Southeast Asia Responds to China’s Maritime Law Enforcement Strategy: Balancing a Perceived Threat by Responding in Kind

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Southeast Asia Responds to China’s Maritime Law Enforcement Strategy: Balancing a Perceived Threat by Responding in Kind

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Abstract

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Southeast Asia Responds to China’s Maritime Law Enforcement Strategy: Balancing a Perceived Threat by Responding in Kind

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China has over the past several years begun implementing a new Maritime Law Enforcement (MLE) strategy with the aim of asserting its jurisdiction in disputed areas of the South China Sea. This strategy has led to a number of incidents that have created a corresponding shift in the threat perception in the capitals of Southeast Asian countries including Vietnam and the Philippines. These two countries in particular have begun responding to this growing threat perception by enacting security strategies that in many ways reflect China’s, modernizing their military and MLE forces in order to protect their own claims and deter Chinese forces from taking assertive actions. These strategies seek to utilize deterrence to avoid escalation, though the strategies themselves are inherently prone to miscalculation and potential escalation, creating a tense and potentially volatile operational environment in the Asia Pacific region in the years ahead, one that could have wide ranging effects on regional security, including the relationship between the US and China.
Preface

The views and opinions expressed herein by the author do not represent the policies or position of the U.S. Department of Defense or the U.S. Navy, and are the sole responsibility of the author.
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Chapter 1: Introduction

China has over the last several years begun implementing a new maritime law enforcement (MLE) strategy based on the use of “rights protection” (weiquan) patrols conducted by rapidly growing Chinese MLE agencies to assert legal jurisdiction in disputed areas of the South China Sea. Implementation of this new MLE strategy has coincided with a number of corresponding incidents that have occurred since 2010 involving vessels of these MLE agencies and those of other claimants to disputed areas claimed by China. The incidents, including several major incidents in 2011 and 2012, have severely raised tension between China and several maritime Southeast Asian countries who have overlapping claims in the South China Sea, foremost amongst them Vietnam and the Philippines.

Rising tensions have exacerbated long standing concern over China’s strategic ambitions in the region, increasing the level of threat perception in these countries, which has in turn led them to begin what some analysts have described as “shifting up the spectrum from softer to harder forms of balancing.” These harder forms of balancing have included internal efforts to accelerate previously existing military modernization programs in both air and naval forces, as well as external efforts to increase engagement with international powers such as the United States, ranging from the Philippines recent decision to invite US forces back to the country on a “semi-permanent” basis, to Vietnam’s more incremental but still advancing security cooperation with the US.

The emerging evidence of hard balancing has rightly drawn attention, yet to focus too narrowly on air, land or naval force modernization might be to miss arguably the most important trend in the Asia Pacific region: the growth of maritime paramilitary or
coast guard forces. The buildup of Southeast Asian Coast Guard forces has been ongoing for the last decade or so, but the process has accelerated rapidly in recent years in both Vietnam and the Philippines, and may suggest emerging strategies that attempt to counter China’s MLE strategy by essentially employing the same strategy themselves. While it may be debatable in some contexts whether or not Coast Guards serve as an element of hard power, in the context of Asia they are most definitely employed as hard power, increasingly tasked with fulfilling what otherwise might be conceived of as military roles, essentially blurring the line between law enforcement and military missions. Efforts to provide strengthened military deterrent against China’s growing air and naval capabilities will occur in the background simultaneously alongside what seems set to become a much higher operational tempo through the employment of MLE vessels in disputed areas. These new and expanding organizations will likely determine the future security trajectory in the Asia Pacific region, and their actions, professional or provocative, will in turn drive the larger strategic dynamics of the regional actors as they respond to China’s rise as a maritime power.

China’s rise as a great power, particularly as a maritime power, has occurred in conflict with a number of overlapping maritime territorial and jurisdictional disputes that China has with its neighbors in East and Southeast Asia. What was once proclaimed as China’s “Charm Offensive” in Southeast Asia, has rapidly deteriorated over the past several years as a result of China’s handling of its dispute with a number of Southeast Asian countries in the South China Sea (SCS). The disputes in the SCS involve disputes over sovereignty of islands and other low tide features in the Paracel and Spratly chains,
Figure 1.1: Overlapping Maritime Claims in the South China Sea
as well as the maritime jurisdiction that would theoretically correspond with these features as recognized under international law. An additional dispute also exists between China and the Philippines at Scarborough Shoal, which flared in the spring and summer of 2012. While the dispute over the Paracels is limited to China and Vietnam, the dispute over the Spratlys involves not only China, but also Vietnam, Malaysia, Brunei, the Philippines. China’s claim is unique in that not only does it claim the entirety of the islands in the South China Sea, it has also published a map that claims nearly the entirety of the South China Sea itself, a claim which many of the Southeast Asian nations, including Indonesia whose EEZ from the Natuna islands into the South China Sea overlaps with China’s 9 dash line map.

The Southeast Asian claimant states have long instituted a hedging strategy in order to protect their claims, engaging China diplomatically and economically, while simultaneously hedging against the possibility that China’s rise will be less than benign. These new developments and the shift toward more pronounced hard balancing efforts could accelerate inherent contradictions in the hedging strategies of the ASEAN claimants, effecting diplomatic and economic relations with China as tension increases at the operational level between coast guard forces.

Two ASEAN claimants in particular, the Philippines and Vietnam, have been involved since 2009 in a number of incidents at sea involving China’s MLE agencies, and have begun to adjust their defense policies to account for a greater perceived level of threat to their security interests emanating from China. These emerging defense policies, supported by a number of high end naval and aerial platform acquisitions, including new MLE assets of their own, will allow them to respond more effectively to China’s
increased presence and assertiveness in the South China Sea, but could also risk escalating the conflict in a much more operational direction. This increased operational contact, while primarily isolated to MLE ships, is likely to lead to an increased number of incidents at sea that could easily escalate into more conventional kinetic conflict. Increased operational contact and incidents at sea are also likely to drive regional threat perception and could ultimately intensify the contradictions inherent in a hedging strategy, leading to outright balancing and potential escalation to armed conflict.
Chapter 2: Theoretical Orientation

Before analyzing the current reaction of Vietnam and the Philippines to China’s rise, it is important to situate this reaction within the context of the literature on the wider regional reaction in Southeast Asia, as well certain theoretical or analytical assumptions inherent in that literature. Analysis on the wider regional reaction previously tended to be generally congruent, emphasizing Southeast Asian hedging strategies toward China, but recent literature has highlighted growing indications of balancing behavior in Southeast Asia and the region more broadly.\(^4\) The argument in this thesis will attempt to extend these new insights into balancing behavior exhibited by both Vietnam and the Philippines, and will attempt to do so in a way that engages the political science literature on theories of balancing behavior, in the hopes that these theories might help to more clearly elucidate certain underlying assumptions in analysis and better inform prospective forecasts of future developments in the region, as well as potential opportunities and constraints in policy responses of the United States.

Analysis of the region’s reaction more broadly to China’s rise, particularly those analyses coming from Southeast Asian scholars residing in the region, have fairly uniformly been in agreement that the countries are attempting to implement a hedging strategy in response to China’s rise. Precisely what they mean by hedging is however a subject of some disagreement. Hedging has been taken to mean slightly different things, ranging from states’ reticence to choose sides between the US and China\(^5\), to more recent definitions that emphasize the simultaneous pursuit of contradictory policy options.\(^6\) In other words, rather than a neutral or “middle position,” these states are attempting to maximize the benefits of China’s rise while at the same time attempting to minimize risk
and preparing for contingencies and worst case scenarios. These regional scholars argue that Southeast Asia does not want to confront China openly, “for fear of turning a security risk into a military threat, or for fear of losing economic opportunities that could be gained from a huge and growing market,” and for all these reasons, will continue to hedge against China’s rise rather than balance against it.

These authors do concede however that Southeast Asia is likely to engage in what they term “indirect balancing,” which they define as including the internal expansion of military capabilities and security cooperation with external powers, but without being “completely and explicitly targeted at any certain country.” Both the term and definition are important for they capture a view predominant among Southeast Asian scholars, particularly acute in Malaysia (the authors are Malaysian nationals), about the security challenge China poses to the region, as well as appropriate responses to meet this challenge. The article makes important contributions to the field but disagree ultimately with the authors’ assessments, as well as their definition of terms, particularly the definition of ‘balancing’.

In order to meet what they deem the criteria for “full balancing”, it must be directly targeted at a specific country in a “containment like policy explicitly aimed at encircling, limiting, and subduing a clear and present threat in an all out manner.” To define balancing in this way not only originates from the acute Southeast Asian perceptions underlying hedging strategies outlined above (which permeates the academic literature coming out of Southeast Asia, particularly Malaysia, where it is politically incorrect to publicly discuss China as even a potential threat), but also to the Chinese narrative of containment and encirclement they see surrounding them in the region.
To be sure, as Andrew Shearer, an Australian analyst has noted, “China is not the only driver of regional defense policies;” yet it is viewed with increasing apprehension and as a potentially serious, if not the primary, security challenge facing many countries in Southeast Asia. According to Shearer this dynamic, originating in China’s rise as a maritime power, is not only “the trend with the most profound implications for the structure of security interactions in Southeast Asia,” but has already “started to generate force structure responses” there. Nowhere is this more true than in the cases of Vietnam and the Philippines, which will serve as the primary focus of the discussion on these dynamics below.

The disagreement over definitions and the difference between hedging and balancing is not limited however to Southeast Asian scholars alone. It is part of an emerging debate within international relations (IR) literature on the definitions of these two terms, particularly where one ends and the other begins. There is general agreement in the IR field that hedging occurs “when states face more than one potential rival and do not want to chose sides,” and that it is a strategy aimed at maintaining maximum flexibility in foreign policy choices, as “insurance” to guarantee their security without being seen as doing so in a manner that is overly provocative. These accepted definitions are in line with those proposed in the Kuik article, which also makes the important contribution that hedging behavior ultimately results in contradictory policy options, attempting to maximize benefits through engagement and reduce risk through contingency planning and preparation.

Where hedging ends and balancing begins is, however, the crux of the emerging debate in IR. At what point do attempts to minimize risks through contingency planning
stop being hedging behavior and become balancing? This all depends on how one defines balancing, and the assumptions about potential motivations for a state to undertake such behavior. There are several schools of thought on balancing in IR, most prominent among them Realism. Structural realists like Kenneth Waltz have tended to view balancing as an inherent reaction of states seeking to maintain a stable balance of power in the international system.¹⁴ The theory focuses solely on the balance of power amongst the great powers in the system, those possessing a preponderance of material power capability. The focus is on military capabilities, and capabilities alone, in the decision by a state to balance, with smaller or regional powers being viewed as of limited or at best peripheral importance. These assumptions lead to the prediction that great powers will respond to a structural imbalance in the system, allyng with other states so as to aggregate their capabilities and restore a balance of power. In order for balancing behavior to be said to occur, “clear identification of the adversary- the only other state in the system that has sufficient capabilities to pose a military threat-” is required.¹⁵

The capability aggregation function plays a central role in the IR debate on balancing, particularly in alliance formation literature, since realist theories that stress this aspect alone are unable to account for alliance behavior known as bandwagoning, which does not result from capability aggregation, but rather from the decision to ally with one’s enemy in order for the state to survive.¹⁶ The fact that bandwagoning occurs had led some to conclude that this “opens the door for relaxing the capability aggregation assumption of alliances”.¹⁷ Other realists such as Stephen Walt have pointed out that though capabilities are undoubtedly important, ultimately states balance against threats, not power. The definition of threat can include variables other than power, including
geographic proximity and most importantly intentions. This concept of the balance of threat has also subsequently been expanded upon and further refined by the work of Patricia Weitsman to state that “different levels of threat result in different alliance behavior:” hedging at lower levels of threat, balancing at higher levels and occasionally even bandwagoning if the threat becomes too severe. By combining these various strands of thought in the IR literature, one could assert that alliances are formed not only to balance against a threat, but a particular level of threat.

States may also balance in ways other than to directly aggregate the military power of an ally. They may, in addition to forming alliances, also balance by arming themselves through the buildup of domestic military capabilities, or what is known by realist authors as ‘internal balancing’ (alliance formation being ‘external’ balancing). While arming may take more time to achieve than allying with another country, it is more reliable than depending on often uncertain allies. There may be domestic considerations as well that political leaders must take into account in the decision making process. For example, “expansion of the military might be chosen over tightening an alliance commitment even when the alliance provides greater security if the domestic cost of tightening the alliance is too high.” Likewise, arming might also be chosen in a calculation of international factors, including provoking opposition or ire from a potential adversary. Arming and alliances are separate paths to the same end goal, security, and cannot be considered separately from one another. In fact, “security strategies never rely on arming or alliances alone. Nations always pursue a combination of both.”
All these factors—the domestic and international, arming and allying—must be analyzed when considering balancing behavior. In addition to this, as Kuik and the other authors cited above have argued, these variables alone are still not sufficient to explain behavior in the region. In addition to simply arming or allying, balancing also can include security cooperation with external powers, who may or may not be allies of a particular country. Such cooperation can play an important role in accelerating the internal balancing process taking place in a country, while also attempting to limit domestic backlash or provoking a potential adversary. These last two factors are particularly pronounced in the foreign policy calculations of Southeast Asian nations, which, for reasons of history and nationalist sentiment are hesitant to resort to relying upon foreign allies; not to mention their concern about such alliances provoking regional powers like China.

These trends can be more or less pronounced between different countries in the region, and in the case of Vietnam and the Philippines, do in fact differ a great deal. While Vietnam’s official policy is to avoid alliances in general, the Philippines is an ally of the United States, though the considerations outlined above still apply there as well. Despite these different approaches, they also exhibit stark commonalities as well. Even treaty allies of the US like the Philippines must carefully balance that alliance with domestic considerations including historic legacies and nationalism, as well as remain cognizant of the possibility of unintentionally provoking China.

This theoretical approach is somewhat more complex than strict balance of power school of thought in realism, but remains congruent with the basic underlying logic, and the revisions are essential to accurately understand the region, as well as the dynamics
that will shape it in the years ahead. In contrast to structural realists like Waltz, I would argue however that the smaller regional powers have an important effect not only on the overall balance of power, but can potentially play a pivotal role in shaping the regional security architecture in the Asia Pacific region, as well as the behavior of a rising power like China. The support, or lack of support, of other regional or middle powers in upholding the current international order, as well as the laws and norms that it embodies, will be a key determinant in the continued longevity of that system, as well as potentially China’s decision to either play by the rules or begin to make its own. The balance of power within the region could be equally important in dissuading China from utilizing coercion and intimidation rather than the accepted international rules and norms. For the reaction of Southeast Asian countries, as well as that of the US, will be a fundamental determinant of whether or not China would judge coercive behavior to be successful or not.

I would argue furthermore that not only do great powers like the US recognize these dynamics, they are attempting to rebalance their strategy in a way that gives full consideration to them. An engaged and forward deployed US power in the region is not only welcomed but actively encouraged by the majority of Southeast Asian nations, which envision US predominant power as a central component of the future regional order. This preference has led some scholars to argue that the Association of Southeast Asian Nations (ASEAN) is not passively but “actively hedging,” attempting to shape the regional security architecture in such a way that integrates a rising China while simultaneously preserving the preeminent regional power of the United States and its role as security guarantor in the region. This ‘active hedging’ is undertaken primarily
through the utilization of regional institutions like ASEAN and the numerous multilateral forums emerging in the region, foremost amongst them East Asia Summit (EAS) and Asean Regional Forum (ARF), in order to “enmesh” China and US in an ASEAN centric regional security architecture that would achieve its desired strategic outcome.24

This use of regional or international institutions has also been considered by other authors to serve as part of the criteria for what has been termed “soft balancing,” which has some similarity to the concept of “indirect balancing,” in the Kuik article. The term has been defined as “an inherently more ambiguous form of strategic behavior involving tacit balancing of a potentially threatening state or rising power, short of formal alliances.”25 This often takes the form of security understandings or what are often termed ‘strategic partnerships’ with the US, as well as US allies in and outside of the region, including Japan and Australia and even India. These strategic partnerships can also extend between the various ASEAN countries themselves.

The term “soft balancing” is however a relatively recent addition to the IR field and may still be considered by some to fall under the heading of hedging behavior, rather than balancing. The empirical data and developments I will focus on in this thesis fall under the more traditional definition of balancing behavior (or hard balancing) and lie outside of the strategic behavior categorizations that would fall into the emerging debate in IR over hedging versus soft balancing in the overall strategies for these countries. For the purposes of this project, when discussing the overall strategic approaches of the Southeast Asian countries, I remain essentially agnostic on that debate and have included soft balancing behavior under the rubric of the overall hedging strategies employed. I do
think the debate is potentially an important one, but not one I feel can be adequately explored within the limited space and focus of this thesis, and as such I have simply attempted to convey the main points and to place my own research within the larger context of ongoing debates within the field of IR.

While ‘soft balancing’ or ‘active hedging,’ whichever term one might be inclined to use, has been argued to continue to remain the predominant approach of Southeast Asian countries toward a rising China, there are indications that this balancing behavior may be shifting from softer to harder forms of balancing. I would argue furthermore, that this balancing behavior that is emerging in two particular Southeast Asian countries, Vietnam and the Philippines, is occurring in direct response to a perceived increase in the level of threat emanating from China’s military modernization and maritime law enforcement strategy in the South China Sea. It should be stressed that these balancing efforts are not occurring solely in response to China’s expanding military power alone, but rather have emerged in the face of what is seen an increasing level of threat, generated by China’s actions in the area and the strategic uncertainty these actions have generated in regard to China’s long term ambitions in the region.

