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South China Sea Hegemony: Does China have the capacity to dominate the South China Sea amidst U.S. presence in the region?

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Abstract

In the last decade China has transformed itself into a maritime power. It is well established that the appointment of Xi-Jinping as the General Secretary of the Chinese Communist in 2013 has been effective in rivalling the U.S Pivot to Asia of 2012 concerning the hegemonic dominance of the highly contested South China Sea region.

The thesis aims to demonstrate how emerging powers like China are ready to exhibit methods of soft, and hard power to liberate contested waters worth billions of unclaimed dollars of hydrocarbon resources beneath its seabed to showcase how an emerging power is ready to challenge an established power for regional hegemony.

A combination of both qualitative, and quantitative data has been used to examine Chinese power projection in the South China Sea with relation to their actions in terms of modernisation of their naval fleet, hedging of multilateral institutions and artificial constructions in disputed territories. In sum, a theoretical in-depth analysis on how control over the South China Sea is crucial to long term Chinese security.
Abstrakt

V posledním desetiletí se Čína proměnila v námořní mocnost. Jmenování Si Ťin-pchinga generálním tajemníkem Čínské komunistické strany v roce 2013 bylo účinnou odpovědí k americké zahraniční politice v Asii z roku 2012, která se tyká soutěže o zisk hegemonie v regionu Jihočínského moře. Tato práce si klade za cíl ukázat, jak jsou rozvíjející se mocnosti, jako je Čína, připraveny použít metody měkké a tvrdé síly k zisku sporných vod v hodnotě miliard dolarů, uložených v ropě a v zemním plynu pod mořským dnem, od vlivu USA. Byla použita kombinace kvalitativních i kvantitativních údajů k predikci čínského mocenského vlivu v Jihočínském moři ve vztahu k jejich činům, pokud jde o modernizaci čínské námořní flotily, zajištění multilaterálních institucí a umělé stavby na sporných územích. Stručně řečeno, teoretická hloubková analýza toho, jak je kontrola nad Jihočínským mořem zásadní pro dlouhodobý čínský ekonomický růst a bezpečnost.
Klíčová slova
Jihočínské moře, Čína, Kraj, NÁS, Námořní, Napájení, Geopolitické
Keywords
South China Sea, China, Region, U.S, Power, Maritime, Geopolitical
Range of Thesis

123 pages, 30,102 words, and 169,868 characters.
List of Abbreviations

AMI – Asian Maritime Transparency Initiative

AIIB – Asian Infrastructure Investment Bank

ASEAN – Association of Southeast Asian Nations

CAFTA – China-ASEAN Free Trade Association

CCP – Chinese Communist Party

CPTPP – Comprehensive and Progressive Agreement for Trans Pacific Partnership

CSIS – China Shipbuilding Industry Corporation

CSSC – China State Shipbuilding Corporation

EDCA – Economic Defence Cooperation Agreement

EEZ – Economic Exclusion Zone

EW – Electromagnetic Weapons

GDP – Gross Domestic Product

LMC – Lancang-Mekong Cooperation

MSRI – Maritime Silk Road Initiative

NATO – North Atlantic Treaty Organisation
OBOR – One Belt One Road

ONI – Office of Naval Intelligence (U.S.)

P4 – Pacific Four

PCA – Permanent Court of Arbitration

PLA – People’s Liberation Army

PLAN – People’s Liberation Army Navy

RCEP – Regional Economic Comprehensive Partnership

SIPRI – Stockholm National Peace Research Institute

TPP – Trans-Pacific Partnership

U.S.–United States

UGW – Underwater Great Wall

UNCLOS – United Nations Conventions on the Law of the Sea

VFA – Visiting Forces Agreement
Declaration of Authorship

1. The author hereby declares that he compiled this thesis independently, using only the listed resources and literature.

2. The author hereby declares that all the sources and literature used have been properly cited.

3. The author hereby declares that the thesis has not been used to obtain a different or the same degree.

Prague _____ Aidan Britto _____
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Introduction

As we look deeper into the 21st century, U.S-Sino relations are becoming more globally crucial than ever before. A new and growing rivalry between two economic and military powerhouses has not only guided many scholars, intellectuals, economists, and political scientists to dedicate much of their research on this topic. Nevertheless, the increase of political engagement between both global powers has resulted in establishing new foreign policy plans, the creations of new multilateral organisations, and overseas land militarization. In sum, strategic methods were established to empower both sides in coinciding with the other.

Nevertheless, U.S-Sino relations are seemingly deteriorating. The universal differences between both states in terms of culture, history, philosophy, and geopolitical strategies, means that political relations between the pair can alter at any given moment.

Although it took the majority of the western world over one hundred years to transform from a rural to an industrial economy, China was fortunate to make this transition occur within thirty to forty years. A result of then General Secretary of the Chinese Communist Party Deng Xiaoping’s reform and opening-up policies during the mid-1970s.

Under Deng Xiaoping, China was ready to abandon the anti-capitalist revolutionary mentality from Mao Zedong supporters and open the country up to foreign trade and investment, mainly with the U.S and the rest of the globe. For these actions alone, the Cold War for China was ended during the mid-1970s and not the 1990s due to the U.S-Sino rapprochement that could integrate China into the U.S led liberal system successfully.

Generally speaking, geopolitical studies direct us to the assumption that with increased economic growth and military expenditure comes greater political power. China’s geographical size and their exponential population growth have perfectly intertwined with awakening what Napoleon described as the sleeping lion.

Furthermore, there could not have been a better time in Chinese history to inherit their current geopolitical position. As China’s rural to industrial transition was underway, during the mid to late 1970’s fundamental knowledge and information concerning the natural resources and vast amounts of hydrocarbons beneath the South China Sea seafloor began to surface via geological surveys.
Since the Second World War, a once-neglected sea had become highly contested for six countries, all laying historical claims to the vicinity’s archipelagos (a group of island chains). It was not until forty years later when Xi Jinping assumed office as the new General Secretary of the Chinese Communist Party in 2013. China began to transfigure itself into a modern-day maritime power.

Upon his appointment as the new leader of the People’s Republic of China, Xi Jinping quickly established himself as a dominant Chinese political figure. By embarking on a notorious anti-corruption campaign that targeted high profile governmental figures, military leaders, and business owners suspected of corruption. The success of his campaign served two functions for his future incumbency; 1. To increase party unity. 2. Lay the foundations for numerous domestic reforms to become a regional hegemon by wanting to liberate the South China Sea from U.S. influence and enable complete authority over sovereignty claims by pressurizing other competitor states.

The U.S’s renowned security interest in Southeast Asia dates back to the beginning of the Cold War in 1945, when Japan’s annexation of Korea led to the birth of Communist ideology becoming present in the region, later making its way into Northern Vietnam.

Moreover, China’s rise and increased power projection within Asia and globally under Xi began to concern the U.S. So much so that then U.S. president Obama and ex-Secretary of State Hilary Clinton formed a new foreign policy plan aimed at rebalancing Asia in 2012.

This new foreign policy plan was formally known as the U.S. Pivot to Asia, created to maintain power balance in the Southeast Asia region. Firstly the U.S. aimed to maintain positive economic and political ties with China as a rising power. Secondly, to assist multilateral organisations like the Association of South East Asian Nations (ASEAN) from becoming dominated by China and supporting regional states such as the Philippines from becoming prone to growing Chinese military presence and political aggression in the South China Sea.

A Potential U.S. failure to contain and prevent China from controlling the South China Sea has the result to jeopardize current and future U.S. foreign policy affairs by undermining their global hegemonic position at the hands of the China model.
Overall, with China becoming progressively close to becoming the world’s second superpower, surrounding the contested waters of the South China Sea to China poses not only an economic threat but also a security one, with the capacity to unsettle U.S political stability.

**Research Aim**

The research will explain the rapid rise of the People's Republic of China since Xi Jinping took office in 2012, Chinese militarization of the South China Sea, and why control of the South China Sea is detrimental to China's new geopolitical goals.

The overall goal is to add information from relevant sources and own research to conclude whether China can become the South China Sea hegemon in a region that is so close to their shore's, yet surrounded by strong external influence from the U.S.

Additionally, the study will also incorporate U.S. foreign policy initiatives to counter Chinese power projection in the vicinity to preserve their historical regional influence.

In Sum 'to gain control over areas in which oil exploration could prove commercially sustainable is of great importance for the countries bordering the South China Sea area. Such exploitation could make some countries self-sufficient in terms of oil production or reduce their need to import oil, depending on each country's needs.' Kivimaki (2002:P120).

**The South China Sea’s Geographic Location**

The South China Sea encompasses 1,423,000 square miles (3,685,000square km), with a mean depth of 3,976 feet (1,212 metres). La Fond (2019). Additionally, it can be located towards the west of the Pacific Ocean, Southeast from mainland China, and west of the Philippines, Malaysia and Brunei. Alongside east and South of Vietnam as can be seen in Appendix 1, Map 1.1.

**China’s Nine Dash Line**

When assessing China's geography, it provides vital information to understand its past, present and future geopolitical goals.
In Northern China lie both the Gobi and Taklimakan deserts, two inhabitable environments resulting from their cold draught climate. Towards the south of the country, China is blocked from reaching the Indian Ocean by the Himalayas, the world's highest mountain peaks. Thus China only has two routes to connect itself to the outside world through Central Asia and the East and the South China Sea.

China's maritime industry flourished for two thousand years through fishing, trade, sharing of knowledge with other Asian, and Powerful European Civilizations. With an open maritime policy, it never had an urge to control sea lanes or freedom of navigation emphasizing land until the mid-19th century. It began to gain greater independence from the European colonial powers.

China's idea of maritime sovereignty claims remained unprecedented until post world war two. Before forming the new People's Republic of China, China began to form an argument for historical territorial claims in the South China Sea by establishing a Nine-Dash Line on a map of the region's waters.

Controversially in February 1948, the Chinese government released a map of the location of South China Sea Islands, with the primary purpose of clarifying China's inherent territorial sovereignty under the post-war international order. Therefore, when publicizing the map with the "Dash-Line. China claimed sovereignty over all the insular features rather than the maritime jurisdiction.' Qiang and Zongqiang (2015: P2). For the first time in its history, China intended to control sea lanes and navigation freedom in the South China Sea.

**South China Sea Islands**

China’s Nine-Dash Line failed to serve any other purpose other than act as a buffer zone for pre-world powers of France, Britain and the U.S. (Philippines).’ Senftleben (2012: P163). Until the early 1970s, tensions escalated between the South China Sea basin states over the rightful sovereignty of disputed territories on top of the newly discovered natural resources.

This decisive discovery was able to renew the countries within the South China Sea periphery to acknowledge the real economic potential that the archipelagos have, without any significant power present. (China had still not developed into the power they are today).
In greater detail, the conflicts surrounded each central archipelago in the South China Sea:

1. The Paracel Islands
With over thirty islands and approximately 350km from China, the Paracel Islands are currently under Chinese administration after being seized from Vietnam in a one-hundred-minute war in 1974.

As Vietnam was historically divided into two independent states (North & South Vietnam). It was Northern Vietnam who supported China’s maritime claims against Southern Vietnam. However, just twelve months later in 1975, when Vietnam reunified into a single country, Vietnam began to reinstate their maritime claims.

While experts insist that there is no rightful owner of the Paracels, Vietnam’s argument is based ‘on the Nguyen dynasty occupation of the Paracels and Spratlys from at least the 17th century when the islands belonged to no-one.’

2. Spratly Islands
With no permanent human inhabitants and consisting of fourteen islands and spread out over a vast ocean area measuring some 158,000 square miles (409,000 square km). Pletcher (2015).

The Spratlys islands are the most contested archipelago in the South China Sea region with disputes over its sovereignty coming from six different countries: China, Malaysia, Philippines, Vietnam, Brunei and Taiwan.

In addition to the fact that the Spratly islands’ geographic position falls within China’s nine-dash line, China holds seven reefs in the Spratlys; their claims are established on the grounds of historical rights.

The Asian country continues to enforce their Spratlys rights by insisting that the islands have been theirs as early as the second century B.C.; exploitation and development followed. Finally, under the administrative jurisdiction of the Chinese Government, the islands were identified as Chinese Territory. China began to send naval ships to the South China Sea during the sixth year of Yuan-Den, (111 B.C.)’ Chang (1991: P403).
3. Scarborough Shoals
Located 120 nautical miles from Luzon, Philippines, the Scarborough Shoals is a rock found in Macclesfield bank in the South China Sea. It’s status as a Philippine land ended in 2012 after the Scarborough Shoal standoff. The incident began when Chinese fishing vessels decided to enter the disputed waters with the Philippines. As a result, tensions escalated ‘escalated when a Filipino warship attempted to arrest the alleged trespassers and became a two-sided military confrontation when naval units belonging to the PRC came to the fishermen’s defence.’ Kane (2014: P29). Furthermore, since 2014 China has begun to construct artificial islands around the Scarborough shoals, militarising it.

See Appendix 1, Map 1.2 for a detailed map of China’s Nine-Dash Line and the South China Sea archipelagos.

Hypothesis

1. China has a greater political, and economic influence in the South China Sea over other basin states than the U.S.

2. China has the economic and military capacity to challenge the U.S presence in the South China Sea.

3. China’s is power projecting in the South China Sea.

Methodology
Testing for social sciences is always a difficult task due to the simple fact of the inadequate tools to measure them, alongside the numerous unaccounted factors which can influence the outcome at any given moment. Due to the nature of the situation, and how politics works. The South China Sea conflict between China and the U.S. is not a new phenomenon, but an ongoing one that has caught the attention of many academics, and researchers.

Therefore, the methodology will consist of both quantitative and qualitative data. Furthermore, the essential information provided will be obtained from collecting primary and secondary sources of data. As trying to determine if China can overtake U.S. dominance in the South
China Sea, the study will involve analysing variables concerning the Chinese military, and financial investment growth patterns.

Moreover, the official government and large organisational websites will be utilized as the primary quantitative data sources. Additionally, the secondary sources of qualitative data will consist of reliable international literature, useful journal articles and up to date news articles.

The first hypothesis will be investigated by using information taken from academic literature, articles, and websites. Likewise, as the approach to this question involves analysing China’s regional influence, it will also contain quantitative data sources such as statistics to provide reliable financial data.

The second hypothesis will be tested using a combination of quantitative data through government websites, and credible international databases, with qualitative data from literature related to the topic to contrast and compare military and economic development between China and the U.S.

The approach towards the intervening variable of the third hypothesis will examine qualitative data. It will be tackled using satellite images of China’s artificial island-building, supported by academic writings to determine whether these new methods are useful for Chinese power projection in the South China Sea.

**Thesis Structure**

Subsequently divided into five chapters, each chapter will explore different methods in China challenging U.S. presence in the South China Sea.

**Chapter One:** The first chapter will provide an in-depth background analysis on how U.S. and China have established and intensified their regional politics in the South China Sea. This chapter will contain a literature review and examine alternative reasons behind Chinese evolvement into a maritime power, and historic U.S-Sino relations.
Chapter Two: This Chapter will investigate how China is looking to challenge U.S. influence among South China Sea countries by soft power. Multilateral institutions in the region, such as ASEAN, are reviewed, and China’s diplomatic relations can weaken U.S. international relations to strengthen their geopolitical objective.

Chapter Three: The third chapter of the thesis will explore how the CCP (Chinese Communist Party) under Xi Jinping has undergone various domestic reforms to fortify their geopolitical ambition focused on the People’s Liberation Army’s modernization Navy (PLAN). Moreover, it will apply primary and secondary data sources to compare, contrast the PLAN, and the U.S. navy.

Chapter Four: The fourth chapter will analyse Chinese power projection in the South China Sea by constructing artificial islands. Readers will understand the manufacturing of these artificial islands, their legality, purpose, and militarisation alongside opposition to their construction. Additionally, the chapter will also feature a case study between U.S-Philippine relations affected by China’s South China Seapower projection.

Chapter 1. Background information

1.1. Literature Review

The introduction of European colonization in the nineteenth century, the atomic bombings of Hiroshima and Nagasaki by the U.S, and the Chinese civil war are all few of the many innumerable conflicts that have transpired within and around the South China Sea region throughout its history, claiming the lives of millions of people. Generally speaking, the Western Pacific region has been a battleground of lousy blood for centuries. Therefore, the thesis shall be using literature provided by other researchers who have based their studies on a similar interest to mine to help paint a picture of Sino-US relations in the South China Sea.

While named the South China Sea, intellectuals such as Zou Keyuan note that the body of water is geographically shared between a further five countries. As he notes in his work, ‘the South China Sea ‘is surrounded by six states—China (including the People’s Republic of China and Taiwan), Vietnam, Philippines, Brunei, Malaysia and Indonesia.’ Keyuan (2006:P84
Advancing from this point, a critical piece of information surrounding the South China Sea basin states is the similarities of historical political developments involving their independent conflicts. For example, 1. Invasion, France’s 19th-century invasion and conquest of Vietnam as part of their expanding Indo-China for example. 2. Colonization, Philippines colonization by the Spanish in 1521. 3. Liberation, 1984 Brunei independence from Britain. 4. Revolutions. Most notably is the 1986 Philippines revolution.

