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The South China Sea

Still No War on the Horizon

ABSTRACT

Using a conflict transformation framework, this article demonstrates that positive transformations have taken place in the South China Sea between 1991 and 2007. Even though these transformations have been weakened in recent years, particularly regarding the actor aspect, it is concluded that a major armed conflict is still highly unlikely.

KEYWORDS: South China Sea, China, conflict, ASEAN, rise of China

INTRODUCTION

After a decade of silence, the South China Sea (SCS) conflict has once again become the epicenter of the East Asian security debate.¹ Today the SCS is not only the most critical flashpoint in the East Asian region, it is also a litmus test of China's relations with the Association of Southeast Asian Nations (ASEAN) and its member states, being a conflict embedded in, and a manifestation of, the overarching relations. Not only is it the situation most likely to escalate into major armed conflict between China and its Southeast Asian neighbors, but also there is a risk that it will be the cause of a military confrontation between China and the United States. This is because during recent years a more aggressive Chinese posturing has coincided with a US

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1. There are a number of disputes in the South China Sea area between the seven claiming states over a range of issues. The term "the South China Sea conflict" does not imply a single conflict but refers to the cluster of disputes in the area.

Asian Survey, Vol. 55, Number 3, pp. 596–617. ISSN 0004-4687, electronic ISSN 1533-838X. © 2015 by the Regents of the University of California. All rights reserved. Please direct all requests for permission to photocopy or reproduce article content through the University of California Press's Rights and Permissions website, <http://www.ucpressjournals.com/reprintInfo.asp>. DOI: 10.1525/AS.2015.55.3.596.

strategic “pivot to Asia.”² In China, the US pivot is widely seen as the linchpin of the disputes in the SCS, and as an attempt to collude with the other states making claims there against China; this forces China to react accordingly. Outside China the opposite view dominates, the perception being that China’s more assertive policy is the main source of the increased tensions in the SCS.³

Despite the recent increased attention, the current situation in the SCS is by no means a new one. After the end of the Cold War the SCS was characterized as Asia’s next flashpoint; a future of perpetual conflict dominated the predictions.⁴ At first glance, it might appear as if things had returned to the post–Cold War situation. However, as I will argue in this article, this is not the case. Major changes have taken place in the relations between the conflicting parties and in the regional system since the early 1990s. Over a decade of constructive engagement and economic cooperation between China and Southeast Asia has transformed countless aspects of the region’s political, economic, social, and security dynamics. All these changes have not vanished in an instant; rather, they continue to affect how the actors behave toward each other, including in the SCS.

Taking its starting point in conflict management theory, this article will use a conflict transformation framework to analyze the SCS conflict in the 1991–2014 period. It will ask whether conflict transformation has happened since the early 1990s, and if so, to what extent it is still relevant, considering the negative developments in the SCS in recent years. First, I will present the theoretical framework used and briefly outline the SCS conflict; thereafter, the framework will be applied to the SCS conflict.

2. The description of China as more assertive has become increasingly common in recent years, particularly in the United States; see Michael D. Swaine, “Perceptions of an Assertive China,” *China Leadership Monitor* 32, no. 2 (2010). However, there has been considerable debate about whether Chinese foreign policy has in fact become more assertive; see Björn Jerdén, “The Assertive China Narrative: Why It Is Wrong and How So Many Still Bought into It,” *Chinese Journal of International Politics* 7, no. 1 (2014): 47–88; Alastair Iain Johnston, “How New and Assertive Is China’s New Assertiveness?” *International Security* 37, no. 4 (2013): 7–48.

3. Mingjiang Li, “Reconciling Assertiveness and Cooperation? China’s Changing Approach to the South China Sea Dispute,” *Security Challenges* 6, no. 2 (2010): 49–68.

4. Aaron L. Friedberg, “Ripe for Rivalry: Prospects for Peace in a Multipolar Asia,” *International Security* 18 (1994): 5–33; Andrew Tanzer, “Asia’s Next Flash Point?” *Forbes* 150, no. 10 (1992): 96–100.

UNDERSTANDING CONFLICT MANAGEMENT

This paper is grounded in existing research in the field of conflict studies and thereby goes beyond most of the mainstream research in international relations and security studies, which lacks an explicit theoretical framework for understanding the management and resolution of conflicts or the building of peace. This includes works on East Asian security, where at least until recently there have been few studies using an explicit conflict management framework.

A large number of approaches, coming from a variety of interdisciplinary perspectives, exist on how to manage, resolve, and prevent conflicts and how to build peace.⁵ There is a deficiency of clear definitions, as there is no consensus on how terms and concepts are to be interpreted and defined. The same concept can have different meanings depending on usage, and more often than not, definitions overlap. For example, both *conflict management* and *conflict resolution* may be used as umbrella terms for the whole field. At the same time, *conflict management* may be viewed as a theoretical concept focusing on the limitation, mitigation, and/or containment of a conflict, without necessarily solving it, but creating a certain level of confidence and lessening potential or actual suffering.⁶ *Conflict resolution*, in turn, may refer to measures aimed at resolving the central incompatibilities of a conflict, including attempts to get the parties to mutually accept each other's existence and cease all violence against each other.⁷

Of the range of conflict management approaches available, conflict transformation is suitable for capturing the dynamics and developments behind the relative peace in the SCS. It is a positive, proactive, and forward-looking way that has not been a focus in conflict management research, where the focus is on more instrumental, direct, often short-term measures, when a conflict has escalated into more unstable peace. Conflict transformation is more inclusive of the whole conflict cycle than more traditionally used approaches such as conflict prevention, conflict management, conflict resolution, or

5. See e.g. Jacob Bercovitch, Viktor Kremenyuk, and I. William Zartman, *The Sage Handbook of Conflict Resolution* (Los Angeles: SAGE, 2009); Oliver P. Richmond, *Palgrave Advances in Peacebuilding: Critical Developments and Approaches* (Basingstoke: Palgrave Macmillan, 2010); *Routledge Handbook of Peacebuilding*, ed. Roger Mac Ginty (London: Routledge, 2013); Niklas Swanström and Mikael Weissmann, *Conflict, Conflict Prevention and Conflict Management and Beyond: A Conceptual Exploration* (Uppsala: Central Asia-Caucasus Institute & Silk Road Studies Program, 2005).

