“Chinese” near-seas and regional energy security
Crimea as a game changer for East Asia

Octavian Manea and George Vișan
Regional Security Paper
June 2014
“Chinese” near-seas and regional energy security
Crimea as a game changer for East Asia

“What really changes history is the gradual developments that accrue over time” (Robert D. Kaplan).¹

The focus of the present analysis is regional energy security in Asia against the background of recent steps taken by China to reassert control in its near seas. China has been developing the anti-access/area denial (A2/AD) means it believes will limit American capacity to project power in its near-abroad. If left unchecked, this could lead to a gradual change in the regional status quo with direct implications for access to the global commons. The authors use an international relations perspective and two recent incidents (ADIZ and Scaraborough) in the East and South China Seas to re-examine the pattern of China’s rise in a larger post-Crimean context. These seemingly petty disputes over uninhabited islands may well be designed to test U.S. willingness to underwrite and enforce the rule based international order in place since World War II. Despite American strategic reassurance for its most exposed allies in Asia, Crimea is already providing a tool for revisionism and control over oil and gas resources as far as South China and East China Seas.

by Octavian Manea and George Vișan

Something is well underway in the “hingepoint regions”² that triggers a re-posturing of U.S. traditional allies. It is the case of Philippines and Japan. The two countries have a common denominator: they are both located in the proximity of a rising geopolitical giant that is trying by all means to claim the ownership of vital real-estate pieces in order to exert control over two strategic energy corridors (South China Sea and East China Sea). As such, there is a growing concern about the implications of the shifting regional power balance and about the strategic competition at play for local influence and local access, in the context of a Chinese military buildup that aims to develop both its anti-access/area denial assets as well as its far seas power projection capabilities. In addition, all these trends are maturing at a time when “the traditional U.S. dominance is increasingly contested in the region”.³ Despite the pivot to Asia, there is an increased perception around the world that Washington is in a profound retreat mood, a “reality” amplified by the political stalemate in D.C. on budgetary issues, by the major defense cuts announced until the end of the decade, by the government shutdown and the Pentagon sequestration, by the whole “nation-building at home” focus in the context of ending the post 9/11 wars in Iraq and Afghanistan, by the reluctance to enforce its own established red lines in the most important crises of the day (civil war in Syria and the Crimea annexation). All of these created, in the words of former U.S. Secretary of Defense Robert Gates, the impression of “a

² The term was introduced by A. Wess Mitchell and Jakub Grygiel in their article “The vulnerability of Peripheries”, The American Interest, March/April 2011 in which they are talking about the peripheries of U.S. power, i.e. that “network of alliances with small and mid-sized states situated near strategic crossroads and choke points along the margins of Europe, Asia and the Middle East”.
pulling back from the global responsibilities” causing China and other low-cost revisionist powers to use this window of opportunity in order to probe and see “what advantage they can take of it. (…) they’re not going to challenge us [Americans] in the way that would produce a conflict, but as they perceive our unwillingness to commit overseas, our unwillingness to make tough decisions as in Syria, our failure to carry out our threat with the red line in Syria and so on, I think they see opportunities to pursue their own nationalist ambitions. And to take other actions that are self-aggrandizing.”4 It is in this context that we analyze the symbolism of two important incidents in the Chinese near-seas for the regional energy security equation.

The ADIZ and Scarborough incidents

China’s announcement of extending its airspace through an informal buffer space (an ADIZ - Air Defense Identification Zone) over a large portion of East China Sea, including over the Senkaku islands made geopolitical headlines at the end of 2013. The immediate symbolism may go well beyond this, as it might suggest a proxy for a step-by-step, small-scale, Chinese regional revisionism. Specifically, the Chinese authorities demanded that any foreign aircraft transiting the ADIZ should file in advance flight-plans, radio, transponder, and logo identification to the Chinese Ministry of Defense, or face defensive emergency measures by China’s military.5 In order to counter-balance the move and show that it will not recognize the new regulations, the U.S. flew 2 B-52 bombers over the new Chinese-claimed ADIZ. At the time, the top U.S. leadership moved almost instantly to call the name of the game: “We view this development as a destabilizing attempt to alter the status-quo-in the region. This unilateral action increases the risk of misunderstanding and miscalculations. (...) We remain steadfast in our commitments to our allies and partners. The United States reaffirms its longstanding policy that Article V of the U.S.-Japan Mutual Defense Treaty applies to the Senkaku Islands”, said the Secretary of Defense, Chuck Hagel on November 23.6 A few days later in a phone call with the Japanese Defense Minister, Hagel called the Chinese ADIZ as a “destabilizing unilateral action designed to change the status quo in the region”.7 Japan had also rejected the new unilateral regulations concerning the freedom of movement over the East China Sea stating that the “measures taken by the Chinese side have no validity whatsoever to Japan, and we demand China revoke any measures that could infringe upon the freedom of flight in international airspace”.

