More than ever, the maritime fringes of East Asia are turning into a play tub for great powers. Stretching from the Indonesian Archipelago to the Kuril Islands, and from Guam to the Chinese shores, these waters matter a great deal to any protagonist that seeks to uphold its economic lifelines, territorial integrity, military manoeuvrability and, not least, political status. The very geography of this Asian Mediterranean elicits wrangling for influence. In recent years, we have witnessed bolder balancing against the People’s Republic of China’s alleged assertiveness, with the latter showing no inclination to back down. Officials and experts insisted, though, that this does not have to lead to violence. Even if balancing takes the form of military deterrence, none of the protagonists is in for a fight, so that they all invest in reassurance and try to prevent tensions from affecting co-operation in other fields. Defensive realism is key. It holds that states pursue security rather than aggrandizement, and that if China shores up its naval prowess, other protagonists can close the ranks and show their resolve collectively. Thanks to this counter-weight, stability can be maintained and, on its turn, permit closer regional co-operation and raise momentum for an Asian security regime. That is at least the optimist notion. This chapter argues that a transition from conflict to co-existence and from co-existence to regime building should not be expected. It challenges that bolder balancing has prompted China to pay more attention to reassurance and that smart deterrence is bringing Asia closer to lasting stability or peace. Moreover, too much confidence in defensive realism is perilous, as it overlooks several factors that could lug Asia into much fiercer power plays.

The Asian powers have all stressed that they will not put their domestic development at risk by pursuing adventurous schemes of expansionism. Conquest no longer pays off. However, even when strategic restraint and the respect for sovereignty form the cornerstones of Asian diplomacy, there are a lot of places where territorial sovereignty is simply not settled. Status quo here stands for legal limbos and invites different interpretations, political tussle and military browbeating. In such context, different parties seek to deter each other from changing the status quo unilaterally, but simultaneously explore new avenues for avoiding skirmishes. Deterrence, so it is seen, has become a matter of demonstrating military resolve when it must and signalling prudence whenever it can. Such prudence is articulated in different ways and all of them have
been extensively debated. In the first place, deterrence can be complemented with reassurance. Contemporary security dilemmas, Thomas Christensen posits, require sophisticated coercive diplomacy: ‘Reassurances must be built into deterrent threats so that the target will not fear being deprived of its core values if it complies with the deterring state’s demands’ (Christensen 2002: 7–21). This way, Christensen bridges the traditional gap between deterrence—which assumes that reassurance or appeasement prompts opponents to become more demanding—and spiral models—which expect the showcasing of force to engender more belligerent responses. Second, deterrence can be accompanied by policies of escalation management and confidence building. Third, deterrence can be offset by promoting functional co-operation in other areas. Especially commercial ties raise the threshold for going offensive. Lastly, there is dialogue. This can involve technical discussions on possible settlements or policy gatherings in which both sides reiterate that their military posturing serves defensive aspirations. Calling in the pundits helps unravelling complicated disputes into different smaller components that could be tackled more easily.

There are diverging appreciations of this approach, what I will call deft deterrence for the sake of simplicity. Optimists contend that it creates the stability and predictability that is needed to foster co-operation and to get the parties involved around the table. On the one hand, effective mutual deterrence makes violence irrelevant. On the other hand, the broader co-operation becomes, the more there is a chance that the value attached to contentious issues decreases, and leaders gradually build up the political will to discuss binding rules, consider developing a security regime—covering the deployment of armed forces, the exploitation of resources, the management of shipping, environmental protection, etc.—and even reach a final settlement. ‘States can find a way to signal their true benign intentions and work out their differences’, Tang Shiping contends in a treatise that describes defensive realism as one step in an evolution towards more liberalist diplomatic standards (Tang 2008: 29). Others have gone less far and described deft deterrence as a way to manage conflict, not to solve it. States continue to modernize their military capabilities and to introduce new ways of showing resolve, but this perpetuating pattern of balancing and counterbalancing will lead to stability and predictability—in spite of the fuse staying in the powder keg. This is also where more sceptical interpretations come in. Even most defensive realists reckon that smart deterrence would become difficult if the balance of power shifts drastically and prospects of deterring the rising power would be modest. At that moment, the security dilemma would be just too pressing and elicit more belligerent behaviour or even preventive strikes. Offensive realists go further and claim that restraint cannot be but a temporary phenomenon, not in anticipation of liberal standards, but on the way to expansionism. When they have the means to do so, all powers will pursue aggrandizement or, at least, act forcefully in defending what they consider legitimate interests. Power breeds arrogance.