6. Fred Tanner, "Conflict Prevention and Conflict Resolution: Limits of Multilateralism," *International Review of the Red Cross*, no. 839 (2000).

7. Peter Wallensteen, *Understanding Conflict Resolution* (London: Sage, 2012).

peacebuilding. It is well suited to capturing the complex conflict dynamics in the SCS, where a number of tensions exist, and conflicts of different phases and intensities are occurring at the same time, and concepts focusing on specific phases of the conflict cycle fail to capture the dynamics well. Conflict prevention normally occurs before a conflict has escalated into militarized (sometimes called *open* or *active*) conflict; conflict management focuses on the mitigation of an already open conflict without necessarily resolving it; and conflict resolution focuses on the later phases, aiming to resolve the underlying incompatibilities. Peacebuilding is in most definitions focused on the post-conflict phase. The SCS conflict is more than a case of conflict prevention or management; at the same time, conflict resolution is not happening in East Asia. Nor is it a post-conflict situation. At the same time, there have been qualitative underlying changes in relationships, which can be understood in terms of conflict transformation.

Conflict transformation as a field of study emerged in the early 1990s. During the following decade, much effort was put into developing comprehensive frameworks for conflict transformation.⁸ Nevertheless, no comprehensive theory or unified framework has emerged. This is a result of a number of new developments, including 9/11's shifting focus toward terrorism, and a new focus on internal wars. The latter has led to much research on reconciliation, post-conflict reconstruction, and post-conflict peacebuilding. From this research interesting lessons can be drawn, although the scope is different as the emphasis is on the post-conflict phase, and furthermore there is a tendency to have a strong focus on direct action and grassroots peace work—neither of which are applicable in the case of the SCS and Sino–ASEAN relations.

Conflict transformation is a comprehensive concept referring to

actions and processes which seek to alter the various characteristics and manifestations of conflict by addressing the root causes of a particular conflict over the long term. It aims to transform negative destructive conflict into positive constructive conflict and deals with structural, behavioural and attitudinal aspects of conflict. The term refers to both the process and the completion of the process.⁹

8. For an excellent overview of conflict transformation theories see Oliver P. Richmond, *Palgrave Advances in Peacebuilding* (Basingstoke: Palgrave Macmillan, 2010); Christopher R. Mitchell, "Beyond Resolution: What Does Conflict Transformation Actually Transform?" *Peace and Conflict Studies* 9, no. 1 (2002).

9. Alex Austin, Martina Fischer, and Norbert Ropers, *Transforming Ethnopolitical Conflict: The Berghof Handbook* (Wiesbaden: Verlag für Sozialwissenschaften, 2004), 464–66.

The framework in this article draws on the work of Hugh Miall, who has developed the most comprehensive conflict transformation framework to date.¹⁰ His framework identifies five types of transformation, or *transformers*: context, structural, actor, issue, and personal/elite transformations. The first four are the ones in focus in this article. To include possible personal/elite transformations is beyond our scope. Furthermore, such transformations are most relevant in studies of conflicts where the same actors are involved over time.

The four types of conflict transformation are context, structural, actor, and issue.¹¹ *Context transformations* are “changes in the context of conflict that may radically alter each party’s perception of the conflict situation, as well as their motives.” *Structural transformations* are “changes in the basic structure of the conflict that is to the set of actors, their issues, incompatible goals and relationships, or to the society, economy or state within which the conflict is embedded.” This includes changes from asymmetric to symmetric relations, changes in power structures, and changes of markets of violence. Of particular importance in the context of this article is the role of norms and practices, which constrain and guide the actors’ behavior. *Actor transformations*, in turn, include “decisions on the part of actors to change their goals or alter their general approach to conflict.” Transformations of actors also include changes of leadership, which are often crucial for successful transformation in conflicts. In addition, they include “changes in the situation of the public constituencies and supporters of the respective political leaders.” *Issue transformations* concern “the reformulations of positions that parties take on key issues at the heart of the conflict as well as the way in which parties redefine or reframe those positions in order to reach compromises or resolutions.” More specifically, these concern transcendence of contested issues, constructive compromise, changing of issues, and the delinking or relinking of issues.

Conflict transformation is suitable for capturing the changes that can be observed in the SCS and the overall Chinese relations with ASEAN and its member states. The characteristics and manifestations of conflict concern the SCS disputes in particular, while to address the root causes there is a need to

10. Hugh Miall, “Conflict Transformation: A Multi-Dimensional Task,” in Austin et al., *Transforming Ethnopolitical Conflict*.

11. *Ibid.*, 9–10.

include the broader Sino–ASEAN relations of which the SCS disputes are a part. It is important not to concentrate solely on the completion of the process, as there are not many concrete outcomes to discuss, but, as will be argued, the process in itself has been beneficial for sustaining and building peace. It is also important to include all three aspects of structure, behavior, and attitudes, as the SCS disputes have emerged as dependent on not only regional security structures but also the role of the US–East Asian alliance system. Both behavior and attitudes play important parts in the SCS, as there are strong nationalist tendencies among the claiming states and generally strong feelings about the SCS. Thus, there is a need to account for both actions (behavior) and feeling and perceptions (attitudes).

THE SOUTH CHINA SEA CONFLICT

The SCS is an area with 200 small islets, rocks, and reefs stretching over 1,700 miles, roughly from Singapore and the Strait of Malacca in the southwest to the Taiwan Strait in the northeast. The major islet grouping, and core area of conflict, is the Spratly and Paracel Islands. The SCS's geographical and geostrategic position creates a security dilemma for virtually all powers in East Asia and the wider Asia-Pacific region. The ownership of the territory is contested, with overlapping claims by China, Taiwan, Vietnam, Malaysia, the Philippines, Indonesia, and Brunei.

