

# Conflict Management under Conditions of Asymmetric Power: The Case of the South China Sea Disputes

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**Abstract:** This article analyzes and compares the development of the conflicts in the South China Sea between China and the Philippines, Vietnam and Malaysia, as well as the strategies the smaller countries have adopted towards China in the context of the disputes. The three conflicts are first analyzed separately, focusing on their development, the strategy pursued by the smaller country, and major crises that have occurred. The results are then compared across the three cases. The article confirms the relevance of asymmetry and finds that hedging is a preferable strategy in such contexts. It further identifies key aspects for conflict management under conditions of asymmetry and closes with a brief outlook on the future of the South China Sea disputes.

**Keywords:** South China Sea, conflict management, asymmetry, hedging

**Stichwörter:** Südchinesisches Meer, Konfliktmanagement, Asymmetrie, Hedging

## 1. Introduction

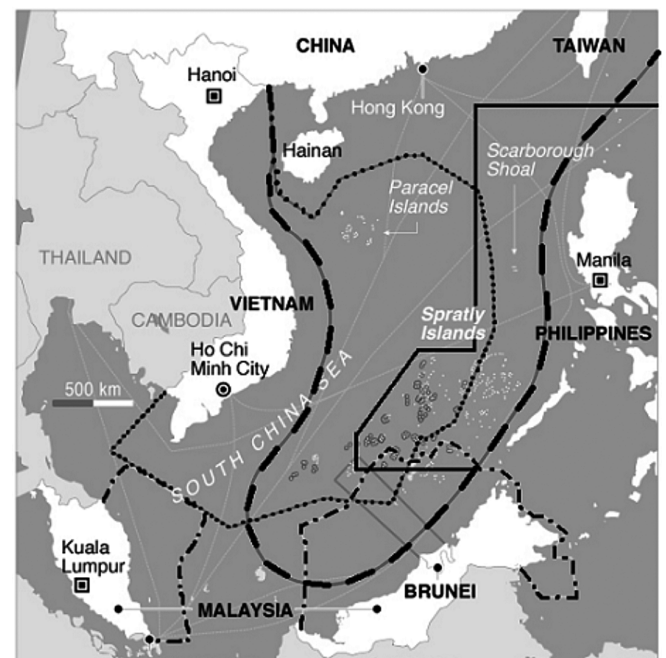
The South China Sea (SCS) conflicts are a highly complex issue that has been around for decades now, and research has been conducted on many aspects of the various disputes. While conflict intensities have varied considerably over time, they have climbed to new heights in recent years with China's so-called "new assertiveness". These developments suggest that the SCS conflicts are here to stay and retain the potential to escalate, and thus have to be observed and managed carefully. To this end, I hope to contribute with this work.

### 1.1 The Conflicts: An Overview

The conflicts at hand revolve around sovereignty over hundreds of islands, rocks, and reefs mainly in the Paracel and Spratly archipelagos as well as the surrounding sea and involve the People's Republic of China (PRC, China), the Republic of China (RoC, Taiwan), the Philippines, Malaysia, Brunei and Vietnam, who all claim the whole or a part of the territory. While during much of history these rocks and islands of the SCS were mostly seen as a danger for trespassing ships (Tønnesson 2001, pp. 5, 8), nowadays they are important because of resources such as fish, oil and gas, but also because of questions regarding trade routes, energy and national security and even cultural identity (Buszynski 2013; Ohnesorge 2016).

The conflict over the islands and water started to take shape after the end of the Second World War. The first to establish their claims were the RoC (today Taiwan) and France on behalf of the later Vietnam in 1946-47. In 1948, the RoC published a map with the demarcation today known as the "nine-dash-line". When the PRC was founded, it simply took over this claim (Tønnesson 2001, pp. 11-12). The Philippines made their first claim to a part of the Spratlys in 1956 and enhanced it in 1971 (Tønnesson 2001, p.16). Malaysia claimed part of the Spratly archipelago based on a continental shelf extension

Figure 1: Claims in the South China Sea



Source: <https://blogs.voanews.com/state-department-news/2012/07/31/challenging-beijing-in-the-south-china-sea/>

from 1966 on, and Brunei made a similar claim overlapping with Malaysia's after it became independent in 1984. The claims of all parties to the SCS disputes are displayed on the map in Figure 1.

Today, China de facto controls the Paracels archipelago as well as Scarborough Shoal, while Vietnam occupies most islands in the Spratlys, with all other parties except of Brunei holding further islets and reefs. The conflicts are mostly under control after the signing of the 2002 Declaration on the Conduct of Parties in the South China Sea (DOC). While tensions have been rising regardless of the existence of the DOC up to the 2016 UNCLOS ruling on the case, recently, negotiations for an actual Code of Conduct have been announced for 2018 after some thawing of relations, in particular between China and the Philippines in the past year.

