Tumultuous Tides

Explaining and Understanding the Perpetuation of the South China Sea Conflict

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Abstract

The South China Sea has been an area of perpetual tension between China, Taiwan, Vietnam, the Philippines, Malaysia, Thailand, Cambodia, Brunei, and Indonesia. Since 1970 there have only been a few notable encounters between nations but plenty of strong discourse. What makes the conflict stand out is that during all these years there has been no escalation but no resolution either. There has been ample research done as to what possible solutions for the conflict may be, with varying degrees of feasibility. What is severely lacking is a better understanding of how this perpetual status quo is possible. This research looks for answers in three different theoretical schools, namely processual constructivism, hedging, and regional multilateralism. While the first particularly novel theory holds substantial explanatory power as far as China is concerned it fails to incorporate the behavior of other states. Hedging strategies in turn explain the absence of escalation rather well but not so much the absence of a resolution. It is a theory that focuses on Southeast Asian states and not all parties involved. Finally, regional multilateralism best explains the perpetuation of the conflict as well as the absence of a resolution. Ultimately, all these theories complement each other and altogether contribute to a much better understanding of the conflict.
1. Introduction

Sun Tzu once said, “the highest excellence is never having to fight because the commencement of battle signifies a political failure” (Tzu, 2006, p. 5). One may wonder what Sun Tzu would have said about the absence of a resolution of a conflict for over 25 years, not having been ended by neither peaceful nor violent means. The South China Sea has been a disputed territory for many years. Some states have made claims on the basis of historic records that date back to almost 200 BC, and military involvement (short of war) dates back to the 1970’ (SIIA, 2011). The territory South China Sea itself is part of the Pacific Ocean that encompasses an area from the Singapore and Malacca Straits to the Strait of Taiwan and totals around 3,500,000 square kilometers. The area’s importance largely results from one-third of the world’s shipping transiting through its waters, and from the belief that it holds huge oil and gas reserves beneath its seabed (Morton & Blackmore, 2001). As such, a great many interests converge.

The South China Sea contains numerous islands (they number in the hundreds), which collectively form an archipelago. Though the islands are mostly uninhabited they are subject to competing claims of sovereignty by several countries. The Spratly Islands alone are known under at least 6 different names. It is suggested that the reason for the competing claims might be that the maritime zones in the area were never effectively incorporated within the delimited and demarcated domains of each colonial power. The main issues in the South China Sea are both irredentism, as well as a more ‘conventional’ expansionism. These issues have pertained to the islands, reefs, atolls and cays in the South China Sea and their attendant maritime space. It is important to note that the conflicts do not involve settled peoples in search of political redemption, in fact the majority of the islands don’t have now or have ever before sustained life (Leifer, 1999).

The southerly Spratly Islands see the most complex set of competing claims to sovereign jurisdiction (Phy, 2009). These islands in particular lack both geographic and legal coherence because there is no agreed definition of their territory. Moreover, not all claimant states treat the entire group of islands as a single ‘geolegal entity’ (USEIA, 2008). Additionally, the fact that not only do the islands enjoy occupancy of a variety of states, they also have overlapping claims. For this reason issues of sovereignty over the islands cannot be addressed conclusively at the bilateral level, although this certainly has been attempted (Yoshihara & Holmes, 2011)
While over the years there have been a veritable abundance of suggestions for possible resolutions (varying in both feasibility and originality), comparatively little research has been done into the reasons for the perpetuation of this low intensity conflict (Mearsheimer, 2010). The proposed solutions include using international law, bilateral and multilateral diplomatic efforts in various fora, and outright military confrontation (Rousseau, 2011). Most popular media, blogs, newspapers and the like instead seem rather interested in underlying motivations for the hostility. For example, the Economist recently questioned China’s intentions in the South China Sea and wondered what would come of it (Miles, 2011). Most media explanations tend to be Sinocentric, which is not strange considering most incidents that take place involve China in some way. Domestic responses to recent incidents are even more remarkable to outsiders, particularly Westerners. Recently, the host of CCTV’s most prominent English language news program ‘dialogue’, Yang Rui, wrote on his microblog (weibo) that the Philippine treatment of Chinese fisherman was reproachful. The language he used for this was rather strong and colorful. Yang Rui ended his post by stating ‘don’t try to mess with us or it’ll be no more Mr. Nice Guy’ (Epstein, 2012). It is argued that his view finds favor with high officials because government would have otherwise intervened (Epstein, 2012). While similar reactionary comments have also been made in the Philippine and Vietnamese media, the prominence of Yang Rui is notable.

Though the territorial disputes in the South China Sea have existed since the 1970’s, it does not mean that they are any less pertinent today, perhaps even more so. In a recent Foreign Policy issue that identifies the most germane challenges for the future, Robert D. Kaplan points towards the South China Sea as the area most likely to see violent conflict to break out in the nearest future (Kaplan, 2011). This point of view finds favor with more scholars, not in the least, John Mearsheimer. It is Mearsheimer in particular who points out that the conflict should have seen either escalation or a

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2 CCTV is a state owned and run news station, as such, considerable weight is attached to the news it presents, both on and off camera.

3 CCTV itself has given a reaction on Yang Rui’s most recent rants concerning the ousting of Al Jazeera English reporter Melissa K. Chan, whom he referred to as a foreign bitch. CCTV stated that the presenter’s views expressed on his blog are ‘his own personal opinions’.
resolution considering one of the parties is a great power with substantial military capabilities whereas the other parties are much smaller and of less significance (Mearsheimer, 2010). Interestingly, there is very little research done as to what could be the underlying cause for the perpetuation of the conflict at a low intensity. Most research regarding the conflict in the South China Sea focuses on a resolution to the conflict, divination where the conflict is headed, the legality of the various claims, and implications for various foreign policies (mostly that of the US) (International Crisis Group, 2012). For this reason this thesis will have as an objective to identify what explains the perpetuation of the conflict in the South China Sea. This conflict will be characterized as one of low-intensity due to the lack in military escalation as well as a lack of military threats.

In order to answer the question mentioned above two sub-questions will be explored (1) why has the conflict, given the stakes involved, not escalated yet?; and (2) why, given those same stakes, has no resolution been found to the problem either? At the basis of this research lie three hypotheses, namely that the best explanation could be found either in (1) processual constructivism on China’s part, (2) hedging strategies on the part of Vietnam and the Philippines, or (3) that Asian regionalism in combination with multilateralism may be a more likely cause. The validity and applicability of these hypotheses will be judged for the period of 1970 to 2010. This period was chosen since the 1970’ saw the first military encounter between China and Vietnam, then South Vietnam, in 1974 when China seized South Vietnam’s military units in the Paracels. Not one year later South Vietnam occupied the Spratly Islands over which China had earlier claimed sovereignty (Samuels, 1984). By 1988 China and now Unified Vietnam come to blows over the Spratly Islands. In 1992 there is another military confrontation between China and Vietnam, this time however it is of much smaller proportion and a peaceful solution is found. Around three years later in 1995 China and the Philippines find

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themselves in a conflict over the aptly named Mischief Reef (Emmers, 2010). Save minor skirmishes from this point on all parties assert their claims and start using international law to do so. In 2005, Vietnam, the Philippines and China signed an agreement to protect oil resources in the South China Sea (P.R.C. MFA, 2005). The end of the time period is drawn at 2009 since this marked the return of the US to Asia. The US’ pivot (the term most commonly used for the new US foreign policy in Asia) has altered the dynamics to such extend it can be questioned whether the conflict is even the same as before (International Crisis Group, 2012).

This research will explore the three different proposed theories, develop a hypothesis as to how they may be used and then test the hypothesis in individual chapters. Finally an answer will be given to the research question and conclusions will be drawn as to the compatibility of the proposed theories.
2. Theoretical framework

There are several schools of thought from which elements of the research question and sub-questions can be explored. The relevant overarching schools are constructivism, realism and liberalism, and within these schools, more specific theories have been chosen to cater to specific elements or parties in the conflict. These are (1) processual constructivism, to explain the impact of identity and identity formation on Chinese foreign policy; (2) hedging strategy in the context of the balance of power, to help explain the choice of Southeast Asian nations for certain foreign policy strategies and their impact on the conflict, and; (3) regional multilateralism, to identify the choice for a multilateral forum and the impact its constraints and benefits have had on China and the other Southeast Asian parties to the South China Sea conflict.

The first, as a strand of constructivism will focus on relevance of building and maintaining of relationships to identity formations; and in turn how this continuous changing of identity affects relationships. It recognizes that actors, other than states are also relevant units of analysis. This theoretical approach is aimed at explaining the reason for the disconnect between Chinese rhetoric and foreign policy, and even the dichotomous (or even pluralistic) nature of Chinese foreign policymaking and the effects of all of this on the likelihood of escalation and likelihood of finding a resolution.

The second approach, hedging in the context of the balance of power, provides insight into how a particular set of foreign policy strategies can affect political situations. While this approach has a relational component, the focus is on the formation of (and motivation for) certain strategies and later their impact on political situations. While characterized by pragmatism hedging is not devoid of ideals. As such, during some periods in time it was deemed better to avert war and at others there was enough room and motivation to stand ground on old claims. While it is recognized as a strategy that can be used by all states, it’s also observed that it is mostly employed by smaller states.

The third and final combination of theories also deals with relations but caters more to the conflict resolution part of the research question. It is a model that does not look on one or more sides of the conflict but it takes the parties that are discussed in the first and second model and looks at them in regional multilateral context. This model entails looking at the opportunities and constraints of working within a multilateral
framework like an international organization. More specifically *regional* multilateralism looks at more unique situation in East Asia and Southeast Asia, and why the parties chose to pursue a solution within an Association of Southeast Asian Nations (ASEAN) framework. However, the multilateral framework in which the parties to the conflict attempt to find a solution may even be the cause of the perpetuation of the conflict.

 Essentially, in the end there are three models, the first two will look at specific parties to the conflict, and the last model looks at them in a multilateral context.

**2.1. Processual constructivism**

As some authors have pointed out, the problem with defining China’s position in the world it is that it is difficult to characterize in traditional terms (Qin, 2009, p. 11). Qin himself even argues for a separate theory of international relations that specifically caters to China because he believes that traditional theory falls short in this respect (Qin, 2007). While this is an interesting view, it does not find much support in the academic community. Chen Qingchang makes a compelling argument against Qin's quest for a Chinese school of international relations theory. He argues that re-envisioning international relations (IR) in Asia is not about discovering or producing as many 'indigenous' national schools of IR as possible. Instead he deems it better for the discipline to reorient itself towards a post-Western era that does not reinforce the hegemony of the West both within and without the discipline (Chen C., 2011).

And even if local scholars could succeed in crafting a distinctly Chinese School, where would the creation of new schools stop? While Qin makes an interesting argument, it could be argued that the new theory Qin proposes is in fact but ‘derivative discourse’ of Western modernist social science. Though this at first glance seems negative, there is nothing wrong with pursuing a different direction within a set theory, but whether this warrants a whole different school of thought is a different question. For the purpose of this thesis then, Qin’s proposed theory of processual constructivism will be taken as a different strand of existing constructivism⁵.

