

# 1 The global significance of the South China Sea disputes

---

*Geoffrey Till*

## Introduction

*A global or a regional issue?*

Two different approaches to the complex and difficult South China Sea issue have become clear. One, expressed consistently and strongly by the Chinese, is that the issue should be seen only as a local issue, not a global one. Beijing reacted strongly to Hillary Clinton's expression of the US interest at the Association of Southeast Asian Nations (ASEAN) summit in Vietnam in July 2010.<sup>1</sup> On his official website, Foreign Minister Yang Jiechi reportedly warned against America's getting involved in the issue, arguing that it would increase regional tensions. "What will be the consequences if this issue is turned into an international or multilateral one? It will only make matters worse and the resolution more difficult . . . The consensus is to have these disputes resolved peacefully through friendly consultations in the interest of peace and stability in the South China Sea and good neighborly relations."<sup>2</sup> The South China Sea problem was a local one, and it was only up to the locals to sort it out. With so many claimants to the area, and such complex overlapping jurisdictional issues to be resolved, the problem was already complicated and sensitive enough; why make things worse by involving other countries with no particular claim on the area?

By way of contrast, the early-twentieth-century strategist Sir Halford Mackinder made many years ago what many would regard as the key point: "The unity of the ocean is the simple physical fact underlying the dominant value of sea power in the modern globe-wide world."<sup>3</sup> Because the sea is "all joined up," external countries, outside the immediate

<sup>1</sup> It is worth making the point, however, that many aspects of Mrs. Clinton's speech were foreshadowed in a State Department statement of 10 May 1995. Little of the speech should really have come as a surprise.

<sup>2</sup> "China warns US to stay out of islands dispute" *New York Times*, 26 July 2010; K. K. Beng, "China: Don't interfere or provoke" *The Straits Times*, 18 November 2012.

<sup>3</sup> Mackinder, *Britain and the British Seas*, 12.

region, have a major stake in the management and outcome of the dispute, especially if they are maritime in nature, and so should be expected to want to express their interests in it. For that basic reason, the South China Sea dispute necessarily becomes a global one and the global community has a stake in its peaceful management, and hopefully one day, resolution. “One measure of the strength of a community of nations,” said Mrs. Clinton, “is how it responds to threats to its members, neighbors and region.”<sup>4</sup> The position that the South China Sea dispute is a global one with global implications and consequences was taken further by US Secretary of Defense Robert Gates at the Shangri-La Dialogue in June 2011. As a result those implications and consequences are seen as justifying the United States and other outside countries in seeking to maintain a role in defense of their wider interest in the area. Mr. Gates was even prepared to bet \$100 that, for this reason, “five years from now the United States’s influence in this region [will be] as strong if not stronger than it is today.”<sup>5</sup>

So, the question arises, why does the United States and why do other external countries take such an interest in the South China Sea issue and what is likely to be the consequence of this? Several reasons may be adduced.

### **Security: shared and indivisible**

#### *Rising temperatures?*

There is, first of all, the view that in an era of globalization, international security cannot be divided up into discrete geographical zones. Accordingly, external countries have become very concerned about what seem at times to be the rising temperatures of the disputes in the area, not least because any such deterioration might in due course have significant impact on them.

And, as seen from outside as well as inside the region, and rightly or wrongly, the situation in the South China Sea does appear to be slowly deteriorating, in ways that might affect the outside world. For the past five years there have been a number of incidents, particularly between China, Vietnam and the Philippines, culminating in the 2012 stand-off over Scarborough Shoal and more recently over Second Thomas Shoal. Further to the North, the same seems to be happening in the East China

<sup>4</sup> “US takes on maritime spats,” *Wall Street Journal*, 24 July 2010.

<sup>5</sup> “Not littorally Shangri-La,” *The Economist*, 9 June 2011.

Sea.<sup>6</sup> Such incidents also seem to stir up the kind of nationalistic sentiment in the citizenry (especially when media reports inspire vocal “netizens” to take to the airwaves of the twenty-first century) which governments find hard to ignore.

