plus China, Japan and South Korea) meeting (Ba, 2003, P. 626). In 2001, at the ASEAN plus China meeting, Chinese Premier Zhu Rongji proposed the creation of a China-ASEAN Free Trade Area (Chung, 2009, P. 13).

Those changes in China’s foreign policy relative to ASEAN combined with other moves by Beijing in resolving territorial disputes including the bilateral maritime boundary agreement with Vietnam in 2001, China’s signing of the “Declaration of Conduct in the SCS” (DOC-SCS) with ASEAN in 2002, as well as its agreement in 2005 to conduct joint tests for seismic activities in the region (Jiping, 2007, P. 15) had a profound impact on regional stability and regional economic growth.

China’s trade with ASEAN states has grown fast. In 1978, China’s trade with the five original ASEAN countries (Indonesia, Malaysia, Singapore, Thailand and the
Philippines) amounted to only US $859 million (Shiliang, 1993, P. 3). By 2004, however, this number had increased to over US $100 billion, a year ahead of a previously set target. Two-way trade between China and ASEAN saw a 23 percent increase in 2005, reaching $130.4 billion (Xinhua, 2006). This number continued to grow and reached $202.6 billion in 2007, an increase of 25.9 per cent over the past year (Liang, 2008). By then, ASEAN constituted the fourth largest export market for China (Cui, 2007, P. 51).

Many analysts now argue that China has become a “good neighbor” to South East Asian states and its diplomatic approach has been recently labeled as a “good neighbor diplomacy” (Tingchang, 2001, Zhu, 2009, Chung, 2009). According to various scholars, notably constructivists, China’s rise should not be regarded as a threat. Instead, the rise of China should be viewed as an opportunity for mutual economic benefit and regional development.

Events in 2010 and 2011, however, have cast doubt on this interpretation. China reportedly claimed the South China Sea (SCS) as a “core interest” (Wong, 2010, Yoshihara and Holmes, 2011) on par with Tibet and Taiwan, opening the possibility of using force in resolving disputes in that area. This escalation provides new insights into China’s aggressive behavior toward the SCS.

In March 2011, China warned against any oil exploration in waters it claimed in the SCS (Calica, 2011). Two months later, the China Marine Surveillance service announced it would expand by 1,000 officers, to more than 10,000 (United Press

While the People’s Liberation Army (PLA) builds up its capabilities, Beijing’s policy-leaders continue to press their sovereignty claims. In December 2009, Beijing established local government bodies known as ‘hamlet committees’ on Woody Island - the largest island in the Paracels group. One month later, the Standing Committee of the National People’s Congress approved the Law on Sea Island Protection (Raine, 2011, P. 74). This legislation establishes broad administrative responsibilities over all claimed islands for the nominal purpose of protecting their eco-systems and promoting sustainable development. Such jurisdictional and institutional frameworks have been used by Beijing as pretexts to bolster its strategic presence and thereby promote its claims in contested waters.

In response, some of China’s neighbours, especially Vietnam and the Philippines, who have the most overlapping claims with China in the SCS, have condemned China’s claims. On June 9, 2011, Vietnamese Prime Minister Nguyen Tan Dung made an unprecedentedly strong statement in defence of national sovereignty after two cable cutting incidents occurred between China and Vietnam on May 25 and June 9 respectively. He said, “we continue to affirm strongly and to manifest the strongest determination of all the Party, of all the people and of all the army in protecting Vietnamese sovereignty in maritime zones of the country.” (Agence France-Presse, 2011). At the same time, Philippine President Aquino also lobbied
other Southeast Asian countries to unify as a bloc on a detailed code of conduct to approach China (Thayer, 2011b, P. 9). What are the implications of all these recent events? Should China be regarded as a good neighbor in Southeast Asia or should it be regarded as a threat?

There are a large number of studies explaining China’s foreign policy toward Southeast Asian countries and specifically regarding the SCS disputes. Many of these works assess the correlation between China’s military power and its foreign policy towards the SCS. However, these studies mainly focus on explaining and discussing Beijing’s “good neighbour policy” following the end of the Cold War. Less analysis has been offered on the reason why there has been a substantial change in China’s foreign policy in the SCS since 2010. Also, little attention has been given to the correspondence between China’s good neighbour policy after the end of the Cold War and its recent change in diplomatic approach. This represents a gap in the knowledge required for better understanding of Chinese foreign policy. This thesis aims to fill this gap by exploring the inter-relationship between China’s military capabilities and its foreign policy in the SCS during the period of 1989-2009 as well as between 2010-2011.

To do so, it seeks to answer several important questions concerning China’s foreign policy on the SCS disputes. First, what drove China’s good neighbour policy in Southeast Asia during the period of 1989-2009? To what extent did the distribution of power in the SCS impact Beijing’s foreign policy in the region during
this period? Second, was there a substantial change in Beijing’s diplomatic approach in Southeast Asia since 2010 and what explains this apparent change? Does the distribution of power to the advantage of China prompt Beijing to act more aggressively? Lastly, what is the impact of Beijing’s change of its diplomatic approach during the two periods under review to regional security? To answer these questions, a historical approach within realist theoretical framework is undertaken to (1) identify and explain the causes of change in China’s regional foreign policy in the SCS since the end of the Cold War; and (2) determine the effects of these changes in China’s foreign policy in Southeast Asia on regional security.

**Current Debates on China’s Rise and its Foreign Policy**

The debate on the rise of China could be generally divided into two schools of thought, namely constructivism and realism. Constructivists emphasize subjective social factors over material factors to explain China’s rise. According to constructivists, interstate relations are largely shaped by identities, norms and strategic cultures, not by rational choices that reflect objective, material benefits such as trade and investment ties, international institutions, or a military balance of power (Wendt, 1999). Constructivists believe that states will be ‘socialized’ through repeated interactions with each other. This process will generate norms and rules and thereby foster a collective identity, which in turn will shape the behaviour of the participants. Because constructivists view interstate relations as
social relationships which are largely malleable, they tend to be optimistic about international security (Friedberg, 2005, P. 34).

In the case of China, constructivists argue that the socialization of that country has taken place during interactions with ASEAN. During these interactions, it is argued, Beijing has realized that its national interests could be better achieved through cooperation with ASEAN rather than confrontation against it (Yunling and Shiping, 2005). In other words, as a result of regional interaction, China has transformed its identity and shifted from norm-avoiding to norm-affirming behavior in its relations with ASEAN (Xuefeng, 2005, P. 300). Constructivists therefore conclude that because of an evolution in its identity, Beijing has a strong desire to become involved in regional cooperation with its neighboring states in Southeast Asia.

These arguments, however, suffer from three major defects. First, constructivists fail to designate reliable indicators to observe and measure the transformation of China’s identity. The indicator constructivists largely focus on is China’s good neighbor policy. However, China’s good neighbour policy is exactly the phenomenon that needs to be explained by the change of Beijing’s identity. As noted by Sun Xuefeng, “On the one hand, this explanation holds that the reason why China reassures South-East Asian states lies in the transformation of China’s identity, and on the other hand it argues that China’s reassurance policy indicates the change of China’s identity” (Xuefeng, 2005, p. 301). It is clear that
constructivists’ argument about China’s transformation of identity is tautological and fails to separate the causal factor and its consequences.

Second, it is also not persuasive to claim that China’s good neighbour policy is motivated by China’s change of identity because this policy could also be motivated by other factors, especially its national security interests. As discussed below, China is not a mindless aggressor, it is a calculating national security actor. China knows that the best way for it to further advance its interests is to have a good relationship with neighboring states. As such, while constructivists claim that China’s change of its national identity drives its good neighbor policy, it is also possible to claim that this policy is mainly driven by realist factors.

Third, constructivism seems to provide an explanation for Beijing’s good neighbor policy from 1989 to 2009 when China focused extensively on economic development. But it arguably struggles to explain the shift in 2010 towards a more assertive policy. Why was there such a substantial change in China’s diplomatic approach to the SCS disputes? What were the causes of these changes? Constructivists remain silent in answering these questions.

For realists, nation-states exist as units in an anarchical international order and the system largely determines the behaviour of states. Defensive realism, notably Waltz (Waltz, 1979) maintains that states will acquire military power to ensure their security, but, because of being mindful of security dilemma, states will stop once they have enough power, so as not to worry their neighbours. Offensive
realists, notably Mearsheimer (Mearsheimer, 2002), however, argue that the security dilemma does not restrain states from acquiring more power because, in basic terms, attack is the best form of defence. Therefore acquiring greater offensive capabilities is a precondition for being secure. According to offensive realism, states will pursue expansion as they grow stronger (Labs, 1997, Zakaria, 1998, Mearsheimer, 2002, Elman, 2004). Because power is the ultimate source of security in an anarchic world, states will pursue expansion to achieve hegemony (Mearsheimer, 2002, P. 40).

There is an extensive and growing realist literature on China. Richard Bernstein and Ross Munro (Bernstein and Munro, 1997, 1998) was one of the first such works that generated extensive debate. They argue that a combination of systemic, domestic, and historical factors account for China’s hegemonic ambitions. They further observe that “Driven by nationalist sentiment, a yearning to redeem the humiliations of the past, and the simple urge for international power, China is seeking to replace the United States as the dominant power in Asia” (Bernstein and Munro, 1997, P. 19). Many realists, including Kagan, argue that, China, “like all rising powers of the past, including the United States, wants to reshape the international system to suit its own purpose” (Kagan, 2005).