The power plays between China and the other pretenders in the Asian Mediterranean constitute, thus, a test case for assessing whether the more ingenious variants of deterrence can indeed prevent military tensions from turning violent. Obviously, the handling of this strategic conundrum will largely shape the Asian security landscape and affect global stability. This paper contributes several insights to the debate. The first part will deconstruct the tensions over the Asian Mediterranean into three interconnected dilemmas—a territorial, a security and a domestic political dilemma. The following two sections account the tensions between China and the other powers. They demonstrate that China’s growing influence in its maritime periphery has been met with balancing and more muscular deterrence. China in its turn answered with counterbalancing, but its efforts to reassure remained very modest. Instead of soothing fears and working towards a regime that limits military muscle flexing, it rather sought to give its
deterrence a civilian guise, to distract attention to economic co-operation, and to divide the balancers—an approach that has not much chance of easing tensions. The subsequent part elucidates why the three dilemmas will become more pressing as a consequence of various political, economic and military factors.

**A strategic and political gridlock**

The enmity between China and the other powers in East Asia’s maritime margins unfolds over three layers. In the first place, there exists a daunting territorial gridlock involving Taiwan and the China Seas. Whether it relates to secession in case of Taiwan or littoral countries appropriating disputed islands; both events would be regarded as an attack on China’s territorial integrity and a declaration of war. Compared to China’s territorial dispute over the continental border with India, these maritime conflicts are much more precarious. In the case of the Sino-Indian border, the status quo is pretty straightforward. China controls one section, India the other, and between war on the one hand and some diplomatic pestering on the other, both sides have not much option to change reality on the ground. In regard to the territorial disputes in China’s maritime frontier, this is different. Both Taiwan and Beijing understand very well the meaning of the status quo, but they have much more scope for adjusting the situation—being only by changing political preferences in Taiwan or Taipei’s expanding ties with different parts of the world. Legally, nothing changes, but reality changes constantly. The same goes for the East and South China Sea. The status quo in this case entails that different countries stick to different claims, yet at the same time have plenty of ways to build up their presence in contested waters—economically, militarily, and even by promoting maritime research and tourism. The legal impasse co-exists, thus, with fluctuations of influence and that makes the situation more prone to incidents and overreaction.

This territorial dilemma on its turn is part of both a regional security dilemma and domestic political predicaments. The security dilemma entails that whoever controls the East Asian seas wields tremendous influence over trade, resources and the destiny of the Pacific Ocean—America’s traditional buffer against turmoil in Eurasia. However, it would also have at its disposal a launch pad for naval coercion against any littoral state that looms as a potential challenge. This would certainly be the case if China were to combine such maritime supremacy with its overwhelming geopolitical weight onshore and, hence, inevitably vest its hegemony from the Bering Strait to Australia and from the Mariana Trench to the Gulf of Bengal and the Caspian Sea. However, this is not how China sees it. China considers itself a very defensive player which merely seeks to protect its legitimate territorial assertions and—this is key—to deter the USA from coming to the rescue of its neighbours in case of a showdown. Rather than China being feared for hegemonic designs, it is the USA, so the reasoning goes, which attempts to keep Asia under its thumb and arrogantly throws its massive power projection capacity around. This also explains why Chinese officials and experts consider Washington to be the agitator of many maritime disputes and maintain that it is the USA that needs to be deterred in the first place.

These strategic calculations have to be put into the perspective of political considerations at home. As much as the loaded territorial disputes have proven useful for political elites to play up nationalism and to present themselves in a rather easy way as guardians of the national interest, they also became hostages of the public expectations they or their predecessors largely created. After all, most Asian leaders seek to avoid the heavy cost of armed conflict and to advance regional co-operation in pursuit of economic growth. In this regard one could see them as security-seeking actors in two ways: in their foreign policy by trying to avoid armed conflict; and in their domestic policy by securing socio-economic stability and national unity through
development. Whether one considers this a matter of politicians trying to have it both ways by combining nationalism with risk aversion, or of unsettled business from a previous era reducing their scope, the conundrum makes them have to walk a tightrope between the preoccupation with security and sovereignty on the one hand, and eagerness to avoid any incident that could perturb their access to the global markets on the other. The pull of these two concerns will determine the importance that capitals attach to reassurance as to deterrence, but ultimately their moves will be determined by one thing: the gravitation of political survival.

Balancing against assertive China

As the first decade of the new century came to an end, a wave of agitation rippled through the Western Pacific. Many countries lamented that China’s diplomatic and military attitude had become much more assertive, if not arrogant. Whereas the true bearing of China’s alleged assertiveness is still a matter of discussion, those other states became firmer in their efforts to balance against China and to deter a propensity to pugnacity.