7 Readout of Secretary Hagel’s Call with Japan Defense Minister Onodera, November 27th, 2013.
But the Japanese Prime Minister is not the only head of state worried by the Chinese actions in the near seas. In fact, the Chinese behavior in the East China Sea is only the tip of the iceberg and a similar operational pattern can be identified also in the South China Sea (map below).

**South China Sea**

In April 2012, there was a particular incident that changed the security perceptions of most of the South China Sea surrounding countries: a standoff between Chinese and Philippine ships over the Scarborough Reef where Philippines naval forces tried to stop Chinese fishermen from taking “poached sharks, clams and rare corals from the area”. At the time, an American-brokered deal required both countries to pull back their naval forces while the dispute was being negotiated. But the Chinese forces never left and increasingly consolidated their control over the reef.

Both the ADIZ and the Scarborough incidents are instrumental to understand the larger Chinese approach to East and South China Seas. At the same time, the Chinese assertiveness in both cases generated a very tense security environment in the region, in Japan and Philippines especially. For instance, the recent Chinese behavior in East China Sea made the Japanese Prime Minister Shinzo Abe to explicitly compare the relationship between Japan and China as being similar to “the rivalry between Britain and Germany in the years before the first world war”. The larger point he was trying to make was that, although the two countries enjoyed a very strong trade relationship, it “had not prevented strategic tensions leading to the outbreak of conflict” in 1914. Moreover, in a recent interview to New York Times, Benigno S. Aquino III, the President of the Republic of the Philippines compared the Chinese assertiveness in the near seas with the 1938 Hitler’s demands for Czech territory:

“If we say yes to something we believe is wrong now, what guarantee is there that the wrong will not be further exacerbated down the line? At what point do you say, ‘Enough is enough’? Well, the world has to say it — remember that the Sudetenland was given in an attempt to appease Hitler to prevent World War II.”

---

Chinese mindset: old vs. new guard

The whole region seems to be increasingly concerned about what kind of mindset is the new Chinese elite developing. For regional elites, what matters is the type of logic driving China’s rise. The larger context of Chinese emergence is shaped by a “reawakened sense of destiny”, where the core frame of understanding is “the world before colonization”, a golden age of regional dominance when the small states used to define themselves as “supplicants to a superior, and vassals” in relation with the “Middle Kingdom”. This kind of mentality, combined with the past few years of assertiveness, is far from reassuring for the states in the region: Singapore, Brunei, Indonesia, Malaysia, Philippines, Thailand, Vietnam or Japan. For most of them, there is a lot of uncertainty regarding the outcome of the Chinese awakening. Will China reclaim the imperial dreams it had in earlier centuries of dominating its “near abroad”? Will China favor a Thucydidian, harsh realpolitik, world? Or, will the 21st century China be a Wilhelmine power, aggressively challenging the regional and global status-quo?

There is a long established conventional wisdom inclined to identify a pattern of peaceful rise as driving the Chinese behavior over the past few decades, one that we should expect to continue in the near future. There was no sudden rush, the Chinese leaders do not want to force history, they wait with almost infinite patience to accumulate power. The founder of Singapore, Lee Kuan Yew does not perceive China as a revolutionary anti-status-quo power. China learnt very well its lessons from the mistakes and errors of the past revolutionary powers (Germany and Japan) and, the Chinese leaders know very well that they don’t have enough power: “overall GDP, not GDP per capita, is what matters in terms of power”. From USSR’s collapse, the Chinese learnt not to overinvest in military, but prioritize civilian technology instead. What matters is the mindset of the old guard whose formative experiences made them cautious stewards of China’s rise. It is a generation familiarized with both ups and downs of development (anti-Japanese war, the Cultural Revolution, Gang of Four), Open Door policy, one that concluded that in order to grow and catch-up with the West, China needs domestic stability and a peaceful external environment.

