

## **China's Navy and Conflict in the South China Sea**

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### **Abstract**

China's recent boom in economic power allowed them to grow and modernize their naval capabilities. China now uses this growth in military power to support a very aggressive naval policy focused around the expansion of their territorial claims in the South China Sea, and to a lesser extent in the East China Sea. This brings China into direct conflict with many of its South Asian neighbors, who struggle to find ways to counteract the technological and economic supremacy of China's global power. The South China Sea is likely to be the next hotspot for potential military conflict, as China has a history of being territorially aggressive and recent public statements from leaders have been increasingly hostile. The international community should not dismiss the importance of the area; the South China Sea is a major international waterway for trade, rich in natural resources, and strategic in terms of regional security.

**Key Words:** China, Philippines, Japan, Thailand, Vietnam, Indonesia, South China Sea, People's Liberation Army Navy, ASEAN, Territorial Dispute

### **Introduction**

The Chinese military has been split over the relative use of a navy; two schools of thought have emerged on the topic. The Continentalist argument is deeply rooted in the Sino-centric history of exploration in China. Rather than project power into new regions, China possesses a consistent history of only small naval expenditures and limited naval exploration (Swanson, 1979). Maritimists, on the other hand, push for outward-looking and expansionist doctrine. Ultimately, the age of steam and the supremacy of Western technology moved this dilemma to the forefront of the Chinese military (Swanson, 1979). Despite continued Continentalist resistance, the Maritimists have significantly influenced modern foreign policy. Current foreign policy aims geared toward naval strength include: unification (recovery of regions regarded as Chinese territory, such as Taiwan), the achievement of great-power status, and unrivaled regional supremacy (Swanson, 1979). Although the article this information is sourced from was published in 1979, the objectives of China's maritime pursuits have not changed significantly.

An article published in 2008 articulates that China's Navy has taken on greater roles. Greater defensive depth for China's coastal cities, protecting its maritime rights and interests, and to defend its sea-lanes that bring in valuable energy imports and money from commercial

## South China Sea

exports constitutes three of the objectives of the modern Chinese Navy (Nicoll, 2008). China's rapid rise in economic wealth in the last twenty years provided its military with the means to acquire and produce technology that would start to close the gap between the Chinese military and those of Western powers. From the arms transport compiled by the International Institute for Strategic Studies, China is the second largest importer of arms between 2008 and 2012, and also makes the top five biggest exporters (Holtom, 2013). China's military expenditures have increased significantly over the past ten years, and although they do not rival the defense spending of the United States, they are the second largest defense budget in the world. Academics, journalists, and politicians agree that China's moves to modernize and expand their navy point to a growth in their projected power abroad. The key argument of this issue is, however, how aggressively China will pursue its objectives and what this will mean for the international community.

China has a lengthy recent history of being territorially aggressive when it comes to the South China Sea. Since roughly 1950, China has been projecting its power across its borders and into the major surrounding sea-lanes. These conflicts include: the Choushan Islands (1950), Ichiang Island (1955), Tachen Islands (1955), the Quemoy and Matsu conflict (1958), and most notably the Paracel Islands (1974) (Till, 150). In 2002, a non-binding Declaration on the Conduct of Parties in the South China Sea was signed by China and the ten ASEAN member states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Burma, Philippines, Singapore, Thailand, Vietnam) (Raine, 2011). This accord committed all signatories to work toward forming a legally binding code of conduct and exercise restraint while territorial disputes are settled diplomatically. Unfortunately, this agreement set no concrete rules of conduct, enforcement mechanisms, or repercussions for violations. Several states, not solely China, have undertaken unilateral military and bureaucratic measures to try to reinforce their claims in the South China Sea, rather than trying to work toward diplomatic ends.

### Arguments

Contemporary scholars dispute over the implications of China's naval expansion and policies. Academics in the United States generally agree that China is not a threat to the current American Navy, as it is still superior in terms of technology, expenditure, and with more personnel. L. Bruce Swanson Jr. states very explicitly in his paper, *China's Navy and Foreign Policy*, that the Chinese Navy will remain constrained by its limited technology and generally oriented toward coastal defense rather than power plays that could anger the international community, which could cause possible complications for international trade (Swanson, 1979). Swanson posits that the focus of the renovations to the Navy will focus on training personnel in technical education, while acquisition of foreign military technology will stay limited in favor of domestic innovation (Swanson, 1979). In large part, this theory held true in terms of military imports; China has only recently required its first aircraft carrier, and it falls far below the standards of United States carriers. Operationally, Swanson and his colleagues predict that the Chinese Navy's employment will stay limited and used more as a political instrument in sensitive areas close to their borders rather than a tool to project their power elsewhere (Swanson, 1979).

