

**TAIWAN AND SOUTH CHINA SEA ISSUES
AMID ESCALATING STRATEGIC
COMPETITION BETWEEN CHINA
AND THE UNITED STATES**

QI Dongtao

EAI Background Brief No. 1559

Date of Publication: 25 September 2020

Executive Summary

1. Since 2016 Beijing has suffered setbacks on the Taiwan issue without finding an effective countermeasure to the combined pressure of the United States and Taiwan. In contrast, many Chinese think tank scholars believe that since 2013 China has made substantial progress in protecting China's sovereign rights with efficient land reclamation and military infrastructure construction in the South China Sea.
2. China and the United States have long adhered to the strategy of "clear bottom line and ambiguous goal" on the Taiwan and South China Sea issues. A clear bottom line policy prevents escalation of tensions to armed conflicts, while an ambiguous goal allows room for tactical manoeuvring, without challenging each other's bottom line.
3. Since the 18th National Congress of the Chinese Communist Party in November 2012, the two countries have gradually clarified their strategic goals and raise respective bottom lines to match their strategic goals.
4. China's goal of unification with Taiwan is becoming clearer, with a gradual shift in bottom line from "anti-independence" to "promoting unification".
5. US Taiwan policy initially aimed at maintaining peace in the Taiwan Strait, but escalating strategic competition with China has made the Taiwan issue an outlet for Washington to release its anti-Beijing sentiment and Taiwan an important partner in the US strategy against China. The United States has comprehensively improved US-Taiwan relations to challenge China's "one China principle".
6. On the South China Sea issue, China's goal has also become clearer: increase its control, make the Sea a stepping stone for China's sustained economic and military growth, develop China into a maritime power and break US military dominance in the Sea to show that China's rise cannot be contained.

7. While China has always emphasised the need to balance the two major issues of maintaining sovereignty and regional stability in the South China Sea, the importance of sovereignty rights protection as a bottom line has surpassed that of regional stability in recent years.
8. In the face of a fast rising China, the United States' strategic goal on the South China Sea issue has also been clearer: The United States has stepped up efforts to ensure its military dominance in the Western Pacific.
9. For this reason, the US bottom line in the South China Sea has risen accordingly: explicitly denying most Chinese rights, illegalising China's efforts to defend its rights and increasing its countermeasures against China in a more military and targeted manner.

TAIWAN AND SOUTH CHINA SEA ISSUES AMID ESCALATING STRATEGIC COMPETITION BETWEEN CHINA AND THE UNITED STATES

QI Dongtao*

The Taiwan and South China Sea Issues: Flashpoints in Rising China-US Strategic Competition

- 1.1 China's heightened military exercises in July and August 2020 indicated Beijing's strong determination to confront Washington's more assertive strategy against China over the Taiwan and South China Sea issues. It conducted a series of navy drills in July as a response to US ones in the South China Sea and continued to showcase its military power by launching a new round of military exercises almost simultaneously in four sea regions in August: the East China Sea, Yellow Sea, Bohai Gulf and South China Sea, including locations close to Taiwan.¹
- 1.2 The late August drill in particular saw the People's Liberation Army (PLA) live-testing two "aircraft carrier killer" missiles, a DF-26B "launched from the northwestern province of Qinghai, while the other, a DF-21D, lifted off from Zhejiang province in the east. Both were fired into an area between Hainan province and the Paracel Islands".² US Health Secretary Alex Azar's visit to Taiwan in early August, the first cabinet-level and also highest-ranking American official visit since Washington switched diplomatic relations from Taipei to Beijing in 1979, and the

* Dr Qi Dongtao is Research Fellow at the East Asian Institute, National University of Singapore. The author thanks Mr Timothy Tang for his assistance in collecting and summarising some materials, and Dr Lam Peng Er and Dr Chen Gang for their valuable comments on the drafts of this *Background Brief*.

¹ Kristin Huang, 24 August 2020. "China's navy drills in 4 regions show ability to counter US, observers say". <https://www.scmp.com/news/china/military/article/3098671/chinas-navy-drills-4-regions-show-ability-counter-us-observers>, accessed 31 August 2020.