A first way to respond to China’s assertiveness was to let senior officials vent anger in public statements. Public remarks are both a means to exert pressure and an indication of how far governments want to go in challenging China. Let us first look at individual countries. Departing from on-record official interventions, Table 3.1 summarizes the main countries’ attitudes towards maritime security in the Western Pacific. All 10 countries have expressed their concern about maritime disputes involving China as well as their preference for addressing these disputes in a multilateral context. The main difference, however, lay in their willingness to label China’s naval modernization explicitly as a challenge or a threat. The Republic of Korea (South Korea), Malaysia and Indonesia refrained from such statements and also showed themselves more concerned about regional arms races. The latter two even uttered their reservations about the USA’s more robust military presence in the East Asian waters. A clear indication of the tendency towards balancing is that most countries have signalled their appreciation of a growing military presence and involvement of the USA in the area, the need for more military co-operation amongst them, and the importance of modernizing their own armed forces in response to maritime conflicts. A second indicator is how much countries have been willing to make critical joint statements about China’s impact on regional maritime security. If anything, such statements have a powerful bearing and are greatly disliked in Beijing. From this perspective, the balancing tendencies of Australia, India, Japan, the Philippines, Viet Nam and the USA are confirmed, as those countries made such collective statements, as opposed to South Korea, Malaysia and Indonesia which remained more reticent.

The most compelling parameter of balancing is how much other countries ramp up their military capabilities in function of conflict scenarios with China and deploy them to theatres where Chinese military presence is feared. In that regard, the USA has answered most decisively. Many relocations and replacements in the Pacific Command had been underway well before 2009—such as the rotational deployment of bombers, the expansion of the Seventh Fleet, and the development of new intelligence and command centres at Hawaii. Some US officials even reckon that China’s so-called assertiveness might partially have been a reaction to this evolution. Still, the Pentagon has indicated that it will continue to prioritize the Pacific in the allocation of new aircraft and vessels (Scott 2011; Willard 2011). The return of China to the top of Washington’s security agenda has also made Congress show restraint in cutting weapons programmes critical to keeping China in check. Whereas the 2012 National Defense Authorization Act required additional information on the future unmanned carrier-based strike system and the new generation strategic missile submarines, it also stressed the need to uphold
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<th>Singapore</th>
<th>Republic of Korea</th>
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<td>Welcome US role in maritime security</td>
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<td>Military co-operation Asian powers</td>
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<td>Need to modernize own military</td>
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<td>Chinese navy challenges maritime</td>
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<td>Maritime disputes to be multilateral</td>
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<td>Concern China in maritime disputes</td>
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<td>Concern about regional arms race</td>
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<td>Concern about US presence</td>
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American primacy in the Pacific, to respond to Chinese area denial strategies, and to invest in strategic deterrence (Congress of the United States 2011). As one defence official stated, ‘China gave that extra push that we needed to convince lawmakers of the importance of modernizing our conventional and nuclear deterrence capability’.1

Asian states did their bit. Japan, another country affected by budgetary constraints, vowed to invest more in deterring China. The 2010 Japanese Defence Programme Guidelines put heavy emphasis on disputes in which territorial quarrels could intermingle with economic interests and prioritized capabilities to respond to attacks on offshore islands (Yomiuri Shimbun 2010). While it was not the first time that this contingency was put forward, it now came at the top of anticipated scenarios (Ministry of Defence of Japan 2011). Effective naval deterrence came up as the main concern, with the Defence Ministry announcing the construction of a new generation of submarines, the modernization of its destroyers and the commissioning of a new generation by 2018, the acquisition of new patrol aircraft, the improvement of detection systems for stealth aircraft, the modernization and replacement of its air fighters, and the deployment of troops ‘to fill the defence void in the Sakishima Islands’ (Ministry of Defence of Japan 2010). At the end of 2009 the Diet finally green-lighted the construction of a new generation of large helicopter carriers, the 22DDH, which would become vital in anti-submarine warfare and feature significant force projection capacity if it were to be fitted for F-35B fighters. Almost at the same moment, South Korea ordered six additional KDG-II Aegis destroyers. Viet Nam ordered its six Kilo class submarines and in 2011 added another four corvettes to its order list. The governments of Indonesia, the Philippines and Malaysia started to explore additional orders of conventional submarines, small surface combatants and patrol aircraft.