China has, as part of what the US Department of Defense has termed an Anti-Access Area Denial (A2AD) strategy, been rapidly expanding its naval, air and missile forces over the last several decades in a manner that increasingly allows it to project power further into the southern reaches of the South China Sea. Though it has received less attention, at the same time China has also been undertaking a massive buildup of its fleets of maritime law enforcement (MLE) vessels, many as large as naval surface combatants, often blurring the line between military and civilian functions. Increased
patrols and presence by civilian and military vessels in disputed parts of the South
China Sea have coincided with a growing number of incidents taking place at sea in these
areas over the last several years. The Chinese vessels directly involved in these incidents
have almost always been civilian rather than military vessels, though the PLA-Navy is
often not far waiting over the horizon serving as an indirect deterrent to challenges or
responses by Southeast Asian forces.

By putting the MLE vessels in the lead, China has attempted to control the
perception of its newly assertive behavior, to project power in a way that potentially
threatens the status quo, all the while attempting to conceal such revisionist behavior
behind a cloak of ‘routine law enforcement’ missions. Whatever China’s intentions, it has
failed at controlling the perception in the region, and what it has dismissively termed by
China as the “China threat theory,” is no longer a theory but a very real perception in
many Southeast Asian capitals. The incidents and actions involving Chinese vessels in
the South China Sea, combined with China’s growing military capabilities, have begun to
increase the level of threat perceived by many of the Southeast Asia nations and to
reinforce realist calculations in the capitals of ASEAN.

While this threat perception is not unique to Vietnam and the Philippines, it may
for a number of reasons, including most of all their geographic proximity to China and
direct involvement in most of the aforementioned incidents, be most pronounced there.
While the two countries’ policies remain overtly one of hedging or ‘soft balancing’ in the
manner outlined above, they have begun to exhibit increasingly more pronounced
elements of ‘hard balancing’ against the perceived Chinese threat in an effort that they
hope will enable them to maintain their security and protect their claims to maritime
territory and jurisdiction in the South China Sea.

Neither these nor any other countries, including the US, are seeking to ‘contain’
China. Vietnam and the Philippines are however attempting to counter China’s MLE
strategy through increasing balancing behavior, building up internal capabilities, often
with the help of external security partners; and in the case of the Philippines, its treaty
ally the United States. Even in the case of the Philippines, which is likely to exhibit
increased external balancing behavior in the traditional sense of enhancing its alliance
with the US, certain domestic and historical factors will cause elements of soft balancing
to remain more pronounced, with the US primary role being enabling Philippine internal
balancing through providing equipment and training without a direct basing presence in
the country. In the cases of both Vietnam and the Philippines, this internal balancing has
focused on modernizing their militaries’ air and naval forces as would traditionally be
expected under the aforementioned theories, but a significant part of their internal
balancing has also included the building up of their coast guard forces, a trend that is
likely to grow more pronounced in the years ahead.

Indeed it has become increasingly apparent that maritime law enforcement will
play a pivotal part in the Philippines and Vietnam’s emerging strategies to counter
China’s own MLE strategy. Their emerging strategies closely resemble China’s own,
particularly in the case of Vietnam, who has been significantly expanding its Marine
Police while at the same time building up the military capabilities to implement its own
Anti-Access and Area Denial (A2AD) strategy against China. China’s strategic gambit of
employing its new MLE strategy had previously placed Southeast Asian countries like
Vietnam and the Philippines in an uncomfortable position where they found it difficult to respond, forced to either do nothing or respond to provocation by use of military force, risking escalation to kinetic warfare with PLA assets positioned over the horizon. In order to counter this gambit, SEA countries such as Philippines and Vietnam will seek to emulate the strategy themselves, building up their own Coast Guard forces to provide what they hope will be an option in between escalation and inaction. However, this middle option is also likely in the long term to increase tensions and the potential for escalation to armed conflict in the region, a potential which may be underappreciated in both China and the Southeast Asian countries’ emerging strategies.

Because of the central role they play in the balancing strategies of Southeast Asian countries such as Vietnam and the Philippines, the internal build up of civilian or paramilitary Coast Guard forces must be considered as part of the overall build up of military capabilities and by extension included as part of the definition of internal balancing. Though some may be technically civilian organizations, not only do these coast guard ships increasingly resemble naval vessels in terms of their size and construction, but the activities they are undertaking, namely protecting a nation’s sovereignty and jurisdiction at sea, have historically been the mission of naval forces. These civilian or paramilitary forces will be at the forefront of the tactical chess match where the geopolitical future of the region will be decided. The first moves on the board are already being made.

In order to discuss the balancing strategies of the Philippines and Vietnam it is important to first describe in detail precisely what they are balancing against: namely China’s new MLE strategy in the South China Sea and the increased concern it is
generating in the capitals of these countries. The thesis will proceed in this fashion, with the following chapter (3) devoted to laying out in detail China’s New MLE strategy. The two subsequent chapters will then describe Vietnam (chapter 4) and the Philippines (chapter 5) increased balancing efforts in reaction to China’s new strategy and corresponding incidents in the South China Sea over the past several years. These chapters first assess what is driving this increased balancing behavior, which will then be detailed and broken down in terms of internal balancing efforts through military and coast guard modernization, as well as external balancing behavior in the case of the Philippines strengthening alliance with the United States. The final chapter (6) will discuss overlap in these balancing efforts and take stock of the implications of these trends for the regional security situation going forward, including for US strategy and the ‘rebalance’ to the Asia Pacific.
Chapter 3: China’s Maritime Legal Enforcement Strategy

China has since 2007 begun enacting a new Maritime Law Enforcement (MLE) Strategy that utilizes an expanded fleet of civilian coast guard or maritime paramilitary forces to enhance China’s presence in disputed areas of the South China Sea, providing the ability to enforce Chinese claims in these areas. These MLE agencies are supported by a rapid increase in the power projection capabilities and presence of the People’s Liberation Army- Navy (PLAN), which provides an often unseen though profoundly felt over the horizon deterrent against any potential challenges to the authority of these agencies to carry out their law enforcement mission. While carried out under the pretext of “routine” law enforcement missions, this new MLE strategy is anything but; it is an offensive strategy intended to alter the status quo in disputed areas, and through a subtle combination of coercion and deterrence to enable China to enforce its sovereignty and jurisdiction in disputed areas, with the long term goal of consolidating control over them.

Not without a touch of irony, China is itself now the foremost practitioner of the ‘gunboat diplomacy’ that it has so vigorously condemned imperial powers of using against it during what Chinese history books refer to as the ‘century of national humiliation’. What might be viewed as two separate programs, military and civilian, are actually designed to be complementary parts of the same effort to consolidate China’s claims in areas like the South China Sea, with the MLE agencies playing the lead while being reinforced in the background by the presence of much more capable naval warfighting platforms. In this way China believes it can project its newfound military power without appearing to be doing so in an aggressive or overbearing manner that would alarm its neighboring countries, destabilizing the regional environment and
China’s efforts to maintain its ‘peaceful rise’. The strategy is intended to mitigate and if necessary manage the possibility for escalation, which China believes is achievable due to a perception that the US and regional powers do not want to escalate any potential crisis.\(^2\) China may however be miscalculating the extent to which its newly attained military power will deter others from responding to this strategy, and in reality the strategy is thus highly escalatory. According to some analysts this is all part of the PLA’s concept of “active defense,”\(^3\) allowing China to assert its claims through non-military power, and for PLA forces to act in what is seen as self defense if the MLE forces are challenged militarily by other claimants.

Though there has been some disagreement over the degree of coordination between operational units and the central government\(^4\), with a number of analysts even questioning if Beijing actually has a discernible strategy in these areas,\(^5\) in contrast, I have argued that there is a discernible strategy in the South China Sea that proceeds along the lines outlined above.\(^6\) Despite what has at times seemed to be a poorly coordinated strategy at the operational level, out at sea, the build up and authorization of the MLE agencies to enforce jurisdiction in disputed areas was itself a strategic decision which had been years in the making. And while it does seem possible that China may at times be reacting to events rather than consciously precipitating them\(^7\), this reaction is based on a larger strategy of more assertively protecting China’s maritime rights and interests to claims that are in and of themselves expansionist and lack a basis in international law. Regardless of who has at various times initiated certain incidents, the outcome of this newfound assertiveness has been China’s unilateral alteration of the status quo through
coercion and intimidation, creating ongoing confrontations that risk escalation and present a potential challenge to the rules and norms of the international community.

This maritime legal enforcement strategy is in effect an operationalized extension of an earlier concept termed ‘legal warfare,’ whereby China sought to promote legal arguments that favored its positions in territorial disputes. What might have initially been more a discursive or academic effort is now an operational undertaking, with China not only promoting but actively enforcing these arguments through actions undertaken by its various MLE agencies in the South China Sea, as well as other parts of the ‘near seas’. Since 2006 these agencies have been conducting what were termed “rights protection” (weiquan) missions, which slowly expanded in number and intensity, leading to an increase in operational confrontations and incidents at sea between not only China and its neighbors, but also the United States. This shift in strategy was readily evident in the composition of Chinese forces involved in these confrontations: where previously PLAN forces had been primarily involved, by 2009 the majority involved Chinese MLE agencies.

While it is not known if the 2006 “rights protection” missions were at the time approved by key decision making bodies such as the Politburo Standing Committee (PBSC) or the Central Military Commission (CMC), a number of recent developments suggest that they were at some point subsequently approved at the highest levels of the Chinese government and are likely to form a central focus of Chinese strategy and foreign policy going forward. The work report of the 18th Party Congress at which the Chinese leadership transition occurred, defined China for the 1st time as a “maritime power,” that will “firmly uphold its maritime rights and interests.” This language was
included in a section of the report devoted to protecting resources, which has been
interpreted by some analysts to suggest that “Beijing views maritime disputes as a whole-
of-government issue rather than a purely military affair.” Work reports from the Party
Congress play a central role in determining the character and content of Chinese foreign
policy going forward⁴⁰, and the work report from the 18th Party Congress would suggest
that not only does China increasingly see itself as a maritime power, but that “rights
protection” missions will increasingly become a central component of Chinese foreign
policy in the South China Sea and that the MLE strategy is likely to remain largely the
same as part of the overall “whole of government” approach.

There are further indications that maritime rights protection has been officially
recognized by the Party leadership, which over the past couple years has created several
leading small groups to oversee and improve coordination of SCS policy and
implementation. The Maritime Rights Office, a leading small group now headed by Xi
Jinping, was created in 2012 reportedly to “coordinate agencies within China.”⁴¹ The
Maritime Rights Office falls under the Foreign Affairs Leading Small Group (FALSG),
which is also now headed by Xi, and “widely believed to be the central policy making
group” in the Chinese Party apparatus. According to Bonnie Glaser, an analyst at the
Center for International and Strategic Studies (CSIS), the Maritime Rights Office
includes “over 10 representatives from various units, including several from the PLA,”
with office in charge of implementing guidelines handed down by the PBSC.⁴²

Ms. Glaser has also noted the existence of a second leading small group, created
specifically to handle issues in the South China Sea, which is also now headed by Xi
Jinping. This second LSG may have previously been headed by Dai Bingguo, who is a
lower ranking member of the party leadership and thus may have lacked “sufficient clout to coordinate the numerous Chinese actors.” The creation of these leading small groups would be in line with the larger strategic imperatives outlined in the 18th Party Work Report and efforts at the highest levels of the Chinese government to improve coordination in order to be more successfully implement the MLE strategy in the SCS, an effort that recent actions in the East and South China Seas would indicate has been successful.

As mentioned above, the degree of coordination or lack thereof has been a central question due to the lack of a unified Coast Guard and what have appeared at times to be uncoordinated actions coming from a multitude of Chinese MLE agencies. China does not possess a Coast Guard per se, in the sense of a single large coordinated coastal defense force similar to the that of the United States, but rather what might be considered the country’s Coast Guard consists of at least five different MLE agencies responsible for enforcing China’s domestic, and what China deems to be applicable international law, within its territorial waters and EEZ. These agencies include the Maritime Police, Fisheries Law Enforcement Command (FLEC), Maritime Safety Administration (MSA), China Marine Surveillance (CMS) and the General Administration of Customs (GAC), many of which have been expanding exponentially in terms of both fleet size and operational intensity over the last several years, a trend that is likely to continue into the future.

Recent incidents and confrontations in the South China Sea would indicate that two of these organization, CMS and FLEC, are the tip of the spear in China’s MLE strategy, while other organizations such as MSA may possibly play a larger role in the
future. It seems likely that the CMS was initially picked as the lead organization in the first “rights defense” missions, conducting patrols in the East China Sea beginning in 2006 and then subsequently in the Yellow Sea and South China Sea in 2007. FLEC likely came on board sometime after and has begun to expand its activities in the South China Sea over the last several years, a trend likely to become more pronounced in the near future. According to a report released by the National Institute of Defense Studies in Japan, it was “determined in 2010 that FLEC would be expanded and that patrol vessels would escort fishermen in the SCS.” MSA has also been expanding recently and could possibly be emerging as a third agency tasked with patrolling in the SCS. Competition between the organizations to “expand respective authority and budgets through strengthened rights defense activities,” may be playing an important role in influencing “China’s more assertive posture in overall terms.”

While it is likely that the various organizations are competing amongst themselves for authority and corresponding resources, the various agencies have been becoming steadily more centralized recently and there does seem to be some coordination already occurring, both horizontally between the various agencies and vertically with the PLA-Navy. This coordination was first evident in the 2009 Impeccable incident, a serious incident involving the harassment of a US Navy Special Missions Ship (SMS), the USNS Impeccable by Chinese civilian and military proxies. Vessels from both CMS and FLEC, along with a PLAN intelligence ship, remained in close proximity while fishing trawlers harassed the Impeccable, suggesting a certain amount of coordination in both directions.
It seems likely that at least CMS, and possibly MSA to some extent, retain ties to the military, as the organizations have conducted joint exercises with the PLAN in recent years.\textsuperscript{48} Captain James Fannell, the acting Deputy Chief of Staff for Intelligence and Information Operations (N-2) for the US Pacific Fleet, recently referred to CMS as the “PLA Navy’s civil proxy,” calling it a “full time maritime sovereignty harassment organization,” in addition to noting that CMS had, “by their own count,” tripled its patrols in the South China Sea since 2008.\textsuperscript{49} The presence of PLAN vessels not far from the scenes of incidents and almost constant direct involvement of CMS in these incidents, as well as the joint training exercises between the two, would support such a conclusion. With increased policy coordination through the central government in Beijing, it is likely that the already strong operational coordination between the navy and MLE agencies will only grow as part of China’s wider strategy in the South China Sea in the future. This would suggest that China’s MLE strategy, to which countries such as the Philippines and Vietnam are just now beginning to react, is likely to continue and thus elicit more pronounced balancing behavior in the future by these and other Southeast Asian countries.

The trend toward greater centralization is not new and had already emerged over the past decade as the central government has continued to place these various MLE organizations increasingly under its authority. What could previously be considered “maritime militias managed on a regional basis,” have been reorganized and transformed into “nationally funded, owned and operated maritime forces.”\textsuperscript{50} Despite any problems with horizontal coordination amongst them or “turf wars” between them, these are not rogue actors in the sense that they lack government oversight. All five continue to be
“arms of the Chinese state.” They are civilian organizations directly under the authority of the State Council, but are ultimately responsible to the Central Military Commission (CMC), of which Xi Jinping is now the chair.

The 18th Party Congress report makes clear that the direction provided by the upper levels of the Chinese leadership, coming from the PBSC and CMC, will reflect the focus on protection of maritime rights first outlined in the “rights protection” missions beginning in 2006 by the State Council. With current trends already suggesting greater levels of coordination both between the various agencies as well as with PLAN, the creation of leading small groups intended to oversee policy and implementation in the South China Sea suggests that actions are likely to be increasingly coordinated in the future. But the central problem in the South China Sea has never really been a lack of coordination as some have implied; rather the central problem has and continues to be China’s strategic decision to expand and utilize the various MLE agencies to more assertively protect what it considers to be its maritime rights and interests in disputed areas.

Maritime rights protection is not only the mission of the MLE agencies, but also of the PLAN and other Chinese military forces who support these agencies through their growing power projection capabilities, and provide an increasingly effective deterrent posture against any potential challenge to the authority of the MLE agencies. "Chinese armed forces shoulder the mission of safeguarding the country's sovereign security, territorial integrity and maritime rights," (my emphasis) Defense Ministry spokesman Geng Yansheng was quoted as saying in reply to a question surrounding the Scarborough Shoal incident between CMS and Philippine forces earlier that spring. Though MLE
agencies may be the point of the spear, they are supported by the increasingly lethal weaponry of the PLA, which lies in wait over the horizon should opposing forces decide to challenge the authority and jurisdiction of the MLE agencies.

Over the past ten years China has been rapidly modernizing its naval forces, including both surface and subsurface platforms as part of what the US has characterized as an Anti-Access Area Denial capability (A2AD). This effort has been directed in both the symmetric and asymmetric realms, with the development of traditional blue water assets such as aircraft carriers while simultaneously pursuing the development of ‘aircraft killer’ missile technology and submarines. In addition to the ongoing development of increasingly capable Destroyers, Frigates and even more recently a new class of Corvette ships, a milestone in the expansion of the PLAN surface fleet was reached in the summer of 2011 with the launching of China’s first aircraft carrier, a refurbished Soviet era Kuznetsov class acquired originally from Ukraine. Around the same time it was announced that China will also develop two indigenously constructed aircraft carriers, though it is unclear at time of writing if contraction has begun on these additional platforms.

At the same time China has been acquiring new surface ships, it has also been steadily progressing in the development of new asymmetric capabilities, including submarines and missile technology. China has one of the largest submarine development programs in the world, including new conventional nuclear powered classes, as well as what the US Department of Defense has labeled “the most active land based ballistic and cruise missile program in the world.” This program was responsible for producing the world’s first anti-ship ballistic missile (ASBM), the DF-21D, which is capable of
attacking aircraft carriers out to the Western Pacific ocean, a reality not lost on the US Pacific Command.\textsuperscript{55} Other missiles can be launched not only from land but also from the new submarine and surface platforms, many of the newer of which maintain the capability to fire increasingly sophisticated Anti-ship cruise missiles (ASCM), such as the YJ-62 that is carried on board the new Luyang II Destroyer class.

