



**Making an Island in the South China Sea:
Sansha and Chinese Foreign Policy**

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Table of Contents

	Page
Acknowledgements	iv
Executive Summary	v
Chinese Foreign Policy for the South China Sea	1
Making a city in the South China Sea	2
Indisputable disputes and increasing hostility	5
The South China Sea and the US	8
Conclusion	9
About the Author	13

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Executive Summary

The South China Sea has moved to the center of debates about China's increasingly assertive foreign policy. Most policy analyses of the situation have focused on either the implications for international law or China's proposed military plans to create a South China Sea version of the "East China Sea Air Defense Identification Zone" (ADIZ). While there has been much excellent work analyzing China's influence on global politics, little has been done to understand the role China's domestic administrative institutions play in managing these disputed territories.

In 2012, the Chinese State Council upgraded Sansha, a tiny community on an island in the disputed region of the South China Sea, to the status of a prefecture-level city. The city population had not grown, and while Sansha's upgrade meant an increase in its administrative power, it meant very little in terms of physical construction or migration. However, following the announcement, Chinese officials argued that Sansha's designation as a prefecture-level city "announces to the rest of the world that China has indisputable sovereignty over this region." The decision to upgrade Sansha represents an attempt to expand Chinese governance over a region of growing importance and should not be considered "hype" or a simple administrative reorganization by Beijing.

While most ASEAN states have welcomed US policy in the region as a check on growing Chinese power, the economies of these states are increasingly dependent upon China and they do not wish for conflict between the US and China. In light of this economic dependency, and the inability of neighboring nations to militarily contest Chinese claims over these territories, many analysts and media pundits have declared the South China Sea an area of "indisputable disputes."

Rather than treat the South China Sea disputes as a deadlock or dismiss Chinese claims as bluster, more can be gained by considering how Chinese understandings of "territory" go beyond what can be simply drawn on a map. China wishes to extend its territorial control over the South China Sea: the airspace above it, the islands in it, the surface of the ocean, the submarine spaces, and the ocean floor. To legitimate that claim, China uses domestic institutions to build a territory where one did not previously exist. Shortly after upgrading Sansha, for example, 21 companies were approved to set up offices on the island, an official government website was launched, a newspaper was opened, and the island was extended to accommodate a new airport runway. China's treatment of the South China Sea does represent a new, more assertive, foreign policy regarding contested territories, but it also represents a new motivation for remaking territory such that it conforms with the conventions of international law and an innovative use of domestic institutions as instruments of foreign policy to legitimate territorial claims.

Chinese Foreign Policy for the South China Sea

By Guanpei Ming

On July 24, 2012, in a ceremony on Yongxing Island, the vice minister of Civil Affairs announced the establishment of Sansha city and unveiled new signboards for the Sansha Municipal Government and the Sansha Municipal Committee of the Communist Party of China. Sansha, literally translated as “the three islands,” had the day before been a county-level territorial unit. To make Sansha a city, the Ministry of Civil Affairs performed a ceremony at which officials from the central government announced the territorial changes and economic goals for a new city to be established there, Sansha. It is located in the South China Sea, within a few hundred nautical miles of huge gas and oil reserves which account for a third of China’s total energy reserves, leading analysts to call the region “China’s Persian Gulf.”¹

The politics of territorial arrangements in China remains understudied. Western scholars often express surprise at “how it was possible for a country of continental dimensions, inhabited by people who speak mutually unintelligible languages and exhibit an amazing array of regional differences, to be organized by a unitary state and governed by one power center.”² Yet, even a cursory examination of China’s history reveals that one of its most stable elements has been its system of territorial administration. There is continuity between the units, boundaries, and the hierarchy of territorial administration in China and its empire, both late and modern.³ China has an unusual number of exotic territorial arrangements and still functions as a strong state. Western cartography makes us think of territory as being demarcated by boundary lines, but in China sub-national territories exist which are not always constitutionally described or visible on a map. Anthony Giddens, for example, describes the state in essentially territorial terms when he argues that a state is a “bordered power-container.”⁴ However, as Stuart Elden has recently demonstrated, this concept of territorial state sovereignty is only one kind of spatial organization developed during a particular historical moment in Europe just before the adoption of the 1648 Peace of Westphalia.⁵ However, many of the debates on contemporary Chinese territory, and European territory as well, continue to understand territory in these 17th century terms. Rather than consider contemporary territory as a property of sovereign states, this understands Chinese territory as a function of social and spatial organization with an institutional and geopolitical history.

Today, the Chinese government can, and often does, redraw the internal boundaries or remove the territorial status of areas. Whereas many other states discuss territory theoretically, in China official administration of territories has been reified in government offices. This is done by the central government using a system of “administrative divisions” (*xingzheng quhua*). When the central government makes a decision about a territory, for political or economic

¹ Guang Yang, “Lun Zhongguo Zai Nanhai Wenti Shang de Guojia Liyi (On China’s National Interests in the South China Sea Dispute),” *Xin Dongfang (New Oriental)* 46 (2012): 10–16.

² Lowell Dittmer and Samuel S Kim, *China’s Quest for National Identity* (Ithaca: Cornell University Press, 1993), 81.

