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Red Herring Hegemon: China in the South China Sea

WILLIAM J. DOBSON AND M. TAYLOR FRAVEL

Among the world’s hot spots, none presents a more complex problem than the small but coveted Spratly Islands of the South China Sea. Dotted the sea with approximately 230 islands, islets, and reefs, the Spratlys constitute only 3.1 square miles (5 square kilometers) of land amid more than 496,000 square miles (800,000 square km) of water. None of the 25 actual islands are capable of supporting human life and most of the reefs, cays, and shoals are underwater much of the year. Nevertheless, for strategic, economic, and nationalistic reasons, six countries—China, Taiwan, Vietnam, Malaysia, Brunei, and the Philippines—claim all or part of the Spratlys and their maritime area, creating a complicated web of claims and counterclaims.

These countries have more than once allowed their militaries to settle territorial questions. More pointedly, China’s rapid march to great power status has increased regional fears about Chinese intentions. Indeed, China’s assertive behavior in the region is the strongest evidence presented by those who view China as a would-be hegemon. A closer look suggests that the South China Sea is not about to become a Chinese lake.

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¹The Chinese claims are ambiguous and based on historical occupation and administration. The Philippines claims all of the surface and submerged features in a portion of the South China Sea, justifying its claim by its discovery of the islands in 1956. Basing its claim on an EEZ, Malaysia claims 12 islands located on its continental shelf, while Brunei claims only an EEZ extending from its coast to the center of the region. Vietnam claims somewhat less than China, but also bases its claim on historical occupation. Taiwan’s claims appear identical to China’s.

CLAIMS, COUNTERCLAIMS, AND CONFLICT

The Chinese Nationalist government on Taiwan was the first to occupy an island (Itu Abu) in the South China Sea in 1947, but the dispute over ownership hibernated throughout the cold war. Conflict intensified in the 1980s with the passage of the UN Convention on the Law of the Sea. The Law of the Sea, which was drafted to clarify maritime jurisdictions and guarantees exploitation rights to a state’s adjacent waters through exclusive economic zones (EEZs), compelled states to voice their claims to the Spratly Islands to ensure access to natural resources. The prospect of large oil reserves surfaced in the 1980s, reinforcing the importance of securing access to those resources through the application of the Law of the Sea. The end of the cold war and the subsequent United States and Soviet military stand-down in the Asia Pacific also created a power vacuum that permitted more assertive military actions by the claimant states.

The Philippines, Malaysia, and Brunei claim specific parts of the South China Sea, while China, Taiwan, and Vietnam claim all of its islands, islets, and reefs; China appears to claim the submerged features as well.¹ Rival states have employed a variety of tactics to bolster their claimed sovereignty. Occupation has been the most popular. According to the London-based International Institute for Strategic Studies, Vietnam occupies 21 islands, islets, or reefs; China 8; the Philippines 8; Malaysia 4, and Taiwan 1.

Although most occupations have been justified on nonmilitary grounds such as protecting fishermen or exploring for oil, every instance has involved the deployment of troops. Yet the direct use of force has been limited throughout the dispute. (The last violent clash occurred in March

1988 between Vietnamese and Chinese forces, during which two Vietnamese ships were sunk, 72 people were killed, and six islands were occupied by China.) Rather than direct force, claimant states have used tactics that have varied from firing warning shots at rival ships and arresting foreign civilians to leasing exploration rights to oil companies and opening tourist resorts.

China's claims are deliberately vague. Beijing argues that its sovereignty derives from historical occupation and administration that date from the Tang dynasty. Chinese maps published since the 1930s outline China's claim to large parts of the territory. The maps imply that China claims not only the surface features but the surrounding sea as well. The ambiguity appears deliberate, since China continues to issue equivocal statements regarding its "historic" right to sovereignty over the region. Although China has ratified the Law of the Sea,

it has yet to assert an EEZ or draw baselines around the Spratly Islands that would clearly mark its claim.

