

BOOK REVIEW

China's Strategic Interests in the South China Sea: Power and Resources, Sigfrido Burgos Cáceres, New York, Routledge, 2014, 167 pp., US \$163, ISBN 978-1-85743-709-6

In *China's Strategic Interests in the South China Sea: Power and Resources*, Cáceres examines the evolving strategic significance of the South China Sea (SCS) as a geopolitical and geo-economic space, in China's domestic and international politics.

The geographical location of the SCS enables it to act as a node that connects the Western Pacific to the Indian Ocean. Ships traversing through the Indian Ocean have to pass through narrow straits before entering the SCS and proceeding farther on to the West Pacific. The water body forms a key hub for oil shipments and trade between the two oceans.

The position occupied by a geographical expanse or space on the geopolitical graph is significantly influenced by the evolving dynamics of the region. In the 21st century, the single most crucial factor shaping the geopolitics around the SCS is the phenomenal rise of China. In the backdrop of internal and external dynamics, Cáceres assesses China's evolving economic and political objectives around the semi-enclosed sea. Transformations in China's internal societal conditions and external changes in the power equation form the defining framework of the book.

The author argues that the SCS presents a strategic vulnerability to China's oil shipments, a threat which could be detrimental to China's rise. To counter this threat, China has adopted a two-pronged security strategy, i.e. to safeguard its oil imports and to manage its power transition vis-à-vis the US. China also remains fraught with domestic challenges of maintaining economic growth and stability, while at the same time managing external constraints that emanate from its overwhelming dependence on shipping lanes passing through the SCS, for supply of raw materials and energy resources. Hence, securing control of the SCS is a credible rationale for China's energy security strategy.

The book is divided into eight chapters and thematically organised. The first chapter sets the tone for the remainder of the book, and describes factors such as domestic economic development and competition between China and other economies in the region for energy resources, which have given rise to a contest over the geopolitical space.

The central theme of the second and the third chapters is China's demand for energy and resources. Energy resources are the prerequisite for an economy to maintain growth and development. Self-sufficiency is perceived as the desired end state in energy security. However, due to domestic energy infrastructure inefficiencies there is a considerable gap between China's energy production and consumption. Oil demand projection indicates there will be no respite for China from the shortage of supply for the next 20 years.

In the next two chapters, Cáceres assesses how China's energy insecurity influences the perceptions of Chinese leaders about strategic resources such as oil and gas. The author observes that political unrest is perceived as a threat to regime legitimacy of the Chinese Communist Party (CCP). He cites the Tibet Autonomous region (TAR) and Xinjiang Uyghur Autonomous region (XUAR), the two restive regions which are compelling the CCP to deliver economic growth and manage unemployment. A complex interplay of domestic factors, such as sluggish economic growth, social instability and political unrest, as well as external factors such as the dynamics of the oil market, shape China's strategic interests in the SCS.

The author argues that China is going through a transitional phase wherein any kind of mass protest movement could lead to a regime collapse. Hence, the CCP has placed considerable focus on growth and development, which in turn has precipitated a fear of oil shortage among Chinese officials. This has led to the prioritisation of controlling the maritime space as a state function. Given the fact that the world is reaching peak oil, and that the natural gas sites are located far from refining hubs, the focus has naturally shifted towards marine resources located comparatively near the affluent coastal cities of China.

During his visit to Indonesia, former Chinese President Hu Jintao spoke about strategic vulnerability to China's oil import at Strait of Malacca which was later termed as "Malacca Dilemma". China is "insecure" about its energy vulnerabilities and therefore making strategic choices by building up its naval capability for a hypothetical oil vessel interdiction. In the SCS, Beijing claims sovereignty over Paracels and Spratlys on the basis of the "nine-dash" line. Beijing also claims sovereignty over Diaoyu/Senkaku islands in the East China Sea. These two semi-enclosed water bodies have large potential reserves of oil and gas and are rich fishing grounds as well. China's claims, however, have evoked strong reactions from littoral states located in the SCS, as well as from other regional and extra-regional powers.

In the next four chapters, the author examines case studies on Vietnam, the Philippines and Japan, countries with whom China has maritime territorial disputes. Also, a separate chapter is devoted to the US. This segment has been thematically organised to assess China's power dynamics against each of these states. Although Japan is a non-claimant in the SCS, it has been actively involved as a countervailing power to China's assertiveness.

The author argues that Sino-Japanese power dynamics, and conflict management over the disputed islands, will largely determine the security environment of East Asia. With its growing capabilities, China has become a major stakeholder in the global political order. China is the second largest global economy after the USA. Although bilateral trade between China and Japan reached US\$ 340 billion in 2014, tensions have periodically escalated over the disputed islands. The quest for new sources of oil and gas, fisheries resources and the efforts to establish military outposts in the islands are now defining the contours of bilateral relations between China and Japan.

The study on the Philippines and Vietnam analyzes China's approach to smaller states with claims over island territories in the South China Sea. Chinese officials often articulate their preference for peaceful means for settlement of disputes, but recent maritime standoffs between China and the Philippines, and China and Vietnam, showcase a contrasting operational approach. The Chinese government has deployed marine surveillance vessels to patrol the water areas around disputed islands. Standoffs with other regional maritime forces indicate that the issue has evolved to gaining control over the islands. Claimant states observe that controlling the islands, the surrounding waters and the resources is necessary to maintain their legal claims. In the case of China and Vietnam, the islands and resources have caused conflict in the past as well. The author refers to the occupation of Mischief Reef in 1995 by China as a two-pronged strategy of occupation followed by negotiation. Hence, historical memories of the use of force have shaped the perception of smaller littoral states. To counterbalance China's assertive maneuver, Vietnam and the Philippines, along with other Association of Southeast Asian Nations (ASEAN) states such as Indonesia, have welcomed the Japanese and US presence in the region.

The author argues that Beijing calibrates its actions based on the anticipated repercussions or pushback in the international arena. Therefore, it remains cautious with Japan, a US ally, while it chooses to confront smaller states in the SCS which are not major allies of the US. The problem with ASEAN is that it is a deeply divided association of smaller nations,

where Cambodia and Malaysia have warm ties with Beijing and Thailand is also cozy with China.

The US remains neutral on the territorial disputes, considering its larger regional and global interests. The US may be mindful of the need for China's cooperation in the case of any global crisis. Trade between China and the US limits the option of serious confrontational measures from either side. While encouraging and accepting the economic rise of China, incidents like the EP-3 incident or Hainan island incident, USNS *Impeccable*, etc. have caused the US to view China as a serious challenger to its presence in East Asia. The author posits that energy security measures and frequent escalations have generated serious doubts about China's intentions. China's expanding surface fleet and an Area Denial design could be seen as a desire to constrain the manoeuvre of US carrier battle groups. Although Chinese officials have assured the US that China has no interest in challenging the latter's presence in the region, the increasing naval capability is in contrast to such political assurances.

In the concluding section of the book, the author argues that China's limitations in power projection capability will possibly restrain its hostile approach in the South China Sea. Moreover, the Spratly Islands are geographically located far off from the Chinese mainland and therefore any military engagement might lead to the collapse of China. He also suggests that ASEAN should build a consensus-based mechanism for maritime security and continue to engage with China on this front.

The author convincingly demonstrates the linkages between China's economic reforms and its security reforms. In consonance with the title, he successfully argues that energy insecurity and maritime disputes have rendered the SCS a space with strategic interests that are significantly larger than its geographical span. The book also assumes a balanced and pragmatic approach towards China's marine forces, which, the author acknowledges, are meant to serve and secure economic and political interests of the state.

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