



Parahyangan Catholic University

Faculty of Social and Political Sciences

Department of International Relations

Accredited A

SK BAN-PT NO: 3095/SK/BAN-PT/Akred/S/VIII/2019

**Deterring China: Littoral States' Deterrence Initiatives in
the South China Sea Dispute (2012 - 2019)**

Thesis

By

Rana Tria Airlani

6091801230

Bandung

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Bandung, December 16th, 2021,



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ABSTRACT

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Title : Deterring China: Littoral States' Deterrence Initiatives in the South China Sea Dispute (2012-2019)

This research aims to uncover the reasons behind confrontational dynamics in the South China Sea dispute. The South China Sea dispute is perhaps the longest territorial dispute that has existed. With China's increasing assertiveness, standoffs between China and other littoral states, namely the Philippines and Vietnam, occur more frequently. The Philippines and Vietnam try to mitigate the power asymmetry in the conflict by imposing deterrence against China. Some deterrence initiatives have failed, but some have resulted in immediate deterrence success. The variety of deterrence outcomes indicates that despite the power imparity, there are occasions where weaker states successfully deter China from escalating further in the standoff. This thesis then aims to answer, "Why do some littoral states' deterrence initiatives toward China fail while some succeed?" using perfect deterrence theory. Through a qualitative research and comparative case study method, this research found that while weaker littoral states may not effectively impose threat capability, they stand a chance to impose a successful deterrence by maximizing their threat credibility.

Keywords: China, the Philippines, Vietnam, deterrence, threat capability, threat credibility, costly signaling, bluffing

ABSTRAK

Nama : Rana Tria Airlani
NPM : 6091801230
Judul : Menjerakan Cina: Upaya Penjeraan Negara-negara Litoral dalam Konflik Laut Cina Selatan (2012-2019)

Riset ini bertujuan untuk menggali alasan dari dinamika konfrontasi yang terjadi di Konflik Laut Cina Selatan. Konflik Laut Cina Selatan merupakan salah satu konflik teritorial yang telah berlangsung paling lama di dunia. Meningkatnya asertivitas Cina, kasus-kasus kebuntuan (*standoff*) dengan negara litoral lain, utamanya Filipina dan Vietnam, juga semakin sering terjadi. Filipina dan Vietnam mencoba untuk memitigasi kekuatan yang asimetris dalam konflik dengan upaya jera (*deterrence*) kepada Cina. Beberapa upaya *deterrence* telah gagal, namun beberapa lainnya berhasil mencapai efek jera terbatas. Variasi dari hasil *deterrence* ini mengindikasikan bahwa terlepas dari ketidakseimbangan kekuatan, terdapat kejadian-kejadian dimana negara yang lebih lemah berhasil mencegah Cina dari terus eskalasi dalam suatu *standoff*. Dengan begitu, skripsi ini hendak menjawab pertanyaan, “Mengapa beberapa upaya penjeraan oleh negara litoral terhadap Cina gagal sedangkan beberapa sisanya berhasil?” menggunakan teori *perfect deterrence*. Melalui metode penelitian kualitatif dan studi kasus komparatif, penelitian ini menemukan bahwa walaupun negara litoral tidak mampu menunjukkan kapabilitas ancamannya secara efektif, mereka masih bisa mencapai *deterrence* yang sukses dengan memaksimalkan kredibilitas ancamannya.

Kata kunci: Cina, Filipina, Vietnam, menjerakan, kapabilitas ancaman, kredibilitas ancaman, costly signaling, gertakan

Preface

When it comes to China, discussions usually succumb to the idea that the strong power rules all. I believe this is what happens in most research on the South China Sea. While this notion has been proven in many cases, I personally believe that modern international politics, filled with rising middle powers, no longer allow extreme domination of a state. With international support, littoral states like the Philippines and Vietnam *can* stand against China in one way or another. I believe that studies on weaker littoral states are crucial and that is what drove me to choose this topic.

I have had challenging, eye-opening, and unforgettable times while completing this thesis. Undeniably, the help and support of my peers have pushed me to this day. While I have given my best to formulate this research, I do realize that my work is not without flaws. Therefore, I welcome any critics and opinions on how to make my thesis better.

Lastly, I am grateful for the opportunity to finish my study and thesis in Unpar. I hope you can pick up a thing or two from my work. Looking forward to hearing your thoughts.