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Constructivism (sometimes also referred to as social constructivism) stresses the socially constructed nature of international relations. Constructivism holds that significant aspects of international relations are historically and socially contingent, instead of inevitable consequences of human nature or other essential characteristics of world politics (Jackson & Nexon, 2002). The best known proponent of constructivism is Alexander Wendt who challenged the emphasis on materialism; something he saw as the main failings of realism and liberalism (Wendt, 1992). Wendt attempts to show that even core realist concepts like power politics are socially constructed. Essentially Wendt argues that these concepts are not given by nature and hence, capable of being transformed by human practice (Wendt, 1992). The traditional focus of constructivist research has been on identity and interests. More recently this focus has shifted to also include habitual and unreflective behavior and even linguistics (in the form of discourse analysis) (Neumann, 2002, p. 628).

Processual constructivism was first developed as an explanation to the coming of peace and cooperation in East Asia. Qin’s first paper in 2007 aims to explain the situation by developing a process-focused model of regional cooperation. Qin describes processual constructivism as essentially being ‘change through inter-subjectivity’ (Qin & Wei, 2007, p. 21) or the “gradual socialization of power” by involving a variety of actors in the process of integration (Qin & Wei, 2007, p. 23). What this boils down to is that through social interaction identity formation takes place and attributes power (or denies power) to the parties involved. At the same time it develops norms, rules; and even helps foster a collective identity (Qin & Wei, 2007). The process itself is thus both means and end. Everything surrounding the gradual formation of identities (collective and individual), norms and rules, is as significant as what results. This would follow, as identity is fluid and subject to change.

The focus on identity and social construction are not the only aspects processual constructivism shares with Wendt’s constructivism, it also recognized that in international politics there are more influential actors than just states. The points where processual constructivism however differs from the traditional school as established by

Wendt is, that its emphasis is on the process of the construction of identity and its relation to the attribution of power. In this sense it even starts to build a bridge toward realism. This also makes it different from newer strands of constructivism that advocate being as separate as possible from realism and liberalism.

Hence, as processual constructivism helps explain power attribution, identity formation and perception, it is best equipped to explain China’s role in the conflict in the South China Sea. In Chinese foreign policy, power and the perception thereof play an important role. According to some it goes a long way to explain Chinese behavior (International Crisis Group, 2012).

2.1.1 Explaining Chinese behavior

Qin’s main point is that defining China in traditional terms, like realism does, is not only increasingly difficult, but it oversimplifies Chinese behavior and foreign policy making (Qin, 2007). Most recently it was the International Crisis Group (ICG) that pointed out the complexity of China’s rise to power and its consequences for its foreign policy making. The ICG argues that in spite of China’s recently acquired large power status, it still very much behaves as if it were a small power (Kleine-Alhbrandt, 2012). As a consequence, at times its foreign policy seems schizophrenic. This is caused by a number of facts, the most important two being China’s foreign policy formation and the influence of domestic politics on this process (International Crisis Group, 2012). The latter in particular is supported by Brantly Womack, who highlights that China is not always a unitary actor. According to him, this has a strong influence on how it can behave as a foreign policy actor (Womack, 2009). In a more recent article Womack has commented on Zhou Fangyin’s “Equilibrium Analysis of the Tributary System”. Zhou presents an important application of the game theory of patterns of interaction to China’s traditional diplomacy with its neighbors (Zhou, 2011). According to Womack, this analysis contradicts the realist expectation that the larger power would simply dominate smaller powers in the context of international anarchy (Womack, 2009, p. 11). Interestingly, unlike previous research, his explanation of the tributary system does not rely on a cultural explanation based on Confucian morality, but rather on processes of conflictual interaction that in turn leads to mutual accommodation between China and its neighbors. Womack finds Zhou correctly points to the capacity of resistance by smaller neighbors as key to the emergence of an equilibrium that was not based on domination (Womack, 2009, p. 3). Womack then goes a step further and addresses the
question of the relationship of China’s traditional diplomacy to its contemporary return as Asia’s major power (Womack, 2012). While the two authors take two different perspectives on the asymmetrical relationship between China and its neighbors, both have in common that they define China’s relationships and its perception of these relationships as being central to its behavior.

2.1.2 Processes and relations

Interestingly, while the discipline is called international “relations,” there is little powerful theory on relations itself. Structural realism pays the least attention to “relations” and discusses process hardly at all. Although neo-liberal institutional scholars hold that they attach importance to process, they only ever take it as a background or a platform, almost all the focus goes to tangible factors like institutions. Once these are established, neo-liberal institutional scholars focus largely on causal relations between international institutions and state behavior (Qin, 2009, p. 7). As international institutions directly act on states, the process therefore becomes a black box that is henceforth largely ignored (Keohane, 2005, p. 211).

Wendt’s structural constructivism also emphasizes process. In his earlier work he regards the structure-agent interaction as a process. In this process the agent and structure are both simultaneous and symbiotic, neither preceding the other. They mutually construct each other during their interaction. According to Wendt the structure then becomes the reason for the actor’s identity and self-identification (Wendt, 1987). Process also here falls into the background, as either a situation or a stage. Though process is an indispensable factor, it is not independent; it depends on and provides for agents and structures (Qin, 2011).

Processual constructivism is then a theory that is both social and processual. It emphasizes the function of social construction and takes sociality as the key factor. At the same time it puts forward a mechanism of construction that is different from Wendt’s structural constructivism. What makes it different is that it looks at the process with relationality as its core. Qin sums this up as “the systemic level, social ontology and social evolution that together make up the theoretical orientation of processual constructivism” (Qin, 2009, p. 9).

Qin’s main argument for processual constructivism is that process plays a key and irreplaceable role in social life. He defines process as “relations in motion”. In
essence, to maintain a process is to maintain and allow room for relationships to flow. This activates the interaction for identity construction. Because of its key role, process itself becomes the focus of practice (Qin, 2011, p. 12). This constructivist theoretical model incorporates and conceptualizes two key Chinese ideas – processes and relations (Qin, 2009). Conceptualizing relationality and treating it as the theoretical core, processual constructivism holds that relational networking in international society is an important aid to actors to form their identities and produce international power. For example, in the past as China established tributary relationships with other countries it defined identities on both sides of the relationship; China was the larger domineering power to which smaller and less powerful nations kowtowed and paid tribute to. The interaction, in other words the process, was as important as during the exchanges between the emperor’s men and the countries they requested tributes from, they asserted their cultural and economic prowess (Spence, 1999). In the present day diplomatic exchanges achieve the same result. However, as identity is fluid and subject to change, the perceived power changes as well. This does not only hold for perception between countries, it also holds for domestic perception and interaction. Recently there has been much domestic debate as to China’s actual power and its ability to project it. This debate takes place on a government level but also at the level of individual citizens. China’s ‘netizens’, citizens active on the internet, are famous for the pressure they are able to put on the government. Hence, the debate about the level of power and power projection capabilities China has involves all those actors, an in turn, through the complex system of Chinese policymaking, China’s foreign policy (International Crisis Group, 2012, p. 18).

Processual constructivism focuses on interactive practices among actors and emphasizes the independent development and realization of social processes that play a meaningful role in constructing international norms and state identities (Qin, 2009, p. 18). For example, relations can enlarge power or constrain power. In any relational web, relations always influence the exercising of power. In China’s patriarchal society, a father’s power over his son is absolute and supreme. This kind of power is not based upon the substantive capabilities, like physical or mental capabilities. The power of the father is infinite because Confucian patriarchal society gives this definition to the father-son relations. While the power is infinite, Confucianism also allows the use of restraint in this respect (Qin, 2009, p. 19).
It is important to point out that process, is a highly meaningful concept in Chinese experience and thought. Fei Xiaotong, after comparing Chinese and Western social relations, holds that Western society is based upon individuality, while Chinese society knows individuality yet still links it inextricably to other individuals (Fei, 1992). According to Fei, individuals in Western society are independent from each other, resembling bundles of rice straw in the paddy fields; social contracts and institutions bind them together. Chinese social structure on the other hand, is like continuous circles of ripples on a lake. Each individual is the center of a ripple spread by social relations; and each circle and ripple is connected in one way or another (Fei, 1992). Qin then argues that it is the continuity between the ripples that is process and the ripples constitute the networks of relations. Individuals and ripples, relating one with another, influence the numerous processes and are influenced by them as well (Qin, 2009, p. 8).

As the ICG observes, China is still coming to terms with its new identity as a great power and still in many ways acts as if it were a small power. Processual constructivism may help to explain this, as it would look at China’s identity formation and the impact it has on Chinese foreign policy.

2.1.3. Hypothesis

If processual constructivism provides a good explanation for the absence of escalation as well as the absence of a resolution then this would be evident from the impact of identity and the formation of identity on the foreign policy that guides these events. Different and competing identities would alter the course of the policy, depending on the various levels of influence they can exert. The actors involved would publicize their views in various media (newspapers, policy papers, social media and the like).

2.2. Hedging strategies and the balance of power

Around 2002 a new word was added to international strategic discourse: “hedging”. Its use is featured often in respect to China and Southeast and East Asia in particular. The word itself is much older than its use in an international relations context. Webster defines it as “to protect (one's investment or an investor) against loss by making balancing or compensating contracts or transactions: the company hedged its investment position on the futures market.” Its application in strategic discourse is almost exactly the
same, it is under to be a strategy of protection against unfavorable other outcomes (Caouettea & Côté, 2011).

Hedging behavior has since been ascribed to a variety of nations, the US, China, Japan and a variety of Southeast Asian nations6. The common denominator in all these studies into hedging, is the that the idea that the “hedger” does not simply adopt a containment or balancing strategy as opposed to engagement, but rather employs a mixture of the two, as insurance against the uncertain present and future intentions of target states (Goh, 2006, p. 1). This strategy can be used by larger nations but it used mostly by smaller states. This is because they often do not have the power or the projection capabilities to set a singular clear course. For example, if the Philippines were to only side with the US, its economy would suffer greatly because that would prompt China to take repercussions (Foot, 2006).

2.2.1. Defining “hedging”

While realists may argue differently, that what has traditionally been referred to as hedging behavior, is really the norm in international relations. This is because the combinations of engagement and diplomacy have been the staple of international relations. In fact, adopting insurance policies is the rule, not the exception. While states establish military relationships with certain nations, they avoid committing themselves to potentially antagonistic stances toward other states. For any state, the majority of foreign policy and diplomacy is about preserving the maximum range of strategic options. Small- and medium-size states rarely engage in true balancing because it is too costly. Large and powerful states in turn are as bold and overconfident to adopt strategies aimed at power maximization or god forbid, world domination (Goh, 2006). Hence, a hedge, like other

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strategies is aimed at preventing or forcing a certain outcome. Countries can hedge against war, annexation or even to draw more parties into a conflict.

The bipolar Cold War system may have seen superpowers adopt, to some extent, domination strategies, while other states were forced into a situation where they had to choose a side (or one was taken on their behalf). Arguably superpowers combined engagement with containment, particularly during the period of détente in the 1970s. This period in history however, is an anomaly. Since the end of the Cold War, most of the world has returned to the normal state of “hedging” in international affairs (Goh, 2006).