In combination these two components, military and civilian, pose a dilemma for Southeast Asian nations attempting to avoid confrontation or conflict with China while also protecting their own claims. According to Peter Dutton, director of the China Maritime Studies Insitute (CMSI) at the US Naval War College, if these states fail to respond in an equally assertive manner themselves, they risk potentially acquiescing to China’s claims: “to be non-assertive is to eventually succumb to Chinese non-military pressure.”\textsuperscript{56} Yet at the same time, according to Dutton, “to be assertive is to invite escalation;” escalation which Southeast Asian claimants may be unable to control and which the Chinese perceive US policy as disfavoring. China likely assesses that the deterrent effect provided by its increased power projection capability and the corresponding policy and operational dilemmas created is sufficient to allow for the MLE agencies to assert China’s claims in disputed areas with minimal or acceptable opposition.

China is however possibly miscalculating the resolve of other regional countries, who are already beginning to respond to what they view as a potential threat to their overlapping claims in the South China Sea and by extension both their own national as well as regional security. While China may be attempting to camouflage its projection of naval power through the use of civilian MLE vessels, the presence of that power
projection capability that sits in wait just over the horizon has not been lost on any of these claimant countries, who are now reacting to this strategy in order to uphold their claims and maintain stability and security. Whether or not China’s ships are armed or not matters little in the end, for to the extent unarmed MLE vessels are used to indirectly project China’s newfound naval power, China is ultimately practicing the ‘gunboat diplomacy’ it has so long criticized others for, and signs are beginning to emerge of increased balancing behavior to counteract it.

China’s strategy has placed many of the Southeast Asian claimants in a delicate balancing act, forcing them to walk a fine line between protecting their national interests in the South China Sea, while simultaneously maintaining healthy relations with China amidst what are perceived as increasingly aggressive Chinese actions against their boats and citizens at sea. Nowhere has this more clearly been the case than with Vietnam, China’s closest neighbor in the SCS disputes, who has already begun to attempt to counter China’s strategy, not without a touch of irony, by pursuing a similar strategy of its own. In order to better understand Vietnam’s own emerging strategy in the South China Sea, it is necessary to place it in the context of China’s MLE strategy, elements of which are increasingly mirrored in Vietnam’s strategy. The Philippines has so far been pursuing a more traditional response, including strengthening its alliance with the United States, but there is growing evidence that plans for an expanded and more modern coast guard may be part of an emerging Philippine strategy to place more emphasis on utilizing MLE forces as well.

These strategies are not offensive in nature, rather they are defensive reactions to China’s own MLE strategy and subsequent incidents that have occurred since its
inception, which has increased the level of threat perceived in both Manila and Hanoi.

As IR theories would predict, this increased threat level has led to a change in strategic behavior, in this case increased balancing behavior. The following two chapters will discuss this dynamic, beginning with each country’s unique threat perceptions and their underlying basis, as well as the corresponding change in strategy leading to increased balancing behavior in both cases as part of what remain overall essentially hedging strategies.
Chapter 4: Vietnam’s Response

Vietnam’s response to China’s new MLE strategy and recent actions in the South China Sea has been overwhelmingly one of increased internal balancing behavior through the modernization of its military and coast guard forces. Before examining the evidence of this response, it is important first to understand its origins and Vietnam’s unique perception of threat in the region. This threat perception has existed dating back several decades but has become particularly acute in recent years. Vietnam is clearly concerned over the security situation in the maritime and territorial disputes that it has with China and other nations in the South China Sea. The Defense White Paper released by the Vietnamese government in 2009 viewed the overall regional security situation as “essentially stable,” yet noted “the potential for conflict remains.” The South China Sea, specifically “disputes over sovereignty, sovereign rights and jurisdiction,” was listed in the White Paper as one of four major security challenges and can now be considered to be Vietnam’s “main security challenge.”

This increase in perceived threat levels stems from a number of incidents involving Chinese MLE vessels conducting what China describes as “normal law enforcement activities,” though Vietnam has adamantly disagreed with such assertions, claiming that such activities not only violate their sovereignty and jurisdiction, but are equally in violation of both regional agreements and international law. Numerous incidents have occurred involving Vietnamese vessels or fishermen over the last several years, with two of the more serious occurring in May and June of 2011. Both of these incidents involved Chinese MLE and civilian fishing vessels cutting the hydrographic cables of Vietnamese survey vessels, preventing them from operating in what Vietnam
considers to be its EEZ. While the first publicized cable cutting incident occurred in May of 2011, it was also subsequently revealed that similar incidents had occurred as far back as 2008, though they had not previously been made public. These and a plethora of other incidents involving Vietnamese fishermen have undoubtedly had a drastic effect on the threat perception of Vietnamese decision makers and have resulted in reinvigorated efforts toward military and coast guard modernization as part of a wider strategy intended to deter similar Chinese behavior from occurring in the future and if necessary deny or complicate operational access of Chinese forces in the South China Sea.

As mentioned previously, the Chinese maritime legal enforcement strategy has been used in asymmetric ways to confront not only Southeast Asian ships but also those of the more powerful US Navy, in an attempt to reduce the risk of escalation into military conflict. In this sense it would make perfect sense for Vietnam to adopt a similar strategy toward the more powerful Chinese maritime forces, as the Vietnamese relationship with China is one defined by asymmetry, a structural factor that has “persisted throughout recorded history.” It is still too early to say for certain, but recent evidence indicates that it is likely that Vietnam will begin to mirror China’s approach to the South China Sea through the enactment of a maritime legal enforcement strategy to confront China’s own, Vietnamese MLE agencies such as the Vietnam Marine Police (VMP) have been growing rapidly, and though they have often at times been passive actors and victims of assertive tactics by Chinese MLE forces, they have also recently themselves exhibited assertive behavior.
In November 2011 a video appeared on the online media site YouTube that depicted an incident at sea occurring between a China Marine Surveillance (CMS) and a Vietnam Marine Police (VMP) vessel. Much about the incident remains unclear, including the date on which it took place as well as the precise location where it occurred, but recent reporting suggests that the incident took place somewhere in the South China Sea between June and November of 2011. While both governments have avoided publicizing the matter, the video was filmed and purportedly leaked by a member of the VMP, and the incident then subsequently confirmed by the CMS’s parent organization, the Chinese State Oceanographic Administration (SOA), several days later.

Besides the mysterious circumstances surrounding the video’s appearance in the public domain, perhaps the most interesting aspect is the way in which the incident as depicted in the video contrasts with previous trends of Chinese agencies being the aggressor. The video makes it plainly evident that “the Vietnamese boat was the transgressor,” pursuing and then colliding with a much larger CMS vessel through a maneuver typically referred to as ‘shouldering’. There remains a great deal of uncertainty surrounding the incident, but it seems probable that the VMP Captain was acting on orders to execute the maneuver that originated from either the regional VMP or another more centralized command, possibly in order to deter the CMS vessel from approaching an oil rig.

The expansion of Vietnam’s own MLE agencies (discussed below) and indications of a more assertive posture is not the only similarity of Vietnam’s emerging strategy with China’s. The Vietnam People’s Army (VPA) has also over the last several years in particular been strengthening its power projection capabilities in the South China
Sea through the employment of its own A2AD strategy intended to deter the increased Chinese presence from its increasingly assertive behavior by increasing their potential vulnerability.

*Vietnam Military Modernization*

In reaction to this rise in the perceived threat level emanating from China’s strategy and recent actions in the South China Sea, Vietnam has begun to exhibit increasingly pronounced internal balancing behavior. This is evident in its accelerated military modernization program and recent acquisitions, which is aimed at increasing the deterrent effect of its forces in the South China Sea in an attempt to alter the current Chinese strategy of controlled escalation, seeking to impose more severe costs on any Chinese use of force or military campaign in the disputed areas.

Vietnam has been increasing its defense expenditures recently, with a $3.3 billion budget for 2012, of which the VPN is expected to receive $276 million. Over the last several years the Navy has been receiving higher priority in budget allocation and the naval budget is “expected to rise to $400 million by 2015.” Overall Vietnam’s military modernization largely mirrors China’s, placing particular emphasis on asymmetric options including submarines and increasingly capable cruise missiles that can be launched from both ship and shore, as well as more traditional surface platforms including frigates, corvettes and multi-role aerial fighters. The majority of recent acquisitions come by way of Russia, continuing a close relationship as Vietnam’s number one arms supplier that stretches back to the Soviet Union, a relationship which has also “picked up in recent years.”
Directly following the May 2011 cable cutting incident, Vietnam announced that it would acquire six Kilo class submarines from Russia, an announcement that “created headlines around Asia”. The first of these submarines was initially slated to arrive in 2014, though recent reporting suggests that both the 1st and 2nd Kilos will arrive by August of 2013. This is suggestive of the sense of urgency with which the Vietnamese view their ongoing military modernization efforts, particularly in the maritime domain. The 2nd sub was launched on December 28, 2012 and was undergoing the final stages of construction at Russia’s Admiralty Shipyards in St. Petersburg.

Figure 4.1: 2nd Kilo Launched at Admiralty Shipyards in St. Petersburg, Russia
Source: Defense Studies (Ibid, endnote 67)
Once delivered, the Kilos are expected to be based at a new facility that will be constructed at Cam Ranh Bay with Russian assistance, and “are likely to be equipped with Russian Klub sea-skimming ASCMs that have a range of 300 kilometers.” The Navy has also been acquiring a number of surface ships from Russia, including Svetlyak patrol boats and Gepard Class frigates, which are equipped with the KH-35E or SS-N-25 Switchblade ASCMs. These missiles have a range of 130 km and an agreement was signed with Russia in February of 2012 to co-produce them in Vietnam.

These sea based cruise missile capabilities are now supplemented and reinforced by equally lethal shore based cruise missiles. In 2011 Vietnam acquired a second Bastion Coast Defense Cruise Missile (CDCM) system from Russia, significantly improving its coastal based maritime interdiction capability. According to Felix Chang, an analyst with the Foreign Policy Research Institute (FPRI), each system (or battery) consists of “4 launchers, each with 2 P-800 (Yakhont) missiles, two command and control (C2) trucks, a combat alert vehicle, and 4 transporter loaders.” These systems are road mobile and “designed for rapid deployment,” reportedly capable of readying “all eight missiles for launch in five minutes.”

At least one of the CDCM batteries is located in Tien Than, Phan Thiet City, Binh Tuan Province under the command of Naval Unit 681, which was visited by Prime Minister Nguyen Tan Dung on February 18, 2013. Phan Thiet is located on the Southeastern Coast of Vietnam in between Ho Chi Minh City and Nha Trang, facing out toward the Spratly islands. This would place disputed oil blocks lying within the Vietnamese coastal EEZ within the 300 km range of the Yakhont, though it is unclear at present if any of the Spratly islands would also fall within range. With the closest point
to the Spratly islands being 250 km from Cam Ranh Bay\textsuperscript{75}, the Yakhont would likely be at the limits of its range if fired from Phan Thiet toward even the closest Spratly islands. The Bastion could however certainly be used to fend off or interdict Chinese vessels approaching the Vietnamese Coast from the Spratly islands, or likewise, to prevent Chinese ships from interdicting or constraining Vietnamese capability to resupply Spratly outposts in event of a crisis.

The FPRI analyst Chang also assesses that despite China’s increasingly capable surface and air search radars on new PLAN vessels, they “cannot peer ashore,” and despite the possibility that its reconnaissance satellites “may be able to find fixed installations and help target land attack missiles against them,” the road mobile Bastion CDCM’s would prove incredibly hard to locate and target short of China sending airborne ISR assets directly over Vietnam.\textsuperscript{76} This makes them a potent asymmetric weapon capable of posing real problems for Chinese forces operating in the areas off Vietnam’s coast, though they would require over the horizon (OTH) radar or other ISR and targeting assets on the Vietnamese side operating offshore in order for them to be effectively utilized.\textsuperscript{77} The same could of course be said for the long range precision strike capability of the naval vessels acquired from Russia such as the Kilos or Gepards.

In addition to acquisitions from Russia, Vietnam has begun to move toward domestic manufacturing of naval vessels with Russian and other countries’ assistance, recently launching its first indigenously built gunship.\textsuperscript{78} There is also possibility that two additional Gepard class ships will be built in Ho Chi Minh City.\textsuperscript{79} Cooperation with foreign countries to build domestic manufacturing has not been limited to Russia however, and Vietnam has been increasingly cooperating with Western countries as well,
most prominently among them the Netherlands. Cooperation between Vietnamese State owned shipbuilding firms and the Dutch shipbuilding firm Damen has been particularly pronounced in recent indigenous construction programs for the marine police (more below), but also extends into more traditional naval platforms as well.

During a visit by Prime Minister Nguyen Tan Dung to the Netherlands in October of 2011 it was announced that the Navy would be acquiring four Sigma Class Corvettes, “two of which are slated for construction in Vietnam.” The Sigma Corvettes are built by Damen, and locating construction of two vessels in Vietnam will signify a new level of cooperation between Vietnam and Damen in promoting increasingly sophisticated indigenous shipbuilding capacity. This trend has also extended to smaller but equally sophisticated recent procurements for the Navy, including the ocean survey vessel HSV 6613, which was a joint production between Damen and the Vietnamese Ministry of National Defense (MND)’s Song Thu Company.

The HSV 6613 was launched in 2010 and officially transferred to the Navy from the MOD in November 2011. The ship measures 66 meters in length, displaces 1500 tons and is designed on the Dutch Navy’s Snellius class vessels, which were used by the Dutch for the production of nautical charts. This will likely be replicated as the primary role for the 6613, but due to the sensitivity of the territorial disputes between China and Vietnam in the South China Sea, missions such as the updating of nautical charts that would normally be considered standard operating procedure for a vessel such as the 6613, carry the potential to further heighten tensions in the area. The vessel has also been described as a “multipurpose hydrographic and oceanographic survey, training and mine countermeasures vessel.” According to the official website of the Vietnamese People’s
Army, People’s Army Online, “the operation of the ship will help the Navy Arm
research and build up the Vietnam waters’ nautical charts,” but will also be “making
contributions to surveying, exploiting, managing and protecting the national sea
resources.”

Figure 4.2: HSV 6613 of the Vietnam People’s Navy
Source: “Thao khao sat HSV,” on Song Thu Website at: http://www.songthu.com.vn/du-
an/tau-khao-sat-hsv-4.html

The design of a ‘multipurpose’ vessel would seem sensible given the limited
budget resources of the VPN and the need to update maritime platforms in a number of
areas simultaneously. Vietnam’s only previous research and survey ship, the Kamenka
class AGS, was built in Poland in the late 1960’s and acquired from the USSR in 1979. Vietnam possesses several classes of Minesweeper ships, though all are in danger of
becoming dated with the majority of ships acquired from the USSR in the 1980s, and
there is undoubtedly a need to bring online new anti-mine warfare capabilities. The additional focus on “sea resources” outlined in the ‘People’s Army Online’ article would suggest a possible militarized role for surveying sea based natural resources. As mentioned previously, armed Vietnamese naval vessels have already reportedly been escorting civilian survey ships and a survey role for the HSV 6613 would be an extension of this growing role of the military in resource survey operations. This new trend may have emerged as a response to the previous campaign of harassment against Vietnamese commercial survey vessels by Chinese maritime enforcement agencies.

Other possible missions beyond hydrographic survey include surveillance and the tracking of submarines. The previous Snellius ships contained a range of hydrographic sensors including sonar capability, which is used in hydrographic surveying and mapping but could potentially also include underwater surveillance and by extension Anti-submarine warfare (ASW). While potential underwater surveillance roles remain uncertain, the endurance of the HSV 6613, with the capability of continuously operating at sea for up to 60 days, would make it a prime candidate for general patrolling operations and establishing general presence in disputed areas. A submarine tracking role is currently in doubt but would be fitting with an overall desire to increase sea based subsurface tracking capability, which is currently lacking.

In addition to sea based platforms, Vietnam also seems interested in acquiring an airborne ASW capability, evident in recent reports of the possible acquisition of “either the U.S. P-3 Orion or the Spanish Airbus Military C-295.” As the US Congress is likely to retain limitations on arms sales to Vietnam for human rights reasons, the sale of the P-3’s is at present unlikely and should Vietnam chose to make such as acquisition it is more
likely to be the C-295. The Vietnam People’s Air Force (VPAF) already possesses a modest but increasing maritime surveillance capability via other land based aircraft, including the Polish built M-28 B1R Bryza (Skytruck), which is “configured for maritime surveillance” and has an operational range of 736 miles. The M-28 Skytruck is equipped with an ARS-400 360 degree search and surveillance radar and the CCS-400 command and control system, which provides datalink and display capabilities similar to those of the marine police’s MSS-6000 system. A contract was signed in 2003 for “the procurement of up to 10 aircraft,” the first 2 of which were delivered in 2005, though the current status of this contract and subsequent deliveries is at present unknown.

Figure 4.3: 1st DHC-6 Twin Otter delivered to VPN
Source: Defense Studies (Ibid, note 86)
This M-28 Skytruck contract may however have been superseded by the acquisition of six DHC-6 Twin Otter prop planes, which a separate contract was signed for in 2010 with the Canadian company Viking Air. The first of these was delivered in November of 2012 to the VPN, with 3 configured for transport and utility roles, while the other 3 are the Guardian 400 maritime patrol variant and have amphibious landing capability. All are short landing and take off (STOL) capable, with required runway length 1200 feet or less.

The VPA also already possesses other fighter jets including Sukhoi Su-27 Flanker and Su-22 ‘Fitter H’, that in addition to other roles, can also be used for maritime surveillance. Vietnam has recently been acquiring a number of more capable SU-30 MK2 multi-role jet fighters, including 4 that were delivered in 2011, as well as 16 more currently on order. While these aircraft could certainly be used for maritime surveillance, the purchase is particularly notable because they possess a maritime surface strike capability and will be armed with the KH-59MK ASCM, which have a range of 115 km. The acquisition of the SU-30 MK2 is part of the overall effort to modernize the armed forces, and along with naval platforms such as the Gepard frigates and Kilo subs, the SU-30 MK2 will provide Vietnam with a highly capable long range precision strike capability.