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**Table 1: Timeline of Developments in the South China Sea since 1945**

Time	Event
1946-47	The Republic of China and France send expeditions to the Paracels and Spratlys and establish a permanent presence
1948	The RoC publishes the nine-dash-line for the first time
1950	South Vietnam becomes independent and claims to have inherited the Paracels and Spratlys from France
1951	Japan renounces all rights to the islands of the SCS at the San Francisco Conference
1956	The Filipino Cloma Brothers found Kalaya'an in the western Spratlys
1971	The Philippines declare Kalaya'an to be national territory
1974	China ejects Vietnamese forces from the western Paracels and establishes full control over the archipelago
1979	Malaysia publishes a map with its exact claim in the Spratlys
1984	Brunei becomes independent and publishes its claim
1987	China occupies several reefs in the Spratlys
March 1988	Chinese and Vietnamese forces clash at Johnson South Reef
early 1990s	China and Vietnam normalize relations with each other and ASEAN
1995	Diplomatic crisis over Chinese structures on Mischief Reef (Meiji Reef)
2002	Signing of the "Declaration on the Conduct of Parties in the South China Sea" (DOC)
2009	Joint submission by Vietnam and Malaysia regarding their claims in the SCS to UNCLOS, protests by China and the Philippines
April-June 2012	Scarborough Shoal stand-off between China and the Philippines
2013	The Philippines submit their case against China to international arbitration
May-July 2014	Oil rig crisis between China and Vietnam
12 July 2016	Arbitration Tribunal rules largely in favor of the Philippines, China does not recognize the ruling
Early 2018	Negotiations on a binding Code of Conduct scheduled

Source: Author's own compilation

When taking a closer look at the various disputes, remarkable differences between the development of the conflicts between China and its opponents become apparent. In particular, the dispute between China and Malaysia has remained relatively low-profile, while the conflict between China and the Philippines has nearly escalated repeatedly. What are the reasons for such disparities? The existing literature on the SCS conflicts suggests that different strategies on behalf of the smaller claimants towards China are central to the answer (see e.g. Hiep 2016, Jianwei 2014, Kreuzer 2016, Thayer 2016).

## 2. Theoretical Basis

This analysis and comparison of the SCS conflicts are based on several theoretical concepts, which are useful in this context. First, the most important feature to be considered is arguably the asymmetric power relationship between the parties. Brantly Womack (2004) has introduced Asymmetry Theory to help analyze such asymmetric relationships between states. Womack argues that differences in power between nations

lead to different perspectives and can produce misperceptions that ultimately culminate in conflict. This certainly applies to the situation in the SCS. However, this course of events is not unavoidable; if managed carefully, asymmetric relationships between countries can be very stable.

Second, an important approach for classifying different strategies in the SCS is provided by Kuik (2008, 2013), who looks at Malaysia's overall China policy and locates it in the middle of a spectrum between the classical "pure" strategies of a smaller state towards a big power of "balancing" and "bandwagoning". He calls this strategy "hedging". Hiep (2016) convincingly applies this concept to Vietnam, and it has been argued that most of China's neighbors pursue a hedging strategy that is tilting either more towards the balancing or towards the bandwagoning end of the spectrum (cf. Goh 2006, Lim & Cooper 2015).

Third, in order to understand China's responses towards its opponents' strategies in the SCS, it is necessary to consider the Chinese world order- and self-perception. According to Kreuzer (2016), China follows relationship logic rather than transaction logic in its international relations, meaning that it aims at stable, long-term relations based on the principles of sovereignty and non-interference, while short-term benefits are less important. This is the background against which the evaluation of the policies of China's counterparts in the SCS conflicts must take place.

## 3. Case I: The Philippines

The conflict between China and the Philippines has been the most prominent and crisis-prone in recent years. It is particularly complicated due to the Philippines' alliance with the United States of America (US) as well as volatile domestic politics in the Philippines.