So what then is hedging? Hedging, as a strategy, is to be distinguished from straightforward strategic choices like, balancing, containment, bandwagoning, and buckpassing. What is important is that while it may be argued that hedging strategies encompass strategies like balancing or containment, the strategy as a whole must be different. There are several ways this can be done, for example through the inclusion of significant engagement and reassurance components, or – perhaps more important - the demonstration that containment strategies, like alliances have one or both of these components. These strategies are regarded as means to end, and that they are substantively different from those of straightforward balancing and/or containment (Goh, 2006). Perhaps the most complete definition of hedging is given by Evelyn Goh who submits that hedging is “a set of strategies aimed at avoiding (or planning for contingencies in) a situation in which states cannot decide upon more straightforward alternatives such as balancing, bandwagoning, or neutrality. Instead they cultivate a middle position that forestalls or avoids having to choose one side [or one straightforward policy stance] at the obvious expense of another.” (Goh, 2006, p. 3).

Goh gives this definition particularly in the context of security strategies in the Asia – Pacific. She observes that in this region engagement policies are pursued at the same time as indirect balancing policies. In her words: “Indirect balancing policies are policies designed to counter the target state’s ability to constrain the subject state, either through non-specific deterrence or defense strengthening, or through building diplomatic, economic, and political relationships with third states or organizations that can be converted into leverage against the target state when relations with it deteriorate.” (Goh, 2006, p. 4)
Goh is not alone in this observation; other authors before and after her have observed a variety of combinations of strategies that amount to a ‘hedge’. Denny Roy observes that hedging in Southeast Asia may include a variety of strategies, among which balancing and bandwagoning, but also engagement. In the case of many Southeast Asian nations this includes maintaining a modest level of defense cooperation with the United States. This could be called ‘low-intensity balancing’ against China as it does not confront China directly but does oppose its presence in the region. The best illustrations of this taking place are found in the cases of the Philippines and Singapore, and more subtly in Vietnam, Malaysia and Indonesia. Thailand is different still; it appears to practice simple hedging, while Myanmar at the same time has no reasonable alternative to cooperation with China (Roy, 2005, p. 305). Roy argues that the Southeast Asian region bandwagons with China only to the extent that it desires trade with China and seeks to avoid the prohibitive costs of alienating the region’s rising great power (Roy, 2005, p. 306). In its own right, hedging is then a way for Southeast Asian nations to balance their own interests, i.e. take action when it matters strategically but otherwise maintain good trade relations (Medeiros, 2005).

This combination of strategies becomes rather complex and as such, it is essential to ask what part of a combination of strategies is in fact the ‘hedge’ that was mentioned earlier. To give an example, for East Asian states vis-à-vis China, engagement would be the main policy and indirect balancing would be the hedge (Liu & Hung, 2011). Chien-Peng Chung would call this type of hedging pragmatic hedging (Chung, 2004). Chung’s description would contribute to a more accurate description of hedging but would not change the definition as Goh proposed.

2.2.2. Balance of power

Finally, hedging fits within the broader spectrum of realism and the balance of power. The fact that hedging is a strand of realism is clear as it asserts, “hedging also helps prevent a geopolitical rivalry from becoming a self-fulfilling prophecy, another mutual core interest” (Medeiros, 2005, p. 305). Evan Medeiros points out that hedging contributes to maintaining the delicate balance of power that exists in Southeast Asia. Medeiros states that particularly in the case of the Philippines and Vietnam, their choice for hedging strategies could arguably be a manifestation of “security dilemma dynamics at work in a globalized world characterized by deep economic interdependence and the need for multilateral security cooperation” (Medeiros, 2005, p. 306). However, also for
this reason hedging is fraught with complications and dangers that may very well cause a shift toward rivalry and regional instability. Hedging is then essentially a delicate balancing act. In order to be effective and sustainable, hedging requires careful management of accumulating stresses between nations (Medeiros, 2005).

2.2.3. Hypothesis

Hedging allows states to minimize risk without excluding the gains. By applying hedging strategies a state can avoid costly consequences. Hence, if this theory is to explain the absence of escalation, it has to be evident that the strategies chosen hedged against escalation. Evidence of this would be present in discourse and the resulting outcomes. If the theory is to prove that it stands in the way of a resolution then there should be evidence that a hedge directly prevented a resolution from occurring, or that this was an unintended consequence of the strategy.

2.3 Regional multilateralism

Another possible theoretical take on the conflict in the South China Sea can be found in the school of liberalism, and multilateralism in particular. Furthermore, it is said by some scholars, Michael Beeson in particular, that in this case Asia’s turn to multilateralism cannot be separated from its turn to regionalism (Beeson, 2003). As such, only the two combined contribute to a better understanding of not only why parties chose ASEAN as their preferred forum to work it, but it will also explain this has not yet resulted in a resolution or why there has been no escalation since their commitment to ASEAN.

2.3.1 Asian Regionalism

While the economic and political manifestations of integration are most manifest in the European Union (EU), greater integration and cooperation at a regional level has become a characteristic of contemporary transnational relations in Asia as well (Beeson, 2003). Asian states have increasingly been turning to a regional solution under the auspices of ASEAN and ASEAN Plus Three.

The proliferation of regional economic agreements as well as engagement in regional institutions is usually explained by reference to economic factors. Often these agreements have been viewed either as a response to the costs and potential benefits of increasing interdependence. Interestingly this increased regional cooperation is not a consequence of economics per se. As Ravenhill states, rather than there being an ‘economic domino’ effect at work, the new Asian regionalism is best understood as being driven by a ‘political domino’ effect (Ravenhill, 2010).

The relevance of these functionalist accounts of regionalism for East Asia has long been questioned. It used to be the case that the notable absence of formal intergovernmental collaboration had to be explained because it occurred despite the substantial increase in economic interactions among states. Essentially, Asia, and particularly East Asia had experienced regionalization without regionalism (Ravenhill, 2010). Stephan Haggard has provided one of the most sophisticated accounts: “greater economic interdependence in the region, simply had not created the collaboration and coordination of problems that would have led to a demand for regional institutions (Haggard, 1997). Yet eventually the demand for a regional institution grew and organizations such as ASEAN (and later ASEAN Plus Three) were established. These institutions do not go unused, much unlike their predecessors (Ravenhill, 2009). According to Ravenhill the logical consequence is that both the political as well as economical domino bring these Asian nations closer together and stimulate cooperation both regionally and multilaterally (Ruland, 2011).

But perhaps there is one more factor to consider outside of stronger economical and political bonds. Amitav Acharya suggests that also mutual norm acceptation may play a role. Substantive research into this concept is relatively new, it finds its origins in the 20th century. The first wave of scholarship on normative change speaks to a moral

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8 ASEAN plus three is the forum that includes all ASEAN parties plus China, Japan, and South Korea.
cosmopolitanism (Risse, Ropp, & Sikkink, 1999). Its main features are firstly, the norms that are being propagated are "cosmopolitan," or "universal" norms (such as the campaign against land mines, struggle against racism, and so on); secondly, the key actors that spread these norms are transnational agents, (though they can be individual "moral entrepreneurs" or social movements) (Nadelmann, 1990, p. 483); lastly, despite recognizing the role of persuasion in norm diffusion, the literature tends to focus strongly on what Nadelmann calls "moral proselytism," which is concerned with conversion rather than contestation (Nadelmann, 1990, p. 481).

In assessing norm acceptation, scholars like Michael Barnett and Martha Finnemore find that the cosmopolitanist view downplays the agency role of local actors, thereby overemphasizing the teaching of transnational agents (Barnett & Finnemore, 1999). Norm dynamics in world politics focuses on principled ideas, which establishes a fundamental distinction between what is good and what is evil. However, norm diffusion in international politics involves other kinds of ideas as well. For example, "prescriptive norms", these are norms that combine moral principles with considerations of efficiency and utility (Barnett & Finnemore, 1999, p. 251). In such cases, norm dynamics are shaped by different conditions and processes, with greater scope for the role of agency, essentially being voluntary initiative and selection of norm-takers (Acharya, How Ideas Spread: Whose Norms Matter? Norm Localization and Institutional Change in Asian Regionalism, 2004). Another perspective on norm diffusion goes beyond international prescriptions. As Jeffrey Checkel describes it, this perspective stresses the role of domestic political, organizational, and cultural variables in conditioning the reception of new global norms (Checkel, Why Comply? Social Learning and European Identity Change, 2001). At its cores lies the notion that "congruence" best describes the fit between international and domestic norms, rather than "the degree of fit between two, competing international norms (Florini, 1996).

In other words, there is a variety of ways in which norms can be accepted. The process by which this is done can take various forms, while international actors can do this by imposing their decisions on those they represent, also domestic actors (political and otherwise) can call for the acceptation of norms. The fastest way is if there is what Checkel calls a “cultural match,” (Checkel, 1998) This cultural match describes "a situation where the prescriptions embodied in an international norm are convergent with domestic norms, as reflected in discourse, the legal system (constitutions, judicial codes, laws), and bureaucratic agencies (organizational ethos and administrative agencies)."
(Checkel, 1998, p. 4) Essentially, Norm diffusion is "more rapid when… asystemic norm… resonates with historically constructed domestic norms." (Checkel, 1998, p. 6)

Amitav Acharya, by using this idea of norm diffusion, notes that this was also a major consideration in the choice to work within more regional organizations like ASEAN and the different varieties thereof (Acharya, How Ideas Spread: Whose Norms Matter? Norm Localization and Institutional Change in Asian Regionalism, 2004, p. 269). Admittedly, it is easier to find norm acceptation within a region that shares some cultural similarities. Interestingly, Acharya immediately takes the step from regionalization to multilateralism.

2.3.2. Multilateralism

So why seek multilateral solutions to conflicts? Particular for Asian states that highly emphasize sovereignty, this does not always appear to be the most logical solution. However, as Lisa Martin has proposed, multilateralism can sometimes be a solution to dilemmas of strategic interaction (Martin, 1992). She argues that while a series of bilateral interactions could provide a solution, these are often considered too lengthy and tedious. What is more, the wide variety of multilateral organizations offer states the option of choosing one that least infringes on its sovereignty and limit the interference of unrelated parties (Martin, 1992, p. 791).

While there are a great variety of organizations, they vary in their contribution to multilateralism (Ruland, 2011). Moreover, their functionality may also vary. Slow decision-making can be but one of the characteristics of these multilateral institutions (Rittberger & Zangl, 2006). Particularly the larger the group of nations involved, the more difficult it is to come to a decision. Yet, in spite of this slow decision-making these institutions contribute to peace and security, as this is partly why states agree to give up part of their sovereignty. This is of course especially the case in the United Nations (UN) (Newman, 2007). Moreover, when states are truly committed to resolving their dispute in this multilateral framework, they are unlikely to escalate the situation (Newman, 2007). Hence, working multilaterally within an organization of choice, will both promote and constrain decision-making.