There is, however, a more nuanced version of realism that concludes China’s rise does not necessarily pose a threat to regional order (Goldstein, 2005, Glaser, 1994). Goldstein, for example, evaluates constraints on Chinese foreign
policymaking and argues that China’s ‘new grand strategy’ is to balance between promoting its continued economic development and its domestic stability. It accordingly wishes to modify whatever apprehensions may be held by other nations concerning the rise of China (Goldstein, 2005). Other think China’s rise needs not be as dangerous as suggested by offensive realists because the structural forces which drive great powers into conflicts are often quite weak. According to Charles Glaser (Glaser, 1994, Glaser, 2011), the two current international conditions that limit the possibility of conflict between China and the United States (US) are the destructiveness of nuclear weapons and the vast expanse of Pacific Ocean. These conditions generate strategic restraint.

**Theoretical Framework**

This study is fundamentally informed by the work of John J. Mearsheimer (Mearsheimer, 2002) and other scholars within the offensive realist school of international relations. More specifically, this paper supports Mearsheimer’s argument that the goal of each state is to maximize its share of world power and its ultimate aim is to be the hegemon. This paper utilizes Mearsheimer’s concept of “power” as the main analytical framework and applies the notion of “distribution of power” in its analysis of Chinese foreign policy in Southeast Asia.

Before continuing, however, I must make two caveats. First, I do not dismiss constructivist theory as an important analytical tool for the study of international relations. Constructivism, in fact, offers many useful insights and ideas such as the
notions of “distribution of interests” and “change of national identity” which are very helpful in understanding the interaction of states in world affairs. However, as with any theory, constructivism also has its weakness. One of constructivism’s most conspicuous weaknesses is that it tends to over determine “social learning” in states’ relations. For that reason, I believe that constructivism proves itself unable to adequately explain why China has fundamentally changed its regional foreign policy since 2010. Second, because there exists a great diversity of analytical approaches within the realist school of international relations, I must explain why this study is based on the theoretical work of John J. Mearsheimer. One reason that my research follows Mearsheimer’s version of realism is that his approach best explains past great power behavior. In fact, Mearsheimer successfully tests and demonstrates the empirical validity of his theory by examining six cases of great power behavior over two centuries including Japan, Germany, the Soviet Union, Italy, Great Britain, and the United States. Being ranked as a new great power, China’s behavior therefore could be best analyzed using Mearsheimer’s offensive realism.

‘Power’ is mainly defined here as having the capacity to compel others to do what they otherwise would not do. Although ‘latent power’ which refers to the socio-economic ingredients that go into building military power is important in defining a state’s power, the ultimate determinant of international politics is the level of material capabilities one can bring to bear, especially in a military context.
It is also important to define the meaning of ‘hegemony’. A hegemon is a state that is able to dominate all the other states in an international system (Gilpin, 1981, P. 29). No other state has the military capability to contest it successfully on its own. There are two types of hegemony in world politics: (1) global hegemons which dominate the world; and (2) regional hegemons which dominate distinct geographical areas. However, according to John J. Mearsheimer, to become a true global hegemon is virtually impossible because no state could project power across the world’s oceans onto the territory of a rival great power. Therefore, the only rational choice for a rising great power is to become the regional hegemon or the hegemon of other nearby regions (Mearsheimer, 2002, P. 40).

Although great powers’ goal is to maximize their own power, they cannot always act on their offensive intentions because “behavior is not only influenced by what states want, but also by their capacity to realize these desires” (Mearsheimer, 2002, P. 37). ‘Capacity’ here refers to military power of a specific state and how this military might compares with other great powers. A great power is likely to behave more aggressively when it has a marked power advantage over its rivals. On the contrary, it will be very careful and concerned with defending the existing balance of power when it is on a disadvantaged position or facing powerful opponents. However, it will seize for any opportunities to revise the balance of power in its favour with its ultimate aim as a regional hegemon. Simply put, great powers are not mindless aggressors, but are calculative power enhancers.
Hypotheses

Based on the theoretical framework set out above, this study assumes a causal relationship between Chinese military capabilities and its foreign policy in Southeast Asia. This study tests the following three hypotheses: (1) China as a rising great power will be less inclined to consider offensive action when the distribution of power is not advantageous to China, (2) as China’s military capabilities grow and the distribution of power changes to its advantage, China will behave more aggressively and make every effort to maximize its power to become a regional hegemon, and (3) a change in China’s behaviour will cause a change in ASEAN perceptions and responses to China’s power.

I hypothesize that as a rising great power, China will never relinquish its aim to be a regional hegemon. Although China’s foreign policy in the SCS disputes may wax and wane, its ultimate aim to become a regional hegemon will never change. However, as a calculated aggressor, China thinks very carefully about the distribution of power between it and other regional states and how these states will react to its moves. China weighs the costs and risks of its offensive moves against the likely benefits. If the risks outweigh the benefits, it sits tight suppressing its aggression and waits for a more propitious moment or a window of opportunity.

This thesis identifies and explains ongoing changes in China’s regional policy. It argues that the change of power distribution between China and other states in
Southeast Asia is the major driving force that has generated oscillations in Beijing’s diplomatic approach to this region since the end of the Cold War.

**Organization of Study**

Chapter Two discusses and critically analyses Beijing’s foreign policy concerning SCS disputes from the end of the Cold War until 2009. During this period, Beijing successfully built up an image of becoming a ‘good neighbor’ in the region. By employing the theory of offensive realism, this chapter argues that the disadvantageous distribution of power at China’s expense was the main driver behind a more restrained Chinese foreign policy during 1989-2009.

Chapter Three discusses and critically analyses Beijing’s foreign policy concerning SCS disputes since 2010. After nearly two decades of cultivating its image as a good neighbour, China substantially changed its foreign policy to become a more aggressive posture. Especially, in 2010, China for the first time reportedly claimed the SCS as its ‘core interest’ indicating that China is likely to use force in resolving the disputes. By employing offensive realism, this chapter argues that there was a dramatic growth of Chinese naval power in the SCS during this period and that this emerging capability was the main driving force leading China to assure a more offensive stance in the SCS.

Chapter Four offers an evaluation of how Beijing’s recent more aggressive behavior in the SCS affected perceptions about China held by Southeast ASEAN countries. Chapter Five concludes the study by reviewing and discussing the
factors leading to changes in Beijing’s foreign policy regarding the SCS disputes since the end of the Cold War. This chapter also considers theoretical and practical implications of China’s change of its foreign policy toward SCS disputes since the end of the Cold War.
CHAPTER 2

CHINA’S FOREIGN POLICY IN THE SOUTH CHINA SEA DISPUTES, 1989-2009:

PAINTING A PICTURE OF A GOOD NEIGHBOR

The end of the Cold War marked one of the most important strategic changes in world politics. The collapse of the Soviet Union and the end of the bipolar world left the US as the world’s sole superpower and ushered in an era of unparalleled Chinese economic growth. In Southeast Asia, the Russian and US navies that had vied for primacy in East and Southeast Asia during the Cold War period either withdrew (in the case of Russia) or contracted its previous force presence (in the case of the US). These new circumstances required China to fundamentally adjust its own regional foreign policy.

At the same time, China and ASEAN significantly upgraded their relations. Beijing was quite successful in building up a good relationship with ASEAN member states and China was broadly seen as a good neighbor (Tingchang, 2001, Zhu, 2009, Chung, 2009). In 2002, for example, China signed the Declaration of Conduct in the South China Sea (DOC - SCS) which was widely considered as an important step to the maintaining peace and security in Southeast Asia as well as an opportunity for promoting regional development and cooperation. In 2003, China signed the ASEAN Treaty of Amity and Cooperation (TAC). In 2005, it acceded to conduct joint seismic surveys with Vietnam and the Philippines (Jiping, 2007, P.
15). Why did Beijing change its diplomatic approach to adopt a good neighbor policy? Was China really intent on becoming a benign rising power?

Constructivists generally argue that through a prolonged interaction process between China and the ASEAN countries, Beijing came to realize that its national interests could be better achieved through cooperative rather than competitive relations with its neighboring states (Yunling and Shiping, 2005). This realization occurred through a change in China’s identity and interest formation resulting from social interaction with ASEAN member states.

These arguments, however, need to be reconsidered. Evidence shows that China adopted a good neighbor policy during the period of 1989-2009 largely due to realist factors rather than because of any change of its identity. It is argued here that it was the disadvantageous distribution of power at China’s expanse that was the main driver behind Chinese good neighbor policy during the period of 1989-2009.

This chapter first briefly describes SCS disputes and China’s relations with ASEAN states since the end of the Cold War to 2009. It then discusses the balance of power between China and these countries. The chapter next critically analyzes three key strategic constraints on Chinese behavior regarding the SCS disputes. First of all, although there was an asymmetry of power to the advantage of China in the region, China’s power projection capabilities remained very limited thus preventing Beijing from enforcing its claims in the SCS disputes. The second
constraint relates to US power. Although the US reduced its naval force presence in the SCS following the end of the Cold War, Washington still had important national security interests in this area. As such, China was very unlikely to confront the US just for the sake of promoting intensified claims in the SCS. China’s economic and military power still lagged far behind that of the US. As such, Beijing had little choice but to focus on its own economic development instead of being risky to confront the United States in such locales as the SCS. Lastly, during 1989-2009, economic development was a top priority for China. In order to maintain stable domestic economic development, China had to maintain good relations with other states, especially its neighboring ASEAN countries. The requirement to pursue stable and cooperative relations with ASEAN states largely constrained China from undertaking more assertive position in the SCS. These three constraints converged during 1989-2009, thus leading Beijing to suppress any aggression and instead employ a good neighbor policy.