Linked to territorial sovereignty, the SCS conflict has important internal dimensions in the form of the national prestige and national identity invested in the area. Rising nationalism, in China and Vietnam particularly, makes the disputes explosive, forcing respective leaderships to take a firm stance in the SCS. Any action perceived by the public as a concession risks undermining the legitimacy of the leaders. Lastly, ensuring freedom of navigation is crucial, as the sea lines of communication (SLOCs) through the SCS are of both regional and geostrategic importance.

Conflict in the SCS can best be understood as the conflict manifestation of China's relations with the ASEAN members. The disputes in the SCS do have their own underlying causes, but nevertheless they cannot be understood apart from the overarching relations, as the SCS issues are interlinked and embedded in the broader Sino–ASEAN context. The two cannot be separated. As observed by Rodolfo C. Severino, “good Sino-ASEAN relations decrease the risk of conflict in the South China Sea. At the same time, bad

relations in the SCS are a problem for overall relations.”¹² Negative developments in the SCS undermine the otherwise good relations in the area and the image of a peacefully developing China. The high level of economic integration and interdependence, together with a Chinese need to be perceived as a “responsible great power” (a “responsible stakeholder” using the Western term), creates an incentive to avoid conflict escalation in the SCS.

In the early 1990s there was a common assumption among analysts that China would behave aggressively. The characterization of the Spratly area as “Asia’s next flash point” became a standard reference,¹³ with the dominant predictions painting a dark future for the SCS and the East Asian region. However, it turned out that these worst-case scenarios were both premature and exaggerated, as they did not materialize.¹⁴ Instead of war, a process of de-escalation began in the mid-1990s. This process started after the 1995 Mischief Reef incident, where a crisis occurred between the Philippines and China, after the former found out that China had occupied Mischief Reef, which was located in an area claimed by the Philippines. The incident stopped short of a major armed conflict mainly because of the unequal power of the two states. This incident made the ASEAN parties unite and, for the first time, take a common stance against China. This was to become the start of a de-escalation process that eventually led to the Declaration on the Conduct of Parties in the South China Sea (DOC) of November 4, 2002. This agreement, although not legally binding, created the conditions necessary for peaceful coexistence, where the focus was on developing interstate relations and economic cooperation in the region. After the 2002 DOC was agreed upon, conflict avoidance and the shelving of disagreements in the SCS was the preferred approach among all parties. They all chose to focus on other areas, not least the shared goal of economic growth and prosperity.

The SCS remained stable until late 2007, when Beijing passed new legislation to consolidate its jurisdictional claims by creating Sansha, a county-level city in Hainan, to govern the Paracel and Spratly Islands. Since then the SCS situation has deteriorated, in particular between China and Vietnam and between China and the Philippines, as China has been reverting to more assertive posturing, increasing its military reach, and pursuing a more

12. Interview, Singapore, December 7, 2010.

13. Tanzer, “Asia’s Next Flash Point?”

14. Mikael Weissmann, *The East Asian Peace: Conflict Prevention and Informal Peacebuilding* (Basingstoke: Palgrave Macmillan, 2012).

hard-line policy to undermine the claims made by other states.¹⁵ The more assertive stance can also be seen in China's increased naval patrols, pressure on foreign oil companies, and imposition of unilateral fishing bans.

The Chinese policy change can at least partially be attributed to an increasing dependence on energy imports, technological advances that have made deep drilling more feasible, and the need to ensure safe sea lanes for its energy imports through the SCS.¹⁶ Another major driver of the new assertiveness is China's increased capabilities and enhanced confidence, together with unabated nationalism and a growing frustration with what is perceived as outside (i.e. US) interference.

In 2009–2010 the SCS conflict escalated further. China began to more actively assert its claim; this included imposing unilateral fishing bans, harassing US ships intruding beyond the 12-mile territorial limit, and seizing Vietnamese fishing boats and equipment. The situation was made worse as the United States at the same time was changing its foreign policy by making its strategic pivot to the Asia-Pacific. This included a redeployment, positioning 60 percent of the US fleet in the Pacific Ocean, and increased cooperation with Singapore, Vietnam, and the Philippines.¹⁷ Needless to say, China was outraged and felt a need to react to what it perceived as a new containment strategy.

In the last four years there have been mixed signals coming from China. On the one hand, steps have been taken to moderate China's approach. In July 2011 China accepted guidelines suggested by ASEAN on how to implement the 2002 DOC. China has also initiated a diplomatic program to convince the world of its peaceful intentions, including publishing a white paper on September 6, 2011, that reaffirms that China will follow Deng Xiaoping's guidance and shelve the disputes in the SCS to work for joint development.

On the other hand, the successful attempts to persuade Cambodia, Laos, Myanmar, and Thailand—with whom China has close economic ties and political relations—to stop ASEAN from tackling the SCS disputes with

15. Clive Schofield and Ian Storey, *The South China Sea Dispute: Increasing Stakes and Rising Tensions* (Washington, DC: Jamestown Foundation, 2009).

16. *Ibid.*, 20.

17. Richard Bitzinger, "Will the US Pivot Trigger a New Regional Arms Race?" *Global Asia* 7, no. 4 (2012): 34–37.

a united front are not good examples of moderation.¹⁸ Nor was China's behavior during the 2012 standoff at the Scarborough Shoal. Not only was this a tense confrontation between the Philippines and China but it also ended with China's ignoring the verbal agreement on a mutual pullout, instead roping off the mouth of the lagoon to prevent a Filipino re-entry and stepping up patrols around the shoal.¹⁹ Nevertheless, both President Xi Jinping and Premier Li Keqiang visited Southeast Asia in October 2013 in an attempt to regain some of the lost trust and to enhance cooperation.

FOUR DIMENSIONS OF CONFLICT TRANSFORMATION

Context Transformation

The regional context which the SCS conflict is embedded in, and a manifestation of, has been transformed as a result of the constructive engagement between China and ASEAN. Over time the norms actors are expected to adhere to when dealing with each other and pursuing their claims have been redefined. By the mid-2000s there had been two transformations that created new norms for behavior in Sino-ASEAN relations, including in the SCS: a shift to the nonuse of military means in pursuing claims, and acceptance of the 2002 DOC as the guiding principle.