Accepting Asian regionalism and noting that Asian states increasingly act multilaterally in a great variety of regional international organizations like Asia-Pacific Economic Cooperation (APEC), ASEAN, ASEAN Plus Three, the ARF, and the Asian
Summit. Considering that all parties to the South China Sea dispute are committed to solving the conflict within the framework of ASEAN and the ARF it may well be that this regional multilateralism causes the perpetuation of the conflict as multilateral decision-making is traditionally very slow (Newman, 2007). Moreover, as Newman points out, states traditionally are not quick to escalate a conflict; they are committed to solving multilaterally. Hence further research has to show whether perpetuation of low intensity conflict is best explained by Asian (regional) multilateralism.

2.3.3. Hypothesis

From this we can conclude that regional multilateralism limits states in their possible actions but also facilitates interaction in other areas. If regional multilateralism were to explain both the absence of escalation and the absence of a resolution then this would be evident from any of the constraints and opportunities that are given by the chosen multilateral framework. In the case of the absence of an escalation there should be evidence that from the moment the parties committed themselves to a multilateral framework the stability in the region increased. At the same time there could be evidence in discourse that states chose not to escalate because of the risk of jeopardizing the process of finding a resolution in the chosen multilateral framework. Evidence that regional multilateralism is the cause for the absence of a resolution.
3. The Middle Kingdom

As the biggest party in the dispute over the South China Sea, China can certainly be considered a key player. Some even go so far as to suggest that if China chooses to end the conflict, the other parties would follow suit (Triggs, 2009, p. 2). While this sells other parties short, especially other major players like Vietnam and the Philippines; there is some truth to the idea. As China has the most elaborate claim, and therefore has a disagreement with every single party, hence it is in the best position to reduce the number of disputes. What is more, China has a vested interest in more stability in the region as it considers it distraction from its priority, maintaining *domestic* stability (Bateman & Emmers, 2008). The questions that are subsequently raised is why China, given the fact that a solution could have provided more stability, has neither escalated the situation nor has made a serious attempt at a resolution? The way this will be explored is through the model of processual constructivism. It is hypothesized that if this model is a valid explanation for the absence of escalation and a resolution, then there will be a perceivable impact of identity and the formation of identity on the Chinese foreign policy that guides these events.

3.1. Relations with its neighbors

The way the Chinese perceive themselves and are perceived by others has traditionally mattered a great deal Chinese rules /governments, and citizens alike. It is not for nothing that it is called the ‘Middle Kingdom’. Past and current rules and governments have stressed China’s greatness to its people. History books are filled with China’s long and rich history and culture. This is also that the Chinese government loves to stress to other nations. For example the Chinese ambassador to South Africa has been quoted at a South African banquet saying that : “Admiral Zheng took to the places he visited [in Africa] tea, chinaware, silk and technology. He did not occupy an inch of foreign land, nor did he take a single slave. What he brought to the outside world was peace and civilization. This fully reflects the good faith of the ancient Chinese people. This peace-loving culture has taken deep root in the minds and hearts of Chinese people of all generations” (Alden, 2007, p. 19). History even played a great part through all the Summer Olympics of 2008, being present in the various ceremonies and in other symbolism (Qing, Chen, Colapinto, Akihiko, Yun’i'l, & Miikoe, 2010, p. 1420).
The importance of identity and the presence in Chinese foreign policy can be seen in the relationships with its neighboring states, particularly those in Southeast Asia, states with whom China had set up tributary relationships (Gries, Zhang, Masui, & Lee, 2009). In the past, the hierarchical regional order relied on the cultural prominence of Confucianism, the disparity in economic and military strength, and the long-standing influences of the tribute system. These all favored the centrality and comparative economic prowess of China (Kang, 2010). The arrangement was beneficial to China because it would legitimize the ruler and government in place (Shu, 2012), Southeast Asian states in turn received legitimacy for their respective government and used it to regulate the balance of power in the region (Ren, 2011).

While the original tributary system no longer exists, remnants continue to influence Chinese foreign policy. As Zhou Fangyin points out, this is recognizable in the two way character of traditional Chinese diplomacy. China has a vested interest in stabilizing its relationships with neighbors, and does so through making concessions. These in turn are sold publically as win-win deals (Womack, 2012).

3.2. Gradations of identity

This continued presence of hierarchy in Chinese foreign relations is the product of Chinese identity formation. China once saw itself as the center of the world and it is wide suggested that it may once more become the great power it was in the past. Yet, it seems as though for every believer in the great rise of China there is also a skeptic. There is even a variety of ‘how to’ books published in China on how to become a great power. The same holds for foreign scholars and journalists but also for their Chinese counterparts. It is of no surprise then that there are nearly equally many opinions on how Chinese foreign policy should be conducted.

David Shambaugh has tried to make sense of the often diverse and contradictory emphases of Chinese foreign policy. He notes that Chinese identity discourse has laid bare the conflicting identities that exit in the Chinese worldview as well as conflicting

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9 One of the well known China skeptics is Minxin Pei, in his 2009 article in foreign policy titled “Think Again: Asia’s Rise” in which Pei gives an interesting overview of the believers in China’s rise and those that support his argument that China is still a far cry away from becoming a dominant power.

10 See for example, Xue Yong (薛涌), Zenmeyang Zuo Daguo (怎样做大) [How to be a great power], Beijing: Zhongguo Chubanshe (中国出版社), 2009.; and Yu Defu (肖德甫), Daguo Faze (大国法) [The Rules for Great Nations], Beijing: Zhongguo Chubanshe (中国出版社), 2009.
perspectives on the role that China should play in the world (Shambaugh, Coping with a Conflicted China, 2011). These conflicting perspectives have lead to what has been described as a ‘schizophrenic’ foreign policy (Kleine-Alhbrandt, 2012). Essentially, this is what Shambaugh calls the consequence of competing international identities, elements of which Chinese foreign policy tries to reflect simultaneously (Shambaugh, 2011). A good example can be found in a recent confrontation between China and the Philippines in the beginning of 2012. China and the Philippines have a disagreement concerning fishing jurisdiction and have had several confrontations about this dispute since 2011. At the beginning of 2012 the Chinese accused Philippine fishermen of harassing Chinese colleagues and the press widely published that China was considering military steps (Xinhua, 2012). At the same time however, Chinese diplomats were working overtime informing relevant embassies in Beijing that this was not the government's intention (Kleine-Alhbrandt, 2012). A few weeks later the presses led with a story that China was advocating a peaceful resolution (Esplanada, 2012). Another good example can be found in the policy of “daguo shi guanjian, zhoubian shi shouyao, fazhanzhong guojia shi jichu, duobian shi zhongyao wutai”, which translates as “major powers are the key, surrounding areas are the first priority, developing countries are the foundation, and multilateral forums are the important stage” (Shambaugh, 2011, p. 9). Shambaugh uses this example for what he calls the ‘spectrum of Chinese global identities’. These identities are essentially seven different perspectives on foreign policy, which range from isolationist tendencies to full engagement in global governance and institutions. Between those two extremes five other perspectives follow the thought process of more realist to more liberalist orientations (Shambaugh, 2011, p. 10).

![Spectrum of Chinese Identities (Shambaugh, 2011)](image)

The far left group of Nativists is made up of populists, xenophobic nationalists, and Marxists. This isolationist school distrusts international institutions. It vociferously
criticizes the West, and the US in particular. Its main proponents are found in the Central Committee of the Communist Part (in particular those involved with Communist Party history and ideology), and they are found in the Marxism Academy of the Chinese think tank ‘Chinese Academy of Social Sciences’ (better known under its acronym CASS). This group would sooner look to developing countries and particularly its neighboring countries (with the exception of those under American influence like Japan). This cluster contains hyper nationalistic elements whose main focus is anti-imperialism (Shambaugh, 2011, p. 11).

The second school is called Realists with Chinese characteristics. This group is most dominant in the discourse on China’s global role today. Realism has deep roots in Chinese society, even during the socialist era (Johnson, 1998). For this group, it is state sovereignty that is most valuable of all. The group has four possible sub-divisions: offensive, defensive, hard and soft. Each of the subgroups agrees that the state is responsible for building its own strength but they differ in views on how that strength should be used. The hard power group argues for strengthening comprehensive power, like the military and the economy. Soft power advocates would instead emphasize diplomacy and cultural power. The group of offensive realists would actively use this power because without exercising it they argue it would be worthless. Coercion of other states to suit China’s needs would not be out of the question for them. The defensive realists instead feel, while strong military might is important, it would serve much better if used as a deterrent (Shambaugh, 2011, p. 12). A well-known member of this group is Shen Dingli, Dean of the School of International Studies ad Shanghai’s Fudan University. Shen, like fellow scholar Yan Xuetong of Tsinghua University finds that the peaceful rise theory is dangerous because it speaks of peace and pacifism and dilutes the credibility of military threats (Yan, 2004). Other realists are found in the People’s Liberation Army (PLA), whose existence is strongly linked to China’s defense policy (Xinhua, 2012).

The third school is named the ‘Major Powers’ school. Those affiliated with it propose Chinese diplomacy focus on managing its relations with major powers and powerblocks like the US, Russia and even the EU (though this last group certainly decreased in relevance over the past years due to disorganization in Brussels). This group argues China cannot have good regional relationships if it not also has decent relationships with these major powers. Not having them would be detrimental to Chinese
interests. Main proponents of the school are found in American studies departments (Shambaugh, 2011, p. 14).

At the middle spectrum we find a school that argues for concentrating China’s diplomacy on its immediate periphery and Asian Neighborhood. This group is named the Asia First school by Shambaugh. Members of this school believe that if China’s neighborhood is not stable, it could pose a major impediment to China’s overall development and to national security in particular (Shambaugh, 2005). The school initially made an impact during the Asian financial crisis in 1997. Three years later in 2000 its members were very active in the ‘peace and development debate’. During both instances they emphasized the importance of China’s neighborhood diplomacy (zhoubian waijiao) (Shi, 2001). While this relationship has been strained as of 2009 due to the belligerent tone of China’s neighbors, there are still those that push for ‘multilateral regionalism’. These individuals are what Shambaugh calls Constructivists with Chinese Characteristics. Examples are Professor Qin Yaqing of China Foreign Affairs University and Zhang Yunling of CASS (Shambaugh, 2011, p. 16).

Another step to the right of the Asia First school there is the Global South School. This school finds that China’s has a longstanding self-identification with the developing world and hence has a responsibility to make it a priority in its foreign policy. There is however some debate to which developing countries China has the greatest responsibility11. Advocates of this school are also staunch advocates of the Brazil, Russia, India, China (BRIC) group (Shambaugh, 2011, p. 17).

The penultimate school is that of Selective Multilateralism. This school finds that China ought to gradually expand its global involvement. However, it feels it should do so selective and only so far as it impacts national security. Opinions in the group are however divided on the specifics of which commitments to make (for example only UN mandated activities). The creed of this school is ‘fuzeren de daguo’, being a responsible international stakeholder. The Selective Multilateralism school varies from the school of Globalism by caring more about equality of participation than about governance. For this reason they also favor multipolarity and bilateralism over true multilateralism.

11 While China used to speak of Northern and Southern developing countries it has since made a categorization into three groups: (1) newly industrialized economies like Brazil and South Africa, (2) average income developing countries like Mexico and Thailand, and (3) least developed countries as found in Sub-Saharan African and South Asia (Alden, 2007).
According to this school, multilateralism is sooner a tool than an intergovernmental mechanism.