The South China Sea Disputes

The SCS stretches from the western coast of Singapore in the southeast to Taiwan in Northeast Asia, straddling the Vietnamese coast in the west, and the Philippines and parts of Malaysia in the east. Scattered throughout the region are approximately 160 features including small islands, cays, and drying reefs (Smith, 2010, P. 215).
Territorial claims in the South China Sea.  
Source: R.B. Cribb
In the SCS, the Paracel and Spratly Islands are at the centre of disputes over territorial, economic, and strategic interests. The Paracel Islands are claimed by China, Taiwan, and Vietnam. The Spratly Islands are claimed by China, Malaysia, the Philippines, Taiwan, and Vietnam.

The islands themselves have almost no intrinsic value. It is the maritime resources and their geographic position that emanate from these small islands that underscore their potential value. In fact, the SCS constitutes a vital section of the seaborne trade route linking both Europe and the Middle East to Northeast Asia; Southeast Asia to Northeast Asia; and much of Southeast Asia to the Pacific Ocean and North America (Noer and Gregory, 1996, P. 63-66). Moreover, the SCS seabed potentially offers commercially viable oil and gas deposits as well as highly productive fishing grounds. It is the resource potential in the SCS that is the root of the current interest in claiming exclusive national jurisdiction over the waters and seabed of the SCS (Smith, 2010, P. 217).

Under the International Law of the Sea (UNCLOS, 1982), whether a country has entitlement to an exclusive economic zone (EEZ) or continental shelf from these small islands may create great potential value for the claimant. As such, in order to enjoy exclusive rights to the continental shelf in this area, the claimants acknowledge that it is important to reiterate their sovereign claims to many, or all, of these small features that constitute the SCS.
China-ASEAN Relations 1989-2009 Regarding the South China Sea Disputes

In early 1990s, China moved to reassure its neighbours concerning the SCS, but also took some actions that caused concern. In February 1992, China ratified its law on the Territorial Sea and the Contiguous Zone. Also, in May 1992, Beijing signed a contract with Crestone Energy Corporation to explore for oil and gas in disputed waters in this Sea. From mid-1994, China deployed military contingents in the Mischief Reef, which was also claimed by the Philippines (Guan, 2000, P. 205). This development was remarkable because it was the first time China had occupied a reef claimed by an ASEAN state. Concurrent to these aggressive moves, Beijing continued to insist on bilateral approach as a means of addressing the territorial disputes in the SCS and firmly rejected the multilateral solution initiated by ASEAN member states (Hyer, 1995, P. 42). It did so fearing that a multilateral negotiation venue would allow ASEAN states to collectively unify and refute Chinese positions.

China’s aggressive behavior during the early 1990s caused widespread concern within ASEAN. Although Beijing made some rhetorical concessions, its activities continued, prompting accusations that Beijing was pursuing a strategy of “talk and take” or “creeping assertiveness” toward the Spratlys (Thayer, 2011a, P. 23). China’s actions during this period also made some ASEAN countries, especially the Philippines and Indonesia, speculate that it was capitalizing on a perceived power vacuum left by the US (Ba, 2003, P. 628). Chinese activities in the South China Sea,
according to Alice D. Ba, caused a change in character of ASEAN’s concerns about China. He noted, “Where concerns had previously been primarily domestic and political, they were now also military and territorial” (Ba, 2003, P. 628).

However, by 1995, Beijing’s regional diplomatic approach towards ASEAN began to change rapidly. In the 1997 Asian Financial Crisis, by committing that China would not devalue its currency and providing more than US$ 4 billion to stabilise the currencies of affected countries, China won praises from ASEAN countries (Xizheng, 1999, P. 26). During the second ASEAN+3 meeting in Hanoi in 1998, Beijing recommended regular meetings of finance ministers and central bank deputies. This new move clearly demonstrates Beijing’s initiative in participating in regional affairs. Beijing also showed sympathy for the ASEAN view as intimated in the Manila Declaration in July 1992 asserting that territorial disputes should be resolved peacefully and cooperatively in the spirit of the TAC (Jones and Smith, 2007, P. 177-8).

During the ensuing years, a burgeoning détente in China-ASEAN relations occurred. China’s participation in multilateral dialogues with ASEAN countries to address the SCS disputes also increased significantly. In November 2002, China took an unprecedented approach by signing the DOC-SCS which committed the parties to apply self-restraint in resolving the disputes and to build an atmosphere of trust and cooperation through dialogue and joint initiatives. Almost simultaneously, China concluded a Framework Agreement with ASEAN to establish
a Free Trade Area by 2010 (Cheng, 2011, P. 392). In 2003, China further improved its relations with ASEAN states by signing to be a ‘strategic partner’ of ASEAN (ASEAN, 2003) and by signing ASEAN’s Treaty of Amity and Cooperation (TAC). By signing the TAC, China strengthened its image as a good neighbor which would “foster cooperation...[and] refrain from the threat or use of force” (Yunling and Shiping, 2005, P. 52).

By taking a variety of proactive steps, China fundamentally decreased the perceptions of a ‘China threat’ held by regional states and, at the same time, successfully projected the image of a good neighbor. As stated by Malaysian Prime Minister Mahathir Mohamad in 1999 regarding the Asian Financial Crisis, “China’s performance in the Asian financial crisis has been laudable, and the countries in this region . . . greatly appreciated China’s decision not to devalue the [yuan]. China’s cooperation and high sense of responsibility has spared the region a much worse consequence. The price China has to pay to help East Asia is high, and the Malaysian people truly appreciate China’s stand” (Xinhua, 1999).

**China – a Rising Great Power**

Coinciding with China’s good neighbor policy was the dramatic rise of its economy. In 1995, the World Bank’s standard Purchasing Power Parity (PPP) estimates showed that China’s Gross Domestic Product (GDP) increased to US$3.8 trillion, which was 56% of the US GDP that year (The World Bank, 1997). In 2003, China’s
GDP went up to $6.4 trillion, comparable to 58.7% of the US GDP of $10.9 trillion and 1.7 times Japan’s GDP of $3.6 trillion (The World Bank, 2003).

As importantly, Chinese military power during 1989-2009 also developed significantly. China engaged in a vast modernization of its armed force and its military capability increased substantially. As in the year of 2007, the Chinese People’s Liberation Army Naval (PLAN) had procured twelve Kilo-class submarines and four Sovremenny-class destroyers from Russia, as well as a navalized version of the Russian Su-30 fighter-bomber. China’s defense budget in 2007 was reported to reach 350 billion yuan, or US$45 billion - an increase of nearly 18 per cent over the year of 2006. The annual procurement budget alone increased from US$3.1 billion to an estimated US$12.3 billion between 1997 and 2006 (Bitzinger, 2007, P. 5).

In short, Chinese military capability increased significantly during this period. Although Southeast Asian states also increased fundamentally their military power, it is fair to say that, all Southeast countries, even if their intentions were to stand up to China, simply did not have the means to do so. Either Vietnam, for example, which possessed the largest armed forces in the region, or Singapore, which was widely regarded as the most technologically advanced military power in Southeast Asia, could not have any chance to mount any sustained military action against the current PLA.
History shows that rising powers tend to adopt assertive strategies in their relations with other states especially with its neighbors (Xuefeng, 2005). Historical experience also teaches us that rising states have fought over territory more than any other issue that divides them (Vasquez, 1993).

As a rising great power both in economic and military terms, why didn’t China act aggressively to attain regional hegemony especially through territorial expansion instead of employing a good neighbor policy? China did not act aggressively because there were three serious constraints on its behavior during the period of 1989-2009: (1) Geography and the insufficient power projection capabilities of the PLA, (2) the US factor, and (3) China’s economic development priority.

**Geography and the Insufficient Power Projection Capabilities of the People’s Liberation Army**

Geography is one of the most important difficulties that Beijing must deal with in the event of an armed conflict over the disputed SCS islands. Although there was an asymmetry of military power between China and other Southeast Asian nations, there were several reasons that constrained China from acting aggressively in the SCS during this period. First, China's main naval bases in the SCS are Yulin on Hainan Island and Zhanjiang in Guangdong Province. However, these bases are much farther from the disputed SCS islands than are the bases of its potential Southeast Asian adversaries, leaving its surface forces extremely vulnerable in a case of an armed conflict. Therefore, in order to address this
problem, the PLA would require effective air cover to prevail in a future regional conflict. Given its military capability during the 1900s, there was little prospect that the PLA would overcome this problem effectively because it lacked modern aircraft with the range, speed, and maneuverability necessary to protect Chinese naval force operating in the area (Gallagher, 1994, P. 178).

Second, the PLA also suffered from serious disadvantages in its in-flight refueling capability. The PLA’s in-flight refueling capability during early 1990s was unable to “provide more than a very small force, reduced further by the usual difficulties concerning maintenance, to cover Chinese ground and naval forces in the Spratly Islands” (Gallagher, 1994, P. 178). This limitation in China’s in-flight refueling capability to a large extent decreased the PLA’s military deployment in the SCS. Even if the PLA possessed a sizable tanker force, the tanker aircraft would also be very vulnerable to attack from long-range aircraft such as MiG-29 and the F-18 (Gallagher, 1994, P. 178).

Third, although there was a growing number of Chinese naval surface vessels as well as submarines, not many of them were believed to be fit for duty in case of an armed conflict in the SCS. During the periods of early 1990s, Chinese ships equipped with modern antiaircraft missile systems were virtually nonexistent (Moore, 1993, P. 117-127). Although being the world’s second largest submarine fleet (after the United States), most of the PLAN’s diesel-powered submarines were based on outdated Soviet designs, and only forty-six among one hundred
boats were on active duty. Of the five Chinese-built Han-class nuclear attack submarines, only two were believed to fit for duty due to maintenance problems (Cheung, 1993, P. 11). In short, in viewing China’s naval military power during this period and geographical constraints in the SCS, one could conclude that it was very unlikely that China would choose to adopt military means in dealing with the SCS disputes.