Countries also showed a clenched fist by staging bolder military exercises. Viet Nam, for example, went all-out in flexing its overstrained military muscle. In 2011 it conducted its first publicized live-fire exercise offshore and launched vast air defence manoeuvres (AFP 2011b). Japan increased the frequency and scope of its air defence, de-mining and anti-submarine exercises around the East China Sea. In August 2010 the Japanese Self-Defence Forces for the first time simulated the recapturing of a remote island. Furthermore, countries also set the scene for new joint war games. The 2010 programme of the Japanese Ministry of Defence foresaw more joint exercises and training with the USA in the south-western region (Ministry of Defence of Japan 2010). Japan also held its first air exercises with Australia in the Aomori Prefecture and agreed with India to organize their first air and naval exercises in 2012 (The Hindu 2011). Since 2009, the Malabar Exercises—consisting of the US, Indian, Japanese, Australian and Singaporean navies—have been staged around Okinawa, instead of in the Indian Ocean, and also more intensively simulated anti-submarine warfare. In December 2010 over 60 warships and 400 aircraft from Japan and the USA participated in military drills, which became the largest exercise since the formation of the alliance and were for the first time attended by South Korean observers (AFP 2010). In July 2011, the USA, Japan and Australia staged their first naval exercise off Brunei in the South China Sea (AFP 2011f). Most emblematic were the first naval simulations between the USA and Viet Nam in 2010 and 2011 (AFP 2011h).

Since 2009 the web of military partnerships around China has tightened. On the one hand, Washington paid more attention to its security alliances, which came after a period of concerns about the USA’s commitment to these partnerships. Although statements of the 2010 and 2011 Security Consultative Committee between Japan and the USA did contain a lot of new ‘strategic objectives’, the 2011 document confirmed Taiwan as a common concern and both sides continued to step up operational synergies in the fields of missile defence, early warning, aerial deterrence and anti-submarine warfare.2 Highly symbolic was the decision to rotate ships, aircraft and troops through joint facilities in Australia, which would lead to a quasi-permanent
presence of 2,500 US soldiers. The Pentagon announced that it would station a littoral combat ship in Singapore and long-range P-8A anti-submarine warfare intelligence, surveillance and reconnaissance aircraft in Thailand, both meant to patrol the South China Sea. In January 2011 the USA promised the Philippines to help boost its maritime capacity, which was followed by an 11-day joint naval exercise and the delivery of two large patrol ships (AFP 2011a). With Viet Nam, a new, important country joined Washington’s network of partnerships. Co-operation also accelerated among the Asian countries. At least 19 new defence agreements were signed from 2009, as shown in Table 3.2. Viet Nam became the spider in a whole new web of partnerships. Hanoi clearly felt some urgency, as it negotiated 10 new military co-operation schemes, followed by Japan and South Korea, which signed five such documents each. Most of these new plans were centred on maritime security and several were accompanied by statements of concern about the tensions in the South China Sea. Some, such as those involving Viet Nam and the one between Japan and South Korea, were path breaking, although it has to be said that this

Table 3.2 Military agreements signed between the Western Pacific countries

<table>
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<tr>
<th>Partners</th>
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<tbody>
<tr>
<td>Viet Nam-US</td>
<td>September 2011</td>
<td>MoU on defence co-operation, including dialogue, sea security, search and rescue, etc.</td>
</tr>
<tr>
<td>Viet Nam-Japan</td>
<td>October 2011</td>
<td>Defence protocol on military co-operation and disaster relief</td>
</tr>
<tr>
<td>Viet Nam-Australia</td>
<td>October 2010</td>
<td>MoU on military co-operation covering strategic dialogue, training, etc.</td>
</tr>
<tr>
<td>Viet Nam-India</td>
<td>November 2009</td>
<td>MoU on military co-operation covering i.a. security dialogue and exchanges</td>
</tr>
<tr>
<td>Viet Nam-ROK</td>
<td>October 2010</td>
<td>MoU on military co-operation covering i.a. regional security dialogue</td>
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<tr>
<td>Viet Nam-Singapore</td>
<td>September 2009</td>
<td>Defence co-operation agreement</td>
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<tr>
<td>Viet Nam-New Zealand</td>
<td>November 2010</td>
<td>Statement on defence co-operation</td>
</tr>
<tr>
<td>Viet Nam-Philippines</td>
<td>October 2011</td>
<td>MoU between navy and coastguard on i.a. strategic dialogue, equipment and information sharing</td>
</tr>
<tr>
<td>Viet Nam-Indonesia</td>
<td>September 2011</td>
<td>MoU with Indonesia to stage joint patrols in the South China Sea</td>
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<tr>
<td>Viet Nam-Malaysia</td>
<td>May 2010</td>
<td>MoU on defence co-operation including training and information exchange</td>
</tr>
<tr>
<td>Japan-Australia</td>
<td>May 2010</td>
<td>Acquisition and Cross-Servicing Agreement</td>
</tr>
<tr>
<td>Japan-India</td>
<td>November 2009</td>
<td>Agreement on Maritime Security Dialogue</td>
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<tr>
<td>Japan-Philippines</td>
<td>October 2011</td>
<td>Naval co-operation agreement covering joint i.a. training and dialogue</td>
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<tr>
<td>Japan-ROK</td>
<td>January 2011</td>
<td>Preliminary agreement on North Korea and mutual supply support for regional contingencies</td>
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<tr>
<td>ROK-Australia</td>
<td>December 2011</td>
<td>Agreement on expanding military exercises, intelligence gathering and equipment</td>
</tr>
<tr>
<td>ROK-Indonesia</td>
<td>July 2011</td>
<td>Agreement on defence co-operation and equipment</td>
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<tr>
<td>ROK-Philippines</td>
<td>November 2011</td>
<td>Statement on defence co-operation and equipment</td>
</tr>
<tr>
<td>Philippines-New Zealand</td>
<td>August 2011</td>
<td>Agreement on security dialogue and statement on South China Sea</td>
</tr>
<tr>
<td>Malaysia-India</td>
<td>October 2010</td>
<td>MoU on military exchanges, training and equipment</td>
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Sources: Data drawn from AFP, Reuters and Xinhua reporting.
agreement was mostly related to North Korea and that all other documents involving South Korea were mostly related to co-operation between defence industries and trade in defence systems.