Finally, the last school of Globalism goes furthest in its commitment to the international arena. The official Chinese view on global governance is as stated by foreign minister Yang Jiechi:

“A more developed China will undertake more international responsibilities and will never pursue interests at the expense of others. We know full well that in this interdependent world, China’s future is closely linked to that of the world. Our own interests and those of others are best served when we work together to expand common interests, share responsibilities, and seek win-win outcomes. This is why while focusing on its own development, China is undertaking more and more international responsibilities commensurate with its strength and status.” (Yang, 2010, p. 3)

While in discourse, China advocates larger responsibilities in the international arena, this school is still regarded as eclectic. They focus on non-traditional security and are very strong advocates of the UN. While once growing in importance, this school has since 2009 been eclipsed by those in the ministry of foreign affairs and those in academics as the distrust of global governance has been rising (Shambaugh, 2011, p. 21).

On any topic there is a multiplicity of identities present in the discourse, though which ones vary per topic and the stakeholders involved with it. Shambaugh was not the only one to notice, in a recent report of the International Crisis Group (ICG) on the South China Sea they also point out that the variety of stakeholders involved and their importance causes Chinese foreign policy to be antithetical at times (International Crisis Group, 2012, p. 8).

### 3.3. Nine dragons stirring up the sea

In the formation of foreign policy, domestic actors, other than the ministry of foreign affairs, have been very prolific. The complicated bureaucratic structure behind the management of the conflict in the South China Sea has been described in China as ‘九龙闹海’ (jiulong nao hai), ‘Nine dragons stirring up the sea’, which is the title of an old Chinese legend. The actors in the South China Sea however exceed this myth. The substantial Chinese bureaucracy includes eleven actors at the ministerial level if the enforcement agencies are counted as separated actors (International Crisis Group, 2012, p. 8). The most important nine dragons, according to Chen Wei, a scholar with the
public security ministry, include (1) the People’s Liberation Army Navy (PLAN), (2) Customs Law Enforcement (part of the General Administration of Customs), (3) China Fisheries Law Enforcement Command (part of the agriculture ministry), (4) Marine Safety Administration (part of transport ministry), (5) Search and Rescue Centre (part of the transport ministry), (6) Maritime Police (part of public security ministry), (7) Border police (part of public security ministry), (8) China Marine Surveillance (part of State Oceanic Administration), and (9) Maritime environmental protection (Chen W., 2011). The ICG has made an organigramme of the key actors involved.

**ORGANIGRAMME OF KEY ACTORS IN THE SOUTH CHINA SEA**

![Organigramme of Key Actors in the SCS](image)

**Figure 2: Key Actors in the SCS (International Crisis Group, 2012, p.32)**

Some even argue more actors should be considered. Whatever the number of actors, looking at the organigramme it suffices to say when this many actors are involved and have a vested interest, it is likely a proverbial ‘too many cooks in the kitchen’ situation that might occur.
3.3.1 Stakeholders and foreign policymaking

Whether this situation would occur depends on the level of influence each of the actors exerts. The most active of the actors include the Bureau of Fisheries Administration, China Marine Surveillance, the local governments, the PLAN, the foreign ministry, and energy companies.

3.3.1.1 Bureau of fisheries administration

The bureau of fisheries administration of the agricultural ministry is responsible for one of the two largest law enforcement agencies dealing with China's claimed maritime territory, namely, the China Fisheries Law Enforcement Command. The agency is responsible for regulation the domestic fishing industry; safeguarding fishing vessels, rocks and reefs claimed by China; and, protecting claimed regions from foreign vessels from fishing there (even enforce expulsion if necessary) (International Crisis Group, 2012, p. 8). Aside from its formal tasks it is also custom that the government sends it to safeguard disputed areas such as the Mischief Reef (Nanfang Zhoumo, 2010). The Fisheries Law Enforcement Command used to be a provincial level administration directly under the State Council and the Central Military Commission but was absorbed into the agriculture ministry in 1984 (Fisheries Administration, 2012). It is important here to note that the State Council is the highest administrative body and the Central Military Commission is the highest military authority, roughly equivalent to the State Council. This means that during the first incident with South Vietnam in 1974, the Fisheries Law Enforcement Command was a direct extension of the military and under the immediate command of one of the highest bodies of government. The rhetoric and actions of both parties fall into the realist school of Shambaugh. They advocated strong use of China’s military superiority to that of South Vietnam. What was more, they saw little use in taking extra efforts for a diplomatic solution, after all, South Vietnam was not nearly as powerful at China (Samuels, 1984, p. 101).

3.3.1.2 China marine surveillance

Another active actor in the conflict is the China Marine Surveillance, which is under the command of the State Oceanic Administration, and is the second most active maritime law enforcement force. Its key role is to defend sovereignty over claimed waters

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12 The other being the ‘China Marine Surveillance’ under the command of the State Oceanic Administration.
in the South China Sea. The State Oceanic Administration spent many of its early years dealing with domestic misuse of the South China Sea. In 2001, it defended China’s sovereignty, and declared defending disputed areas on the sea another priority (State Oceanic Administration, 2009). It has started to regularly patrol China’s claimed waters, including the South China Sea since 2008 and has been the major player in several serious incidents with Vietnam since 2009 (State Oceanic Administration, 2009, p. 478).

3.3.1.3 Local governments

Local governments also have a large stake in the territory in the South China Sea. The provinces of Hainan, Guangdong, and Guangxi all have a coastline along the South China Sea, which serves as a key area of growth in their economic plans. Their emphasis is on GDP growth as this is the most important criteria for advancement in the political system other than inherited family power. Hence, these provinces are very eager to expand their economic activities such as fishery and tourism. On several occasions their aggressive pursuit of these industries led to confrontations with Vietnam and the Philippines (International Crisis Group, 2012, p. 10). Unlike central government, local governments have had a far more antagonistic stance to other claimant states. Their rhetoric placed and places a large emphasis on China’s historical claim to the Spratly and the Paracels (International Crisis Group, 2012, p. 27). Furthermore, they, like the bureau of fisheries administration, emphasize the necessity of China to project its power, particularly as its fleet has been gaining in strength (Emmers, 2010, p. 71).

3.3.1.4 People’s Liberation Army Navy

Despite rapid expansion of the PLAN’s presence in the South China Sea, its has so far played a secondary role in managing disputes in the South China Sea. While the navy’s role traditionally has been defined as a protector of China’s maritime sovereignty, it has not engaged in any incidents in the South China Sea with other claimants since 2005 even though it has been regularly patrolling the area (Swaine & Fravel, 2010, p. 6). While the PLAN is informed when incidents happen its vessels tend to either stay in the background or arrive late, allowing civilian law enforcement or paramilitary agencies to handle the issues instead (International Crisis Group, 2012, p. 10). The intervening of civil agencies gives the government a diplomatic ‘out’ should things go awry, it would then be the fault of local, not central government. This however also presented a

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13 Other tasks include environmental protection and preventing various misuses of the sea. For a full overview see China’s Ocean Development Report of 2011 at page 480.
problem, due to the build of military, and diversification of military tasks to local government, fear and mistrust grew in neighboring countries. Interestingly though, until recently, the PLAN’s South China Sea fleet was the weakest fleet China had. This indicates the discrepancy between the PLA’s intentions and that from the relevant ministries. Interestingly, there is even a large discrepancy within the PLA as to what course of action China should take. While there are those of the offensive hard power realist school persuasion and the soft and defensive variations, there are also those that favor the Selective Multilateralism School. To name two examples, some in the PLA would support partaking in UN mandates action while others abhor even the suggestion. Then there are those that argue that in the face of persistent tensions in the area increasing military capabilities would be warranted as a source of deterrence (International Crisis Group, 2012, p. 11). Another common realist argument for a stronger navy is that the South China Sea’s has risen in strategic significance as China’s export-orientated economy has become increasingly dependent on maritime transport (Li N., 2010, p. 37).

Interestingly, these demands for assertiveness, while not necessarily representative of the views of the entire PLA leadership, come largely from PLA personnel outside the military’s central hierarchy. While having little effect on overall policy, it has managed to inflame nationalist public sentiment (Forsythe, 2012). Through this interaction each party shapes its idea of China and how it should behave.

3.3.1.5. Ministry of Foreign Affairs

The only agency that is experienced in handling diplomatic affairs and authorized to negotiate with neighboring countries over the South China Sea disputes is the foreign ministry. It is charged with the task of providing policy guidance and tracking other agencies’ activities in disputed areas to prevent / preempt international incidents. Although the ministry of foreign affairs is theoretically responsible for the formulation and execution of Chinese foreign policy, its leadership role, responsibility and authority on most foreign policy issues of strategic significance has been largely reduced and bypassed by other more powerful players (Lampton, 2001). The ministry is also hampered in its task due to a lack of legal clarity, nationalist public sentiment, and the presence of various internal departments with overlapping responsibilities when it comes to South China Sea issues (Lampton, 2001). As a result, the ministry struggles to wield and maintain influence over other agencies, which puts it in a complicated situation in
general but particularly when there is an escalating situation. The ICG has made another insightful organigramme of actors involved in foreign policymaking.

**ORGANIGRAMME OF CHINESE FOREIGN POLICY ACTORS**

![Organigramme of Chinese Foreign Policy Actors](image)

**Figure 3: Foreign Policy Actors (International Crisis Group, 2012, p.42)**

What the organigramme however does not indicate is the level of influence exerted over the actual foreign policy, nor does it indicate the relevance of the ministry of foreign affairs. The role of the ministry is to formally advise and coordinate the many actors involved in the South China Sea but almost all of the important actors are equal or superior in rank to the ministry. What is more, none of the agencies have much respect for the advice or take kindly to it (Kleine-Alhbrandt, 2012). Another reason why the ministry is not considered to be of high importance is because domestic issues carry far greater priority than do foreign issues. Those that manage domestic policy find themselves far further down Shambaugh’s scale, some happily contend that those are issues China should not concern itself with, or only to a very small degree (International Crisis Group, 2012, p. 15). Also the PLA outranks the ministry and has so little regard for it, it does not even report all of its activities to the Politburo, let alone communicate properly with the ministry. The ICG has even reported that the ministry sometimes relies on information of foreign embassies in and outside of China to know what the PLA is up to (International Crisis Group, 2012, p. 15). While since early 2000 the ministry has had little to say in the CCP, this was not always the case. From 1988 to 1998, Qian Qichen
simultaneously held the positions of Chinese foreign minister and State Council vice premier. Currently, State Councilor Dai Bingguo, who is regarded as the highest-ranking foreign policy official in China, is not even a member of the Chinese Communist Party (CCP)’s 25-strong Politburo. In an interview the ICG held in 2010 a Chinese analyst put it this way: “Yang Jiechi [China’s current foreign minister], isn’t even as powerful as [State Councilor] Dai Bingguo’s assistant” (International Crisis Group, 2012, p. 16).

With so many conflicting opinions it is not strange that there was and is a great variation in what each person and department feels which approach China should take. While under Qian Qichen China was more on the offensive, under Yang Jiechi China is far more to the right of Shambaugh’s spectrum.