International Constraints on China’s Behavior – the US Factor

Although the US contracted its naval power in the SCS following the end of the Cold War, Washington still had important interests in the area. First, the SCS constitutes a vital section of seaborne trade that links Southeast Asia to Northeast Asia; both Europe and the Middle East to Northeast Asia; and Southeast Asia to the Pacific Ocean and North America (Noer and Gregory, 1996, P. 63-66). In particular, the SCS is crucial for the transport of seaborne energy supplies from the Middle East, Africa, Australia, and Southeast Asia to the huge resource import-dependent economies of Northeast Asia – China, Japan and South Korea. Japan and South Korea each imports over 80% of their crude oil via the SCS; and, for China, which now imports over 50% of its total oil consumption, around 80% to 90% of those imports cross the South China Sea (Rahman and Tsamenyi, 2010, P. 317). Additionally, the SCS also constitutes one of the shortest and the most essential routes that link the western Pacific with the Indian Ocean for the region’s navies (Rahman and Tsamenyi, 2010, P. 138). This area, therefore, is considered as
an important operational area and transit route for maritime commercial and naval activities.

The United States was also drawn into the SCS issue because of its wariness of the rising China during the period under review. China’s dramatic rise in both economic strength and military capability greatly evoked Washington’s vigilance of a rising China. The 1997 Quadrennial Defense Review declared that China was one of the United States’ potential global competitors in 21st century (U.S. Department of Defense, 1997, P. 5). In the 2001 version, the Pentagon stated that “maintaining a stable balance in Asia will be a complex task. The possibility exists that a military competitor with a formidable resource base will emerge in the region” (U.S. Department of Defense, 2001, P. 3-4). The term ‘military competitor’ clearly referred to China. In 2006, the Quadrennial Review more explicitly observed that, “Of the major and emerging powers, China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional US military advantages absent US counter strategies” (U.S. Department of Defense, 2006, P. 29). Therefore, what strategic presence the US retained in Southeast Asia served as part of its grand strategy to deter against any Chinese expansion of influence in the SCS.

From the Chinese point of view, the US had a strong interest to contain the emergence of any other rising powers including China from challenging its own global dominance (Xin, 2000). According to these scholars, the US has made great
efforts to apply a policy of containment against China stretching from the Korean Peninsula, Japan, Taiwan, into Southeast Asia (Guangyi, 2004). The purpose of Washington’s military redeployment and enhancing military ties with some Southeast Asian countries was to facilitate its military intervention capabilities in case of an armed conflict in Taiwan Strait or in the SCS (Liuning, 2005). In short, according to Chinese strategists, the US had three purposes for remaining militarily active in the SCS: (1) to contain China, (2) to strike a wedge in China-ASEAN relations, and (3) to maintain and enhance its own military presence in Asia-Pacific (Dangyang, 2002).

Perceived American policies of containment against itself compelled China to devise a strategy to mitigate Washington’s power. As a rising power, China had two policy options to confront the US factor. First, it could mobilize all its diplomatic resources to court ASEAN as a way of balancing against the US. Second, it could adopt a reassurance policy towards the US and towards its own neighbors to prevent and discourage the formation of an anti-China alignment group. Which policy China would apply depended fundamentally on the specific issue at hand.

During the period of 1989 to 2009, China had no choice but to follow the good neighbor policy and send clear signals of its willingness to maintain the international and regional status quo. Wu Yi, Vice Premier of the State Council of the People’s Republic of China (PRC) specifically identified this Chinese strategy, “China’s development will not challenge the existing international order. China
has always played a constructive role in international affairs and hopes to rationalize the international political and economic order through reforms.” (Wu, 2007).

**Economic Development Priority and the Role of ASEAN countries**

China thus concluded that the best way to pursue its power was through economic development. As China’s Premier Wen Jiabao said, “development will remain a top priority for China. To develop ourselves, we need peace, friendship and more importantly, cooperation” (Wen, 2007a). As such, a conflict-free neighborhood was inarguably an essential precondition for China to concentrate on domestic economic development.

A stable and cooperative relation between China and ASEAN nations was of primary importance to China’s development strategy. Economically, Southeast Asian countries were among the most important factors that constituted the success of Chinese economic development between 1989-2009. China’s trade with ASEAN nations has undergone rapid growth thanks to the ASEAN–China Free Trade Area (ACFTA) agreement signed in November 2002. For example, China-ASEAN merchandise trade had increased significantly from $US 6bn in 1991 to $US 202.5bn in 2007 (Dumbaugh, 2008, P. 91-97). By the end of June 2006, ASEAN had made a total net investment of $US 40bn in China. In the other direction, there was also a strong growth of China’s investment in ASEAN (Tongzon, 2005). ASEAN during this period was a major market for China’s project contractors and labor
service (Wen, 2006). Realizing the importance of ASEAN to its economic development, Chinese Premier Wen Jiabao observed that, “China cannot develop itself in isolation from the rest of the world, and particularly East Asia” and that, “China’s future is inextricably linked to that of other East Asian countries. Stability and prosperity in East Asia provide an important guarantee for China’s development” (Wen, 2007b).

In summary, although there were several reasons that led Beijing to follow good neighbor policy in Southeast Asian region during the period of 1989-2009, the main driving forces were its lack of adequate power projection capabilities in the SCS, the US factor, and the importance of ASEAN nations in China’s economic development strategy. For those reasons, China realized that it would be a wise choice to adopt a good neighbor policy to further develop its own economy.

**Conclusion**

The end of the Cold War marked a crucial change in China’s foreign policy in Southeast Asia. The collapse of the bipolar required China to fundamentally adjust its regional policy. There was a growing concern within ASEAN and the US that China would become more aggressive and resort to coercive action in resolving territorial disputes not only because of the removal of constraints on Chinese foreign policy made by the collapse of the bipolar world but also because of China’s dramatic growth of economic and military power following the end of the Cold War. However, contrary to expectations, China during this period behaved as
a peaceful rising power. In fact, China was widely regarded as a good neighbor and its diplomatic approach was generally termed as a ‘good neighbor policy’. Constructivists therefore argued that China changed its identity to become a benign rising power through the process of interaction with other states.

This argument is unwarranted. Evidence shows that China did not act aggressively during this period because there were three strategic constraints on its behavior: the lack of adequate military ability to operate in the SCS; the continuous military role of the United States; and lastly, the importance of ASEAN nations to China’s economic development strategy. These factors converged during the period of 1989-2009 and thus led Beijing to recognize that the only best strategy to maximize its power was through economic development. This situation required the close cooperation between China and its neighboring states. Therefore, during this period, China decided to put aside territorial disputes and followed a good neighbor policy. In short, it was the need to fulfill national interests that shaped China’s behavior during this period rather than any concrete change in China’s identity.
CHAPTER 3

CHINA’S TERRITORIAL DISPUTES IN THE SOUTH CHINA SEA, 2009-2011:

A THREAT LOOMS LARGE

As noted in previous chapter, China’s good neighbor policy toward Southeast Asian countries during the period of 1989 to 2009 was largely driven by realist calculations. In other words, it was the disadvantageous distribution of power from China’s perspective that prevented it from acting more aggressively. What is at question here is whether China changed its behavior in the SCS disputes after that power balance began to shift perceptibly.

The answer is clear. In 2010 China turned out to be far more assertive in its claims toward the SCS than ever before. China reportedly for the first time claimed the SCS to be its “core interest” (Wong, 2010, Yoshihara and Holmes, 2011) on par with Taiwan and Tibet, implying that China would possibly employ force in resolving the disputes. This claim was followed by an escalation in Chinese aggressive behavior in the SCS disputes.

In 2010, China conducted four high profile naval exercises to showcase the growing prowess of the People’s Liberation Army Navy (PLAN). These naval exercises employed different types of modern warships and submarines such as Sovremenny-class destroyers, Kilo-class submarines, and other modern weapons (Thayer, 2010, P. 6-8). These naval exercises were a demonstration by Beijing that
it now had the capability “to sustain larger naval deployments in the Spratly archipelago” (Thayer, 2010, P. 8).

China became even more assertive in the first half of 2011. In March, it warned against any oil exploration in waters it claimed in the SCS (Calica, 2011). In May, it declared it would step up maritime patrols by at least 10 percent to protect its territorial waters (United Press International, 2011). On August 10, China’s first aircraft carrier began its first sea trials (Wines, 2011). The current situation poses serious questions: what has made China become so aggressive? Does the changing distribution of regional power favoring Beijing prompt it to act more forcefully?

Beijing usually reassures others that China will rise peacefully and it would never act as a hegemon. However, public rhetoric is often an unreliable indicator of actual foreign policy intentions. China is no exception. In order to determine whether Beijing is seeking to maximize its power, one tangible way is to review its military capabilities. Put simply, if China’s forces are largely ‘defensive’ in nature, then its intentions are probably less threatening to other parties. If they are offensive, then China’s intentions are probably not defensive. For that reason, assessing existing and nascent Beijing’s military capability will help determine the nature of Beijing’s objectives concerning the SCS disputes.

This chapter therefore reviews China’s changing military capabilities and especially its power projection capabilities into the SCS. The paper argues that there has been a dramatic growth of Chinese naval power in the SCS over the past two to
three years, and that this capability reflects China’s greater determination to act aggressively in the SCS.

The chapter focuses extensively on China’s most controversial recent military development – its aircraft carrier program. Because aircraft carriers are primary instruments of military power, this program could signal China’s intention to project its military power further away from its border. The US is always a decisive factor shaping China’s regional security approach. How might China endeavor to resolve the US factor should Washington decide to intervene more decisively in SCS disputes? The next section is intended to answer this question. Finally, it concludes that China became more assertive in its claims in the South China Sea disputes during the period of 2010-2011 because of an immense growth of Chinese power projection capabilities in this area.

