The South China Sea Security Dilemma (for ISA Hong Kong 2017)

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1. The importance of the SCS in any analysis of the security situation in Asia Pacific region.

2. Questions are: can we use the theory of the security dilemma to analyze the security situation in the Asia Pacific generally and in the SCS particularly? And what makes it more or less likely that states will cooperate?

3. Security dilemma has been one of the most important theoretical ideas in IR since Herbart Butterfield, John Herz and Robert Jervis first developed the concept. It is connected with defensive realism, because for a defensive realist the security dilemma makes possible genuine cooperation between states--beyond a fleeting alliance in the face of a common foe. But it is also important for offensive realists, who think that the security dilemma makes war inevitable and rational. (See also: Shiping Tang, The security Dilemma….Security Studies 2009)

4. According to John Herz, the Security Dilemma is “a structural notion in which the self-help attempts of states to look after their security needs tend, regardless of intention, to lead to rising insecurity for others as each interprets its own measures as defensive and measures of others as potentially threatening/offensive.”
5. The Security Dilemma is a two-level strategic predicament in relations between states and other actors, with each level consisting of two related lemmas (propositions) which force decision-makers to choose between them. The first basic level consists of a dilemma of interpretation about the motives, intentions and capabilities of others. The second level consists of a dilemma of response about the most rational way of responding (Security Studies p. 135). Of course, a dilemma of response logically begins once the dilemma of interpretation has been settled. If decision-makers wrongly interpret others’ motives and intentions, something that happens when there is significant level of distrust, then they have to decide how to react. Should they use some words and deeds to signal that they will react to deter. Or should they seek to signal reassurance? The wrong interpretation of others’ motives may led to military confrontation or mutual hostility. And eventually to the security paradox (a situation in which two or more actors, seeking only to improve their own security, provoke through their words or actions an increase in mutual tension, resulting in less security all round) (Booth and Wheeler 2008)


7. In the SCS region we are witnesses to disputes and tensions. The disputes exist because of the competing claims of sovereign states in the region. And since every nation claims that the area being contested by others is rightfully theirs, they take the “necessary steps” to secure and defend it, because doing otherwise would mean that one is weak, unpatriotic, and does not know how to safeguard one’s territorial integrity.

8. The situation in the SCS had been quite stable for many years. For a long time, Chinese expansion in SCS had only affected Vietnam. Then for the first time China encroached into waters claimed by member of ASEAN Philippines with the Mischief Reef case and later
other ASEAN states – Malaysia, Brunei and Indonesia felt directly threatened (B. Hayton p. 87).

9. The situation in the region is rather specific. Institutional cooperation is rather weak. There is lot of suspicious and lack of trust. As a consequence, **can the situation perceived in terms of a security dilemma?** The question is: **how do claimant states perceive the rival state--as a “security seeker” or as a “greedy state”?**

10. When we look at the region from the perspective of Game Theory, we can also ask **what makes it more or less likely that states will cooperate?**

   My presentation will concentrate (mostly) on relations between China and the Philippines.

11. According to game theory, states have simply two strategies: **defect or cooperate**, with four outcomes: defect/defect; cooperate/cooperate; defect/cooperate; cooperate/defect. It is in the interest of each actor to have others deprived of the power to defect. At the same time, each would be willing to sacrifice this ability if others were similarly restrained. But if the others are not, then it is in each actor’s interest to retain the power to defect. In this game, if both actors cooperate both receive **rewards**, if both defect, both receive **punishment**, when one would like to cooperate but the other defects, then the one preferring to cooperate receives a **sucker’s payoff** while the one who defects receives a **temptation payoff**.

12. I will consider three games here: Prisoner Dilemma T>R>P>S, Stag Hunt R>T>P>S and Chicken Dilemma T>R>S>P. Participants in Prisoner Dilemma share an interest in avoiding mutual noncooperation; in Stag Hunt, each actor seeks to exploit the other, and in Chicken Dilemma if you think the other side is going to defect, you have to cooperate, because, although being exploited (S/T) is bad, it is not as bad as a total breakdown (P/P).
When will players be more likely to cooperate? R. Jervis identifies several situations: anything that increases incentives to cooperate by increasing the gains of mutual cooperation (R/R) and/or decreasing the cost the actor will pay if he cooperates and the other does not (S/T). Also, when anything that decreases the incentives for defecting by decreasing the gains of taking advantage of the other (T/S) and/or increasing the costs of mutual noncooperation (P/P). And anything that increases each side’s expectation that the other will cooperate.