3.3.1.6. Energy Companies

Energy companies are another interesting group involved with the South China Sea Dispute. These enterprises are among the most important quasi-governmental actors in Chinese South China Sea policy. The major stakeholders include China National Petroleum Corporation (CNPC), China Petrochemical Corporation (Sinopec) and China National Offshore Oil Corporation (CNOOC). So far, the interest of Chinese oil companies in exploiting oil reserves in the waters around the disputed areas has been limited, due to the political sensitivity of the South China Sea issue, technical and financial concerns, and even the feasibility of such operations. Nevertheless, these companies were very active during the 70’ and 80’ when Shell first discovered that there might be oil reserves in the South China Sea. After this time, concerns grew whether exploitation would be possible at a profitable level. It has since become clear that the South China Sea holds most importance for fishery opportunities (Emmers, 2010, p. 79).

3.3.2. Conflicting identities

Taking all the various stakeholders into consideration as well as those involved in foreign policymaking, there are a lot of different views and perceptions involved. These also change during interaction with other states. As such, it is very difficult to develop a singular clear foreign policy, something that is far easier to achieve in different political systems. The Chinese system as such is more susceptible to competing identities shaping its policy as a consequence of which it becomes confusing to the outside world. When the ministry of foreign affairs, deemed to be responsible for China’s foreign policy, says
one thing and it has to learn from another country the PLA says and otherwise, it becomes difficult for other countries to respond.

During the 1974, when it came to military confrontation South Vietnam, there were fewer competing voices emanating from China. Perhaps this was helped by the stronger polarized nature of world politics. Communist China was faced dealing with a capitalist and previously foreign controlled South Vietnam, this made China’s way of approaching the situation fairly straightforward because there was much more agreement on how China should react. South Vietnam claimed islands that China suspected could be used by the Russians in a later stage. Those responsible for the attack in the Paracels were Mao Zedong (heading the CMC), Zhou Enlai (minister of defence and vice chairman of the CMC), and the recently rehabilitated Deng Xiaoping. They are believed to have been in agreement that China ought to pre-empt Russia from using the islands against them. As such, all those responsible were in agreement as to what actions to take (Garver, 1992, p. 18).

While relations had been improving since 1980, in 1988 reunified Vietnam and China came to blows again (however briefly) when Vietnam heard China had the intention of building a Marine observation station on the Spratly Islands that were also claimed by Vietnam. Vietnam sent heavily armed soldiers to the islands to plant Vietnamese flags that were sub-sequentially removed by Chinese soldiers arriving an hour later. This prompted a confrontation with shots exchanged. The Chinese won with overwhelming force sinking two Vietnamese vessels, severely damaging another, and killing 70 Vietnamese soldiers. The Vietnamese had only succeeded in wounding one Chinese soldier (Cheng & Tien, 2000, p. 264). China is at this point staking its claim and starting to send out messages that it is a force to be reckoned with. This becomes more evident as it distributes a map in 1992 stating that it considers the whole South China Sea to be its territory. Tensions accumulate as China almost comes to blows with the Philippines in 1995 over a construction in the Mischief Reef. Interestingly it is believed that the order for construction was given not by civilian leadership but by the PLA. This seems plausible as the government was already taking a more conciliatory stance (Guan, 2000, p. 11). The Philippines even had proof of PLA engaging in smuggling and piracy in the territory (Story, 1999). They argued that PLA leadership must have known and condoned such actions. During this time the Chinese government was already working on a joint development plan with the Philippines and Vietnam. A year later in 1996 China signs the Law of the Sea Convention (UNCLOS). Jiang Zemin, minister in charge
of foreign affairs, was said to be in a battle with the PLA over the nation’s policy in the South China Sea (Guan, 2000).

With the coming of the Asian Financial Crisis in 1997 relations amongst Asian nations are cemented. In China the Asia First school dominates and much progress is made within the ASEAN framework to come to a more manageable situation. By 2000 a few territorial disagreements in the Gulf of Tonkin are settled and in 2002 ASEAN comes to an agreement on the “Declaration on the Conduct of Parties on the South China Sea”, which sets the stage for possible commercial cooperation and long-term stability (Guan, 2000). Later, in 2005 oil companies from China, Vietnam and the Philippines sign a deal to jointly protect oil and gas resources in the South China Sea (P.R.C. MFA, 2005).

3.3.3. Identities, interests and consequences

Identities are however not the only thing that conflict in China. It also has a number of interests that may conflict with each other as well. In the most general sense, China’s highest priorities are maintaining internal stability and securing continued economic growth. More specifically to the South China Sea China wants to claim all the territory as contained in its nine dotted line, it wants to be on friendly terms with its neighbors and it wants to secure external security in the South China Sea (Kaplan, 2011, p. 2). While these interests are not mutually exclusive they are not all compatible either. First and foremost China wants internal stability, as evidenced by the power of the ministry of internal affairs, but this is difficult to achieve if there is no external stability. If China has to pay attention to a tense situation just beyond its borders then less energy can be put into internal security. Also economic growth, another high priority, is difficult to achieve if there is a conflict concerning major transit routes. At the same time, it has in its domestic discourse often stressed the historic claim to the territory in the South China Sea, causing the Chinese people to consider it a matter of national pride (Bosworth, 2011, p. 11).

These competing interest and identities cause China to be unable and perhaps even unwilling to reach a resolution to the conflict. If it forces a solution it will aggravate its neighbors and potentially even unleash armed conflict destabilizing the region. However, if it gives in on too many fronts many factions and citizens will be upset, potentially destabilizing government. Hence, the absence of a singular national identity
causes China to be unable to move forward. If the entire country were to support a more pacifist and responsible China, it would be easier to reach a consensus that could be explained domestically. As such, these competing identities explain the absence of a resolution.

While there is a consensus that China may use force when attacked, the opinion is greatly divided whether an aggressive (perhaps even U.S.-like) demeanor is befitting of China. At the same time, the ever-present debate on China’s identity has kept more hawkish actors like the PLA in check (Bosworth, 2011, p. 10). As such, it has gone far in preventing escalation. However, this is becoming increasingly difficult. With individual actors gaining more autonomy over time, central government is very slowly losing control over the separate components. It used to be beneficial to the government to give more autonomy to for instance its local governments; this allowed them to manage their own crises and the government not taking all the blame if things went wrong. Over time, provinces like Hainan have been using their powers more frequently, for instance to unilaterally start tourism to the disputed islands (International Crisis Group, 2012, p. 21). This has a huge potential for creating conflict and so central government struggles to regain its grip. This situation does not bode well for future relations and stability in the region.

Though processual constructivism explains the Chinese motivations well it does not explain the reactions of China’s neighbors. It has been suggested that these may be best explained by hedging strategies (Hernandez, 2011).
4. Vietnam and the Philippines

There are a great number of countries claiming various parts of the South China Sea. In total there are nine countries with claims to the territory, all various in size and grounds upon which they are claimed. To display them all on a map would create what China calls a noodlebowl, an incomprehensible jumble of lines with no distinguishable beginning or end (Baldwin, 2008, p. 451). To give an impression, the United States Energy Information Administration (USEIA) has drawn a map indicating the various claims of the largest claimants. Out of all these claimants, Vietnam and the Philippines have again the largest claims. As a consequence they often found and find themselves in conflict with China, the largest claimant by far. Out of all the states, Vietnam and the Philippines are the states that have not only frequently found themselves on the verge but also in actual armed conflict. There have been a few instances that stood out: (1) the 1974 military confrontation between China and South Vietnam, (2) the 1988 military confrontation between Reunified Vietnam and China, and (3) the 1995 and 1999 run-in over the Mischief Reef between China and the Philippines. This is not to say that there have not been any other heated disagreements but these have by far been the most significant (International Crisis Group, 2012, p. 28).

If hedging is to explain the causes of the absence of further disputes then this should be evident from the strategies chosen and the motivation hind them, explicit or not. These strategies may involve direct action or the express absence of action. The same would hold for the absence of a resolution, though it must be noted that this ought not to be the result of unintended consequences.

Provided Taiwan be counted as a separate country
4.1 The 1974 confrontation on the Paracel Islands

On January 19th of 1974 there was a military confrontation between South-Vietnam and China, also named ‘the battle of the Paracel Islands’. Out of the two countries China was the first to claim ownership\(^{15}\). While North Vietnam supported China’s claim\(^{16}\), South Vietnam claimed the sovereignty of the islands on the basis of the prior French occupation and landed its forces on one of the Paracel Islands in 1973 (Chen K. C., 1987). For some time the PLA took no action to displace the South Vietnamese forces, however, after the Army of the Republic of Vietnam’s (ARVN) forces was reduced to a single platoon due to the cutting of funds as dictated by the Paris Peace accords, the PLA moved in. In 1974 the South Vietnamese army discovered armored fishing trawlers in the area and found that other Chinese soldiers were installed in a nearby bunker. The South Vietnamese government then decided to dispatch several naval vessels to confront the Chinese fleet in the areas.

What stood out was that there was no balance to the troops that were brought to the area. China’s did not nearly send its most capable PLAN troops. The reinforcements (in the form of fighter jets and a more capable frigate) came only later as a well-timed surprise. Early on the Chinese had the Vietnamese on the retreat due to superior material\(^{17}\) and eventually China won the battle. In the end the Vietnamese casualties were markedly higher (Chen K. C., 1987). Diplomatically, the power projection was of great benefit to China during a time of regional turmoil; it was also a humbling experience for the older superpowers, which pointedly refused to take sides in the matter from the very beginning (Lima, 1974).

South Vietnam could have left the islands alone, though it was said that there were significant oil reserves, even by estimates of that time, the indications were that the reserves were very small. This leads to the question what motivation South Vietnam had for making it an issue. A feasible answer would be that it sought to balance against China

\(^{15}\) Though there were others that claimed it earlier, like France.


\(^{17}\) It has even been suggested that the South Vietnamese material like vessels and radars were woefully inadequate for this kind of battle. King C. Chen, (1987) “China’s war with Vietnam: issues, decisions, and implications” New York: S Hoover Institution Press, p. 40
and communism in particular (Lieberman, 2009). A hedge, in this case was to take action, even if it were unsuccessful. As a small state there is always the difficulty of when to yield and when to resist; it has to strike a balance so it does not get absorbed into either one sphere of influence or the other, in this case the US or China respectively.

4.2. The 1988 confrontation in the Spratly Islands

In 1988 there was another confrontation between China and then reunified South Vietnam, also known as the ‘Johnson South Reef Skirmish’ (Guan, 2000).

In February of 1987 a global ‘sea-level joint observation plan’ was adopted by the UNESCO Intergovernmental Oceanographic Commission (IOC). The Chinese government commissioned and observatory project. It requested the establishment of five marine observation stations, the first of which was to be located in the Yongshu Reef. To guarantee the security of the project China sent its South China Sea fleet to help securitization. Upon learning that China intended to build a marine observation station, the Vietnamese Navy began to intensify its occupation of the islands and reefs of Spratly Islands (where the Yongshu Reef is located). A few days later on the afternoon of February 18, the Chinese Navy and Vietnamese Navy rushed to land on Huayang reef at the same time, each planting a flag. Confrontation between the two sides lasted 3 hours and eventually the Vietnamese Navy was forced to retreat, due to inclement weather. Both sides had trouble with their military command but eventually China came out victorious (Cheng & Tien, 2000, p. 41). Interestingly, while the Vietnamese describe the situation as armed conflict the Chinese only consider it a situation in which shots were fired (Cheng & Tien, 2000, p. 43).

