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Storm Warnings: South China Sea Tensions Reflect Danger of Defense Cuts

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In recent months, tensions have risen in the South China Sea as the ongoing territorial disputes between various Southeast Asian states and the People's Republic of China have begun to boil. An April speech by Chinese Defense Minister Liang Guanglie stating that the South Sea Fleet would be the vanguard of major new missions makes recent developments even more ominous. This situation raises real stakes for the United States, especially in the context of ongoing and potentially accelerating cuts to the defense budget.

Increasing Chinese Pressure.

China has been steadily increasing pressure on its neighbors in the ongoing South China Sea dispute, employing a variety of means. In March, Chinese and Philippine fishing vessels converged on the disputed Scarborough Shoal, reinforcing each side's claim to the area. Thinking

they had a bargain to de-escalate the conflict, the Philippines pulled out its ships. Although the Chinese did not deploy naval ships to the waters, Chinese fishing boats and civilian law enforcement vessels remained, despite an announced Chinese fishing ban on the area.

At the same time, the Chinese ratcheted up the pressure on Manila by discouraging tourism and imposing additional "inspections" on imports of Philippine bananas. Chinese foreign ministry spokespeople regularly mentioned the Scarborough Shoal in order to remind Manila that the Chinese saw this as a high-profile issue.

Then, in June, the China National Offshore Oil Company announced that it was opening nine new blocks in the South China Sea to bids for exploration and development. All of these blocks are in disputed waters directly off Vietnam's coast, in some cases within 100 nautical miles of Vietnam's shores. A few days later, the Chinese ministry of defense announced that it was preparing to start regular naval patrols in the waters around the Spratly Islands, which are claimed by not only China but Brunei, Malaysia, the Philippines, Taiwan, and Vietnam.

Meanwhile, Beijing also exerted heavy pressure on the Association of Southeast Asian Nations (ASEAN) at its annual meeting to reject any statement regarding the South China Sea. Efforts to characterize discussion of the conflict between China and the Philippines led to "unprecedented discord" within ASEAN. "The row illustrated how Southeast Asian nations have been polarised by China's rapidly expanding influence in the region."¹ Consequently, for the first time in ASEAN's 45-year history, no joint communiqué was issued, raising real concerns that the regional organization was in disarray due to Chinese pressure.

This was then followed by the announcement that the Nansha (Spratlys), Xisha (Paracels), and Zhongsha (Macclesfield Bank) territories would all be administered by a new, prefectural-level political entity called Sansha City (Sansha is literally "three sands," referring to the three "sha" of the disputed territories). This new political entity is higher than the previous city-level entity that had informally administered these territories. Even more worrisome, the new Sansha prefecture has a military garrison headed by a senior colonel (brigadier general equivalent).² Coupled with an earlier

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announcement that the PLA would now be mounting regular combat-ready patrols of the Spratlys, it would appear that Beijing is prepared to militarize its claims within the so-called “nine-dash line.”³

Growing Regional Chinese Military Capabilities. For Beijing, the two decades of nearly unbroken double-digit increases in the People’s Liberation Army (PLA) defense budget provides them with additional military tools with which to underscore China’s claims to the region. For most of the 1990s and 2000s, the focus of the PLA was on Taiwan. Consequently, the best forces tended to be deployed to the Nanjing military region (MR) opposite the island.

As the resources available to the PLA have continued to flow, however, other parts of the PLA have benefited as well. While many analysts have tended to focus on the acquisition of certain new capabilities such as anti-ship ballistic missiles and the addition of a new aircraft carrier (now undergoing sea trials) and have raised concerns with them in association with a Taiwan contingency, the increased largesse has also been reflected in modernization of other portions of the PLA.