² Kristin Huang, 26 August 2020. "Chinese military fires 'aircraft-carrier killer' missile into South China Sea in 'warning to the United States'". <https://www.scmp.com/news/china/military/article/3098972/chinese-military-launches-two-missiles-south-china-sea-warning>, accessed 31 August 2020.

entry of US spy plane to the no-fly zone during China's live-fire naval drill might have contributed to China's heightened military exercises.³

- 1.3 These are signs of escalating confrontations between the two powers over the Taiwan and South China Sea issues. As the two military forces are playing an increasingly important role in the region, the moves are a dangerous new phase in confrontation.
- 1.4 The competition and confrontation between China and the United States in many fields are disruptive to the global economy, but not particularly worrisome to many observers. To them, rising competition in trade, technology, industry and so on will likely lead to wider confrontation and decoupling of the two powers, which may be called a "new cold war", but not to a "hot war", or large scale military conflict.
- 1.5 However, areas of confrontation that centre on core national interests of one side or both sides and reflect the comprehensive national strength of the two sides, especially where military power plays an important role, are dangerous powder kegs that could trigger a hot war. Taiwan and South China Sea are two issues that might gradually escalate the new cold war between China and the United States into a hot war, an issue that should be of concern to all stakeholders.
- 1.6 The Taiwan issue could be traced back to 1949 when the Kuomintang (KMT), which lost in the civil war against the Chinese Communist Party (CCP), fled to Taiwan and resisted CCP's efforts to unify Taiwan with the Mainland. Nevertheless, the early KMT regime in Taiwan recognised that Taiwan and China belonged to one China and saw reunification with the Mainland as an eventuality.
- 1.7 The profound change in the Taiwan issue is the gradual development of Taiwanese nationalism propelled by the Democratic Progressive Party (DPP) in its resistance against the authoritarian rule of the KMT. The pro-independence DPP does not pursue reunification with China and has wrestled power from the KMT once in 2000

³ Brad Lendon, 26 August 2020. "China says US U-2 spy plane disrupted its military exercises". <https://edition.cnn.com/2020/08/26/asia/china-us-u-2-spy-plane-intl-hnk-scli/index.html>, accessed 31 August 2020.

and since 2016. Beijing maintains that the Taiwan issue is China's internal/domestic problem and strongly opposes the internationalisation of the issue; it has warned and even penalised countries that have attempted to intervene in the Taiwan issue. However, the United States has always been an important international factor in the Taiwan issue, which leads to China's belief that the Taiwan issue is the most sensitive, important and core issue that may damage China-US relations severely.⁴

1.8 To Beijing, the South China Sea issue arises when several Southeast Asian countries adjacent to the South China Sea occupied islands and reefs that belong to China. Although an international issue by nature, it only involves China and other claimant states. The gradual but significant change of the issue to a more dangerous level, from Beijing's perspective, is a result of the gradual intensification of US intervention in the South China Sea over the past decade, particularly after US President Donald Trump was elected to power. Trump is seemingly determined to use the South China Sea issue to curb China's rise, making it an important component in his more aggressive strategy against China.⁵

1.9 As the conflict between China and the United States over the South China Sea escalates, a temporary shift in conflict took place from between China and other claimant states to between China and the United States. It has become increasingly clear that together with the Taiwan issue, the South China Sea issue is contributing to the rapidly deteriorating US-China relations and set to be an even bigger trigger of military conflict between the two powers compared to the Taiwan issue.⁶

1.10 From Beijing's perspective, the United States has gradually moved from the backstage to the forefront, and from passive to proactive in countering China on both issues, and constituting the largest external obstacle to resolving the two

⁴ Chinese Ministry of Foreign Affairs, 7 November 2000. "The Taiwan Issue". https://www.fmprc.gov.cn/web/ziliao_674904/tytj_674911/zcwj_674915/t7851.shtml, accessed 10 August 2020.

⁵ Fu Ying and Wu Shicun, 24 May 2016. "Historical Evolution and Current Thinking of the South China Sea Situation". <https://www.fmprc.gov.cn/ce/cohk/chn/xwdt/zt/zgnh/t1365881.htm>, accessed 10 August 2020.

⁶ Shang Guan, 14 July 2020. "It's not the Taiwan Strait that's the first to become a flashpoint between China and the US, but here?" <https://news.sina.cn/gn/2020-07-15/detail-iivhuipn3024754.d.html>, accessed 10 August 2020.

issues.⁷ To many Chinese think tank scholars, Taiwan and the South China Sea have become important and strategic “cards” for the United States to counter China’s rise, and conflicts with the United States on the two issues are strategic, structural, long-term and unavoidable.⁸

- 1.11 They pointed out that as both the Taiwan and South China Sea issues involve China’s core interests, but not those of the United States, they give the United States greater strategic room to manoeuvre. In other words, the United States could have refrained from challenging China on these two issues as they are not US core interests but China’s. US challenge to China on these two issues shows that they have become an important part of US strategy to contain China.⁹
- 1.12 On China’s part, Beijing’s position on the two issues differs. Beijing has indicated that the Taiwan issue is one of China’s core national interests. Since the 18th National Congress of the CCP in November 2012, the resolution of the Taiwan issue has been made a part of national rejuvenation,¹⁰ hence the 2049 deadline. The same could not be said of the South China Sea issue. Beijing prefers to use the phrase “involves China’s core interests” instead to emphasise the importance of the issue.
- 1.13 During the Obama administration, some senior US officials told the media that Chinese officials had privately revealed to them that the South China Sea issue is China’s core interests.¹¹ This could be a misinterpretation given that Beijing has been steadfast about what constitutes China’s core interests. To Beijing, territorial