Dubbed as the Peaceful Power revolution, the 1986 Philippines revolution surrounding Ferdinand Marcos’ overhaul as a dictator unintentionally sparked a chain of democratic events across the globe viewed in Professor’s Meneleo Bing D Litonjua’s research. At the epicentre of their research using a state-centred theoretical approach to describe the revolution. Litonjua (2005: P191) highlights that despite peaceful domestic protests of people power across the Southeast Asian islands, ‘it is no exaggeration to say that in its drama, coverage and popularity, it became the precursor to the wave of democratization that soon swept across Latin America and parts of Asia that culminated in both the Velvet Revolution of eastern Europe and student demonstrations of Tiananmen square.’

Needless to say that while the Philippines established a democratic system that is still in place today. Overall, it is fair to hypothetically theorize that the construction of the contemporary political world and the rise of western liberal ideas towards the end of the Cold War have been influenced by the events that have materialized in the South China Sea overtime. Between the mid-20th centuries until 1949, a combination of European powers, and Japan’s triumph over China in the opium wars caused China to descend into their infamous one hundred years of humiliation until Mao Zedong’s Communist party became victorious in the Chinese civil war. Alison Kaufman (2010: P2) examines the one hundred years of humiliation, and explains that ‘during this time China’s effective territorial control shrank by a third, its millennia-old imperial system collapsed and the country was given up by internal uprisings, invasion, and civil war.’

Moreover, other authors, such as Zheng Wang explain how Chinese elites have manipulated the one hundred years of humiliation to perceive the CCP (Chinese Communist Party) as the rescuers of modern-day China. In Zheng Wang’s work National Humiliation, History Education, and the Politics of Historical Memory: Patriotic Education Campaign in China.
He describes how Chinese national pride had been deeply wounded as a result of China’s humiliating experience with the western and Japanese incursions. Suggesting that the restoration of the nation’s central position on the world scene has thus become the most profound and active factor in shaping China’s modern and contemporary history. Wang (2008: P804).

In addition to this, other authors like Odd Arne Wested agree upon the CCP utilizing their national humiliation as a cornerstone to pave the way for their strategic geopolitical goals. Wested (2003: P1) states ‘The Chinese civil war was one of the key conflicts of the twentieth century. Its Communist victory determined the framework of Chinese history for several generations, and defined international affairs in east Asia during the Cold War and afterwards.’

During the one hundred years of humiliation for China, the territorial loss was a heavy hit for a country with great interest in expansionism. Therefore, since the establishment of the People’s Republic of China (PRC) under the CCP, China has looked to expand through various geographic zones, primarily through the South China Sea. In comparison, claims over the South China Sea in the contemporary world can be traced back to the 1950s.

It was not until Mao’s replacement, Deng Xiaoping who reassembled the Chinese economic structure in 1978, ultimately setting forth the beginning of Chinese geopolitical confidence—taken from Shum et al.’s (2020: P29) report to support this theory. ‘Deng gave the Communist Party a new lease on life and led it through the Economic Reforms of 1978, which bolstered the economy and sustained actual change. He also set about a new order within the Communist party. Much like the Emperors before him, his policies have shaped China’s political regime even until now, as modern political members are following in his footsteps.’ Furthermore, the result of discoveries of natural resources beneath the South China Sea seabed during the mid-1970s foresaw more significant political tensions in the vicinity over rightful claims to the South China Sea islands with the other basin states have continuously arisen.

The massive trade surplus is present in the waters there, a recent report, by the United Nations Conference on trade and development (UNCTAD) in 2016. The report states, “80 per cent of global trade by volume and 70 per cent by value is transported by sea. Of that volume, 60 per cent of maritime trade passes through Asia, with the South China Sea carrying an estimated one-third of global shipping.’ UNCTAD (2016).
Likewise, Professor Clive Schofield can reinforce this point by drawing attention to how the South China Sea ‘holds at least 3,365 species of marine fish, 55 per cent of global marine fishing vessels operate in the South China Sea, and some 12 per cent of global fishing catches take place here. Schofield 2017. Most notably, however, intellectuals such as Robert Ross exhibit in their work how the 21st century has been a turning point for China’s geopolitical goals as they have altered their strategy. Ross (2018: P19) declares that China has become the latest land power to go to sea in the twenty-first century. After thirty-five years of double-digit annual growth in its GDP and defence spending and significant technological modernization, China is building a large and modern naval fleet whose capabilities soon may rival those of the U.S. Navy in east Asia.’

This is true under the new leadership of current CCP General Secretary Xi-Jinping, who took power in 2012 the ambition of maritime dominance in the South China Sea rests on 1. Sea’s economic potential, allowing for an increase in other foreign policy initiatives, e.g. One Belt One Road. 2. growing Chinese dependency on the sea. To ease U.S. containment, and influence in the South China Sea region to gain total control over the previous two factors. In greater detail, since Xi’s ascent to power, he has set and is pursuing a geopolitical goal to turn China into what the U.S. currently is by 2050: A superpower.

Xi-Jinping’s declaration of a 2050 goal can be assisted in a Jasmeet Singh report regarding China’s 19th National Party Congress. Singh (2020: P2000) notes that ‘Xi outlined the ‘twin centenary objectives’: to become a ‘fully modern’ economy and society between 2020 and 2035; and acquire ‘great power’ status by 2050, coinciding with the centenary of the foundation of the PRC. Thirdly, China will complete the modernization of its armed forces by 2035, and achieve a world-class military by 2050.’

However, if China and the CCP are to be successful in their goals and have total control over the South China Sea, they have to deal with one key external influencer that has been present in the region for decades. The United States of America. As the PRC stature began to grow in Asia in the aftermath of the Second World War, Likewise did that of the U.S. following their victory over Imperial Japan, ultimately leading to the creation of two new international countries; North and South Korea.
Sung Chul Yang (2019: P132) historically describes how Korea split with ‘the former Soviet Union occupying the north, and the United States, the South.’ At the time, the Cold War was not as tense as it would be in the years to come. However, the idea of Communism within proximity to South Korea and so close to other nearby countries was enough for the U.S. to acknowledge that a country was now divided by two distinct political ideologies in this unique geographical situation. They needed to cement a geographical presence far from their shores to increase their global security in a world plagued by post-war economic stagnation.

To support this further, As Communism began to accelerate worldwide and into neighbouring countries of already Communist states. The Truman containment policy was created. The document’s overarching theme was that free society must reject an alternative way of life because tyranny denied human dignity, equality, and freedom—Spalding (2006: P184).

While unsuccessful in their attempts to combat the spread of Communism from Northern Vietnam into Southern Vietnam, U.S. presence remained in Southeast Asia due to economic progress that occurred in the region with the countries that failed to align with Marxists ideology as George Quester (1994: P37) identifies. ‘The dramatic economic growth and accomplishments of the “little dragons”? South Korea, Hong Kong, Taiwan, and Singapore? Was now to prove wrong the ideological assumption that Marxists had any superior wisdom on how to relieve poverty. ‘

The market-oriented approaches of the non-communist countries in east Asia achieved dramatic improvements. At the same time, Vietnam under communist rule, and North Korea (and China until economic reforms were adopted) fell far behind.’

The dissolution of the Soviet Union revolutionized the international system, as for four decades it was led between a U.S-Soviet cohesion. The world had not become uni-polar (A World where a dominant power faces no competition)—allowing the U.S. to have a more considerable hegemonic dominance in Asia than in Europe.

However, Western Europe and Asia’s difference is that western European states are more inclined to be resilient towards U.S. dominance. Whereas in Asia, Renato De Castro (2020: P343) states how ‘allies like the Philippines, Thailand, and Taiwan and, to a certain degree, Australia and New Zealand, were relative politico-military weaklings that were not in a position to deal with the United States on an equal footing.
As a result of this asymmetrical relationship, American hegemony took the form of suzerainty (a political concept used to define in this case countries like Philippines, Taiwan, Australia, who are granted a license to govern themselves domestically freely. Nevertheless, do not have such independence with their foreign policy controlled by their Suzerain, the U.S. in this scenario which is the only more powerful country). In Asia as a whole, American hegemony was almost unchallenged by any of Washington’s allies or its communist opponents.

Likewise, Renato De Castro further illustrates how without U.S. troops in the region, these politico-military weaklings are prone to aggregation from potential established powers in the region such as China. Consequently, ‘The United States is seen as good insurance against external aggression. This view stems from the fear that a power vacuum may result from a precipitous American military withdrawal.’ De Castro (2020: P344).

Furthermore, in regards to trade with these countries, authors like David Shambaugh (2013:P3) are quick to point out how ‘today the United States has more than twice as much trade with Asia than Europe. In 2012, U.S. trade with Asia totalled a stunning $14.2 trillion.’ Nevertheless, as previously mentioned Xi-Jinping’s appointment in 2012 has been the catalyst for China’s geopolitical growth. To impede possible China opposition to U.S. hegemony in the South China Sea, in 2012 under the Obama government, the U.S. introduced a new foreign policy directed at rebalancing its foreign policy with Asia, formerly known as the ‘Pivot to East Asia’. The main idea behind the Pivot to Asia is for the U.S. to engage with China in Southeast Asia, East Asia politically.

At the same time, they are being accused of attempting to contain China by Chinese officials. Academics believe that in reality ‘there is likely no greater challenge for American foreign policy than finding a way to sustain a strong, robust and productive relationship with China’ Campbell and Andrews (2013:P2).

When analysing possible containment accusations, economists such as John Ford counter Campbell and Andrews claim by insisting that ‘by putting Asia at the centre of its security strategy, the Obama administration inadvertently made the entire enterprise seem to Beijing like an effort to contain China militarily. This led China to respond by becoming more aggressive.’ Ford (2017).
However, other intellectuals go one step further and propose that the Pivot to East Asia has undermined the U.S. For example, Robert Blackwill & Ashley Tellis (2015: P5) believe ‘that “U.S. efforts to integrate China into the liberal international order has now generated new threats to U.S. primacy in Asia. Furthermore, it could eventually result in a significant challenge to American power globally.’

Unfortunately, predominantly sovereignty claims, power projections, and different ideologies do not make the best neighbours. Increased U.S-Sino tensions in the area have the potential to recreate another bloodshed conflict in the region ultimately. Control over the South China Sea is therefore crucial to the geopolitical security and stability of the U.S. and China, Hypothetically speaking authors like Pham (2017), predict that if warfare does become present between the two nations. ‘Not only will bodies be lying on the streets, globally, but jobs, markets, and investments will also be affected as well. E.g. Despite being more connected via international capital, over $5 billion worth of trade can disappear if military conflict falls onto the region.

1.2 Sino-U. S Relations

China’s Launch against a full-scale resistance of Japanese expansionism in their mainland country led to the Second Sino Japanese war commencing in 1937, divided into three distinct political regions, the Nationalists under Kuomintang representing the government lay in its centre. The Communists under Mao Zedong were present in the eastern region, with the Japanese occupied territories located in the east and northeast of the country.

Victorious on the united front from the Nationalists and Communists against the Japanese in 1945. Both sides were now free to engage in a civil war over China’s legitimate government

In November of the same year, President Truman sent General George Marshall as delegate whose ‘mission to China was driven by the growing rivalry between Chiang Kai Shek’s Nationalists supported by the U.S., and Mao’s Communist, favoured by the Soviet Union.’ Pogue (2020: Contents). Failure to reach an overall solution marked his attempt as an unsuccessful one, yet it also marked the first post-war diplomatic U.S-Sino relations.
After four years of conflict, the Chinese civil war was brought to an end in 1949 when the Communists were victorious over the Kuomintang led government nationalists, who eventually escaped to Taiwan.

Mao’s victory and renaming of the country to the People’s Republic of China, alongside their engagement with the Soviet Union, quickly received criticism by the U.S., who postulated that the newly founded country is rightfully Taiwan’s. The U.S. also issued a trade embargo and travel ban to China during the heightened years of the Cold war. It was not until the detente years of increased international cooperation during the 1970s when Sino-U.S relations began to improve. In this decade, China’s relationship with the Soviet Union became increasingly unsettled concerning what left-wing ideology was best to follow.

With the current situation of ‘China seeking to defend against the Soviet threat along its borders, the U.S. was trying to unsettle Moscow enough to make Soviet leaders more interested in détente with the United States. These two diplomatic elements went perfectly hand-in-hand with a potential Sino-American pact.’ Bao (2011: P3).

A turning point in U.S-Sino relations was the appointment of Richard Nixon as the U.S. president in 1969. Being the first U.S. president to visit China since its reformation as the People’s Republic of China. The main idea behind it all being ‘Richard Nixon’s and Henry Kissinger’s strategic calculation that China could make a significant contribution to the struggle against the Soviet Union.’ Bush (2015: P18)

During the following decade, improvements of U.S-Sino relations quickly became apparent when the Communist country allowed the western liberal culture to flow throughout their conservative nation. By the early 1980s, a significant surge of re-introducing the West started, bringing some liberalization of western philosophy, political thought, and literature. The Chinese media scheduled the programs to introduce western society, politics, and economy to the Chinese audience. Modongal (2016: P3).

However, with U.S-Sino being positive and expecting to continue well into the next decade, In 1989, thousands of Chinese students campaigned for greater democracy in Tiananmen Square, Beijing. Unfortunately, this concluded in a question of human rights as dozens of these students were mercilessly assassinated by the People’s Liberation Army on behalf of CCP in broad
daylight. The ramifications of such an event saw U.S-Sino relations suddenly weaken overnight.

The U.S. issued new sanctions towards China as it became clear that ‘both the Chinese and American governments knew that their friendship of the 1980s had ended. Moreover, after June 1989, Chinese and American leaders did not hold another summit until October 1997. Xuetong (2010: P267). With the dissolution of the Soviet Union in 1991. The political world was now unipolar with three major factors affecting U.S-Sino relations; Trade, Human Rights, and Security.

With Bill Clinton now sitting in the oval office in 1993 as the 42nd U.S. president, he remained hesitant to renew U.S-Sino relations unless China’s poor human rights record improved. Thus, not only to tackle but also improve China’s human rights record. The Clinton administration set about encouraging multilateral human rights efforts in expanding a U.S. international broadcasting program targeting China. Likewise, establishing a new program of U.S. support for human rights and democracy in China. Dumbaugh (1998: P24).

Furthermore, there remained a notion of discontent throughout the Chinese nation that western ideas undermined Chinese values and the cause of a national identity crisis. Authors and the media began to reverse their liberal western actions of the previous decade and implement new pro-Chinese attitudes that contributed to Chinese nationalism. A scenario where the people and governments of non-western civilizations no longer remain the objects of history, as targets of Western colonialism, but join the West as movers and shapers of history.’ Gries (2004: P41).

Equivalently, the growing domestic attitude of being inferior of western Liberalism towards the U.S. grew even more vital during the closing years of the twentieth century. President Clinton’s administration sought to deter the People’s Republic of China (PRC) from disrupting Taiwan’s presidential elections by dispatching the largest naval force to be deployed in the region since the Vietnam War.’ Goldstein and Schrizer (2001: P147).

During this period, two notable mentions that strained relations further were the U.S. bombing of the Chinese Embassy in Serbia. ‘On May 7, 1999, the Chinese Embassy in Belgrade was hit by five laser-guided bombs dropped by U.S. planes during a NATO bombing campaign. Three Embassy employees died with a further, and 27 wounded by NATO attack, and the Embassy
building itself was severely damaged. In the days following the bombing, U.S. officials offered several apologies for the attack, calling it a grave mistake and tragedy.’ Dumbaugh (2000: P2). With China describing it as a barbaric act.

The 2001 Hainan Island incident when a U.S. fighter jet collided with a People’s Liberation Army (PLA) firefighter jet in mid-air, was sparking an international dispute as to who was responsible.

Advancing into the twenty-first century, the topic of security remains a severe issue of U.S-Sino relations. In the first decade of the new century, China has successfully overtaken Japan to now have both the world’s second-largest economy and military force. This rapid transformation alongside an alternative political ideology makes it clear that China does not intend to integrate into a U.S. led liberal international system. Expectations of the long term Chinese opposition to U.S. security led former U.S. President Barack Obama to launch the Pivot to Asia in 2012. A realization that there is likely no likely significant challenge for American foreign policy than finding a way to sustain a healthy, robust, and productive relationship with China.’ Campbell and Andrews (2013: P4/5).

Since the U.S. Pivot to Asia, relations have intensified. Obama gained the label as the first U.S Pacific President for his foreign policy roles in the Western Pacific with China. Regarding China, with Xi-Jinping replacing Hu-Jintao in 2012, Xi himself has undertaken a rejuvenation project to make China a superpower by 2050.

Nevertheless, Obama and Xi enjoyed relatively close relations. Reminiscent of the Nixon and Mao talks mentioned earlier in the early 1970s, Obama hosted Xi at sunny lands, California, in 2013 to ease U.S-Sino tensions amidst a growing China with an ambitious geopolitical goal. The Sunny Land meeting was successful for the pair. ‘The two leaders moved one step further in their effort to nurture mutual understanding and trust. Each side tried to reduce the other’s suspicions. They agreed on some issues and still diverged on many others. The Sunny lands summit was an effort on both sides to develop a positive and cooperative relationship.’ Wang (2013: P78).
Twelve months later, Obama and Xi met yet again at the 2014 climate announcement to discuss the critical roles they could play in tackling the global climate. With both leaders agreeing to cut down on carbon emissions.