**China’s Changing Material Power in the South China Sea**

China has a far larger military force than the other claimants in the SCS. What is significant during the period of 2010-2011 is that China has become visibly more powerful than it was previously and its power projection capabilities in the SCS have dramatically improved.

Currently, the PLAN possesses around 10 nuclear-powered submarines and 60 diesel-electric submarines. The second-generation Type 093/Shang Class nuclear-powered attack submarine and Type 094/Jin Class nuclear-powered missile submarine have also come into service. Older Type 033/Romeo Class and Type
035/Ming Class diesel-electric submarines are being gradually supplanted by the newer indigenous Type 039/Song class and Russian-built Kilo Class (SinoDefence, 2011b). This force modernization program reflects the development of quieter and more modern Chinese submarines that are less detectable and more lethal, especially in terms of firing anti-ship cruise missiles.

China has also achieved progress in developing both its military strike and anti-access capabilities. Especially, since 1994, the PLA has added a conventional force component to its existing offensive missile force structure with an inventory of more than 1,000 short-range ballistic missiles and an emerging class of theater ballistic and ground-launched cruise missiles (Christman, 2011, P. 198). Beijing is reportedly upgrading the quality of these short-range missiles systems to increase their range, lethality, accuracy, and reliability - including methods to counter ballistic missile defenses. For example, China’s original CSS-7 missile reportedly has an extended range of 500-700 km, an accuracy of 500-600 meters, and specialized fuel-air explosive and submunitions warheads (SinoDefence, 2011a). In short, China’s strike and anti-access capabilities now have widespread coverage enveloping most of the SCS area. From the China’s mainland, the entire SCS now falls within range of Chinese conventional missiles.

In addition, China has extended its capabilities on the islands and reefs it occupies in the South China Sea. These reefs and islands reportedly have been extensively fortified with anti-aircraft and naval guns as well as landing pads for helicopters.
Other fortifications include the installation of one J-17C radar which provides the country with early warning capability, the installations of anti-ship cruise missile on Woody Island, and many others (Emmers, 2010, P. 122)

China is also well equipped for surveillance of the entire region thanks to the establishment of two major naval air bases on Hainan Island, a smaller outpost on Woody Island and a military presence on other islands in the Paracel Group (Elleman, 2009, P. 46-48). The Yulin naval base in Hainan Island has undergone major expansion since the late 1990s. This complex includes two piers of about one kilometer in length which is capable of hosting very large ships (including, if need be, future Chinese aircraft carriers). Beijing is also constructing a nuclear submarine base in Hainan Island which is capable of housing up to 20 nuclear-powered submarines (Rahman and Tsamenyi, 2010, P. 323). These developments further increase China’s strategic presence and power projection capabilities in the SCS.

In short, the PLA Navy has been strengthened in Southeast Asia to an extent that no other claimants can compete against it. While China could not project force decisively into the Spratly islands during the period after the end of the Cold War due to its lack of sufficient and modern weapons, that mission is now within its capabilities. Because this major constraint has been removed, Beijing has become increasingly confident of its military capabilities. This confidence leads Beijing to act more aggressively in the SCS.
However, to some analysts, the above evidence is insufficient to claim that China is seeking hegemony. In fact, they argue that even though China has built a large navy, if its intention remains defensive, its behavior will be peaceful (Nakai, 2011, P. 7). These observers further argue that China’s intention is largely defensive because the intentions that underlie Beijing’s current naval strategy are mainly driven by economic concerns. Its intention is “not to build a global offensive navy, but to build a local war-oriented regional navy” (Nakai, 2011, P. 7).

Such arguments, however, are unwarranted for two reasons. First, although China’s current naval strategy seems to be defensive in nature, the borderline between ‘defensive’ and ‘offensive’ is rather thin. China’s naval strategy could still be defensive today but it could also turn into offensive strategy very quickly. As noted by John J. Mearsheimer, strategic intentions are very difficult to ascertain, and, if known, there is no guarantee that they will remain constant (Mearsheimer, 2002, P. 31). For many states, a defensive strategy is a first step towards hegemony. Second, China is pursuing a calculated strategy of national interest. It can wait for more favorable circumstances if it deems it is currently in a disadvantaged position. In other words, because its top priority is to develop its economy, China must now propitiate its neighbors’ fears of any ‘China threat’. Yet, Beijing could change this strategy abruptly if it judges that the gains in doing so outweigh the risks. How could one assess whether China’s strategy is truly offensive or defensive? Looking closer at Beijing’s aircraft carrier program could give us an adequate answer.
China’s Aircraft Carrier Program

Although China has made great progress in improving power projection capabilities in the SCS (as discussed above), it is fair to say that it still possesses little in the way of offshore force-projection capabilities. In order to effectively further its national interests in the SCS and to engage in the full spectrum of traditional operations, a better strategy for the PLAN is to possess one of the strongest force projection instruments – aircraft carriers. As noted by Admiral Liu Huaqing, “Aircraft carriers symbolize a country’s overall strength. They are also the core of the navy’s combined-arms sea operations ... Building carriers has all along been a matter of concern for the Chinese people. To modernize our national defense and build a perfect weaponry and equipment system, we have to consider the development of carriers.” (Liu, 2004, P. 481).

There are two main reasons to conclude that China’s aircraft carrier program is a reflection of its offensive intentions: (1) the inherently offensive nature of an aircraft carrier; and (2) the PLAN’s thinking about aircraft carriers’ employment. First, no one would deny that aircraft carriers are instruments of power projection. Indeed, the primary role of an aircraft carrier is to facilitate air operations away from the mainland. By deploying aircraft carriers, the PLAN could facilitate Chinese air operations in the SCS by obviating the need for short-range fighters to sortie from land bases. This strategy, according to Liu Huaqing, would maximize the utility of China’s regional air power (Liu, 2004, P. 480).
Some policy-makers and analysts, however, contest the centrality of China’s aircraft carrier strategy by arguing that its initial aircraft carrier is nothing more than a nationalistic showpiece rather than having true operational value. They point out that the combat capability of Chinese current aircraft carrier – the Varyag, which employs a short takeoff but arrested recovery (STOBAR) design (a ski-jump design), is less appropriate for the strike role and is far less capable than U.S. Navy–style catapult-assisted takeoff but arrested recovery (CATOBAR) aircrafts (Kostecka, 2011, P. 17-18). However, this argument needs to be reconsidered because recent studies show that China’s aircraft carrier capabilities and ambitions may be larger than the current literature has predicted. According to Nan Li and Christopher Weuve (Li and Weuve, 2010), major changes in leadership endorsement, financial affordability, naval strategy, and availability of requisite technologies have created sufficient conditions for China to acquire aircraft carriers.

Beijing, however, has asserted that, “Even if one day we have an aircraft carrier, unlike another country, we will not use it to pursue global deployment or global reach” (Dickie and Dickson, 2008). As intimated earlier, Beijing’s rhetorical statements are simply unreliable indicators of its foreign policy intentions. For that reason, in order to check whether Beijing will employ aircraft carriers as a mean to maximize its power in the SCS, the best approach is to study the PLA’s rationales for its aircraft carrier employment.
Recent events in the SCS coupled with authoritative PLA publications affirm that Beijing is very likely to employ aircraft carriers to increase its power projection in these waters. Although China’s military modernization is primarily geared to prevent Taiwan’s declaration of independence, the employment of aircraft carriers in the SCS is also a plausible scenario. In fact, the only offshore combat that the PLAN has actually undertaken is in the SCS. This includes the Paracel incident in January 1974 against South Vietnam, the violent Spratlys clash in March 1988 with Vietnamese naval forces, and the Mischief Reef incident with the Philippines in 1995 (Guan, 2000). In 2009, in response to Vietnam’s and Malaysia’s submissions to extend their continental shelves into the SCS, Beijing ‘clarified’ its claim to the SCS through a *Note Verbale* stating that China “has indisputable sovereignty over the islands in the SCS and the adjacent waters” (Beckman, 2010, P. 2). It simultaneously submitted a map of China’s claim which embraces almost all of the South China Sea (Emmers, 2010, P. 129). Recently, China has elevated the strategic importance of the SCS by claiming that this waterway is one of its ‘core interests’, inferring that China is likely to use force to resolve the disputes.

How to defend a ‘core interest’ in the SCS, however, is a real challenge to the PLA (Yoshihara and Holmes, 2011). It requires the PLA to be able to project force and simultaneously employ sea-based airpower against islands and reefs occupied by Beijing’s rival claimants. As such, providing air cover is inarguably the most important mission for the PLAN. Although China’s growing naval capability is uncontested, air cover is only ensured with the support of aircraft carriers.
All these trends seem to be in line with recent authoritative PLA publications. The book ‘Science of Campaign’ (Yulang, 2006) mentions the tactic of ‘three-dimensional attacks’ as a way to execute the PLA’s ‘coral-island-assault campaign’ in the SCS. This book also discusses extensively the role of an aircraft carrier in a possible confrontation at sea, arguing that such a platform would be tailor-made for this purpose. It claims that even one or two carriers would be enough for the PLA to prevail against such combatants as Vietnam or the Philippines.

Taking a different approach, ‘Campaign Theory Study Guide’ (Xingye, 2002) assesses the Chinese employment of aircraft carriers in a campaign to protect critical sea lines of communications (SLOCs) - namely a ‘sea-traffic-protection campaign’. This book describes a variety of missions to be executed to protect SLOCs in the SCS such as air defense, antisubmarine, and others. All these missions are definitely within an aircraft carrier’s capability to fulfill.