China's ambiguous claims have enabled it to strengthen its position—without misrepresentation—through a series of incremental and assertive actions. China's foray into the South China Sea began in 1987 with the construction of a meteorological station on Fiery Cross reef. In 1988, it acquired six islands after the clash with Vietnamese forces. The National People's Congress in Beijing

passed a territorial law in March 1992 affirming China's claim to the Spratly Islands and authorizing the naval wing of the People's Liberation Army (PLAN) to use force to protect its sovereignty. That May, China granted an oil exploration concession and guarantees of protection to a United States company, Crestone, in the southwestern part of the sea near Vietnam. Ending the myth that China would act only against Vietnam, the Philippines discovered in January 1995 that China had built a naval outpost on a feature aptly known as Mischief Reef that lay well inside the Philippines EEZ. And this past March, a Chinese oil rig began to drill in Vietnamese waters.

China has simultaneously pursued conciliatory measures designed to assure its neighbors of its peaceful and cooperative intentions. In 1990, Prime Minister Li Peng urged peaceful resolution of the Spratly disputes, proposing setting aside sovereignty to pursue joint development. In 1992, Foreign

Minister Qian Qichen reiterated China's intention to seek a peaceful settlement of the dispute. General Chi Haotian, the defense minister, assured the region in 1993 that China would not use force to resolve matters. In July 1995, Qian told the members of the Association of Southeast Asian Nations (ASEAN) that China would abide by international law in the resolution of the dispute and that freedom of navigation would be guaranteed. The National People's Congress ratified the Law of the



Sea in May 1996, which appeared to strengthen Qian's previous statement and suggests that China's claim is limited to the surface features. China has also signed statements of cooperation with Vietnam and the Philippines, joined in confidence-building workshops on the South China Sea sponsored by Indonesia since 1991, and held bilateral talks with most of its neighbors.

THE INTERNAL DIMENSIONS OF CHINA'S EXTERNAL BEHAVIOR

China's actions in the region have been paradoxical; it has acted unilaterally to strengthen its claims and then issued statements that suggest such assertive behavior will abate. This inconsistency raises serious questions about China's military intentions in the region. Some observers argue that China's assertive behavior reveals its true colors. While its assertiveness has certainly been destabilizing, it does not necessarily follow that China intends to pursue hegemonic objectives. Rather, China's behavior is best viewed in terms of its fragmented foreign policy decision-making process, the imperatives of domestic politics, and the leadership's crisis of legitimacy.

Responsibility for foreign policy in China is shared principally among core leaders of the Politburo Standing Committee, the People's Liberation Army (PLA), the Ministry of Foreign Affairs, and the Ministry of Foreign Trade and Cooperation. While the influence of each depends on the issue in question and the personalities of the leaders involved, many issues lack central oversight. The inconsistency of China's Spratly Islands policy—the pattern of “talk and take”—likely results from an ongoing struggle between the naval wing of the PLA and the foreign affairs ministry. PLAN has executed the unilaterally assertive actions in the region, which are perceived as aligned with its mission to defend China's territorial integrity and build a blue-water navy. In contrast, the foreign affairs ministry aims to maintain friendly bilateral ties with neighboring states, and has issued statements designed to dampen fears of Chinese aggression. For example, among more conservative factions PLAN lobbied for the specific identification of the Spratly Islands in the 1992 territorial waters law, while the Ministry of Foreign Affairs favored more cautious wording that would have lessened the concern of China's neighbors. The persistent ambiguity over the extent of China's claims may also stem from competition between

PLAN and the ministry. Foreign Minister Qian stated at an ASEAN meeting in 1995 that “China has never claimed [that] the South China Sea is the territorial waters of China,” which implies that China claims only the islands. Meanwhile, Pan Shiyong, a retired naval officer who is believed to represent PLAN's view, has continued to reiterate China's historic claim to the entire sea.

Domestic politics also fosters China's inconsistency. During the reform era, the devolution of economic decision making from Beijing to the provinces and localities has decreased in relative terms the central government's power. The core leaders' influence has been further constrained by the uncertainty generated by the leadership transition from Deng Xiaoping's Long March generation to technocrats like President Jiang Zemin, who collectively lack the charisma and broad factional support to manage China's fractured political system. Many of the current core leaders, especially Prime Minister Li Peng, are indebted to the PLA for its role in suppressing the Tiananmen demonstrators in 1989 and recognize that their survival depends on the military's loyalty. Cast as a matter of the national interest, PLAN independence in the South China Sea has been given in exchange for the military's domestic political support.