Despite what seemed as positive diplomatic relations between the Obama administration and Xi’s government, China faced criticism by the U.S. at the fourteenth annual Shangri-La Dialogue on Asian security. At the time of the Shangri-La Dialogue, China issued them up to date white detailing that the “traditional mentality that that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests.’ Lee (2018: P10).

This statement, along with China’s advancements of land reclamation in the South China Sea, was criticized by the U.S., who saw it as a means for China to bolster their territorial expansion in the region. Obama’s eight years in office and relations with Xi came to an abrupt with the aftermath of the newly elected U.S. President Donald Trump in 2016. Unlike Obama, who was considered the first U.S. Pacific President. Trump’s relations with China had taken an alternative route.

At the beginning of his tenure in 2016, Trump reinforced China’s One Policy government (the idea of one China, not two except the Republic of China in Taiwan). Relations between the pair quickly grew when in 2017, Trump planned to grow closer and invited Xi for a two-day visit to stay at his Mar-a-Lago estate, Florida—describing it as a success for achieving relations at a new high and claiming to make tremendous progress.

Trump concluded the summit by stating that in its aftermath: ‘The relationship developed by President Xi and myself I think is outstanding. We look forward to being together many times in the future. Moreover, I believe lots of very potentially bad problems will be going away.’ Trump (2017).

The irony of this statement is that between 2018 to present-day, the U.S. and China engaged in a trade war following Trump’s tariffs targeting China worth up to fifty billion following allegations of China’s theft of U.S. technology property. Xi retaliated in April 2018 by too placing tariffs on U.S. stocks.
Tensions of the trade war escalated within months, when ‘in July, August, and September 2018, the United States successively increased tariffs on a total of $250 billion in annual imports of Chinese goods, stating that it wished to safeguard U.S. companies from unfair Chinese practices and reduce the bilateral trade deficit. China responded with tariffs on $110 billion of imports from the United States.’ Selmi et al. (2020: P1).

However, the beginning of the end in the U.S-China trade war seems to have ended in January 2020 with a Phase One deal signed between them. A deal is easing tariffs towards each other. For example, China permitted to purchase up to fifty billion dollars’ worth of U.S. farm products.

While relations over trade war continue between the two countries, there have also been other incidents between the Trump administration in 2016 and present-day 2020 that have also affected U.S. China relations. In contrast, the South China Sea is in greater detail throughout this research paper.

Some of the other notable mentions are:

1. **Hong Kong protests**

Until 1997, Hong Kong was under British rule before being regiven to China under a one country two-party system. However, the introduction of China’s controversial Hong Kong extradition bill to remove the two-party system and control Hong Kong’s autonomy led to the Hongkongers’ demonstrations. who felt that the ‘extradition bill aroused immense public concern because of local citizens’ deep distrust toward the mainland legal system.’ Chung (2020: P58).

To safeguard their human rights from Chinese officials, the U.S. passed the Hong Kong Human Rights and Democracy Act in 2019. This act made it legal for the U.S. to prosecute individuals who violated human rights in the protests. Likewise, allowing the U.S. to conduct annual reviews by the U.S. ensures that Hong Kong has a high autonomy level. ‘Their message was straightforward: the U.S., and indeed the developed world, should side with Hong Kong to fight against the authoritarian regime for freedom, liberty, and democracy.’ Ng (2020: P490).
2. Huawei

Huawei is a Chinese multi technological company that is becoming widely popular in developing countries due to its affordable pricing and up to date mechanics rivalling U.S. technological giants Apple.


Huawei responded by suing the U.S. for banning its federal agencies from using their technology. However, Trump banned the Chinese multi-tech giants from operating in his country and urged others to do the same over fears that the Chinese government could use Huawei as a means for espionage.

3. Coronavirus:

As the world is currently dealing with the pandemic of the Coronavirus, The U.S. has been the worst-hit country suffering the most cases and deaths. It continues to blame the Chinese government’s failure to act when necessary.

On the other hand, ‘Chinese officials and state media have even insisted that the coronavirus did not emerge from China, and accused the U.S. military of spreading the Coronavirus in Wuhan.’ Campbell and Doshi (2020: P3).

Although governmental policies, scientific breakthroughs, transport changes are almost updating daily due to the novel virus. A report conducted by the Centre for Economic and Business Research (CEBR) has predicted that by 2028 China is expected to overtake the U.S. as having the world’s largest economy because of their exceptional handling of the virus by managing to avoid a recession compared to the U.S.

The report states that after “a strong post-pandemic rebound in 2021”, the U.S. economy will grow by 1.9 per cent annually from 2022-24 and then slow to 1.6 per cent in the years after that. By contrast, the Chinese economy will increase by 5.7 per cent annually until 2025, and 4.5 per cent annually from 2026-2030.’ Schomberg (2020).
1.3 China’s Growing Dependency On The Sea

The ability to broaden and expand religious beliefs, political ideologies, philosophy, trade, goods, people, empire growth, efficient travel, and so on around the globe through the world’s oceans and seas is what has made the maritime industry a key feature towards the development of human civilization to this day. As of 2020, up to 90 per cent of global trade is seaborne.

While the rapid transmissions of society under humankind has shifted the geopolitical importance from maritime power to territorial power throughout much of the previous century, within the last decade, the People’s Republic of China has decided to reinvest in its naval security in correspondence with the country’s dependency on the sea.

With China being the world’s second-largest oil consumer, but at the same time, the world’s largest oil importer. The importation of oil to China via the seas and oceans is the bedrock for its energy security. No energy security? No economic security, no political security.

Despite the numerous maritime routes into the South China Sea, the Strait of Malacca is the main antagonist in the china oil supply due to it being the shortest sea route from the Persian Gulf to the South China Sea. Incredibly ‘more than 90 per cent of crude oil volumes flowing through the South China Sea in 2016 transited the Strait of Malacca.’ Dunn and Barden (2018).

Moreover, suppose China is to live up to its title as the world’s factory and sustain its title as the world’s largest manufacturer and export of goods. In that case, it needs to keep running its refineries for economic security. As of 2020, a report conducted by Bloomberg, a company specializing in business, and data showed that China was dominating the oil tanker market, with approximately 127,00 oil crude oil supertankers heading towards China from the Middle-East. See Appendix 2, Graph 2.1.

Their report showed that almost a quarter of all supertankers underway globally were bound for China, based on Very Large Crude Carriers’ movements and Ultra Large Crude Carriers. The figure is the highest since Bloomberg started counting those types of ships together at the start of 2017.’

By the same token, when discussing economic security for China. Access to the Sea has become increasingly vital in securing economic security through their 21st Maritime Silk Road Initiative (MSRI). The MSRI route can be viewed in Appendix 1, Map 1.3, which depicts the
Initially introduced in 2013 by Xi-Jinping, and focusing on the development of hard infrastructure. The MRSI will entail constructing a ‘Special Economic Zone (SEZs), manufacturing plants, investments in shipping, construction, energy, commerce, information technology, biotechnology, and alternative energy. Beyond this, the MSRI will encompass trade fairs, exhibition halls, and other structures that facilitate and support economic activity along with the entire breadth of the MSRI.’ Blanchard and Flint (2017: P227).

Furthermore, China currently has the world’s largest population at 1.4 billion people, with 60 per cent of its populace disturbed around its coast. With the exponential amount of people, there is automatically going to be a high demand for food.

Evidently, over the past ten years, “China’s food imports have increased from approximately $6 million in 2005 to $300 million in 2015. China Power Team (2017).

Although China ranks number in agriculture output, it produces enough crops to feed its people, just enough to bypass the content line. Likewise, to bolster their food security. In 2016 a five-year plan was issued by China that aimed to achieve absolute food security and self-sufficiency. With overseas investments and the purchase of agricultural land around the globe. ‘China’s agricultural expansion has resulted in 6.6 million hectares of land acquired around the world over the past 15 years. In sub-Saharan Africa, China runs some two dozen Agriculture Technology Demonstration Centres, with more being developed.’ Gro Intelligence (2018). All brought in through the water.

China has produced more farmed food fish than the rest of the world combined every year since 1991. Since 2011, China has also been the world’s third-largest importer of fish and fish products from an economic perspective. Likewise, by far the world’s largest fish consuming country, China finished 38 per cent of the global fish total in 2015, with per capita consumption reaching about 41 kg, fuelled by growing domestic income and wealth.’ FAO (2018: P5/54/72).

Even though China’s geopolitical objectives have shifted since their new government in 2012, to actively seek their ideological goal of reinventing itself as a maritime superpower, China
needs to have the economic driving force to fund its future endeavours. E.g., military expenditure, technological advancements etc.

Therefore, in the current state of affairs, China will continue to increase its dependency on the sea. Reliance through maritime trade is the backbone to accelerating China into its desired geopolitical level status: Superpower.

In essence, sustainable energy security is crucial for China to establish sustainable economic security and grant access to increased self-sustainability to help manage a large community of people that can influence future objectives. E.g., a larger population with access to a better quality of life, alongside a robust, growing sustainable economy, would lead to a larger, well-equipped, better trained, and better facilitated military force. Similar to the U.S.

1.4 Economic Aspects Of The South China Sea

Since the end of the second world war, the South China Sea became neglected sea by much of the basin states that claim its sovereignty today. However, the discovery of hydrocarbons beneath its seabed in 1976 drastically changed South China’s importance.

In greater detail, the discovery of hydrocarbon reserves underneath the seabed consequently led to debates surrounding the actual quantity of oil and gas reserves underneath the seabed and China’s sovereignty claims regarding the many islands positioned in the area.

Interestingly using a geology-based assessment methodology, in 2010 ‘the U.S. Geological Survey estimated a mean of 21.6 billion barrels of oil and a mean of 299 trillion cubic feet of undiscovered natural gas in 23 provinces of Southeast Asia. With a 95 per cent chance, there are at least 750 million barrels of oil in the South China Sea province.’ Schenk et al. (2010: P1). These figures signify that the South China Sea’s large hydrocarbon quantity by default grants itself global recognition as one of the world’s largest oil fields with the label of being the Persian Gulf of the Sea.

Furthermore, the South China Sea annually accounts for over half of the world’s merchant fleet trade through its sea lanes. A report conducted by the United Nations Conference on Trade and Development in 2016 discovered that approximately ‘80 per cent of global trade
by volume and 70 per cent by value is transported by sea. Of that volume, 60 per cent of maritime trade passes through Asia, with the South China Sea carrying an estimated one-third of global shipping.’ UNCTD (2016).

These statistics emphasize the security of states that surround the South China Sea, e.g., China. Crucially depend on maritime trade to bolster their economies and security. Moreover, other current estimates suggest that up to 53 million businesses pass-through this Asian sea corridor annually.

Overall ‘to gain control over areas in which oil exploration could prove commercially sustainable is of great importance for the countries bordering the South China Sea area. Such exploitation could make some countries self-sufficient in terms of oil production or reduce their need to import oil, depending on each country’s needs.’ Kivimaki (2002: P120).

Chapter 2. Multilateral Institutions

Soft power is a geopolitical term coined by scholar Joseph Nye that is used to best describe a persuasive approach in diplomatic relations by economic cooperation, education, reputation etc. Nye elucidates soft power as relations ‘that occurs when one country gets other countries to want what it wants—might be called co-optive or soft power in contrast with the hard or command.’ Nye (1990: P166).

In addition to this multilateral institutions can be defined as organisations that are established between three or more nations that are financed by multiple governments, all working towards a common goal. Examples of these common goals include: Joint development projects, tackling socio-political issues in the developing world, economic cooperation and production and so much more.

When analysing how China is using soft power to enhance their sovereignty claims, and exert their influence in and among other South China Sea states that are prone to U.S. external influence. The following multilateral organisations can be assessed to determine growing Chinese diplomacy within the South China Sea region:
2.1 ASEAN (Association of Southeast Asian Nations)

Aimed at accomplishing increased economic cooperation and regional stability between its members. The Association of Southeast Asian Nations, more commonly known as ASEAN, was primarily founded in 1967 by five Southeast Asia nations; Indonesia, Philippines, Malaysia, Thailand, and Singapore. With membership enlarging by five since their formation. At present ASEAN accounts for ten member states. (Brunei, Cambodia, Laos, Myanmar, and Vietnam the new five).

Its introduction opposed the common belief that the gulf in development stages between its members would hinder the organisation's progressions. Nonetheless, since its formation, ASEAN has triumphed, enjoying a steady increase in overall GDP for eighteen years from 2000 to 2018.

The Southeast Asia region's total GDP in 2018 was almost double of what it was a decade ago (USD 1.6 trillion in 2008) and practically fivefold the value in 2000 (US$0.6 trillion). A similar trend occurred for the ASEAN GDP per capita, which reached the U.S. $4,601.3 in 2018, compared to 2010 at US$3,299.3. Almost four times its value in 2000 (US$1,195.0).’ ASEAN Key figures (2019: P29/30). Interestingly if ASEAN were a country, it would have the sixth-largest economy. In more up to date terms in 2019, 'the estimated total GDP of all ASEAN states amounted to approximately 9.34 trillion international dollars, a significant increase from the previous years.' Plecher 2020

For the most part, ASEAN has gone on to positively implement three critical pillars of political engagement between all its members: political cooperation, economic cooperation and security cooperation.

Its rapid expansion generated much success in the 1990s, generating two sub-regional organisations. Both offering distinct features:

- **ASEAN Regional Forum.** Established in 1994 and consists of 27 members. It concentrates on security development and cooperation to strengthen peace in the region.
ASEAN plus Three (China, South Korea, & Japan). Established in 1997, and consists of the ten original members alongside China, South Korea, and Japan. The main objective focuses on enhanced political, economic, and social development cooperation in east Asia.

ASEAN predominantly consists of small states with weak economies, fragile social systems, and inferior securities compared to other global powers. It is undeniable that when facing the People's Republic of China's immense economic power. The outcome will always remain constant, an uncompetitive nature of Chinese influence on the organisation's output.

The People's Republic of China and ASEAN have relished positive diplomatic relations since 1978 due to the U.S-Sino rapprochement where global tensions between the U.S. and the Soviets eased—indirectly granting a platform for China to begin to look at developing countries in Southeast Asia for economic and political cooperation.

Alternatively, it also changed Southeast Asian states' perception of China, too because of a Post-war Communist-run- Vietnam that would be free from American influence.

By 1996 China had officially become a dialogue partner to ASEAN. Early relations between the pair began to excel into the twenty-first century as ASEAN and China struck a trade deal. Business between them swiftly prospered at an annual growth rate of about 15 per cent since 1995, and it jumped by 31.7 per cent in 2002 to US$54.77 billion—Lijun (2003: P2).

Within twelve months of China becoming a dialogue partner, in 1997, an economic crisis erupted in Thailand that quickly spread into neighbouring economies that finally ended in 1999. China felt that a lack of U.S. economic aid in combating the regional recession meant a new monetary policy had to be drawn up and executed to decrease Asian financial dependency on the U.S.

China accepted that a new economic plan was necessary to avoid a similar event should it ever reoccur. The ASEAN economy would be in a better-suited position to tame the crisis. During the 5th China-ASEAN Summit in Brunei in 2001, China introduced the prospect of a free trade area with all ten ASEAN members, formally known as China-ASEAN Free Trade Association (CAFTA).
Within ten years, CAFTA was to take place with the framework agreement on comprehensive economic cooperation in 2002 between China and ASEAN, marking a new era of U.S-Sino relations.

Initially, the Framework Agreement consisted of five sub-agreements,

2. The Agreement on Trade in Goods effective, on 1st January 2005.
3. The Agreement on Dispute Settlement Mechanism, effective on 1st January 2005.
5. The Investment Agreement, effective on 15th February 2010.'

With CAFTA coming into effect as on 1st January 2010, China's interest in the organisation is motivated primarily by its national economic security considerations. Specifically securing supplies of energy and natural resources to fuel its continued domestic growth and promoting a regional market for its manufactured goods.' Chinn and Stubbs (2011: P279).

Likewise, with China generally excelling on all political fronts, it undoubtedly will draw attention to itself from ASEAN states with the perception of China's superiority being a threat to their stability. Therefore, it has become crucial for China to maintain deep ties with ASEAN to continue pursuing their geopolitical goals. Even more so with the 2012 Pivot to Asia.

One essential advancement in negotiations is the low labour cost advantage. Compared to ASEAN countries, Chinese low labour cost is gradually disappearing from a transformation and upgrade of industrial structures. 'ASEAN countries such as Vietnam and Cambodia have relatively poor economic development but are rich in labour resources and low in cost. Therefore, China can transfer China's labour-intensive industries to these countries through direct investment.' Huang (2019: P6).