⁷ Wang Yi, 4 August 2018. “The U.S. is the biggest contributor to the militarization of the region”. <http://m.news.cctv.com/2018/08/04/ARTISftzmMDnftp2ZQAKoNHB180804.shtml>; and Jun Qi, 23 December 2012. “China-US relations and Taiwan issue”. http://www.zhongguotongcuhui.org.cn/tylt/2012ndlq/201301/t20130106_3517977.html, both accessed 10 August 2020.

⁸ Wu Shicun, 21 April 2020. “The Epidemic has promoted US operations in the South China Sea”. http://www.nanhai.org.cn/review_c/429.html, accessed 10 August 2020.

⁹ The US government has denied that it wanted to “contain China”. See <https://www.bloomberg.com/news/articles/2018-10-16/mattis-plays-down-tensions-with-china-ahead-of-trip-to-asia>. However, China believes the United States is trying to contain China. See, for example, <https://www.globaltimes.cn/content/1194709.shtml>, accessed 13 August 2020.

¹⁰ Denny Roy (2019) “Assertive China: Irredentism or Expansionism?” *Survival*, 61:1, 51-74, DOI: 10.1080/00396338.2019.1568044.

¹¹ Wong, Edward. 23 April 2010. “Chinese Military Seeks to Extend Its Naval Power”. *The New York Times*. <https://www.nytimes.com/2010/04/24/world/asia/24navy.html>, accessed 10 August 2020.

sovereignty is China's core interests and that covers islands in the South China Sea and the surrounding waters, but not the entire South China Sea. Any issue involving the entire South China Sea should be more appropriately viewed as "related to or involving China's core interests".¹²

- 1.14 Beijing also did not link the resolution of territorial disputes over the South China Sea islands to national rejuvenation, nor has it set a timetable or deadline for doing so. Evidently, the Taiwan issue is more important and urgent to Beijing than the South China Sea issue.
- 1.15 On Taiwan, Beijing has suffered setbacks in its unification efforts after the reelection of Tsai Ing-wen to office in 2020, the rapid formation of a strong anti-Beijing consensus in US politics under Trump and the rapidly improving relations between the United States and Taiwan. These developments have put Beijing in a defensive posture and hindered its efforts to curb the expansion and influence of Taiwan's independence forces.

China-US Strategic Competition on the Taiwan Issue

- 2.1 Both China and the United States have long adhered to the strategy of "clear bottom line and ambiguous goal" on the Taiwan and South China Sea issues. A clear bottom line prevents both sides from challenging each other's bottom line, limiting the escalation of conflicts before it turns into an armed conflict. The unclear goal allows both sides, especially the disadvantaged one, a lot of room for manoeuvring, without challenging each other's bottom line. As a rising power after a protracted period of internal turmoil, China has long been at a serious strategic disadvantage on both the Taiwan and South China Sea issues; the strategy of "clear bottom line, ambiguous goal" is hence all the more important to China.
- 2.2 In its foreign relations, especially with the United States, China's paramount leader Deng Xiaoping once used a more subtle term "bide our time" to express the idea of "ambiguous goal" in exchange for a stable external environment to develop strategic

¹² Zhu Feng, 10 January 2011. "Be cautious about using the term "core interests" on the South China Sea issue". <http://news.sina.com.cn/c/sd/2011-01-10/131121789995.shtml>, accessed 10 August 2020.

assets, which hopefully will lead to a gradual, low-key improvement of China's strategic position in the international community. However, the development of the Taiwan and South China Sea issues over the past decade has witnessed both China and the United States gradually clarifying their strategic goals. This has led to the raising of their respective bottom lines and ultimately to open, deep-seated and long-concealed conflicts by both sides, deepening the strategic rivalry between them.

2.3 China and the United States accused each other of escalating the conflict and that they were forced to resist in response to the other's heightened threat. Each side sees the strategic goal of the other as becoming clearer, namely, challenging US hegemony on the part of China and containing China in the case of the United States. Consequently, the two sides are forced to escalate the conflict and neither wants to compromise in a strategic competition over national destiny, leading to a vicious cycle of strategic competition between the two powers that could lead to the "Thucydides' trap".¹³

2.4 On the Taiwan issue, China's bottom line is anti-independence; it passed the "Anti-Secession Law" in 2005 to indicate its readiness to use non-peaceful means and other necessary measures to counter the three kinds of "Taiwan independence" scenarios.¹⁴ However, for a long time, China's goal of unification has not been clearly spelt out. While China has made apparent its goal of reunifying with Taiwan, it has no clear answer to when and how this would be achieved.