*Regional naval modernization and activities*

Many observers worry also about the naval modernization that is currently taking place around the South China Sea. It is hard to believe that this is completely unconnected with rising tensions in the area. Many would argue in fact that this is one of the major regional responses to the South China Sea problem. Most of the claimants appear to be upgrading the military facilities they maintain on the South China Sea features that they hold, including runways and buildings of various sorts [China (Subi, Johnson South and Fiery Cross Reefs), Taiwan (on Itu Aba/Taiping), Malaysia (Swallow Reef) and the Philippines (Thitu, Patang/Feixin)].<sup>7</sup>

Rising tensions in the area have prompted a number of responsive deployments and are likely to encourage a build-up in regional coast-guards and more worryingly, in air and naval forces too. In November 2010, China conducted a major amphibious exercise involving at least 100 warships, submarines and aircraft. On this the *Global Times* reported: “This is basically a routine military exercise, but it is also based on the current combat situation in the South China Sea.” It quoted a Beijing analyst, Li Jie, as commenting: “It was not a special signal but we chose that theatre to show our naval capacity and strength.”<sup>8</sup> The special salience of amphibious forces to the South China Sea will have been noted. By such means the enhanced capacity of China’s South Sea fleet, increasingly based in Hainan, can be expected to make its presence felt. The deployment of the People’s Liberation Army Navy’s (PLAN) first aircraft carrier, the *Liaoning*, to the South China Sea in November 2013 simply reinforces the point.

Naval expansion is by no means limited to China, however. All round the South China Sea countries are investing in new submarines (Singapore, Vietnam, Malaysia and Indonesia), more advanced surface combatants like

<sup>6</sup> “China and Japan lock horns again,” *The Straits Times*, 2 November 2013; “Huangyan: generations have fished island’s waters,” *China Daily*, 11 May 2012; J. Hookway, “Aquino to visit US amid China tension,” *Wall Street Journal*, 6 June 2012; J. Himmelman, “A game of shark and minnow; Who will win control of the South China Sea?” *New York Times Magazine*, 27 October 2013.

<sup>7</sup> C. Le Miere, “Waves of concern: Southeast Asian states plan naval defences,” *Jane’s Intelligence Review*, May 2011, 8–13; “China criticizes Vietnam’s decision to renovate airstrip on Spratlys,” ABC Asia Pacific News.

<sup>8</sup> <http://english.people.com.cn/90001/90776/90786/7186448.html>.

Singapore's *Lafayette* frigates and Malaysia's *Gowinds*, cruise and other naval missiles, and fourth-generation fighters. All this has been made possible, according to Stockholm International Peace Research Institute, by substantial increases in defense spending.<sup>9</sup>

This round of regional naval modernization does not yet approximate to the characteristics of a classic arms race.<sup>10</sup> It can be argued that this kind of naval modernization is evidence, instead, of a perfectly "normal" aspiration on the part of increasingly prosperous maritime states to increase their spectrum of capability, and to build up their national defense-industrial base, now they can afford to do so. Nonetheless, these developments could get out of hand, especially if they led to inadvertent but escalatory incidents at sea, and so degenerate into a complex cross-cutting naval arms race, with all the adverse consequences for international stability often associated with arms races.

In theory, the parallel build-up of coast-guard and other civilian agencies of maritime enforcement should be regarded as much less provocative and worrying. Here China appears to be taking a definite lead, in a manner entirely consistent with the renewed emphasis on the marine sector in its 12th Five Year Plan of March 2011 and President Hu's announcement at the Communist Party's 18th Congress in 2012 of China's intention to become a great maritime power. Thus, China has invested heavily in, and completely reorganized, its various coast-guard agencies. Other countries are following suit, insofar as their resources allow.

While coast-guard vessels, functionally, may seem less provocative than warships, much depends on the manner in which they are used. It will be remembered that the *Impeccable* incident was conducted by fishing boats and vessels of this kind. Nor does the spectacle of Chinese, Japanese and Taiwanese coast-guard vessels using water cannons against each other in the East China Sea in September 2013 give observers much confidence that things will be better when there are more of them. Indeed, some speculate that for institutional rather than nationalistic reasons these agencies may feel the need to "justify" their budgets through the more assertive action that their civilian status allows.

#### *Involving outsiders*

A second regional response to the developing situation in the South China Sea seems to be the considered calling-in of outsiders. Vietnam, for example, has exhibited a tendency to call for political support from

<sup>9</sup> [www.sipri.org/research/armaments/milex](http://www.sipri.org/research/armaments/milex).

<sup>10</sup> See Till, *Asia's Naval Expansion*.

countries outside including India, Russia and even the United States, countries that have their own agendas in the region. Southeast Asian countries still welcome the gradually expanding US naval presence in the area, through exercises such as Cobra Gold, Cooperation Afloat Readiness and Training, and Southeast Asia Cooperation and Training exercise program. The Philippines, after the effective loss of Scarborough Shoal, has gratefully accepted a good deal of practical, maritime and moral support from Japan.<sup>11</sup> Some in ASEAN are wary of being sucked into a strategic dispute between the United States and China, which could have quite adverse consequences for their own peace and prosperity. Even so, despite warnings from Beijing, the process continues.