The book ‘Winning High-Tech Local Wars: Must Reading for Military Officers’ (Qiming and Feng, 1998) infers that China’s future carriers would be mainly used in the SCS. It is claimed that Chinese amphibious forces which engaged in remote landing operations should be protected by at least one aircraft carrier group stationed 100 to 150 nautical miles from the shore of the objective. These words, according to Kostecka, apparently refer to non-Taiwan landing operations because Taiwan Strait is only more than 100 nautical miles wide (Kostecka, 2011, P. 15). The area which these analysts cite is obviously the SCS.
In short, China’s employment of aircraft carriers coupled with recent Chinese discussions about military strategy point to that country seeking to maximize power in the SCS. Although the employment of aircraft carriers is applicable to a wider set of scenarios, it is the SCS where aircraft carriers are currently most applicable. As stated by one Chinese military expert, “Our carrier will definitely not engage with powerful US aircraft carrier fighting groups. But it is enough to be a symbolic threat among neighboring countries like Vietnam, Indonesia, and the Philippines who have territorial disputes with China” (Chan, 2010).

It is clear that China has improved its capabilities to project power into the SCS, leading Beijing to be more confident about its claims in SCS territorial disputes. By looking at recent events as well as PLA theory about aircraft carrier employment, it is reasonable to conclude that China’s strategic intention regarding the SCS is increasingly offensive. As noted in previous chapters, however, the US remains a decisive factor in shaping Southeast Asia’s regional geopolitics. Whether China succeeds in maximizing power in the SCS mostly depends on reactions of the US. Should America abstain from involvement in SCS disputes, this would relax the pressure on Chinese naval forces substantially. Because of the complexity and geographic strategic feature of this area, it is difficult to ascertain the extent to which the US would intervene in future SCS disputes. Given a worst-case scenario where a full-scale war was to break out in the SCS and the US responded with a full-scale intervention, it is doubtful that China could defend its ‘core interest’ of SCS control against the world’s strongest and most technologically advanced
military. What strategy China uses to safeguard its own interests against the US in maritime Southeast Asia is therefore the lynchpin in China’s foreign policy in the SCS. Answering this question will give us better insights into China’s recent behavior in that locale.

**Beijing and the US Factor**

Although being the strongest military actor in the region, Beijing recognizes its military vulnerabilities vis-a-vis US military power. It would have little chance to prevail against the United States in a whole scale maritime conflict. As such, to defend its ‘core interest’ in the SCS, Beijing would need to construct the capability to fight and win a regional war against the world’s remaining super power.

Some analysts claim that China is pursuing a strategy mainly aiming at slowing down, disrupting, and complicating the deployment of American force assets in relevant theaters of operation rather than directly confronting US forces. China is doing so by investing in naval mines, cruise missile technologies, electronic warfare capabilities and related technologies. Observers label this approach as an ‘access-denial’ strategy and claim that this posture is defensive in nature (O’Rourke, 2006, P. 35-36).

This point of view, however, needs careful considerations. Evidence shows that Beijing’s strategy of such called ‘access-denial’ is actually much more ambitious and thus has more significant implications than one might initially surmise. China’s ‘access-denial’ strategy is not simply aimed at disrupting or delaying the arrival of
US intervention forces but is designed to totally destroy US forces through a concerted campaign. It is this type of capabilities development strategy that builds up Beijing’s confidence and underpins its recent aggressive behavior in the South China Sea.

**China’s Missile Capabilities and their Implications for the United States**

Since Beijing’s first use of missiles in the Taiwan crisis in March 1996 (Ross, 1996), its conventional missiles have substantially transformed from militarily inferior weapons relative to their US counterparts to highly accurate and lethal modes of precise firepower. Chinese missiles have not only become more powerful but constitute a substantial psychological factor that helps Beijing to shift Southeast Asia’s strategic force balance in its favour.

The sheer number of China’s missiles has grown significantly. In 2011, China was reported to possess approximately 110 to 140 nuclear-armed strategic missiles, including 15 to 20 DongFeng 3 (CSS-2) Intermediate-range ballistic missiles (IRBMs), 15 to 20 DongFeng 4 (CSS-3) IRBMs, 20 DongFeng 5 (CSS-4) intercontinental ballistic missiles (ICBMs), and 60 to 80 DongFeng 21 (CSS-5) medium range ballistic missiles (MRBMs). Also, China’s Strategic Missile Force was equipped with 900 to 1,000 conventional theatre missiles, including the DongFeng 15 (CSS-6) and DongFeng 11 (CSS-7) Short Range Ballistic Missiles (SRBMs) (SinoDefence, 2011b). Many of these are deployed in or near the East China Sea.
opposite Taiwan. However, they could also be activated for future defense operations in the SCS.

There has also been substantial improvement in the lethality of these missiles. For example, the Chinese Second Artillery’s DF-21 MRBM now can reach an estimated maximum range of 2,150 km (Lennox, 2010). China has also begun the procurement of the much more potent DF-21A and DF-21B missile series which could reach an extended range of 2,500 km. These missiles use in-flight Global Positioning System (GPS) updates and a radar-correlation terminal-guidance systems which would allow the DF-21A and the DF-21B to achieve a highly accurate circulate error probability (CEP) of fifty and ten meters respectively (Lennox, 2010). With such devastating capabilities, these missiles could now be tasked with conducting a variety of missions including attacking airfields, ports, logistic networks and especially moving ships (Mulvenon and Yang, 2002, P. 34-35).

What are the implications of this substantial development of China’s missiles for US military power in the region? It should be noted here that the use of aircraft carrier groups is a possible option for the US should it decide to intervene into the SCS disputes. As such, the most important mission that Beijing is facing is how to engage successfully US aircraft carrier groups in a regional war. According to the Congressional Research Service, there are several types of Chinese weapons that could neutralise US surface assets including ballistic missiles, cruise missiles,
submarines, naval mines, maritime attack aircraft, and surface combatants (O’Rourke, 2006, P. 37). However, in terms of the current distribution of military power between China and the US, the former’s employment of missile systems is inarguably the best combat option for China to pursue. Other Chinese weapons can also be employed certainly but they must largely rely on antiship cruise missiles (ASCMs) to engage US force successfully.

With this factor in mind, Beijing has put great effort into building up and developing ASCMs. In fact, Beijing has procured a large number of ASCMs specifically designed to destroy US surface assets. These missiles are equipped with inertial guidance, terminal radar guidance, and in-flight GPS updates which allow these missiles to attack targets with high precision. Notably, the SS-N-22 Sunburn equipped on the Sovremenny-class destroyer and the SS-N-27 Sizzler on the Kilo-class submarine reportedly travel at supersonic speed and drop just ten meters above the surface in the attack stage, maneuvering to evade defenses and attack at unexpected angles. Even more surprisingly, most of China’s ASCMs are reported to be capable of attacking in the range between 160 and 400 km, exceeding the range of the principal ASCM used by the United States (the RGM-84 Harpoon), by factors as large as 3.25 (Lennox, 2010). With such devastating capabilities, these Chinese missiles have been equipped in nearly every ship and aircraft in the PLAN (Lennox, 2010).
In order to improve its capability for engaging moving US carrier groups, China has also developed the well-known DF-21C ground-based antiship ballistic missiles (ASBM), equipped with a maneuverable reentry vehicle (MARV). The most striking feature of this missile is that, when fired at a target, it would deliver its MARV to the general vicinity of a US carrier group, at which point a terminal-guidance suite would seek out and destroy this target. The Chinese ASBM is specifically designed to guarantee penetration of antimissile defenses (Hoyler, 2010). Thanks to this significant feature, China’s ASBMs are widely regarded as being highly capable of striking at moving targets at sea hundreds of miles away. According to Admiral Robert Willard, commander of the US Pacific Command, an ASBM prototype has met ‘initial operating capability’ with an estimated maximum range of 2,500 km (Gertz, 2010). This new capability not only lets ASBMs to engage the US carrier groups credibly but also successfully reaches the entire SCS as well as the western approaches to the Strait of Malacca.

Regarding China’s recent substantial growth in missile numbers as well as the dramatic improvement in lethality of these weapons, it is unwarranted to claim that Beijing is seeking merely to ‘slow down’ and disrupt the US force. Conversely, China’s recent build-up of its missiles proves that it is committed to securing the capability to win any future regional-scale conflict against the US Navy.

The argument that China is building up its missile force to largely destroy US navy is also strongly supported by PLA doctrinal writings. There are few PLA doctrinal
writings suggesting that China is following a strategy to delay and disrupt the US force. Indeed, no equivalent term to ‘access denial’ appears anywhere in China’s military writings (Cliff et al., 2007, P. 17). On the contrary, Chinese doctrinal writings mostly focus on the need to completely defeat the enemy as quickly as possible. For example, the book ‘the Science of Campaigns’ states that missiles operations would be carried out to “produce the strategic and campaign superiority, creating conditions for winning the decisive battle” (Wang and Zhang, 2000, Chapter 6, P. 3). More importantly, such publications as ‘the Science of Military Campaigns’, the ‘Science of Second Artillery Campaigns’, and even China’s latest Defense White Paper also support this line of argument. Beijing’s most authoritative military writings thus focus mainly on applying firepower efficiently to win a decisive victory over Beijing’s enemy force in a conventional military campaign (Wang and Zhang, 2008, Chap. 6, P. 3).