2.5 China has always advocated reunification by peaceful means and will only use force when peaceful reunification is not possible. However, without a clear timetable for reunification, China will have to continue to promote reunification by peaceful means if Taiwan does not declare de jure independence, ending likely with peace without reunification.

¹³ Allison, Graham. *Destined for War: Can America and China Escape Thucydides's Trap?* Houghton Mifflin Harcourt, 2017.

¹⁴ "Article 8 In the event that the 'Taiwan independence' secessionist forces should act under any name or by any means to cause the fact of Taiwan's secession from China, or that major incidents entailing Taiwan's secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China's sovereignty and territorial integrity". National People's Congress, 14 March 2005. "Anti-Secession Law". <http://www.china-embassy.org/eng/zt/999999999/t187406.htm>, accessed 10 August 2020.

- 2.6 Understandably, Chinese leaders have long adopted an “ambiguous goal” on the Taiwan issue because it is conducive to China’s more important strategic goal of economic development. The strategic ambiguity provides China with the time and opportunity to develop the economy using Taiwanese investment and talents, while reducing pressure on Taiwan and the United States. As long as the Taiwanese authorities do not pursue independence in earnest, peace will prevail among the three parties. The fact that China’s military power could not guarantee successful reunification with Taiwan in the event of US intervention also contributes to Beijing’s strategic ambiguity.
- 2.7 While Taiwan’s economic value to China has declined sharply with the rapid rise of China’s economic and military power, its significance to China’s goal of national rejuvenation is growing. Since the 18th National Congress of the CCP, China has stepped up the pace of promoting reunification, emphasising repeatedly that reunification cannot be delayed from generation to generation, indicating a reluctance to delay reunification indefinitely.¹⁵ This makes the goal of unification clearer. However, with Tsai Ing-wen in office in 2016, cross-strait relations have deteriorated from cooperation to confrontation and reunification efforts have been strongly resisted in Taiwan.
- 2.8 In 2018, when KMT’s Han Kuo-yu was surprisingly elected Kaohsiung’s mayor, setting off a populist “Han wave” throughout Taiwan that was favourable to Beijing, China’s President Xi Jinping seized the opportunity in January 2019 to make an important speech on Taiwan, calling on Taiwan to accept the reinterpreted “1992 Consensus” and join the Mainland in promoting reunification, and putting forward the Taiwan version of “one country, two systems” as the model for post-unification Taiwan.¹⁶ The speech has further clarified the goal of reunification. However, the DPP took advantage of the speech, as well as the half year-long fierce anti-Beijing social resistance in Hong Kong at the time to successfully mobilise

¹⁵ Zhang Shirong, 1 April 2020. “Firmly complete the great cause of reunification of the motherland”. <http://theory.people.com.cn/n1/2020/0401/c40531-31656653.html>; Xinhua News Agency, 2 January 2019. “Here comes the golden line! Xi Jinping’s 14 words point the way for cross-strait ties”. http://www.xinhuanet.com/politics/2019-01/02/c_1123937462.htm, both accessed 10 August 2020.

¹⁶ Xi Jinping, 2 January 2019. “Speech at the commemorative meeting on the 40th anniversary of the Proclamation to the Compatriots in Taiwan”. http://www.xinhuanet.com/politics/leaders/2019-01/02/c_1123937757.htm, accessed 10 August 2020.

“anti-China” sentiments on the island and to defeat the once popular KMT candidate Han in the 2020 presidential election.

- 2.9 Subsequently, the world was decimated by the COVID-19 pandemic, which further elevated US-Taiwan relations and worsened their relations with China.¹⁷ While the goal of unification has become clearer and the promotion of unification has been stepped up on Beijing side, progress has been limited after Tsai Ing-wen and US President Donald Trump took office. Beijing has to recourse to the bottom line of anti-independence.
- 2.10 The United States has also signalled its bottom line on the Taiwan issue: resolving the Taiwan issue through peaceful negotiation, opposing the initiation or provocation of an armed conflict, particularly, opposing reunification by force on the part of China, and independence on the part of Taiwan that would lead to the use of force by China.¹⁸ This bottom line of “peace, not war” has long been tacitly accepted by China and Taiwan and become an important basis for peace and stability in the Taiwan Strait. The United States, on the other hand, has also adopted strategic ambiguity on some key objectives of the Taiwan issue.
- 2.11 First, the United States has not explicitly accepted the “one China principle”, which China considers to be the most fundamental; it has however proposed a vague “one China policy” based on the three Sino-American Joint Communiqués, Taiwan Relations Act and Six Assurances to Taiwan. US “one China policy” does not explicitly accept that the two sides of the Taiwan Strait belong to the same China. Essentially, it upholds the undetermined status of Taiwan,¹⁹ muddies the future of cross-Strait relations and US-Taiwan relations and suggests that reunification is not the only option for Taiwan. While it is not likely that the United States would establish formal diplomatic relations with Taiwan, it can develop a variety of relations of substantive nature under its “one China policy”