The SCS conflict itself has moved from a situation where the claimants actively pursued their respective claims by military means to one where serious military confrontation is highly unlikely. This transformation began in 1992 with the so-called Manila Declaration, in which the foreign ministers of the ASEAN emphasized "the necessity to resolve all sovereignty and jurisdictional issues pertaining to the SCS by peaceful means, without resort to force" and urged all parties to exercise restraint to create a positive climate for a resolution to the conflict.²⁰ Moving away from the practice of using military means to pursue claims was a major change, as the pursuit of claims through occupation had been standard practice since the French withdrawal in 1956. Initially, China was opposed to the ASEAN move, and within days

18. Xinbo Wu, "Not Backing Down: China Responds to the US Rebalance to Asia," *Global Asia* 7, no. 4 (2012): 18–21. For a case study of Chinese pressure, see Mark J. Valencia, "High-Stakes Drama: The South China Sea Disputes," *Global Asia* 7 (2012): 56–73.

19. Bonnie Glaser, "Trouble in the South China Sea," *Foreign Policy* (2011).

20. ASEAN Declaration on the South China Sea, adopted by the Foreign Ministers at the 25th ASEAN Ministerial Meeting in Manila, Philippines, July 22, 1992.

seized the Da Lac Reef in the Spratlys. However, since then, with the 1995 Mischief Reef incident standing out as the exception, the conflict was visible primarily in the building of different structures by claimants on several of “their” islands; the granting of oil concessions and exploration in “their” territories; and the harassment of each other’s fishermen, including the occasional seizure of equipment and fishermen. By the late 2000s, not only had the nonuse of military means become the norm, but with the high level of economic interdependence, and the amount of effort that had been put into developing good relations between China and ASEAN, a situation had developed where the negative effects of such actions would be hurtful for all parties. There was also a risk of triggering US military intervention, which did constrain Beijing’s policy options.

Recent developments, in particular the Scarborough Shoal standoff and China’s buildup of its naval capabilities, have created a fear that China might again be considering the use of military means in the SCS. However, China still shows its commitment to peaceful resolution through measures such as statements, the continued support of the DOC, and the issuing of the 2011 white paper. Also, in practice China has avoided the use of naval ships, instead deploying fishery patrol boats, to avoid military conflict and to show its desire to rely on peaceful means to resolve the disputes in the SCS.²¹ This can be seen for example in the Scarborough Shoal standoff, when despite reportedly at one point deploying as many as 80 surveillance ships and other craft,²² China refrained from using its navy.

Since its signing in 2002, the DOC has set the benchmark for behavior in the SCS for China and the ASEAN member states. In the declaration the parties “undertake to resolve their territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force, through friendly consultations and negotiations.”²³ They also commit “to exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability . . . and to handle their differences in a constructive manner.”²⁴ Despite its not being legally binding, and not being

21. Xinbo Wu, “The Spillover Effect of the ASEAN-Plus-Three Process on East Asian Security,” in *The Nexus of Economics, Security, and International Relations in East Asia*, ed. Avery Goldstein and Edward D. Mansfield (Stanford, CA: Stanford University Press, 2012).

22. Glaser, “Trouble in the South China Sea.”

23. Full text at <<http://asean.org>>.

24. *Ibid.*

rules in a strict judicial sense, it sets the norms that are expected to be followed in the SCS. Deviation from the declaration would be problematic and undermine trust among the other claimants. The negative effects of perceived deviation from or overstretching of the DOC can be seen in the case of China's assertive behavior, which undermined almost two decades of tediously built trust.²⁵ This behavior has also been one of the reasons making the Southeast Asian states, and the international community, reconsider and possibly re-evaluate their view on China's peaceful development and its international expansion. Without suggesting that deviation from the DOC is the only cause, it is part of the reason why the Southeast Asian states have become more positive toward an increased US military presence in East Asia as hedging against China.

Despite the increased tensions since late 2007, the DOC has not lost its value. This has also been signaled at times when China has moderated its behavior, realizing it had pushed too far. At the July 2011 ASEAN Regional Forum (ARF), China also agreed to sign the guidelines for the implementation of the DOC in the SCS.²⁶ In terms of rules transformation, this was an acknowledgement of the previous rules on how to behave and to peacefully resolve disputes. These guidelines are mainly symbolic, with little on *how* to actually resolve the disputes; however, they are still a sign of good faith in a peaceful resolution and recognition that the norms of behavior in the DOC are still relevant.

To conclude, with some reservation, the context transformation is still relevant despite the developments since 2007. The norms have unquestionably been shaken up, with fear of the re-emergence of military means as a tool in China's policy toolbox and for the relevance of the DOC. However, military means have not become acceptable, and if the 2011 guidelines on the implementation of the DOC have not strengthened the existing norms,

25. Mikael Weissmann, "The South China Sea Conflict and Sino-ASEAN Relations: A Study in Conflict Prevention and Peace Building," *Asian Perspective* 34, no. 3 (2010): 35–69; Mikael Weissmann, "Why Is There a Relative Peace in the South China Sea?" in *Entering Uncharted Waters? ASEAN and the South China Sea Dispute*, ed. Pavin Chachavalpongpun (Singapore: Institute of Southeast Asian Studies, 2014).

