



OPPORTUNISM AND MISCALCULATION BY CLAIMANTS IN THE SOUTH CHINA SEA

BY STEPHEN NAGY AND
NGUYEN HANH

Dr. Stephen Nagy (nagy@icu.ac.jp) is a senior associate professor at the International Christian University in Tokyo; a distinguished fellow with Canada's Asia Pacific Foundation; a fellow at the Canadian Global Affairs Institute (CGAI); and a visiting fellow with the Japan Institute for International Affairs (JIIA). Twitter handle: @nagystephen1

Ms. Nguyen Hanh (nhhanh2406@gmail.com) received her MA in International Relations at International Christian University, Tokyo on the theme of "US-Vietnam Relations and the Indo-Pacific Framework: Foreign Policy Transformation through Deepening Cooperation."

The Covid-19 pandemic has not abated concerns about [China's perceived aggression](#) in the region. In the East China Sea, we have seen intrusions of Chinese government and other vessels into Japan's territorial seas for more than 75 consecutive days. In addition to these regularized incursions, Beijing has ratcheted up tensions in the Taiwan Strait and along Sino-Indian borders and has made bolder moves in the South China Sea (SCS).

China has been engaging in [a three-party standoff](#) with Malaysia and Vietnam over oil exploration activities since the beginning of 2020. In January, Indonesia [deployed warships and fighter jets](#) near Natuna Islands to respond to China's encroachment on Indonesian EEZ by fishing and coast guard vessels. In February, the Philippines accused a Chinese warship of [pointing its fire-control radar](#) at a Philippine navy vessel. In April, a Chinese Coast Guard vessel reportedly [rammed and sunk](#) a Vietnamese fishing boat near the Paracel Islands. In the same month,

China also announced the establishment of two [administrative units](#), Xisha district and Nansha district, which cover the Paracel Islands and the Spratly Islands, respectively.

Amid the deepening Sino-US rivalry, it is easy to regard these incidents as evidence of China's "[opportunism](#)." Nevertheless, a more granular examination of these maritime incidents and domestic developments of claimant states reveals a much more complicated picture. For instance, China's recent actions signal continuity of its approach vis-à-vis disputes in the SCS and these escalations in tensions are partly driven by domestic calculations. Other claimants, facing uncertain economic prospects and domestic pressure, have been compelled to show a strong response to Chinese assertiveness. Nevertheless, all parties accelerated their provocations due to the growing perception of [a declining American commitment to the region](#) and the need to consolidate their positions before the next negotiation round on the Code of Conduct (COC) on the SCS. The inability to meet in person and a lack in confident [SCS rules being negotiated](#) virtually is also driving assertive behavior by all claimants.

As the US became the global [coronavirus hotspot](#) with more than 3.6 million cases and over 140,000 deaths as of mid-July, there is the perception that the US ability to continue its engagement in the Indo-Pacific region is coming under increasing strain. The Trump administration's handling of the pandemic and its shunning of global leadership has also strengthened the region's perception of declining American commitment. However, the hardest blow for American credibility came when the aircraft carrier [USS Roosevelt](#) was forced to dock in Guam due to a coronavirus outbreak, in which over 1,000 sailors were infected. These developments consolidated regional perception of the US' declining ability for power projection across the region, presenting an opportunity for China and other claimants to either cement their position or change the status quo. Aware of the situation, the US Navy has deployed [three aircraft carriers](#) to the South China Sea in a bid to signal resolve to Beijing.

Even though China was able to contain the pandemic and largely avoided the high death rate, its initial handling of the pandemic drew global criticism for a lack of transparency and calls for an [independent investigation](#). China is also facing uncertain growth prospects as GDP shrank [6.8%](#) in the first quarter of 2020, and the government had to [drop](#) the annual GDP target. Moreover as former vice minister of foreign affairs [He Yafei argues](#), there are also deepening concerns that the US will leverage the Covid-19 as an “excuse for a new international economic architecture and new supply chains in an attempt to find a basis for their continuing to seek decoupling.”

For a regime that relies on [economic performance for political legitimacy](#), these are dangerous signs. It would not be a surprise that Beijing would be more audacious in its advances in the SCS to distract both domestic and international audiences. Its later success in containing the coronavirus allowed China to focus its resources on the SCS in the background of perceived American weakness.

Nevertheless, new developments in the SCS are evidence of continuity in China's approach to the SCS disputes and in securing its [core interests](#). As Abraham Denmark, Charles Edel and Siddharth Mohandas [articulated](#), China under Xi Jinping relies on a strategy of flexibility and assertiveness to exploit weakness and distraction of its opponents. In territorial disputes, China has employed "gray zone" tactics, which are tailored actions to increase pressure on opposing claimants yet not aggressive enough to provoke military retaliation. If Beijing's efforts were met with determined opposition, it would scale back its operations. This was evident in the standoff with Indonesia early this year. After Indonesia deployed warships and fighter jets near Natuna Islands in response to China's advancement into its EEZ, Chinese vessels [retreated](#) to the border of Indonesia's EEZ.

A lack of a forceful response and weakened American military presence would encourage China to be bolder in its actions. Furthermore, China's facilities in the Spratly Islands [enhanced its ability](#) to conduct long-distance patrol operations in the Southern part of the South China Sea, making it easier for Beijing to

prevent and harass other claimants' activities. Therefore, potential clashes between Chinese ships and vessels from other claimants, like the sinking of a Vietnamese fishing vessel near Paracel Islands or the standoff over Malaysia's West Capella drilling ship, will be more frequent.

Nevertheless, other claimants are not passive respondents to China's advance and their actions are driven by domestic politics and upcoming negotiations for COC. While Vietnam is applauded for its pandemic response, it is still facing economic uncertainty, albeit with [lower severity](#), and preparing for the quinquennial [Party Congress](#), which is slated to be held in January 2021. The upcoming power transition and strong anti-China sentiment within the public might make the regime more sensitive to criticism and might force leadership to show more robust responses. Since 2017, Vietnam quietly [consolidated](#) its position in the Spratly Islands, slowly building facilities in 10 major islets under its control.

Malaysia is also in the midst of a fierce [power struggle](#) between former Prime Minister Mahathir Mohammad and his former ally Muhyiddin Yassin. Furthermore, the [standoff](#) between China, Malaysia, and Vietnam early this year was triggered by Malaysia's state-owned oil company Petronas' decision to send the West Capella drilling vessel to explore the extended continental shelf claimed by both Kuala Lumpur and Hanoi, which also falls within Beijing's nine-dash-line claim. Last year, Malaysia also made another surprising move by submitting a [proposal](#) to the United Nations Commission on the Limits of the Continental Shelf (CLCS), clarifying the limit of its continental shelf beyond 200 nautical miles, which prompted a series of response from [China](#), [Vietnam](#), [the Philippines](#), and [Indonesia](#).

For its part, the Philippines recently unveiled a new [beaching ramp](#) in Thitu Island, its outpost in the Spratly Islands, which allows it to build more structures on the island, such as an airstrip. One possible explanation for these actions might be that claimants want to consolidate their position before the next round of COC negotiations. The COC [single draft](#) showed that all parties were still not in agreement over many aspects from the geographical

scope to dispute settlement mechanisms, making the goal of reaching a legally binding agreement more elusive. Travel restrictions introduced by states to prevent the spread of the pandemic will make it even harder for claimants to organize [face-to-face](#) meetings.

While recent incidents in the SCS represent a worrying trend towards greater tension in the future, they result from a combination of factors, not just unilateral actions by one single party.

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