To Lee Kuan Yew, the major problem is related to the future generation of policy makers. They don’t have the moderation and the sense of balance of the old guard. The main story of their life is a rising China in a context of rediscovered historical destiny that might make them more risk prone: “you are inculcating enormous pride and patriotism in your young in a restored China...It is volatile... Somewhere down this road, a generation may believe they have come of age, before they have”. The stewardship of the old guard suggests that China, a main beneficiary of the

---

13 Chinese term for the political faction within the Chinese Communist Party lead by the Jiang Qing, Mao Zedong’s last wife, who carried out the Cultural Revolution. The members of the group were Jiang Qing, Zhang Chunqiao, Yao Wenyaun and Wang Hongwen. The Gang of the Four was put on trial in 1976, after allegedly attempting to seize power in the wake of Mao’s death.
14 A foreign policy doctrine enacted by the United States in the early XX century aimed at ensuring equal access and trading privileges to China to all of the great powers. The United States was opposed to the carving up of China’s territory and sought to ensure Chinese sovereignty and independence.
15 Ibid. Lee Kuan Yew, location 173
current system, does not have incentives to challenge or disrupt it in a traditional sense. What we may see instead over the next decades, as China continues to rise, is a strategy of growing “within this framework, biding its time until it becomes strong enough to successfully redefine this political and economic order”. In this sense the recent Chinese assertiveness in both East and South China Sea is not particularly reassuring. They seem to work in the system, being one of the main beneficiaries, but at the same time, quietly challenging the rules, probing how far they can go and also trying to subvert the status-quo in their favor.

The recent Chinese assertiveness in the near seas should not be treated in isolation from the huge military naval investments that China is currently undertaking. History plays an important part in China’s rise as a naval power in recent times. In the nineteenth century and the first half of the twentieth century China was the target of Western and Japanese imperialism. Superior Western naval power and China’s lack of the means to adequately protect its shores and coastlines were the key factors in the West’s success to “open up” Chinese markets in the colonial era. This history lesson has not been forgotten by the Chinese ruling elite who understands that in order to protect and secure China’s rise it is vital to develop a modern, and capable blue water navy.

There is an objective need for this. The accelerated economic development of China’s economy has made Beijing dependent on large imports of natural resources necessary for its manufacturing economy to prosper. Most of this trade uses Sea Lanes of Communication (SLOCs) the security of which depends on the patrols of the US Navy. Thus, it is of paramount importance for the decision-makers in Beijing to ensure that, in case of a crisis or a conflict, Washington does not cut the trade routes on which China’s prosperity depends. Currently China is the second largest consumer of oil in the world and, since 2009, the second largest importer of oil surpassed only by the United States. In 2010 the People’s Republic of China became the largest energy consumer in the world, and in the period spanning 2010-2013 only the increase in Chinese energy consumption equaled the entire energy consumption of Japan. In 2013 China’s crude oil imports totaled over 280 million tons, a 4% increase over 2012. It is estimated that in 2014 Chinese net imports of oil will surpass that of the United States, and Beijing will become the biggest importer of petroleum in the world.

Aside from the constant flow of oil, the sea lanes link China’s manufacturing economy with the rest of the world. In 2013 it was predicted that Chinese exports will total 2.21 trillion dollars while imports will reach 1.95 trillion dollars – a trade of over 4 trillion dollars – an estimate that exceeds the foreign trade of the United States during the same period. As with oil, this trade uses routes that are constantly patrolled by the U.S. Navy and is forced to pass through strategic chokepoints

---

16 Ibid. Lee Kuan Yew, location 225
20 Ibid.
within the reach of the American navy or controlled by U.S. allies and friends – Panama Canal, Persian Gulf, the Strait of Malacca. This state of affairs represents a sobering reality for Beijing. Although the United States has been quite a benevolent hegemon when it comes to freedom of navigation, the mere fact that China depends on the world’s greatest power to secure its flow of goods to and from the world’s markets is unsettling for decision-makers in Beijing. The United States can easily deny access to the world’s oceans and seas to Chinese merchantmen and naval vessels at any time it likes.

This trend is a clear reminder of Wilhelmine Germany. Like China today, Germany concluded at the time that it cannot be a real global power, able to influence overseas and faraway events without a significant blue-water navy. Exactly like China today, Germany wanted to invest in “a blue-water navy, capable of projecting German power on the high seas, to protect German trade and investment”. This was not a particular German ambition, but one inherently linked with the global power vocation and status: “it was coming to be widely accepted in this period that naval power was a key component of world power. How otherwise had Britain – or the Netherlands or France, for that matter – built and maintained their great empires?”