Bandung, December 18th, 2021

Rana Tria Airlani

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List of Abbreviations

| | |
|--------|--|
| A-109K | : Agusta A109 |
| A2/AD | : Anti-Access/Area Denial |
| AFP | : Armed Forces of the Philippines |
| AMM | : ASEAN Foreign Ministers' Meeting |
| AS-550 | : Airbus Helicopter AS550 Fennec (multipurpose military helicopters) |
| ASCM | : Anti-ship Cruise Missiles |
| ASEAN | : Association of Southeast Asian Nations |
| BRI | : Belt and Road Initiatives |
| BRP | : <i>Barko ng Republika ng Pilipinas</i> (ship of the Republic of the Philippines) |
| C-130H | : Lockheed C-130 Hercules (four-engine turboprop military transport aircraft) |
| C-212 | : CASA C-212 Aviocar (STOL medium cargo aircraft) |
| C-295 | : CASA C-295 (medium tactical transport aircraft) |
| CCG | : Chinese Coast Guard |
| CCH | : Combatant Craft Heavy |
| CCP | : Chinese Communist Party |
| CMS | : Chinese Maritime Surveillance |
| CNOOC | : China National Offshore Oil Corporation |

| | |
|-----------|---|
| CRS | : China Rescue and Salvage Bureau |
| CS | : Cybersecurity Mission |
| DDG | : Guided Missile Destroyer |
| DND | : Department of National Defense |
| DOC | : Declaration of Conduct |
| EDCA | : Enhanced Defense Cooperation Agreement |
| EEZ | : Exclusive Economic Zone |
| EL/M-2032 | : Multimode Airborne Fire Control Radar |
| EXTRA | : Extended Range Artillery |
| FA-50 | : Fighter Jets |
| FFG | : Constellation-class Frigate |
| FLEC | : Fisheries and Law Enforcement Command |
| FS/FSGM | : Corvette |
| GDP | : Gross Domestic Product |
| H3511 | : Haijing 3511 |
| HADR | : Humanitarian Assistance and Disaster Response |
| HD8 | : Haiyang Dizhi 8 |
| HYSY | : Haiyang Shiyou |
| Kh-35E | : Zvezda Kh-35E (turbojet subsonic cruise anti-ship missile) |
| LHD LPD | : Amphibious assault ship |

| | |
|-------------|---|
| MarAD | : Maritime and Air Defense Missions |
| MDT | : Mutual Defense Treaty |
| MSA | : China Maritime Safety Administration |
| MSA | : Maritime Safety Administration |
| PAFMM | : People's Armed Forces Maritime Militia |
| PLAAF | : People's Liberation Army Air Forces |
| PLAN | : People's Liberation Army Navy |
| PRC | : People's Republic of China |
| SCE | : Security Cooperation Engagement |
| SCS | : South China Sea |
| SIGMA-10514 | : Ship Integrated Geometrical Modularity Approach, (sigma-class modular naval vessels) |
| SLOC | : Sea lines of communication |
| SS | : Security and Stability |
| SS/SSK | : Hunter-killer or attack submarine |
| SSBN | : Ballistic missile submarine |
| SSN | : Nuclear powered submarine |
| SS-N-27 | : Anti-ship Cruise Missile |
| SS-N-30 | : Anti-ship Cruise Missile |
| Su-30MK2 | : Sukhoi Multi-Role Fighter Aircraft |
| TD | : Territorial Defense |

| | |
|--------|--|
| UNCLOS | : United Nations Convention on the Law of the Sea |
| US | : United States |
| VFRS | : Vietnamese Coast Guard and Fisheries Resources Surveillance |
| VFSF | : Vietnam Fisheries Surveillance Force |
| VPA | : Vietnam People's Army |
| WPS | : West Philippine Sea |

CHAPTER I

INTRODUCTION

1.1 Background

China's rising coerciveness in the South China Sea dispute has undoubtedly created some major developments and dynamics of the conflict, including its relations with fellow littoral states. The asymmetrical nature of the conflict, characterized by heavy power disparity between China and other claimants, namely the Philippines and Vietnam, has put the weaker nations at stake. States with less military capabilities may struggle to maintain the status quo, let alone step up their game at the sea. The situation, nonetheless, has forced weaker states to take necessary, a lot of times substantial and costly, deterrence initiatives against China in order to survive.

Ongoing for decades, the South China Sea (SCS) dispute remains the most heard and famous territorial dispute in the 21st century, especially with China's overwhelming claim that clashes with other claimants: Vietnam, the Philippines, Malaysia, Brunei, and Taiwan¹. Fights over the semi-enclosed body in the Asia Pacific consisted of four archipelagos - the Dongsha/Pratas Islands, Zhongsha Islands/Macclesfield Bank, and Scarborough Shoal, Xisha/Paracel Islands, and Nansha/Spratly Islands² has gone through impressive evolution. Being an

¹ Singh, Leishangthem Bimolchand, "China's Strategy On The South China Sea Disputes," *World Affairs: The Journal of International Issues* 21, no. 1 (2017): 80-99, Accessed April 7, 2021. doi:10.2307/48531510.

² Ibid.

important economic corridor through the existence of Sea Lines of Communication (SLOC), possessing rich natural resources³, and fundamental for national security, littoral states of the dispute continuously revamp their strategies following the prevailing relations with other claimants.