This extends to the Guangzhou MR, which is believed to have responsibility for the South China Sea region. A portion of China’s Su-27

fighter fleet, for example, is believed to be assigned to the Guangzhou MR Air Force. The Guangzhou MR has also seen a steady growth in infrastructure, including submarine tunnels on Hainan Island, as well as an array of airbases. (Indeed, in the 2001 EP-3 incident, the U.S. aircraft made an emergency landing at one such base.) Other reports suggest that new rocket artillery systems have been deployed with some units in the Guangzhou MR.⁴

More worrisome, senior PLA commanders have hinted that the Guangzhou MR will have additional serious responsibilities and have praised its crisis-response capacities. In April, Chinese defense minister Liang Guanglie praised the MR for its efforts at littoral defense and defense mobilization work. He then stated that the MR will play a leading role in future vital missions (*zai zhongda renwu zhong dang jianbing*, 在重大任务中当尖兵).⁵

In some ways, the Guangzhou MR is the central repository of China’s forced entry capabilities. Both of China’s two marine brigades are assigned to the South Sea Fleet, which is part of the Guangzhou MR. Similarly, the PLA Air Force’s (PLAAF) three airborne divisions are all believed to be based in the Guangzhou MR (but are controlled by the PLAAF, *not* the MR).

American Responses. It is in the American interest to help keep the peace in this area, especially as the economic lifelines of such key allies as Japan, South Korea, and Taiwan all transit the waters. The loud statements of a U.S. “pivot” to Asia would seem to have provided an opportune moment for underscoring U.S. ability to maintain regional stability.

Yet despite claims by Secretary of Defense Leon Panetta that more than half of the U.S. Navy would be stationed in the western Pacific, the reality is far more thread-bare. Half the U.S. carrier fleet is currently centered on the Middle East,⁶ Meanwhile, there is only one carrier currently assigned to the Seventh Fleet in the western Pacific.

And this is before further budget cuts hit.

Sequestration, with its imposition of another half-trillion dollars in additional cuts atop those already programmed, will clearly hollow out American ability to maintain substantial presence in the western Pacific. The budget slashes, made without regard to strategy, will affect every part of the U.S. military, from training and logistics to operations and maintenance to acquisition and R&D. The PLA can only hope for such opportunities.

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3. China Ministry of Defense, “Chinese Military Has Already Begun Routinized Combat-Ready Patrols,” June 28, 2012, http://news.mod.gov.cn/headlines/2012-06/28/content_4381044.htm (accessed July 31, 2012).
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5. Xinhuanet, “An Important Speech by Liang Guanglie: Guangzhou MR Will, in Future Vital Missions, Serve as the Vanguard,” April 17, 2012, <http://mil.news.sohu.com/20120417/n340750133.shtml> (accessed July 31, 2012).
6. Luis Martinez, “Pentagon Sends Carrier to the Middle East Early,” ABC News, July 16, 2012, <http://abcnews.go.com/blogs/politics/2012/07/pentagon-sends-carrier-to-the-middle-east-early/> (accessed July 31, 2012).

What Should Be Done.

- **Preserve American presence.** As the ASEAN meetings amply demonstrated, China has the ability to pressure its smaller neighbors when there is no direct American countervailing pressure available. Unlike Europe, Asian diplomatic history is not one of balancing against hegemonic rise but of acquiescence. Without a substantial American presence, Asia is likely to fold its hand to China. But presence does not come cheaply—although many Asian allies provide substantial defrayal of costs.
- **Fully fund U.S. Navy acquisition.** Presence requires tangible, physical capabilities. Nowhere is this more at risk than in the declining size of the U.S. Navy. The 286 ships of the current U.S. fleet is substantially below the 313 that Navy leadership says it requires to fulfill its current

missions. Yet under sequestration, the fleet is likely to shrink to 230 ships—its lowest in over a century. When one also takes into consideration that a portion of that fleet is always in maintenance or rotation, the gap between reality and requirement becomes a yawning chasm.

A Perilous Flashpoint. The South China Sea is becoming an ever more perilous flashpoint as China increasingly asserts its control over the region and develops the means to back it up. Consequently, the U.S. needs to make clear that regional and global interests are at stake, that it remains committed to preserving the peace in this vital area, and—perhaps most importantly—that it will retain the capacity of its armed forces to do so.

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