Even more so, is the fact that CAFTA has continued to expand since its original introduction. As of 2016, with no tariffs on trade, deriving from CAFTA a third ASEAN subgroup formed: ASEAN +6 group. The six being China, South Korea, Japan, Australia, New Zealand, and India.
Astoundingly since the start of the new decade in 2020, ASEAN has overtaken the E.U. and the U.S. as China's largest trading partner. With 'ASEAN-China trade increasing by 6 per cent year-on-year to US$140 billion and accounting for 15 per cent of China's total trade volume. China's imports from Vietnam and Indonesia rose by 24 and 13 per cent, highlighting the increasingly integrated supply chains between the two regions' Medina (2020).

By the same token in terms of security ties with ASEAN, in 2018, China embarked on joint naval drills with ASEAN to help gain support in contention with increased U.S. maritime presence in the South China Sea. Although initially a six-day exercise, security ties between China and ASEAN did not materialize as they did in comparison to U.S-ASEAN security ties.

To elaborate on this point, China's soft power approach to win Southeast Asian states in South China over from the U.S. through economic and cultural persuasion is a difficult task mainly when U.S-ASEAN relations date back to a time similar to the birth of Sino-ASEAN relations.

During the late 1980s and 1990s when U.S-ASEAN relations intensified as Soviet-Sino conflict was heightening in the region, communism was prevailing. 'U.S.-ASEAN security cooperation was reinvigorated during this phase and took the following forms: a) increased and regular dialogue at ministerial and official levels; b) exchange of intelligence; c) increase in U.S. security assistance; d) the initiation of regular and relatively large scale combined exercises; e) increased military-to-military contact; f) U.S.support for ASEAN's Cambodia policy, and g) acceptance and support for U.S. military presence in Southeast Asia.' Alegappa (1989: P3).

The rapid development of Southeast Asia economies was a significant factor in attracting interest in the region. Under the first Bush administration, and his policy of a new world order based on universalized liberal norms and pressuring non-western countries to democratize. 'ASEAN's significance for U.S. foreign policy decreased markedly during the 1990s (Acharya 2006), and relations with the European Union became increasingly acrimonious.' Jetschke and Ruland (2009: P17).

The year 2002 proved to be a historic one in U.S-ASEAN relations when his son George Bush laid the foundation for future U.S-ASEAN collaboration projects to be undertaken.
Within his first tenure as the forty-third president of the U.S. U.S-ASEAN were allowed to progress by introducing the U.S. funded ASEAN Cooperation Plan (ACP). A designated plan whose sole purpose was to strengthen ties between the pair primarily. More specifically, it was a U.S. funded initiative to support the ASEAN secretariat. Build regional capacity to address transnational challenges, like the war on terror, trafficking in persons, and pandemic and infectious diseases; and foster economic integration.' Weatherbee (2008: P38).

Bush's U.S-ASEAN relations quickly escalated to the point that by 2008, the U.S became the first non-ASEAN member to have an ambassador within the organisation. They launched their first mission in Jakarta, Indonesia 2010, to provide a venue for regular engagement and continuous cooperation, two years before China's first ASEAN 2012 mission in Jakarta.

The next stages of U.S-ASEAN developments arose from the reign of Barack Obama in 2008 alongside his secretary of defence Hilary Clinton who signed the Treaty of Amity, and Cooperation in Southeast Asia. The treaty intended to promote cooperative peace between the Southeast Asia nations, which described 'ASEAN as a fulcrum for the region's emerging regional architecture.' (Clinton, 2010).

Obama's government was also able to oversee China overtake Japan to become the world's second-largest economy, alongside being crowned the world's largest manufacturing country. For the Obama government, it became clear that improving soft power diplomatic ties with ASEAN can contain China. A notable attribute of U.S-ASEAN relations under Obama was his attempt in advancing regional order by setting new standards towards the end of his presidency in 2016. He became the first-ever President to host an ASEAN summit with ten Southeast Asian leaders in the U.S. to discuss democracy and cooperation.

Unfortunately, despite Obama's hard, dedicated work in U.S. ASEAN relations was quickly diminished upon Donald Trump's inauguration as the 45th President of the U.S. A change in U.S. domestic politics became strong enough to enforce a change in U.S. foreign relations.

Unlike his predecessor, Donald Trump's leadership abilities for U.S-ASEAN relations have been questioned by the Southeast Asian multilateral institution who felt that his absence from two continuous U.S. ASEAN summits had shown a lack of commitment.
While dismissing these accusations, and reassuring ASEAN of U.S. interest, Trump's failure to yet again attend the ASEAN summit in Bangkok, Thailand in October 2019, had unfortunately for the U.S. paved the way for China to raise their profile with ASEAN. Which as mentioned, is now ASEAN largest trading partner.

To support this claim further, a 2019 Survey conducted by 'Singapore based ISEAS Yusuf Institute found that an overwhelming majority of Southeast Asian elites characterize China as the most influential country in the region. But most agree with Trump. The United States has been less engaged in their region. This lack of engagement has motivated Southeast Asian governments to look elsewhere, namely in Beijing, for political and economic support.' Dunst and Marston (2019).

And so to cause further damage to U.S. fears of China's growing influence in the South China Sea by peaceful power negotiations. ASEAN member states are too economically reliant on Beijing. When focusing on U.S-ASEAN security ties, their relationship is geopolitical and vital for both sides concerning China's growing power projection in the South China Sea.

Firstly, the U.S. has intensified bilateral security cooperation with ASEAN members. A prime example of this is the 2014 Economic Defence Cooperation Agreement (EDCA) that allows the U.S. and the Philippines to operate high-impact and high-value security cooperation exercises, joint and combined training activities that promote interoperability, and capacity building.

Secondly, U.S-ASEAN military ties have been enlarged due to joint naval drills in 2019 and upgraded the maritime presence to rival Chinese antics and illegal sovereignty claims in the South China Sea.

Thirdly, the United States has increased its military sales to ASEAN countries. In June 2019, it announced 34 Scan Eagle drones to Malaysia, Indonesia, the Philippines and Vietnam. In a sign of restored bilateral military relations.' Lan (2019).

In sum, the U.S. and ASEAN enjoy military ties, and it looks to become a key feature for future relations. The economic potential of U.S-ASEAN relations is degrading. For China under Xi-Jinping and other government elites, elites are capitalizing on this, begun to construct new
economic-based projects involving South China countries through a means of economically winning over these nations from the U.S. presence in the vicinity by soft power techniques.

### 2.2 Lancang-Mekong Cooperation (LMC)

The Lancang-Mekong Cooperation (LMC) was established in 2015, incorporating six Southeast Asian states, with three of its members belonging to the South China Sea periphery; China, Thailand and Vietnam.

A project solely based on infrastructure the LMC is concerned with effectively coordinating China’s One Belt One Road (OBOR) project in Southeast Asia. With the Chinese government investing $20 billion on technological advancements, trade, agriculture, etc.

Although it does not directly involve all states found in the South China Sea, the LMC’s significance concerning the South China Sea is the opportunity it grants China to implement new measures for deeper economic, and geopolitical relationships with other Southeast Asian nations. A potential incentive that could turn out to be a decisive factor in counterbalance U.S. regional initiatives in the South China Sea region.

It is important to note that since the LMC involves Southeast Asia countries which are too incorporated with ASEAN, LMC is being used as means for China to win over ASEAN members through assistance in development corporations when it is a dialogue partner and not a primary ASEAN member.

To strengthen this argument, here is a brief case study concerning both Cambodia and Laos; two newer ASEAN members. The LMS has allowed China to become Cambodia’s largest financial backer by a wide margin, pumping in $12.6 billion in 2017 alone. In Laos, Beijing is bankrolling the $7 billion China-Laos railway project, extending almost 260 miles from the Chinese border to Vientiane, a project that amounts to almost half the country’s GDP.’ Stromseth (2019: P3). Inevitably signifying to a certain extent, that through financial obligation China consequently possesses much political leverage over Cambodia and Laos.

In a nutshell, China’s politically constructed bridge for these less developed countries to seek refuge with China has helped to cement their sovereignty claims in the South China Sea. As
just mentioned, Cambodia is the largest financial receiver and has also come to support China’s sovereignty claims in the South China Sea. For example, in 2015 ‘Cambodia threw its support on China’s position on settling South China Sea disputes, arguing that territorial conflicts should be tackled between claimants and not involve the regional ASEAN grouping.’ Chan Thul (2015). This statement can easily grant the assumption that through alternative projects such as LMC and OBOR, China may be ASEAN’s largest trading partner, and economically benefiting from their existence. However, it is slowly coming to manipulate the organisation through interdependent relations with ASEAN members outside of ASEAN.

In socio-political terms, the introduction of the LMC has improved China-ASEAN relations such as the constructions of new and improved power grids, railways, and infrastructures. ‘are all framed within China’s Belt & Road Initiative (BRI) and ASEAN’s connectivity plan for 2025.’ Busbarat (2018: P3).

However, in economic, and security terms, China seems to be successful in the pursuit of causing internal ASEAN divisions for their geopolitical interests. The lack of unity from the organisation in facing China’s power projection in the South China Sea due to members’ economic relations with China outside of ASEAN is becoming an issue.

A useful case study to support this claim is that of Singapore. During the 32nd ASEAN summit April 2018, Singaporean ambassador-at-Large Bihari Kausikan questioned ‘the efficacy and relevance of ASEAN’s consensus principle’ because ‘decision-making by consensus degrades ASEAN’s ability to act on controversial issues.’ Jusoh & Mohd Ali (2019: P17). Although, this statement is neither in favour of China’s action nor ASEAN’s response to the South China Sea antics, at the 36th Chinese naval escort taskforce held a joint naval exercise with the Singapore navy in waters near Singapore on February 24, 2021. the exercise resulted from a consensus reached by the navies of the two countries to enhance mutual trust, deepen friendship, promote cooperation and jointly promote the building of a maritime community with a shared future. Xiaoliang & QianXiaohu (2021).
2.3 Asian Infrastructure Investment Bank (AIIB)

Launched in 2014, and headquartered in Beijing with 76 members and a Capital base of 100 billion dollars. The Asian Infrastructure Investment Bank (AIIB) was created as an outcome of China ambitiously working to resolve the Asia Development Bank statement and Asia’s dilemma needing eight trillion dollars in national infrastructure between 2010 and 2020. With the standards of the AIIB boasting a strong flavour of multilateralism. The AIIB is the first international development bank initiated by Asian emerging and developing countries.’ Gu (2017: P154)

One of the main intentions behind the bank’s innovation was for China to offer an alternative financial system to the U.S. dominated International Monetary Fund (IMF), The World Bank and Bretton Woods. Nevertheless, even though China has heightened their interest in the region to become ASEAN’s trading partner, working closely and finance, the organisation does not necessarily mean it is an ASEAN bank. The AIIB is part of China’s One Belt One Road Initiative to encourage Chinese investment in developing countries.

Similarly, the bank aims to achieve about $500 million in total equity contributions; its reserved capital is far from meeting the region’s development needs. The ASEAN countries voice another critical concern regarding whether China would attempt to use the bank as an economic tool to pursue its national interests.’ Daksueva & Yilmaz (2019: P115).

Nevertheless, even though China has heightened their interest in the region to become ASEAN’s trading partner, working closely and finance, the organisation does not necessarily mean it is an ASEAN bank. The AIIB is part of China’s One Belt One Road Initiative to encourage Chinese investment in developing countries.

2.4 Comprehensive And Progressive Agreement For Trans Pacific Partnership (CPTPP)

Formerly known as the Trans-Pacific Strategic Economic Partnership founded in 2005 by four Pacific rim states; Brunei, Singapore, New Zealand and Chile. It became known as the P4. The
goal of the P4 was to use free trade, and reduced tariffs to increase economic activities between the members.

The success of the P4 lay the foundation for the future of the organisation, so much so that by 2016 now consisting of twelve members (including three South China Sea basin states; Brunei, Malaysia and Vietnam) it re-emerged as the Trans-Pacific Partnership (TPP). The TPP was designed to promote free trade, investment, human rights, good governance and much more between all its members.

Since its foundation and re-emergence, the institute's extensive and successful economic pull has attracted interest from other Pacific states, particularly the U.S. and not China. After an initial nineteen rounds of negotiations that began in 2008 under the Bush administration's penultimate months, into the end of Obama's tenure ship in 2016. The U.S. successfully signed the pact resulting in the TPP to become a twelve state member institution now.

For all the Asia-Pacific countries involved, the TPP is economically crucial as it comprises approximately forty per cent of global trade and investment. 
Its vast financial potential was why the then Obama government prioritized it most when conducting future geopolitical goals in the Asia-Pacific area.

In greater detail, Under Obama, U.S. membership and financial input towards the TPP was built upon the assumption that by opening up new doors of economic reforms, labour movement, and improved environmental standards, the organisation would place pressure in a China-led environment.
As Obama Quotes during his time as the forty-fourth President of the U.S:

'That is why we have to make sure the United States—and not countries like China—is the one writing this century's rules for the world's economy. . . . Right now, China wants to write the rules for commerce in Asia. If it succeeds, our competitors would be free to ignore basic environmental and labour standards, giving them an unfair advantage over American workers. We cannot let that happen. We should write the rules.' Lind (2018).

According to Obama's government, a U.S. and TPP collaboration would help contain and curb China's rise in the Indo-Pacific and South China Sea region from the economic perspective that
it would initiate reduced market tariffs. Alongside increased investments that would spike Southeast Asian consumerisms allowing for U.S. exports to thrive in the Indo-Pacific over Chinese products.

Furthermore, the TPP involves countries that account for 36 per cent of global output and 24 per cent of world merchandise trade (exports and imports). Signifying that the TPP can generate permanent real income gains of 0.5 per cent of baseline GDP - a vast number. Most importantly, U.S. participation in the TPP reassures the region of an ongoing U.S. presence and that the Asia-Pacific will continue to be accorded priority to U.S. foreign policy. Schott (2013: P14).

Even though China is not an active member of the TPP, it does maintain a vast amount of trade with TPP members, especially the three South China Sea basin states of Brunei, Malaysia and Vietnam. The trade relations between China and the TPP are unfortunately enough to threaten U.S. geopolitical goals in soft power diplomacy.

Therefore to counterbalance China and TPP trade, U.S. trade with TPP countries was more than $1.5 trillion in merchandise in 2015 and more than $276 billion in services in 2014. The most recent periods for which data are available. The flow of U.S. foreign direct investment (FDI) into TPP countries totalled $61 billion in 2014, while TPP countries invested nearly $59 billion in the United States. The TPP would become the largest U.S. FTA by trade flows. Fergusson & Williams (2016: P9).

Nevertheless, Obama's aspiration for the U.S. to spearhead global trade in the South China Sea region via the TPP came to an abrupt end on the first day of newly elected President Donald Trump's first full week in office. Trump was under the impression that the TPP would increase U.S. manufacturing jobs outside of the U.S. and enlarge the already U.S. trade deficit.

Thus, President Donald Trump signed a memorandum directing the United States Trade Representative (USTR) to "withdraw the United States as a signatory to the [TPP and] . . . from TPP negotiations." As the document stated, "[the new] Administration intends to deal directly with individual countries on a one-on-one (or bilateral) basis in negotiating future trade deals." Yu (2017: P98/99).
As Trump distanced the U.S. from the TPP, the TPP evolved into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). A potential next-generation trade organisation, to direct the Asia-Pacific region that for Trump and the U.S., now meant that future reintegration would not allow the U.S. to accustom themselves to a framework led by others.

However, as the U.S. quit the CPTPP, it granted China the opportunity to walk through a left open door that motivated China to declare interest in the organisation both publicly and privately. A prime example of this occurred during the June 2020 National People’s Congress when Premier Li Keqianq stated ‘China has a positive and open attitude toward joining the CPTPP.’ Cutler (2020: P14).

To examine China’s considerations for CPTPP membership further, firstly the idea that there is no U.S. influence to challenge in the first place. ‘Secondly, it could help reduce China’s reliance on the U.S. market and its vulnerabilities to further tariffs and other sanctions, and thirdly and finally, it could be a great public relations coup for Beijing to show the world that it is serious about trade liberalization and structural reform while the U.S. slips further into protectionism.’ Cutler (2020).

Although no formal application to join the CPTPP from China has been launched, China has been pivotal in developing the Regional Comprehensive Economic Partnership (RCEP) in 2020. A new organisation between Asian and Australian states to reduce tariffs and increase business.

Hypothetically speaking had the U.S. not left the CPTPP, China would have had to consider alternative factors to ensure that Indo-Pacific's global and economic regional system would not be U.S. led. Withdrawal from the U.S. removed Chinese fears of creating an alternative political system to accommodate regional changes.

However, it is essential to note that even when the U.S. did join the TPP in 2016, creating possible dismay of South China Sea countries, and Southeast Asian states becoming economically dependent on the U.S. In reality, the effects of the TPP on China were surprisingly limited.
Chinese exports and total production continued to increase due to ASEAN relations, alongside large trading partners and demand of Chinese products with Europe, Africa, Latin America and the U.S. itself. From the global value chain view, it is impossible to leave China out of the world's biggest trade deal. Given China's investment in the TPP developing country members such as Brunei, Malaysia, and Vietnam. It can develop products that will find their way into the U.S. market via TPP intermediaries.’ Chunding & Whalley (2016: P 14).