### 3.1 Development of the Conflict and Overall Relations with China

Summarizing the development of the dispute between China and the Philippines in the SCS, it can be observed that the conflict has varied strongly in intensity over time. While in the first 20 years of official relations the dispute barely played a role, it took center stage between 1995 and the early 2000s (cf. Kreuzer 2016, Baviera 2000, Heydarian 2016). At this time, it was arguably the most tense of all conflicts in the South China Sea. In the 2000s, Sino-Philippine relations were more cooperative and incidents in the SCS rare (cf. De Castro 2007, Heydarian 2016, Kreuzer 2016, Storey 2008). From 2009 onwards, the dispute intensified again and remained intense until May 2016, when Rodrigo Duterte came into office as the President of the Philippines (cf. Kreuzer 2016, Jianwei 2014, Heydarian 2016, De Castro 2012, Baruah 2014). In October 2016, Duterte visited China, accompanied by a large business delegation and announcing a "springtime" in Sino-Philippine relations (Liu, 2016). Shortly afterwards, China allegedly allowed Filipino fishermen again access to Scarborough Shoal, which it had been blocking since 2012 (*South China Morning Post*, 30<sup>th</sup> October 2016). Yet, how intense and how durable this turn towards China will be still remains uncertain.

### 3.2 General Strategy

What has been the general strategy of the Philippines in dealing with its dispute with China in the SCS? First of all, it has to be noted that the Philippines have historically strongly relied on its former colonial power – the US – for external security. A military assistance pact had already been signed in 1947, one year after the Philippines attained independence (Heydarian 2016, p.340). Also, ideologically the Philippines have remained firmly anchored in the Western camp most of the time. The normalization of relations with China in 1975 was mostly for strategic reasons rather than because of political or ideological affinity. Thus, it can be argued that the Philippines pursued a strategy of bandwagoning with the US from the beginning of the conflict in the SCS. This was initially not a strategy of balancing against China, but rather against the Soviet Union under Cold War dynamics.

With regard to the SCS dispute, the Philippines have pursued a policy of internationalizing the conflict by seeking to involve ASEAN and the UN and appealing to the international community to take note of what they perceived as bullying behavior of a stronger power towards a smaller opponent. This kind of David-against-Goliath-rhetoric has sometimes helped the Philippines to gain international attention, but it has also complicated conflict management with China. At the peak of its internationalization strategy, the Philippines filed a case against China with the International Arbitration Tribunal established under UNCLOS in 2013 despite China's continuously voiced strong opposition to this.

Locating the Philippines' strategy towards China in the continuum between bandwagoning and balancing, it is to be found on the balancing end of the spectrum. Even in times of positive relations with China the Philippines have maintained their strategic alliance with the US. In periods of heightened tensions with China, they have sought increased support and backing from their ally against what has been perceived as a threat to national security. However, since the onset of the administration of President Duterte, this approach appears to have fundamentally changed. There are various possible reasons for this, including a stronger emphasis on economic pragmatism and a (perceived) decreased reliability of the US as an ally under the Trump administration. Yet, deeper exploration is beyond the scope of this article. If the change will be sustained in the future remains to be seen.

### 3.3 Crises: Mischief Reef 1995 and Scarborough Shoal 2012

In the following paragraphs, the two most important crises in the SCS between China and the Philippines, namely the 1995 Mischief Reef incident and the 2012 Scarborough Shoal stand-off will be analyzed.

Between the two crises in 1995 and 2012 significant differences can be observed. The Mischief Reef incident of 1995 is a good example of a crisis based on asymmetric misperception: Although relations had been mostly positive previously, the Philippines as the smaller party panicked when they discovered structures at the reef and developed a perception of the 'China threat' that was

probably exaggerated. China on the other hand seemed to have strongly underestimated the Philippines' reaction to the buildings at Mischief Reef and appeared surprised about the diplomatic crisis that ensued (cf. Dzurek 1995, Kreuzer 2016). From that basis, talks and confidence-building measures have been relatively successful in so far that escalation has been avoided and basic positions in the dispute were exchanged. However, they were not able to reduce tensions significantly or rebuild trust between the two parties. Also, communication regarding the disputed areas was not institutionalized, thus allowing for difficulties when tensions rose again after 2008, leading to the Scarborough Shoal stand-off in 2012 (cf. Kreuzer 2016, Baviera 2001).

The crisis in 2012 began in April when the Philippines' air surveillance discovered eight Chinese fishing vessels at Scarborough shoal. The country's largest navy ship was dispatched to intercept the fishermen and allegedly found illegally collected coral, giant clams and live sharks and thus prepared to arrest them. China had send two maritime surveillance ships that positioned themselves between the Filipino navy ship and the fishing boats in order to prevent the detention. A stand-off ensued that involved further ships on both sides and lasted about two months until 16 June, when both countries withdrew all of their vessels due to the impending typhoon season. In July, however, Chinese forces returned and have since then effectively taken control of the shoal, blocking Filipino fishermen's access to it<sup>1</sup> (De Castro 2016; Johnson 2012; Heydarian 2016).