Balancing against China’s growing maritime power has thus certainly taken an important leap. As regards official statements of concern and new defence agreements, we can see a strong degree of overlap. Those countries that were most critical and expressed this criticism in different joint statements—Viet Nam, Japan, the Philippines, Australia, India and the USA—also became very active in exploring new defence synergies, with Viet Nam standing at the vanguard. Of all East Asian countries, Viet Nam and Japan were also the ones that most visibly boosted their military capabilities in case of tensions with China.

**China responds**

Chinese scholars and officials recognized that the period between 2009 and 2011 has severely tested their country’s Asia policy. Most of them did not see reasons to be overly alarmed about the deteriorating relations with neighbouring countries and the growing tendency to counterbalance. Nervousness in the region demonstrated that the balance of power was shifting, but not yet to the degree that China was singled out as the new hegemon. Overall, they maintained that economic interests and the prospect of stronger regional organizations could still withhold Asian countries from becoming belligerent. Yet, what most pundits and officials shared was disquiet about the role of the USA. Overall, it was the interplay of a superpower loath to see its privileges constrained with neighbouring countries fearful of being dominated by China, which most of them believed to be the main cause of the new tendency towards balancing.

The tide of disquiet has sparked a vivid debate in China on how to respond. That debate, however, has not evolved towards consensus, but rather crystallized around five possible approaches, which are not mutually exclusive but have different priorities. A first school claims that China should not exaggerate tensions, show restraint in throwing its economic and military weight around, and make more concessions to its neighbours (Xinhua 2011). Zhang Guoqing of the Chinese Academy of Social Sciences (CASS), for example, argued that China should not let its rise be taken hostage by maritime disputes. ‘Our economic dependence on the South China Sea is not large and the presence of resources very small, so we do not need to exaggerate the importance of the South China Sea’ (People’s Daily 2011b). Echoing this observation, Li Xiangyiang, one of China’s foremost experts on Asian affairs, suggested that China needed to learn from Germany’s role in the European integration process, make important compromises on its ambitions, strike a consensus with its neighbours, and then use its large domestic market to advance regional integration (People’s Daily 2011a).

A second school emphasizes the need for more cultural diplomacy to ease distrust. This is, for example, the main advice in a new book by Peking University’s Wang Yizhou: ‘We often ignore the feelings of others,’ he found, ‘culture moisten things silently’. Wang believes that China had to contribute to an alternative to Western civilization, which he saw as promoting a violent and rebellious attitude and humiliating Asia’s ancient culture (Beijing Morning Post 2011). Yan Xuetong, a Tsinghua scholar known for his usually hawkish views, argued that China can only break through US primacy in Asia and weaken its network of allies and military partners by showcasing humane authority or benevolent rule (wangdao). The battle for Asia is a battle for hearts and minds, he insisted, and therefore China needed to create a desirable model at home that inspires people abroad (Yan 2011). Cultural and normative power have clearly been picked up as important themes for the leadership, as the sixth plenary session of the 17th Central Committee revealed a new guideline to promote the nation’s cultural and soft power.
A third strand maintained that China has to bide its time until it has more influence and that influence has to be developed by taking a more active stance toward regional security, to promote cooperation and to weaken resistance (Men 2011; Yan 2011). Cao Xiaoyang of CASS wrote, for example, that in spite of its aggressive attitude, the USA still needs China, and this creates the opportunity pragmatically to exploit these dependencies as long as China maintains its self-control (Cao 2011, cited in Holslag 2012). Fudan University’s Wu Xinbo asserted that China needed to communicate better its strategic intentions and promote regional cooperation on non-traditional security challenges (Global Times 2011). Most of these views are not very new and the main critique from other colleagues is, hence, that interdependencies and regional security dialogues have just not been effective enough in upholding Chinese interests and influence.