China's assertive behavior also appeals to conservative leaders and factions, who tend to be the most strident advocates of Chinese nationalism. Opponents of Deng's rapid economic modernization may calculate that an international backlash sparked by a more assertive position over the Spratly Islands will slow reforms that have threatened their institutional power bases. Explosive economic growth has increased demand for petroleum—imports now surpass exports—which has compelled state oil companies to explore for hydrocarbons in the South China Sea. Likewise, Hainan, one of the poorer provinces, has domestic jurisdiction over the South China Sea and has pressed for a strong Chinese presence because it would rake in profits from government infrastructure investment and taxes levied on foreign oil companies.

Sovereignty issues such as the South China Sea occupy a central position in the Chinese national consciousness. Indeed, the importance China has attributed to the Spratly Islands stems from the desire to prevent humiliations like those of the past rather than from a hegemonic grand plan. The loss

China and the other powers [must] begin to preserve the peace while there is peace to preserve.

of territory during the disintegration of the Qing dynasty in 1911 engendered a wounded pride that has since emphasized regaining what was lost to foreign imperialism, most prominently Hong Kong and Taiwan. Increased Chinese interest in the South China Sea coincides with rising public pride in the success of China's modernization efforts. One Chinese scholar has remarked that "Beijing intrinsically sees its . . . policy as a long overdue and legitimate action to protect its territorial integrity. . . . It is embedded in the national psyche that the Spratly archipelago has been a part of [China's] territory since ancient times."² Likewise, the enthusiastic support in Taiwan and Hong Kong for China's ongoing dispute with Japan over the Diaoyutai/Senkaku Islands demonstrates that sovereignty issues strike a chord with all Chinese, not just those on the mainland.

The leadership's flexibility over the South China Sea has been limited by its crisis of legitimacy. The acceptance of Deng's market reforms has eroded the salience of Communist ideology, leaving the Chinese Communist Party bereft of a justification for its continued authoritarian rule. In this ideological vacuum appeals to patriotic sentiment, such as those evoked by the Spratly Island claims, have arisen as one way to bolster the regime's sagging legitimacy. The broad expanse of water in the South China Sea suggests sovereignty can be asserted without violent conflict, as almost any action, such as placing a territorial marker or drilling for oil, will improve the leadership's credibility. In addition, political posturing during the post-Deng transition compels individual leaders to tout their patriotic credentials. The perception of the Spratly Island claims as a question of sovereignty and national interest creates an objective no leader can publicly oppose, no matter what his private thoughts are. Some leaders may even calculate that limited appeals to patriotic sentiment over the Spratly Islands will improve their position in the leadership struggle.

THE CONSTRAINTS ON AGGRESSION

However skeptical some analysts may be of the intentions behind China's behavior, the state of China's military is a sobering reality. For at least well into the next century, China's ambitions in the South China Sea will be checked by its own military capabilities and the countervailing force of its

neighbors. Even if China were the hegemon some believe it to be, its military is incapable of filling a hegemon's shoes.

The 1991 Persian Gulf War alarmed Beijing, which, after witnessing the high-tech performance of United States weaponry, decided that its success in future military engagements would hinge on upgrading its weapons. Benefiting from China's economic expansion, the PLA has also been able to accelerate its modernization by purchasing foreign military technology, especially from Russia. While this modernization has been ambitious, the PLA remains one of the world's largest military museums.

In any Chinese military action in the South China Sea, PLAN would obviously play a critical role in ousting other claimants and securing China's control of the Spratly Islands. Recent enhancements of PLAN's ship-launched cruise missiles make it a more formidable force. Furthermore, PLAN's growing number of warships capable of replenishment at sea suggests an improved ability to conduct large-scale naval operations for sustained periods—the kind of capability that would be required only for a South China Sea campaign.