26. Support for the rules of behavior set out in the DOC is not limited to the guidelines. They are also supported by the September 2011 white paper. According to interviews, this paper was aimed at allaying fears in South East Asia and demonstrating that China wants to "promote cooperation in order to remain 'a good neighbour, friend and partner of other Asian countries'"—International Crisis Group, *Stirring up the South China Sea (I)* (2012), 35–36.

they have at least re-affirmed them. The norms are still there but are weaker. Much of the almost two decades of trust-building underlying the norms has been destroyed by China, but with its new moderate policy it might be possible to save the situation. However, it will take time to get back to the mid-2000 situation, particularly while Chinese rhetoric is not matched by its actions. Actions such as the capture of fishermen and the approval of a dock project in the disputed Paracel Islands do not rebuild trust,²⁷ nor does the practice of planting national flags on disputed islands, nor establishing a military garrison on Woody Island in the Paracels with the intention to “exercise sovereignty over all land features inside the South China Sea,” including more than 40 islands “now occupied illegally” by Vietnam, the Philippines, and Malaysia.²⁸ Still, much of the harsh rhetoric and provocative behavior is best understood as directed toward the United States, which has made it clear that it is in the region to stay and that it does not accept a hegemonic China.²⁹

Structural Transformation

Structural transformation is the type of conflict transformation where the most fundamental transformations can be seen. This is because these changes are concerned with the overarching Sino–ASEAN relations in which the SCS conflict is embedded. These relations have been fundamentally transformed since the early 1990s, when relations between China and ASEAN were characterized by distrust and sometimes outright hostility.³⁰ Three key structures have been transformed as a result of the engagement. Firstly, there has been an institutionalization of peaceful norms with the Southeast Asian countries. Secondly, China has accepted multilateralism as a basis for diplomatic relations. Thirdly, over time economic cooperation has created a high level of economic integration and interdependence between China and the ASEAN members.

Until the early 1990s, China did not even have diplomatic relations with a number of regional states. ASEAN was perceived as an ally of the United

27. BBC News Online, “China Approves Dock Project in Disputed Paracel Islands,” April 27, 2012, <<http://www.bbc.co.uk/news/world-asia-china-17865585>>.

28. Mr. Wu, president of China’s National Institute for South China Sea Studies, cited in Jane Perlez, “China Asserts Sea Claim with Politics and Ships,” *New York Times*, August 12, 2012.

29. Hilary Clinton, “American’s Pacific Century,” *Foreign Policy*, November 2011.

30. Allen S. Whiting, “ASEAN Eyes China: The Security Dimension,” *Asian Survey* 37, no. 4 (1997): 299–322; Wu, “Spillover Effect.”

States and hence a potential threat to China's interests. Conversely, China was seen as a threat to ASEAN, driving a military buildup and efforts to retain US regional engagement. Since then relations have drastically changed, with ASEAN pursuing a diplomatic campaign to engage rather than isolate China. This "constructive engagement" strategy was to become a reciprocal process, with China moving from a Great Power-oriented foreign policy to "soft power" diplomacy to counteract the perception of China as a threat.³¹ In the late 1990s, in particular after the 1997 Asian financial crisis, which was a critical juncture for ASEAN's perception of China and for the level of communication and diplomatic respect between the two, the peaceful norms became institutionalized.³² Of particular importance for this process was the initiation of the ASEAN Plus Three Cooperation, initiated in December 1997 when the then nine ASEAN members plus China, South Korea, and Japan met to discuss opportunities for cooperation. ASEAN Plus Three was to become *the* platform for cooperation, reconciliation, and community-building in East Asia. Through it, interstate relations have reached a level where there has been less need for deliberate efforts to avoid confrontations over conflictual issues—it has become possible to avoid conflict.³³

The second major transformation, multilateralism, developed in close connection with the above process. Starting in the early 1990s, with the inclusion of China, Taiwan, Cambodia, Laos, and Vietnam in the SCS workshops and the 1992 Manila Declaration, over time a wide range of multilateral dialogues have developed in East Asia. Initially, China was both inexperienced and reluctant to engage in multilateral frameworks; it only reluctantly joined the security-focused ARF in 1994. This, to quote Ren Xiao, was "a remarkable development," as China at the time had "little experience in multilateral processes."³⁴ Through participation, over time the "mindsets" towards multilateral approaches" changed.³⁵ Despite China's remaining

31. David C. Kang, *China Rising: Peace, Power, and Order in East Asia* (New York: Columbia University Press, 2007); Whiting, "ASEAN Eyes China"; Daojiong Zha and Weixing Hu, *Building a Neighborly Community: Post-Cold War China, Japan, and Southeast Asia* (Manchester: Manchester University Press, 2006).

32. See e.g. Alice D. Ba, "China and ASEAN: Renavigating Relations for a 21st-Century Asia," *Asian Survey* 43, no. 4 (2003): 622–47, esp. 634–38; Ren Xiao, "Between Adapting and Shaping: China's Role in Asian Regional Cooperation," *Journal of Contemporary China* 18, no. 59 (2009): 303–20.

33. Weissmann, "South China Sea Conflict."

34. Ren, "Between Adapting and Shaping," 304.

35. Interview with a member of a government think tank, Shanghai, China, December 15, 2006.

opposed to internationalization of the SCS and having a preference for bilateral diplomacy, multilateralism did become complementary rather than supplementary in Chinese policy toward ASEAN.³⁶ In 1995, prior to the ARF meeting in Brunei Darussalam, China even declared its willingness to *discuss* the Spratlys in a multilateral setting. Two years later, at the ARF meeting in Subang Jaya in July 1997, China accepted the SCS conflict's being *put on the agenda*. Multilateralism was also what made the 2002 DOC possible. The process leading to the drafting, finalization, and eventual signing of the declaration would not have been possible through bilateral dialogues, or without China's becoming confident in engaging in multilateral forums, and in its ability to handle multilateral agreements to its own benefit.

In recent years, there have also been moves from China to push for more bilateral diplomacy, both in policy stands and in behavior. This move can be most clearly seen in the successful push to divide the ASEAN members, thereby blocking ASEAN from presenting a united front toward China, and the Chinese courtship of Vietnam and the Philippines, handing out economic incentives to demonstrate the benefit of developing bilateral relations with China.³⁷ However, multilateralism has become institutionalized in the different multilateral forums and dialogues, and in the accepted diplomatic norms and practices. China has not succeeded in making the SCS a solely bilateral issue, as it continues to be discussed in multilateral settings. For example, despite intense lobbying, China did not in the end succeed in keeping the issue off the agenda at the ASEAN Summit in April 2012.³⁸ However, as argued by Donald K. Emmerson, as long as the other ASEAN states that claim land features in the SCS "cannot settle their own differences," China will "remain free to pursue its bilateralist hub-and-spokes approach," and furthermore the US cannot "be expected to support a more equitable ASEAN solution if one does not exist."³⁹

36. Cheng-Chwee Kuik, "Multilateralism in China's ASEAN Policy: Its Evolution, Characteristics, and Aspiration," *Contemporary Southeast Asia* 27, no. 1 (2005): 102–22.