Unlike 1995, in 2012 both parties were fully aware of the dangers of confrontation, but seemed to be more willing to accept an escalation rather than backing down. During the crisis both countries took an aggressive stance and negotiations were difficult, partly because they relied on an ad-hoc mechanism as the Philippines had no ambassador in Beijing. At some point the crisis ended, but the question of Scarborough Shoal was not resolved. Similar to Mischief Reef, China now de facto controls the shoal. Therefore, the Philippines effectively lost control over a reef/shoal in both incidents (cf. De Castro 2016, Kreuzer 2016).

### 3.4 Observations and Conclusions

What observations regarding conflict management under conditions of asymmetric power can be made from the development of the dispute between China and the Philippines? First, the relationship between the two countries and the success of conflict management measures has suffered from a shallowness of communications and interactions, as well as a lack of credibility and consistency. Second, the Philippines have mostly pursued a balancing strategy against China, seeking stronger commitment and more military assistance from the US for its external defense. The development of the conflict suggests that such a balancing strategy does not serve well in handling disputes but rather tends to exacerbate tensions, especially when it involves a major power that is viewed as a

1 As already mentioned before, apparently Filipinos have regained access since November 2016, see for instance *South China Morning Post*, 30<sup>th</sup> October 2016 (<http://www.scmp.com/news/asia/southeast-asia/article/2041371/filipino-fisherman-back-disputed-south-china-sea-shoal>).

threat by the other party. It stands to reason to assume that a similar observation, among other reasons, has been part of the motivation of Filipino President Duterte to switch his country's alliance away from the US and towards China since he assumed office. Third, communication appears to be of significant importance in managing incidents, as the Mischief Reef and Scarborough Shoal crises show.

#### 4. Case II: Vietnam

Vietnam, like China, claims both the Spratly and the Paracel Islands. Moreover, the conflict between China and Vietnam was the most hostile in the Cold War era, featuring military clashes over the Paracels in 1974 and in the Spratlys in 1988.

##### 4.1 Development of the Conflict and Overall Relations with China

Similar to Sino-Philippine relations, the conflict between Vietnam and China may be divided into five phases. The first phase lasted from the first formulation of claims by South Vietnam to the Paracel and Spratlys archipelagos in 1951 to 1976, when Vietnam was officially reunited. During this time, China first supported Vietnam in its fight against French colonialism and then aided North Vietnam in its war against the South and the US, while the SCS conflict emerged between China and South Vietnam (cf. Thayer 2016). In the second phase, from 1976 to 1991, relations were initially good but deteriorated rapidly, leading to a military clash over Johnson South Reef in the SCS in 1988, as well as other clashes mainly in the context of the conflict in Cambodia, before the normalization of relations in late 1991 (cf. Womack 2010, Tønnesson 2001, Thayer 2016). The third phase, from 1991 onwards, was characterized by overall positive relations and successful efforts at conflict resolution regarding the Sino-Vietnamese land border and the Gulf of Tonkin, but ongoing tensions in the SCS (cf. Hiep 2013b, Thayer 2016, Amer 2014, Storey 2008). In the fourth phase, from approximately 2001 to 2007, the SCS dispute also calmed down. The fifth phase, from 2007 until today, is again characterized by increased tensions concerning the SCS (cf. Thayer 2016, Storey 2008, Amer 2014, Jianwei 2014). The most serious crisis in that period occurred in May-July 2014, when China deployed an oil rig in waters within Vietnam's Exclusive Economic Zone (EEZ).

##### 4.2 General Strategy

In the early years of the conflict, Vietnam's strategy towards China was dominated largely by Cold War dynamics. In the beginning, Vietnam bandwagoned with China in exchange for support in its fight against France; after the division of the country, the communist north continued this policy, while the south was integrated into the western bloc. After the end of the Vietnam War, China became more reluctant in aiding the country, leading to Vietnam turning to the Soviet Union

(Hiep 2016, p.277). This was a decision aimed at promoting economic development rather than directed against China, but it was perceived as deliberate encirclement by the latter, leading to open hostility and war in 1979.

In the context of a major reform program aimed at turning around an increasingly difficult economic situation, Vietnam initiated diplomatic relations with many countries regardless of ideology from 1986 onwards (Hiep 2013a). A rapprochement with China was a key element in this effort. This was achieved in 1991, after a solution to the conflict in Cambodia had been found (Hiep 2013a; Thayer 2016). Reflecting the need for positive relations due to economic reasons, while China's military presence at Vietnam's northern border and in the SCS were still perceived as a major threat, Vietnam adopted a typical hedging strategy towards China. This strategy is comprised of the elements of economic and diplomatic engagement on the bandwagoning side of the spectrum, and multilateralization, enhanced cooperation with other major partners as well as military modernization on the balancing end (Hiep 2013b).