Vietnam’s accelerated military modernization program is increasingly driven by China’s MLE strategy and aimed at balancing China’s growing power projection capability in the South China Sea. The combination of these various platforms will allow Vietnam to implement its own A2AD strategy against China in disputed areas including
the Spratlys, and to at least “complicate Beijing’s strategic calculations,” if not “reduce the potency of a strategy designed perhaps as much to coerce neighbors as to defeat them” through increased deterrence. This deterrent may be increasingly leveraged as part of an emerging Vietnamese MLE strategy that mirrors China’s, and is led by Vietnam’s own MLE agencies, including the VMP.

*Vietnam Marine Police (VMP) and Maritime Law Enforcement*

In addition to military modernization of the air and naval forces, Vietnam is also undertaking internal balancing efforts by building up its own MLE forces, including most prominently the Marine Police, as well as possibly additional smaller fisheries agencies and even possibly a “maritime militia.” These forces are being used as an integral component of the wider balancing strategy to deter increased Chinese assertiveness in the South China Sea, and if necessary, to directly challenge the Chinese MLE vessels operating there.

The Vietnam Marine Police (Canh Sat Bien) was created in 1998 as a law enforcement agency responsible for ensuring security, order and safety at sea. Authority over the organization rested ultimately with the Ministry of National Defense (MND), but the Marine Police (VMP) was initially directly “subordinate to the Navy,” though this changed in 2008 when the VMP became an independent organization from the Navy. While it is true that in this sense the organization “became independent of the military,” the VMP still resides under the authority of the MOD, which continues to hold responsibility for management and operation of the organization, thus making it a
military, not civilian agency. The organization continued to fulfill previously assigned roles of search and rescue (SAR) and countering piracy, armed robbery, and trafficking at sea, but greater emphasis began to be placed on maritime law enforcement in areas involving territorial and jurisdictional disputes.

After 2008 the mission requirements and responsibilities of the VMP became more focused on the defense of sovereignty “over the island and water territory” of Vietnam, as well as the “sovereign rights and jurisdiction” over natural resources in the EEZ. This would be achieved through the constant patrolling of these waters in order to “detect, prevent and combat” any potential threats or illegal activity, and would be undertaken “in coordination with other units of the armed forces.” The role of the VMP in protecting Vietnam’s “sea and island sovereignty” was reaffirmed by President Truong Tan Sang during talks with the organization in March 2012, where he also noted that “officials and soldiers” of the VMP “were ready to sacrifice their lives to fulfill their assigned tasks”.

Previously headquartered in Hai Phong, the VMP moved to a new HQ in 2008 located in Hanoi, with Hai Phong continuing to be an important base for training. Other than this, the organizational structure of the VMP has largely persisted since 1998, being divided into four different regional commands. These regional commands are each responsible for a given area extending roughly between two points, based somewhere therein. They include: (1) Northeast: extending from Quanh Ninh to Quang Tri provinces, based in Hai Phong; (2) North: from Quang Tri to Binh Dinh, based in Quang Nam; (3) South: From Binh Dinh to Trah Vinh, based in Ba Ria, Vung Tao Province, and (4) Southwest: From Tra Vinh to Kien Gang, based in Ca Mau. Regional commands 2 and
3 are particularly important as their assigned area corresponds with that of disputed islands and maritime areas in the South China Sea.

The VMP remains “a small service, with perhaps just 1,000 employees,”\textsuperscript{101} paling in comparison to the size of the Vietnamese Navy, not to mention any single one of the numerous Chinese maritime enforcement agencies. Despite this, renewed attention from the Vietnamese leadership and correspondingly new sources of funding have allowed the service to begin improving both quality and quantity of its fleet. In November 2011 the Vietnamese National Assembly approved a resolution to the 2012 state budget freeing up $138 million to be spent on “activities to develop the marine economy and to ensure national defense and security in the East Sea.”\textsuperscript{102} An unspecified portion of this money will be spent on “more equipment for the marine police to protect the country’s sovereignty in the East Sea.”

Statements from VMP leadership, including the General Director, Lieutenant General Pham Duc Linh, no longer contain normative arguments about how, owing to the urgency of mission requirements outlined above, the marine police force needs to be strengthened; rather they are stating matter of factly that the marine police force will be strengthened in the months and years ahead.\textsuperscript{103} It is clear that the urgent requirement of protecting Vietnam’s sovereignty and jurisdiction is shared by the Vietnamese leadership and law enforcement forces alike. Such a task is becoming increasingly challenging in the midst of China’s MLE strategy in the South China Sea and it remains to be seen how expanding capabilities will be employed by the marine police in response, though it is likely that they will meet Chinese assertiveness with an assertiveness of their own. Larger and more seaworthy ships with longer endurance such as a series of new tugs and a new
Offshore Patrol Vessel (OPV) will increasingly allow the VMP to do that if they so choose.

 Estimates are currently difficult to attain on the current number of vessels in the VMP fleet, but the number is unlikely to exceed 30, mostly consisting of small patrol boats ranging from two to four hundred ton displacements. The new sources of funding have allowed the service to begin expanding, and many of the ships that have been built and come on line within the last several years indicate a clear trend toward larger, more seaworthy ships comparable to those of the Chinese MLE agencies.

 Built in cooperation with the Dutch shipbuilding firm Damen, the first of these ships was launched in October 2012, and is scheduled to be fully operational in early 2013 after undergoing sea trials. The ship, the CSB 8001, is a 90 meter offshore patrol vessel (OPV) of the DN-2000 design by Damen, with a range of 5,000 nautical miles and capable of embarking KA-28 naval helicopters. This ship marks a milestone not only in indigenous ship production capability for the VMP but for Vietnam’s military modernization as a whole, and may be the first step in a long term program that could include not only indigenously manufactured OPV’s, but also frigates and other larger surface combatants.

 Smaller ships such as a series of large tugboats (CSB 9001-9004), including the 9003 launched in July of 2011, are also significant advances over previous shortcomings in endurance and durability of the VMP force. Manufactured jointly by Damen and the Song Thu Company, the 52 meter tugs can operate under “any weather conditions for up to 30 consecutive days.” Despite their tug design, according to Colonel Nguyen Quang Dam, Chief of Staff of the VMP, the ships will be used for “patrolling work to protect the
sovereignty of Vietnamese waters and its continental shelf on the East Sea.” They were designed with a thick steel bumper skirting the hull of the boat, possibly to prevent damage in the event of a collision at sea.\textsuperscript{107} If true, this would suggest that the likelihood of future collisions had been assumed and factored into the design and production of the ship. Two CSB tug models (9001 and 9002) had previously been received and a fourth (9004) is expected in 2012.

![Figure 4.4: CSB 8001 at Launching Ceremony, October 2012](image)


The partnership between Damen and Song Thu is part of a larger program of cooperation between Damen and the Vietnamese MOD in shipbuilding, including the VPN’s HSV 6613 mentioned above, which began with a joint venture in 2007 between
The joint venture included the production of offshore patrol vessels and high speed craft, including the transfer of at least two STAN 4207 patrol vessels manufactured by Damen. These ships have steel hulls and aluminum superstructures, measuring 43 meters in length and able to attain a top speed of 30 knots. The ships are not generally armed but personnel on board may carry weapons, as has been the case with other coast guards in possession of these ships. In April of 2011 a deal was signed by Vietnam’s Deputy Defense Minister Nguyen Chi Vinh and representatives of Damen to further “step up in cooperation and transfer of technologies,” a deal which has born fruit and is evident in recent procurements including the 8001 series OPV.

In addition to new and larger boats the marine police have recently begun acquiring aerial assets, including fixed wing aircraft and possibly helicopters. In August of 2011 the VMP received the first of three Spanish C212 Series 400 turboprop planes produced by Airbus Military. According to Vietnamese media the plane can be expected to be utilized for missions including “maritime patrol,” and carrying out “coastal surveillance for illegal activities.” According to Major General Bui Si Trinh of the marine police force, at that time the plane still needed “to be installed with surveillance equipment in Sweden,” and would officially be handed over in 2012, along with the two other planes.

The surveillance equipment referred to was the ‘MSS 6000 maritime surveillance system’ to be installed by the Swedish Space Corporation (SSC), eventually in all three planes. According to SSC’s website, the MSS 6000 “is a fully integrated system including SLAR (Side-Looking Airborne Radar), still and video cameras, AIS
(Automatic Identification System), IR/UV scanner; FLIR (Forward Looking Infrared) and communication via high speed satellite data link (SATCOM) and HF radio.” The SLAR is described on the website as “the ideal sensor for large area surveillance for very small vessels, target types that are difficult at best, and often impossible to detect with traditional radar technology.” Such a capability would make it easier for the marine police to carry out their assigned mission to detect activities in Vietnamese waters by smaller maritime enforcement agency or even civilian fishing vessels. All information attained during patrols can be saved and then uplinked via satellite communications to “a command center or cooperating units.” Not only will the planes be able to link vital information in real time to other ships operating on the ground, but also to a central command.

Part of the package provided by SSC includes the Mission Command Center (MCC), a “new addition” to SSC’s “maritime surveillance concept.” The MCC provides the ability for the Mission Command “to plan, follow, analyze and archive the missions of all flying units,” in real time. Information attained during the course of the mission can then stored in a database, from which analysts can have access to “information about ship movements and the identity and activity of observed vessels,” can be viewed simultaneously on a ‘tactical map’ displayed on a computer screen. According to the SSC website “during the autumn the customer (Vietnam) visited SSC to get a first hand view of the MCC,” and was “very pleased with the capabilities.” In total, the new C212-400 series planes and the surveillance system provided by SSC will significantly increase the maritime domain awareness of Vietnamese maritime forces, particularly the VMP.
Following the first cable cutting incident it was announced in June of 2011 that a new fishing patrol fleet would be created that would ostensibly be independent of either the navy or the marine police. According to a plan drafted by the Ministry of Agriculture and Rural Development, “an agency will be formed to manage operation of five fishing patrol zones,” which will include the disputed Hoang Sa (Paracel) and Truong Sa (Spratly) Archipelagoes. The plan would be implemented by 2020, with one million US dollars allocated to create a fleet “of more than 59 fishing patrol vessels.” According to Vu Van Tam, the Deputy Minister of Agriculture and Rural Development, “the force will monitor and handle fishing violations, as well as coordinate with other agencies to protect Vietnamese fishermen and the country’s sovereignty.” Two fishing patrol boats are reportedly already operating in the Gulf of Tonkin, though they lack authority to independently prosecute violations. The report made note of “hundreds of
foreign boats fishing stealthily in Vietnam’s waters, mostly operated by the Chinese,”
which upon detection are according to the Vietnamese government generally chased
away or detained briefly before being released “after receiving a warning against their
violations.”

In 2009 Vietnamese lawmakers passed legislation to create a ‘maritime militia,’ in
order to “protect the country’s maritime sovereignty.” According to a copy of the law
attained by Agence France Press the militia would “cooperate with border guards, navy,
and marine police and other forces,” in order “to protect our fishermen… in interest and
in sovereignty.” When discussing the mission of the maritime militia “to protect
fishermen,” Le Quang Binh, chairman of the National Assembly's Defense and Security
Committee, took great care stressing that it was not intended “to oppose anyone.” This
could easily be read as a reference to China, which at the time of the statement had
recently begun enforcing a fishing ban in the northern parts of the South China Sea.
Beyond these peacetime roles, the maritime militia would also have a potential wartime
application and in the event of conflict “they will be armed and become fighting
forces.”

These developments suggest that while the Vietnam Marine Police are currently
under the authority of the Ministry of Defense and there is no reason to believe that they
will not continue to be, there are indications that what is considered the Vietnamese
Coast Guard may be beginning to develop along lines similar to the Chinese MLE
agencies, whereby they are in receipt of overlapping roles and responsibilities, as well as
multiple lines of command. The new fishing patrol fleet discussed above very much
resembles China’s Fisheries Law Enforcement Command (FLEC), even being created
under Ministry of Agriculture. While fishing may become a less primary focus of the
VMP as the new patrol fleet emerges, there are still other areas of uncertainty and
overlap, not just between the emerging Coast Guard Agencies, but between the VMP and
the VPN.

Though responsibility for natural resources in the EEZ is specifically mentioned
in the VMP’s responsibilities, there are indications that the Navy is still taking the lead
role matters related to resource protection. There have recently been reports that “armed
Vietnamese naval ships are now escorting oil exploration vessels into the South China
Sea.” Indeed it seems clear that at least as recently as the 1st cable cutting incident in
May 2011, the VPN has continued to play an important role in confronting Chinese MLE
ships. Yet the 2011 incident mentioned where the VMP vessel shouldered a much
larger CMS vessel would suggest that the VMP might be becoming the focal point in this
effort, and could eventually replace the navy as the lead organization in charge of
maritime law enforcement. Though the new CSB 8001 is not yet fully operational, it is
possible that it might be employed in such an assertive and even confrontational manner
as the much smaller VMP vessel was once it is. It is likely that as larger ships like the
CSB 8001 become operational, the VMP may begin to lead Vietnam’s own MLE strategy
in the South China Sea, with the VPA reinforcing them from behind, providing an over
the horizon deterrent in a way that mirrors the Chinese strategy.

The combination of these various elements of Vietnam’s own emerging MLE
strategy is a defensive reaction to China’s own MLE strategy and increasing assertiveness
in the South China Sea. In order to maintain its national security, the Vietnamese
leadership have increased the proportion of internal balancing in their overall strategy to
deal with a rising China, a fact which is evident when reviewing the modernization of
Vietnam’s military and maritime paramilitary forces. If China continues to implement
this MLE strategy in the years ahead, this will continue to increase the level of threat
perceived in Hanoi and will lead to further more pronounced efforts at internal balancing.
Vietnam’s reaction is however unlikely to include external balancing in the form of new
or rekindled alliances with great powers, though such responses have been evident in the
strategies of other Southeast Asian countries including the Philippines.
Chapter 5: Philippines Response

The response of the Philippines and the Aquino administration have, much like Vietnam, also included internal balancing efforts in response to China’s new MLE strategy and corresponding incidents in disputed areas of the South China Sea. Also similar to Vietnam, this internal balancing behavior is evident in an accelerated military and civilian coast guard modernization program, focusing on building up the naval and air forces, as well as the Philippine Coast Guard. The strategic response of the Philippines however differs from Vietnam’s in an important distinction, namely that there is increasing evidence of external balancing behavior through the strengthening of its alliance with the United States.

In the case of the Philippines, these internal and external balancing efforts are not mutually exclusive, and in fact overlap in unique and important ways. While it is true that the US continues to serve in a traditional role as ally through its accumulated power projection capability and stabilizing presence in the region, an additional evolving and potentially more important role as ally may be enabling the Philippines to pursue its own internal efforts to shift toward external defense and realizing a credible deterrent posture through a combination of both internal and external balancing efforts, minimizing the risk and potential contradictions inherent in such a strategy.

Recent Incidents and a Strategic Shift Toward External Defense

A number of incidents have occurred between China and the Philippines in the South China Sea over the last several years, in areas including the Spratly islands as well as Scarborough Shoal, a separate but also disputed feature in the South China Sea.
claimed by both countries. The contest over sovereignty of the features and maritime jurisdiction in the area is not new, and while it is true that they have not escalated to the point of military conflict as they had in the past, these recent events may in the long run prevent an even greater threat to regional security and international norms as they threaten to alter the status quo as part of a new normal defined on Beijing’s terms, generating a great amount of concern in the region. That Beijing could in effect change the facts on the ground without having fired a single shot, as it did at Scarborough Shoal, poses a serious threat to the current national security strategies of both the Philippines and its treaty ally the United States, a challenge that may necessitate alterations in and rethinking of these strategies.

On April 8, 2012 Philippine Naval personnel spotted eight Chinese fishing vessels moored inside Scarborough Shoal, a disputed feature 124 nm west of Luzon referred to by the Filipinos as Pantag Shoal, and responded by dispatching the Philippine Navy (PN) frigate BRP Gregorio Del Pilar to inspect the vessels on April 10.\textsuperscript{123} After being boarded by Filipino Marines, one of the Chinese ships was found to be in possession of protected marine life including endangered turtles, giant clams, and a large amount of coral, all of which was in violation of Philippine law. Before these fishermen were able to be arrested however, two Chinese Marine Surveillance (CMS) vessels maneuvered themselves blocking any approach from the PN ship and preventing PN personnel from enforcing Philippine law, culminating in a standoff between the CMS vessels and the Del Pilar.

Some experts have argued that the Philippines “may have erred tactically by dispatching a naval warship to engage in fishery law enforcement.”\textsuperscript{124} Such sentiment was apparently shared by the Philippine Coast Guard (PCG), with some PCG officers
having argued at the time that enforcing maritime laws was the responsibility of the Coast Guard, not the Navy. I agree with this assessment but would argue further that this was not only a tactical but a strategic mistake, which was seized upon by the Chinese for propaganda value, ultimately attempting to alter the facts on the ground in a way that painted the Philippine response in an aggressive light and the Chinese as acting with restraint. “We did not aggravate the situation at all.. it is the Philippine Navy that pointed their guns at our fishermen. We have not sent our Navy yet, but only civilian ships,” Zhang Hua, spokesman for the Chinese embassy in Manila was quoted at the time as saying.125

The Del Pilar was subsequently withdrawn and replaced by Philippine Coast Guard and Fisheries ships, which were themselves subsequently withdrawn as part of a secret agreement with the Chinese whereby both sides would withdraw from the shoal in order to deescalate the situation.126 This agreement was reportedly conducted through backchannels by a Filipino Senator, without the knowledge of the Philippine foreign minister Alberto Del Rosario, in an attempt to reduce economic repercussions from the standoff with China.127 If such an agreement did however exist, it was not honored by the Chinese, who instead of withdrawing their ships eventually increased their number to a total of eight MLE vessels, as well as numerous additional fishing vessels that erected a barrier at the entrance to the Shoal, preventing Philippine fishermen from entering. Both the Chinese ships and the barrier remain in place as of November 30, 2012, and the Chinese have put their Filipino counterparts on notice that they intend for this presence to become permanent.128 If the backchannel agreement did anything, it was to expose a divide within the Aquino administration and the potency of Chinese economic leverage
over decision making, and in combination with the strategic mistake of sending a naval instead of coast guard vessel, severely weakening the hand of Philippine diplomats to effectively negotiate with the Chinese and protect the country’s national security interests.