The regional naval modernization process and the fact that concerned locals are seeking comfort in each other's company and increasingly also looking outside the immediate area for support must be unwelcome in Beijing.<sup>12</sup> From the Chinese point of view, both the Northern and Southern ends of their Pacific waterfront, and Taiwan too, are all in simultaneous dispute. To put it mildly, this is not conducive to the peaceful development of the region and this is a matter of global importance.

### **Explaining external interest in the South China Sea dispute**

So the question again arises: why exactly do the external powers seem receptive to the notion that they should play a part in the South China Sea issue? There seem to be at least four sets of reasons for this.

#### *(1) The economic importance of the region*

The outside world's economic stake in what happens in and around Southeast Asia is enormous; it is a crucial market, a source of goods and services, and a major tourist destination. Southeast Asia, in short, is a vital constituent of the globalized sea-based trading system and an area in which even far distant external countries have strong interest. The Asian currency crisis of the 1990s and its impact on Europe, and indeed the current economic travails both demonstrate how indivisible the economic fortunes of the world really are. Much of the sea traffic that supports the world economy passes through or around the South China Sea. Much the same is true of the energy traffic going from the Gulf to

<sup>11</sup> R. Vellor, "Japan 'will help S-E Asia build up defence capability,'" *The Straits Times*, 3 June 2013.

<sup>12</sup> R. Fontaine et al., "Asians hedge against China," *Wall Street Journal*, 6 December 2013.

18 Global dimensions

Northeast Asia. For these reasons alone, the rest of the world has a major stake in the continued stability and prosperity of the region, and so for such reasons, to reverse the common expression, the flag follows trade.

(2) *A window on China*

Because security is seen as both shared and indivisible, the management of the dispute is considered important for the light it sheds on the world's future security architecture, and not least on the future role of a still more powerful China in the world's affairs. Rightly or wrongly, China's policy towards the South China Sea is closely scanned for what it may tell observers about that country's perception of itself and its regional and global intentions.<sup>13</sup> It is, of course, just one of many such indicators, but it tends to dominate the perceptions, not least of local neighboring states, and so tends to reinforce the interest of external powers. Thus, the Japanese Foreign Minister Matsumoto declared in September 2011:

Japan has a great interest in the territorial disputes in the South China Sea because they could have an impact on peace and security of the Asia-Pacific region, and they are also closely related to safeguarding the security of maritime traffic.<sup>14</sup>

Because, in comparison with other countries, China is seen by many as noticeably opaque in its foreign policy deliberations, there is a significant focus on what China does, rather more than on what it says. The generally hawkish tone of the state-owned *Global Times*, however, often seems at variance, to outsiders at least, with the conciliating rhetoric of the country's more pragmatic leaders and is often adduced in support of worst-case analyses of these actions.

The management of the dispute is also seen as a means of shedding light on decision-making processes in China, particularly with regard to security policy, and of discerning the likely future role of the various constituencies of thought and policy within China, ranging from the modernizing "internationalists" at one end of the spectrum to the enraged nationalistic "netizen" and hawkish military commentators at the other.<sup>15</sup> Illustrating the point, when asked recently by an *Asahi Shimbun* reporter why China was so concerned about the South China Sea, Admiral Wu Shengli, PLAN Commander-in-Chief, replied: "How would you feel if

<sup>13</sup> T. Sekiguchi, "Fear of China dominates regional talks," *The Australian*, 11 October 2013.

<sup>14</sup> Quoted in "South China Sea dispute: Harbinger of regional strategic shift?" *Asahi Shimbun*, 10 September 2011.

<sup>15</sup> "China warns US to stay out of islands dispute," *New York Times*, 28 July 2010. The "netizen effect" also applies to the other South China Sea claimants of course, not least Vietnam, as exchanges over the incidents of early 2011 have made clear. Christensen, "Posing problems without catching up," 5–40.