##### 4.3 Crises: Paracels 1974, Johnson South Reef 1988, Oil Rig Crisis 2014

The three most notable confrontations over the SCS between Vietnam and China were the battle over the Paracels in 1974, the 1988 skirmish at Johnson South Reef in the Spratlys and the three-month long crisis over a Chinese oil rig in 2014.

In the battle of the Paracels in 1974 China first sent fishing boats to establish a presence on the islands held by Vietnam. When Vietnam sent its navy to eject them in response, China escalated the situation by bringing in more ships and militia, which defeated the Vietnamese forces. After that, China took full control of the archipelago. The battle of the Paracels has been the first and biggest armed clash related to the SCS conflicts until today (Yoshihara 2016).

In 1988, a second battle occurred between China and Vietnam in the Spratlys at Johnson South Reef, in which at least 64 Vietnamese died. However, neither for China nor Vietnam the skirmish represented a full victory. Vietnam again lost the confrontation and failed in preventing China from establishing a presence in the Spratlys. China, on the other hand, appeared as the aggressor, as it killed Vietnamese troops that were partly unarmed, while not achieving to seize any islet from Vietnam. Nonetheless, China achieved its main goal in the Spratlys at that time – establishing a permanent presence to solidify its claim to the archipelago (Kalman 2016, Thayer 2016, Tønnesson 2001)

Lastly, the May-July 2014 oil rig crisis ensued when China dispatched its oil platform *Haiyang Shiyu 981* (HYSY 981) into waters that Vietnam considers to be inside its EEZ. This crisis came unexpectedly at a time when China-Vietnam relations were overall good and had in fact been improving after tensions in 2011. Therefore, the crisis had a strong impact on public opinion as well as policy-makers in Vietnam. Distrust towards China increased, anti-Chinese riots broke out, and officials began to consider taking legal action against China and stepping up cooperation with the US. It may have been against this background that China decided

to withdraw the oil rig earlier than initially planned, which was perceived as a victory for Vietnam. Negotiations and diplomatic exchanges have also contributed to the end of the crisis and have enabled the relatively quick restoration of relations in the aftermath (cf. Hiep 2016, Thayer 2014a, 2014b, 2016).

#### 4.4 Observations and Conclusions

Since 1991, however, Vietnam and China have had stable regular diplomatic relations and were able to resolve their conflicts over the land border and the Gulf of Tonkin. This demonstrates that positive relations between countries are possible even when they are characterized not only by strong asymmetry, but also by a history of war and several pending conflicts. The key success element for achieving this has arguably been continuous communication on all levels, as well as common goals such as economic development and power preservation. Also, Vietnam's hedging approach of engaging and simultaneously balancing China in a limited way seems to have generally worked in dealing with the SCS conflict, which saw tensions but no major crises between 1991 and 2014. Yet, no advances concerning a permanent solution of the dispute have been made, and established conflict management mechanisms have not worked well during the 2014 oil rig crisis. The crisis demonstrated that Vietnam is still vulnerable to interventions by China and therefore it is likely that the country will strengthen the balancing elements in its hedging strategy in the future (cf. Hiep 2016). However, Vietnam has resumed exchanges with China quickly after the crisis and has stressed that it will not let the SCS dispute affect overall relations. This reaction seems to be appropriate and well suited to prepare for uncertainties regarding the future development of the conflict and to safeguard Vietnam's current position in the SCS.

### 5. Case III: Malaysia

The conflict between Malaysia and China over the South China Sea differs both in development and intensity from the other two cases. First, Malaysia has joined the dispute relatively late. Second, Malaysia has since the end of the Cold War enjoyed very good relations with China and thus largely chosen to remain silent on the dispute, although Chinese intrusions into Malaysian-claimed areas have increased in recent years.

#### 5.1 Development of the Conflict and Overall Relations with China

Malaysia published its SCS claim only in 1979, after it had established formal diplomatic ties with China in 1974 (before that, Malaysia was integrated in the Western bloc as a former British colony). In the period between 1974 and the end of the Cold War, relations with China improved, but were still characterized by a certain level of distrust. Since the 1990s the relationship has been rather cordial. There have been no serious clashes between the two countries in the SCS (cf. Kuik 2013, Kreuzer 2016, Hellendorff 2016).

#### 5.2 General Strategy

Malaysia pursued a balancing strategy vis-à-vis China in its early years of independence, being militarily allied with its former colonial power Great Britain and firmly integrated into the Western bloc. It changed to a policy of non-alignment when Britain announced its withdrawal from Southeast Asia, leading to the establishment of formal relations with China in 1974. Subsequently, Malaysia followed this policy of neutrality by upholding positive relations with China and engaging with it economically while still guarding political reservations over several issues, including the SCS. This laid the foundation for the more comprehensive hedging strategy Malaysia adopted towards China in the post-Cold War era (cf. Kuik 2013).