A fourth group favours conditional peaceful rise (heping jueqi shi tiaojian), which implies that China’s benign attitude depends on how much the other powers respect its key and core interests. At a press briefing in September 2011, Wang Yajun of the Central Foreign Affairs Office stated: ‘Even though we have pledged ourselves to a path of peaceful development, we will not do so at the expense of our national interests’ (AFP 2011i). Along the same lines, Chen Xiangyang of the China Institutes of Contemporary International Studies (CICIR) wrote that ‘There is a potential misunderstanding that peaceful development is unconditional and absolute … Yet peaceful development is not pursued in a vacuum and is certainly not unconditional … The key premise is that the outside world respects our core interests. Peaceful development can only persist if it is echoed by the international community’. Qu Xing, President of the China Institute of International Studies (CIIS) claimed that peace and development on the one hand and the defence of sovereignty and interests on the other were interlinked (Renmin Ribao 2011). Qiao Liang, a popular and hawkish People’s Liberation Army (PLA) strategist, pointed out that loving peace is not the same as weakness and that China should prevent other powers from using the peaceful development doctrine to force it into a position of subservience, ‘by keeping its sword sharp’ (Jiefang Ribao 2011). The latter might still be far away from Zhongnanhai or Waijiaobu talk, but it finds a soundboard in the community of ‘netizens’ and nationalist newspapers.

The fifth school champions a much tougher line and mostly finds that China should stop trying to be liked at all cost. The point of departure of this group can be summarized with the traditional proverb that ‘flies only circle around eggs that have cracks’—in other words, it is China’s rather undetermined attitude that elicits bullying and humiliation. Zhang Jie, a department head at CASS, stated, for instance, that China cannot neglect its interests for the sake of peace and that the nation’s naval going-out (zou chuqu) is inevitable, and that it should pursue a mixture of dialogue, effective economic diplomacy and confident counterbalancing so as to uphold its key interests (Zhang 2011). Yin Yinan of the National Defence University in this regard found that there is a lot of talk about a peaceful rise, but that Asian countries do not want to see China’s rise in any way. China cannot blindly rely on commerce to ease tensions, he writes, hinting that it would be most important to try to avoid maritime incidents that strengthen the esteem of other powers and to play on the divisions amongst them (China 21st Century Herald 2011).

As opinions straddle between standing strong and compromising, China’s response has combined balancing with reassurance. In the first place, it reaffirmed its interests, including those related to Taiwan, its territorial claims, and the interpretation of the United Nations Convention on the Law of the Sea (UNCLOS). While the usual technical discussions among Chinese pundits about how Taiwan could be integrated into China and how far China’s exclusive economic zone should stretch continued, experts directed most of their anger to Washington’s
interpretation of the law of the sea. In an important essay, published by Xinhua, Zhang Haiwen made a forceful case against the US Navy’s posturing under the flag of the freedom of navigation. ‘In the logic of containing China, the US has launched a wide range of military reconnaissance and surveillance operations, focusing on areas that are militarily sensitive to China,’ he wrote, ‘while UNCLOS is clear about a coastal state’s jurisdiction in regard to marine scientific research in the exclusive economic zone, military research activities are not part of it and therefore require prior approval (shixian zhengde)’ (Xinhua 2010). Zhang, a prominent maritime strategist, continued that US attempts to abuse the convention’s stipulations on the freedom of navigation to justify military activities are illegal, asserting that even if Article 88 did not clarify what exactly the right of non-coastal states to peacefully use high seas means, Washington had no right to unilaterally impose its interpretation and that its notion of freedom of navigation was at loggerheads with the majority of developing countries’ preference to disqualify military presence from peaceful use. In the legal battle over the Asian seas, the USA became thus the main focus, reflecting once again China’s suspicion that Washington was masterminding a sort of new containment.

In the second place, it continued to invest in its capacity to defend those interests and to deter alleged aggression. It did not refrain from showcasing major progresses in its military modernization, like the revelation of its J-20 (which is supposed to become China’s next generation stealth fighter), the launch of the Shi Lang aircraft carrier (accompanied by statements that more such platforms are to be expected), trials with a new missile-defence system, and the much-publicized tests of a new submarine-launched anti-ship missile. Other systems did not make the front page, but were equally contributing to the improvement of China’s conventional deterrence. Since late 2010 the navy started, for example, on the construction of two new T-072 landing platform docks, three new T-052C destroyers, 10 T-054A frigates, a new submarine support ship, and probably also launched the first hull of an entirely new generation of T-056 corvettes.