Over the past decade, scholars have mainly agreed that tensions around the waters have increased significantly. Arguably, states have also exercised more assertive approaches to the SCS issue. China, claiming approximately eighty percent of the seas, has since 2013 increased its land reclamation in the SCS, namely at the Cuarteron Reef, Fiery Cross Reef, and Subi Reef. Its regular patrols and military exercises were upped significantly. In 2019 alone, there were a total of 58 patrol missions -- the highest number in the past seven years around disputed areas⁴. On the other hand, other littoral states, mainly the Philippines and Vietnam, have responded by defecting to maintain their sovereignty and claims. In 2012, the Philippines confronted China during the impasse at the Scarborough Shoal, which resulted in a standoff and hostile confrontation that lasted for a while⁵. Being the only formal ally of the US in Southeast Asia, it seeks the security umbrella and military and diplomatic backing from the US. In 2015 alone, China

³ M. Taylor Fravel, "China's Strategy in the South China Sea," *Contemporary Southeast Asia* 33, no. 3 (2011): p. 292, <https://doi.org/10.1355/cs33-3b>.

⁴ Edward Chan, *China's Maritime Security Strategy*, (New York: Routledge), 2022: 136

⁵ Renato Cruz De Castro, "The Limits of Intergovernmentalism: The Philippines' Changing Strategy in the South China Sea Dispute and Its Impact on the Association of Southeast Asian Nations (ASEAN)," *Journal of Current Southeast Asian Affairs* 39, no. 3 (2020): pp. 335-358, <https://doi.org/10.1177/1868103420935562>.

was engaged in at least 12 confrontations with Vietnam and 3 with the Philippines
6.

The main driver for the rising tensions as aforementioned is, arguably, China's shifting SCS policy into high-profile. During Xi Jinping's presidency, Beijing has taken proactive measures through some levels of force. Being a rising power of the 21st century and driven by Xi Jinping's China Dream of national rejuvenation, becoming a robust maritime power is among his objectives. It is only imperative for China to shift the low-profile tendency of the previous presidents into being more vocal in addressing maritime issues as, according to China's Communist Party (CCP), the approach of peaceful cooperation and avoiding confrontations does not reflect its international status⁷. The government tries to consolidate its claims and interests by expanding its control on the waters.

On the other hand, the SCS holds too much real benefit for Vietnam and the Philippines to let go quickly. Having ratified the UN Convention on the Law of the Sea (UNCLOS) -- the international law established in 1982 that regulates the ownership of the sea, Vietnam and the Philippines aims to maintain their control over 200 nautical miles inside the Exclusive Economic Zone (EEZ) as written inside the UNCLOS⁸.

⁶ "ARE MARITIME LAW ENFORCEMENT FORCES DESTABILIZING ASIA?", accessed January 8, 2022, <https://csis-ilab.github.io/cpower-viz/csis-china-sea/>

⁷ Chan Edward Sing Yue, "Xi Jinping's Era: Constructing a Strong Maritime Power," in *China's Maritime Security Strategy: The Evolution of a Growing Sea Power* (Abingdon, Oxon: Routledge, 2022), pp. 135-190.

⁸ WTO Glossary, "Exclusive Economic Zone (EEZ)," WTO, accessed October 20, 2021, https://www.wto.org/english/thewto_e/glossary_e/exclusive_economic_zone_eez_e.htm#:~:text=The%20United%20Nations%20Convention%20on,living%20and%2

However, it is remarkable how despite the rising instability over the SCS, Sino-Philippines and Sino-Vietnam relations in other areas are not always strained. Since 2013, China began its massive economic agenda known as the Belt and Road Initiative (BRI), where ASEAN member states are among its main target partners⁹. Southeast Asian nations have primarily benefited from the increased foreign investment and infrastructure construction. It is safe to say that Beijing's BRI has increased its leverage among ASEAN member states, which has had a particular effect on other issues, including the SCS dispute.

1.2 Problem Identification

1.2.1 Problem Identification

Seeing the dynamics of the SCS dispute, especially between Sino-Vietnam and Sino-Philippines, immediate deterrence initiatives carried out by weaker states against China seem to result in different outcomes. Empirical findings have shown that deterrence against China has failed on some occasions and succeeded in others. This section will draw serious attention to four specific cases: (1) the Scarborough Shoal (2012); (2) the Second Thomas Shoal (2013); (3) Haiyang Shiyou 981 Oil Rig (2014); and (4) the Vanguard Bank incident (2019).

⁹ Andrew Chatzky and James McBride, "China's Massive Belt and Road Initiative," Council on Foreign Relations (Council on Foreign Relations, January 28, 2020), <https://www.cfr.org/background/chinas-massive-belt-and-road-initiative>.

The Scarborough Shoal and the Vanguard Bank incidents show deterrence failures against China. In April 2012, Philippine naval forces met eight Chinese fishing boats around the Scarborough Shoal, located within the Philippines' EEZ. After a two-month standoff with China, Philippine forces finally left the area, and China eventually gained de facto control¹⁰. Moreover, in July 2019, a Chinese Survey Ship, Haiyang Dizhi 8 (HD8), entered Vietnam-controlled waters, specifically around the Vanguard Bank¹¹. Vietnam responded by stepping up its maritime presence in the area, sometimes discharging more vessels to outnumber the Chinese. By October 23, the HD8 departed the bank and sailed toward Chinese shores. Unfortunately, this does not mean Vietnam's deterrence was successful, as China retracted its HD8 only after the removal of the Hakuryu-5 drilling rig¹². These cases show how Vietnamese and Philippine responses to impose immediate deterrence against China's provocative action at times failed.