Malaysia's hedging strategy towards China after 1990 is based on economic cooperation and strong diplomatic engagement, extending even to limited military collaboration and deference on selected issues, on the bandwagoning end of the hedging continuum, and multilateral binding and indirect balancing on the balancing side. Thus, the bandwagoning elements are stronger than the balancing elements in Malaysia's approach, placing the strategy as a whole closer to the bandwagoning end of the spectrum (Kuik 2013, 2016).

When looking at Malaysia's handling of the SCS dispute, it has to be noted that it has kept very quiet with regard to the conflict. The government has often avoided any commentary, and public reporting on the topic has been generally low (Kreuzer 2016). Furthermore, Malaysia has consistently stressed diplomacy as the central means to solve the conflict. This approach has been based on a deliberate policy of not viewing China as a threat, originating in former President Mahathir's perception of that being a self-fulfilling prophecy (Asiaweek 1997). Malaysia has been a driving force of China's increasing engagement with ASEAN, but has also signaled agreement with China's policy of solving the disputes bilaterally. On the other hand, the country has upheld its claim through construction activities on the features and active oil and gas exploration in the waters, and it has been mindful to not allow China to dominate Southeast Asia through careful regional equilibrium diplomacy mostly implemented via ASEAN.

#### 5.3 Crises: All quiet on the SCS front

In short, there have been no major crises between China and Malaysia to be analyzed here. However, there have been some minor incidents such as visits of leaders (of both parties) to disputed features, Chinese patrols and exercises in contested waters and intrusions of fishing boats that have prompted diplomatic protests by the opposing party. The number of such occurrences has increased in the last years.

#### 5.4 Observations and Conclusions

The most important observation with regard to the SCS dispute between China and Malaysia is that it has been by far the calmest conflict of all three cases examined here. The initial reason was the early establishment of positive relations between the two

countries, before the bilateral conflict in the SCS emerged. Later, Malaysia deliberately decided to pursue a good relationship with China, resolving to not view it as a threat and downplaying the SCS conflict. Together with a consensus on visions for a desirable regional and world order along the lines of anti-colonialism, anti-hegemonism, and multipolarity, this appears to have served it well in keeping tensions low in the SCS. China (until in recent years) has been much less assertive about its claims towards Malaysia than towards the other claimants, and also has barely challenged Malaysian oil and gas exploration activities in the area.

Nonetheless, Malaysia has not adopted a pure bandwagoning strategy, but has hedged against the possible future threats to its sovereignty by maintaining a certain level of security cooperation with the US. This can be attributed to the underlying situation of asymmetry, which has led Malaysia to remain wary of China despite the present cordial relations (cf. Mahathir 1985). Furthermore, it should be noted that intrusions of China in Malaysian-claimed waters have augmented in recent years, although Malaysia has not changed its behavior in a noticeable way. Considering this, the question arises whether this will prompt Malaysia to adjust its hedging strategy, including stronger balancing elements in the future.

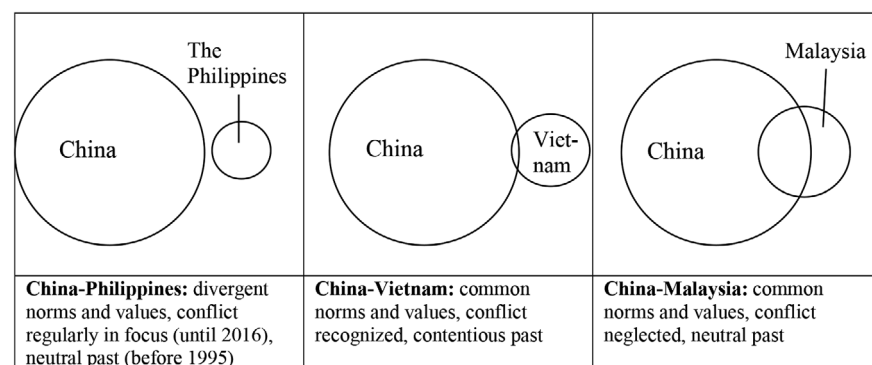
## 6. Comparison

In the following sections, the conflicts between China and the Philippines, Vietnam and Malaysia respectively will be compared with regard to five aspects: Overall relations with China, prevalence and outcome of crises, crisis management and prevention, assertiveness of the parties regarding their claims and China's approach towards them. The findings are summarized in a table below.