There is another common denominator for both times. Then as now, the U.S. naval theoretician Alfred Mahan was becoming increasingly fashionable and highly influential among the German elites: “I am just now not reading but devouring Captain Mahan’s book and am trying to learn it by heart” said Kaiser Wilhelm II in 1894. Today’s China is also becoming a Mahanian power, highly interested in developing a blue water navy and highly influenced by Mahan. For Wilhelm II, having a strong powerful blue water navy was useful in order to induce the British Empire to recognize that Germany mattered and had a legitimate say in global affairs. When Britain cancelled a trade treaty with Germany, Wilhelm was convinced that “if we had had a strong, respect-inducing fleet, then this abrogation would never have happened”. In the meantime, until it became strong enough “we must operate so carefully, like the caterpillar before it has grown into a butterfly” concluded the German elites at the time. But, when the balance of power will have shifted, “I shall speak another language” confessed the Kaiser to a French Ambassador.

China is already speaking a different language in both East and South China seas.

---

23 Ibid., p. 112.
24 Admiral Alfred Mahan is the author of the highly influential manuscript published in 1890 The Influence of Sea Power upon History in which he emphasized that history shows that a global power status is closely correlated with developing a strong naval component capable not only of deterring war but of controlling, protecting, securing and providing open-access to key geographical nodes and sea-lanes that link a nation with its overseas markets. To him, becoming a world power was conditioned by becoming an established sea power, able to secure its commerce, first.
25 Ibid., p. 113.
Why do East and South China Sea matter to China?

To answer this question we should see the current Beijing behavior through the lenses of the Monroe Doctrine and the relationship between the U.S. and the Caribbean in the 19th/early 20th century. “The Caribbean made the U.S. a great world power, because by dominating the greater Caribbean, the U.S. came to dominate the Western Hemisphere, and by dominating the Hemisphere it had power to spare to affect the balance of power in the Eastern Hemisphere and that was the 20th century all about”, says Robert Kaplan.28 But why dominate the Caribbean? The optics is crucial to understand the driving motivation behind the U.S. regional behavior because, at the time, the Caribbean was perceived as an extension of the American continental geographical space into the blue water. According to Kaplan, in a similar manner China “sees South China Sea and the East China Sea as an extension of their continental space to the blue water. They want to be the dominant power, the default power in the near seas”.29 In this sense, we might expect a dual Chinese behavior, aggressive, risk-prone in its immediate abroad, but trying to compensate through other means to maintain a healthy economic and politic relationship with the U.S.. This would not be very different from the recent interaction pattern between Russia and the West, highly risk-prone in the “near abroad” and predisposed to cyclical clashes, but at the same time cooperative on some core international problems, such as Iran or Afghanistan. When it comes to its immediate neighborhood, China still thinks in claustrophobic territorial terms “like an insecure land power, trying to expand in concentric circles. (...) The very terms it uses, First Island Chain30 and Second Island Chain are territorial terms, which, in these cases, are seen as archipelagic extensions of the Chinese landmass”.31

There is another reading angle that we need to keep in mind when analyzing the importance and the Chinese behavior in East and South China Seas. China is increasingly becoming a Mahanian power- a maritime power interested in being able to protect and control vital bodies of waters and keep others from denying it commercial access: “Mahan’s appeal to economics resonates with today’s China, a nation at once obsessed with economic development and increasingly reliant on seaborne shipments of oil, gas and other commodities. But so does his call for a navy capable of commanding vital waters.”32 In the end, both East and South China Seas are core economic highways for all the regional countries. But at the same time, what China sees is a ring of U.S. supported allies that might interfere with the Chinese access to these core bodies of waters. It is one of the reasons why China is aggressively investing in comparative asymmetric advantages,

29 Idem.
30 The First Island Chain roughly comprises the Kuril Islands, the Japanese Islands, the Ryukyu Islands, Taiwan, the northern Philippines and Borneo. It is a maritime space which comprises the Yellow Sea, the South China Sea and the East China Sea. Politically this vast geostrategic space is charged with competing territorial claims such as the Diaoyu/Senkaku islands dispute between Japan and China, the Liancourt Rocks dispute between Japan, Democratic Peoples’ Republic of Korea and Republic of Korea, the Paracel Islands dispute between China, Taiwan and Vietnam, the Scarborough Shoals dispute between the Philippines, China and Taiwan and the Spratly Islands dispute between Brunei, China, the Philippines, Taiwan and Vietnam. Salient to these territorial disputes is the question of Taiwan’s independence, between Taipei and Beijing, a regional strategic issue of paramount importance.
the area denial/anti-access capabilities. Furthermore, the United States has shown more than once its ability to project power near the Chinese coasts without fear of reprisals from the Peoples’ Liberation Army Navy and Peoples’ Liberation Army Air Forces. In 1996, the United States deployed two carrier battle groups off the coast of Taiwan to deter any Chinese hostile action in what is called the Third Taiwan Crisis. In 2010, after the sinking of South Korean corvette ROKS Cheonan by a North Korean midget submarine in disputed waters off the Korean Peninsula, the United States carried out joint naval exercises with the Republic of Korea Navy in the Yellow Sea, drawing the ire of Beijing. This show of force by the U.S. Navy, especially in regard to Taiwan, has underscored the need for ways to deny a future aggressor the use of the waters off China’s coast. It also showed that the PRC was unable to militarily confront the United States or to coerce Taiwan effectively. The need to thwart a possible independent Taiwan and bring it back into the fold as well as to protect the sea lanes that ensure China’s prosperity have been the main drivers of the PRC naval modernization program in the last two decades.

