

**Do Fences Make Good Neighbors?
Forms of Deterrence in Territorial Disputes Between China and its Neighbors**

China's rise from developing nation to global power had led it to take a more active role in projecting power in territory it claims in its near abroad. China's claims in the South China Sea have been called revisionist, it has escalated tensions with Japan over the Diaoyu/Senkaku Islands, and it remains as fixated as ever on Taiwan. Much like the old saying that "good fences make good neighbors," China's neighbors have adopted a variety of strategies to deter potential aggression and breaches of sovereignty by China. For the purposes of this paper, deterrence will be defined as "the practice of discouraging or restraining someone – in world politics, usually a nation state – from taking unwanted actions, such as an armed attack."ⁱ This paper will examine different deterrence methods taken by some of China's neighbors – including Taiwan, Vietnam, and Japan – and it will explore alternatives to deterrence being pursued by the Philippines, Indonesia, and Malaysia. Finally, it will assess if these methods are the best form of deterrent, or whether deepening economic ties between these countries and China represents a path to a more stable future.

Taiwan currently holds a credible deterrent to Chinese aggression in both its military capabilities and its presumptive defense commitments from the United States. A Chinese amphibious invasion of Taiwan would be unbelievably costly – as Michael Beckly outlines, a successful invasion requires an attack to "achieve air superiority...land forces in a place where they outnumber the defenders...[and] surge reinforcements to the landing zone faster than the defender."ⁱⁱ Taiwan has invested heavily in coastal defenses such as anti-ship missile launchers in few places suitable for Chinese forces to land and has also invested in a large number of

surface to air missiles and anti-aircraft guns, many of which are road mobile and would be difficult for Chinese air units to track down and destroy.ⁱⁱⁱ These preparations have given Taiwan a credible deterrent against invasion. Beckly also suggests that if China were to attempt to resolve the Taiwan issue through a blockade, American attack submarines could help Taiwan by escorting merchant ships and destroying Chinese attack subs.^{iv} This strategy would not be without risk for the United States, but if its defense commitments to Taiwan are to be taken seriously than this must factor into any Chinese calculus when thinking through how to retake Taiwan.

Japan has primarily relied on U.S. extended deterrence to act as its safeguard from foreign aggression, though it has recently taken its defense more into its own hands. Bradley University professor Jihyun Kim observes “with the intensification of China’s rise alongside the relative decline of America’s hegemonic influence...Japan’s China policy has incorporated a more active balancing strategy through expanding the scope and strength of its own military power.”^v This is not to say that Japan is abandoning the protection afforded by the U.S. nuclear umbrella, but rather hedging against the possibility that it might not be reliable in the future. To that end, and in line with its Constitution, Japan has increased the number of defensive capabilities in its arsenal to construct an elaborate system of deterrence by denial. This has included plans for new missile launchers along the Ryuku Island which are within range of the Senkaku Islands, an expansion of its submarine fleet from 17 to 22 boats, deployment of additional underwater sensors in the Yellow and East China Seas to track Chinese ships and submarines, and an expansion of an already well-equipped mine warfare capability.^{vi} These capabilities would be powerful on their own, but when integrated with existing U.S. forces in the region^{vii} they provide a powerful deterrent to Chinese aggression in the East China Sea.

Unlike Taiwan and Japan, Vietnam has pursued a different strategy of deterrence towards China. Despite a long history of animosity, the two countries normalized relations in the 1990s with the joint “16 Word Guideline” that both countries would work toward “long-term, stable, future-oriented, good neighborly and all-round cooperative relations.”^{viii} Christina Lai argues persuasively that the “16 Word Guideline” acts as a coercive rhetorical constraint on both Chinese and Vietnamese behavior – because the two nations have invoked the “Guideline” repeatedly in resolving crises, it has established a diplomatic norm that is difficult to break without setting off a cascading series of erosions of trust.^{ix} It is an assurance device, a kind of diplomatic mutually assured destruction, and incentivizes the two parties to resolve disputes, such as the Haiying Shiyou 981 oil rig incident in 2014, peaceably.^x Vietnam has attempted to apply the “Guideline” to the principles of the ASEAN Declaration of Conduct of Parties in the South China Sea in an effort to deter China’s “revisionist” behavior in the region by, as Lai puts it, “[imposing] hypocrisy costs” that could cause China to “suffer great reputation cost later” for violations committed now.^{xi} However, Vietnam is not relying solely on the “Guideline” to deter Chinese aggression – it has invested in substantial advanced air defense systems, anti-ship cruise missiles, and advanced fighter aircraft, all of which are key elements of a deterrence by denial strategy.^{xii} This suggests that even when pursuing a more diplomatic kind of deterrence, some of China’s neighbors still see necessity in a military deterrent.