13. How will the changes in each payoff in the game influence the possibility of cooperation?

14. Firstly, the fear of being exploited (S/T) according to Jervis **strongly drives the security dilemma**. If a country does not want to be exploited, it could either join a larger unit (for the Philippines this is ASEAN), join a more secure unit (Philippines-US), or acquire a large army (Philippines and China) and, if conditions are favorable, to attack rather than wait to be attacked (Stag Hunt or Prisoner Dilemma). Several examples from the relationship between the Philippines and China in the SCS. Since 1970, China and the Philippines have frequently exchanged views on relevant disputes and first reached agreement on these

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issues in the August 10, 1995 Joint Statement between the PRC and the Republic of Philippines concerning consultations on the South China Sea and other Areas of Cooperation (R/R). Conflict between the two countries flared in 1995 after the Philippines discovered in February that the Chinese had constructed and occupied a structure on Mischief Reef in February and held the crew of a fishing boat, Analita, hostage for a week. The Philippines is a founding member of ASEAN, whose goal is to secure the region. One crucial initiative was the 1992 ASEAN Declaration on the South China Sea, penned and passed jointly by all the ASEAN countries involved. The Declaration stated that the South China Sea is sensitive to issues of sovereignty, and that any changes in the overall situation that run counter to the interests of ASEAN may create direct threats to peace and stability. The Declaration was an unprecedented example of a joint position being presented by the Association’s member states. At the time, China also indicated a greater willingness to accept multilateral solutions. Nevertheless, in 1996 the two parties’ naval vessels engaged in a ninety-minute battle. But both sides at that moment rather preferred to cooperate. So in 1999, the two sides organized the Experts’ Group Meeting on Confidence-Building Measures, a platform for dialogue and consultation. The Group met several times. Other meetings that deserve mention include those organized by the Council for Security Cooperation in the Asia Pacific (CSCAP) and the ASEAN Institutes of Strategic and International Studies. Such informal forums have grown to become the preferred form of interaction among the countries. They can be helpful in solving problems through diplomatic practices that rely on consultation and consensus as well as personal interaction. They also laid the groundwork for subsequent formal solutions adopted at such venues as the ASEAN Regional Forum. It is also necessary to include the meetings held through the Asia Security Summit, often semi-officially called the Shangri-La Dialogue, organized by
the International Institute for Strategic Studies, a leading global authority on global security, political risk, and armed conflict. The goal of these annual meetings, attended by each country’s Minister of Defense, is trust-building and promotion of collaboration in matters of security. In 2002, the DOC (Declaration on the Conduct of Parties in the SCS) was issued. This document requires the parties to exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability in this area. The Declaration was facilitated by the situation in the international arena as well as China’s ambition to reinvent itself as a friendly, responsible nation-state. The ASEAN idea was to establish a common platform to negotiate with China. China, however, preferred to carry on talks with individual countries. In 2012 countries started to discuss the possibility of adopting a binding Code of Conduct in the region and the draft was accepted. To avoid being exploited, the Philippines signed a Mutual Defense Treaty (30 August 1951) with the U.S. On November 11, 2011 both governments signed the Manila Declaration, which reaffirmed defense ties between U.S. and the Philippines.

Also, we can observe the rise of arms in the region. The countries are increasing military spending. China has constructed military bases on uninhabited reefs and islets (The Army should always be prepared to fight and to dare to win (Xi Jinping see: http://www.theaustralian.com.au/news/inquirer/taking-up-arms-in-asiapacific/news-story/6f9100e38af203931fb0384da63b372). Chinese Admiral Liu Xiaojing said that naval expansion was inevitable “We are oceanic country we need a strong navy to protect our national interest” (see: http://www.theaustralian.com.au/news/inquirer/taking-up-arms-in-asiapacific/news-story/6f9100e38af203931fb0384da63b372)
As R. Jervis discussed, if one state becomes more powerful than the others (as is the case with China today) then it has a strong temptation to exploit others (Stag Hunt or Prisoner Dilemma).

15. Secondly as R/R and/or P/P increase, states have more incentive to cooperate. But if the D/D (P/P) strategy becomes very costly, this can bring us to the Chicken Dilemma. To avoid the worst scenario (P/P) players may try to convince rival states that will they stand firm – defect – and the only way the other can avoid disaster is to back down – cooperate.