In summary, there are several reasons leading to the conclusion that Beijing has become dangerously aggressive in its claims in the SCS disputes since 2010. However, the most important factor leading to China’s change of foreign policy during this period is the immense growth of its military capabilities and especially its power projection capabilities in the SCS. China’s development of an aircraft carrier and its strategic missile force development are inarguably the two most convincing pieces of evidence in this context.
Conclusion

At the end of the Cold War, China elected to follow a diplomatic approach described as a “good neighbor policy” in the SCS. However, China’s behavior has substantially changed over the past two years. It has for the first time claimed the SCS to be a ‘core interest’ on par with Taiwan and Tibet. This claim is consistent such as China’s unilateral fishing ban in the SCS from May 16 to August 1, 2011, the two cable-cutting incidents occurring between Vietnam and China in May and June 2011, and the first ever sea trials of China’s aircraft carrier - Varyag in August 2011. All these recent developments pose serious questions: what are the causes of Beijing’s change of its diplomatic approach? Does the distribution of military power in the South China Sea explain Beijing’s stronger posture there? It has been argued here that China’s growing military capabilities and especially its power projection capabilities have made Beijing more confident and increasingly aggressive in its claims in the SCS. Indeed, current China’s power projection capabilities in the SCS including the employment of new classes of surface ships and submarines, its great progress in strike and anti-access capabilities, the expansion of Yulin naval base and the construction of a nuclear submarine base in Hainan Island, and other developments have removed the constraints of geography previously impeded PLA operations.

The United States is always a decisive factor shaping China’s regional diplomatic approach and thereby regional order. The startling growth in numbers as well as
the growing lethality of China’s missiles has put US carrier battle groups and related forces in greater danger. This trend is also in line with PLA current military doctrine of missile employment. China’s dramatic development of its projection capabilities especially the employment of aircraft carriers as well as the missiles strategic force suggest that China is seeking to maximize its regional military powers and to pursue a strategy of regional hegemony. How this trend affects Southeast Asian perceptions of China’s role in the SCS will be discussed in the next chapter.
CHAPTER 4

THE IMPACT OF CHINA’S AGGRESSIVE MOVES ON THE PERCEPTIONS AND BEHAVIOR OF ASIAN TOWARDS CHINA, 2009-2011

Previous chapters argued that it is realist motives that are the main driving forces behind China’s policy toward the SCS. This chapter assesses the effects of Beijing’s recent behavior on the threat perceptions of ASEAN countries and their recent security behavior toward China regarding the SCS disputes.

Beijing’s recent aggressive moves have imparted a negative impact on China-ASEAN relations in the SCS. Over the past two years, the ASEAN states have returned to their previous view of China as a rising threat. Empirical support for this argument is offered here through an analysis of China’s changing national image in ASEAN’s perceptions regarding the SCS disputes, from one of “partner” to one of “rising threat”.

Data for this analysis is extracted from two sources: (1) analysis of ASEAN’s diplomacy toward China and (2) regional states’ security behavior toward SCS disputes. Emphasis is directed mostly toward the diplomatic approaches and security behavior of Vietnam – the ASEAN member who has the most overlapping SCS claims with China.
Diplomatic Approaches and Security Behavior toward China

It is not surprising that China’s recently offensive behavior toward the SCS has triggered substantially vigorous diplomatic and military reactions from ASEAN’s member states. Prospects for China and ASEAN agreeing on confidence building measures as indicated in the Declaration on the Conduct of Parties in the SCS (DOC-SCS) as well as in the Treaty of Amity and Cooperation in Southeast Asia (TAC) have largely dissipated as a result of China’s recent aggressive assertion of sovereignty claims in the SCS, especially those incidents involving Vietnam. While Vietnam was previously regarded as a political partner with the PRC for developing the offshore oil potential in the Spratlys in 2005, this country now becomes one of the “frontline” states in ASEAN’s territorial disputes with China. If this analysis is correct, then evidence of increased tension in Sino-ASEAN relations should become increasingly manifest in diplomatic approach and security behavior of Vietnam towards China. If perceptions of a ‘China threat’ intensify throughout the region, the diplomatic approach and security behavior of Vietnam should reflect such a condition.

Vietnam

Of all the ASEAN member states, Vietnam has the most strained relationship with China. These two countries share a border that has led to centuries of invasions and armed conflicts. As Beijing has stepped up its claims in the SCS and has imposed unilateral fishing bans in these waters, bilateral relations have
deteriorated. They have also been exacerbated by two cable cutting incidents in Vietnam’s exclusive economic zone (EEZ) on May 26 and June 9 2011 respectively. These Chinese actions have triggered strong reactions from Hanoi, indicating unprecedented increased tension in Sino-Vietnam relations.

Just after the second cable cutting incident on June 9 2011, Vietnamese President Nguyen Minh Triet made an unusually strong statement in defense of Vietnam’s national sovereignty declaring that, “we are ready to sacrifice everything to protect our homeland our sea and island sovereignty” (Vnexpress, 2011). Live-fire exercises on June 13th conducted by Hanoi further underscored their determination.

China labeled Vietnam's live-fire exercises as the “lowest form of nationalism to create a new enmity between the people of the two countries. Hanoi seems to be looking to dissipate domestic pressure and buck up morale at home, while at the same time further drawing in the concern of international society over the SCS dispute” (Associated Press, 2011). Chinese statements later reported in the international media emphasized that China has “never sought to politically blackmail smaller countries. But when a small country turns that around and tries to blackmail China, the Chinese people will on the one hand feel rather angry, while on the other hand find it quite amusing”. Chinese spokespersons concluded their assessment by warning that, “If Vietnam insists on making trouble, thinking that the more trouble it makes, the more benefits it gains, then we truly wish to
remind those in Vietnam who determine policy to please read your history” (Associated Press, 2011).

In addition to projecting the tough diplomatic line cited above, Hanoi has also significantly enhanced its military capabilities to deter Beijing from using force in contested areas. It has concluded a major arms deal with Russia involving the purchase of six Kilo-class submarines valued at about two billion US dollars. According to analysts, this purchase aims to support Vietnam’s claims against China over potentially resource-rich islands in the SCS (Bangkok Post, 2009). Vietnam’s other significant forces modernization includes the purchase of Sukhoi Su-30MKK fighters and DHC-6 Series 400 amphibious aircraft for maritime patrol, an extra short-range ballistic missile from Israel, a second Gepard-class warship from Russia, and three sophisticated Vera passive radiolocators from the Czech Republic. Talks are also under way, aimed at acquiring 12 Let L-410 short-range transport aircraft from the Czech Republic (Robert Karniol, 2011).

Furthermore, Vietnam’s Cam Ranh Bay has also opened up to foreign navy vessels after eight years of closure. This new move could be regarded as a part of a Vietnamese strategy to counteract Beijing’s assertiveness in the SCS. This step is important because having employed this port - one of the best deepwater shelters in Southeast Asia, states will enjoy a strategic geographic presence in the SCS as it is located near key shipping lanes in the SCS. The Cam Ranh Bay could also be
effectively employed to repair ships, fuel aircraft carriers, and conduct other important military activities (Chen, 2011).

Hanoi has also returned to an age-old tradition of relying on larger, external powers to help balance against Beijing. While during the Cold War, Hanoi cultivated ties with Moscow to balance Beijing, it has now developed security ties with Washington mainly to balance against China. Vietnam has joined the annual multilateral Cobra Gold military exercises conducted in Thailand which involve the US, a number of ASEAN states and other parties. It has also begun sending military officers to the United States for training (Goh, 2008, P. 269-270). The visit of the USS George Washington to Vietnam in August 2010 is convincing evidence of blossoming military relations between Vietnam and the US. This visit entailed discussions between US and Vietnamese officials on a wide range of topics ranging from negotiating a controversial deal to share civilian nuclear fuel and technology to agreeing that China needs to work with its neighbors to resolve territorial claims in the SCS. According to Carlyle A. Thayer, “Quite simply, these are not too subtle signals that Vietnam wants the United States to stay engaged in the region to balance China” (The Telegraph, 2010).

In September 2011, Hanoi’s defense diplomacy was reported to have produced a memorandum of understanding (MOU) on defense cooperation with the United States. This MOU, according to Vietnamese Lieutenant-General Nguyen Chi Vinh, “provides a framework for bilateral cooperation in overcoming the war
consequences, conducting research and training activities, ensuring maritime security, exchanging experiences and information as well as maintaining peace in the region” (Robert Karniol, 2011). Also, Vietnam's Foreign Ministry and the US State Department have conducted their fourth bilateral Political, Security and Defence Dialogue which includes talks on potential US Naval access to Cam Ranh Bay (Robert Karniol, 2011).

Beside the US, Hanoi has also extensively cultivated relations with New Delhi to balance against China. India reportedly was invited by Vietnam to establish a “sustainable maritime presence” in the South China Sea. In June 2011, Hanoi allowed Indian naval warships to drop anchor at its Nha Trang port in southern Vietnam (Pakistan Defense, 2011). This move obviously enabled New Delhi to play a bigger role in the strategic Southeast Asian region overlooking key shipping lanes in the SCS. In return, India offered naval facilities for training and capacity-building to Vietnam.

Recently, on October 12, 2011, India bolstered its presence in the SCS when its state-run explorer Oil and Natural Gas Corp signed a three-year deal with PetroVietnam for developing long-term cooperation in the oil sector (Reuters, 2011c). This new move triggered serious warnings from Beijing. The China Energy News, published by Communist Party mouthpiece the People's Daily, said that this cooperation project was a ‘bad idea’. It noted, “India's energy strategy is slipping into an extremely dangerous whirlpool ... [this move] will most likely seriously
harm India's whole energy security and interrupt its economic development” and warned that “Indian oil company policy makers should consider the interests of their own country, and turn around at the soonest opportunity and leave the South China Sea” (Reuters, 2011c).