Furthermore, if China were to become the organisation's twelfth member someday, it would add huge financial gains to the multilateral institute. As 'the CPTPP,' it would generate global income gains estimated at $147 billion annually in its current form. However, if China were to join, these gains would quadruple to $632 billion, or a quarter more than in origin nevertheless, TPP with the United States.' Petri & Plummer (2019:P1).

Many Chinese elites believe that China is already the world's largest trader and that not only does the CPTPP need China more than China needs them. Additionally, due to their trade status, it has already signed other bilateral and multilateral agreements such as CAFTA with ASEAN and should promote its OBOR initiative.

Overall joining the CPTPP or having a large, influential part on its future endeavours and members in the Asia Pacific region would most likely be a tool that China could use in the South China Sea.

2.5 The Regional Comprehensive Economic Partnership (RCEP)

Comprising ten ASEAN members alongside five regional countries; Australia, New Zealand, China, Japan, and South Korea the Regional Comprehensive Economic Partnership (RCEP or RCEP15) was founded on 15th November 2020.

RCEP15’s creation saw it become the world’s largest trade pact. Focused on lowering tariffs and increased economic integration with all member states based on the fact that it involves just under a third of the world’s population and has a robust ASEAN centrality, an essential ingredient for potential Chinese dominance of the organisation.
To elaborate on this point further RCEP15 will add $186 billion to the world economy and 0.2 per cent to its members GDP on a permanent basis. These benefits will go mainly to China with gains of $85 billion.’ Petri and Plummer (2020: P11).

In terms of RCEP’s impact on Sino-U. S relations around the South China Sea, as already discussed Trump’s willingness to withdraw the U.S. from what was Obama’s focal point with the Pivot to Asia, the Trans-Pacific Partnership (TPP) left a void for China to fill in trade agreement concerning the Pacific region.

Unfortunately, the U.S. ‘find themselves in a situation where they are no longer involved in either of the two major trade agreements in the region, the RCEP and the CPTPP. Its absence encouraged members from both organisations to look elsewhere for regional leadership, China in the case of the RCEP, and Japan in the CPTPP.’ Reinsch (2019).

The newly elective presidency of Joe Biden for the U.S. at this moment in time does little to suggest he would counter Trump’s actions and attempt to re-join any of the two major trade pacts in the South China Sea region. Evidence of this is related to Bidens U.S. economy briefing with economic advisers in Delaware in November 2020. Biden explained how he could not disclose any U.S. trade policy plans as he had not yet taken office.

However, with relation to the U.S. economic output, Biden detailed how; “We make up 25 per cent of the world economy, another 25 per cent or more so that we can set the rules instead of having China and others dictate outcomes because they are the only game in town.” Lawder (2020)

See Appendix 3, Image 3.1.

**Chapter 3. The People’s Liberation Army Navy (PLAN)**

**3.1 China’s Headquarter Reforms**
Titled China’s Military Strategy, in 2015, the People’s Liberation Army (PLA) introduced their new National Defence White Paper exhibiting how there would be a change in Chinese military tactics. More specifically highlighting the safeguarding of maritime rights.

A vital detail of the document being the Chinese military system’s reformation, completed in 2020, China has reshaped its previous seven military regions into five military regions. Such changes now allow Xi-Jinping, the Central Military Commission’s Chairman, to control the national military. In addition to this, the reforms intend to increase China’s capability to undertake joint operations, crossing service lines.’ Tiezzi (2016). The Chinese military system’s reformation is expected to introduce a more outstanding mobile, agile, and efficient range of military personnel capable of contributing to China’s maritime goals.


In doing so, it is defending their power projection in the Indo Pacific by ‘exercising its national sovereignty to build infrastructure and deploy necessary defensive capabilities on the islands and reefs in the South China Sea.’ Kania (2019).

On a separate account regarding the 19th party congress in October 2017. Xi Jinping called attention to his desire that ‘by 2020; the modernization of military theory, organisation, personnel, and equipment by 2035; and become a world-class military by the middle of the 21st century.’ Blasko (2017: P348). An affirmation that shows under Xi Jinping, China has military ambitions to become the world’s number one global military force in a unipolar world system.

3.2 China’s Maritime Reforms

Since 2009 China has begun to implement a range of diplomatic, economic and military tactics to reinforce its maritime territorial claims, and control over disputed grounds in the South China Sea.
A significant turning point occurred at the 2012 National Congress of the Communist Party of China. Co-written by Xi Jinping, and former Chairman of the CCP Hu Jintao, they announced their desire to transition the country into a maritime power. stating: “We should enhance our capacity for exploiting marine resources, develop the marine economy, protect the marine ecological environment, resolutely safeguard China’s maritime rights and interests, and build China into a maritime power.” Bowers et al. (2019:P19).

Their desire received positive feedback from Chinese officials who too shared this belief that ‘building China into a maritime power is an essential path to the sustained development of the Chinese nation and [achievement of the status of a] global power.’ Jun’ichi (2014:P2).

Moreover, with the Chinese political system labelled as fragmented authoritarianism, A system that ‘has created space for autonomy, loopholes for bargaining, and hopes for democratization.’ Lieberthal (2014). Chinese authorities began to fabricate new institutional reforms through a stepwise design that increased communication and organisation to marshal a more robust maritime power. The new top-down approach succoured the creation of the following maritime groups:

The first significant change to China’s maritime reforms was the introduction of The Central Maritime Rights Protection Leading Small Group in 2012. Founded by Xi-Jinping, and selected from seventeen relevant government branches, each classifying themselves as an informal body. Their responsibilities consisted of gathering information, practical state cooperation. Most importantly it vowed to deliver and submit essential policy issues to the Politburo Standing Committee (the executive committee for the CCP), which also oversees the larger central committee’s actions.

Altogether, the organisation’s functions are 1) to formulate strategies to advance China’s maritime rights and interests; 2) to coordinate policy among numerous state entities in charge of maritime affairs, and 3) manage growing conflict with other countries over disputed maritime territories. Glaser (2015).

Secondly, in 2013, China’s security was restructured to aid Xi Jinping counter what he believed to be a more hostile international system. He believed it was best for China to reform
its national security to straighten a unified central leadership to achieve this ultimately, and so China established The National Security Commission.

Likewise, in the same calendar year, The Consolidation of Maritime Enforcement Agencies at the National People’s Congress in 2013 was established. Designed with a new strategy to combine independent maritime agencies under one singular maritime body, the organisation’s objective looked to guarantee a strong foothold for Chinese rights regarding their territorial claims in the South China Sea.

In addition to this, The National Oceanic Administration (NOA), which already oversees marine surveillance, took over the Public Security Ministry’s coast guard patrols, the Agriculture Ministry’s fisheries patrols and the General Administration of Customs’ anti-smuggling efforts. Ng (2013).

Likewise, Sino Map, the only Chinese map publishing company in the country, issued a new national map based on China’s enlarged domestic support depicting the South China Sea as an integral part of China. A decisive move to boost future education, and national support with its populace into believing that the South China Sea is rightfully China’s and not an area of contested sovereignty between several countries.

Despite Sino Map angering the Filipinos, ‘the significance of China’s latest map of the South China Sea lies not in its ten-dash lines but the naming of numerous features in the South China Sea that had not been listed on previous maps. China appears to be laying the ground for claiming sovereignty of every feature, such as reefs, shoals as well as rocks, islets and islands.’ Callar (2013).

Lastly, when moving away from domestic maritime reforms in China. As of January 2014, Hainan’s Chinese province executed new measures to align Hainan maritime enforcement with historic Chinese finishing laws. Assuring that if any foreign vessel ought to fish or have any access to Chinese territorial waters, Chinese authorities’ approval is obligatory. ‘Hainan now claims to administer approximately 770,000 square miles of the South China Sea, including the contested Paracel Islands, Spratly Islands, Macclesfield Bank, and Scarborough Reef.’ Murray and HSU (2014:P2).
3.3 People’s Liberation Army Navy’s Tactical Change

As China’s naval budget has annually increased over a twenty-two-year period from 1998 to 2020, The People’s Liberation Army Navy’s (PLAN) primary objective before Xi – Jinping’s reforms centred on nearshore operations. These operations sought to promote light and medium naval forces in preventing enemy endeavours on China’s shores and countering riverine operations in inland waterways.

The PLAN’s mentality and prioritization of nearshore operations was a mind-set adopted for the Chinese arsenal’s power at the time. The majority of Chinese heavy weaponry ships were imported and purchased from former Soviet bloc countries such as Russia and Ukraine. For example, ‘China in 1996 ordered two sovremenny class destroyers from Russia: the ships entered service in 1999 and 2001. In 2002 China ordered two additional sovremenny – class destroyers Russia: the ships entered service in 2005 and 2006.’ O’Rourke (2010: P10).

In retrospect 2008 was a pivotal moment in PLAN history when the Chinese government became involved in anti-piracy operations in the Gulf of Aden. Somali Pirates in the Gulf were targeting and harassing Chinese merchant ships crossing through the Horn of Africa. Minor incidents interpreted as an attack on the Chinese economy.

Significantly with China’s overseas anti-piracy actions that granted them popular international support for their efforts. It was ‘the first time in its modern history that China had deployed naval forces operationally beyond its immediate maritime periphery for extended durations, to protect merchant vessels from pirates in the Gulf of Eden.’ Strange (2015: P72).

China’s opportunity to exhibit far shore operations for the first time in the modern-day benefitted the PLAN admirals and officers by gaining valuable sea battle experiences afar. It assumes that China is now willing to expand its missions and tactics to protect national interests that are not defined by geography.

3.4 Expansion Of Chinese Ship Building
Fast forward to 2021, and the demand from Chinese defence manufacturing companies and Shipbuilding companies has also played an essential role in developing Tactical changes.

Regarding Chinese defence manufacturing, in 2018, not a single Chinese defence company was named in the top 100 global defence firms. Within the space of twelve months in 2019’ six Chinese defence firms are among the world’s top 15, with Chinese companies occupying eight of the top 25 spots. The U.S. has not faced a competitor with a Gross Domestic Product (GDP) greater than 40 per cent of its own in more than a century. China’s GDP is currently around 63 per cent of that of the U.S.’ Pickerel (2019). A speedy transmission within a short space of time.

The manufacturing of shipbuilding in China was dominated by two major domestic enterprises China Shipbuilding Industry Corporation (CSIC) overseeing government ship building yards, the Northern and Western parts of the country, and the China State Shipbuilding Corporation (CSSC) operating ship building businesses in the South and Eastern regions of the country.

Nevertheless, with the intention to increase competitiveness of military and civilian ship building to align with their geopolitical incentives, the two enterprises were forced to re-merge as they had once done in 1999, to form a new singular unit the China State Shipbuilding Corporation Limited. (CSSC)’ Stone and Wood (2020: P62).

Contrary to the past where China had to rely on purchasing outdated ships from former Soviet Bloc countries. The foundation of the CSSC in 2019 by the Chinese state has successfully transpired it to become the world’s largest ship maker, with 147 scientific research institutions, enterprises and listed companies with total assets of 790 billion yuan ($112.41 billion). And 310.000 employees. Global Times (2019). The CSSC is expected to help lead, and improve China into becoming a much stronger, global maritime superpower. Deriving from the introduction of China’s scrap and build subsidy following the 2008 economic crisis.

The scrap and build subsidy aimed to encourage Chinese shipbuilding industries by offering discounts to companies who scrapped old ships and built new ones. Through banks subsidizing domestic firms, in 2014, China Shipping Development received $66 million from the scrap and built subsidy while its year-end profit stood at $44 million. Besides this, while the Chinese government eventually phased out the subsidy program, when it was operational, it helped
boost not only China’s fleet modernization but also domestic shipbuilding and shipbreaking yards, which were the downstream recipients of government support.’ Blanchette et al. (2020: P4).

As shown in Appendix 2, Graph 2.2, Chinese shipbuilding companies have been increasing their shipping tonnes production when juxtaposed to the U.S., especially between 2015 -2017. To outline, over a twelve-year period between 2006 to 17 the overall output of U.S. shipping tonnes has gradually decreased whereas China’s has almost quadrupled.

3.5 Chinese Military Expenditure

Despite Figure 5 disclosing how China has begun to produce more shipping tonnes than the U.S. through state funding in the form of subsidies, the fact of the matter is that it would not have been possible without annual increases of military expenditure from the Chinese government. Over a decade before the appointment of Xi-Jinping. The U.S. indirectly encouraged China to enlarge its military budget by its involvement in both the Gulf War and the Taiwan Strait Crisis.

Quickly worrying Chinese officials due to the close geographic proximity, it came to be understood that China is not exempt from any global conflict. The Gulf war of 1990-91 forced 'the PLA to confront the disconcerting reality that China's armed forces were woefully inadequate for the demands of modern warfare and that this inadequacy demanded a major adjustment to China's national military strategy.' Finkelstein (2007: P102).

Secondly, 'In March 1996, the United States responded to Chinese military exercises near Taiwan to signal its resolve to oppose PRC use of force. U.S. Secretary of Defence William Perry declared that the presence of U.S. carriers near Taiwan was a warning that "the United States has a national interest in the security and the stability in the western Pacific region. We have a powerful military force there to help us carry out our national interests.' Ross (2002: P56).
Therefore as China began to invest in their defence gradually, Figure 1 below is a linear graph showcasing Chinese military expenditure over twenty years between 1998-2018.

![Linear graph of Chinese military expenditure in billions of U.S. dollars between 1998 and 2019.](source: Statistica. 2020.)

When analysing Figure 1, To begin with, during 1998, when the Gulf War and Taiwan Strait crisis had come to an end, and China plotted to invest in their military, the annual budget was 31.27 billion USD.

Secondly, emphasising on both events in the 1990s and their importance for the modernisation of the PLA. From 2000 onwards, it becomes increasingly evident that China has begun to emphasise military growth. In ten years since the end of the Taiwan Strait Crisis, their budget had almost doubled.

Thirdly, Xi-Jinping has appointed office in 2013. At this point, China overtook Japan to possess the title as the world's second-largest military budget. Xi-Jinping's ambition to modernise the
PLA has begun as can be seen in 2014. After his first year, their military expenditure is approximately 179 billion dollars, just over $20 billion more than the previous year.

Lastly, as the information provided on the graph stops in 2019, given the six years of Xi Jinping's Rule in China, it has undergone various domestic reforms, construction of new weaponry and arsenals, including two new aircraft carriers, and the construction of artificial islands.

Not to mention external factors including increased U.S. naval presence due to Obama's Pivot to Asia. China's military expenditure is now over $250 billion, over $100 billion since Xi Jinping took charge of China. Compared to 1998, in these twenty years, it is just shy of ten times of what it once was.

The statistics show how much of an impact Xi-Jinping's maritime reforms, among other factors, have had on the vast surplus of military expenditure within six years of 2012. Between 2012 and 2018, Obama has introduced the U.S. Pivot to Asia. The U.S. joined the TPP, China's growth in manufacturing, and arms dealing and implementing rigid power forms to gain a foothold in the South China Sea, which will address in the next chapter.

Therefore, within six years, there is a correlation between increased U.S. presence in the South China Sea, and China's rise in the defence budget. The budget has almost doubled in six years, to increase by two hundred billion to nearly 250 billion USD. That is more or less, two hundred times the increase in less than thirty years since 1993. Besides this, while other data shows that 'China's military expenditure reached $261 billion in 2019.' (SIPRI, 2020).

There is a clear correlation between Xi's maritime superpower geopolitical goals with an increased U.S. presence in Asia. To further add to this, the data present is collected from the Stockholm National Peace Research Institute (SIPRI) and not official Chinese defence budget statistics due to the inability to determine their validity.

For example, according to official Chinese figures, their military expenditure as of 2019 was 178 Billion USD. For instance, China's ‘2019 defence white paper provides military spending figures slightly higher (between $2-3 billion each year) than the announced defence budgets.
This discrepancy may result from the defence white paper, including costs associated with militia forces in its figures.

Efforts are complicated further by the absence of a detailed breakdown of expenditure and the exclusion of various military-related outlays.' Glaser et al. (2020).

To back up the data conducted by SIPRI, The Centre for Strategic and International Studies released their estimated data of Chinese military expenditure since 2010, mirroring the findings of SIPRI as can be seen in Figure 2 below.

![Estimates of Chinese Defense Spending](image)

**Figure 2.** Bar graph showing estimates of Chinese Defence Spending between 2010 to 2020.


**3.6. People’s Liberation Army Navy Arsenal**
Furthermore, when mentioning improving China maritime power. As it currently stood in 2012, China commissioned its first aircraft carrier’ Liaoning. With the concept of it designed to help improve the PLAN, and then eventually assigned and deemed fit for combat in 2019, within that period the PLAN’s arsenal has dramatically grown to become much more capable than what they were in the nineties.

The Liaoning is China’s first-ever aircraft carrier and was commissioned in 2012 to improve the PLAN. Nevertheless, it was not deemed fit for combat until 2019. During the seven years between PLAN’s arsenal, it dramatically grew to become more in tune with western navies.

Interestingly a report conducted by the congressional research service in 2020 found that ‘China’s navy is, by far, the largest of any country in East Asia, and within the past few years it has surpassed the U.S Navy in numbers of battle force ships, meaning the types of ships that count toward the quoted size of the U.S. Navy. The Office of Naval Intelligence (ONI) states that at the end of 2020, China’s will have 360 battle force ships, compared with a projected total 297 for the U.S. Navy at the end of the financial year 2020. ONI projects that China will have 400 battle force ships by 2025, and 425 by 2030.’ O’Rourke (2020: P6).