China and the Philippines clashed in 2012 during the Scarborough Shoal Incident. The Filipino Navy attempted to detain and arrest fishermen on board Chinese fishing vessels near Scarborough Shoal, but was blocked by Chinese maritime surveillance ships. This led
to a two-month-long freezing of relations between China and the Philippines. Escalation has been seen in cyber-attack exchanges, an embargo on the importation of Filipino fruits, suspension of tourist tours to the Philippines, and imposed fishing bans in the SCS. Subsequent years brought more incidents. On 22 January 2013, the Philippine Government tried to change the terms of the South China Sea disputes by relegating traditional arguments about ‘historic rights’ over territory in favor of new arguments based upon UNLOS. The Philippine Foreign Secretary, Albert Rosario, argued that the case is important not only for the Philippines, but for “the rule of law in IR” in general, and initiated arbitration proceedings under Article 287 and Annex VII of UNCOLS. On December 7, 2014 China released the Position Paper of the Government of the PRC, in which it argued that this case falls outside the Tribunal’s jurisdiction and reiterated its position of non-acceptance and non-participation in the arbitration. Later on, China did not send any representatives to participate or observe the hearing, simply neglected it and ignored its judgment (12 July 2016). The strong Chinese position as well as political changes in the Philippines had the consequence that the Philippines’ initial reaction was intentionally reserved, without any sign of jubilation for the arbitration triumph. In his statement, Foreign Affairs Secretary Perfecto R. Yasay, Jr. stated that “The Philippines welcomes the issuance today, 12 July 2016, of the Award by the Arbitral Tribunal... Our experts are studying the Award with the care and thoroughness that this significant arbitral outcome deserves. In the meantime, we call on all those concerned to exercise restraint and sobriety.” Subsequently, during his informal chat with Chinese Foreign Minister Wang Yi on the sidelines of the ASEM in Ulaanbaatar, the Philippine Foreign Affairs Secretary reportedly declined Wang’s suggestion on disregarding the arbitral tribunal’s ruling in order to start a new bilateral dialogue on the South China Sea between China and the Philippines. In 2017
the softer statement came from Philippine President Rodrigo Duterte, who said it is better to bury the hatchet with China after years of wrangling over its maritime assertiveness and overlapping claims.

China used a similar strategy during the China – ASEAN Forum. From the beginning, it simply refused to have SCS on the agenda. China preferred rather bilateral discussion (strategy “occupy and negotiate”, or “take and talk” (Hayton, p. 88). The move was clearly a success. ASEAN countries were rather weak and none of its members were prepared to risk hostilities with China.

So we can say that the reward payoff is growing for both sides as is the punishment payoff. But the ‘stronger’ side was China, which threatens to disrupt cooperation (T) and exploit the Philippines (S).

16. Thirdly, defecting not only avoids the danger that a state will be exploited, but also brings positive advantages by exploiting the other. From the perspective of the Philippines, the benefits from (T/S) decrease now, largely because of China’s position in the SCS case, poorer relations with the U.S., and presidential change in the Philippines in 2016. ASEAN dropped, under the Philippines presidency (2017), references to land reclamation and militarization in the chairman’s statement, probably as a consequence of Chinese pressure. In this case chances for cooperation increased. The consequences of the Philippines behavior was that China agreed to let Filipino boats back to the rich fishing ground of the disputed Scarborough Shoal. As we can see, the temptation decreases when a state sees other ways of reaching its goals. As R. Jervis pointed out, the gains may be low, either because the immediate advantage provided by temptation (more arms, using legal instruments - Arbitration Tribunal) cannot be translated into political advantage (internal or external success). For example, the advantage provide by temptation is low for China
because of its international image. After fifteen years, states have to declare to sign agreement with the SCS Code of Conduct. This agreement on a framework will probably cool the tensions. It will be formally considered during the August 2017 meeting. China wants to improve its relations with ASEAN both collectively and individually. According to Mark Valencia, China wants to appear to be willing to negotiate rather than uncooperative, but it will also probably drag out the negotiation until it gets the content it wants.

17. To answer the questions: can we use security dilemma theory to analyze the security situation in the Asia Pacific in general and the SCS in particular? I may say yes. This theory is very helpful but with some limitations, especially when we consider the use of game theory. In my opinion, this theory helps us to research what makes it more or less likely that states will cooperate.