More interesting than the conflict is its aftermath. China proceeded to construct its observation stations and the Vietnamese navy could not do anything to stop it. The Chinese for their part did nothing against the Vietnamese occupation of other islands and reefs, not even when they occupied surrounding reefs. China did nothing to intervene because it may have prompted a nearby Russian vessel to intervene, what was more, they did not want to risk possibly damaging airstrikes (Guan, 2000).

This incident was the second overwhelming defeat for Vietnam (though the first as a reunified country), which raises the question why they were so adamant to claim the territory in spite of the possibility of facing defeat again. It has been argued that Vietnam
wanted to send a signal to the Chinese, essentially making a balancing effort. There was a feeling if they accepted all Chinese infringements on a territory they claimed as well, Vietnam would no longer be taken seriously (Cheng & Tien, 2000).

4.3. The 1995 and 1999 run-in in the Mischief Reef

In 1994 China had a similar encounter at the Mischief Reef, which was at that time inside the Exclusive Economic Zone (EEZ) 18 of the Philippines. China had built initial structures on stilts there while the Philippine Navy was not patrolling the area due to a monsoon season. The Philippines did not engage China militarily, but only chose to political protest China’s actions. Richard Cronin surmises that the Philippine Navy decided to avoid confrontation, based partially on China’s early confrontation with Vietnamese troops, during which the Vietnamese suffered tremendous losses in spite of the encounters taking place in Vietnamese-controlled area (Cronin, 2010).

Similar protest followed further construction in 1999 of what China called ‘fishermen’s shelter’. The Philippines however felt it more closely resembled military structures and called China’s actions a "creeping invasion"19 because it has been gradually trying to build similar structures elsewhere in the Philippines’ EEZ (Cronin, 2010).

The Philippines' hedged its bet by deciding not to destroy the Chinese structures on Mischief Reef. They chose to avoid an escalation of the dispute. According to the Philippines China is always been prepared for armed conflict when opposed, they saw the 1974 and 1988 conflicts as evidence for this. If a small 3-hour skirmish could result in 70 fatalities they feared what a bigger conflict to bring to the region. The Philippines feared wider conflict since it is a military ally of the US by treaty and an attack on the Philippines would likely escalate to involve the US (Wenweipo, 2009).

18 China and the Philippines have a disagreement over this area. China argues it is part of its ‘nine dashed line’ (this is a line outlining the Chinese claims. It was issued to all states on a map in the early 90’) and thus qualifies as Chinese territory. The Philippines however claims that under international law it is entitled to its EEZ. Considering the EEZ is enshrined in UNCLOS it is consedered to be more respectable, however China vehemety disagrees with this notion, hence the controversy of the situation (Fravel, 2008, p. 267).

19 According to the Philippines China has a well-rehearsed routine for slowly claiming other areas. They lay claim to a new reef by first putting down buoys and then building concrete markers. After this they build temporary wooden or bamboo shelters, and if China was still not challenged, the permanent military forts would go up. For this reason the Philippines has tried to destroy the buoys or markers before China has time to build larger structures (Cronin, 2010, p. 2).
4.4. Between the lines

Hedging in this context is however not only clear in a situation where action is taken. Sometimes, like in the case of the Philippines it's the lack of action that is evidence of the hedge. For example, Vietnam has since 1988 never again confronted China militarily. It may have engaged in political protest but not in combat. As the Philippines noted, China seems to be prepared for conflict at any given time, as such, in their view, they control escalation. By the same reasoning these countries could also have a large say in a potential solution. After all, they managed to agree on a joint exploitation agreement in 2000 and on a Code of Conduct under the auspices of ASEAN.

4.5. Striking a balance

Hedging strategies, while generally applicable, are used most frequently by smaller states like Vietnam and the Philippines. They are all about finding a balance between not completely yielding to the strongest power and consequentially be absorbed into their sphere of influence, and not being in a never-ending conflict. The latter is something that is too costly for smaller nations and therefore untenable in the long run. For this reason both Vietnam and the Philippines hedge against China, from time to time they have to stake their claims but in general they avoid conflict, particularly if history has shown it to be largely unsuccessful (Acharya, 2001, p. 21). The end result is the absence of escalation, but also the absence of a resolution. Both Vietnam and the Philippines have declared their willingness for joint development but to let China take all the territory would send the wrong message. As such, regarding a solution, both states hedge against annexation since China has no other offers on the table (Dutton, 2011).

While a mirror analysis the hedging model does not reflect the entire picture, this is best done by the third model, that of regional multilateralism.
5. ASEAN

Asian states, especially those in East and Southeast Asia have some experience with colonization and oppression by Western states. While they have this shared experience they did not have a tremendously strong bond until the advent of the Asian Financial Crisis. This period in time was seen as the West still not looking out for Asia and finding new ways to keep it down and submissive. For this reason they had already come together in an institutional structure named the Association for South East Asian Nations (ASEAN) in 1967. However, around 1990 it became increasingly obvious that the challenges they faced were shared and sometimes caused by neighboring countries. For this reason Malaysia suggested that ASEAN expand membership (Beeson, 2003). In due time more countries joined and eventually in 1995 ASEAN Plus Three was created to serve as a coordinator of cooperation between ASEAN states and China, Japan and South Korea. From here on, Southeast Asian and East Asian states started to build a forum that would uniquely cater to their problems.

The third model posits that this choice for working in this particular forum in an effort to find a resolution has helped to prevent escalation but also precludes the resolution of the conflict. For this hypothesis to hold true there should be evidence of a lack of escalation since the commitment to ASEAN and there should be evidence of substantial difficulty to reach a resolution.

5.1. Why ASEAN?

Since ASEAN’s inception there has been a proliferation of regional economic agreements as well as engagement in regional institutions that is usually explained in by reference to economic factors. Often these agreements have been viewed either as a response to the costs and potential benefits of increasing interdependence. Interestingly this increased regional cooperation is not a consequence of economics per se. As Ravenhill states, rather than there being an ‘economic domino’ effect at work, the new Asian regionalism is best understood as being driven by a ‘political domino’ effect.

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The founding members were Indonesia, Malaysia, the Philippines, Singapore and Thailand. Between this time and 1995 membership was expanded to include Brunei, Burma (Myanmar), Cambodia, Laos, and Vietnam.
(Ravenhill, 2010). While economic growth is definitely a priority for these nations the foundation of ASEAN had to do with a consolidation of power, as ASEAN they would be easier to stand against large powers like the EU and Russia.

At noted previously, it is remarkable that these nations came together for political collaboration before they enhanced economic cooperation. Acharya provided a good argument that norm acceptation is a crucial factor and that this takes place more easily when countries start off already sharing many norms. In the case of ASEAN nations it’s because there is a shared history and while the have distinct cultures, many norms (for instance concerning family) are norms that cross boundaries. Unlike its predecessors ASEAN and ASEAN plus Three has not remained unused, due to the great willingness to confront problems together, particularly cross boundary problems (Ravenhill, 2009).

To summarize, multilateralism in Asia, and ASEAN in particular, has had a number of specific economic and political objectives but in each case the processes have had a broader underlying objective: they have aimed to establish and develop networks of relations among countries in the region and to build and generate confidence within those relations, something which was lacking before (Harris, 2000, p. 514).

ASEAN is a good venue for nations wanting to ‘multilateralise' shared issues. While in the past Vietnam and the Philippines have wanted US involvement, the US being a very useful strong partner, this was not an option for China. Hence, there was little hope for discussing the issue for example in the UN. China is not quick to enter into an international framework. What is interesting then is that already early on China showed willingness to participate in ASEAN (ASEAN, 2012). While the CCP was originally wary of international structures, over time it became more accepting of them, particular when they did not involve western participation. What developed was an informal list of requirements for participation in international organizations, these included: (1) access to external capital markets, (2) access to external markets for China’s exports and imports, (3) international regimes to manage regional and global economic volatility, (4) security and governance regimes to manage international energy and resource flows, and (5) global regimes that support regional development and stability (Rosen, 2008, p. 144).

China however, still has a preference for bilateral relations, particularly when it comes to the South China Sea conflict. It has made many efforts to convince other nations of the legitimacy of China’s claim. What has complicated this matter is the legal
confusion concerning the validity of China’s claims. What is more, China uses different maps and different argumentations with separate states. Whether this is due to antenatal confusion or strategy on China’s part remains the question (International Crisis Group, 2012, p. 7).

There are a few advantages to deal with the situation in the South China Sea within an ASEAN framework. In ASEAN Vietnam, the Philippines and the other parties have a strong negotiating position than they have when they make bilateral agreements. China sees this as a viable and desirable option because it keeps the US specifically out of the conflict. Furthermore, for all parties it gives stability because there is less risk of escalation while working towards a solution in a multilateral framework (Newman 2007). However, there are also downsides, for example, decision-making in international organizations is notoriously slow, not only due to the sheer number of people involved but also the due to the bureaucracy that surrounds it. Nevertheless, the states involved cooperate in order to avoid conflict and have hopes of a resolution. If it were not in their interest, they simply would not cooperate (Hernandez, 2011, p. 149). To make clear what is at take: (1) the South China Sea is of strategic and economic interests not just for states that border it, but also to others that make use of the sea, for passage for example. As such, the South China Sea is part of the ‘global commons’ into which there is freedom of peaceful access and use; (2) the states involved acknowledge that escalation of tension can be a possible trigger for conflict, even if there was no intention to escalate, simply because in world politics, perception is a powerful and often an overpowering - factor in state behavior; and (3) regardless of which state breaks the frail peace, the costs involved will be too high, even for big countries (Hernandez, 2011, p. 153).

5.2. Peace and resolutions

Having established that the states involved made a good choice to work toward a solution within ASEAN and prevent further escalations, what achievements have been made by the states and ASEAN?

While ASEAN was already established in 1967, not all parties to the conflict were members until 1995. In this year Vietnam and China were the last members to join. Notably, between this time and 2009 there was no escalation of tensions and the conflict maintained a low intensity. Essentially what ASEAN set out to do was what the

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21 Though China didn’t join ASEAN directly but joined the ASEAN plus Three forum
normative framework provided by UNCLOS failed to achieve\textsuperscript{22}. ASEAN aimed to provide a political framework for stability. During the late 1990s and into the beginning of the new millennium, ASEAN sought to reduce tension and to promote several of its founding principles: “to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region ... and to accelerate the [region’s] economic growth.” (Dutton, 2011, p. 178) The need for such a process was evident after two decades of instability and even armed conflict in the South China Sea, most apparent by the fighting between China and the Republic of Vietnam in the Paracels in 1974, the Spratlys in 1988 and finally by the Mischief reef incidents between China and the Philippines in 1995 and 1999. With the ascension of Vietnam to ASEAN, there was now political unity in Southeast Asia to oppose what was widely seen as dangerously disruptive Chinese behavior. Yet, China too turned a corner. By 1995 it was ripe for cooperation (Dutton, 2011, p. 172).