Scholars looking into the security of the Asia Pacific region in particular are more cautious and foreboding with their analysis. Geoffrey Till wrote in his article *China, its Navy and the South China Sea* that the area, and the South China Sea in particular, is one of the

world's most complex territorial disputes of the modern age. He states specifically,

“China's words on and actions in the South China Sea in recent times have given rise to some unease among her neighbors in the region and more widely among analysts for what it tells us about which way China will develop as a major power into the next century.” (Till, 1996)

Home to one of the most important waterways for international trade, the South China Sea, Taiwan Strait, and East China Sea are peppered with small islands and resource rich reefs and shoals. These contested areas belong to the countries surrounding them, mainly: China, Taiwan, Japan, Vietnam, the Philippines, Indonesia, Malaysia, and Brunei. Some of the most fought over island chains are known as the Paracels and the Spratlys in English. It is islands such as these that China wishes to acquire for their strategic locations and natural resources. More than a quarter of the world's international shipping flows through the Paracels and the Spratlys, a fact that makes them highly valuable (Till, 1996). Scholars like Till argue that China's territorial objectives will not only produce instability in the region, but will likely pull Western powers into the conflict when their smaller allies call for assistance against China's hostility.

It is between these two theories that scholars argue. One side claims that China remains too technologically behind to pose a major threat to stability, especially doubting the possibility of a direct confrontation between the United States and China. The other side insists that China's territorial claims in Southeast Asian waterways have the potential to start a regional conflict large enough to bring the international community into the mix. Largely, evidence from the last few years and in particular the last two or three months support the idea that China's Navy will and in fact already is creating problems in the region.

## **Evidence**

In 2010 China's Navy, the People's Liberation Army Navy (PLAN), conducted air and naval exercises in the South China Sea to serve as a reminder to their neighbors of their technological supremacy. This type of power-projection is common in the area, which contributes to the bristly atmosphere of all diplomatic relations. Carlyle Thayer, an Asian Security expert working with the Australian National University has written, “it is clear that China is developing the capacity to sustain larger naval deployments in the Spratly archipelago and further south in the eastern approaches to the Straits of Malacca for longer periods” (Raine, 2011). China's acquisition of their first aircraft carrier has stirred much debate in the security community over the vast and rapid expansion of the PLAN. Although the carrier's technology is far behind anything employed by the United States Navy and many Western militaries, it is beyond the reach of some of the smaller South Asian countries. This distinction is important when considering developments in the region.

In December of 2009, The Standing Committee of China's National People's Congress approved the Law on Sea Island Protection, which established broad responsibilities overall all claimed offshore islands for protecting eco-systems and promoting sustainable development (Raine, 2011). China even has long-standing unilateral fishing bans in disputed waters and backs up this legislation with Coastguard operations supported by Navy and Air Force assets. Hostile encounters between Chinese enforcement vessels and Vietnamese and Filipino fishing expeditions are common and quick to escalate. China has even expanded its restrictions to

## South China Sea

encompass economic and commercial enterprises, largely contesting Vietnamese exploration and research into untapped natural resources. In May 2011, Chinese patrol boats cut the cables of a Vietnamese exploration ship near Cam Ranh Bay. In June of the same year, three Chinese vessels severed the cables of another Vietnamese ship, operating within Vietnam's exclusive economic zone (EEZ). Earlier in 2011, Chinese patrol forced the removal of a survey ship under contract of the Philippine government to conduct seismic research on the gas field inside Reed Bank (Raine, 2011).

China's flashy displays of military strength serve several purposes. First, proving that the PLAN is better funded, manned, and technologically superior proves to China's neighbors that they cannot win territorial claims in a combat situation. Second, increased patrols in the area lets Beijing closely monitor all developments in the South China Sea. Third, China's aggressive behavior sends an important message to the international community; China has emerged not only as a regional power, but also as a global one.