37. Ministry of Foreign Affairs of the People's Republic of China, *Hu Jintao Holds Talks with Nguyen Phu Trong*, October 12, 2011, <<http://www.fmprc.gov.cn/eng/wjlb/zsjg/yzs/gjlb/2792/2794/t866965.htm>>; Philip C. Tubeza, "Aquino Back Home with \$13-B Deals: President Makes Sentimental Side Trip," *Philippine Daily Inquirer*, September 3, 2011.

38. Valencia, "High-Stakes Drama."

39. Donald K. Emmerson, "Challenging ASEAN: The US Pivot through Southeast Asia's Eyes," *Global Asia* 7, no. 4 (2012): 22–27.

In the economic sphere, where a significant process of economic cooperation has taken place since the early 1990s, the bilateral trade between China and the members of ASEAN increased as much as 15 times between 1991 and 2005, when it reached US\$130.3 billion.⁴⁰ And the economic integration and interdependence goes beyond the volume of trade. Arguably most importantly for conflict transformation, the focus on economic growth and prosperity across the region has created a common policy goal across East Asia. The ever-increasing economic cooperation also goes hand in hand with the creation of a multitude of institutions and frameworks to help facilitate economic cooperation, including the agreement on a China-ASEAN Free Trade Area that came into force January 1, 2010.⁴¹

The high level of economic interdependence has raised the cost of military conflict, and thus increased the incentive for China as well as its Southeast Asian neighbors to pursue nonconfrontational paths. This works well in a region where the preference is to avoid rather than address conflicts and tensions, with the practice of conflict avoidance being deeply embedded in the diplomatic culture, as it is in the regional culture itself. It should be emphasized here that the assumption, found in many pessimistic accounts of ASEAN, that conflict resolution is needed for conflict prevention, does not hold up under scrutiny, as “in reality, conflicts can also be avoided, or conflict structures can be transformed so that violent disputes will not arise.”⁴² With the foremost importance being placed on ensuring economic growth and national prosperity, the disputes in the SCS have been less central on the agenda than would otherwise have been the case.⁴³

Today, economic interdependence seems to have lost some of its significance in suppressing tension in the SCS. However, it should be emphasized that Sino-ASEAN economic ties have never been stronger. Despite the high

40. Liao Shaolian, “China-ASEAN Economic Relations: Progress and Prospects,” in *Harmony and Development: ASEAN-China Relations*, ed. Hongyi Lai and Tin Seng Lim (Singapore: World Scientific, 2007), 139; John Wong and Sarah Chan, “China-ASEAN Free Trade Agreement: Shaping Future Economic Relations,” *Asian Survey* 43, no. 3 (2003): 507–26.

41. Gregory Chin and Richard Stubbs, “China, Regional Institution-Building and the China-ASEAN Free Trade Area,” *Review of International Political Economy* 18, no. 3 (2011): 277–98.

42. Timo Kivimäki, “Southeast Asia and Conflict Prevention: Is ASEAN Running Out of Steam?” *Pacific Review* 25, no. 4 (2012): 403–27.

43. Interview, member of a government think tank, Shanghai, China, December 15, 2006. Also see section 3.2 (Chinese Foreign Policy) in Märta Carlsson, Susanne Oxenstierna, and Mikael Weissmann, *China and Russia: A Study on Cooperation, Competition and Distrust* (Stockholm: Swedish Defence Research Agency, 2015).

tensions, economic cooperation has continued to increase. Annual trade was expected to exceed US\$350 billion in 2011, and potentially reach or surpass US\$500 billion by 2015.⁴⁴ To take bilateral trade between China and the Philippines as an example, despite high tensions over disputes in the SCS, such trade reached an all-time high in 2011 (exceeding US\$30 billion) and in the same year plans to double the trade to US\$60 billion by 2016 were announced.⁴⁵ This is not to say that economic cooperation will resolve the territorial conflicts, but it does continue to provide a mutually beneficial path for cooperation. Moreover, it contributes to economic growth and prosperity in all claiming states. This is important not least in China as regime survival is (at least partially) dependent on continuing economic growth.

In conclusion, the structural transformations that have occurred are still relevant, at least until now. The transformations taking place during almost two decades have not been undone, even though China has destroyed much of the tediously built trust and confidence it once had accumulated. Furthermore, no positive transformations have taken place in recent years. However, the developments have not in any fundamental way altered the structures that have already been built. The push in the SCS conflict has not altered the overall structures. Generally speaking, relations between China and the ASEAN members are good, as all East Asian states understand the need to facilitate mutual coexistence. Multilateralism is still crucial in the regional security setting; and even if this were not the case, the increased US involvement would ensure the importance of multilateral processes in the region. The economic cooperation is ongoing and increasing, and there are no signs of future negative change, as economic growth and prosperity continue to be central policy objectives across the region.

Actor Transformation

Internal changes can be identified among the major conflict parties, mainly in China but also among the Southeast Asian parties. There has also been the emergence of a new actor, with ASEAN as an organization becoming de facto

44. Ministry of Foreign Affairs of the People's Republic of China, *Wen Jiabao Attends Meetings of East Asian Leaders*, November 20, 2011, <<http://www.fmprc.gov.cn/eng/topics/wjbdyldrhy/t879898.shtml>>.

45. Samantha Hoffman, "Sino-Philippine Tension and Trade Rising amid Scarborough Stand-off," *China Brief* 12 (2012): 13.

recognized as an actor in the mid-1990s. In addition, the relative importance of the United States as a principal actor has increased since Washington took a more hands-on approach to the SCS in 2010, after having its foreign policy focused elsewhere since the end of the Cold War.

