Military Activities

An Arms Race in the South China Sea?

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INTRODUCTION

The South China Sea is host to a complex web of overlapping maritime jurisdictional and sovereignty claims, complicated by the presence of two disputed archipelagos of islands and reefs known as the Spratly and Paracel Islands. The South China Sea represents a strategic waterway of global significance, providing the key maritime link between the Indian Ocean and East Asia. Furthermore, there is a widely held perception among the littoral states that in addition to important fishery resources the area under dispute also boasts considerable seabed resources, most especially hydrocarbons.

Six coastal states—People's Republic of China (hereafter referred to as China), Taiwan (Republic of China, hereafter referred to as Taiwan), Vietnam, the Philippines, Malaysia, and Brunei—lay claim to all or part of the Spratly and Paracel archipelagos and their surrounding maritime space. Of these six claimants, all save Brunei maintain a military presence on one or more islands or other insular features.

In light of the seemingly intractable nature of these complex jurisdictional disputes, coastal states have placed increasing emphasis on their ability to enforce their sovereignty claims militarily. In the 1980s this tendency led to increased military activity in and around the Spratly Islands, culminating in a bloody Sino-Vietnamese clash off Johnson/Landsdowne Reef in 1988.1

This trend has been reinforced by more recent Chinese and Vietnamese actions relating to hydrocarbon explorations. China's award, on 8 May 1992,

of the Wan'an Bei Block-21 in the vicinity of the Vanguard Banks in the southwestern South China Sea to the U.S. Crestone Energy Corporation heightened tensions considerably. Crestone's subsequent announcement of the commencement of seismic surveys in 1994 led to Vietnamese licensing of the Blue Dragon Block to Mobil in an area adjoining the Crestone block. Both countries sent warships to the area to protect their interests. In July of the same year the Chinese reportedly blockaded a Vietnamese drilling rig, preventing its resupply, and the following month the Vietnamese retaliated by forcing a Chinese survey vessel to leave the area covered by the Crestone concession.

Furthermore, in January 1995 the Chinese occupied Mischief Reef, in the eastern Spratly Islands, which thus gained the dubious distinction of becoming the 44th occupied feature in the Spratlys. The reef lies approximately 240 km west of Palawan Island in the Philippines and around 100 km equidistant from the two nearest Spratly features occupied by the Philippines and by Vietnam, well within the Philippines' Kalayaan maritime claim in the South China Sea. The Philippines, unable to seriously challenge the Chinese militarily, retaliated by arresting Chinese fishermen and destroying Chinese markers on other reefs in the area.

Clearly, while sovereignty disputes remain unresolved, in the absence of adequate cooperative security arrangements and while the states continue to enhance their military presence in the region as a means of physically reinforcing their territorial claims, the potential for confrontation and ultimately conflict remains. The Sino-Vietnamese clashes in the Paracels (1974) and Spratlys (1988), coupled with the Mischief Reef incident and military posturing in relation to oil exploration activities, illustrate that parties to the dispute have not been afraid to use military force to assert their claims.

These developments have led several observers to the conclusion that the claimant states are on the verge of—or, indeed, in the midst of—an undeclared regional arms race. This view has been largely based on high procurement expenditure coupled with expanding domestic arms production to facilitate force modernization throughout Southeast Asia in general, and in China in particular.

The ongoing and ambitious transformation of the Chinese navy from an essentially coastal or “brown-water” force to a fully fledged “blue-water” navy