PLAN’s successful expansion has troubled other senior Asian officials in the region. Who has stressed their uncertainty of power projection in the South China Sea in terms of China pushing the agenda of sovereignty claims at the expense of no longer being concerned of possible U.S. maritime intervention?

As confidence in China grows that it can overtake the U.S. as a maritime superpower, ‘Since 2014, China has launched more warships, submarines, support ships and major amphibious vessels than the total number of ships now serving in the U.K fleet.

Furthermore, ‘Since 2014, China has launched more warships, submarines, support ships and major amphibious vessels than the entire number of ships in the U.K fleet.’ Its national confidence surrounding sea power has skyrocketed.

To further add to this point, Chinese military technology developments have seen the emergence of new anti-ship missiles. Therefore, regarding maritime tactics in China, the best Chinese destroyers, frigates, fast attack craft and submarines are armed with anti-ship missiles
that in most cases far outrange and outperform those on U.S. warships.’ Lague and Kang Lim (2019).

A more detailed guide of the PLAN arsenal are as follows:

**Submarines:** The PLAN commands a total of sixty-eight submarines, six of these being nuclear attack submarines (submarines powered by a nuclear reactor). Officially referred to as Shang Class nuclear attack submarines (Type 093), they consist of cruise missiles and torpedoes. Furthermore, China also possesses six Jin-Class Type 094 submarines capable of carrying 12-16 Chinese second-generation intercontinental ballistic missiles (JL-2).

In addition to this, the PLAN is developing the next type 096 submarines. Nuclear attack submarines capable of carrying 24 JL-3s, which have an estimated range of more than 10,000km (6,200 miles), putting the United States, Europe, India and Russia within range, according to the most recent Pentagon report on China’s military.’ Chan (2020).

**Surface fleet:** Introduced on the basis to control and protect its aircraft carriers. China has been engaging in surface combatant constructions to produce new missile cruisers, and guided-missile destroyers, to bolster their anti-ship and anti-aircraft capabilities. In the long term, it can be beneficial to Chinese maritime power to upgrade the PLAN’s air defence, anti-ship, and anti-submarine capabilities.

As of 2020, the PLAN had eleven Luyang 111 (also known as type 052 destroyers) in their fleet. With each ship containing anti-sub missiles, SAMs, and vertical launch missile systems.

China continues to produce the JIANGKAI II-class FFG (Type 054A destroyers) with 27 or more ships currently in the fleet and several more in various construction stages. The PLAN is augmenting its littoral warfare capabilities, especially in the South China Sea and the East China Sea, with high-rate production of the JIANGDAO-class corvettes (FFL) (Type 056). More than 40 of these corvettes entered service by the end of 2018, and more than a dozen more are currently under construction or outfitting.’ Congress report (2019: P36).
To add to this, launched in 2020, The Type 055 Destroyer is both China and Asia’s biggest warship. Measuring at 180 metres in length and weighing at 10,000 tonnes. It is constructed to accommodate China’s aircraft carriers.

Furthermore, in terms of power and weaponry, ‘the warship’s arsenal includes 112 vertical-launch missile cells capable of launching a combination of surface-to-air missiles, anti-ship missiles, land-attack missiles and anti-submarine missiles.’ Johnson (2020).

Yet, the Type 005 destroyer seems only to be the beginning. China is currently working towards building a further eight 055 Type Destroyers, each costing approximately $852 million over three years.

**Amphibious Warfare Ships:** A statement of intent from the PLAN, an idea to develop an amphibious warship for warfare. This category is Chinese construction of a class of Type 075 LHD (Landing helicopter dock). Built to house a full flight deck of helicopters and army vehicles for long-distance transport.

**Aircraft carriers:** China currently has only two carriers; 1. The Liaoning entered service in 2012. 2. The nation’s first fully indigenously built carrier, the Shandong, entered service in December. Additionally, the PLAN’s first nuclear-powered aircraft carrier will likely enter service by 2025. This last aircraft carrier will significantly enhance China’s naval capability for blue water naval operations, strengthening its maritime defence power to protect its MSR initiatives in the Indo-Pacific and Arctic regions.’ Balasubramaniam and Murugesan (2020: P99).

See Appendix 2, Graph 2.3 to statistically view how to PLAN arsenal has increased since 1985.

### 3.7. The United States Naval Force

It is fair to claim that from the information gathered the PLAN is not an established force but a growing one with much potential. Despite tripling their military expenditure over the last decade, and enjoying a transitioning period towards maritime power, presently the PLAN is still inferior to the U.S. with relation to military expenditure.

(See Appendix 2, Graph 2.4).
Figure 3. U.S military spending from 2000 to 2019 in billion U.S dollars.

Source: Statistica. 2020

Taken from Statistica, a software specialised in developing analytics, Figure 3 above focuses on U.S. military expenditure over a nineteen-year period. Figure 3 evidently shows that although the U.S. military expenditure has been declining between 2010 to 2017. The fact is that it still remains higher than China’s. Secondly, it has been on a gradual increase from 2017 onwards.

Concerning Figure 2, CSIS estimated China’s dedicated overall defence budget to be USD 270 Billion. In comparison from Figure 3, the U.S. defence budget in 2019 was triple that of China’s financially occupying more or less 750 billion USD.

To elaborate on this point in greater detail, as of 2019’ the U.S. Navy is requesting $205.6 billion, which breaks out to $160.8 billion in base funding and a staggering $44.8 billion on overseas contingency operations funding.’ Larter (2019). To put that into perspective, the U.S. almost spends on its naval forces alone what China spends on the whole of their armed forces. Therefore, in terms of military economics from the information provided, it does not appear that China has reached the economic capacity to maximize security and challenge the U.S.
Correspondingly, with the gulf in financial and military input, there is also a sizeable military quality gap due to inexperience from active warfare and the PLAN’s weakness. Statistically, the’ U.S. has been at war 93 per cent of their time – 222 Out of 239 Years – Since 1776. ‘Charpentier (2017). China’s being much fewer, e.g., their last war was in 1979 in the Sino-Vietnam war.

This statistic personifies how for their short-lived history, the U.S. will naturally place greater emphasis on warfare than China and continue to do their best to ensure they will have the most formidable force on the planet. Alternatively, as discussed, the idea of warfare is relatively new for China as they did not revolutionize their nearshore operations until their presence in the Gulf of Aden. This inexperience of warfare has consequently led China’s navy to have limitations in certain areas, including joint operations with other parts of China’s military, anti-submarine warfare (ASW), long-range targeting a lack of recent combat experience.

By the same token, even though China looks to power projects in the South China Sea by constructing more aircraft carriers, they are still numerical behind the U.S. who have a total of eleven nuclear powered aircraft carriers.

In greater detail when comparing the Liaoning, China’s biggest aircraft carrier and a warship to the U.S. navy newest aircraft carrier the USS Gerald r Ford there is a gulf in quality, and technology is becoming more apparent. With a set date of deployment in 2022 the USS Gerald r, Ford is the largest aircraft carrier ever built. In comparison to the Liaoning, the USS Gerald r. Ford weighs 30,000 more tonnes and measures over 100 feet more in size. Even more so, it can hold nearly three times as many aircraft’s than the Liaoning. As well as five times the amount of carrier fleets.

In regard to submarines, the U.S. Navy is too placing great importance on them. While numerical both the U.S. Navy and the PLAN have similar numbers of submarines at their disposal. All seventy-one of the U.S. subs are nuclear powered, compared to only six out of sixty-eight subs in the PLAN.

Furthermore, even though China is financing state-run shipping companies to aid their subsurface fleet. In November 2020 General Dynamics Electric Boat, a U.S. global led
aerospace and defence building company announced they received a $9.474-billion contract by
the U.S. Navy to construct the largest ever submarine built—in U.S. history. “At 560 feet long
with a displacement of nearly 21,000 tons, the submarines of the Columbia class s will have a
life-of-ship fuel core that will power the submarine for its entire service life’.’

Likewise, China may have much more of a naval fleet than the U.S, but it is still inferior in
terms of quality. As Michael O Hanlon a director of foreign policy research and defence
strategy analyst at the Brookings institution stated in 2020 “The issue is not the number of ships
— the U.S’. are generally much bigger and more capable. The U.S. Navy has twice the tonnage
of the Chinese nav’. In short, the Chinese navy approaches 2 million tons. In comparison, the
U.S. Navy tops 4.6 million tons, according to a 2019 estimate by the Centre for International
Maritime Security.’

To add to this, in January 2021, the U.S. Chief of Naval Operations Admiral Michael Gilday
unveiled a new navigation plan that emphasises on the U.S. playing a leading role in global
maritime control. Key features of the new navigation plan are as follows:

1. ‘The plan highlight’s strategic threats. U.S. collective security is ‘under threat and must
take actions to respond to these threats.’
2. Cost effectiveness, adjust ship building plan based on realities.
3. Unmanned platforms. Focuses on air, surface and underwater platforms with 1/4 of
their naval fleet compromising of unmanned platforms. These unmanned platforms will
strengthen assault capabilities, enabling the U.S. to fight in heated competition areas in

To continue this point, the U.S. Navy is expected to commission the follow warships:

**DDG-51 Arleigh Burke Class Destroyer:** Scheduled to be released in 2023 with twenty ships
currently under construction, the ‘DDG 51 class ship is armed with vertical launching system,
which accommodates 96 missiles, and a 5-inch gun that prov5-inchaval surface fire support to
forces ashore and anti-ship gunnery capability against other ship’.’ Munn and Gallop (2020: P10).
FFG (X) - Future Frigate: is the name given to the future U.S. navy class frigates. Costing an approximate one billion U.S. dollars, and construction expected to begin in 2022, the FFG(X) is not expected to be used in operation until approximately 2030. Its weaponry contains a Mark 110 57mm main gun, 32x mark 41 vertical launching system, (system built for rapid-fire), and sixteen anti-ship missiles.

Most importantly, regarding the future of the U.S. with China bolstering their sea power. In 2020 the U.S. Congress believed it necessary for the U.S. to increase their overall warship count to 335 U.S. Navy ships between 2021 and 25. Therefore they commissioned the U.S. Navy to assemble:

(A) 12 Arleigh Burke-class destroyers.
(B) 10 Virginia-class submarines.
(C) 2 Columbia-class submarines.
(D) 3 San Antonio-class amphibious ships.
(E) 1 LHA-class amphibious ship.
(F) 6 John Lewis-class fleet oilers; and
(G) Five guided missile frigates.

(3) New guided-missile frigate construction should increase to a rate of between two and four ships per year once design maturity and construction readiness permit.


To conclude this Chapter, China has undergone domestic reforms concerning their maritime institutes to bolster its naval force. Under Xi-Jinping, these reforms have allowed him to modernize the PLAN to become the world’s largest naval force. However, we have to highlight that, as stated. The U.S. holds more overall ship tonnes. A key factor to consider is that the U.S. has heavier more equipped warships than needed to strengthen U.S. security. In comparison’s fleet at this moment in time isn’t required to venture outside their periphery. All in all, this chapter stresses how if PLAN wants to continue to modernize and challenge U.S. navy in the long term, the short-term answer would be to overpower the U.S. in the South China Sea before venturing out to undertake operations afar.
Chapter 4. China’s South China Sea Power Projection

4.1. The Construction Of Artificial Islands

In the wake of China's newly created maritime reforms, its construction of an excess amount of warships, alongside their new and improved diplomatic relations. China has laid the foundation for potential hegemony. Yet, it is a title that they have distanced themselves from with the Chinese minister General Wei Fenghe at the 18th Shangri-La Dialogue (Annual inter-governmental security forum in Singapore) declaring:

'The Chinese government denies striving for hegemony or establishing spheres of influence. China insists it will not follow the path taken by other rising great powers. China wants to become an economic, technological and cultural world power, exerting greater influence on the rules of international politics.' Rudolf (2020:P11).

The opportunity to further economic and political cooperation with the other Southeast Asian States is one China builds on to justify their transformation from land to maritime power. However, General Wei Fenghe's statement holds little credibility when applying the common phrase' actions speak louder than words'.

In 2014 China began to controversially construct artificial islands (Islands which have been engineered and constructed by humans in quick succession instead of years of natural geological processes) in the South China Sea. Artificial islands are mainly are usually constructed with an economic intention, as in China’s case to help extract raw materials in the South China Sea seabed.

Furthermore, they are also useful for strategic and geopolitical interests. The Chinese islands construction in the South China Sea is ‘one of the best examples that helps to understand this, they are constructed to keep watch on the neighbouring countries and as a site for building military and defence infrastructure. These artificially constructed islands can be used to attack the enemy countries using warships and missiles.’ Skreekumar & Hassan (2020 : P2).

However, Chinese officials emphasise that these artificial islands are intended to help freedom of navigation rather than not sovereignty claims. Generally, for China, the introduction of artificial islands exhibits two technological advancements: Chinese engineering and military logistics.
Yet, despite the argument of freedom of navigation, disclosed Satellite imagery has been able to confirm China using these islands to house offshore military facilities, including airstrips and ship ports. Over several months, artillery weapons were detected on these islands, moved there by China.’ Chen (2015: P9).

Approximately by 2018, China secretly began to deploy anti cruise missiles on the island outposts to be able to employ anti-ship and anti-navy missiles on U.S as well as other external Navy forces. Likewise, the construction of radar installation throughout these islands are means of electromagnetic weapons (EW) which have the potential to prevent U.S. intrusion in the South China Sea). Ground based EW vehicles have been noted in commercial satellite imagery locations on Subi and Mischief Reef. In early 2018, news articles citing unnamed US intelligence and Department of defence officials indicated that PLA EW, possibly jamming equipment was deployed to the western shore of mischief Reef.’ Dahm (2020: P4).

The idea for ‘China to directly fire at U.S. warships, this would result in the start of a China-U. S military conflict. But the use of EW’s including low-energy laser devices, could be viable, as they can temporarily paralyze U.S. ships weapon and control system without visible conflict. They can target vessels and not cause causalities.’ Xuanzun (2020).

In a nutshell, not only is Beijing capable of now employing anti-ship and anti-navy missiles on U.S. Navy forces and other regional navies, the artificial islands have also granted Xi-Jinping an opportunity to showcase Chinese firepower and improve the PLAN's situational awareness and logistics.

Although the artificial islands are geographically located on the Mischief Reef, Subi Reef, Fiery Cross Reef, Quarteron Reef, Gaven Reef, Hughes Reef, and Johnson South Reef.’ Barnes & Chuanmin Hu (2016: P1). Two key islands which this research project will focus on is Mischief and Subi Reef.

See Appendix 3, Image 3.2 of detail steps as to how Artificial Islands are created.
4.2. Satelliate Images Detailing A Before and After Chinese Construction

**Mischief Reef:** Situated just east of the Spratly islands archipelago in the South China Sea, the Asian Maritime Transparency Initiative (AMI) have revealed how Mischief reef, what was once an arched reef has now transformed into China’s largest artificial island in the South China Sea, with a massive total of over 5.5 million square meters in reclaimed land by China.

In regard to the artificial island’s infrastructure of the island, it of infrastructure the reef holds several military barracks, communication antennas, underground petrol and oil storages, and an airstrip.

Figure 5. Satelliate image of Mischief Reef taken July 2012.
Source: Asia Maritime Transparency Initiative.

Figure 4. Satelliate image of Mischief Reef taken April 2020.
Source: Asia Maritime Transparency Initiative.
**Fiery Cross Reef:** Just like Mischief Reef, Fiery Cross Reef is also situated within the Spratly Island archipelagos. Seized by China in 1988, the AMI Suggests that China has reclaimed nearly 3 million square metres of the reef with the construction of a 3,000 meters long airstrip. It has also been highlighted how Fiery Cross reef has port facilities large enough to dock military tankers, alongside the development of air defence guns, gun emplacements, radar towers, and helipads.

![Figure 6. Satellite image of Fiery Cross Reef taken in August 2014.](image1)

Source: Asian Maritime Transparency Initiative.

![Figure 7. Satellite image of Fiery Cross Reef taken in March 2020.](image2)

Source: Asian Maritime Transparency Initiative.

### 4.3. United Nations Conventions On The Law Of The Sea (UNCLOS)

Unfortunately for China, the discovery of these artificial islands has concerned the other countries who are also contesting sovereignty claims in the South China Sea and the U.S. who were already suspicious over China utilizing land reclamation to bolster their geopolitical goals.

The discovery of these artificial islands concerned other South China Sea basin states challenging China's sovereignty claims. Chiefly the U.S. who were already suspicious that China was utilizing land reclamation to bolster their geopolitical goals.
With a greater emphasis on local politics in the region, the Philippines stressed their dilemma that China is assembling artificial islands to use military intent to power projects in the waters signifying that the debate of territorial sovereignty is not one for discussion.

Examples of China's power projection in the South China Sea before the artificial islands were first, the 2012 Scarborough shoals incident when the Philippines Navy spotted eight Chinese shipping vessels anchored in their waters.