While an increased Chinese presence in disputed areas was noted by the Philippines as early as 2010, another pivotal incident between the two countries occurred in March of 2011 near Reed bank (and has since come to be referred to as “the Reed Bank Incident”). The incident occurred when two Chinese patrol boats confronted the MV Veritas Voyager, a survey vessel that had been contracted by the Filipino government, stating that the vessel was in Chinese waters and forcing it to turn around and leave the area. Reed Bank is a large seamount West of the Philippines island of Palawan that lies within the country’s Exclusive Economic Zone (EEZ) and is considered part of the disputed Spratly island chain. Reed (or Recto, as the Philippines refers to it) Bank is in fact the largest feature in what is commonly known as the Spratlys island chain. As a seamount the bank does not lie above water at high tide and is thus not entitled to the legal status of an island under international law. There are thought to be significant oil and gas reserves located in the area, which the Philippine vessel was thought to be surveying for at the time of the incident. Forum Energy, the UK based energy firm to which the MV Veritas Voyager belongs and to which a license had been given in 2005 by the Philippine government, to conduct exploration in the area. The exploration uncovered the presence of up to 3.4 trillion cubic feet (tcf) of natural gas and in 2010 the license was upgraded to a service contract. From “mid January to mid March 2011” Forum Energy collected 2 and 3 dimensional seismic data in with the goal of
locating appraisal wells, an activity it was carrying out at the time of the Reed Bank incident.\textsuperscript{130}

In addition to Reed bank and Scarborough Shoal the Philippines also claims a number of other disputed features in the South China Sea, primarily located in the Spratly island chain. While unlike China or Vietnam the Philippines does not claim the entire Spratly island chain, it does claim a total of approximately 50 features which it refers to as the Kalayaan Islands Group (KIG).\textsuperscript{131} An original claim was made by a Filipino citizen named Thomas Kloma in 1956 and was formalized in 1978 by Presidential decree. The claims were also made explicit in the 1987 Constitution, which designated the KIG as Philippine territory. Nine of the claimed features are currently occupied by the Armed Forces of the Philippines (AFP), including Flat Island (Patag), Nanshan Island (Lawak), West York Island (Likas), Lankiam Cay (Panata), Loaita Island (Kota), Commodore Reef (Rizal Reef), Second Thomas Shoal (Ayungin Shoal), and the largest and most developed feature, Pag-asa (Hope in Tagalog) or Thitu Island, which possesses a naval detachment and a runway maintained by the 570\textsuperscript{th} Composite Tactical Air Wing of the Philippine Air Force (PAF).\textsuperscript{132} In addition to Pag-asa, all the other features listed above have makeshift naval detachments, most interesting of which is Ayungin Shoal, where the Philippines beached an old WWII era Landing Ship Tank (LST 57- BRP Sierra Madre) in 1999.\textsuperscript{133}

The claims have subsequently been a longstanding and serious source of tension between China and the Philippines. The recent incidents are part of a much larger protracted historical pattern of conflict and tension between the two countries over their claims in the Spratlys. Serious incidents had also occurred previously during the 1990s and served to reinforce mutual suspicions, heightening Philippine defense and security
concerns. Perhaps the most prominent of these previous incidents was the Chinese occupation of Mischief Reef in 1995, a feature claimed by the Philippines as part of the KIG and lying within its EEZ. Due to the poor state of the Philippine military forces and their general lack of maritime domain awareness at the time, the Philippines did not become aware of the Chinese occupation until some time after structures had already been constructed there, and then was unable to respond effectively to the discovery, forced to rely on diplomatic efforts alone, concluding that it was not in a position to be capable of responding militarily. It is possible that the beaching of LST 57 at Ayungin

Figure 5.1: LST 57 at Ayungin Shoal
Source: Naval Forces West, Philippine Navy/ Rommel C. Banalo (2009)
Shoal, which is the closest Philippine occupied feature to Mischief Reef, was a response to the Chinese occupation of the reef several years earlier, in an attempt to dissuade further Chinese expansion or occupation of additional features in the area, as well as to keep track of Chinese activity at the new facilities there.

The Chinese occupation at Mischief Reef served as the primary catalyst for the Philippines first attempt at modernizing its military beginning with the 1995 AFP Modernization Program. The plan focused on modernizing the air and naval forces, reflecting “a newly expressed priority on external security, driven partly by Chinese activity in the Spratlys.” Despite an allocation of 140.9 Billion pesos (US $5.5 billion) for the plan, P130 billion of which was to be allocated for acquisitions over a 15 year period, less than P35 billion was actually made available during that time (1995-2010). As a result, little was actually achieved over that period of time and progress toward an AFP capable of conducting external security operations has been halting and incomplete; serious inadequacies remain today. Reasons for the failure of the program include problems of corruption in the procurement process and the 1997 Asian financial crisis, but the focus on external defense and prioritization of the air and naval forces was also somewhat unrealistic given the still heightened importance of internal security operations. Internal security operations continued to define Philippine national security policy throughout the entirety of the modernization plan and this priority was reflected in the share of the defense budget allocated for such operations as well as the land forces of the AFP, which held primary responsibility for fulfilling such missions.

While internal security operations continued to retain top priority even up to the publication of the Internal Peace and Security Plan “Bayanihan” in 2010, subsequent
national security policy documents and strategic guidance suggest that a shift in threat perception is occurring as a result of Chinese actions in the SCS, effectively leading to the elevation of external security as the top priority in Philippine defense planning by 2011. This shift was already starting to emerge by the time the new National Security Policy was submitted to President Aquino’s cabinet in November 2010, which though still giving priority to internal security operations, made more prominent mention of external security concerns, including China’s rise in the region as well as its “more active presence in the West Philippine Sea (WPS”). The document went on to direct the country to “develop a defense capability to protect our sovereignty and strategic maritime interests,” through a “comprehensive border protection plan” that emphasized building the surveillance, deterrent, and border patrol capabilities of the coast guard, naval, and air forces.

By the time the Defense Planning Guidance was released in October of 2011, territorial defense had become the number one “core security concern,” having gained “greater prominence in light of recent developments in the WPS that have undermined the Philippines sovereignty in the KIG as well as peace and stability in the region,” a not so veiled reference to the Reed Bank incident that had occurred the previous spring. This shift in the level of threat perception and elevation of territorial defense as the primary focus of defense planning subsequently led to an acceleration of the timeline for AFP’s transitioning from internal to external defense, placing a new sense of urgency on modernizing the naval and air forces, as well as the Coast Guard. While the timeline for transitioning to external defense is listed in the AFP’s 2010 Bayanihan as occurring sometime after 2016, a new Long Term Capability Development Program (LTCDP)
drawn up by the Executive Branch and the AFP calls for an immediate shift to a territorial defense capability, and specifically mentions the “immediate development of a modest deterrent capability” in the South China Sea territorial disputes. The immediate shift toward external defense envisioned is to be implemented on a three year timetable and completed by 2013, a significant acceleration from that laid out in earlier strategic documents such as Bayanihan.

President Aquino has determined that the dilapidated state of the naval and air forces can no longer be allowed to persist and has made military modernization an urgent priority of his administration in order to protect Philippine sovereignty and jurisdiction in the South China Sea. “There was a time when we couldn’t appropriately respond to threats in our own backyard,” the President bluntly admitted in his 2011 State of Union address to the people of the Philippines. “Now our message to the world is clear: what is ours is ours;” and “we must let the world know that we are ready to protect what is ours.”

**Military Modernization**

The increasing urgency to shift toward territorial defense and modernize the armed forces embodied in strategic documents and the words of President Aquino is now beginning to be reflected in the defense budget and new modernization programs. These internal balancing efforts are clearly focused on building a credible deterrent posture to deflect China’s increasingly assertive strategy and protect Philippine claims in the South China Sea through an accelerated military modernization program and the acquisition of key weapons platforms in the naval and air forces.
Some authors have expressed a certain amount of skepticism as to whether these programs will materialize as planned, citing previous problems with the procurement process and planned acquisitions under the 1995 Modernization program and initial phase of the CUP. I do not think they are wrong to be somewhat cautious to embrace these new plans as straight line projections given the previous history of such programs in the Philippines, but would argue that a number of variables are different this time around that would at least to some degree seem to obviate such concerns, and would suggest greater prospects of the programs materializing if not exactly as planned, at least as an approximate reflection of these plans.

Undoubtedly problems will persist but changes to the procurement process itself, intended to increase efficiency and reduce corruption, combined with the projected steady growth of the Philippine economy at least 5% over the next 5 years, as well as the likelihood of an improving internal security situation, would suggest that this second round of modernization has much better prospects for success, though at present Philippine military modernization still remains more inspirational than actual. Numbers and specific platforms may deviate slightly as the procurement process proceeds, but will generally reflect an expanded and more modern Philippine Armed Forces, increasingly capable of conducting their primary assigned missions including maritime domain awareness (MDA) and interdiction operations in the South China Sea.

The official Philippine defense budget nearly doubled in 2011 to $2.3 billion US and then increased again 12% from the 2012 budget to reach a projected $2.9 billion for 2013. While the majority of the official defense budget is still allocated to internal security operations, several supplemental budgets including the Capability
Upgrade Program (CUP) and AFP Modernization Plan, are multiyear funding allocations intended to improve and enable the acquisition process, primarily directed toward the modernization of the naval and air forces.

The CUP was created in 2003 under former President Arroyo, reportedly with US assistance, as an alternative means of funding to offset the shortcomings in the implementation of the AFP modernization plan. The program was divided into three parts and, despite previous problems implementing the 1st phase of the program similar to the AFP modernization program, is now entering the second phase (2012-2018), for which some P40 billion (just under $1 billion) has been allocated over the next five years. Target future acquisitions under the 2nd phase of the program include “air defense surveillance radar, surface attack aircraft, close air support aircraft, and long range patrol aircraft.”

Previous and ongoing acquisitions covered under the CUP include the procurement of three Hamilton class cutters from the US for the PN, one of which was recently put on hold in order to better equip the other two, as well as the “installation of radar and communications networks along the coast of Palawan as part of the Coast Watch System (more on CWS in section below). The program may also include the procurement of various types of helicopters, as well as “sea and air based missile systems.”

The long range patrol aircraft are likely to be two CN-235 Persuader Maritime Patrol Aircraft (MPA) manufactured by Indonesian Aerospace firm PT Dirgantara (PT-DI) under joint venture agreement with Spanish Airbus. According to the Department of National Defense (DND), the CN-235 aircraft “would be devoted solely to conducting maritime surveillance.” While this is likely to be partly true, the aircraft offered to the
Philippines by PT-DI are also equipped with Magnetic Anomaly Detector (MAD) in the tail as well as wing mounted torpedoes, which would suggest a potential ASW role as well. Either way, the MPA’s will be imminently qualified to conduct their surveillance missions, with a range of 2,730 nm extended even further by their ability to take off and land from the runway at Pag-Asa island in the Spratlys due to their STOL (Short Take-off and Landing) capability. The announcement by AFP Chief of Staff Eduardo Oban in March 2011 of plans to upgrade the airfield there (referred to as Rancudo airfield) would suggest the possibility that the AFP might be considering deploying such aircraft there. Despite their being tasked with conducting what are essentially naval missions of maritime surveillance and ASW, the two CN-235 Persuader MPA’s will be based with the PAF.

The source of funding for the CUP program is at present unclear, as it was committed by the Executive Branch’s Department of Budgetary Management (DBM), with some reports suggesting that it may be sourced from the Executive’s share of the Malampaya gasfields, while others suggest that the funds might be allocated by Congress annually at 8 billion pesos ($195 million) over the next five years. This lack of clarity may have resulted from the Executive branch’s urgent commitment to modernization and an uncertainty if this sense of urgency was shared by the Congress, though recent reports that Congress has passed a second modernization plan for the AFP are likely to have reduced this concern. Ultimately, the 2nd phase of the CUP is likely to be funded by the Congress, though the current status of any such legislation remains unknown at time of writing. Despite this uncertainty it is likely that most of the ongoing
acquisition of MPAs listed under the program will eventually go through just as the Hamilton purchases have, though the timeframe and precise platform remain uncertain.

The Long Term Capability Development Plan (LTCDP) drawn up by the AFP and Executive Branch has now been funded by Congress under the new AFP Modernization Program (House Bill 6410), a final report on which was recently ratified by a bi-cameral panel and submitted to the President for signature on November 13, 2012. The new modernization program accepted in entirety the requirements listed in LTCDP, almost down to the exact dollar amount requested. The New program will allocate P428 billion ($105 billion) over 15 years, with “at least” P75 billion ($1.8 billion) over the first five years of the program, “with more than a third each,” going to the PAF and PN. The acquisitions listed for the first five years adhere to this division and are heavily biased toward naval and air forces, including a large number of aircraft and two naval frigates, likely Italy’s Maestrale class. The acquisitions that are geared toward the Philippine Army (PA) under the program, such as the acquisition of land based coastal defense cruise missile (CDCM) platforms, go toward supporting external defense initiatives with potential application to the WPS.

Negotiations over procurement of the Maestrales is ongoing but could potentially be completed by the end of 2012, with delivery slated for November of 2013. The Maestrales possess anti-surface (ASUW), air (AAW) and submarine (ASW) capabilities, including “modern radars and missile systems,” making them the PN’s most capable warfighting ships if acquired. At an estimated overall cost of P11.7 billion ($285 million), the vessels would be an economical way of moving toward the stated goal of a modest deterrent capability in the WPS, yet having been commissioned in 1982 the ships are over
30 years old and the “modern” weaponry described in Filipino press reports is a largely relative term. While the Maestrale frigates would mark significant progress toward that goal, providing the PN with capabilities like AAW they do not currently possess, they would by no means in and of themselves signify its achievement, remaining individually outclassed and outgunned by more modern and more capable Chinese PLAN frigates and destroyers.

In addition to the Maestrales, 50 new aircraft have also been slated for procurement over the first five years of the new AFPMP, including the acquisition of fighter and long range reconnaissance planes. As reported by Jane’s Defense, these specifically include 12 KAI T/A-50 lead-in fighter trainer/light-attack aircraft, 6 Embraer EMB-314 Super Tucanos, 6 light lift transport aircraft, 25 transport and 12 attack helicopters, 4 search-and-rescue (SAR) and 4 anti-submarine (ASW) multirole naval helicopters, and 3 special mission long range helicopters.¹⁶⁹

Recent reports would indicate that the numbers for the SAR and ASW helos have deviated slightly, at 5 SAR and 2 ASW helos. Reasons for this include the possible acquisition of more expensive but more capable ASW helos, with each unit costing an estimated P2.5 billion ($60 million).¹⁷⁰ Judging by the cost of the units they could be either the NH90 NFH, Sikorsky S70B, or less likely, the newer and more expensive MH-60R. The two helos will be based on the new Maestrales, which would lend support to the NH90 NFH, a helicopter which was designed to operate from NATO warships like the Maestrale. It was reported in October 2012 that the AFP was planning to enter into negotiations with the Italian firm Augusta Westland for 5 A109KN naval helicopters, slated for delivery between October and December of 2013. The AK109s would be used
for “maritime security, internal security operations and disaster response,” fitting with an SAR designation, and would be ship based (likely aboard the newly acquired Hamiltons), accompanying “the navy’s vessels when conducting patrols.” Numbers for light lift aircraft might also have changed, from 6 to 2, with the C212 manufactured by Indonesian Aerospace in conjunction with Spanish Airbus is reported to be the “most likely candidate,” along with an additional 3 medium transport aircraft, reportedly the C-295 also manufactured by Indonesia, or the C27-J. With the exception of the SAR and ASW helos, which would likely be under the PN since they would be embarked aboard the newly acquired Hamilton cutters and Maestrale frigates, all the other aircraft would be based with the PAF.

Many of the new platforms acquired under the new procurement programs can be expected go to the AFP Western Command (WESCOM). According to General Jessie Dellosa, Chief of the AFP, WESCOM will be given priority in the ongoing military modernization program. WESCOM not only oversees security in the WPS but was created in 1976 specifically to “keep the occupation in the KIG and to defend the existing oil exploration” in the area. This would suggest that the level of threat perception in this AOR is receiving particular focus in the AFP and Philippine efforts to balance China’s assertive strategy in the SCS through increased military modernization are also concentrated there.