In the third place, China showed that it would not back down. Hu Jintao’s call for preparing for struggle at a meeting between the Central Military Commission and the navy in 2011 was part of the traditional nationalist repertoire, while the Chinese armed forces certainly acted along these lines by upholding their tradition of staging several large-scale manoeuvres in the China Seas. In recent years, the Chinese Navy usually has held three large blue water drills, and this pattern has not changed, albeit they have become more intensive. In June 2011 11 ships of the Eastern Fleet sailed through the Myako Strait on the way to the Pacific where they exercised near to the contentious Japanese Okinotorishima atoll. Almost the same training scenario had unfolded in 2010, but now the flotilla was bigger and featured unmanned aerial vehicles (AFP 2011e). In the same month, the Navy embarked on different exercises in the South China Sea, including one in the Gulf of Tonkin. These drills were centred on anti-submarine warfare and island defence capabilities. CCTV television broadcast Chinese patrol boats firing at an uninhabited island and fighter jets providing aerial support. Almost simultaneously, two navy ships offloaded construction materials on Palawan, an island claimed by Manila to be part of its exclusive economic zone (Philippine Star 2011). Despite protests from Manila, at least one other Chinese patrol around Palawan was reported. In November a flotilla again steamed through the Myako Strait. Japan, the Philippines, Viet Nam and Taiwan all reported that China had stepped up the number of patrols by military ships and planes, allegations that Beijing routinely derided as groundless.

China also confirmed its resolve by expanding its capacity to police the East and South China Sea. ‘While the Navy remains our ultimate deterrent,’ a Chinese professor at the China National Defence University state, ‘the government seeks to have more manoeuvrability to
enforce its legal territorial claims by developing a whole range of maritime surveillance, coast guard, surveillance boats and fishery patrol units. Indeed, Beijing announced in June 2011 that it was set to increase its maritime surveillance force to 530 patrol boats and 16 aircraft. In line with previous years, 2011 continued to bring about a large number of incidents with these ‘civilian actors’ in disputed waters. Tensions ran particularly high after vessels cut a submerged cable towed by a Vietnamese surveillance ship, a showdown with a Philippine oil exploration in the vicinity of Reed Bank, both in May and June, the capturing of a Vietnamese fishing boat on 5 July, and the announcement in August that China would expand the number of geological surveys around the Senkaku Islands (AFP 2011g). Two large patrol ships, the Haixun-31 and the Haijian 50, made their maiden voyages to the Senkaku and Spratly Islands. Beijing also confirmed its maritime objectives by approving oil drilling in the Chungxiao/Shirabaka gas field in the East China Sea. With the commissioning of the HYSY 981 deep-water drilling rig, the largest of its kind, China also reaffirmed its ambitions to tap into the oil resources of the South China Sea.

At the same time, China sought to reassure it neighbours. These moves remained modest, though, compared to the efforts to counterbalance. Defence Minister Liang Guanglie called on the Philippines and Indonesia to discuss the South China Sea dispute, but no agreement was reached on new security exchanges. State Councillor Dai Bingguo called on Hanoi to chair an annual meeting on bilateral co-operation, where both sides suggested setting up a defence hotline. Yet, it was not the first time that such link was put in place. China carried out its regular exercises with Viet Nam, but no new military synergies were explored with other countries around the China Seas. The only bilateral breakthrough, in spite of its content remaining vague, was the agreement with Japan to set up a maritime crisis management mechanism. Nor did China make significant progress in its talks with the countries of the Association of Southeast Asian Nations (ASEAN). While Beijing lauded the agreement on the implementation of the Declaration of Conduct in the South China Sea, signed in July 2011, as a major breakthrough, the document remained non-binding and hardly foresaw specific measures. The agreement, which was in the offing for nine years, also only became possible after the ASEAN countries acceded to Chinese pressure to relinquish internal consultations ahead of their talks with Beijing. If anything, China tried to win over its neighbours by promising more economic gestures. Vis-à-vis Japan, for instance, Foreign Minister Yang Jiechi vowed to lower barriers for agricultural goods. The ASEAN countries were approached with a US $50 million co-operation maritime fund. Furthermore, China continued to offset the tense relations with Viet Nam and the Philippines by pushing for closer military ties with on the one hand Indonesia and Malaysia, two more cautious maritime claimants, and on the other continental neighbours like Cambodia, Laos and Myanmar (Burma).

**Rocky waters ahead**

The waters of the Western Pacific are becoming rocky. The tensions that have built up since China singled itself out as an assertive power are the result of a complex security dilemma. At the baseline, the countries in the region still consider the others’ changing capabilities and resolution to defend their interests as a challenge to their own security. Security, as we have seen, usually means that another country cannot change the status quo of disputed maritime areas unilaterally or use its military power to extract other concessions. One additional complexity of the maritime security dilemmas in Asia, however, is that the overlapping claims render it virtually impossible to make the distinction between offensive and defensive intentions. As much as China sees the protection of its claims as a very reasonable and just choice,
others consider such plans greedy and aggressive. Furthermore, the very nature of disputed maritime areas allows a state to maintain the legal limbo while it tries to change the reality on the spot and, hence, from the viewpoint of the other, pursues tacit expansionism. Another complexity is that even though most politicians consider development to be a safer route to security and status than territorial adventurism, they still complement this risk-averse attitude with nationalism. It is this nationalism that prompts them to stand strong whenever the national interest and prestige is in danger.