During the 1990s, China moved away from the Great Power-oriented foreign policy focus it had pursued during the Cold War. With its new pursuit of becoming a peaceful nation, China tried for the first time to cultivate a deep and comprehensive relationship with its Southeast Asian neighbors. This “good neighborliness” policy affected how China pursued, or rather did not pursue, its claims in the SCS. A transformation also occurred among the Southeast Asian states as they jointly, under the ASEAN umbrella, moved to normalize their relations with China under the banner of “constructive engagement.”

In recent years there has been a backlash, with negative internal developments in China, and a new assertiveness developing. The new assertiveness is a result of China’s increased capabilities and enhanced confidence, together with unabated nationalism and a growing frustration with outside interference. There have also been discussions of the possibility of the increased influence of more hard-line elements in the military and the Chinese Communist Party making China more eager to pursue their claims.

ASEAN as an organization emerged as an actor after the 1995 Mischief Reef incident, following the realization among the ASEAN members that they were stronger as a collective. Underlying ASEAN’s emergence was China’s increased confidence and willingness to participate in multilateral settings. Despite its initial resistance and a preference for bilateral diplomacy, multilateralism over time became complementary rather than supplementary in Chinese policy toward its Southeast Asian neighbors.⁴⁶

It was not until 2010 that the United States got directly involved in the SCS, despite long having played an important role in regional stability. Until then, the United States had taken a back-seat position, as its interest had been limited to safeguarding its freedom of navigation, which has never been threatened. However, with its new strategic focus on Asia, the United States emerged as an actor in the SCS. That Washington wanted a seat at the table was made obvious when, at the July 2010 ARF, US Secretary of State Hillary Clinton made it clear that “the United States has a national interest in freedom

46. Kuik, “Multilateralism in China’s ASEAN Policy,” 67.

of navigation, open access to Asia's maritime commons and respect for international law in the South China Sea⁴⁷ and urged a multilateral approach to resolving the SCS disputes, including offering to mediate. This was a major strategic shift away from economic and diplomatic engagement to a new focus on security issues. The shift was made even clearer over the following year, when in November 2011 President Obama formally announced the US "pivot" to Asia, with his defense chiefs detailing the new strategy two months later.

Whether the United States's increased role as an actor will be positive or negative for regional security it is too early to say. The reason for this is a paradox in the East Asian security setting; as argued by Bonnie Glaser, Southeast Asia "seek[s] greater US economic, diplomatic and military involvement in the region as a counterbalance to China's growing power—but at the same time, every country in the region also desires a close relationship with Beijing."⁴⁸ The paradox is evident in the SCS, where Southeast Asian states "periodically urge Washington to help them stand up to Chinese pressure to accept Beijing's expansive claims," but when Washington acts against China, "concerns about US-China tensions spike and they implore the United States to step back."⁴⁹

Consequently, positive actor transformations did occur during the 1990s and early 2000s, but their relevance today can be questioned. Since 2007 there has been a negative change of direction in the case of China. This change has facilitated the re-emergence of the United States as an actor, as it has created a perceived need in Washington to increase its regional presence, and increased the willingness among Southeast Asian states to facilitate an increased US presence as a safeguard against further negative moves from Beijing. The jury is still out when it comes to how prominent the United States will become and how much China has in fact changed internally.

Concerning the latter, the signs that a more moderate policy was under way in 2011 have to a large extent evaporated. So far the results are mixed at best, with Xi Jinping since 2013 pursuing a more active foreign policy which, as far as evidence indicates, leans toward a "striving for achievement" strategy. However, even if Xi is leaning toward "striving for achievement," it is still

47. Mark Landler, "Offering to Aid Talks, U.S. Challenges China on Disputed Islands," *New York Times*, July 24, 2010.

48. Glaser, "Trouble in the South China Sea"; see also Michael Yahuda, "China's New Assertiveness in the South China Sea," *Journal of Contemporary China* 22, no. 81 (2013).

49. *Ibid.*

most unlikely that there will be a complete departure from the old Chinese foreign policy strategy of “keeping a low profile.”⁵⁰ It is likely that China will sustain its assertive posturing and policy toward the SCS, which is not to say that one should leap to doomsday conclusions based solely on the actor dynamics. With the main aims of Xi’s foreign policy being “to achieve modernization, create a benevolent and peaceful external environment, and take steps that allow it to develop its domestic economy,”⁵¹ the leaders of China understand the necessity of, and seek to, maintain its peaceful relations with other states, including managing conflicts with neighbors over territorial and maritime issues.

Issue Transformation

While we have seen transformation among the actors in the SCS disputes, the same cannot be said about the issues. There has been neither a reformulation in the positions that the parties take on as key issues, nor any substantial redefinition or reframing of the issues to reach compromise or resolution. The nature of the conflict (territorial sovereignty) and the actual claims have been and continue to be the same. Freedom of navigation remains on the agenda, and has moved, if at all, in a negative direction. There has been minor issue transformation with regard to a certain emphasis on shared concerns for new issues, but nothing that has had any major impact on the underlying conflict issues.

The lack of issue transformation is caused not only by the inherent sensitivity in territorial sovereignty but also by the fact that the territorial claims are closely linked to securing ownership of natural resources in the area. Considering the high and rising demand for and price of energy, together with the increasing ability to conduct deep-sea drilling, the existence of (potential) oil and gas resources increases the incentive to be firm in one’s claims. The potential for issue transformation is also hindered by the strong nationalist elements among the claiming states, in particular in China, Vietnam, and the Philippines. Such nationalism makes compromises difficult and highly risky, as a lot of national prestige and identity has been invested in the SCS.

50. Yaqing Qin, “Continuity through Change: Background Knowledge and China’s International Strategy,” *Chinese Journal of International Politics* 7, no. 3 (2014): 285–314.

51. Kejin Zhao, *Guiding Principles of China’s New Foreign Policy*, Carnegie-Tsinghua Center for Global Policy, 2013, <<http://carnegietsinghua.org/publications/?fa=52902>>.