The Headquarters of the command is located at Puerto Princesa city, Palawan, in close proximity to the KIG and the occupied islands, reefs, and atolls. Operational command for the naval detachments there and the airfield at Pag-Asa resides with WESCOM, which according to the WESCOM chief, Lt. General Juancho Sabban is now
“the main concern of the AFP,” due to issue in the WPS.¹⁷⁵ This concern and the priority allocated to WESCOM is already reflected in plans to upgrade not only the airfield on Pag-ASA, but also the base facilities located at Puerto Princesa, including the air base there, Air Base Antonio Batista (ABAB), which is adjacent to not only facilities of WESCOM and Naval Forces West (NAVFORWEST), but also the civilian airport there, which as of 2011 ABAB still shared “certain resources” with.¹⁷⁶

Upgrading base facilities on Palawan and the air field at Pag-asa will enable the Philippines to increase its maritime domain awareness capabilities in the South China Sea, particularly through the 570th Tactical Composite Air Wing of the PAF, who has primary responsibility for maintaining the airfield at Pag-asa, as well as ISR over the Spratlys and South China Sea.¹⁷⁷ The 570th and their newly upgraded base at ABAB could thus be reliably expected to receive at least one of the C-235 MPAs if they are acquired, as well as additional lift capacity. While it does not have as great an impact on air forces, the conjoining base at Puerto Princesa for NAVFORWEST is highly inefficient for naval patrolling due to its location on the eastward facing part of the island, and the corresponding long patrol times to navigate around the Palawan shorelines in order to reach the SCS and Spratly islands. If WESCOM and NAVFORWEST were truly serious about increasing their maritime domain awareness (MDA) and presence around their claimed areas in the SCS, they would need to consider building a new base on the westward facing shores of Palawan, perhaps across from Puerto Princesa at Ulugan Bay, where reports suggest the construction for a new base is already underway for Philippines Coast Guard (PCG) forces (more below). An expanded version of this new PCG base or a separate adjacent PN base, would provide a significant improvement for the PN’s patrol
capabilities and response times to the KIG, enabling a more regular presence and increased MDA.

Indeed a joint base would be in congruence with the larger strategic objective of joint operations and coordination between PN and PCG forces. The LTCDP drawn up by the AFP, which is now embodied in the new AFP Modernization Program, specifically called for development of the ability for the Philippine Navy to conduct “joint maritime surveillance, defense and interdiction operations in the South China Sea.” This program may be run jointly between the PN, PCG, and also PAF, with the ultimate goal of extending surveillance and patrol capabilities out into the furthest reaches of Philippine maritime and territorial claims, a capability that is currently sorely lacking, but could more efficiently and rapidly be overcome through effective coordination and closer cooperation between the various forces.

_Philippine Coast Guard Modernization_

In addition to internal balancing efforts through the modernization of the AFP, the Philippines Coast Guard (PCG) has also been receiving an increased amount of attention and funding from the government, including President Aquino, who has made expanding and modernizing the organization a Presidential priority. Previously part of the Navy dating from the time of its inception, in 1998 the Coast Guard became a civilian organization underneath the Department of Transportation and Communication (DOTC), though in wartime would be reattached to the DND. Because of its separate civilian structure the PCG is not included in the defense budget or military modernization programs, and receives its funding from elsewhere in the government. In 2013 the
Department of Planning will provide the PCG with a budget of P1.8 billion pesos ($44 million), reportedly “a 62% increase from FY 2012.” In addition to this, an additional P1.6 ($39 million) was “expressly ordered by President Aquino,” in order to “boost its emergency response and archipelagic defense capabilities” through the acquisition of “assets and equipment such as ships, platforms, aircraft, and air surveillance.”

According to Coast Guard Commandant Rear Admiral Edmund Tan, the acquisition of aircraft will include “seven helicopters in all under the program, with two being delivered before the year ends, while the others will be delivered within a three year timeframe.” The two helicopters mentioned for delivery in 2012 are the Eurocopter EC 145, which have a range of 370 nm. These and eventually a total of seven helicopters will supplement a number of dated BO 105C helicopters and two Islander surveillance planes already thought to be in service with the PCG.

The acquisitions of new ships are in keeping statements by PCG fleet Commander Rear Adm. Rodolfo Isorena that the organization actually required as many as 60 new ships, but that they would settle for “at least 30,” due to a recognition of fiscal constraints. Subsequent statements by other PCG officers, including Rear Admiral Luis Tuason, Coast Guard officer in charge and commandant for operations, suggest this number could be anywhere from 30-35, which is necessary to maintain the fleet as three older ships retire and the number of operational PCG ships shrinks to 14. There are currently plans to acquire an additional 17 new ships over the next several years, including five vessels from France and 12 from Japan. The five vessels from France include an 82 meter vessel expected to be delivered in 2014, as well as four smaller 24 vessels also expected to be delivered by 2014, all of which are expected to “be used to
patrol the West Philippine Sea.”. The acquisition will cost a total of P4.8 billion ($1.17 million), the funding for which will come from the Office of the President, though it is unclear if this funding will be in addition to the P1.6 billion already allocated for FY 2013.

The offer from Japan to supply the Philippines with 12 patrol ships was first announced in May of 2012, though it remained unclear until recently whether or not the Philippine planned to follow through and accept the offer. The deal reportedly had languished awaiting approval for the National Economic and Development Authority (NEDA) for what were officially described as “technical reasons,” but what was speculated to be concern within the Aquino administration over potential impact of the deal on the economic relationship with China. These rumors are however given substance by the fact that NEDA is reportedly overseen by the President and the evidence of division within the administration over such issues during Scarborough Shoal. Either way, in November of 2012 NEDA finally approved a deal for ten 40m vessels from Japan through a soft ODA loan at a cost of P8.81 billion ($215 million).

Japan had also initially offered two additional 100 meter, 1,000 ton Coast Guard patrol vessels, possibly either the older and soon to be decommissioned Shiretoko class or the newer and more modern Hateruma class. The transfer of the newer and more modern class is supported by statements from Japanese officials at the embassy in Manila that all twelve of the boats would be “brand new.” That the two additional vessels were not included in the NEDA contract does not mean that they will not be acquired, and might in fact be part of an ODA grant from Japan, which as opposed to a soft loan, would not have to be paid back. Another possibility is that the two vessels might be covered under the
funding allocated by the NEDA contract, though possibly going unmentioned for reasons of the rumored sensitivity surrounded the contract. Reports from Japanese officials that the 10 40m boats would cost $12 million each\textsuperscript{188}, or a total of $120 million, would leave a remainder of nearly $100 million on the NEDA contract to fund the purchase of two additional vessels. Despite uncertainties concerning the type of the larger two vessels and the source for their funding, it is fairly certain that the deal with Japan will now go through and the PCG will acquire twelve new vessels that will significantly increase its capability to conduct assigned missions in the South China Sea and elsewhere in the country.

The ability to acquire capable seagoing ships from countries such as Japan and others that might not be as amenable to transferring naval vessels was a primary impetus behind the PCG becoming a civilian organization in 1998.\textsuperscript{189} The acquisitions from France and Japan will follow on previous acquisitions from countries like Australia, from whom the PCG has acquired the majority of its current operational fleet, including four 56m and four 35m vessels manufactured by the Australian firm Tenix. The 56m San Juan Class are a fairly capable, modern vessels that were commissioned between 2000 and 2003, are equipped with a helicopter landing pad capable of supporting PCG helos including the BO 105C and newer EC 145, and have a 3000 mile operational range.\textsuperscript{190} The smaller 35m Ilocos Norte class have a much shorter operational range, but are reportedly armed with .50 caliber deck mounted machine guns. These ships make up the brunt of the current PCG fleet and play an important role in current operations, as was evident in the deployment of the EDSA II, one of the 56m San Juan Class, to Scarborough Reef in order to replace the PN’s BRP Gregorio Del Pillar.
When the PCG was first separated from the Navy it inherited all of the PN’s vessels under 20m and its role limited to inshore operations, while the PN continued to remain committed to law enforcement missions offshore, ostensibly out to the defined EEZ limits of the Philippine EEZ as well as in disputed areas. As evidenced at Scarborough shoal and also suggested by planned procurement of larger ocean going vessels from France and Japan, the PCG might be beginning to take more of a prominent role in maritime law enforcement further out into the South China Sea, including in disputed territories, and can likely be expected to be involved in future incidents with Chinese MLE vessels there. The construction of a new Coast Guard base at Ulugan Bay in Palawan will according to PCG Rear Admiral Tuason, enable a quicker response time for PCG vessels in support of maritime law enforcement activities in the South China. This is undoubtedly true as all previous PCG bases or stations in the area were limited to either the Northern or Eastern parts of Palawan required a longer transit time to reach areas such as the Spratlys. The government is expected to provide P1.5 billion ($37 million) for the project in either 2012 or 2013, reportedly from revenue acquired from the Malampaya gas fields operated off the coast of Palawan,

In the short term the PN seems likely to retain the lead in MLE missions out into the EEZ, with the PCG playing a more active but ultimately supporting role. This role is reflected in the Philippine Coast Guard Law of 2009, which directed the PCG to “assist in the enforcement of applicable laws within the maritime jurisdiction of the Philippines.” In the medium term, over the next several years it is however possible that as some of the new larger ships come online the PCG’s role may continue to evolve and the organization
might find itself in a position to begin to take the lead from the PN in MLE missions, which would allow the PN to focus more on traditional warfighting and deterrent roles. In addition to the PCG’s “assistance” role in MLE missions, the 2009 legislation would also seem to indicate a basis for the PCG to begin extending its operations further out from shore into other areas claimed as part of the country’s maritime jurisdiction, areas where only the Navy had previously operated, including the EEZ.

The broadening of the scope of the PCG’s law enforcement function to eventually include assuming the lead in such operations would naturally be supported by the PCG, and indeed PCG officers had argued during Scarborough shoal that this should already be the case, but in order for the shift to occur it would largely depend upon PN willingness to let go of its previous role in order to concentrate on the more traditional naval roles outlined above. Incidents like Scarborough suggest that this may become a strategic necessity not only for the PN, but for the Philippines as a nation, if it is to successfully defend its claims in the South China Sea against the subtle and nuanced Chinese MLE strategy there. Given President Aquino’s personal support of PCG modernization, it seems likely that eventually the country will be able to rise to the new challenge from Chinese forces.

US Alliance

The case of the Philippines is unique in Southeast Asia, in that its balancing efforts have included what can be defined as external balancing efforts through the strengthening of its alliance with the United States. The alliance has not been without its fair share of ups and downs over the years, but the long term trajectory seems toward
increased partnership and cooperation between the two allies. The US has and continues to serve in a traditional power aggregation function, but increasingly cooperation between the allies has been geared toward assisting the Philippines with its own internal modernization efforts and shift toward an external defense strategy with a credible deterrent posture. The presence of the US Pacific Command in the region is increasingly welcomed, and while historical considerations and sensitivities will continue to effect the precise composition of this cooperation, it seems clear that a rotational presence of US forces that enable the modernization of the Philippine forces could provide a viable alternative model for the future direction of the alliance.

While the previous as well as the new modernization programs were required after a substantial shift in the Philippine-US military alliance which saw US forces withdraw from their bases in the country, the US continues to play a prominent role in the national security and defense policies of the Philippines. In fact some Filipino scholars have argued that the US retains a preeminent role in Philippine defense strategy, asserting that “Filipino territorial defense is predicated on the US assertion as the dominant naval and military power in the Pacific Ocean,” and that “Filipino capabilities merely complement the deterrence provided by US forward deployment and its other bilateral alliances in the region.” While US forces are unlikely to return to their bases in the country permanently, they are returning to areas such as Subic Bay once again as an ally and partner to Philippine forces, albeit on a semi-permanent basis that emphasizes joint exercises and a rotational US presence in the country. A fairly substantial historical precedent for this arrangement has been built over the past decade or more during cooperation between the two allies focused on internal security operations within
the country, and recent developments would suggest that if handled appropriately, this model can be taken and applied to continue assisting Philippine forces as they transition toward external security operations.

The poor state of the AFP at the time of the Mischief Reef incident in 1995 was largely a result of previous reliance on US security forces under US-Philippines alliance and the demands of a more autonomous security force posture following the US withdrawal from military bases including Clark and Subic Bay by 1992. At the time of the incident the Philippines had approached the US for security assurances in the South China Sea under the Mutual Defense Treaty (MDT) that had been signed by the two nations in 1951, specifically whether or not the treaty could be invoked in event of armed conflict between the Philippines and China over the Spratlys. Washington’s response failed to provide the Philippines with these assurances, stating that since the Philippines had made its claims in the Spratlys after the MDT had been signed, “the area was not covered by the 1951 MDT.”

This may have been a result some bitterness in the US in the aftermath of the controversy over US bases in the Philippines, and US policy in this regard continues to be unclear.

As is the case with any alliance, with converging but not always congruent security interests at stake, the Philippines and the US have taken contrasting approaches to interpretation of the MDT and their security commitments guaranteed under it. While the US has argued along the lines above that its direct obligations to defend Philippine claims in the Spratlys is limited at best, the Philippines has sought to manuever the US into as clear and bindning a commitment as possible. These trends are often
contradictory, and have served as a source of tension in the relationship historically, persisting to some degree into the present.

A hesitancy on the part of the US and a preference to maintain ambiguity predates the closing of the bases in 1992 however, and US concern over obligations in this regard is evident dating as far back as 1979. A history of Philippine efforts to urge more extensive defense commitments under the Treaty dates back to the very origins of the MDT, with opposition members in the Philippine congress arguing that the treaty should be more responsive to the security needs of the Philippines. This touches upon a basic tension inherent in the US-Philippine alliance, between the security interests of the US as an international power and changing demands of Filipino nationalism. This tension played an important role in the removal of US bases from the Philippines and will likely continue to persist as an important variable in the relationship between the two countries going forward.

Nevertheless the historic ambiguity in respect to US commitment to defend the Philippines under the MDT in the event of conflict in the Spratlys continues to persist into the present. Similar requests for clarification and coverage of the Spratlys under the MDT were again made in 2011 following Chinese assertiveness and the recent incidents in the South China Sea. The situation largely mirrored that in 1995 as “the Philippines sought assurances from the United States while Washington sought to avoid entrapment.” Specifically there continued to be disagreement over whether Article 5 of the MDT, which pertained to “an armed attack on the metropolitan territory of either of the parties or on the island territories under its jurisdiction in the Pacific or on its armed forces, public vessels, or aircraft in the Pacific,” included the Spratlys. Despite Philippine
efforts to urge clarification of the issue, Washington ultimately continued to maintain ambiguity over whether or not the KIG were defined as part of these island territories.

Despite the persistent ambiguity over the MDT “Chinese assertiveness directed at the Philippines served to draw Manila and Washington closer together as allies.”

Despite a brief rocky period in the alliance following base closures, US-Philippine security ties have proved resilient over the years. The occupation of Mischief reef might have exposed some ambiguity in the relationship, which could have very well been a motivation behind Chinese actions, yet the incident eventually served to do just the opposite, strengthening the alliance. In 1997 the US and the Philippines signed the Visiting Forces Agreement (VFA), which Philippine leaders including then President Joseph Estrada saw the VFA as a deterrent against Chinese provocations and intrusions in disputed areas, and was “an important mechanism for normalizing US-Philippine military relations” once again after the closure of the bases in 1992.

Following the events of September 11th, 2001 cooperation was once again strengthened between the US and the Philippines in the areas of counter-terrorism and insurgency. As the US began the effort to cripple and defeat Al-Qaeda it became clear that the war against the organization would not be able to remain limited to Afghanistan. An important component of what came to be termed the ‘global war on terror’ was located in Southeast Asia, with some referring to the region as the ‘second front’ of this new war. The Philippines had been engaged in efforts to combat Islamic movements in Southern Mindanao including the Moro Islamic Liberation Front (MILF) and Abu Sayaat terrorist organization which was thought to have ties to Al Qaeda. The US provided training and assistance to the Philippines with these efforts, and “from 2002 to 2004
Washington provided the AFP a C-130 transport aircraft, two point class cutters, a Cyclone class special forces landing craft, twenty eight UH1-H Huey Helicopters and 30,000 M-16 assault rifles.”

Perhaps even more importantly though, US troops have served the AFP in the capacity of on the ground advisors and in 2002 established the Joint Special Operations Forces Task Force- Philippines (JSOTF-P). The unit is composed of members of the special forces of the various American military branches and is tasked with providing intelligence collection and the training of small infantry units in addition to “advice, combat assistance and civil assistance to the AFP units deployed in Mindanao. The JSOTF-P has reportedly constructed forward operating bases (FOB’s), “semi-permanent US military stations and facilities,” throughout areas of Southern Mindanao, and are also making use of “a more permanent facility in Manila.” Through the JSOTF-P, the US military deployed as recently as 2011 “one or two ships and a P3C Orion to provide intelligence and surveillance support to AFP military operations in Mindanao.” There have also been reports that US surveillance drones have been used in the context of these operations to provide crucial intelligence for operations undertaken by AFP personnel in the area. In addition to the JSOTF-P, the two militaries have since 1993 also conducted the annual Balikatan (shoulder to shoulder in Tagalog) joint exercises which have included the “construction, repair or renovation of various roads, ports, hospitals, and existing runways in Luzon and Mindanao that can be used by American forces in case of actual military operations in the near future.”

Though previous cooperation focused on internal threats, in accordance with a shift in Philippine defense policy the US has begun to focus on developing new areas of
cooperation and security assistance that include externally oriented threats posed by aggression or coercion from foreign countries, including China. The Philippines has indicated that the US could play a potentially significant role in helping it achieve the new defense goals and has asked for Washington’s help in reaching them. The US has been responsive so far to Philippine requests, through not only joint consultation on possible threats, but new levels of assistance in line with the goal of achieving a territorial surveillance and defense capability. Events and the current state of the situation in the South China Sea was discussed by the US and the Philippines at the 2010 meeting of the Mutual Defense Board (MDB), a body empowered by the 1951 MDT to coordinate the two countries defense policies against potential security threats. The following year, in January of 2011, the two countries held the first ever US-Philippine Bilateral Strategic Dialogue, intended to “affirm the alliance and discuss new areas for cooperation.”

Assistant Secretary for East Asia and Pacific Affairs Kurt Campbell was present at the inaugural Strategic Dialogue and conveyed US willingness to help assist the Philippines in increasing patrol capabilities in the maritime domain, promising the delivery of a Hamilton class cutter. The vessel was delivered several months later, complete with a Filipino crew who had been training on the vessel in the US up until the point of delivery, and will be used to boost patrols in and secure claims in the Spratlys. The ship displaces 3,250 tons and possesses significant armaments, including a 76 mm Oto Melara cannon controlled by the MK92 fire control system and though the initial 20mm CIWS (Close In Weapons Support) was removed from the Del Pilar before delivery, both the Del Pilar and soon to be received 2nd Hamilton cutter both recently were outfitted with Mk38 Mod 2 chain guns under an October 2012 US Foreign Military
Sales (FMS) contract. The Mk 38 is an improved version of the 25mm Bushmaster that was removed from the vessels, capable of firing 180 25mm projectiles per minute. It was designed to counter high speed maneuvering surface targets and will reportedly be installed on all US Navy ships by 2015.