On the other hand, the Second Thomas Shoal and Haiyang Shiyou 981 oil rig are imprints of successful deterrence against China. In May 2013, the Philippines sent a number of naval vessels around the Second Thomas Shoal to reinforce that it has long maintained a maritime presence there in response to

¹⁰ ZHOU FANGYIN, "Between Assertiveness and Self-Restraint: Understanding China's South China Sea Policy," *International Affairs* 92, no. 4 (2016): pp. 869-890, <https://doi.org/10.1111/1468-2346.12657>.

¹¹ Lye Liang Fook and Ha Hoang Hop, "PERSPECTIVE," *The Vanguard Bank Incident: Developments and What Next?*, no. 2019 (September 4, 2019), ISSN 2335-6677.

¹² Derek Grossman, "Vietnam Needs to 'Struggle' More in the South China Sea," – *The Diplomat* (for *The Diplomat*, April 1, 2020), <https://thediplomat.com/2019/11/vietnam-needs-to-struggle-more-in-the-south-china-sea/>.

China's increased patrols around the area¹³. Unlike the Scarborough Shoal incident, where China eventually gained de facto control, China did not show determination to expand its authority. The Philippine navy managed to enter the shoal without heavy confrontations with China. Furthermore, China moved the Haiyang Shiyou oil rig to the Paracel Islands in 2014. Located within Vietnam's EEZ, China's provocative activity triggered deadly confrontations against Chinese nationals and its drilling operation¹⁴. Finally, on July 15, China ended the HYSY-981 drilling operation near the Paracels, which was faster than its initial plan, and tensions gradually eased¹⁵. These cases show how Vietnamese and Philippine responses to impose immediate deterrence against China's provocative action were at times successful.

The different outcomes mentioned earlier indicate the impact of some variables on China's decision in the SCS dispute. Despite being the strongest power among other littoral states, China frequently backed down when faced with deterrence imposed by weaker states. It is also worth noting that although Vietnam and the Philippines possess different military capacities -- and that the Philippines may benefit from having the US as its formal allies, they managed to maximize what they have to impose immediate deterrence against China. Therefore, it is worth taking a deep dive into what variables affect China's decision-making in the SCS dispute.

¹³ ZHOU FANGYIN, "Between Assertiveness and Self-Restraint: Understanding China's South China Sea Policy," *International Affairs* 92, no. 4 (2016): pp. 869-890, <https://doi.org/10.1111/1468-2346.12657>.

¹⁴ Ibid.

¹⁵ Ibid

1.2.2 Scope of Research

This research will analyze past deterrence initiatives of the Philippines and Vietnam against China. This research will include both successful and failed attempts and test the theory in those scenarios to avoid bias in case selection. Actors examined in this research are the People's Republic of China, Vietnam, and the Philippines, with its ally, the United States. Lastly, as it aims to study contemporary China, the research incorporates cases within Xi Jinping's presidency (2012-2019).

1.2.3 Research Question

From the problems identified, this research aims to answer, "Why do some littoral states' deterrence initiatives toward China fail while some succeed?"

1.3 Research Purposes and Utilities

1.3.1 Research Purposes

This research aims to uncover the reasons behind the success and failure of deterrence initiatives against China in the SCS dispute. The author hypothesizes that a state requires both threat capability and credibility to assert deterrence. However, a special attention needs to be drawn in an asymmetrical conflict. In a territorial dispute with clear power disparity between claimants, the outcome of deterrence enforcement relies heavily on the defending state's ability to show

threat credibility. When the deterring state successfully expresses its willingness to use force against the challenger, it stands a chance of creating a successful deterrence. Otherwise, an inferior state who bluffs about its intention to carry out force against the challenger will always fail to impose deterrence.

1.3.2 Research Utilities

From the problems identified, this research aims to observe littoral states' deterrence initiatives and uncover the factors that drive deterrence outcomes in an asymmetric territorial dispute. Empirically, this research contributes to the strategic study of littoral states' by assessing their threat capability and credibility. Theoretically, this research contributes to the development of Perfect Deterrence Theory by implementing them in a Southeast Asian contemporary territorial dispute, an area where previous works have rarely covered. Lastly, the thesis empowers littoral states in a territorial disagreement against considerable power. It works as an additional measure for government officials in crafting future foreign policies, especially in the SCS dispute.

1.4 Literature Reviews

Existing literature on the relational dynamics in the SCS includes diverse theories and approaches, but this thesis will essentially divide them into two groups. The scholars in the first group suppose that China's own SCS strategy causes such dynamics to occur. The second emphasizes each state's strategy and

domestic affairs and their implications for their actions in the SCS dispute. This section will encompass bodies of literature on factors that drive the conflict dynamics based on the two divisions.