I cut off your arms and legs? That's how China feels about the South China Sea.”<sup>16</sup>

This sensitivity to Chinese actions is increased by the general acceptance that not just the South China Sea area, but the Western Pacific and indeed the whole world may be on the cusp of a major transformational moment in the shape of its strategic architecture as China gradually catches up to the United States in so many of the indices of national power. If China is indeed to become a major player in the international system, its motivations and methods will be critical to the world community as a whole. China, once seen in the United States as “just” a land power (and a rather backwards one at that), is using its industrial and maritime power to move into what America has become accustomed to think of as its own back-yard, and to dilute American supremacy in the Pacific Ocean. The problem is exacerbated by the fact that China could take more advantage of the US maritime vulnerabilities than the United States could of China's territorial ones. Accordingly, Chinese “assertiveness” over its near seas can easily be seen as a *symbol* of a momentous transition in great power relations, and reacted to as such. For the United States, then, a good deal is at stake, not least its continuing capacity to dominate the global commons, which as Andrew Hart and Bruce Jones have recently remarked “has been a critical enabler of the US military's pre-eminent position and has under-written America's own economic influence as well as that of its allies, and has helped Washington to lessen the influence of its adversaries.”<sup>17</sup>

### (3) *Maintaining relationships*

In 2009, Robert Gates made the essential point that limits on US access to the area could undermine the network of alliances and partnerships that underpin American influence in the area:

When considering the military modernization programmes of countries like China, we should be concerned less with their potential ability to challenge the US symmetrically – fighter to fighter, or ship-to-ship – and more with their ability to disrupt our freedom of movement and narrow our strategic options. Their investments in ... anti-ship weaponry and ballistic missiles could threaten America's primary way to project power and help allies in the Pacific – in particular our forward air bases and carrier strike groups.<sup>18</sup>

<sup>16</sup> Quoted in W. Choong, “Mistrust hurts naval cooperation in region,” *The Straits Times*, 27 May 2011.

<sup>17</sup> Hart and Jones, “How do rising powers rise?”

<sup>18</sup> “Race on for next generation of anti-ship missiles,” *The Straits Times*, 11 January 2011.

Free movement and forward presence are seen as an essential precondition for Washington's political relationships with its allies and partners in the region.

The second set of reasons why the United States feels the freedom of navigation to be critical is more general and less traditional. The United States recognizes that it would be increasingly hard pushed to deal with the multiplicity of threats to the global trading system on its own. The decline in the number of American maritime platforms reduces day-to-day coverage and poses a real time-distance problem in getting ships to areas of concern, especially at short notice. Admiral Mike Mullen made the resultant collaborative point back in 2005:

Today's reality is that the security arrangements and paradigms of the past are no longer enough for the future. And today's challenges are too diverse to tackle alone; they require more capability and more resources than any single nation can deliver.<sup>19</sup>

Because the world ocean, to use the Russian term, is so vast, defending "the commons" against such threats requires the collaboration of maritime forces (both navies and coast-guards) around the world:

Global maritime security can only be achieved through the integration of national and regional maritime cooperation, awareness and response initiatives.<sup>20</sup>

These functional relationships in the defense of maritime security and the global system have to be serviced, it is argued, by free movement, open access and open association. Hence the even greater stress in recent years on the winning of partners and allies whose ships and bases can help support the system against such good order problems as piracy, drug and people smuggling, as well as marine pollution.<sup>21</sup>

Much the same, though to a lower extent, can be said about such other external players in the region as the various members of the European Union, India, Australia and Japan, all of which have a similar bundle of economic, political and strategic incentives to develop and maintain their relationships with countries in the region.

#### (4) *The strategic maritime dimension*

There is inevitably a very strong strategic dimension to the South China Sea issue. This revolves around, firstly, points of principle and, secondly, points of practice.

<sup>19</sup> Admiral Mike Mullen, in J. B. Hattendorf, "Seventeenth Annual Seapower Symposium: Report of Proceedings," 5.

<sup>20</sup> USMC, USN, and USCG, *Naval Operations Concept*, 36.

<sup>21</sup> Wu, "The end of the silver lining."



*Points of principle* It is a matter of principle because the dispute is about maritime jurisdiction in the first place and also as it is an area of passage of the merchant shipping on which the whole system depends. “The United States,” said Mrs. Clinton accordingly, “has a national interest in freedom of navigation, open access to Asia’s maritime commons and respect of international law in the South China Sea.”<sup>22</sup>

This boils down to two specific issues. The first has to do with the unimpeded passage of the merchant vessels on which the world trading system absolutely depends. For the United States and other countries too, there is a broader *cultural* dimension to the conception of the freedom of the sea involved, as well as a narrower strategic one. In the past this strongly infused American policy from the foundation of the Republic, often up to and including the point of conflict. The freedom of the seas could be described in almost lyrical terms:

Here you have an almost limitless expanse and without a barrier, here you have . . . what is now Nature’s great medium of communication. There are no difficult mountains to cross, no scorching deserts, the way lies open . . . Imagine then a road which leads everywhere and you have the first clue to the meaning of that majestic thing, sea traffic . . . Safe in times of peace from all dangers save the natural perils of the sea, the freedom of this, the broadest and busiest of highways, open to all, used by all, vital to the modern structure of civilization, is unchallenged.<sup>23</sup>

The point of this is that when the freedom of passage of merchant shipping is impeded, the wider international shipping community immediately and naturally becomes concerned. Here, however, there does not seem to be a problem as China has repeatedly sought to make clear that the freedom of navigation of commercial vessels in the South China Sea is not an issue. According to General Chen Bingde, “In the South China Sea, freedom of navigation has never been a problem. It serves as an excuse to sensationalize the issue.”<sup>24</sup>

Indeed China now has more at stake in the safe transition of the 74,000 or so merchant vessels that ply the Straits of Malacca and pass through the South China Sea every year than most other major players in the global system. Nonetheless, there has been international concern about the apparently contradictory and noticeably more robust attention paid by China to commercial exploration activities undertaken by Vietnam and

<sup>22</sup> “Walker’s world: US draws line in sea,” *United Press International*, 26 July 2010.

<sup>23</sup> MacNeile, *The Fleets Behind the Fleet*, 94–5.

<sup>24</sup> “China warns US to stay out of South China Sea dispute,” *Jane’s Defence Weekly*, 20 July 2011.

the Philippines in 2011.<sup>25</sup> The United States also took exception to the apparent pressure on Western oil companies such as BP and ExxonMobil not to participate in exploration projects with Vietnam.<sup>26</sup>

These local disputes have implications for outsiders, not least as foreign firms are often involved. The survey vessel *Viking-2*, involved in one of the cable-cutting incidents in May–June 2011, for example, was reportedly registered in Norway.<sup>27</sup> To make the same point, a Canadian company Talisman Energy and a French company CGG Veritas together with the UK-based Forum Energy are partners in PetroVietnam explorations. Moreover, India too has become heavily involved in oil exploration in sensitive parts of the South China sea.<sup>28</sup> It needs hardly to be said that the internationalization of the oil exploration business on its own makes the South China Sea issue a global one.

Despite this, the real area of contention is with the second dimension of the freedom of navigation, the movement and activities of warships. Defending this is clearly a strategic priority for the United States. “We must,” Admiral Mike Mullen has said, “be able to continue to react quickly in times of humanitarian crises and with resolve in times of conflict.”<sup>29</sup> The kind of forward presence required depends on the circumstances of the particular area. “Globally distributed, mission-tailored forces” are designed to cope with a wide range of lower order missions that “promote stability, prevent crises, and combat terrorism.” “Regionally concentrated credible combat power,” on the other hand, is required for the “harder” tasks of protecting US vital interests, assuring its friends; “and deter[ing], dissuad[ing], and if necessary, defeat[ing] potential adversaries.”<sup>30</sup> One common element between the two sets of missions, however, is the need to operate in the littorals.

<sup>25</sup> Thayer, “China’s new wave of aggressive assertiveness in the South China Sea.” “Tensions rise in South China Sea,” *Jane’s Defence Weekly*, 22 June 2011. The first of these incidents was claimed by General Phung Quang Thanh, to have been “well within Vietnam’s 200 nautical mile Exclusive economic Zone” (Remarks at IISS Shangri-La Dialogue, 5 June 2011). The incident is reported to have taken place 120 miles off the Vietnamese coast.

<sup>26</sup> Alluded to in Robert Gates’ statement at the Shangri-la Dialogue of 2008. See C. Schofield and I. Storey, “The South China Sea dispute: Increasing stakes and rising tensions,” The Jamestown Foundation, 39. The point was repeated in the Dialogue of 2011. The extent of Chinese pressure on foreign oil companies was reportedly underlined in the recent Wikileaks exposure. “Beijing pressure intense in South China Sea row,” *South China Morning Post*, 23 September 2011.

<sup>27</sup> “Vietnam accuses China of harassing another boat,” Reuters, 9 June 2011.

<sup>28</sup> “India, Vietnam explore waters claimed by China,” *Defense News*, 10 October 2011.

<sup>29</sup> “What I believe: Eight tenets that guide my vision for the 21<sup>st</sup> century,” *Proceedings of the USNI* 14 (January 2006).

<sup>30</sup> *Naval Operations Concept*, 32.