The day after making his State of the Union speech where he stated that the time had come for the Philippines to “defend what is ours” President Aquino met with at the time Commander of PACCOM Admiral Robert Willard, who expressed his support for these initiatives and the modernization of the AFP while reiterating US commitment to maintaining freedom of navigation in the maritime commons of the Asia Pacific region. There are indications that previous cooperation on internal security is beginning to shift with the AFP and DND’s defense priorities toward external defense. Most significant in this respect was recent reporting that the US will be returning to Subic Bay and other facilities previously occupied before 1991, though this time on a semi-permanent basis centered on joint exercises and rotational US presence in the country. According to Philippine officials such as the MFA’s Visiting Forces Agreement Director Edilberto Adan, Subic Bay will play an important role in the US rebalance toward the Asia Pacific region because of its exceptional port facilities capable of accommodating naval assets and carriers.

While initially unclear, details have begun to emerge about specifically what this “semi-permanent” presence might look like, which may be even more extensive than recent agreements signed with Australia. Unlike the arrangement between the US and Australia for a rotational presence of US Marines and aircraft in the country, according to recent reports “Subic will be hosting a lot of US hardware and will also act as a support
and servicing center for the US Navy.” The agreement with the Philippines apparently includes the prepositioning of material, including forward deployed bulk storage at Subic Bay International Airport, formerly Naval Air Station Cubi Point. While US officials have publicly stressed the role of Humanitarian Assistance and Disaster Relief (HADR) missions, a role that is certainly fitting with the Philippines ongoing vulnerability to natural disaster, Philippine scholars have noted any potential US response to events in the South China Sea “depends upon whether US forces are prepositioned to provide immediate and timely assistance.” The same author goes on to note that “the United States can only effectively guarantee Filipino external defense if it has access to facilities near the South China Sea from which it can rapidly deploy in the event of an armed confrontation.”

This would suggest that at least some security analysts in the Philippines continue to view external balancing and the US alliance as an crucial part of their overall strategic response to a rising China. At the same time however, it is important to note that this particular author does so while openly recognizing the limitations of the MDT, as well as noting the potential for domestic backlash brought about by prominent nationalist sentiment surrounding an American presence in the country and concerns over such a presence negatively effecting Philippine economic relations with China. The US military and strategic planners would do well to take these considerations into account, and most indications currently suggest that they are.

Further indications of what the future rotational presence in the Philippines might look like could also lie in the details of what the past rotational presence in the country has looked like, such as the semi-permanent arrangements utilized by JSOTF-P advisors
in Mindanao. The US has reportedly developed Cooperative Security Locations (CSL) “in strategic parts of the country that can be utilized by American forces in the event of any crisis in East Asia.” Philippine and US scholars have suggested deploying a Navy or Marine fighter squadron to one of these CSL’s on a six month rotational basis to advise and train their Filipino counterparts. While recent precedent for such a proposal is limited, an additional suggestion that the US deploy a squadron of P8s on a similar basis to be flown by a joint US-Filipino crew does. According to Admiral Jonathan Greenert, the current US Chief of Naval Operations (CNO), the US is already undertaking “cooperative air surveillance missions” with Philippine, Thai and Australian counterparts “where we build our shared awareness of activities on the sea by either bringing partner personnel on board or sharing the surveillance information with them.” The CNO also announced the US intention to expand these missions in the future, as well as “increase our deployments of aircraft there.”

Training Philippine counterparts on either the P-3 or newer P-8 platforms would also familiarize them with MPA operations more broadly for when they acquire their own MPA’s. Serving in such a training and advisory capacity provides an excellent example of opportunities to extend cooperation and assistance to support the shift toward external defense in the AFP strategic priorities and could serve as a basis for further cooperation in the future. As was the case in the past with JSTOF-P in Mindanao, the most important aspect of US assistance to our Philippine allies may continue to be in a training and advisory capacity, utilizing a low footprint approach and a rotational presence that respects the concerns of our Philippine hosts while also helping them to realize their goals of military modernization and national security. While US advisors from the Air
Force or Navy including pilots and other personnel would not be from the special forces necessarily, they would have a lot to learn from these forces successful cooperation with our Philippine allies over the last decade and should seek to replicate this model, built on understanding not only the needs of their partners, but local history and cultural traditions as well.

*The National Coast Watch System: Putting it All Together*

The most important part of US assistance may be with the Coast Watch System, which has become a bit of an all encompassing program intended to take the more modernized Philippine military and coast guard forces and turn them into a jointly run 21st century organization capable of protecting its sovereignty and maritime jurisdiction.

During President Aquino’s trip to Washington D.C. in June of 2012, Secretary of State Hillary Clinton announced that the US would be assisting the Philippines with the creation of a National Coast Watch System, part of wider efforts to “increase information and intelligence exchanges and coordination on maritime domain issues” between the two allies. According to Clinton this assistance would include “the construction, outfitting, and training of a new National Coast Watch Center in the Philippines.” Following Aquino’s visit, the US military announced later that month that it would provide powerful land based radar to the Philippines that would track the movements of ships at sea as part of the “Watch Center” the Secretary had discussed.

Neither the National Coast Watch System nor US assistance with this effort are however new. The Coast Watch system was first conceptualized in 2006, and first became operational in November of 2008. The program, as well as US assistance, was
initially focused in the Southern reaches of the Philippines around Mindanao, particularly in the tri-border area utilized by traffickers and terrorists transiting between Philippines and Malaysia or Indonesia. US assistance through DOD’s 1207 fund, which essentially uses Defense money for State Department purposes, has paid for at least four platforms in Southern Mindanao. The program has since expanded though and in September of 2011 what had been referred to often as Coast Watch South (CSW) became the National Coast Watch System (NCWS) per Executive Order (EO) 57 issued by President Aquino. The expansion of the Coast Watch system was an initiative led by the DND and AFP to serve as a “central inter-agency mechanism for a more coordinated approach on maritime issues and maritime security operations,” synchronizing “policies, programs, and activities on intelligence work, border control, interdiction, and law enforcement” conducted by the PAF, PN, PCG and other agencies.

EO 57 directed the creation of the National Coast Watch Center (NCWC) the US recently announced it would assist the Philippines in creating, which was to be headed by the PCG. The NCWC would take direction and guidance from a National coast Watch Council, formed by Secretaries from multiple agencies including DND, DOTC, the Ministry of Foreign Affairs (MFA), and Department of Energy (DOE), which was tasked with formulating strategic and policy guidance for NCWC, “specifically on maritime security operations and multinational and cross border cooperation on maritime security.”
Figure 5.2: Philippines National Coast Watch System (NCWS) Sites
Source: RAND/ Maritime Research Information Center (MRIC), Manila
The initial goal of the NCWS is to increase MDA, but the system has ambitious long term goals in addition to improving coordination and interoperability between the military and civilian organizations. According to some analysts the long term goal of the program is a kind of regional fusion of awareness, linked with similar initiatives in Indonesia and Malaysia “to create a subregional regime of MDA that can then be tied into broader Asia Pacific multilateral arrangements, such as the Information Fusion Center in Singapore.”

Immediate functions of the system are to achieve a common operating picture (COP) of Philippine territory and areas of maritime jurisdiction, as well as facilitate real time information sharing to support “cueing, locating, interdiction, apprehension, and prosecution” of violations of Philippine law in these areas. The area of operations (AOR) is grouped into four main stations, with key SCS facing stations based in Luzon (CWS North) and in Palawan (CWS West). Fusion centers in each AOR essentially act as information “hubs for offshore radar platforms that fall within their jurisdiction.” The offshore radar platforms equipped with not only radars but also an “Automated Information System (AIS), 5 UHF band radio, high powered binoculars and infrared and color cameras.”

There are currently 20 sites that span across the National Coast Watch System, 12 of which are known to be operational as of 2012. The majority of these are still located in Southern Mindanao, but also now stretch across the entirety of the Philippine archipelago north all the way to Luzon and West into the South
China Sea, including operational stations at Zambales (East of Scarborough Shoal), several in Palawan at Melville and Lalutaya (in Northern and Southern parts), and most significantly at Ayungin or Second Thomas Shoal in the Philippine claimed KIG located in the Spratlys. It is possible that the LST beached at Ayungin shoal by the PN could act as a sort of fusion center for radars that were reportedly placed on all nine of the Philippine’s occupied features by the AFP in 2011, though the Regional Command Center for CWC West appears to be located at Puerto Princesa on Palawan.

Reports from sources in the PN indicate that President Aquino is personally committed to the NCWS, and it is reportedly receiving a significant amount of funding specifically because of this fact. This commitment is made all the more convenient by the relative affordability of these platforms, providing maximal coverage for minimal cost, a “relatively cheap system of surveillance for a large expanse of maritime territory around the Philippines.” While it might not be possible for the PN or PCG to at present effectively cover such a massive area on their own, operating in conjunction with the Coast Watch stations that can cue them to locations of potential targets of interests allows them to more efficiently allocate what remain at present limited resources. Fusing all these various resources and the intelligence generated by their capacity to conduct surveillance and reconnaissance into a COP that spreads between all maritime security forces, including both PAF and PN, as well as the PCG, would lead to a significant
improvement in overall MDA, allowing them to respond to potential security concerns in a timely and effective manner.

If the NCW Council can appropriately grasp this potential and if the project continues to be appropriately resourced by the government, the National Coast Watch System could essentially provide the glue that would bind these forces together, improving prospects for interoperability and opening the door for truly “joint” operations. This increase in interoperability toward eventual joint operations would not be limited to the Philippine forces either, but will also likely include increased interoperability with US forces. Such increased cooperation and interoperability can provide an important boost to Philippine efforts to increase MDA in the short term, and could also potentially evolve to include joint operational capabilities such as using US assets for ISR and Over the Horizon (OTH) targeting for Philippine stand off missiles and vice versa. NCWS could be the key to meeting the goals and directives articulated in the most recent Defense Planning Guidance and National Security Strategy, making the shift toward external defense in a timely and cost efficient manner.

In this way the external balancing efforts through strengthening the alliance with the US could overlap with the Philippines’ own efforts at internal balancing through the modernization of their own military and coast guard forces, presenting a new and viable alternative pathway for the relationship between the two allies to progress along in the years ahead. This would represent an evolution from
traditional conceptions of the power aggregate function of alliances discussed under realist theory, but may be one the most glaring examples of the necessity of rethinking outdated concepts of traditional hub and spokes alliances, and moving toward a web of relationships that includes new partnerships anchored in the deep foundation of existing US alliances. US attention to and increased understanding of the domestic constraints faced by its allies and partners in the region will be a key determinant of the success of its rebalancing efforts going forward. If the Philippines can serve as a case study, it should serve as a positive one to be learned from and emulated in the years ahead.
Chapter 6: Conclusion

China’s rise has led to a shifting balance of power in the maritime domain of the Asia Pacific region, a shift which has been amplified by China’s recent actions in the South China Sea as part of a new MLE strategy it began implementing in the area. The effects of this strategy have been most pronounced thus far in the northern reaches of the South China Sea and have led to a growing number of serious incidents occurring between China’s MLE forces and the military and civilian forces of Vietnam and the Philippines. These incidents have led to a dramatic shift in the threat perception felt in the capitals of these two nations toward China, and their defense strategies and corresponding military and MLE agency procurements have reflected this.

While these developments can best be described as evidence of more pronounced hard balancing efforts, they remain a part of what continue to be essentially hedging strategies overall. The balancing component of their emerging strategies take the form primarily of internal military and coast guard modernization that has at times been aided by, and intertwined with, external efforts to strengthen alliances, as can be seen in the case of the Philippines, though not with Vietnam. The different approaches of Vietnam and the Philippines are very much a function of their own historical and domestic political considerations however, and serve to illuminate the debate in IR that has long existed over arming vs. allying, as well as the debate over strategic responses of Southeast Asian countries to the rise of China.

While historic and domestic political considerations make it highly unlikely that Vietnam would ally with any external power, including the United States, they will also constrain and shape the exact form that the US alliance with the Philippines will take in
the coming years. The importance of various domestic conditions should not be overlooked, as it is so often in much of the Realist literature in IR where it is treated a black box best left unexamined. To do so would be problematic, for there exist at the domestic level of analysis a unique set of conditions that effect the level of threat at which these states would chose to balance or hedge, ally or arm themselves. The domestic situation in both Vietnam and the Philippines creates a clear preference toward armament and internal balancing efforts that are more palatable to domestic constituencies, while raising the threshold at which these states would out rightly abandon their hedging strategies in favor of full fledged balancing strategies. This variation is likely not lost on the Chinese leadership, whose strategy seems clearly calculated to keep tensions at a slow boil in the South China Sea, and the level of perceived threat by other claimants below the threshold of outright balancing, continuing to provide incentives for increased engagement and optimism.

The prominence of the internal balancing efforts in the overall strategies of both countries also leaves them potentially vulnerable to recourse by China, which may exacerbate the inherent tension between increased balancing behavior and the overall hedging strategies. If current trends continue the correlations discussed in realist IR theory between balancing behavior and the perceived level of threat would suggest that even if the hedging strategies are retained, the balancing component of both countries strategies will continue to become more pronounced. As this occurs the contradictions between engagement and balancing inherent in these hedging strategies may lead to domestic tension and tough choices for the leadership in both Hanoi and Manila. There is already evidence of this having occurred in Manila, with the internal divisions in the
Aquino administration surfacing during the backchannel negotiations with China over the Scarborough Shoal standoff.

Beijing’s evident willingness to use not only military or MLE assets but also economic leverage as a mechanism for coercive diplomacy against its Southeast Asian neighbors may bode ill for regional security going forward, and if it continues, may render the current hedging strategies of Southeast Asian countries such as Vietnam and the Philippines unsustainable. In their place might emerge more assertive strategies and tactics employed by the Southeast Asian claimants, beginning in the Northern part of the SCS but gradually spreading South toward Indonesia, inevitably spanning the nearly the entirety of maritime Southeast Asia. Evidence suggests that Vietnam may already be in the formative stages of adopting just such a strategy, which would essentially mirror China’s own MLE and A2AD strategies as a last ditch effort intended to protect their claims in the South China Sea.

This would be an unwelcome development which could be harbinger for an increasingly unstable regional security environment if it were to come to pass. However, it is necessary to place emphasis on the primary factor that is driving Southeast Asian policies in this particular direction, as this has become a subject of some contention lately, not only in China but in the US as well. Many in China have argued that the US rebalancing is in effect encouraging the Southeast Asian nations to take a more assertive posture toward China in the South China Sea. There may be an element of truth in this argument, and the US should be careful to walk a fine line in its policy so as not to needlessly antagonize China, but the US rebalance has in effect been a response to concern in Southeast Asia generated in recent years following China’s own strategy and
actions there, not the other way around. The underlying impetus for the shift in Southeast Asian approaches to the disputes has been first, the expansive nature of China’s claims that threaten the legitimate rights to resources in the EEZ’s of these countries, and second, China’s MLE strategy which seeks to assert and enforce those claims.

Southeast Asia has not been ‘emboldened,’ as these authors have suggested, by an increased US presence in the region. They are instead merely responding to an increased Chinese presence, which is part of a new MLE strategy in disputed areas of the South China Sea that requires them to respond or risk slowly seeding their claims to Beijing. Turning to the US is just one part, and often a small part of their overall strategies. Recent actions taken by countries such as the Philippines at Scarborough Shoal, where the Philippines tried to arrest Chinese fishermen illegally operating in their EEZ, are not new. Such incidents have played out in the past before, in fact often in starkly similar terms. According to Alan Collins there have previously been “numerous incidents of Philippine naval vessels seizing Chinese fishing boats and detaining their crew.” In fact in the first three months of 2001 alone, “the Philippine Navy boarded fourteen Chinese fishing boats off Scarborough Shoal,” and in May of that year “34 fishermen were arrested.” This is almost precisely the exact same scenario that played out more than ten years later on the 8th of April 2012, in the same place, with the same Philippine response, occurring fourteen times in a single span of three months. So what has changed?

What has changed is China’s response to Philippine and other countries efforts to enforce their laws and protect their own rights, which has been increasingly disproportional and is attempting to alter the status quo through steady pressure and
controlled escalation. Not once in the 14 times during any of the fourteen separate occasions when the Philippine Navy boarded Chinese fishing vessels in the spring of 2001 did the Chinese react by preventing them from doing so with MLE or other forces, then expelling Filipino fishermen and erecting a border to entry that prevented their freedom of navigation into the area, essentially annexing the feature as Chinese sovereignty. That is what has changed. China’s strategic decision to build and employ a MLE force capable of conducting what it views as maritime rights protection operations in disputed areas of the South China Sea has made all the difference in the more recent incidents over the past several years.

This new MLE strategy has increasingly included immensely disproportionate responses that effectively alter the status quo and attempt to construct an alternative interpretation of the facts on the ground that is in line with the Chinese narrative. Despite previous arguments over the degree of coordination amongst Chinese MLE and military forces, it is clear that this strategy is becoming increasingly more coordinated, and utilizes coercion and salami slicing tactics to assert China’s claims over disputed territories. This is the impetus for the increased tension and potential for instability and even conflict in the South China Sea, and it is China’s increasingly assertive attempts to enforce its claims that Southeast Asian countries are beginning to react to, not the other way around.