### 6.1 Overall Relations with China

When comparing overall relations with China, one can argue that the relationship between Vietnam and China has historically been by far the most conflict-laden of the three. In the last 20 years, nevertheless, it has actually been more stable than that of the Philippines and China, although the latter lacks a similar history. One possible explanation for this is norms and values, which separates the Philippines (democracy, US support, multilateralism) and China, but unites China and Vietnam (communism, non-interference, anti-hegemony). Such a consensus has also been the basis of Sino-Malaysian relations, which have been consistently better than both other pairings. This has been facilitated by a considerably smaller burden of past animosity than carried by Vietnam, as well as a relative neglect of the bilateral dispute. The series of diagrams below visualizes the three relationships and their determinants in the post-Cold War period.

Figure 2: China's Relations with the Philippines, Vietnam and Malaysia



Source: Author's own illustration

### 6.2 Prevalence and Outcome of Crises

Regarding prevalence and outcome of crises, a similar pattern as for the general relations of the three countries with China emerges. Although Vietnam and China experienced the most serious clashes over the SCS in the Cold War era (Paracels 1974 and Johnson South Reef 1988), there has been only one significant crisis in recent times (2014 oil rig crisis), with a relatively positive outcome from Vietnam's point of view. In contrast, the Philippines and China have had no crises prior to the 1990s, but two in 1995 (Mischief Reef) and 2012 (Scarborough Shoal), both leading to the loss of a reef/shoal by the Philippines. On the other hand, Malaysia has been spared of crises up to the time of writing, and neither has lost any features. This suggests a close connection between the smaller claimants' overall relations with China and the frequency and outcome of crises, and thus also a high relevance of their general strategy towards China for the management of the SCS conflict.

### 6.3 Crisis Prevention and Management

Considering crisis prevention, Vietnam has done significantly more than the other two countries in this area, especially in recent years. Nonetheless, this has not prevented the oil rig crisis in 2014. The Philippines have been much less active in crisis prevention, and have experienced two crises – in 1995 and in 2012. Also, tensions and potential for crises (Mischief Reef, Scarborough Shoal, Second Thomas Shoal) have been on average higher. Malaysia's strategy of toning down any disagreements has apparently successfully prevented crisis so far. With regard to crisis management, after having backed down over Mischief Reef in 1995, the Philippines refused to do so at Scarborough Shoal in 2012, and so did Vietnam in the oil rig incident in 2014. In fact, both countries have followed similar approaches in their SCS tensions with China, combining limited confrontation with early diplomatic initiatives to get to a negotiated solution. In both cases, negotiations have been difficult: While the Philippines ran into communication problems due to the lack of established channels, Vietnam simply did not receive answers to its requests initially. Yet, the two crises ended with quite different results. The Philippines

agreed to a simultaneous withdrawal, but China returned after a short period, while in the crisis with Vietnam the PRC withdrew its oil rig early.

## 6.4 Assertiveness

With regard to asserting their claims in the SCS, each of the three countries has set its focus on different aspects, with Vietnam being the most assertive overall. The Philippines have mostly concentrated on law enforcement in the area of fisheries, while also occupying some features and occasionally attempting oil exploration. Yet, arguably the most assertive act of the Philippines in the SCS dispute has been its submission of the case to the UNCLOS Tribunal in 2013, which has been protested strongly by China. Malaysia has actively been exploiting hydrocarbon resources for many years, as well as operating a diving resort on one of its occupied features. Vietnam has been active in both fishing and oil exploration, as well as maintaining by far the strongest military presence in the archipelago. But all in all this does not seem to have a significant impact on conflict intensity or Chinese behavior towards the three smaller countries.

## 6.5 China's Approach

Lastly, this section compares the approach of China towards its three opponents. Affecting all of them equally, a main part of China's strategy in both the Spratlys and the Paracels has been to over time create factual realities through extensive land reclamation works on the reefs and islands it occupies, ignoring competing claims (cf. Watkins 2015).

Concerning the Philippines, China has often reciprocated its belligerent rhetoric and condemned its aggressive actions. Also, it has seized Mischief Reef and Scarborough Shoal and has strongly opposed the Philippine's unilateral submission of the SCS dispute to the UNCLOS Tribunal. However, despite this uncompromising stance, China has presented itself open for a rapprochement and more cooperation since current Philippine President Duterte assumed office in 2016. Currently, negotiations on a binding Code of Conduct for the SCS are planned for spring 2018 (ABS-CBN News 2017, Pomfret and Morales 2017, YingHui 2017).

Looking at Vietnam, China had ejected it from the Paracels in 1974 to take full control of the archipelago, but showed somewhat more restraint in 1987/1988 in the Spratlys, despite of the armed clash it won in March 1988. After normalization of relations, China moved towards stressing commonalities more than differences in its communications with Vietnam and adopting a policy of not letting the SCS conflict affect overall relations. Nonetheless, China continued to interfere with Vietnamese oil exploration and fishing activities and in 2014 it deployed an oil rig in Vietnamese-claimed waters, triggering a deep crisis.