One unique approach to assess where China does and does not use force is Taylor Fravel's work on the impact of power shifts to escalation. He underlines the importance of a state's bargaining power; when a state's bargaining position is strong or dominant, the leader can be confident about using diplomacy to achieve a favorable resolution¹⁶. On the contrary, when its position is inferior or weak, the leader is likely to be insecure in achieving a favorable goal through diplomacy. In that case, the adversary is likely to perceive that it is losing the dispute and be incentivized to use force to prevent its decline. In contrast, in circumstances where a state believes its relative power surpasses that of the adversary, it would be likely to refrain from using force simply because there is no urgency to carry out force.

In line with Fravel, another body of literature on this matter is Zhou Fangyin's analysis of China's strategic thinking and policy choices. Fangyin acknowledges that China's behavior in the SCS has shifted to become more proactive and assertive on some occasions, yet there are remarkable cases where Beijing has exercised self-restraint¹⁷. His work highlights two shifts in China's

¹⁶ M. Taylor Fravel, "Power Shifts and Escalation: Explaining China's Use of Force in Territorial Disputes," *International Security* 32, no. 3 (2008): pp. 44-83, <https://doi.org/10.1162/isec.2008.32.3.44>.

¹⁷ Zhou Fangyin, "Between Assertiveness and Self-Restraint: Understanding China's South China Sea Policy," *International Affairs* 92, no. 4 (2016): pp. 869-890, <https://doi.org/10.1111/1468-2346.12657>.

approach to dealing with the SCS conflict; the first being a shift from a moderate policy to a more assertive approach aimed to deter other countries from future escalation, the second shift started when China began to explore the feasibility of different solutions and practice wider flexibility in the SCS dispute¹⁸. Thus, an analysis of four specific cases that showcase China's shifting approach is carried out. Issues of discussion include the Scarborough Shoal, Second Thomas Shoal, the Haiyang Shiyou 981 oil rig, and land reclamation in some parts of the SCS. Chapter II will provide a detailed chronology of these incidents.

From four cases of clashes between China with the Philippines and China with Vietnam, only one case shows China's assertive approach while it exercised self-restraint on the rest¹⁹. In the Scarborough Shoal incident, China responded assertively to the Philippines' naval frigate blockade of Chinese fishing boats. Eventually, China gained de facto control of the shoal. This incident shows China's determination to expand its territory and impose deterrence towards other claimants.

In the following incidents, China only had to exercise self-restraint because, as Fangyin stated, Vietnam and the Philippines were already deterred to some point²⁰. Unlike the Scarborough Shoal, China did not take a more assertive action nor try to gain de facto control over the Second Thomas Shoal.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Zhou Fangyin, "Between Assertiveness and Self-Restraint: Understanding China's South China Sea Policy," *International Affairs* 92, no. 4 (2016): pp. 869-890, <https://doi.org/10.1111/1468-2346.12657>.

Another case worth examining is the Haiyang Shiyou 981 oil rig and Chinese land reclamations. After a large confrontation of thousands of Vietnamese towards Chinese and other foreign-owned enterprises in Vietnam,²¹ China ended the HYSY-981 drilling operation near the Paracels to soothe the tensions. On land reclamation, China's project since 2014 has not triggered a maritime confrontation with its adversaries. Beijing also promised to complete the project according to the plan, which shows an immediate land reclamation in scale and duration.

What, then, explains China's different approaches in mentioned cases? Fangyin argued that China has primarily exercised self-restraint despite its rising assertiveness, focusing on China's rational decision-making. Beijing emphasizes long-term solutions and takes rational measures to prevent setbacks on its relations with ASEAN member states as it has other agendas concerning Southeast Asian countries²². Furthermore, China realized that the SCS dispute is not China's core issue; instead, it is among many issues that China faces. Therefore, although China can exercise assertiveness in all cases, it rarely carried such action due to a number of considerations, except the exception of imposing deterrence.

Another popular branch of past works regarding the actors' behavior in the SCS has largely been about the littoral states' different objectives. In this regard, Ye Hailin analyzed the changing situation of the SCS in 2014-2015 alongside the

²¹ Zhou Fangyin, "Between Assertiveness and Self-Restraint: Understanding China's South China Sea Policy," *International Affairs* 92, no. 4 (2016): pp. 869-890, <https://doi.org/10.1111/1468-2346.12657>.

²² Ibid.

changing behavior and motivations of littoral states and the US. Hailin argues that although the related parties of the SCS, namely China, Vietnam, the Philippines, and the US stress the importance of peace and stability, their intentions have weakened and shifted from conflict conflict-controlling to conflict-managing²³. In fact, they wish for a conflict escalation to a certain degree rather than tension reduction. Hailin highlighted two cases in the analysis of related parties to the SCS, namely the Haiyang Shiyou 981 oil rig and Chinese construction on the Nansha Islands. On the US' stance, Hailin analyzed its increasingly tougher diplomatic and military fronts against China in several cases.