The international news media picked up a story at the end of March 2014 about a confrontation between China and the Philippines over the Second Thomas Shoal in the South China Sea. In 1999 the Philippines purposely ran the Sierra Madre, a World War II transport vessel, aground on the shoal as a means of preserving their claim to the territory. For fifteen years, a constant deployment of eight troops rotates every three months to man the wrecked ship. The Sierra Madre serves as an effective military outpost, but China's Navy and Coastguard set up a permanent blockade around the vessel, claiming that the Philippines' soldiers occupy the land illegally. This blockade prevented the Philippine military from rotating out troops and forced an aerial resupply of the ship. The Philippines claim that since the shoal is only 105 miles from their territory, it is well within their 200 mile Exclusive Economic Zone (EEZ) set up by the United Nations Convention on the Law of the Sea (1982) (Perlez, 2014).

China, however, says that the shoal is part of the Nansha Islands and within the "nine-dash line" that delineates China's territory in the South China Sea. This "nine-dash line" border, drawn in the 1940s by the nationalist government, gives China control of eighty to ninety percent of the South China Sea, and thus major economic and strategic benefits from the large volume of international trade (Perlez, 2014). The Philippines has since filed a formal case against China with the Permanent Court of Arbitration with The Hague. A verdict on the disputed land is not expected until sometime in 2015, but many say that the conflict will come to a head before then. China's government refuses to recognize a possible positive outcome for the Philippines in the international court. Chinese Foreign Ministry spokesperson Hong Lei said in a recent statement, "Regardless of how the Philippines packages its lawsuit, the direct cause of the dispute between China and the Philippines is the Philippines' illegal occupation of part of the islands in the South China Sea"(De Castro and Ng, 2014). Lei later elaborated and claimed that a peaceful resolution between the two countries would not come from international intervention, but from a bilateral agreement between China and the Philippines and ultimately the removal of the Filipino military force from the area (De Castro and Ng, 2014).

### Consequences

The consequences and implications of this relatively small confrontation between the Philippines and China speak to the larger ramifications of continued Chinese hostility in the region. This minor conflict sparked not only unease but in a few cases proactive defense planning on the part of a few countries in the area. Scholars have been calling the South China

Sea and surrounding area a potential hot spot for conflict for years, but for the first time, these territorial issues are making headlines in major news media outlets in the international sphere. Journalists started using explosive terms like “the next powder keg” in reference to the South China Sea and tend to come out against the actions of China, referring to the country as “an awakening of the great red giant” (Price, 2014).

The conflict between the Philippines and China has had a domino-like effect on the region, leading to overall instability and wariness. The Philippines and Vietnam are currently working on a naval alliance and practicing joint-exercises, despite strong and heavy-handed opposition from Beijing (The Editorial Board, 2014). Indonesia has strengthened its military and naval presence in the South China Sea, worried about the consequences of spillover into their territory (Price, 2014). Taiwan is currently working on examining its claims in the region and the Taiwan Strait under the U.N. Convention on the Law of the Sea even though according to Chinese foreign policy, Taiwan remains a Chinese territory that simply needs to be reclaimed from the Taipei government (Price, 2014).

Japan is also having significant problems with the Chinese Navy in the East China Sea. The Japanese government has instituted a plan to improve the defense base on Yonaguni, Japan’s westernmost inhabited territory. When completed, the base’s radar will give Japan a clear view of Chinese ship and aircraft movements in the East China Sea. These military improvements and migration of personnel to their more contested areas is part of a broader movement to “strengthen surveillance of the southwestern region,” said Itsuki Onodera, Japan’s Defense Minister (Soble, 2014). These plans come on the heels of a dispute with China over a chain of islands, known as the Senkaku in Japan and the Daiyou in China. China announced the establishment of an Air Defense Zone (ADZ) in the East China Sea in mid-April 2014, which constricts the Japanese Air Force and Navy (Soble, 2014).

This recent action pushed Japan to seek international assistance, mainly securing reassurances from the United States on their position and the likelihood of intervention should Japan face direct military conflict with China. The United States State Department issued a vague statement supporting “peaceful resolution of territorial disputes in the South China Sea and surrounding areas” (Perlez, 2014). A more forward sign of solidarity came from U.S. Defense Secretary Chuck Hagel, who made repeated trips to the region recently to reassure Japan and other nervous nations in the area that “the U.S. stands with them if China pursues stated territorial annexation” (Price, 2014). To back up this claim, Mr. Hagel announced that two more guided missile destroyers would be deployed to the region, which brings the total U.S. Navy presence to seven warships, which is a considerable and noticeable force in such a geographically small region (Price, 2014).