In parallel with developing an ocean going fleet, China has also developed the means it believes will limit the capability of the United States to project power in its vicinity. This process involves developing military assets and technologies capable of delivering devastating and paralyzing blows to American ships operating close to China’s shores, therefore crippling the ability of U.S. Navy to deny Beijing the use of the seas or to launch attacks from the sea against Chinese territory. The most talked about technology developed by PLAN (People’s Liberation Army Navy) to counter U.S. carrier battle groups is the anti-ship ballistic missile – DF-21D. A derivative of the successful series of DF-21 medium range ballistic missiles, it has reached initial operational status with the Chinese Second Artillery Corps in 2010 to the great surprise of the United States military. However, the anti-access arsenal of the Chinese is not limited to this rather exotic capability. It represents a deadly combination of tactics, technology and weapons, all designed to curtail American access within the First Island Chain and to deter U.S. involvement near the coasts of China.

Politics aside, these petty disputes over uninhabited islands, which are in most cases just navigational obstacles, fed mostly by nationalism and deep historic resentment, are also fuelled by resource competition. At stake are not just coral reefs, sand banks and submerged rocks, but the control over critical trade routes (see maps on p. 10, p. 13) and of the oil and gas resources of South China Sea and East China Sea. Sovereignty over these small pieces of territorial ‘real estate’ means the extension of the Exclusive Economic Zones of each state involved in these territorial disputes. The U.S. Energy Information Administration estimates that there are roughly 11 billion

---

barrels of oil and 190 trillion cubic feet of gas in untapped reserves in the South China Sea.\(^{38}\) The East China Sea is thought to hold between 60 and 100 million barrels of oil according to the U.S. Energy Administration (Chinese sources dispute these numbers estimating between 70 and 160 billion barrels) and 1-2 trillion cubic feet of natural gas reserves (again Chinese estimates give different numbers, 250 trillion cubic feet of gas).\(^{39}\) Control over these resources would lessen China’s dependence on oil imports from Middle East and Africa.

### Vital Passage

The South China Sea is home to critical trade routes

<table>
<thead>
<tr>
<th>Share of global trade via South China Sea, annually</th>
<th>Global trade via South China Sea by commodity group, volume in billions of tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Via South China Sea 25% of total global trade</td>
<td>Dry bulk</td>
</tr>
<tr>
<td>Total volume: 11.8 billion tons</td>
<td>Crude oil</td>
</tr>
<tr>
<td></td>
<td>Container</td>
</tr>
<tr>
<td></td>
<td>Liquefied natural gas</td>
</tr>
<tr>
<td></td>
<td>Refined products</td>
</tr>
<tr>
<td></td>
<td>Chemicals</td>
</tr>
<tr>
<td></td>
<td>Liquefied petroleum gas</td>
</tr>
</tbody>
</table>

Note: South China Sea trade volume is assumed to be destined for originating from China, Japan, South Korea and Taiwan.
Source: Drewry

Source: Wall Street Journal

The strategic importance of the First Island Chain is further enhanced by the sea lanes of communication (SLOCs) which link up China, criss-crossing the South China Sea, East China Sea and Yellow Sea. These trade routes are extremely valuable for China’s economy and Beijing must protect them.\(^{40}\) Control over the disputed territories in the First Island Chain would allow China to better protect the SLOCs from interference by other naval powers. It also gives Beijing greater strategic depth, to better protect its coastlines and makes projection by a foreign power extremely challenging and costly.