Vietnam's internal and external limitations hinder its flexibility in its China policy²⁴. On the Haiyang Shiyou oil rig issue, which was carried out within the disputed area between China and Vietnam, it was imperative for Vietnam to take countermeasures to maintain its credibility in ASEAN and further assert its claim. Vietnam could not stop Chinese activities on the sea and the incident triggered domestic riots, indicating that the government's political system is vulnerable to public turbulence. Its diplomatic resources with China are also immediate. As mentioned earlier, those internal and external factors are the stumbling blocks for its strategy in the SCS dispute.

²³Ye Hailin, "Limited Conflict and Partial Control: Escalation of Conflict on the South China Sea and the Strategies of the Concerned Parties," *Strategic Studies* 35, no. 3 (2015): 20–42, <https://www.jstor.org/stable/48535919>.

²⁴ Ibid.

The Philippines, on the other hand, adopted what Hangyin called a “pawn” strategy intended to escalate the situation²⁵. Responding to China showing increased willingness to “do something” on the dispute and its relatively weak maritime force, the Philippines had to rely on legal and diplomatic means. The Philippines sought to ally with foreign countries against China. With this strategy, only when the situation intensifies will the international community take action against China and provide support for the Philippines. Therefore, the Philippines is the last country that hopes for a controlled and tame situation.

Finally, the US has toughened its stance on the SCS and increased diplomatic and military pressure on China due to the evolution of the issue²⁶. Being an indirect party to the dispute, the US aims to maintain its status as the global maritime hegemon. Unlike the Philippines and Vietnam, Washington does not put much attention to the specific ownership of the disputed areas so long the overall imprint on the SCS is the US, not China. In other words, the US cares more about “order” rather than “result”.

From the aforementioned bodies of literature, one can conclude that existing work on this issue has largely been accustomed to the view that littoral states’ deterrence initiatives are always insignificant due to the power parity in the SCS dispute. The author argues that several cases of littoral states’ deterrence threats should be taken as successful at least from preventing China from further

²⁵Ye Hailin, “Limited Conflict and Partial Control: Escalation of Conflict on the South China Sea and the Strategies of the Concerned Parties,” *Strategic Studies* 35, no. 3 (2015): 20–42, <https://www.jstor.org/stable/48535919>.

²⁶ Ibid.

escalating into a large-scale armed attack. Therefore, this research will cover that loophole by analyzing the pattern of deterrence success and failure using the theoretical framework below.

1.5 Conceptual Framework

This research will utilize Perfect Deterrence Theory built by bodies of literature, including by Frank C. Zagare and D. Marc Kilgour, Ian Bower, and more. Deterrence theory has undergone numerous developments and was famous, especially during the Cold War period²⁷. Scholars have continuously tried to adapt this theory into contemporary world politics to promote its sustainability in the IR world.

The sphere of deterrence theory is diverse, with differences in how scholars view the actors' interests, threat capability, and credibility. Zagare divides the classical deterrence theory into two sub-groups: structural deterrence theory and decision-theoretic deterrence theory²⁸. The former, closely aligned with realism, believes that the balance of power is peace. Therefore, deterrence should be straightforward should a party possess a second-strike capability. The latter emphasizes the expected utility and game theory in constructing deterrence models. Though different, both subgroups of the classical deterrence theory generally argue that war is the worst possible outcome for both the Challenger and

²⁷ D. Marc Kilgour and Frank C. Zagare, "Explaining Limited Conflicts," *Conflict Management and Peace Science* 24, no. 1 (2007): pp. 65-82, <https://doi.org/10.1080/07388940601102852>.

²⁸ Ibid.

the Defender. In accordance with this, Zagare and Kilgour introduced an alternative called perfect deterrence theory which differs from the classical theory in how they view credibility²⁹. While the classical branch determines credibility based on the willingness to protect one's interest, perfect deterrence theory assesses credibility based on rationality or believability.

Scholars have attempted to fixate the definition of deterrence. According to Quackenbush, deterrence refers to “the use of a threat (explicit or not) by one party in an attempt to convince another party to maintain the status quo.”³⁰ Austin Long explains deterrence as a manipulation attempt of an adversary's calculation of the cost/benefit of taking a given action, thus convincing the adversary to avoid taking a certain action. Furthermore, Ian Bowers defines deterrence as a strategy made to prevent one party from conducting an unwanted action by heightening the potential cost or reducing the benefits of such action³¹. From these definitions, one can conclude that deterrence is a strategy that incorporates threats carried out by one party in an attempt to prevent another party from conducting an action, thereby maintaining the status quo.

Perfect deterrence theory argues that it is when both players have capable and credible threats will mutual deterrence works best³². Put it simply, capability means a threat that hurts. While capability deals with the capacity to carry out an

²⁹ Stephen L. Quackenbush, “Deterrence Theory: Where Do We Stand?,” *Review of International Studies* 37, no. 2 (2010): pp. 741-762, <https://doi.org/10.1017/s0260210510000896>.

³⁰Ibid.