¹⁷ CNA, 9 August 2020. “US begins highest level Taiwan visit in decades”. <https://www.channelnewsasia.com/news/world/us-taiwan-visit-highest-level-in-decades-13004386>, accessed 10 August 2020.

¹⁸ Bureau Of East Asian And Pacific Affairs, US Department of State. “US Relations with Taiwan”. <https://www.state.gov/u-s-relations-with-taiwan/>, accessed 10 August 2020.

¹⁹ Shirley A Kan, “China/Taiwan: Evolution of the “One China” Policy — Key Statements from Washington, Beijing, and Taipei”, *CRS Report for Congress*, 2007.

- 2.12 Second, to deter China from resorting to unification by force while discouraging Taiwan from pursuing de jure independence, the United States has held an ambiguous position on whether it will send troops to help defend Taiwan in an arm conflict. This gives China the impression that the United States will send troops to intervene if China attacks Taiwan and gives Taiwan the notion that the United States will not necessarily send troops to help Taiwan if it triggers China's military attack with its pursuit of de jure independence.
- 2.13 Finally, the United States is also ambiguous about what constitutes actions to Taiwan independence, which often leads to conflict with China. When China acted with punitive measures against what it perceives as pro-independence activities, the United States would often accuse China of stirring up trouble in the Taiwan Strait, arguing that those so-called acts of pro-independence are Taiwan's legitimate rights.
- 2.14 Hence, in its promotion of peace in the Taiwan Strait, the United States has stated its bottom line clearly while leaving plenty of room for flexibility in its relations with Taiwan by making use of various ambiguous positions. When the United States pursues cooperation between China and competition is secondary, it will not use these ambiguous positions to vigorously develop its relations with Taiwan to challenge China; peace generally prevail without the United States investing too much energy in its handling of cross-Strait relations.
- 2.15 A case in point was the 11 September terrorist attacks on the United States when the United States made global counterterrorism a priority and needed China's cooperation. As a result, the previously pro-Taiwan Bush administration worked with Beijing to co-manage the Chen Shui-ban administration known for its radical Taiwan independence policy, and US-Taiwan relations deteriorated.
- 2.16 During the Ma Ying-jeou administration (2008-2016), Ma's acceptance of the "1992 Consensus" had significantly improved cross-Strait relations and his pursuit of "no unification, no independence and no use of force" had often been praised by the US government. Consequently, China-US-Taiwan triangular relations were at their most harmonious.

- 2.17 Relations took a turn for the worst when Tsai and Trump were voted into power in 2016 and 2017 respectively. Taiwan refused to accept the “1992 Consensus” and US political circles set off a unanimous anti-Beijing wave. The rapid deterioration of US-China relations from one of competition and cooperation to one of strategic competition has enhanced Taiwan’s strategic value to the United States.
- 2.18 The United States began unprecedented use of its ambiguous positions to actively develop its relations with Taiwan. It has passed a series of pro-Taiwan bills, supported Taiwan’s participation in international affairs, strengthened various kinds of visits, exchanges and cooperation with Taiwan, regarded Taiwan as an important strategic partner in its Free and Open Indo-Pacific Strategy, and upgraded arms sales to Taiwan. US-Taiwan relations are currently at its best since the break off of diplomatic relations.²⁰
- 2.19 On the other hand, the United States holds Beijing responsible for rising tensions in the Taiwan Strait and openly abides by a different “one China policy” from that of China.²¹ Calls for strategic clarity on defending Taiwan from China’s military attack have been growing in Washington, though the conventional strategic ambiguity has served US interests well in the past four decades.²² China-US relations are now in their most difficult period since the establishment of diplomatic relations. Although Beijing has exercised conventional countermeasures, it is unable to influence the further development of US-Taiwan relations, or promote unification.

China-US Strategic Competition on the South China Sea Issue

- 3.1 The trajectory of current China- US relations on the South China Sea issue is similar to that on the Taiwan issue: strategy from “ambiguous” to clear, tactics from reactive to proactive and relations from competitive to confrontational.

²⁰ CNBC, 10 January 2020. “US-Taiwan relations have ‘never been better,’ says AmCham Taipei president”. <https://www.cnbc.com/video/2020/01/10/us-taiwan-relations-have-never-been-better-amcham-taipei-president.html>, accessed 10 August 2020.