Although many of these small, uninhabited islands, reefs, and shoals could seem of little consequence to Western audiences, they pose a great strategic and economic advantage to the country that holds them. Many of these islands serve as military outposts, the surrounding waterways bring revenue from international trade, and the landmass beneath the water has been shown to be rich in natural resources like oil and natural gas. These resources are rendered even more precious because of the relatively shallow depth of the water, which allows for easier extraction. As recent events have played out in the South China Sea and East China Sea, the microaggressions and hostility displayed by the Chinese Navy and the government in Beijing has caused considerable regional instability. Almost every nation in the area is increasing its naval presence and making moves to protect its territorial claims.

## South China Sea

China's current aggressive foreign policy, enabled by the technological advancements and modernization efforts for their Navy, will cause ongoing problems with their neighboring countries. China's hostile territorial campaign in the South China Sea and East China Sea is beginning to play out in real time what scholars have been positing for almost thirty years. China is using its emerging status as a global superpower, international trade hub, and newfound economic prosperity to increase their military capabilities and then project that force on their immediate surroundings.

### **Conclusions and Recommendations**

The conclusion that this paper draws from analyzing the key points, major arguments, and recent evidence on the matter is simple. China's current aggressive foreign policy, enabled by the technological advancements and modernization efforts for their Navy, will cause ongoing problems with their neighboring countries. China's hostile territorial campaign in the South China Sea and East China Sea is beginning to play out in real time what scholars have been positing for almost thirty years. China is using its emerging status as a global superpower, international trade hub, and newfound economic prosperity to increase their military capabilities and then project that force on their immediate surroundings.

The major flaw in their plans is the unpredictable nature of the international community. The United States, in particular, is strong allies with many of the smaller nations in the Asia-Pacific region. The American government has very close ties with Japan, the Philippines, and Taiwan, and these countries have already called upon their formidable ally for backup in these territorial disputes. The U.S. government, although it possesses the military might to support all of its allies' claims, tends to walk a very fine diplomatic line with China. The economic ties between the United States and China alone complicate any decision to send military assistance or aid to the smaller countries.

What the region is experiencing right now is best characterized as a Cold War-esque bristling. The smaller countries are escalating their military presence and making moves to protect their claims. The worst-case scenario is that direct confrontation between China and one neighbor in the South or East China Sea could set off a chain reaction of conflicts. China would likely be emboldened by success against one country to move onto the next round of territorial annexation. Neighboring small countries would likely form quick alliances with one another and try to stave off the much larger power. The international community could do nothing, do very little, or intervene. For the first two options, China would likely take whatever territory it desired and have the manpower to keep it for many years to come. There would be no direct conflict between China and the other major Western powers, but a dangerous precedent of inaction would be set. As China would continue to grow, their expansion would likely not be checked. A full-scale intervention by Western forces at the back of the smaller nations would lead to dangerous complications for peaceful coexistence in the global sphere and complicate necessary interactions like trade. Neither of these worst-case scenarios ends well, which is why this conflict must be solved before the point of direct military conflict.

A verdict on the Second Thomas Shoal from The Hague could either diffuse or ramp up tensions in the area. If the international court rules in China's favor, the Chinese Navy would likely pursue further territorial incursions. However, these could be protested by individual, island-by-island court cases that could tie the resources up in arbitration so long that they would no longer be seen as worth it to the Chinese government. If the Philippines win the existing

court case within the next year, however, China may back off their claims since they would not have the backing of the international community. Although China has stated that it would likely not respect a decision from The Hague and prefers to settle its disputes bilaterally, a successful court case would bring the greater international community into the issue on the basis of protecting the Philippines' claim rather than in contention with China's policy. At the very least, the United States would not have to act unilaterally. It is the recommendation of this paper that because the United States is such close allies with countries like the Philippines and Japan, the U.S. would do well to intervene diplomatically now, rather than wait to see how the conflict plays out and risk becoming entangled militarily in the area. It will be easier to broker a peace agreement now that might not be perfect to all the parties involved than fight a way to peace once the region has exploded like the powder keg it is described as.

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