Seen in this perspective, the latest ADIZ step might be only the beginning of a subtle, back and forth, long term regional game in pursuing an overarching goal of controlling and dominating “China’s near-seas region (meaning the waters, land features, and airspace of the Yellow Sea, East China Sea, and South China Sea—that is, the area inside the so-called first island chain), and of breaking out into the Pacific”.\(^{41}\) At the same time, by demanding that foreign aircraft transiting the ADIZ file flight-plans with the Chinese Ministry of Defense, or that foreign ships transiting

---


China’s EEZ announce their presence in advance, Beijing is altering, in small steps, the regional status-quo by trying to suspend and subordinate the rules of the road in the global commons to its core national interests: “it seeks to carve out from the global commons the Yellow, East, and South China Seas and the airspace above them as a zone of exceptionalism within which existing global legal, security, and resource management norms are subordinated to its national interests.” In short, what we’ve seen in the East China Sea in the past few months can be called a “selective tailored coercion campaign” projected in the defense of its core national interests or, to use a very fashionable term these days: “an exercise in anti-access/area denial (A2/AD), what the Chinese term counter-intervention, in miniature.”

Overall, the recent coercive tailored campaigns against key pieces of real-estate in both East and South China Seas indicate a Chinese persistent recipe in subverting the status-quo in order to impose de facto new realities on the ground that might give Beijing an enhanced additional leverage “to justify control of contested spaces”. In the end, all these campaigns are designed to support sovereignty claims over key strategic spots (the Senkaku islands, the Spratly and Paracel island groups, the Scarborough Reef) that, in time, may change the geography of control over East and South China Seas. Both the ADIZ and the Scarborough Reef standoff were direct attempts to enforce sovereignty claims over what Beijing perceives as historical Chinese territories. The Scarborough Reef incident in particular highlighted a larger operational template and new unconventional ways to intimidate, coerce and compel short of using force in a traditional manner. The Scarborough Reef incident emphasizes a new aggression and expansion pattern, what the PLA General Zhang Zhaozhong has called “the cabbage strategy”, which means surrounding a contested territory with layers of walls using “so many boats — fishermen, fishing administration ships, marine surveillance ships, navy warships — that the island is thus wrapped layer by layer like a cabbage.”

Why do East and South China Sea matter to the West?

In his farewell speech to the region, in June 2011, former Defense Secretary, Robert Gates articulated the enduring principles that the West, and the United States in particular, has in East Asia: “a free and open commerce; a just international order that emphasizes rights and responsibilities of nations and fidelity to the rule of law; open access by all to the global commons.

---

42 Testimony of Andrew S. Erickson, Associate Professor in the Strategic Research Department at the U.S. Naval War College, on “China’s Naval Modernization: Implications and Recommendations” to Subcommittee on Seapower and Projection Forces, December 11th, 2013, House Armed Services Committee, http://armedservices.house.gov/index.cfm/hearings-display?ContentRecord_id=FA9EE283-A136-4C44-B489-F1814AFAB9EA


of sea, air, space, and now, cyberspace; and the principle of resolving conflict without the use of force”.\(^{47}\)

Since 1945, the U.S. has provided a security umbrella that created the framework for the entire East Asian economic growth. It has achieved this through a wide network of bilateral alliances and an extensive regional military posture (currently maintaining here around 80,000 troops) that ultimately supported “a maritime regime based on international law that promotes freedom of navigation and lawful uses of the sea”.\(^{48}\) As the Assistant Secretary for East Asian and Pacific Affairs Daniel Russel recently put it, today the U.S. has a national interest in the maintenance of unimpeded lawful commerce and the freedom of navigation and over-flight in the East China and South China Seas.\(^{49}\) Most of these aspects are currently challenged by the Chinese actions in the East and South China Seas.

As the premier military power and number one economy in the world, the United States depends on the freedom to navigate the world’s oceans and seas. Since its independence, the United States has been a trading and sea faring nation – consequently it understood early on the importance of access to the global commons, freedom of navigation and the importance of possessing a navy. The first military engagements fought overseas by the United States after the Revolutionary War, the Barbary Wars, involved protecting the freedom of navigation on the high seas of American merchantmen against the predations of north-African pirates. Similarly, the United States went to war with Great Britain for a second time in less then half a century, in 1812, in order to protect its freedom of navigation as a neutral nation on the high seas and to put a stop to the practice of impressment.