²¹ House Foreign Affairs Committee, 14 May 2019. <https://twitter.com/houseforeign/status/1128040864817786883?lang=en>, accessed 10 August 2020.

²² Mark Magnier, 11 September 2020, “Shift to ‘strategic clarity’ on Taiwan a further risk to US-China relations” <https://www.scmp.com/news/china/diplomacy/article/3100979/shift-strategic-clarity-taiwan-further-risk-us-china-relations>, accessed 15 September 2020.

- 3.2 The economic and military value of the South China Sea to China had long been underexploited and underutilised due to China's backward economic and military power in the past; in contrast, Taiwan's long-standing contribution of capital and talent to China's economic development was a reason for the greater emphasis on the Taiwan issue than the South China Sea issue. However, as Beijing does not want the South China Sea issue to come in the way of its economic development under its "economic development first" strategy, a low-key "sovereignty is ours; set aside dispute and pursue joint development"²³ guideline was adopted.
- 3.3 That "sovereignty is ours" is China's clear bottom line, but "set aside dispute and pursue joint development" would require the cooperation of other claimant states. Without cooperation from other claimant states, how China would respond becomes unclear. When disputes are prolonged, whether China has the sovereignty also becomes questionable. Therefore, these three guidelines contradict each other largely because of China's inability to preside over the South China Sea.
- 3.4 For example, in the defence of its sovereignty rights, disputes with other claimant states become inevitable, thus impeding joint development. It would then be a question of whether China would opt to stop defending its sovereignty rights in order to "set aside dispute and pursue joint development" or vice versa. A former Chinese diplomat to two Southeast Asian countries pointed out that other claimant states will reject China's proposal if it claims sovereignty over the disputed waters where the joint development is proposed.²⁴
- 3.5 Beijing's ambiguous position on the South China Sea could also be attributed to its failure to determine the latitude and longitude of the "nine-dash line" (U-shaped line), or provide a clear definition to its nine-dash line claim. If it is a national border line, then all waters, islands and reefs within the nine-dash line are Chinese territory. However this seems inconsistent with Beijing's public claim to sovereignty over the South China Sea as Beijing only claims sovereignty over the islands and

²³ Ding Gang, 26 May 2016. "Joint development still key for S.China Sea". <http://www.globaltimes.cn/content/985222.shtml>, accessed 10 August 2020.

²⁴ Zhang Tiegen, 8 August 2013. "Integrated approach to resolving maritime dispute challenges". <http://comment.cfisnet.com/2013/0808/1296590.html>, accessed 10 August 2020.

surrounding waters within the nine-dash line, and historic rights over all waters within it.²⁵

- 3.6 Adding ambiguity to China's claim is the international disagreement over the definition of historic rights. A Beijing official once explained that the lack of clarity on the specific location of the nine-dash line was to avoid intensifying conflicts with Southeast Asian countries,²⁶ suggesting that the ambiguity of the nine-dash line was indeed intentional on Beijing's part.
- 3.7 Since the 18th National Congress of the CCP, with developing China into a strong maritime power becoming a new national goal, the new diplomatic emphasis on "making a difference", and the rising military push for "open seas protection" of "maritime rights and interests and strategic corridor security",²⁷ the importance of the South China Sea in China's strategic plans has increased considerably. As a result, China's strategic goals for the South China Sea have become clearer, and it has become more proactive in pushing forward land reclamation and construction of civilian and military infrastructure on some of the islands under its control, and integrating several government agencies to improve its capacity to defend sovereignty rights in the South China Sea and so on.
- 3.8 Meanwhile, on the diplomatic front, it has promoted a "dual-track model" for other claimant states and ASEAN respectively to resolve disputes and maintain stability in the South China Sea.²⁸ It has even risked collisions with US aircraft and warships during their freedom of navigation operations (FONOP) at close range.

²⁵ Chinese Ministry of Foreign Affairs, 12 July 2016. "Statement of the Government of the People's Republic of China on China's Territorial Sovereignty and Maritime Rights and Interests in the South China Sea". <https://www.fmprc.gov.cn/nanhai/chn/snhwtlcwj/t1380021.htm>, accessed 10 August 2020.

²⁶ Fu Ying and Wu Shicun. 9 May 2016. "South China Sea: How We Got to This Stage". *The National Interest*. The Centre for the National Interest. <https://nationalinterest.org/feature/south-china-sea-how-we-got-stage-16118>, accessed 10 August 2020.

²⁷ Ministry of Defence, 26 May 2015. "China's Military Strategy". http://www.mod.gov.cn/regulatory//2015-05/26/content_4617812_5.htm. accessed 10 August 2020.