Despite its not having been a serious cause of conflict so far, freedom of navigation in the SCS continues to be of importance in and beyond the region. Besides their economic importance as trade routes, the SLOCs are also important for the self-image of the United States, as it has invested a lot of prestige and de facto committed itself to the protection of the principle of free navigation in the region. This commitment is what ensures that nobody has threatened or will threaten the SLOCs. Since summer 2010 there have been signs of a negative development toward conflict regarding freedom of navigation, as the United States has tried to cite concerns over freedom of navigation to legitimize its new hands-on involvement in the SCS. Still, there has been no actual conflict over, or threat to, freedom of navigation. In fact, Beijing—which has done its best to reassure the United States that it has no intention of endangering freedom of navigation—is arguably correct when implying that the US concern disguises other intentions. In other words, so far US concern has not had a major impact on the underlying issue of freedom of navigation.

Moving on to shared concern for new issues, here a positive trend can be identified. Cooperation has occurred within a range of functional areas, including areas such as ecosystem, biodiversity, sea level, and tide monitoring.⁵² Functional frameworks have been established, not least as a result of the SCS workshops. Nevertheless, little if any spillover into other areas has occurred. If these projects have had positive effects on cooperation on more sensitive issues, they have been limited to the establishment of functional frameworks. For example, a special study group on joint development in the SCS was set up in 1998 which addressed the sensitive and conflict-ridden issue of access to natural resources. Nevertheless, looking at the track record of joint development over oil and gas, not much has happened.

CONCLUSION

Conflict transformation has happened, but is far from complete. The transformations that have occurred are still relevant, but they have been weakened, in particular in the cases of actor transformation.

52. Shih-Ming Kao, Nathaniel Sifford Pearre, and Jeremy Firestone, "Regional Cooperation in the South China Sea: Analysis of Existing Practices and Prospects," *Ocean Development & International Law* 43, no. 3 (2012): 283–95.

For actor transformation, the key question is what has happened with the 2011 moderation in the context of Xi Jinping's foreign policy direction. As set out above, it should be emphasized that even if, as evidence indicates so far, Chinese foreign policy under Xi will both be more active than before and lean toward a strategy of "striving for achievement," it is most unlikely that there will be a complete departure from the old Chinese foreign policy strategy of "keeping a low profile." It is likely that China will sustain its assertive posturing and policy toward the SCS; however, this is not to say that one should leap to doomsday predictions.

The importance of the United States as a principal actor has increased. The future will tell how prominent it will become, and whether its presence will be beneficial for peaceful developments. It is clear that it helps give ASEAN and its relatively weak members leverage in their relations to and negotiations with China.

No issue transformations of importance have happened except for a certain trend toward emphasizing nonsensitive issues of shared concern. As has often been the case in East Asia, the cooperation in nonsensitive areas has had no spillover into more issue-sensitive areas. Nevertheless, the cooperation has been positive for peace, working as a process of confidence and trust-building between the claimants.

The context and structural transformations, which are closely linked to overall Sino-ASEAN relations, were and continue to be relatively strong. The norms that became institutionalized during the 1991-2007 period have been shaken up lately; however, considerable effort is still being put into reasserting the commitment to the nonuse of military means and the DOC. This is so even though there have been maneuvers from China that are not in line with the principles set out in the code. The structural changes have not been undone, although they have been challenged. Multilateralism continues to be the norm, despite certain Chinese resistance, and the overall economic relations between China and ASEAN continue to be positive, though the political relations between China and some of the ASEAN members have worsened due to the tensions in the SCS. Thus, in essence, the positive overarching rules and structures which the SCS is embedded in continue to be favorable. Were this not the case, it is likely that there would already have been major military confrontations in the SCS.

Drawing the four forms of transformation together, it can be concluded that major armed conflict in the SCS is highly unlikely. Not only are large

aspects of the positive transformations that took place between 1991 and 2007 still in existence, but all parties, including the United States and not least China, would have a lot to lose from armed conflict. The concern is the negative developments with regard to actor transformation, the big question being where Xi Jinping is going. It is clear that foreign policy under his leadership will be more active and ambitious, and as far as evidence indicates, so far it leans toward a “striving for achievement” strategy. But that China can be expected to pursue its assertive posturing and policy toward the SCS does not entail that there will be war. Such a development, whether they would wish it or not, would be against China’s interests; it would risk undermining domestic economic growth and prosperity, and in the longer term would cause domestic political instability. Thus, it would put at risk not only the rejuvenation of the Chinese nation but also the ultimate goal of regime survival, which in turn is dependent on domestic stability.⁵³

At the same time, it is clear that a final resolution of the SCS conflict in the foreseeable future is not to be expected. But if China really does follow Deng Xiaoping’s guidance, shelving disputes and instead engaging in joint development, there is no cause for any great concern. However, if Beijing should instead follow another of Deng Xiaoping’s maxims, that you should hide your capabilities and bide your time, then of course the situation might turn out differently. We know that China will not be a status quo power, accepting the world as it is. But this is not the same as saying that China has become a *revisionist* power, aiming to remodel the global order. China has moved beyond being what Shaun Breslin has called a “dissatisfied responsible great power”⁵⁴ and become what is best described as a responsible reformer “striving for achievement.” Such an actor can be expected to do what is in its power to seek change for its own benefit, but being overly aggressive in the SCS would not be in its interest, nor would triggering an armed conflict with any of its South East Asian neighbors, not to speak of the United States. Thus, there is still no war on the horizon in the South China Sea.

53. Mikael Weissmann, “Chinese Foreign Policy in a Global Perspective: A Responsible Reformer ‘Striving for Achievement,’” *Journal of China and International Relations* 3, no. 1 (2015); Märta Carlsson, Susanne Oxenstierna, and Mikael Weissmann, *China and Russia: A Study on Cooperation, Competition and Distrust*, Report no FOI-R-4087-SE (Stockholm: Swedish Defence Research Agency, 2015), p. 36.

54. Shaun Breslin, “China’s Emerging Global Role: Dissatisfied Responsible Great Power,” *Politics* 30 (2010): 52–62.