The fact that the United States is the number one economic power in the world today as well as the foremost naval power is not a mere coincidence. Without a peer competitor in the world today, the United States Navy is free to roam the oceans, showing the American flag in the furthest corners of the planet. The U.S. Navy ensures that American trade goes unmolested to every market of the world and that goods and commodities enter American harbors. American naval power ensures that the process of globalization functions unabated, ensuring the freedom of navigation not only for its ships, but also for the ships of other maritime nations. This is the great paradox of American naval supremacy, that it ensures equal access to the seas and oceans of the world to all the members of the international system.

However, this is not a “public good” provided disinterestedly by the United States – freedom of navigation is in the strategic and economic interest of Washington, giving it access to markets and to strategic chokepoints all over the world. This reality is fully recognized in a document that outlines the naval strategy of the United States “A Cooperative Strategy for 21\(^{st}\) Century Seapower” and which states that:

> “the United States will be globally postured to secure our homeland and citizens from direct attack and to advance our interests around the world. As our security and prosperity are

\(^{47}\) Speech by Secretary of Defense Robert M. Gates, Shangri-La Hotel, Singapore, Saturday, June 04, 2011.

\(^{48}\) Testimony Before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific by Daniel R. Russel, Assistant Secretary, Bureau of East Asian and Pacific Affairs, Washington DC, February 5, 2014

\(^{49}\) Idem.
inextricably linked with those of others, U.S. maritime forces will be deployed to protect and sustain the peaceful global system comprised of interdependent networks of trade, finance, information, law, people and governance”.  

Today’s role of the United States on the world’s oceans and seas mirrors that of Great Britain in the nineteenth and early twentieth century. It is in this sense that U.S. is interested in keeping an open, free of conflict East and South China Seas both of which are crucial highways of the global economy. Nonetheless, 3 of the world’s largest economies (Japan, the Republic of Korea, and China) are dependent on the commodities that are transiting these vital sea lanes. At the same time, in 2013 alone “well over half the world’s merchant tonnage flowed through the South China Sea, and over 15 million barrels of oil per day transited the Strait of Malacca last year, with most of it continuing onward through the East China Sea”.

Any conflict and miscalculation could massively affect the whole world.

---


51 Testimony Before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific by Daniel R. Russel, Assistant Secretary, Bureau of East Asian and Pacific Affairs, Washington DC, February 5, 2014.
Crimea as a game-changer for East Asia

The events that led to the annexation of Crimea by Russia and to changing borders by force mark a paradigm-shift not just for Europe, but also for other hinge-point regions. The “invasion” of a sovereign European state is an assault against the rule-based framework (core norms, principles and rules) at the heart of the post-1990 European security order. In a recent piece published in Washington Post, Toomas Ilves, the Estonian President concluded that “Russia’s aggression in Ukraine marks a paradigm shift, the end of trust in the post-Cold War order. This order, based on respect for territorial sovereignty, the integrity and inviolability of borders and a belief that relations can be built on common values, has collapsed. International treaties no longer hold, and the use of raw force is again legitimate. (...) The world is back in a zero-sum paradigm”.

The consequences are dire especially for East and South China Seas where another revisionist regional superpower is trying to alter the territorial status quo and challenge the rules in the global commons (freedoms of navigation and flight). For many key U.S. allies, what is happening in the European neighborhood is a deja-vu for their own region. In a recent joint press conference with President Obama, the President of Philippines emphasized that “the statements that America has been making with regards to Ukraine is the same message that has been said to China”. The Crimean issue is rapidly “becoming an existential crisis, too, about maintaining a rules-based international order” as well as about U.S. willingness to underwrite and enforce this normative order.

At the same time, many of the U.S. allies in the region became increasingly concerned about the credibility of the American guarantees and commitments to their own security. In the 1994 Budapest Memorandum, Washington was one of the guarantors of the Ukrainian territorial integrity, a pledge made after Kiev accepted to “surrender” its nuclear arsenal. Japan, a recent target of Chinese probing over Senkaku, became particularly vocal in asking for U.S. strategic reassurance: "if America can evade its guarantee of Ukraine’s territorial integrity, why should Japan’s leaders believe that the U.S. will do otherwise in the case of a far-flung cluster of uninhabited islands that are scarcely more than rocks inhabited by sheep?" was asking in April a former Japanese Minister of Defense. To many U.S. allies in East Asia, a weak fragmented Western response to the Crimean annexation was just a green light and an incentive for more Chinese revisionism in the “near seas”. Even Robert Gates, the former Secretary of Defense in the Obama Administration, saw Crimea as a potential precedent to be replicated in East Asia:

“the idea that you can settle these territorial disputes or old claims to territory by force is a huge problem when you consider all of the kinds of disputes there are like that, not only in Europe, but in Asia and elsewhere. So you have disputes between China and Japan over the Senkaku Islands. What Putin has done basically is to give the go-ahead to the Chinese and say, well, just take them by force if you think they belong to you. And I think that’s a very bad message as well and is likely to lead to future crises and potentially armed conflict.”