²⁸ *Xinhua*, 6 July 2016. "Why dual-track approach most effective to solve South China Sea disputes?" https://www.chinadaily.com.cn/world/2016-07/06/content_25992241.htm, accessed 10 August 2020.

- 3.9 From Beijing's point of view, its previous low-key policy in the South China Sea not only failed to achieve the goal of shelving disputes and pursuing joint development, but also gave other claimant states an opportunity to take advantage of the situation and violate China's rights in the South China Sea with their reclaiming of land and building of military facilities. This was particularly the case during the Obama administration when other claimant states were encouraged to unite against China's claims to rights and interests in the South China Sea. China has seen the ineffectiveness of maintaining its long-standing ambiguity and passivity.²⁹
- 3.10 As the United States is not a claimant state, it has often adopted a neutral stance on the South China Sea issue, calling on the parties concerned to resolve various disputes through peaceful means, including international arbitration. With the rapid rise of China and Asia in the past three decades, the Asia-Pacific region has gradually become a new strategic priority for the United States. Although China is not in a position to challenge US hegemony on a global scale, its growing economic clout around the world, especially in Asia, has created very favourable conditions for it to become a regional hegemon. The Obama administration's pivot to Asia and Asia-Pacific re-balancing strategy³⁰ was essentially to counterbalance China's influence and maintain the hegemonic position of the United States in the Asia Pacific.
- 3.11 The Obama administration's strategy to counterbalance China in the South China Sea, however, did not seem to have a clear goal. While it emphasised the role of international arbitration in addressing the disputes, it did not react strongly to Beijing's rejection of the arbitral ruling even before it was announced. Furthermore, though it had announced that the United States would enhance naval deployments to the Asia Pacific, the counterbalance strategy had few military components and was low in intensity, and chiefly based on diplomacy, such as improving political, economic and military ties with other claimant states, and international public

²⁹ Fu Ying and Wu Shicun. 9 May 2016. "South China Sea: How We Got to This Stage". *The National Interest*. The Centre for the National Interest. <https://nationalinterest.org/feature/south-china-sea-how-we-got-stage-16118>, accessed 10 August 2020.

³⁰ Hillary Clinton, 11 October 2011 "America's Pacific Century – Foreign Policy". <https://foreignpolicy.com/2011/10/11/americas-pacific-century/>, accessed 10 August 2020.

opinion. In fact, some observers believe that China's expansion of islands, building of military facilities and defending of its rights in the South China Sea all went smoothly during the Obama era.³¹

- 3.12 Since Trump took office, the South China Sea has become one of the main arenas of China-US confrontation. The Trump administration has clearer goals in the South China Sea, namely, to defend the freedom of the seas and maintain its naval and air superiority in the Western Pacific.³² It views China's land reclamation and military facilities in the South China Sea as a significant threat to these strategic goals.³³
- 3.13 Besides exerting pressure on China in the areas of trade, industry, technology, and Hong Kong and Taiwan issues, the Trump administration has also been more proactive and tougher on the South China Sea issue than the Obama administration. The Department of State, Department of Defence and senior government officials have taken turns to lambast China in public media and portray it as an authoritarian power that has often violated international rules for its own interests, citing China's non-acceptance, non-participation, non-recognition and non-compliance of the international arbitral tribunal's ruling in 2016.³⁴ It further asserted that "Beijing's

³¹ Ratner, Ely. 2017. Course correction: How to stop China's maritime advance. *Foreign Affairs*. July; Tisdall, Simon. 25 September, 2016. "Obama's Failed 'Asian Pivot' Leaves China Ascendant | Simon Tisdall". *The Guardian*, <https://www.theguardian.com/commentisfree/2016/sep/25/obama-failed-asian-pivot-china-ascendant>; Rogin, Josh. 24 June 2016, "The Obama Administration Is Failing to Stop China's Pacific Aggression". *Washington Post*, https://www.washingtonpost.com/opinions/global-opinions/the-obama-administration-is-failing-to-stop-chinas-pacific-aggression/2016/06/23/fce65f98-396c-11e6-8f7c-d4c723a2becb_story.html; Bill McLoughlin, 20 June 2020, "South China Sea Alert: How Obama Lost Region to Beijing as Expert Reveals It's 'Too Late'". <https://www.express.co.uk/news/world/1298478/south-china-sea-latest-Barack-Obama-china-islands-xi-jinping-nine-dash-line>, all accessed 10 August 2020.

³² Department of State, United States, 4 November 2019. "A Free And Open Indo-Pacific: Advancing a Shared Vision". <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>, accessed 10 August 2020.