³¹ Ian Bowers, “Power Asymmetry and the Role of Deterrence in the South China Sea,” *The Korean Journal of Defense Analysis* 29, no. 4 (December 2017): pp. 551-573, ISSN 1941-4641.

³² D. Marc Kilgour and Frank C. Zagare, “Explaining Limited Conflicts,” *Conflict Management and Peace Science* 24, no. 1 (2007): pp. 65-82, <https://doi.org/10.1080/07388940601102852>.

attack, credibility refers to the willingness to do so. In other words, Zagare and Kilgour laid out that credibility refers to a threat's rationality and believability.

Threat capability and credibility are fundamental to achieving a successful deterrence³³. To help us clarify whether a threat has enough capability to hurt, an assessment of a state and its adversary's military balance needs to be carried out³⁴. As deterrence is often targeted against states with specific territorial goals that they seek to achieve either by occupying disputed areas after the defeat of an adversary's armed forces or by seizing the disputed areas in a immediate military attack³⁵. Either way, the Challenger's strategic orientation is generally driven by concerns about military costs and the effectiveness of a short-term mission, making it likely to utilize military force quickly. Thus, scholars have hypothesized that a defending state must have the military capacity to respond swiftly and deny the attacker at the beginning of an armed crisis³⁶. In cases where a Defender's absence of strength and mobility to blunt an attack occurs, the Challenger can rapidly advance into the disputed territory with high confidence that the Defender's armed force will not cost extensively, and seizing the disputed territory is highly plausible.

Furthermore, threat credibility is another essential key in deterrence. Even with advanced military capacity, the absence of credibility would make the threat

³³ Initially, Zagare and Kilgour include the challenger's assessment of the status quo as a variable for deterrence. However, as this research focuses solely on the defender's own capacity and willingness to use force, the challenger's perception and cost assessment will be eliminated.

³⁴ Huth Paul K., "Deterrence and International Conflict: Empirical Findings and Theoretical Debates," *Annual Review of Political Science* 2 (1999), www.annualreviews.org.

³⁵ Ibid.

³⁶ Ibid.

look uncostly in the eyes of the challenger. Zagare and Kilgour argue that the nature of credibility lies in the norm of reciprocity, meaning that states usually respond in kind to one another³⁷. Establishing reciprocity is, then, crucial to bolstering credibility. In addition, to assess a state's credibility, it is helpful to look at its signaling behavior. Communicating the determination to resist an attack without being perceived as bluffing requires "costly" signals³⁸. Costly signals are actions and statements that precisely increase the potential of a military clash and increase the cost of backing down from the Defender's threat to deter. Bluffing states will be unwilling to cross a certain military threshold for fear to enact military conflict.

It is also important to assess the relations between Challenger-Defender relations in an asymmetrical conflict. Asymmetric deterrence can be defined as "a crisis as a situation characterized, inter alia, by shortness of decision time and strategic surprise."³⁹ Asymmetrical deterrence are often carried out in an immediate deterrence, that is a situation where one party deems to seriously attack while the other is preventing it by creating a threat. Furthermore, in an asymmetric deterrence game, the Challenger must choose to initiate a crisis, otherwise the game ends at the status quo. If the Challenger initiates, then, the Defender must choose whether to defend its interests. If the Defender backs down, the Challenger

³⁷ D. Marc Kilgour and Frank C. Zagare, "Explaining Limited Conflicts," *Conflict Management and Peace Science* 24, no. 1 (2007): pp. 65-82, <https://doi.org/10.1080/07388940601102852>.

³⁸ Huth Paul K., "Deterrence and International Conflict: Empirical Findings and Theoretical Debates," *Annual Review of Political Science* 2 (1999), www.annualreviews.org.

³⁹ Frank C. Zagare and D. Marc Kilgour, "Asymmetric Deterrence," *International Studies Quarterly* 37, no. 1 (1993): p. 1, <https://doi.org/10.2307/2600829>.

gains an advantage. Otherwise, if the Defender resists, Challenger must decide whether to give in (in which Defender gains an advantage) or face a conflict. With the existing power disparity, the theory assumes each actor's preference as follows: the Challenger prefers an improvement in the status quo, while the Defender's preference is not restricted.

Deterrence is usually assessed either under complete or incomplete information. This thesis will assess based on the link between complete information and deterrence stability⁴⁰, where players have full and accurate information about each other's type. The reason behind this choice is assuming the existing diplomatic relations between actors in this thesis, a common knowledge of each other's type is likely to be understood by all. Therefore, both players know whether the other is Hard (can firmly enforce mutual punishment) or Soft (prefers capitulation over enduring mutual punishment)⁴¹.

The restrictions on the players' preferences above can be inducted into four deterrence games: (1) both actors have a credible threat; (2) the only credible threat comes from the Challenger; (3) Defender's threat is the only credible threat; or (4) neither player shows a credible threat⁴². Out of these games, deterrence succeeds under three scenarios: when each player has a credible threat (outcome CC), when the Defender shows credible threat, and when no player has a credible threat. On the other hand, the deterrence fails when only the Challenger has a

⁴⁰ Frank C. Zagare and D. Marc Kilgour, "Asymmetric Deterrence," *International Studies Quarterly* 37, no. 1 (1993): p. 1, <https://doi.org/10.2307/2600829>.