---

54 Youriko Koike, “Perilous road to Slovyansk”, Project Syndicate, April 25, 2014.
It is in this larger post-Crimean context that one should read and understand the most recent Obama tour in the region, largely a strategic reassurance ritual for the most exposed allies. Firstly, he gave an unequivocal U.S. pledge for the defense of Japan, including one that covers the Senkaku islands (a territory administered by Japan, but claimed also by China): “let me reiterate that our treaty commitment to Japan’s security is absolute, and Article 5 covers all territories under Japan’s administration, including the Senkaku Islands”\textsuperscript{56} It is for the first time that an American President makes such a clear-cut commitment in Tokyo.

Secondly, Obama announced the launching of an \textit{Enhanced Defense Cooperation Agreement} that will allow increasing U.S. rotational presence at facilities in the Philippines, but one that will also be focused on helping Manila build their minimum deterrence capabilities as they shift from internal security missions to external security ones\textsuperscript{57} (with an eye on the South China Sea maritime disputes).

The consistent message that he repeated over the entire trip in the region was one that the U.S. goal \textit{is to make sure that international rules and norms are respected and that includes the area of maritime disputes. We’re an Asia Pacific nation and our primary interest is the peaceful resolution of conflict, the freedom of navigation that allows for continued progress and prosperity}.\textsuperscript{58} Moreover, asked by a student after his speech at University of Malaya, what would his legacy be, president Obama answered:

\begin{quote}
“internationally, my main goal has been to work with other partners to promote a system of rules so that conflicts can be resolved peacefully, so that nations observe basic rules of behavior, so that whether you’re a big country or a small country, you know that there are certain principles that are observed - that might doesn’t just make right, but that there’s a set of ideals and there’s justice both inside countries and between countries”.\textsuperscript{59}
\end{quote}

In short, he recommitted U.S. as a stabilizing force in support of a common set of rules and an international order based on international law able to insure that the Asia Pacific region will remain open and inclusive, free of intimidation and coercion and able to secure a free flow of commerce and open sea lanes.

\textbf{Will these statements deter further Chinese assertiveness in East and South China Seas?}

The latest incident has occurred in the South China Sea this May, when CNOOC installed a drilling rig close to the Paracel Islands, an area claimed both by China and Vietnam. This sparked huge protests and anti-Chinese riots in Vietnam, raisings doubts about the ways and means China understands to use in solving the territorial disputes in its near-seas. Hanoi sent ships to disrupt

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{56} Joint Press Conference with President Obama and Prime Minister Abe of Japan, Akasaka Palace, Tokyo, Japan, April 24, 2014.
\item \textsuperscript{57} Press Briefing by Deputy National Security Advisor for Strategic Communication Ben Rhodes and NSC Senior Director for Asian Affairs Evan Medeiros, Kuala Lumpur, Malaysia, April 27, 2014.
\item \textsuperscript{58} Remarks by President Obama and President Benigno Aquino III of the Philippines in Joint Press Conference Malacañang Palace, Manila, Philippines, April 28, 2014.
\item \textsuperscript{59} Remarks by President Obama at Young Southeast Asian Leaders Initiative Town Hall, University of Malaya, Malaysia, April 27, 2014.
\end{itemize}
\end{footnotesize}
operations and a Chinese vessel sank a Vietnamese fishing boat in the close proximity of the first Chinese deep-water drilling rig. In mid July, however, the rig HD-981 was removed. According to New York Times (May, 2014), this is not the first incident either:

“At least twice in recent years, China has sought to explore these waters and backed down after protests by Vietnam. Just six months ago, during a visit of the Chinese prime minister to Hanoi, the two sides announced that they would try to find ways to jointly develop oil and gas fields.”

All these troubling vignettes in the South and East China Seas coupled with the massive investments in A2/AD and regional power projection capabilities, the deployment of asymmetric civilian means in support of an increasingly assertive expansive strategy are far from reassuring the neighbors, the region and the world about the so-called Chinese peaceful rise. Everyone is watching Beijing in relation to the global commons and the sea lanes so crucial for the global energy security and, is asking how will a mature global power behave? For now, it seems more that Beijing is leaning towards a classic great power posture: “the strong do as they will and the weak suffer what they must”.