Nevertheless, China's naval power is limited. Some vessels, like the Luda-class destroyer and the Jianghu-class frigate, were designed for a form of naval combat that has long since become outmoded. In an arena such as the South China Sea, where airpower could be decisive, PLAN has only a small number of ships capable of effective air defense; relatively few vessels have surface-to-air missiles and the navy also suffers from poor anti-submarine warfare and electronic countermeasure capabilities. And of China's three fleets, the South Sea fleet is the least modern, with Chengdu-class and Jiangnan-class frigates due for retirement.

The story is much the same for China's airpower. While its recent purchase of 72 Russian-made Su-27 fighters was a boost in the aerial strength China can bring to bear on local conflicts, the bulk of the Chinese air force remains 1950s- and 1960s-generation aircraft. In fact, most of China's air force cannot even reach the South China Sea. And those planes that can, like the Su-27, are able to loiter over the area for less than 30 minutes. Moreover, China's pilot training program is still less advanced than those of neighboring Southeast Asian countries. Chinese pilots average only 80 to 150 hours of flying time each year, compared to the more than 200 hours logged by Malaysian and Singaporean pilots. They have had little practice flying over open ocean, let alone without ground control (Russian

²Chen Jie, "China's Spratly Policy," *Asian Survey*, October 1994, p. 893.

pilots had to deliver the first 26 Su-27 fighters since the Chinese pilots assigned to the delivery were not up to the task).

Military infrastructure also offers inadequate support for an aggressive campaign. Many of the country's air bases were not built with runways that could withstand the wear and tear of modern aircraft. One of the newest Chinese airstrips, located on Woody Island, the largest of the Paracel Islands and only about 570 miles (920 km) from the Spratly Islands, can handle any type of Chinese aircraft, but lacks hangars or other shelters to protect the planes from the natural elements.

Perhaps the most striking constraint on China's ability to project airpower is what it does not have: an aircraft carrier. It remains highly questionable whether China has the technical know-how to build a floating airport, let alone the avionics and metallurgy technologies necessary to construct a plane that can operate on an aircraft carrier in any weather. Even if China were able to purchase a carrier, the logistical demands of providing resources to a carrier and its supporting vessels still pose a challenge to Chinese engineers. Most military analysts agree that China is likely to have its first aircraft carrier off the blocks between 2005 and 2010. But this will be only one aircraft carrier, half the size of American carriers, and far inferior in both its technology and the aircraft that it deploys. While it will be a proud day in PLAN history, the vessel will be of more symbolic value than anything else.

THE ASEAN BALANCE OF POWER

Despite the backward state of China's armed forces, many military analysts expect that Asia's balance of power will be in China's favor in 20 years. Since China's power projection capability will continue to improve as a byproduct of economic growth, some constraints on Chinese assertiveness must be provided by other powers. Chief among these is ASEAN, which includes Indonesia, Malaysia, Singapore, Thailand, Vietnam, Brunei, the Philippines, Laos, and Burma among its ranks. Since the 1995 Mischief Reef incident, ASEAN has shown greater concern about Chinese assertiveness in nearby waters. While ASEAN has not publicly scolded China for its adventurism, it has made its position known through private channels. Even though China's actions have been directed primarily toward Vietnam and the Philippines, ASEAN has forged a consensus against possible Chinese aggression and has demonstrated almost equal solidarity

during tense episodes like China's oil drilling in Vietnamese waters last March.

In its relations with ASEAN, China realizes that there is little to gain and much to lose by snatching reefs and shoals. ASEAN has been an important ally for China on issues such as human rights and political freedom. Although China has faced a constant barrage of criticism from Western countries over these matters, ASEAN has taken a sympathetic approach, arguing on China's behalf at the United Nations and elsewhere. Economically, conflicts erupting in the South China Sea would be extremely costly for everyone. In 1993, more than 15 percent of the world's cross-border trade passed through the sea-lanes near the Spratly Islands. Today, with trade between China and ASEAN countries valued at over \$20 billion and rising, no one stands to gain from making the seas unsafe.