Altogether with support from Vietnam, in July 2016 the Philippines took China to an international tribunal held at the Permanent Court of Arbitration (PCA) at The Hague in the Netherlands regarding the United Nations Convention on the Law of the Sea. (UNCLOS,) Article 147(2) (e).

Under UNCLOS Article 147(2)(e), It refrains China from constructing these artificial islands as a means to bolster their economic exclusion zone (EEZ) in attempting sovereignty claims based on illegality. The policy itself legislates that installations used to carry out activities in the area do not have a 'territorial sea of their own. Their presence does not affect the territorial sea's delimitation, the exclusive economic zone or the continental shelf.' Chen (2015: P7).

To support their cause in 2015 Chinese authorities explained that the constructions are 'well within the scope of China's sovereignty and [are] justified, legitimate and reasonable, due to its sufficient historical evidence and non-disputable claims of rights and interests in this area.' Chen (2015: P9).

Likewise, China Daily, a English written newspaper owned by the CCP 'declared that the Philippine government keeps ignoring the abundant evidence against its arbitration, and claims China neither named any islands in the South China Sea before 1947 nor extended its fisheries to the waters. Yet, as a popular sailing guide called Geng Lu Bu records, Chinese fishermen fished there in the Ming and Qing dynasties between the 14th and 20th century, and dozens of islands in the South China Sea already had their Chinese names.’ Yanhua (2016).
However, the outcome was clear, on 12th July 2016 the PCA final verdict was clear. The intergovernmental body ruled in favour of the Philippines against China's expansive territorial claims in the South China Sea based on UNCLOS. With support for the legislation, insisting China's proposed Nine-Dash Line is a violation of international law. The PCA was also able to declare that Chinese reclamation and construction projects in the South China Sea are an infringement to Philippines sovereignty rights. The aftermath of the court hearings allowed the Philippines to enjoy a short term triumph over China's realpolitik approach to territorial claims.

Although the PCA's verdict did not rule out ownership of the disputed islands, it did in fact 'reject China's claims to historical rights over large parts of the South China Sea. Despite the ruling being positively appraised by several countries, including the United States and Japan, Beijing declared it null and void and refused to accept it.' Bukh (2019: P352)

Thus as mentioned, the Philippine triumph was short-lived with China insisting that the PCA had no jurisdiction in the matter, to begin with.

Rejecting the PCA final decision, and persistent pursuing their geopolitical goals, China's actions in the South China Sea have continued to escalate tensions surrounding the region's island chains.

One can assume that these are political actions that imply an assertive China, issuing a singular message, reinforces the notion of a nation ready to gain further control of the region at whatever cost. Cronin & Neuhard (2020: P2).

Consideration of the PCA's final verdict in July 2016, China remains assertive, stressing that the artificial islands are designed for exploration purposes and the promotion of freedom of navigation.

On the other hand, as mentioned earlier satellite imagery's success in disclosing the militarization of these human-made islands through radars, satellite communication equipment, anti-aircraft and naval guns, a helipad, a dock, and even a wind turbine, McPhilamy (2020: P58) has revealed China's true intentions in the South China Sea.

The country's substantial investment in coastal defence and offensive capabilities is another example of how much of a top priority is for China's plan to become a maritime superpower, and control water bodies closest to its mainland.
In greater detail, if China were soon to militarize all their artificial islands to the capacity, they intend to have, alongside the increase in PLAN arsenal, army and maritime reforms. Chinese power projection in the South China Sea could be fundamental to their future economic security.

The full potential of Chinese power projection in the South China Sea can allow them to exploit the following:

1. Large Marine biodiversity.
2. Vast amounts of hydrocarbons.
3. Global trade that passes through the region.
4. Regional Hegemony.

**4.4. China’s Underwater Wall**

The China State Shipbuilding Corporation (CSSC) that helps build warfare ships for the PLAN revealed in December 2015 that they would engineer an underwater observation system for China, called the Underwater Great Wall (UGW) in the South China Sea region. In 2017, the Chinese government approved it. It will see China invest ¥2 billion ($292 million) to build the network, which will be capable of all-weather and real-time H.D. multi-interface observation from the seabed to surface. With a construction time estimated to be five years.

Nevertheless, there is much scepticism from opposition like the U.S. and Japan. They believe it will place greater emphasis on military purposes over scientific ones as it is revealed amidst heightened South China Sea tensions. In general terms, its development has been inspired concerning China wanting to safeguard overall their geopolitical goals with the CSSC and China identifying how much of China's undersea domain is vulnerable to the presence of U.S. and Russia submarines. The information the UGW provides will grant China an underwater warfare advantage concerning the pursuit of maritime claims.

In sum, the project's disclosure highlights China using a defensive approach to 'achieve a breakthrough in underwater exploration capability, which can enhance China's ability to
strengthen its maritime interests, including the most immediate one in the South China Sea.' Tsering (2016: P5).

Alternatively, with China, illegally seeking to expand their exclusive economic zone (EEZ), and Nine-Dash Line to control the South China Sea following UNCLOS Article 147. The U.S. has undoubtedly contested Their contemporary geopolitical objectives the U.S. With an increased Chinese presence in the periphery, what are the implications for the U.S. Navy in the region?

Every year as part of a protocol, the U.S. navy embarks on global navigation operation freedom to challenge existing claimed maritime zones conducted via ship aircraft. The aircraft are assigned to fly over the challenged maritime claim to insist that the designated area is an international free open water, and not state-owned.

Concerning the South China Sea Islands, a region filled with many historical contested, and disputed territorial claims. The U.S. conducts freedom of navigation to reiterate that the zone is international water and disallow Chinese intimidation towards the smaller unchallengeable military states.

Interestingly, the U.S. Navy ships carrying out a freedom of navigation operations in the Paracel or Spratly Islands are shadowed by Chinese vessels. During those operations, they receive constant radio messages from Chinese authorities that they are violating Chinese territory, and, in return, the American ships send back messages, read from a prepared script, that they are transiting through international waters.' Martinez (2017).

Hypothetical speaking if at any given time, tensions, and collisions did escalate to the point where a war broke out between the pair in the South China Sea. The amalgamation of Chinese military technology such anti-cruise missiles, anti-aircraft guns, etc. located elsewhere in the sea, along with accessible reinforcements indicates that even at an acceptable cost the U.S. Navy would indefinitely struggle to neutralize Chinese hostility in the zone.

If in future tensions were ever to escalate to turn such a scenario into a reality. Conceding the international waters to a maritime unlawfully abiding China during a period in which they are
gradually expanding their sphere of naval power. Losing whatever foothold, the U.S. has in the South China Sea would make it a near-impossible task to regain the balance of power in the region. To prevent this, 'Obama pledged to increase the proportion of the U.S. naval fleet in the Pacific to 60 per cent by 2020. 'Turner (2020: P21).

In addition to this, Obama's plan to increment the U.S. naval fleet in the South China Sea, the U.S.'s indispensable feature to counter China's framework in the reefs was to promote existing alliances. Washington's resolution strengthened security ties with the Philippines, Singapore, Vietnam and others, and regional. U.S. arms sales increased.' Turner (2020: P21).

4.5. Implications For The U.S. Navy In The South China Sea

Alternatively, with China illegally seeking to expand their exclusive economic zone (EEZ), and Nine Dash Line to control the South China Sea in accordance with UNCLOS Article 147(2)(e). Their contemporary geopolitical objectives have undoubtedly been contested by the U.S.

With an increased Chinese presence in the periphery, what are the implications for the U.S. Navy in the region?

Every year as part of a protocol the U.S. navy embarks on a global freedom of navigation operation to challenge existing claimed maritime zones, which are also conducted via aircrafts too. The aircrafts are assigned to fly over the challenged maritime claim to insist that the designated area is an international free open water, and not state owned.

In relation to the South China Sea Islands, a region filled with many historical contested, and disputed territorial claims. The U.S. conducts freedom of navigation to not only reiterate that the zone is an international water, but to also disallow Chinese intimidation towards the smaller unchallengeable military states.

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### 4.6. Case Study: The U.S. And The Philippines

Historically associated with the Philippines as the Indo-Pacific country gained independence from the U.S. in 1946. Sharing common strategic goals in the region, alongside an inadequate military to successfully defend their interests, the Philippines became a U.S. deployment base. Respectively in the 20th century, two key treaties were signed between both countries to bolster defensive relations.
Firstly, in 1951 one of Asia's most critical political treaties was signed, the Mutual Defence Treaty. A treaty designed for each other's mutual protection when facing threats from external forces.

Relations in the latter part of the century began to fade due to the Philippines becoming increasingly vulnerable at the expense of lack of U.S. interest to fulfil the 1951 Mutual Defence Treaty. After Surrendering territories to Malaysia, and Vietnam in the 1970s, domestically, Filipinos grew increasingly impatient with the U.S. as they were suspected of backing Ferdinand Marcos, a notorious Filipino dictator.

It was no surprise that American support for the Marcos government authoritarian rule, combined with a volcanic eruption at Mt. Pinatubo, resulted in the failure of negotiations to renew the basing agreements, and U.S. forces departed in 1991.' Greitens (2016: P7).

Nevertheless, the Filipinos' decision to depart U.S. troops from their soil proved to be a turning point for the return of U.S. military assistance towards the end of the century. Three years before their departure, in 1988, China proposed to end a sovereignty dispute with the Philippines regarding Chinese occupation of a reef in the Spratly island china groups. Likewise, China quickly breached this agreement.

Between June and December 1994, China began to construct a military observation post on Mischief Reef (a fully submerged feature, not an island) in the Spratly group. The Philippines seized on China's occupation of Mischief Reef to paint it as an unwelcome aggressor in the South China Sea.' Austin (2015: P45).

With the growing fear of Chinese military presence in the South China Sea, the Philippines quickly reinstated their U.S. defence agreement. They implemented the second key treaty in 1998, the Visiting Forces Agreement. A document 'which provides the legal framework for the large-scale entry and rotational stationing of U.S. soldiers.' Heydarian (2020).

However, the construction of artificial islands in the Spratly island Chains, alongside Chinese militarization in the region has resurrected the Philippines' idea and the U.S. to install a new defence agreement. The idea is to ensure that China does not alter the power of balance in the region in their favour at whatever cost.

Thus, In 2014, former presidents Barack Obama (U.S.) and Beningno Aquino III (Philippines) signed the Enhanced Defence Cooperation Agreement (EDCA).
The EDCA is essential towards U.S. sustainability in the region. It works towards inaugurating two vital strategic objectives; 'First, a rotational U.S. military presence will strengthen the Philippines resolve to uphold its territorial claims in the South China Sea. Second, the use of air and naval infrastructure in the Philippines will facilitate rapid, massive deployment of American forces if armed clashes erupt in the South China Sea.' De Castro (2016: P2).

Through the terms of the treaty, and allowing military access, the U.S. has set up five strategic military bases. The construction of equipment, facilities as such. Would then be handed to the Philippine armed forces to help modernize their army.

The following U.S. overseas bases were assembled:

2. Fort Magsaysay, Luzon.
3. Antonio Bautista Air Base, Puerto Princesa, Palawan.
5. Lumbia Air Base in Cagayan de Oro, Mindanao.

Fort Magsaysay is the largest out of the five U.S. bases in the Philippines and is well known for holding the annual Balikatan, an annual joint military exercise drill between the U.S. and Philippine armed forces. Moreover, through Balikatan 'the U.S. is also allowed to build or upgrade structures, preposition weapons, defence. Equipment and material on mutually agreed locations for ten years.' Jed Rabena (2020: P2).

The Antonio Bautista Air Base located in Puerto Princesa is the most tactical of the five bases as its responsibility is safeguarding Filipino sovereignty claims in the Spratly Islands. The Antonio Bautista Air Base is the home of 'AFP Western Command and its air component, and the Tactical Operations Wing West.

Building up the capacity of this air wing with U.S. assistance is critical if the Philippines hopes to monitor, patrol, and eventually establish a minimum credible defence posture within its exclusive economic zone and disputed land features in the South China Sea.' Poling & Cronin (2018).
Nevertheless, while the U.S. believed that their defence treaty would successfully interrupt China's geopolitical goals to become the regional hegemon in the South China Sea, U.S. foundations were swiftly rattled at the expense of changes in domestic Filipino politics. When in 2016 the anti-American president Rodrigo Duterte was elected.

Unlike his predecessor Benigno Aquino III who did not want to succumb to increased Chinese presence in the South China Sea, relating their actions to those of Nazi Germany in a June 2015 speech: ‘I'm an amateur student of history and I'm reminded of...how Germany was testing the waters and what the response was by various other European powers.’ Benigno Aquino III (2015).

Duterte has adopted a friendlier stance with China, the US has moved to shore up its ties with Manila and assert its presence in the South China Sea. has been criticised at home as being too eager to grow ties with Beijing and giving up too much leverage on the South China Sea issue. Duterte's government has strived towards closer economic cooperation, and political ties with China, while strategically distancing themselves from the U.S.

The new Filipino president has gone all out in his attempts to woo Chinese diplomatic support. 'He downplayed the maritime row in the ASEAN summit meeting in Laos. Shortly after, announcing that the Philippine Navy would no longer join the U.S. Navy in patrolling the South China Sea not to upset Beijing. He also wanted the U.S. Special Operation Forces supporting the Philippine Army's counter-terrorism missions in Mindanao to withdraw from the island.

As well as soft loans for the construction of railways in Mindanao and the purchase of Chinese-made weapons for the Philippine military' De Castro (2017: P2).

The main background for Duterte's distrust towards the U.S. is that since his leadership began in 2016, in the space of four years to the current calendar year 2020. The U.S. has failed to publicly affirm that an attack on Philippine troops or vessels in the South China Sea would fall within the scope of the Mutual Defence Treaty.' Poling & Cronin (2018).

Since Duterte's inauguration, he has attempted to clamp down on the possession, and distribution of drugs around the Philippines.

‘Building a political name for himself through his iron-fist approach to fighting crime in southern Davao city, Philippines, where he has served as mayor for 22 years. He has been credited for turning the vast port region of about 1.5 million people from a Marxist insurgency-
wracked murder capital in the 1980s to one of a few Philippine cities with a reputation for law and order and economic vibrancy.’ Inquirer (2016)

Moreover, his inauguration has seen him replicate his previous actions to clamp down on possession, and distribution of drugs around the Philippines. Labelled Duterte’s drug war, it quickly became a subject of a violation of human rights. While the estimates suggest that up 20,000 people have been killed, the true extent is not known.

The domestic political catastrophe resulted in the U.S. executing the Global Magnitsky Act towards Duterte's close ally, and head of war on drugs Senator Ronald De la Rosa, for his abuse on human rights. The Global Magnitsky Act, established in 2012, aims to promote human rights ‘by enabling ‘the United States to sanction the world's worst human rights abusers and most corrupt oligarchs and foreign officials. Freezing their U.S. assets and preventing them from travelling to the United States.’ Massaro (2018: P1).

Following on from previous poor U.S-Philippine relations since 2016, the Global Magnitsky Act was the final nail in the coffin for Duterte's government, consequently in February 2020, Duterte withdrew the Philippines from the VFA. A massive blow to U.S. strategic influence in the South China Sea. A decision that no doubt has placed Philippines internal, and external security in danger.

However, just four months later in June 2020 the Philippines retracted their decision, and as a result of Joe Biden’s presidency amid the global covid pandemic Days after the victory of US President-elect Joe Biden, the Philippines announces it will extend the suspension of the VFA’s termination for another 6 months. Yet in December 2020 Duterte again threatened to scrap the VFA once more by dangling the fate of the military deal over the issue of COVID-19 vaccines from the US.’ Tomacruz (2020).

To make matters worse for the U.S., the resulting impacts of the global coronavirus pandemic have seen the Philippines, and China begin new bilateral relations concerning vaccines. With China supplying vaccines to the Philippines, President Duterte has said the ‘Philippines is grateful for China’s strong support – especially the timely vaccine offer – Manila looks forward to increased vaccine cooperation with China.’ Yungbi (2021).
Likewise, ECNS, a Chinese media outlet in English has highlighted how in ‘2020 China accounted for 20 per cent of all Philippines trade. Additionally, bilateral cooperation on major projects has yielded good results, with the two countries having completed 11 projects. For the future twelve further projects are now in progress or about to begin, and another 12 projects are being negotiated.’ Yungbi (2021).

Without U.S. military assistance and a slight loss on influence in the vicinity, China has been granted an excellent opportunity to militarize the Scarborough Shoals further and shift the power of balance in their favour.

Filipino warships and fishing ships have become vulnerable to intimidation, and harassment due to the PLAN's superiority in the South China Sea. Ass less than a year ago in June 2019, a Chinese vessel collided with, and sunk a Filipino Vessel in the South China Sea leaving all 22 crewmen rescued by a Vietnamese fishing boat. Unfortunately for the Philippines, this can become a recurrent measure to displace many foreign fishing ships in the South China Sea by China.

Interestingly, Satellite images taken in 2018 showed that Chinese fishing vessels account for the largest number of ships operating in the Spratlys in the West Philippine Sea.' Zambrano (2019).

