SOUTH CHINA SEA PUZZLES

- China’s motivations to assert itself in South China Sea: unknown
  - expansionist, opportunist or status quo power?

- Southeast Asian claimants’ responses: ambivalent and ambiguous
  - Balancing, bandwagoning, hedging or appeasing?

- External powers’ policy: dubious and doubtful
  - Balancer, abandoner or engager?
KEY ISSUES

• Defining Threat and Risk

• Threat in South China Sea

• Risk in South China Sea
THREAT = “CAPABILITY” + “INTENT”

• Involving human agency
• Capability = offensive + overwhelming + capable
• Intent = plan to use force (perceived)
• Threat can be “zeroed out”
• Responded by assertive balancing or handwagoning/appeasement (accommodation)
RISK = “LIKELIHOOD” X “CONSEQUENCE”

- Both intentional and unintentional, human agency and nature
- Cannot be “zeroed out”
- Uncertainty (many unknowns) and miscalculation
- Responded by risk management: (i) risk avoidance; (ii) risk reduction; (iii) risk sharing; (iv) risk acceptance; (v) hedging
SOUTH CHINA SEA PROBLEM: THREAT ISSUE?

• Quick growth in “capability”- firepower and law enforcement
  • Offensive power (fire power, mobility, and coverage)
  • Proximity
Figure 9.1: Select Asia-Pacific countries’ coastguard vessels: a comparison

Power Projections

China aims to boost its maritime forces, but it already has an edge over its rivals in terms of the sheer size of its air and naval fleets.

<table>
<thead>
<tr>
<th></th>
<th>China</th>
<th>Japan</th>
<th>U.S. Carrier Strike Group</th>
<th>Vietnam</th>
<th>Philippines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft carriers</td>
<td><img src="image" alt="Ship" /></td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td><img src="image" alt="Ship" /></td>
<td>0</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td><img src="image" alt="Ship" /></td>
<td>0</td>
<td></td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Destroyers/</td>
<td><img src="image" alt="Ship" /></td>
<td>73</td>
<td>9</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>frigates</td>
<td><img src="image" alt="Ship" /></td>
<td>47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><img src="image" alt="Ship" /></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submarines</td>
<td><img src="image" alt="Ship" /></td>
<td>58</td>
<td>0 to 2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td><img src="image" alt="Ship" /></td>
<td>16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fighter/</td>
<td><img src="image" alt="Airplane" /></td>
<td>2,100</td>
<td>54</td>
<td>217</td>
<td>8</td>
</tr>
<tr>
<td>bomber aircraft</td>
<td><img src="image" alt="Airplane" /></td>
<td>353</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Chinese Detection/Defense Capabilities in the South China Sea
Published by the CSIS Asia Maritime Transparency Initiative || https://amti.csis.org || Updated March 27, 2017
QUESTION OF “STRATEGIC INTENT”?

The unknowns:
- Ambiguity around "naval and maritime modernization"
- Cycle of assertive behaviour (active-reactive)
- Dubious commitment to multilateral institutions (TAC, DOC, COC)

The facts
- No one sees the other as “threat”
- No outright balancing against or appease China (in military term)
- Hedging = no clear strategic choice?
• China’s “chicken game”, heightening the risk by
  • Increasing “likelihood” of incidents and clashes (deployment of overwhelming coastguard and fishing fleet, grey zone tactic)
  • Increasing “consequence” by greater power projection and economic sanctions (to the degree of ”unacceptable” to other adversaries)
  • Risk control: **Threshold (salami)**

• Imposition of RISK to subdue neighbors but sideline the US
SOUTH CHINA SEA: THE “RISK GAME” (2)

• Other claimants
  • Risk reduction: self restraint, bilateral and multilateral engagements for dispute management – seek assurance, reduce “likelihood” and “consequence”
  • Risk sharing: partnerships with other powers to seek “insurance”, multilateralization and internationalisation
  • Risk retention: self-help defense, balancing, firing legal weapons

• external powers
  • Risk avoidance (diplomatic concerns, support for smaller claimants)
GAME CHANGERS: TRIBUNAL’S RULING + TRUMP

Circumstantial changes:

• As ambiguity is gone, China’s risk-taking actions are extremely riskier
  • Stronger collective response from ASEAN (ASEAN-China Retreat in Kunming)
  • Pushing other powers to concrete actions
• US became “unclear” under Donald Trump’s leadership
  • Sino-US relationship is put at greater risk

The shifts:

• China’s change of approach – opportunity offering: COC, BRI and CUEs
• Other claimants: Risk Avoidance: self-restraint and self-censoring
• Other powers: Risk Taker (Japan, India and Australia)
WAY FORWARD – BEING GOOD INVESTOR

• Speculation

• Hedging with Future Options
THANK YOU!