Militarily, ASEAN members have spent increasing amounts to deter Chinese military power; military budgets are expanding faster in this part of the world than anywhere else. Indonesia has recently purchased 12 Russian Mi-8 troop-carrying helicopters, in addition to 24 Hawk jet fighters and 39 ships from the former East German navy; Malaysia has already bought United States F-18 and Russian MiG-29 jet fighters and is shopping for attack helicopters; Thailand has ordered 19 A-7 strike aircraft and 18 F-16s from the United States; Singapore has purchased 4 submarines from Sweden and 16 Cougar helicopters from France; and Vietnam has just announced the purchase of a second batch of Su-27 fighters from Russia. While ASEAN would not form a military coalition against China, these Southeast Asian states are collectively keeping their defensive forces apace of Chinese military muscle.

Until recently, the United States has taken a backseat attitude toward tension in the South China Sea. In June 1995, Joseph Nye, then the assistant secretary of defense for international security, warned that if military conflicts in the area interfered "with freedom of the seas, then we would be prepared to escort and make sure that free navigation continues." The United States has taken a more active interest in recent months. In April 1996, Admiral Joseph Prueher, commander in chief of the United States Pacific Command, became the highest ranking American military official to visit Hanoi since the Vietnam War. During his visit, Admiral Prueher said that he and his Vietnamese counterparts discussed a "nascent military relationship." Several weeks later, Prueher suggested that the United States might begin more frequent port calls

to the Philippines Subic Bay. And according to the new military guidelines proposed by the United States and Japan this June, Japan could play a much greater supporting role for the United States in any future regional crisis. For the first time Japanese warships will be allowed to assist in sanctions monitoring, mine sweeping, and transporting ammunition and weapons to American forces. By highlighting United States military ties with Vietnam and the Philippines and bolstering the United States-Japanese military alliance, the United States can further deter provocative acts.

ENSURING STABILITY

In the short term, ASEAN and the United States can do the most to keep the peace in the South China Sea. Indeed, maintaining stability in the region falls on ASEAN's doorstep. ASEAN diplomats must keep the disputes among their talking points, exploiting the more cooperative position of the foreign affairs ministry. At a meeting in Huangshan, China, in April, ASEAN diplomats successfully included the territorial disputes on the official agenda for the first time. ASEAN should also continue to press China privately, since past episodes reveal that China takes these back-channel messages seriously. And finally, ASEAN members' military relationships with the United States remain the strongest cards in their deck. If Beijing believed an anti-China coalition was in the offing because of its actions, it might think twice before choosing a needlessly provocative course.

While the United States should maintain its position of not extending security guarantees for any disputed islands, it should step up its role. America should first increase its port calls to the region, especially in Vietnam, the Philippines, and Malaysia. Similarly, the United States should increase the satellite surveillance of the South China

Sea, sharing intelligence of Chinese naval operations with ASEAN members when warranted. Cooperative military exercises between the ASEAN countries and the United States should also become more frequent. Not only would this policy assuage concern over a possible American retrenchment in Asia, it would also raise the international spotlight on tensions in the South China Sea as well as the political costs of conflict.

A long-term solution may be more elusive than the preservation of stability but is equally critical. One potential alternative could stem from international law and joint development. Although the Law of the Sea is partially responsible for the heightened regional tension, it may also hold the key to initiating a meaningful discussion of the disputes. While international law cannot resolve the question of ownership, which is largely determined by possession, it can create an environment conducive to joint development and common access. By forcing the rival states—especially China—to define their claims, the strict application of the Law of the Sea would reduce tensions by increasing transparency. The Law of the Sea would also reduce the area of conflicting territorial waters, since the treaty grants only approximately .31 miles (500 meters) of ownership. By reducing the importance of owning rocks, reefs, and islets, such an environment would encourage the joint development of natural resources and create an additional constraint on future aggression in the region.

Any lasting solution to the Spratly disputes will need to satisfy two conditions: it must come from the claimants themselves and it must satisfy China's interests. And while international law may bring everyone to the negotiating table, it will require creative diplomacy to seal the deal. What is imperative is that China and the other powers begin to preserve the peace while there is peace to preserve. ■