Moreover, Duterte's actions have systematically affected his country's finances. Already in debt to China over loans involving improvements in domestic infrastructure, 'A study by the University of the Philippines's Marine Science Institute (UP MSI) shows that the country is losing more than $600m annually due to Chinese reclamation activities and illegal fishing.' Heydarian (2020).

Reports have also emerged of Duterte going as far as also withdrawing the Philippines from the EDCA. The U.S. has long seen the Philippines as a key area in which their alliance can help U.S. interests to prevent China's expansionism in the area.

Regrettably, the U.S. losing a strategic hold in the South China Sea has ultimately led them to be disadvantaged should any conflict arise? 'Unless there happens to be a U.S. carrier sailing through the South China Sea, the United States has no combat aircraft nearer than Okinawa and Guam—at distances of about 1,200 and 1,700 nautical miles.' Poling & Cronin (2018).
The U.S. capability of preventing China from fulfilling their geopolitical goal in the area is slowly regressing overtime. While the EDCA still stands, the harsh reality for the U.S. is that as long as Rodrigo Duterte is in power, a critical factor in the future of U.S. geopolitical influence in the South China Sea is now reliant on uncontrollable factors. Firstly, Duterte's future policy towards the U.S. and China. Secondly, the possibility that Duterte's successor will have a pro-American political affiliation.

As for the Philippines, withdrawal from the VFA has not only left them exposed to China. However, also towards rebel insurgent groups located in the south of the country and the effects of climate change.

To outline Chapter 4, the evidence discussed shows China doing whatever is necessary to power project and assert their dominance in the South China Sea despite opposition from both countries, and legislative bodies. Likewise, the construction of both artificial islands and an underwater great wall exhibit a China that is not ready to move from the contested waters anytime soon and will only grow in size and strength in the region. U.S. naval presence will have to increase in the region if China is ready to dismiss any opposition to their power projections, even more so with Rodrigo Duterte's anti-American agenda potential to alter the balance of power the region.

The Proponents Of Realism

China's newly introduced Military reforms, futuristic political engagements, and an increased presence in the South China Sea by Xi-Jinping are characteristics of a realist that wants to change a U.S. led international system to achieve global hegemony. Domestically his decisions are designed to create a great China by 2050 with the intention of 'upholding and developing socialism with Chinese characteristics.' Its essence is 'a rich and powerful country, revitalizing the nation and enhancing the people's well-being.' Ferdinand (2016: P946).

Principally Realism is based on the assumptions that: the international system is anarchic; sovereign states are central actors in world politics and are rational agents. There is no central authority governing, the behaviours of states and the structure of the international system shape states' behaviour. States often fail to cooperate, and in order to survive in such a self-help system, states have to struggle for power.' Lio (2010: P77/78).
Although written several years before the appointment of Xi-Jinping as the general secretary of the CCP, John Mearsheimer, a renowned realist, understood how 'states are motivated to ensure their security and will recognize that the safest position in the system is one of regional hegemony.' Kirshner (2010: P60)

When applying this ideology towards U.S-Sino relations in Asia, Mearsheimer theorized if 'China is to alter the balance of power in the region in their favour. They need to push the U.S. out of Asia, much the way the U.S. pushed Europeans out of the Western hemisphere.' Mearsheimer' (2006: P162). Clarifying how Xi-Jinping identifies Chinese foreign policy in the South China Sea as actions driven by fear of their century of humiliation, eastern empires and imperial Japan being the dominant figures in Southeast Asia.

This political fear has driven Xi-Jinping into a more complex understanding of China's rise than his predecessors did. Compared to Chinese leaders before him, Xi is more astutely aware of a realist world's uncertainties and instabilities. He assumed leadership amid heightened tensions between China and Japan that almost brought them to the brink of war.' Zhang (2014: P75). When Japan was nationalizing three of the Diaoyu/Senkaku islands that it disputes with China.

The efforts of Xi-Jinping to strengthen their maritime realm and power project in the South China Sea showcases the actions of someone who believes that military strength can prevent threats from external powers allowing for more remarkable economic growth.

Xi- Jinping’s efforts to maximise maritime power and power project in the South China Sea to strengthen state security can be observed from his naval visits during his time in power.

By the same token, Xi Jinping’s naval visits during his time in power personify an individual who is looking for power projection as the answer to strengthen state security. To reinforce this point during a visit to the PLAN headquarters in Beijing Xi-Jinping declared, ‘that the Navy's development is strategically important and crucial to national interests and security. Likewise, in April 2018, Xi -Jinping presided over his first sea parade, which took place in the South China Sea. Addressing more than 10,000 naval personnel he ordered the Navy to seize every minute and spare no effort to become a world-class force, because the country needs a powerful navy as an essential pillar of the great rejuvenation of the Chinese nation.’ Zhuo (2021). Overall, an ideology that is similar to their pacific rivals the U.S.
An interpretation that is not too dissimilar from their rivals across the Pacific Ocean.

A great example to highlight similar ideologies between the U.S. and China in terms of Realism is the narrowing gap of military expenditure in chapter 3. 'As of 2020, Washington spent $684.6 billion on its defence budget. Beijing’s total defence spending was $185 billion.' (Jones, 2020).

In addition to this, Xi Jinping’s diplomatic charm offensive to restructure relations with ASEAN during a time of increased U.S. presence in the South China Sea in order successfully kickstart Chinese global initiatives involving Southeast Asia states such as One Belt One Road (OBOR), Asia Infrastructure Investment Bank (AIIB). Personify the Chinese general secretary as a 'diplomat who can survey the strategic landscape and make necessary and pragmatic adjustments in China's foreign policy. Capable of using diplomacy to resolve China's foreign policy challenges on other fronts.' Zhang (2014: P5).

Thus it is fair to suggest that Xi Jinping has prioritized military expansionism, and modernization as much as economic modernization. Interestingly, the transformation that the People's Republic of China endeavoured over a short space of time led General Secretary of the CCP Xi Jinping to release a statement during a U.S. meeting in Seattle claiming that 'there is no such thing as the so-called Thucydides Trap in the world. Nevertheless, should major countries time and again make the mistakes of strategic miscalculation, they might create such traps for themselves.' Allison (2015: P1). Emphasizing a realist ideology to explain China's expansion in a unipolar world.

**Thucydides Trap**

However, as an emerging power, China will soon have to discover solutions to conquer various obstacles obstructing it's path to greatness outside the South China Sea. Much like Athen's did against Sparta millennia ago.

Firstly, when it comes to threatening an established power to maximize state security, geography matters. The U.S. holds a vigorous strategic geopolitical advantage over China. Surrounded by the Oceans to its east, and west, and between Canada and Mexico, both posing no immediate threat, and are respectively inferior to the U.S. in terms of economy, military, and political power.
China on the other hand is geographically the most bordered country in the world with thirteen neighbouring states, four of which pose an external threat to their security: Russia, India, Japan and North Korea. Hence the importance for Xi Jinping to continue to maximise China’s state security.

Secondly, historical changes over the past three centuries have transformed the U.S. into a continental power that is self-sufficient in food and energy, most notably in recent years through the occurrence of the Shale revolution. The declines in conventional oil and gas production, with shale gas being heralded as a transition fuel to a low-carbon future, and shale oil capable of reinstating the United States as the largest oil producer globally, eliminating the need for imports. Hughes (2013: P307).

In comparison and as reviewed previously, China is the largest importer of oil, making it depend on the sea lines for energy security. Sea lines that run through the South China Sea, which if become insecure, are now vulnerable to be controlled by external forces—consequently placing China’s energy security in jeopardy. Therefore, China needs to act in their own self interest, if it wants to grow in stature, securing the South China Sea is vital for long term sustainability.

Lastly, the distinction in U.S-Sino demographics is also another crucial obstacle China will need to overcome. For eight consecutive years in a row since 2011, China's birth rate has been declining, which in the long term may pose a risk to their economic security. Simultaneously, estimates suggest that 'one-third of its population will be aged 60 and above in 2050 (U.N. Population Division, 2017 Revision), leading to more retirees and a shrinking workforce.’ Chen et al. (2020: P6).

Furthermore, as China's current workforce is already shrinking, it raises questions about whether China can successfully sustain its economic growth rate? In January 2020 the Chinese ministry of human resources and social security explained how China could experience a declining labor force as the estimated number in 2035 might fall to 800 million. Liang Jun, Bianji (2020).

If China’s workforce rapidly declines in a short space of time, the economic impacts associated with this may be responsible for determining the fate of China’s as a superpower. To begin with, traditional industries will not be able to transform to rapid social changes, in turn affecting other social aspects of Chinese society. The rapid increase of the elderly population will raise
the expenses for ‘senior-care and increase the demand for pensions, consuming a huge amount of social and economic resources. Finally, As labor becomes scarcer and more expensive, the relative price relationship between labor and capital will change, leading to a labor-saving technological transformation. If the change is gradual, it allows time for technology and capital to replace labor, including iterations of new technologies.’ Yang 2020.

Overall, this places greater emphasis for China to power project in the South China Sea, not only will they reap huge economic benefits, but with potential threat to traditional businesses, control of the South China Sea could spearhead future domestic enterprises, a feature which may even attract future immigration to China.

In contrast, the U.S. population is expected to continue to rise due to their birth rates exceeding death rates. Alongside a great demand of migrant workers who are seeking to fill the U.S. job market.

The differentiation in demographics between the pair is critical in understanding both hegemonic dominance and geoeconomic security. As 'China's GDP growth may start to fall below the U.S.' in around 2033. As a result of having a larger population aged sixty-five and over.

Assuming that China and the U.S. will have GDP growth rates of 6.3 per cent and 3 per cent in 2019, and then fall to 2.2 per cent in 2033, the size of China's GDP, which was 66 per cent of the US GDP in 2018, will peak at 84 per cent in 2033.' Fuxian (2019).

To further add to this, it is also important to note that unlike the Cold war between the U.S. and Russia, the U.S. and China's economy are in serious competition with one another. As the United States was once the world's largest trading nation and largest bilateral lender—in 2001, more than 80 per cent of countries traded more with the United States than with China. By 2018, only 30 per cent reported the same, with 128 out of 190 countries trading more with China than with the United States.' Nye Jr (2020: P15).

However, trying to analyse China's rise in connection to their pursuit of rightful sovereignty claims in the South China Sea is also susceptible to criticism.

When investigating China's rise, the idea of fully understanding Chinese military power and spending is halted by a lack of transparency. While already being accused of falsifying statistics to mask their actual spending, with relation to China's Defence White Paper, unlike previous ones. The latest 2019 Defence White Paper 'implies that U.S. spending makes the U.S. the more
aggressive power. It does not address the actual rates of spending by each country or that China only reports a limited part of its actual military expenditures.' Cordesman (2019: P3).

Moreover, in 2017 the U.S. Army Chief of Staff General Mark Milley met with the PLA General Li Zuocheng to promote the idea of military cooperation between the two. The pair promised to create an opportunity to discuss building a constructive and results-oriented defence relationship. The two military leaders agreed on the value of productive dialogue, effectively managing differences and cooperation on areas of common ground.' Chan (2019).

Conclusively Mersheimer's assessments of using historical analogies to predict future outcomes for China and the U.S. concerning the South China Sea can be viewed as insufficient since China has a unique culture and history, which vastly differs from the U.S. historical analogy

**Conclusion**

This research aimed to identify whether China has the political, economic and military capacity to dominate the South China Sea amidst a large U.S. presence in the Vicinity. Based on the quantitative and qualitative analysis of soft power diplomatic relations, and an influx of increased military finances that has contributed to developing a sizable naval force for the People’s Liberation Army Navy (PLAN). It can be concluded that China has begun to take all the necessary steps needed to liberate the South China Sea of U.S. influence. The results from the thesis indicate that if current trends continue China will accomplish their geopolitical goal of controlling the South China Sea, free from external influences in order to be able to operate outside of their periphery in the future in the near future.

The in-depth analysis of China’s transformation into a maritime power over the last decade, in comparison with the U.S. pivot to Asia, and Trump's government have allowed the research project to thoroughly demonstrate how China’s power projection in the South China Sea can, directly and indirectly, alter the U.S. unipolar world system. This research illustrates that using the realist school of thought to assess the chosen topic as a means of state security, and how national interest by Xi-Jinping is being used to bolster national power. In addition to this one may even go further and suggest a similarity to Leberasaum (living-space) of Nazi Germany to the People’s Republic of China. As discussed, geographically inhabitable lands to the North, West, and South, expansion through the sea is the only viable option.
Needless to say China’s ambition to challenge U.S influence in the South China Sea region is one that places greater expectations on the U.S in determining whether they can contain China as originally expected through the U.S Pivot to Asia, and can effectively quell growing Chinese presence, even more so with opposition faced from Rodrigo Duterte governing their historically, alongside their non member status of two key local organisations: the CPTPP and RCEP.

In an attempt to gain a greater understanding of the implications of China eliminating U.S. influence in the region, future studies should address the influence of other member countries involved in the region such as Malaysia, Vietnam, and Taiwan to name a few. A deeper understanding can be useful in determining alternative outlooks in further detail as to whether China is still capable of controlling the region amidst much emphasis on deterring U.S. pressure.

Likewise, further research will need to focus on determining the future relationship between the U.S. and China regarding the Philippines under the Duterte administration regarding the newly elected U.S. President Joe Biden, and how the Philippines could potentially act as the middle ground to tip the balance of power in the victor’s favour.

Furthermore, the lack of Chinese authorities' information leaves little for economists, intellectuals and politicians, to discover their real financial inputs towards their defence budget. More reliance on foreign organisations such as the Center for Strategic and International Studies, and the Stockholm International Peace Research Institute (SIPRA) are required to obtain more accurate data

Lastly, based on these conclusions, academics should consider China’s artificial islands’ long-term impact and other humanmade Chinese technology constructed in the sea regarding U.S. freedom of navigation. By the same token how in future such artificial technology will interfere with sovereignty claims, cargo ships passing through the region, the rise of Japan, and other basin states activities in the contested waters such as small fishing vessels.

Moving on from these points, the thesis has concentrated on three hypotheses that have attempted to exhibit China’s foreign policy plans to eliminate U.S. presence in the region to achieve regional hegemony and become a superpower. Additionally, the nature of Chinese financial and political dominance in the area exemplifies China’s immunity of opposition from inferior regional states, even when major legal proceedings like UNCLOS are present.
On the other hand, when facing superior opposition in the form of the U.S, the thesis has demonstrated China’s rapid transmission of their strategic culture into modernising its navy and readily available technological advancements to contest the presence of established power.

Regarding the literature review, the research project has been able to amend existing ideas by several authors who believe that the U.S. is trying to contain China following Obama’s rebalancing of Asia. As discovered and explained throughout this piece of work, China is on course to eclipse the U.S within the next decade or two in terms of economy and military power, offering a distinct alternative to the U.S. liberal led international system. The U.S is now in competition with China, and it has risen to become its geopolitical competitor of the early twenty first century.

Thus, the findings of growing Chinese presence in the South China Sea lead to the assumption that U.S. failure to ultimately control Chinese power projection in the South China Sea has the potential to lead the international system into a multi-polar world order, a first since the dissolution of the Soviet Union.

Yet, with reference to Chapter five it is still important to note that China has yet to fully operate outside it’s realm, therefore to rise like Athens and challenge the U.S. as Athens did to Sparta, China needs to begin to operate outside its periphery and find solutions to these potential geoeconomic, and geopolitical long term problems that may become apparent within the next two decades. I believe the information and data provided throughout the thesis allows us to theorise that we are currently in the Thucydides Trap’s early stages.

Conclusively, I would like to summarise this research project by stating that away from the South China Sea region, the U.S. still maintains total power. It is more than capable of operating outside the South China Sea. Whereas China is still moulding into the role, it would like to play geopolitically.
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Appendices

1. Appendix Maps

Map 1.1. Geographical map of the South China Sea

Source: Scientific Figure on ResearchGate. Status, Trends, and the Future of Fisheries in the East and South China Seas.
**Map 1.2.** Map of China's Nine Dash Line.


Source: Scientific Figure on Research Gate. Analysis of logistics service supply chain for the One Belt and One Road Initiative of China
Graph 2.1. Linear Graph depicting number of crude oil tankers heading to China between 2016 and mid 2020.

**Graph 2.2** Bar Graph comparing Chinese and U.S Naval shipyard productions from 2000 to 2017.  
Graph 2.3 Line Graph showing PLAN expanding arsenal between 1985 to 2018. 
**Graph 2.4.** The U.S defence budget as of May 2020 compared with other world military budgets.

3.1 Appendix Images.

Image 3.1. Image highlighting members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Regional Comprehensive Economic Partnership (RCEP), or both.

Source: Reengaging the Asia Pacific on Trade: A TPP Roadmap for the next U.S Administration
**Image 3.2.** Process of how China constructs their artificial islands.

**Source:** China building artificial islands in the Pacific, stoking tensions with neighbours. Matthew Fisher 2015.
**Image 3.3.** Space image of Subi Reef militarisation.

Source Spratly Islands military bases revealed. 2018. Bishton
**Image 3.4.** Photo of Chinese military activity in Mischief Reef 2018.

*Source:* Photos show Beijing’s militarisation of South China Sea in new detail.