Deft deterrence, the combination of deterrence and reassurance, could be seen as the logical result of this strategic ambivalence and diverging aspiration of Asian political elites. Since 2009 we have witnessed more balancing and counterbalancing than before, and more deterrence than reassurance. All over China’s maritime periphery, countries have stated their concerns much more bluntly, strengthened the web of military partnerships around China, and strengthened their military capabilities in areas where they felt threatened by China’s growing maritime presence. Most important here has been China’s response to this resistance. If anything, the debates among experts about how to handle the more suspicious mood in Asia have moved into all different directions and thus do not provide a lot of guidance in clarifying the matter. Pundits and officials generally stress that China still cannot afford to be taken hostage by armed rivalry over the Western Pacific—including Taiwan and the China Seas—but the chorus of hardliners favouring a tougher response has certainly not abated. Judging China’s posturing in 2011, one can see clearly that it has not backtracked and has even continued to expand its military and civilian deterrence capacity and options to show its resolve. Moreover, compared to the investments in deterrence, the efforts to reassure the neighbourhood in bilateral and multilateral settings have been very limited. Instead, Beijing appeared to prefer softening the other countries by offering more economic co-operation and capitalizing on the divisions amongst them. There is thus certainly no evidence that deft deterrence has laid the ground for a security regime. The optimistic suppositions of some defensive realists have thus not materialized.

There is no reason to be optimistic about the future either. Let us take another look at the main layers of conflict in the Western Pacific. As regards the territorial stalemate, no legal settlement is in the making, but reality is still bound to change. Taiwanese society is increasingly divided about closer relations with the Mainland, let alone a reunification. China will continue to increase its presence in disputed waters. The USA and China will remain at loggerheads over the freedom of navigation of military vessels in China’s claimed exclusive economic zone and both sides will step up their capabilities to deter unwanted behaviour. Fishing, energy exploitation and shipping activities will further expand in the China Seas and this will undoubtedly be followed by a splurge of patrols by the coastguard, maritime security agencies and several other constabularies. The navy will, of course, do its bit. As a result, the security dilemma between China and its neighbours will become more pressing. The USA’s military presence cannot but embolden Beijing to invest more in new defence systems and to show its resolve further into the Pacific. In a context like this, a new security regime will prove more than ever a pipe dream. That leaves us with the third layer: the calculations of political élites. At the time of writing, there was no doubt that they still valued the ability to promote domestic unity and growth through trade and largely stable international relations above control over a swath of sea and islets, but with economic progress becoming more uncertain and China entering into an awkward period of adjustment, which several experts reckon will take at least a decade, nationalism and populism could once again become a more attractive option for leaders to secure their political survival.

Balancing and counterbalancing in the Western Pacific will inevitably persist, and so states will continue to strengthen their deterrence. Equally predictable is that most of the security dilemmas
in the region will revolve around territorial disputes. The main factor that will shape scenarios of conflict is the return of negative nationalism. This entails on the one hand that political elites become less convinced that positive agendas of trade and co-operation are instrumental in building up their prestige at home and that they attach more value to their reputation as forceful actors in an unfriendly neighbourhood. This is not to say that they suddenly become revisionist, but that they will show less restraint in changing the reality underneath the legal status quo, developing new military systems, and retaliating against alleged acts of aggression.

What could this mean? In the first place, a nationalist revival will give more leeway to those domestic interest groups that want to exploit the richness of the East Asian waters and make it more difficult for political leaders to keep such economic adventurism in check. That, of course, increases the risk of countermoves and incidents, which for the same reason need to be sanctioned forcefully through political means. Tensions could thus escalate because nationalism mandates economic adventurism and economic adventurism will soon be followed by military interventionism. A second scenario would be that nationalism leads to highly symbolic and dramatic unilateral moves: Taiwan reconsidering its rapprochement, unilateral decrees on maritime demarcation, fortification activities on disputed islets, the denial of access to warships under the pretext of maritime law, etc. As much as nationalism can lie at the origin of such moves, it could also make governments more ferocious in handling escalation. Again, in both scenarios, assertive policies could perfectly be explained as being defensive and an understandable move in the interests of national security. The main change, however, will be the price that leaders want to pay for such moves.

Notes
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