⁴¹ Ibid.

⁴² Ibid.

credible threat. This thesis will put much attention on the first and second deterrence games and assess the selected cases under scenarios where each player has a credible threat, leading to deterrence success, and where only the Challenger's threat is credible, leading to deterrence failure.

As the nature of conflicts varies in nature, deterrence is also divided into several categories⁴³. First, based on the proximity of deterrence, it can be divided into basic (deterrence done to defend a state's own territory) and extended deterrence (deterrence conducted not within the state's proximity, usually to defend its allies). Second, deterrence can be seen from the military modernity into conventional (military power excluding nuclear weapons) and nuclear deterrence (specific to nuclear weapons). Thirdly, based on the triggers of the deterrent threats, it can be divided into immediate (deterrence done in an already escalating scenario to prevent future escalation) and general deterrence (deterrence for maintaining the status quo and preventing conflict escalation). Based on these characterizations, the deterrence attempts between Vietnam and the Philippines (defenders) to China (challenger) are best explained as immediate basic conventional deterrence. Therefore, the outcome of a successful immediate deterrence should look like preventing the adversary who has threatened force in a crisis from further escalating to the large use of military force.

Furthermore, to analyze the state's threat credibility, this research will utilize costly signaling and bluffing behavior to characterize successful and failed

⁴³ Stephen L. Quackenbush, "Deterrence Theory: Where Do We Stand?," *Review of International Studies* 37, no. 2 (2010): pp. 741-762, <https://doi.org/10.1017/s0260210510000896>.

signaling. Costly signals are defined as the threats that may be seen credible when “the act of sending it incurs or creates some cost” that the state is highly unlikely to carry out if it were not willing to threaten the adversary⁴⁴. While bluffing, on the other hand, is a signaling attempt that lacks the credibility of whether the state is serious about carrying out force.

From this framework, the analysis will be conducted as follows. First, the later chapter will carry out an assessment of Vietnam and the Philippines’ military capabilities compared to that of China. Afterward, the author will analyze the signaling behavior of the Defenders in all four cases and determine whether the Defender was performing costly signaling or merely bluffing. Finally, this research will expose a threat capability and credibility pattern that results in successful and failed outcomes.

1.6 Research Method and Data Collection Technique

The analysis is conducted through a qualitative method. The qualitative method refers to the analysis techniques of non-numerical data. In political science, this method explains how and why a political event, issue, institution, or process came about⁴⁵. Qualitative methods focus on creating detailed and text-based answers that are often historical. As no research method is perfect,

⁴⁴ James D. Fearon, “Signaling Foreign Policy Interests,” *Journal of Conflict Resolution* 41, no. 1 (1997): pp. 68-90, <https://doi.org/10.1177/0022002797041001004>.

⁴⁵David Marsh and Gerry Stoker, *Theory and Methods in Political Science* (Houndmills etc: Macmillan Press, 1995).

qualitative research, primarily through a comparative case study, has flaws and limitations. Authors who select this method should be careful in choosing the cases, as some cases may seem to be correlated on the surface, yet there is no causal relationship. Selection bias may also occur if one does not craft the research design carefully.

Out of the existing research methods in qualitative analysis, the author utilizes a comparative case study. Selected cases are compared to find the distinction and similarities within them. This research uses the controlled comparison method, in which several cases are compared with two variables that control all cases⁴⁶. This method is most suitable to conduct the research so that two cases of failed deterrence can be compared to two successful cases, and a conclusion of what makes a successful and failed deterrence is drawn. This research is conducted inductively, meaning that selected phenomena are analyzed with the aim to generate answers, logic, and explanations behind such phenomena.

As the research runs on a qualitative method, the author collects both primary and secondary data in text documents. The primary data are extracted from government publication sources, while the author gathers the secondary data through several works of literature, books, journals, and statistics. Reliable news sources are also utilized as a means to acquire data should additional sources be needed.

⁴⁶David Marsh and Gerry Stoker, *Theory and Methods in Political Science* (Houndmills etc: Macmillan Press, 1995).

1.7 Thesis Organization

This thesis is divided into four chapters. Chapter I introduces the background of the issue and the overall research. This section provides the introduction, problem identification, theoretical framework, as well as literature review from previous works of other scholars. Chapter I acts as the groundwork for the fundamental research. Chapter II explains the military activities in the SCS and successful and failed past deterrence cases. Cases that are the focus are Scarborough Shoal Standoff (2012), Second Thomas Shoal (2013), Haiyang Shiyou 981 Oil Rig (2014), China-Vietnam Standoff (2019). Chapter III analyzes the Philippines and Vietnam's successful and failed deterrence initiatives utilizing the Perfect Deterrence Theory. Finally, chapter IV concludes the whole research and provides several suggestions for future research and policymaking.