None of the above strategies of deterrence are the exclusive means by which these countries interact with China – they are merely fences erected to discourage Chinese aggression. And not all of China’s neighbors have come to rely on deterrence, seeing less overt threats (or possessing less practical ability to deal with threats militarily) than the aforementioned nations, instead choosing to explore more accommodating ways to work with China. Under the

leadership of Rodrigo Duterte, the Philippines has taken a more accommodating approach toward China in both public rhetoric and actions, most notably by deciding not to act on the Hague Tribunal's ruling that China had violated the Philippines' exclusive economic zone.^{xiii} Duterte has repeatedly said there is nothing his military could do to stop Chinese incursions into its economic zones, and that it is better for the two nations to cooperate economically.^{xiv} Similarly, Indonesia lacks effective power projection capabilities, and while there has been some recent naval buildup its ability to credibly deter China seems unlikely to develop in the near term, especially as its strategic culture is focused more on internal stability than facing down external threats^{xv}. Additionally, Malaysia sees China's rise as a source of potential regional stability and not something to deter – to the extent that the two nations have had disputes, Malaysia has preferred working through ASEAN or other multilateral bodies rather than developing military or bilateral normative deterrents.^{xvi}

In some sense, the deterrence capabilities pursued by Taiwan, Japan, and Vietnam are at odds with each of these nation's burgeoning trade relations with China – in Taiwan's case, these trade relations could even undermine the credibility of the U.S. extended deterrence commitments.^{xvii} According to the most recently published World Bank data, Japan is China's third largest trading partner, Vietnam is its sixth largest, and Taiwan is eighth. Malaysia is seventh, the Indonesia is ninth, and the Philippines is 17th.^{xviii} All of these countries have pursued a deeper trade relationship with China, yet half of them have simultaneously pursued deterrence policies against a perceived Chinese threat. This could be because these nations realize that deep economic ties alone do not preclude conflict – pre-1914 Europe presents an excellent example of this.^{xix}

But it could also be that these nations all see deeper economic ties as a deterrent in and of themselves. Professor Steve Chan suggests this in his book, *China's Troubled Waters*, when he writes, “At least one study on East Asia’s island disputes has concluded that economic interdependence has acted as a powerful brake that has checked the danger of escalation...the countries involved have also exercised strong reciprocal restraint due to their growing economic stake in mutually beneficial commerce.”^{xx} Even as it has pursued a more aggressive regional posture, China has invested heavily in building multilateral trade and investment institutions in the region like the Asian Infrastructure Investment Bank (AIIB) or growing bilateral investment relations through its own Belt and Road Initiative because it understands that regional economic stability is in its long term interests. These ties deepen the imperative to solve territorial disputes peaceably, which will bring stability, and enable economic prosperity.^{xxi}

While the history between nations like Japan, Vietnam, and Taiwan likely preclude the full abandonment of deterrents, the most stable path forward for the region involves the continued deepening of economic ties between nations. This will likely preclude war in way it did not in Europe, as the dynamics of what Graham Allison identified as “Thucydides’ Trap” are not at play between China and any of its neighbors – China itself is the rising power and there are no real regional powers its rise challenges.^{xxii} Additionally, China’s own economic growth imperatives outlined by the Two Centenary Goals suggest it would not do anything to upset regional economic balance defined by these deep economic ties. It seems likely then that deepening regional economic ties will itself be the best deterrent to regional conflict – that the best fences, to fully draw out the metaphor, have gates that allow exchange between neighbors. This calls into question whether the U.S. security commitments to Japan and Taiwan are actually destabilizing and more likely to lead to conflict in the region, or whether China’s own recent

military buildup could be driving regional deterrent buildup, topics that will need to be explored at greater length in another paper.

ENDNOTES

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- ⁱⁱ Beckly, Michael. “The Emerging Military Balance in East Asia,” pp. 87, *International Security*, Vol. 42, no 2. Fall 2017.
- ⁱⁱⁱ Ibid, pp. 87-89
- ^{iv} Ibid, pp. 93
- ^v Kim, Jihyun. “The Clash of Power and Nationalism: The Sino-Japan Territorial Dispute” pp. 41, *The Journal of Asian Security and International Affairs*, 5(1). 2018
- ^{vi} Beckly, pp. 97
- ^{vii} Kim, pp. 45
- ^{viii} Lai, Christina. “A Coercive Brotherhood: Sino-Vietnamese Relations from the 1990s to 2018” pp.2, *Journal of Contemporary China*. 2019.
- ^{ix} Ibid. pp. 12.
- ^x Ibid. pp. 13
- ^{xi} Ibid. pp. 12
- ^{xii} Beckly, pp. 100
- ^{xiii} Magcamit, Michael. “The Duterte method: A neoclassical realist guide to understanding a small power’s foreign policy and strategic behavior in the Asia-Pacific,” pp.10, *Asian Journal of Comparative Politics*, 1-22. 2019.
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- ^{xviii} World Integrated Trade Solution, World Bank. Accessed 4/8/2020. <https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2018/TradeFlow/EXPIMP/Partner/by-country>
- ^{xix} Chan, pp. 57
- ^{xx} Ibid. pp. 57
- ^{xxi} Ibid. pp. 57
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