³³ Myers, Steven Lee. 2018. "With Ships and Missiles, China Is Ready to Challenge U.S. Navy in Pacific". *The New York Times*, 29 August 2018. <https://www.nytimes.com/2018/08/29/world/asia/china-navy-aircraft-carrier-pacific.html>, accessed 10 August 2020.

³⁴ Jin Yongming (*China Daily*), 7 June 2016, "Ruling Won't Calm Disputes in South China Sea|Op-Ed Contributors|chinadaily.Com.Cn". http://europe.chinadaily.com.cn/opinion/2016-06/07/content_25632134.htm, accessed 10 August 2020.

claims to offshore resources across most of the South China Sea are completely unlawful, as is its campaign of bullying to control them”.³⁵

3.14 In the meantime, the United States has strengthened its relations with Southeast Asian countries and supported other claimant states in confronting China over the South China Sea; it has also invited the intervention of Japan, Australia and other allies. The Trump administration has greatly increased the military component in its strategy to more effectively counter China’s moves. According to public statistics, the Trump administration has carried out four FONOPs in the South China Sea in 2017, five in 2018, eight in 2019³⁶ and seven in the first eight months of 2020,³⁷ much more frequent than those under Obama, which was only four times.³⁸ In order to increase the unpredictability of operations, there were two daily FONOPs in April 2020, one for two consecutive days, and two dual-carrier battle group exercises in one week in June 2020, showing the world that the epidemic has not affected the capabilities of the US navy and air force in the South China Sea.

“Clearer Goal, Rising Bottom Line” Escalates US-China Conflicts

4.1 In general, China and the United States are clarifying their strategic goals and raising their respective bottom lines to match their strategic goals in both the Taiwan and South China Sea issues. China’s goal of unification with Taiwan is becoming clearer, and it is changing its bottom line from “anti-independence” to “promoting unification” accordingly. In the past, Taipei was able to maintain a good relationship

³⁵ Michael R Pompeo, 13 July 2020, “U.S. Position on Maritime Claims in the South China Sea”. n.d. *United States Department of State* (blog). <https://www.state.gov/u-s-position-on-maritime-claims-in-the-south-china-sea/>, accessed 10 August 2020.

³⁶ Chen Zinan and Zhang Zhaoxi, 20 December 2018, “Three Strategic Thinking of Recent US FONOPS in the South China Sea”, <http://cn.chinausfocus.com/m/show.php?id=35098>; SCSPI, 28 March 2020, “An Incomplete Report on US Naval and Air Forces Actions in the South China Sea”, http://www.scspi.org/sites/default/files/reports/zhong_-final_2019nian_mei_jun_nan_hai_jun_shi_huo_dong_bu_wan_quan_bao_gao__0.pdf, both accessed 10 August 2020.

³⁷ Ian Storey, 8 September 2020, “As US-China tensions rise, what is the outlook on the South China Sea dispute in 2020-21?” <https://www.scmp.com/week-asia/opinion/article/3100563/us-china-tensions-rise-what-outlook-south-china-sea-dispute-2020>, accessed 15 September 2020.

³⁸ Wu Shicun, 8 October 2018, “How to drive FONOPs away from the South China sea”. http://www.nanhai.org.cn/review_c/312.html, accessed 10 August 2020.

with Beijing as long as it opposed independence; now good relations cannot be attained unless it works with Beijing on unification.

- 4.2 However, Beijing's pro-unification strategy suffered a setback with the reelection of Tsai Ing-wen and the United States' strong support for Taiwan. The escalating strategic competition between the United States and China has made Taiwan an important partner in the US strategy against China and the Taiwan issue an outlet for Washington to release its anti-Beijing sentiment. The United States' bottom line on the Taiwan issue has correspondingly been raised to comprehensively improve US-Taiwan relations and challenge China's "one China principle".
- 4.3 On the South China Sea issue, China's goal has seemingly become clearer too. Beijing has stepped up efforts in the South China Sea to sustain its economic and military growth, develop China into a maritime power, break US military dominance and demonstrate to the world that China's rise cannot be contained. While China has always emphasised the need to balance the two major issues of maintaining sovereignty and regional stability in the South China Sea, the importance of sovereignty rights protection as the bottom line has surpassed that of regional stability in recent years.
- 4.4 In the face of a fast rising China, US strategic goal in the South China Sea has also been clearer, namely, to retain its military dominance in the Western Pacific, which would require raising its bottom line, explicitly denying most Chinese rights, illegalising China's efforts to defend its rights in the South China Sea, and increasing its countermeasures against China in a more military and targeted manner.
- 4.5 The days when China and the United States had deliberately muddied their strategic goals and maintained non-confrontational bottom lines seem to be over, heightening the chances of conflict. As long as the current strategic rivalry continues to escalate, the conflict between China and the United States over the Taiwan and South China Sea issues will concomitantly increase.