Such tactics are not unfamiliar to students of international relations, and have were discussed at length in Thomas Schelling’s 1966 book *Arms and Influence*. Such tactics were part of what Schelling termed “the diplomacy of violence,” for in order “to be coercive, violence has to be anticipated. And it has to be avoidable by
accomodation.”\textsuperscript{234} Despite its date of publication nearly half a century ago, Schelling’s description of coercion could not better capture China’s current use of MLE vessels to assert jurisdiction in areas such as the South China Sea, threatening potential violent escalation from armed MLE or PLAN assets waiting over the horizon, while simultaneously attempting to emphasize the non-violent nature of these law enforcement missions and the potential for accomodation from Southeast Asian forces. In this sense China is using military diplomacy in its approach to the disputes, and while China continues to emphasize the diplomatic side of the equation, in reality it is attempting to exploit the bargaining provided by its newly acquired capacity to bring unacceptable levels of violence into the equation if it chose to do so. As Schelling noted “the power to hurt is bargaining power. To exploit it is diplomacy- viscous diplomacy, but diplomacy.”\textsuperscript{235} In this sense one could argue that China is continuing to emphasize the diplomatic component of its strategy in the South China Sea, though a return to more viscous diplomacy displayed in the past.

China’s strategic goals to assert sovereignty and jurisdiction in the South China Sea remain unchanged, yet a tactical shift has taken place in recent years. In other words what has changed is how China is approaching these strategic goals; the goals themselves remain the same. China’s previous strategy in the South China Sea up until roughly the mid 1990s had been described by Andrew Scobell as \textit{Slow Intensity Conflict} (SLIC), which took advantage of the vast expanses of ocean space in the areas and utilized “small units battling in rather minor and infrequent skirmishes.”\textsuperscript{236} SLIC was not limited to the military realm though and was rather a “protracted struggle using all the instruments of national power.” The Maritime Legal Enforcement Strategy could be seen as an evolution
of SLIC, using assertive behaviors while simultaneously seeking to minimize the risk
of escalation. Though China no longer lacks the ability to project naval power as it might
have in the past, it is seeking to avoid the adverse reaction SLIC previously created in the
region. However, just as was the case with SLIC, the potential for escalation to
conventional war-fighting remains real. While the tactical shift away from small naval
skirmishes to the MLE Strategy could be seen as an effort to avoid escalation, the
potential for escalation certainly remains and the accompanying PLAN forces would
likely become engaged in the event an incident were to escalate.

Many Chinese analysts might point to the attempts by their Southeast Asian
neighbors to enforce their domestic laws in disputed areas as evidence of these countries
having taken advantage of China’s restraint and diplomacy on the issue, or even China’s
previous inability at the time to respond to such perceived assertive actions on behalf of
the Philippines and other claimants in any effective manner. And again, there may be
some truth in such arguments. However, the primary catalyst for increased tension in the
South China Sea is first and foremost the Chinese claims themselves, in particular the	abling of the now infamous ‘nine dash line map’ to the UN in 2009. The maritime area
contained within this map does not just include the features in the Spratlys and elsewhere
over which there are legitimate sovereignty disputes; it includes nearly the entirety of the
South China Sea, some 70-80% by most estimates, stretching as far as 900 miles from
Hainan island and coming as close as 30 miles from the shores of Southeast Asian
countries, potentially cutting off the EEZ they are entitled to under UNCLOS. And if
there were any doubts about the extent of the area China is claming in this map, all one
need look to is the record of China’s law enforcement activities and the corresponding
incidents that have occurred throughout its entirety, down to the furthest Southern reaches off the nine dashes that stretch off the coast of Indonesia’s Natuna islands. It is the combination of these two factors, the claims and their increasingly assertive enforcement by China’s MLE agencies, that has created alarm in the capitals of maritime Southeast Asia and is already beginning to show signs of increasing balancing behavior by them.

The movement toward more assertive strategies and tactics by the Southeast Asian claimant states is foremost a reaction to China’s own increasingly assertive MLE strategy that it has been enacting since roughly 2007. While there should be ongoing debate within the US academic community and elsewhere about to what extent US assistance and support is emboldening these other claimants to take more assertive action, it needs to be recognized that their emerging balancing strategies are defensive in nature, and are a reaction to China’s strategy and actions that threaten their claims and inherent jurisdiction to maritime areas off their coast granted under UNCLOS’ conception of the EEZ. Analysts such as Peter Dutton at CMSI have noted that for these nations not to be assertive, not to act, risks ceding these claims to China over time, and the dilemma this places them in leaves them with little option but to figure out how to respond in a manner that can control the potential for escalation. The buildup and utilization of their own MLE forces, in combination with acquisition of a more robust deterrent or access denial capability, is being undertaken for precisely this reason, to enable these countries to respond to China’s strategy while also attempting to control the potential for escalation. Yet it is increasingly clear that both these nations and China may be miscalculating the potential for escalation inherent in such strategies, a scenario that invites the dangerous
possibility that tactical incidents involving MLE forces may escalate into a more
strategic confrontation or even a shooting war involving military forces.

With the United States expressing a ‘national interest’ in the peace and stability of
the South China Sea, and with the Philippines a non-NATO treaty ally of the US, the
potential for any conflict to escalate to the level of great power war is real, and the area
may become the defining arena where great power rivalry between the US and China
plays out in the years ahead. While the confrontation at Scarborough Shoal may not have
been provoked by China with the intention of probing for weakness in the US-Philippine
alliance, it ultimately provided an opportunity for that, an opportunity China seems to
have taken advantage of. What began as a low level incident and possibly turned into a
probe, has evolved into what Schelling referred to as “tactics of erosion,” whereby “if
there is no challenge, one continues or enlarges the operation, setting a precedent.”\textsuperscript{238} The
result of such tactics was the virtual annexation of the entire reef by China, whose forces
consolidated their presence and have erected barriers to entry for Philippine vessels. The
Philippines has already sought assurances from its US ally, but the US is walking a fine
line itself as it seeks to strengthen defense ties and reassure its partners and allies in the
region, while simultaneously seeking to reassure China as part of an attempt to shape its
rise in a way that supports and upholds the rules and norms of the international system,
including Freedom of Navigation (FON).

The conduct of the military and coast guard agencies of Southeast Asian countries
in response to China’s increased presence in the South China Sea may prove instrumental
in deciding the future direction the norm of Freedom of Navigation (FON) progresses.
While China’s previous threats and assertive attempts to restrict the FON of US and other
forces in the Northern part of the South China Sea represent a clear and present
danger to the norm by themselves, China’s aggressive attempts to expand its presence
further into the Southern reaches of the South China Sea may present an even greater
threat to FON both regionally and globally, particularly if China provokes these countries
to respond in kind by themselves attempting to limit the FON of Chinese vessels in
disputed areas. Due to the nature of international law the threat posed by China’s
assertive new MLE strategy to the norm of FON is actually most severe in Southeast
Asia, because if SEA forces were to restrict China’s FON, they would risk setting a
precedent of restricting all FON at all times in all parts of the world.

Though many forces including the Philippines at present do not, there is a real
potential that others, including Vietnam, could decide to do so to protect their security
and territorial claims. Preventing this from occurring should be a central goal of US
foreign policy and should play a pivotal role in the stated ‘rebalance’ of forces in the
years ahead. The US should work in partnership with allies such as Australia or Japan,
toward both training and equipping the Southeast Asia Coast Guard and military forces,
including Vietnam, in order to shape their development, as well as the development of
Chinese forces, in a direction that continues to promote peace and stability in the region
as well as support international norms including freedom of navigation.

The US role in the region will be of paramount importance in determining the
future evolution of regional security architecture as well as maintaining peace and
stability. Realist theory’s focus on the great powers is not entirely misplaced, as they will
largely decide the overall balance of power in the region, but to focus solely on this factor
would be to overlook the internal balance of power within the region itself, elsewhere in
Northeast as well as Southeast Asia. For any chance of shaping China’s behavior in a more desirable direction, in a direction that many in China would like to see it move, must begin with the region. Any actual policy that relies on US power alone in an attempt to contain China militarily would be misguided. Instead the US should work with the rest of the region, and enable them to work with China from a position of strength, in order to ensure that China’s rise within the region, while welcomed, will also remain peaceful.

This internal balance of power within the region may very well hold the key to US strategy in the years ahead, and will require the current administration to continue its current policy of allocating significantly more attention to Southeast Asia, which has for far too long been neglected. The US must maintain a robust presence in the region, but do so in a way that avoids appearing overly militaristic, maintaining a small footprint through increased exercises, joint training, and rotational deployments. This will also allow it to more effectively assist with the internal military modernization efforts being undertaken by its partners and allies in the region. The dynamics described in this thesis, though most prominently felt in the northern reaches South China Sea at present, are likely to expand further to the south along with the presence of Chinese military and MLE forces. As this expansion occurs the dynamics are likely to play out in a more pronounced fashion in countries such as Indonesia, Malaysia, and even Singapore. More research could be done on these countries own evolving responses, and a much larger project (one outside the scope of this thesis) might examine the various approaches of the entirety of maritime Southeast Asia, where there is already some evidence to suggest movement in similar directions.
The current US approach of the Obama administration closely resembles the approach described above, though it remains unclear if this policy will be sustainable amidst partisan infighting and budget wrangling currently taking place on Capitol Hill. Failure to adequately resource the US ‘rebalance’ to the region could have disastrous consequences, not the least of which would likely be an emboldened China, as well as corresponding more confrontational approaches in the South China Sea by Southeast Asian claimants including Vietnam. The region is looking to the US for leadership, and America must continue to step up and reassure our partners and allies in the region that the US remains, and will continue to remain as it has for centuries, a “Pacific Power.” Doing so will allow the other countries in the region to continue to engage China on amicable terms, in a way that will facilitate the emergence of an appropriate and just regional security architecture built upon the foundation of international rules and norms, one that peacefully incorporates a rising China into a wider rising region.
Notes

7 Ibid, p. 6-7
8 Ibid, p. 4
9 Ibid, p. 8
10 Ibid, p. 10
12 Shearer, p. 242
15 Weitsman, p. 14
16 Ibid, p. 15
17 Ibid, p. 18
19 Weitsman, p. 3
21 Morrow, p. 216-217
22 Morrow, p. 231
In order to describe this strategy of SE Asian states, Goh coined the term “omni-enmeshment.” Ibid, p. 121

For more on the Chinese MLE strategy and various agencies see:

William Chong, “Path to Scarborough Far from Fair: South China Sea Rivals no Match for China’s Economic, Military Clout,” The Strait Times, April 21, 2012

The designation of these roles to the Coast Guard is typical only of the United States and does not reflect the norm in the region nor even in the West historically. See: Goldrick, James and Jack McCaffrie. Navies of Southeast Asia: a Comparative Study. Routledge, 2012, p. 9.


Stephanie Albright Klein, author of the 2012 ICG Report, “Stirring up the South China Sea,” has referred to this dynamic as “reactive assertion.”

Legal Warfare is one of the ‘three warfares’ (san zhong zhanfa), including also psychological and media warfare, approved by the CCP Central Committee and Central Military Commission (CMC) in 2003.


The “Near Seas” are discussed by Chinese strategists as comprising the Yellow, East and South China Seas.

Several of these MLE agencies where involved in the 2009 Impeccable incident, whereby a USNS special missions ship was dangerously confronted at sea by Chinese
civilians and paramilitary forces in order to assert China’s excessive claim to maritime jurisdiction over security matters in the EEZ.

38 George P. Vance. “The Role of China’s Civil Maritime Forces in the South China Sea,” Center for Naval Analysis (CNA) Maritime Asia Project, Workshop Two: Naval Developments in Asia, August 2012, p. 103

According to this analysis, “Prior to 2009, 71% of the confrontations involved China’s People’s Liberation Army Navy (PLAN). More recently the majority of confrontations, 60%, involve Chinese civil maritime forces”.


http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=40182&tx_ttnews%5BbackPid%5D=25&cHash=de4e16aa5513509eb1c0212ac6e401e4


45 Ibid, p. 8

46 Ibid, p. 4


49 Capt. James Fannell, the acting deputy chief of staff for Intelligence and Information Operations (N-2) for the US Pacific Fleet. Speech at USNI/ AFCEA West 2013 Conference Panel, “Chinese Navy: Operational Challenge or Potential Partner?” Video available online (21:00-31:00).

http://www.youtube.com/watch?v=nLrO1GI8ZlY&list=PLWX4R7nG6a8moZ0bIUtkBB1qaOkbr85zb&index=9


51 Jane’s Fighting Ships, “Executive Overview,” p. 14


Storey, CSIS Paper, p. 3


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Thayer, Vietnam’s Security Outlook,” p. 8

Shearer, p. 255


Thayer, Carlyle A. Vietnam Security Outlook, p. 10

Thayer, IDE Presentation, p. 10-11

Thayer, Vietnam Security Outlook, p. 10


Chang, p. 11


Defense Studies. “PM Visits Coastal Missile Complex.”

76 Chang, p. 11
77 Ibid, p. 13
78 Ibid, p. 9
79 Jane’s Fighting Ships 2011-12, p. 984
80 Thayer, Vietnam’s Security Outlook, p. 9
81 Vietnam People’s Newspaper Online, “Song Thu Company completes Tran Dai Nghia ship” November 26, 2011,
83 VPA Online, “Song Thu Company completes Tran Dai Nghia ship”
84 Ibid
85 Jane’s Fighting Ships 2011-12, p. 988-9
88 Thayer, Carlyle A. IDE Presentation, p. 11
89 Jane’s Fighting Ships 2011-12, p. 986
91 Ibid, p. 986
92 Thayer, “Vietnam’s Security Outlook,” p. 10
93 Shearer, p. 255
95 Jane’s Fighting Ships 2011-12, p. 983
98 Decree No. 53, Ch. 2 Art. 7 (detect….) and 10 (coordination)
101 Le Miere, p. 138
This trend toward indigenous production of large tonnage ships by Vietnamese shipyards was emphasized by the Deputy Minister of Defense General Nguyen Thanh Cung during a speech at the launching ceremony of CSB 8001 on November 15, 2011. General Cung said that Vietnam will continue to develop its marine police force and acquire more modern ships and helicopters to protect Vietnam’s borders.

Lieutenant General Pham Duc Linh, vice commander of the Vietnam Marine Police, said that along with modern ships and helicopters, the VMP would like to acquire more modern ships and helicopters to protect Vietnam’s borders. The VMP has already received its first large patrol vessel, the CSB 8001, and is currently acquiring more modern ships and helicopters.

The CSB Tug series is not listed on Damen’s website and the design was likely specifically drawn up in conjunction with Song Thu and the Vietnamese MOD. Damen Website: http://www.damen.nl/

“Damen Expanding in Vietnam,” online blog at: http://stopwapenhandel.org/node/1138

The original reporting on this information comes from IHS Jane’s Defense Weekly.


Damen Website: http://www.damen.nl/markets/stan-patrol

“Damen Expanding in Vietnam”


Ibid


Ibid
Ibid. Statement attributed to Senior Lieutenant General Nguyen Khac Nghien, former Chief of Staff of the Vietnamese People’s Army

Thayer, Carlyle A. Consultancy, p. 2

Banaloi, Rommel. “Philippines-China Security Relations: Current Issues and Emerging Concerns,” Yuchengo Center De La Salle University, Manila, 2012, p. 72

Goldrick, James and Jack McCaffrie, p. 126


Ibid, p. 30

Bayanihan, p. V-VI. The plan lists 2014-2016 as the target for handing over internal security operations to government agencies (ostensibly non-mil agencies), “eventually allowing the AFP to initiate its transition to a territorial defense force.”

De Castro, Renato Cruz and Walter Lohman. “US-Philippines Partnership in the Cause of Maritime Defense” Backgrounder No. 2593, The Heritage Foundation, August 8, 2011, p. 6


Goldrick, James and Jack McCaffrie, p. 135


The signing of a framework agreement between the government of the Philippines and the Moro Islamic Front (MILF) in October of 2012 represents a particular milestone in internal security efforts, and may allow AFP forces to eventually begin drawing down in Mindanao in order to focus on external operations See Floyd Whaley. “Philippine Government Signs Pact With Muslim Rebels,” NY Times, October 8, 2012 http://www.nytimes.com/2012/10/16/world/asia/philippine-government-signs-pact-with-muslim-rebels.html?_r=1&ref=world

According to the Australian Defense Intelligence Organization, the 2011 increase was largely due to the inclusion of pensions that were excluded in previous defence budgets.” AUS DIO, p. 21.


According to reports, the 47.2 billion pesos would be allocated to the article "internal security," while only 2.1 billion pesos would go to the "territorial defense initiative." Ibid


De Castro and Lohman. “Philippine Air Force,” p. 6


160 Leithen Francis. “Philippines Protecting South China Sea Interests.”


164 The new House Bill would actually provide the AFP with P2 billion more than the P426 billion requested envisioned under the Long Term Capability Development Plan: De Castro and Lohman. “US-Philippines Partnership,” p. 6

165 “AFP Submits Initial Wishlist for Modernization,” Inquirer.net July 5th, 2012 http://newsinfo.inquirer.net/224071/afp-submits-initial-wish-list-for-modernization


172 Leithen Francis. “Philippines Protecting South China Sea Interests.”

Major General Francisco “Diego” N. Cruz, “Strategy of Indirect Pressure: A National Security Strategy on the West Philippine Sea,” September 2011, p. 3. The author is current AFP Deputy Chief of Staff for Intelligence, J2.


Ibid


The PCG website candidly admits this motive: “Its civilian character has allowed the PCG to receive from other governments offers of vessels, equipment, technology, services, cooperation and other needed assistance, something which they would not readily offer to a military agency.”

Official Website, Philippine Coast Guard. “Legacies of the Philippine Coast Guard,” Available at- http://www.coastguard.gov.ph/index.php?option=com_content&view=article&id=50&Itemid=56

Jane’s Fighting Ships (2011-2012), p. 618

Goldrick, James and Jack McCaffrie, p. 129
According to the PCG website, the Philippines previously had 4 Coast Guard Stations on Palawan, including the HQ at Puerto Princesa. has three Coast Guard Stations (CGS) include: CGS Coron and CGS Brooke’s Pointe and CGS Liminanangcong.
Philippine Coast Guard Website. “Coast Guard District Palawan,” at

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