In short, Chinese recent aggressive behavior has inevitably deteriorated relations between Beijing and Hanoi. In Hanoi’s view, China is a looming threat. In Beijing’s view, Vietnam has been the most conspicuous example among ASEAN members in pursuing a hedging strategy against China by strengthening its security ties with other powers and by bolstering its own military capabilities (Cheng, 2011, P. 387).

**Other ASEAN States**

Like Vietnam, relations between the Philippines and China have deteriorated rapidly. Diplomatically, the Philippines has employed a balancing strategy by lobbying other ASEAN member states to unify as a bloc to balance against China. For example, on his official visit to Indonesia on March 8th, President Aquino stated that, “There is no room for unilateral action in that particular region [the Spratly Islands]” (Simamora, 2011). Militarily, the Philippines reportedly had increased air and naval patrols in the SCS and had plans to upgrade Rancudo Air Field on Pag-Asa (Thitu) island (Laude, 2011). The Armed Forces of the Philippines (AFP) was allocated US $183 million in funds from the United States’ Capability Upgrade Program to purchase two offshore fast patrol boats, long range maritime aircraft, and surveillance and communication equipment including air defense
radar to better protect its territory (Reuters, 2011b). Recently, the US Coast Guard Cutter USCGC Hamilton was transferred to Philippine Navy in May 2011, signaling an important development in Philippine-US joint defense cooperation. According to Philippine Ambassador Cuisia, “[this] project is an indication of the robust Philippine-US partnership and serves as an expression of the United States’ commitment to help the Philippines protect its maritime domain” (Alonso, 2011). Manila also expects to take delivery of three new Taiwan-manufactured multi-purpose attack craft early in 2012 (Reuters, 2011a). All of this activity is clearly directed toward a perceived China threat.

There have also been other significant regional reactions regarding the SCS disputes. Indonesia and India have called for greater collaboration and defense cooperation especially with regard to the growing Chinese naval footprint in the India Ocean (Pedrozo, 2010, P. 4). In a letter to the United Nations on July 8th 2010, the Indonesian government, for the first time, formally challenged China’s claims to the SCS after an Indonesian patrol was forced to release Chinese fishermen by a Chinese warship (Weitz, 2011, P. 9).

The increased tension in Sino-ASEAN relations is clearly evident in the sustained military build-ups commencing in various Southeast ASEAN countries. This was true even during the years when China appeared more benign toward its neighbors. The value of major conventional weapons systems delivered to ASEAN countries almost doubled from 2005 to 2009. Malaysia imported approximately
722 percent more arms during this period than it did during the previous five years. The increase for Singapore was 146 percent while that of Indonesia was 84 percent (Stockholm International Peace Research Institute, 2010). In short, most of ASEAN countries significantly built up their military capabilities recently as a hedging strategy against growing Chinese power. If recent policy trends in Vietnam are indicative, it is fair to conclude that the ASEAN countries have intensified their view that China is a rising strategic threat.

**Conclusion**

Analysis of empirical evidence presented in this chapter indicates that ASEAN countries, particularly Vietnam, now view China as an offensive power in Southeast Asia. China's recent behavior has undermined its image as a good neighbor which was intact from 1989-2009. ASEAN member states’ evolving diplomatic approaches indicate that these states now view China as a greater threat to regional stability.

Hanoi’s diplomatic approach in response to Chinese recent moves is startling. Indeed, the declarations of Vietnamese President Nguyen Minh Triet to “sacrifice everything to protect our homeland our sea and island sovereignty” are really remarkable. Also, Vietnam’s two live-fire exercises conducted in June 2011 further illustrated this country’s determination to respond to mounting tension in Sino-Vietnam relations.
In short, recent diplomatic initiatives and security behavior of key ASEAN countries show that China is increasingly viewed in Southeast Asia as a threat and that any era of China’s ‘peaceful rise’ has come to an end. A new period of Chinese offensive behavior is challenging how any new regional order will be shaped.
China’s foreign policy in Southeast Asia has substantially changed since the end of the Cold War. While China’s stance towards Southeast Asian countries during the Cold War was frequently antagonistic and confrontational, its diplomatic approach in Southeast Asia during the period of 1989-2009 became less aggressive. Beijing’s moves to resolve territorial disputes in the SCS such as the bilateral maritime boundary agreement with Vietnam in 2001, its signing of the “Declaration of Conduct in the South China Sea” with ASEAN in 2002 and its adherence to the ASEAN Treaty of Amity and Cooperation in 2003 prompted many analysts to view China as a good neighbor and stabilizing force for Southeast Asia. According to constructivists, Beijing transformed its identity from norm-avoiding to norm-affirming behavior in its relations with Southeast Asian states during the 1989-2009 timeframe. It was this change of identity, they argued, that led Beijing to have a strong desire to maintain close relationship and become involved in regional cooperation with its Southeast Asian neighbors.

These arguments, however, are misleading because evidence shows that China’s employment of good neighbor policy in Southeast Asian region during this period was not due to a change in China’s identity but driven by pragmatic self-interest. Beijing could not act aggressively during 1989-2009 because of three serious constraints: (1) the limitation of China’s power projection capabilities in the SCS,
(2) the US factor, and (3) economic development as a top priority for China during this period.

The period of 2010-2011 saw another substantial change in China’s foreign policy in the SCS. Beijing reportedly claimed the SCS as its ‘core interest’. Needless to say, this claim has elevated the importance of this area in a way that Beijing would protect it by all costs including the possibility of using force in resolving the disputes. This claim was followed by a series of dangerous unilateral moves on the part of China such as its warnings against any oil exploration in disputed waters, its launch of the Varyag carrier, and others. Why was there such a dramatic change in China’s diplomatic approach regarding the SCS disputes? Constructivists remain silent in answering this question.

China acted aggressively during this period because there was a dramatic growth of its naval power in the SCS. Firstly, power projection capabilities of Chinese navy enhanced significantly. However, to some analysts, Chinese growing military power does not simply mean that Beijing is seeking hegemony. In other words, they claim that even though China builds a large navy, if the intention is defensive, its behavior will be peaceful. In contrast, even while the China’s navy is weak, if the intention is expansionistic and offensive, its behavior will be more aggressive. Then, which is a reliable indicator showing that Chinese intention is offensive or defensive? Public statements are largely unreliable indicators of foreign policy intention. Beijing’s foreign policy itself is also an unreliable indicator because its
foreign policy is precisely the phenomenon that we need to explain. The only best way to determine whether a state’s intention is offensive or defensive is to look at its military capabilities. Put simply, if its forces are largely defensive in nature, then that state’s intention is probably defensive. If they are offensive, then that state’s intention is most likely not defensive. It is therefore crucial to look at China’s developments of aircraft carriers – quintessential instruments of power projection. By studying China’s recent behavior in the South China Sea as well as recent developments in China’s carrier procurement, one can affirm that Beijing’s intention is truly offensive and China’s aircraft carriers would most likely be employed in the SCS.

The US still remains a decisive factor shaping Beijing’s policy in the SCS. Recent developments in China’s missiles force strongly indicate that Beijing is committed over the long-term to securing the capability to win any region-wide campaign it wages against the US Navy. This growing military capability has, in turn, built up Beijing’s confidence, leading China to further press its territorial claims in the SCS.

In short, realist strategy led Beijing to adopt a good neighbor policy in the period of 1989-2009 as well as a more aggressive diplomatic approach during the period of 2010-2011.

The empirical evidence presented in Chapter Four further supports the main arguments and hypotheses of this case study. Clearly, China’s recent and increasingly aggressive postures in the SCS led many ASEAN states to view China
as a rising threat. Recent diplomatic approaches and security behavior of ASEAN countries - especially those of Vietnam - adequately illustrate a crucial change in ASEAN’s perceptions of China from one of a good neighbor to one equating to a rising threat.

The findings of this study support the validity of an offensive realist approach in analyzing Chinese foreign policy in the SCS since the end of the Cold War. Constructivists argue that China employed its good neighbor policy in Southeast Asia because it was socialized during interaction with ASEAN member states. They believe that China changed from norm-avoiding to norm-affirming behavior in its relations with Southeast Asian states.

As argued previously, this argument, however, can be contested in three ways. Firstly, constructivists fail to indicate reliable indicators to observe and measure the transformation of China’s identity. Secondly, it is not persuasive to claim that China’s good neighbor policy is motivated by China’s change of identity because this policy could also be motivated by other factors especially its national interests. Thirdly, constructivists fail to explain why there was a crucial change in Chinese diplomatic approach in Southeast Asian region from a good neighbor policy to a more assertive and dangerously aggressive approach. In short, constructivists do not recognize that China is a highly motivated realist actor which carefully weighs the risks and costs before acting. Beijing will change the
existing balance of power in its favor if the benefits of doing so outweigh the costs.

The offensive realist approach, on the other hand, anticipates China setting a high premium on the utility of force and looking for opportunities to maximize its relative power. As such, recent aggressive moves on the part of China can be better explained as a result of a change in distribution of power between China and other claimants in the SCS disputes.

The findings of this case study also support the utility and validity of an offensive realist approach in world politics generally. In other words, this case study supports Mearsheimer’s argument that the goal of each state is to maximise its share of world power. It supports the argument that a great power is likely to behave more aggressively when it has a marked power advantage over its rivals. On the contrary, it will be very careful and concerned with defending the existing balance of power when it is in a disadvantaged position or facing powerful opponents.

Practically, it could be inferred from the findings of this case study that, China, as a rising calculated great power, would probably again adjust its diplomatic approach in the SCS in a friendlier way sometimes in the future. However, one should always remember that Beijing is unlikely to compromise on its goal to maximize power or to forfeit its ultimate aim of becoming a regional hegemon.


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