Regarding Malaysia, China has not challenged its oil exploration activities in the SCS, although they by far exceed the efforts of the Philippines and Vietnam. Beyond that, Malaysia's construction activities at the islands it occupies have not been

met with significant Chinese protests; in general, China has kept relative silence on the dispute, reciprocating Malaysia's approach. Yet, the Chinese coast guard has maintained a regular presence at several Malaysian-claimed features and in 2013 and 2014 China has conducted exercises in disputed areas.

To sum up, in the post-Cold War era, China has been distinctly more aggressive towards Philippines in words as well as actions than towards Vietnam and Malaysia.

**Table 2: Comparison of Conflicts since the 1990s**

	Philippines	Vietnam	Malaysia
<b>Overall Relations</b>	mostly tense (except 2001-2007, 2016 onwards)	stable-neutral	cordial
<b>Prevalence/ Outcome of Crises</b>	2 crises 'lost', frequent incidents	1 crisis 'won', frequent incidents	no crises, few incidents
<b>Crisis Prevention/ Management</b>	few measures, escalations avoided	many measures with limited success, escalations avoided	no crises
<b>Assertiveness</b>	low-medium	high	medium-high
<b>China's Approach</b>	mostly assertive (except 2001-2007, 2016 onwards)	medium-assertive	contained

*Source: Author's summary*

## 7. Conclusion: Implications for Conflict Management under Conditions of Asymmetric Power

The above analyses of the three disputes between China and the Philippines, Vietnam and Malaysia, and the comparison of the three cases confirm the relevance of asymmetric power as a basic condition under which conflict management in the South China Sea must take place. Asymmetry is the overall framework in which the SCS conflicts are set, and this means a heightened risk of apprehension and mistrust on behalf of the smaller state towards the larger state. Further, it makes the perception and thus the portraying of the larger party as a threat more likely – leading the larger party to view the smaller as unfriendly, in turn leading to tensions in the bilateral relationship. Existing conflicts such as the SCS disputes exacerbate this dynamic, and conversely, conflicts are more likely to escalate because of it. Yet, this does not have to happen necessarily, as the case of Malaysia in this analysis demonstrates. Malaysia has simply refused to view China as a threat in the post-Cold War period, with the result of a rather cordial bilateral relationship with almost no impact of the SCS dispute. Therefore, it appears that ultimately the *level* of threat perception depends on other factors, such as leaders/elites and their interactions, domestic politics and priorities, and historical experiences. Yet, the case of Malaysia shows that this is not a necessary consequence and can be avoided under certain circumstances and with some effort.

Generally, hedging is a better approach than balancing for managing conflicts under conditions of asymmetric power, but what type of hedging strategy a country might follow depends on further variables such as economic and political



preconditions, historical experiences, threat perception and the importance of the conflict. Beyond that, not only the strategy adopted towards the larger country has an influence on conflict intensity and development, but also developments in the conflict can have an influence on the strategy, because a hedging strategy is precisely designed to be adaptable to such changes (cf. Kuik 2008, 2013). Aside from the overall strategy, other important aspects for conflict management in asymmetric relationships are communication channels and regular exchanges to build trust, avoid misperceptions and make relations more resilient against crises. Another helpful aspect is some basic consensus regarding ideology, worldview, or a strong focus on common interests such as economic development.

As to the future of the SCS conflicts, it is likely that the conflicts will prevail and remain fairly intense in the coming years, as there is no permanent solution whatsoever on the horizon. Notwithstanding, major armed clashes or outright war are also unlikely due to several reasons: First, the stable normal relationship between China and Vietnam that is valued by both sides. Second, in the case of the Philippines, the change towards positive relation with China since 2016 (as well as a certain experience in crisis management, should the swing in relations reverse itself in the future). And third, the positive, conflict-neglecting relationship between China and Malaysia. Aside from this rough assessment, due to the nature of asymmetric relationships, much depends on the behavior of China as the dominant power in the region. In this regard, it could be reasonably argued that China is currently not interested in major confrontations because its strategy of gradually appropriating the contested areas largely seems to work, and any armed clash would be harmful to its attempts to present itself as a peaceful rising power in the international arena. Recent developments also give hope for a (slight) relaxation of the situation: A new round of negotiations for a binding Code of Conduct in the SCS has been announced for early 2018, and China seemingly has at least temporarily stopped further land reclamation works on its features in light of this (ABS-CBN News 2017, Pomfret and Morales 2017, YingHui 2017).



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