The first agreement made was one for joint development of the South China Sea by China, Vietnam and the Philippines. While the agreement was not made under the auspices of ASEAN it has received credit as the suggestion was made in this context (Dutton, 2011, p. 171). However, by far the greatest achievement in ASEAN must be the DOC, the Declaration on the Conduct of Parties in the South China Sea. It took nearly seven years, but in 2002 the governments of the member states of ASEAN and China entered into the DOC, an agreement that makes five basic declarations:

1. it reaffirms the parties’ commitment to international law, including UNCLOS;

2. it commits the parties to explore ways to build trust and confidence among them, based on equality and mutual respect;

3. it commits the parties to respect freedom of navigation and overflight in the South China Sea;

4. it commits the parties to resolve territorial and jurisdictional disputes without the threat or use of force; and

5. it commits parties to refrain from inhabiting presently uninhabited islands (ASEAN, 2002).

\textsuperscript{22} describe objective
Ever since the establishment of the DOC, ASEAN has been trying to negotiate its implementation. To this effect a China - ASEAN joint working group on the implementation of the DOC has been established and has since met six times over nine years. Unfortunately it failed to produce significant results; it was even unsuccessful to find agreement on formally putting it on the agenda of the East Asia Summit. (Valencia, 2011, p. 85). The fundamental point of disagreement is that China maintains that South China Sea issues should be settled bilaterally with ASEAN members individually (or at least those that have a stake in the conflict), rather than jointly as a block of countries. Nevertheless one of the paragraphs of the earlier draft DOC reads “ASEAN will continue the present practice of consultations among themselves before meeting with China.” (Dutton, 2011, p. 174) This has caused China great offense and as such it refuses to send officials to the meetings.

All in all, resolution of the South China Sea Conflict appears to be very far away. Peter Dutton argues this is precisely because the parties seek a resolution within an ASEAN framework. It can be argued that the process is a dilatory tactic to wait until ASEAN has arrived at a consensus on the disputes. Other than the fact that the 1992 ASEAN members took a collective stand against China and issued a Declaration on the South China Sea, the agreement on the DOC, and a Code of Conduct on the South China Sea, an ASEAN consensus is unlikely. This can be blamed on the fact that four of its member states are rival claimants, and the others have varying degrees of political, diplomatic, and economic closeness to China. Essentially, only when ASEAN’s collective integrity is challenged can a consensus be expected to emerge (much like the financial crisis of 1997). The South China Sea disputes are not part of this collective integrity, since they involve individual member states (Dutton, 2011, p. 177). As such, it is unlike that the parties will come together soon to find a solution. Too many competing claims mean it will be difficult to find a solution if there is no common ground or common goal. While the situation now is undesirable, there is also no solution where all parties win. Hence, a resolution seems far out of sight. These issues are all part and parcel of the downsides of working multilaterally in an international organization (Harris, 2000, p. 511). Considering the parties have not taken serious steps for a resolution in a different form or way, it appears they are contented enough to put up with the status quo (Wenweipo, 2009).

Seeing as since 1995 there has been a notable absence of escalation, it appears that working within a multilateral framework has helped prevent further escalations.
However, the best support for the regional multilateralism is found in the absence of a resolution. Due to the conflicting and overlapping claims it is hard to strike a consensus with all parties. Particularly when all nine parties disagree and no blocks can be formed. The framework emboldens the smaller nations and gives them greater negotiating power and in turn constricts that of China. Absent of a significant Chinese consensus there is not much that will steer this process toward a solution.
6. Conclusion

The South China Sea has been subject of much discussion and debate for many years. Small bursts of conflict have been followed by more periods of tension, but what has stood out most is that the region has neither seen large-scale violent conflict nor true peace. It appears as though a resolution is firmly out of sight and escalation is closer every day. This is a particularly interesting conundrum for researchers as it has always been presumed that escalation was a real possibility; after all, China had evidence that it was a militarily dominant power and given gravitas of other conflicts going on, it could well have gotten away with annexation (Mearsheimer, 2010). Interestingly the status quo has persisted and so this research aims to contribute to a better understanding of the conflict by exploring it from the perspective of three different theoretical models. The first, processual constructivism, was used to look particularly at China’s role. With the second model, hedging, the roles of Vietnam and the Philippines were more closely explored; and the third, regional multilateralism, was not applied to cater to a specific group but considers all parties to the conflict.

Processual constructivism is a relatively new theory that has not yet been applied to the situation of the South China Sea, yet it has substantial explanatory power where it concerns China’s foreign policy creation. It highlights the presence of competing identities that have been formed through interaction with different actors within China, but also through China’s relations with other states. The hierarchical approach China takes toward its neighbors is both old and new. China in the past sought to legitimize its own government through tributary relationships, which in turn legitimized the governments of the states providing the tributes. The way China treats other states now is much the same, it has not lost its old way of thinking (China is the superior nation) and offers benefits for those who support it. This translates into the way foreign policy actors plan their strategy, though, through interaction with each other, identity has started to shift. There are those that advocate a peaceful Chinese rise to power, in which China also takes on duties expected of great powers (promoting cooperation in international fora, partaking in peacekeeping missions and the like). However, these different identities tend to clash. Due to the great variety of actors involved in foreign policymaking, and the great variety of actors that can put it into action, the result is a mix of contradictory actions and discourse unbefitting of a rising power. Essentially what results is a great
power with small power behavior. What is more, the government is slowly loosing its grip on those parties involved, thus increasing the risk of escalation in the future. While in this scenario a solution would be desirable, it is not feasible for the moment.

Furthermore, the contradictory nature of both actions and discourse have made Chinese behavior unpredictable and perceived as volatile. This alone creates unease with other nations. During the early years, when there was still more agreement on course of action there were instances of armed conflict (1974 and 1988), however brief or long. Since then, the number of distinct voices has been growing, as has the tension in the region. Yet the options for a resolution have been dwindling as well, because unilateral actions on the part of provinces and the military have made negotiations within ASEAN increasingly difficult. The prospects for a solution are abysmal because the ministry of foreign affairs is losing its significance as other government bodies with more weight will not submit to their coordination and their views simply are too contradictory.

Hedging in turn proves very insightful from the point of view of Vietnam and the Philippines. Vietnam, having a tumultuous relationship with China has often hedged against losing too much of its territory. It has found itself in armed conflict with China on several occasions, however, only twice where the South China Sea was concerned, and comparatively on a very limited scale. While Vietnam could not and cannot balance against China, it has hedged against further infringement to its territory. Vietnam has had various successes with its hedges. In 1974 its forces were obliterated by China and the entire territory was annexed. In 1988 it may have lost the battle against the Chinese troops but it did manage to secure some of the territory post conflict.

The Philippines have also hedged against Chinese dominance in the region but at the same time they also hedged against military confrontation by choosing to only politically protest the construction of what they viewed as military bases in the Mischief Reef. Considering this region falls within the EEZ, the Philippines has the best enforceable claim. However, it realized that escalation would not be in its best interest. Hence, it becomes evident that some hedging strategies are evident in the absence of action. By varying between engagement and retreat the situation in the South China Sea has been constantly tense but never came to a severe escalation. However, the question remains whether the absence of escalation can be contributed to the actions of the Philippines. It has recently been suggested that China’s behavior then was influenced by external factors like its relationship with ASEAN and its conformity with the
multilateralist framework in international relations (Valencia, 2011). It has been argued that China may have softened its tone because it sought ASEAN’s favor then. Considering the conciliatory and peaceful objectives of ASEAN, confrontation could not be the way forward. China needed a peaceful environment for its “peaceful rise” and had to project a good image (Hernandez, 2011).

Ultimately, the benefits and constraints of regional multilateralism provide the best explanation for the situation in the South China Sea. Multilateralism and economic development have been mutually reinforcing in establishing a normative framework for the region in the form of ASEAN. The framework set up in ASEAN secures the following: (1) a security framework of norms as exemplified in the region-wide acceptance of the principles of the its Treaty of Amity and Cooperation, (2) ability to achieve peaceful resolution of international conflicts; as well as, the (3) the acceptance of the principles of liberal trade and the acceptance of economic interdependence as a contributor to economic growth. The biggest strength is the general compatibility with principles laid down in global institutions (Harris, 2000, p. 513).

Since 1995, when all the parties to the conflict were members of ASEAN (and ASEAN plus Three), the conflict has remained at low intensity and has not escalated; yet no resolution has been reached either. Both are supported by the basic tenets of multilateralism in international institutions; that is, that when parties commit to finding a solution there, and when they support the objectives of the organization, they won’t be quick to jeopardize the benefits. Out of all the various institutions where the conflict could be discussed, ASEAN provides the best solution for all parties involved. China gets a forum where the US is not involved or allowed, and the other states can consolidate their power. What is more, if the other states would move this issue to a different venue China would most likely back out and the possibilities for a solution would disappear. This is not to say that the opportunities for a resolution within ASEAN are great, in fact, they are almost non-existent as well. This is why this theory works best. Because of the great number of actors with competing interests, multilateralism supports the idea that decision-making is notoriously slow. While the norms of these states may converge, their interests do not. As such, the conflict remains in a perpetual impasse.

The three models explored in this research are effectively complementary. The first and second model are mirror analyses that each explore a side of the coin. The third model looks at these parties in an international context. Arguably this results in a fourth diversified explanatory model based on the three proposed models because the three
proposed models are complementary. In the end, the first two models are best suited to explain why no escalation has taken place and the third model is best suited to explain why still no resolution has been found. Hence, the fourth model effectively answers the main question. The perpetuation of the South China Sea conflict is caused by Southeast Asian states hedging against escalation and China’s identity crisis, which fails to establish unitary action but prevents escalation; the conflict drags on because the multilateral framework of ASEAN equalizes the power positions in the negotiations where little common ground is found due to the overlapping competing claims.

While many researchers set out to find a singular model to explain a situation, it appears as though this conflict, characterized by a plethora of actors and competing overlapping claims, warrants a richer explanation that takes the individual backgrounds of each actor into account. Past suggestions for resolutions either ignore the complexity of Chinese foreign policymaking or ignore the relevance and power of the smaller states involved. This research, though it does not find a single model explanation, takes more facets into consideration and contributes to a greater understanding of the underlying causes for the perpetuation of the conflict.

Future research aiming at finding a resolution appears to be without point. As many of the quoted researchers have noted, the likelihood of a resolution has grown slimmer by the day. Taking into account the recent US pivot to Asia, some argue this resolution is complete out of the question (Hernandez, 2011, p. 153). Recent research does however suggest interesting new avenues for research. The ICG has suggested that the key to the resolution lies in China, which seems a credible statement given the outcomes of this research that China has little room to move in either direction. However, other researchers have suggested that there is a greater complexity involved on the part of Southeast Asian nations, particularly Malaysia’s lack of participation is found perplexing (Li M., 2011, p. 199). As such, it would be interesting to see whether processual constructivism could successfully be applied in these cases as well. The only way forward out of perpetual tension is through greater understanding and more information.
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