³ John Fitzgerald, “The Province in History,” in *Rethinking China’s Provinces*, ed. John Fitzgerald (London; New York: Routledge, 2002), 11–39.

⁴ Anthony Giddens, *A Contemporary Critique of Historical Materialism* (University of California Press, 1985), 5–6.

⁵ Stuart Elden, *The Birth of Territory* (University of Chicago Press, 2013), 3.

reasons, the Ministry of Civil Affairs announces the change and begins implementing new territorial policies. This is often done without notifying the public in advance and without asking for local consultation.⁶ The addition, elimination, adjustments, and merger of territorial units have been strategies designed by the state to cope with changing political and economic circumstances nationally and/or locally.⁷

Making a city in the South China Sea

China's administrative system creates other special territories with some level of autonomy, but which are also subject to the central government and the rules of a nested hierarchy of authorities. Asian Studies scholar John Fitzgerald has recently argued that a better measure of China's power is to consider the way its government can reconcile the sometimes complementary and sometimes conflicting interests of dispersed territories effectively.⁸ Since the political and economic "Reform and Opening up" (*gaige kaifang*) policy in 1978, China has changed its methods of governance by establishing new institutions and adjusting territorial arrangements to its new economic goals. Some places have been promoted administratively or assigned special administrative status such as that of special economic zone.⁹ For example, China has established hundreds of new cities (over 650) and has made many changes to the territorial organization of regions in the administrative system. The most important change was in 1997, when the central government removed the historical city of Chongqing and surrounding areas from Sichuan province and reclassified region, moving it from a prefectural-level up the administrative hierarchy to provincial-level status.

Political geographer Carolyn Cartier has argued that these changes are a demonstration of power where "Chinese space economy is an actively scaled territorial mosaic whose dialectical interrelations the state seeks to manage in order to spur economic development while simultaneously maintaining political control."¹⁰ The creation of these hundreds of new cities and regions has greatly impacted the county-level, where territory has been changed to smooth the progress of real estate development (because only urban land can be leased for development legally). In 1979 there were 2,009 counties; today there are only 1,464 counties in China.¹¹ At the same time, many new institutions were founded at township-levels in order to formalize procedures in those areas formerly under loose regulation. A recent study has concluded that township bureaucracies have been growing at an annual rate of 7 percent since 1988.¹² How and

⁶ "Zhongguo Xingzheng Quhua Wang (The Official Website of Administrative Divisions of the PRC)," accessed Nov. 12, 2013, <http://www.xzqh.org.cn/>.

⁷ Laurence J. C. Ma, "Urban Administrative Restructuring, Changing Scale Relations and Local Economic Development in China," *Political Geography* 24, no. 4 (May 2005): 477–97.

⁸ John Fitzgerald, ed., *Rethinking China's Provinces* (London; New York: Routledge, 2002), chap. The Province in History.

⁹ Him Chung, "State Regulation and China's Administrative System: A Spatial Perspective," *China Review* 8, no. 2 (Fall 2008): 201–30.

¹⁰ Carolyn Cartier, "City-Space: Scale Relations and China's Spatial Administrative Hierarchy," in *Restructuring the Chinese City: Changing Society, Economy and Space*, ed. Fulong Wu and Laurence J. C. Ma (Taylor & Francis, 2004), 21–38.

¹¹ *China Statistical Yearbook 2012* (China Statistic Press, 2012), 134, <http://www.chinabookshop.net/china-statistical-yearbook-series-1981-2012-electronic-version-p-2112.html>.

¹² Dali L Yang, *Calamity and Reform in China: State, Rural Society, and Institutional Change Since the Great Leap Famine*. (Stanford: Stanford Univ Press, 1998).

why the Chinese government goes about creating these hundreds of new counties and townships in this short time are questions that have been overlooked by many China experts. This paper will examine the ways in which deterritorialization and reterritorialization sometimes create new territories in China.

Adjustments to the administrative system and territorial policies vary historically, are often very provisional, and only rarely apply to all the similarly ranked regions in China. The central government, which is often described as authoritarian, monopolizes the ability to decide both territorial policies and how the administrative system operates. Decisions to change territorial policy, promote or demote regions in the hierarchy, or to create new regions begin behind closed-doors where the central government negotiates with local government officials. After a decision is made, the Ministry of Civil Affairs announces the decision and often begins making changes without giving advance notice to the public. The Ministry provides rationales for these decisions which can change and are never uniformly applied to all territories. Most recently, the criteria needed to promote the administrative hierarchy from country-level to prefecture-level has been codified as:

A rural township can be designated as a city (country-level) with a minimum non-agricultural population of 60,000 and GDP of 200 million Yuan. Special treatment is given to border towns, national minority areas, famous tourist spots, transport hubs and ports which do not meet the above criteria. Country-level cities could be promoted to prefecture-level cities when: (a) nonagricultural population in the urban district is over 250,000, 80 percent of whom are situated in a city-government seat; (b) the gross value of industrial and agricultural output reaches 3 billion Yuan or more, at least 80 percent contributed by industrial production; (c) CDP reaches 2.5 billion Yuan, at least 35 percent contributed by tertiary industry; and (d) local budget income is over 200 billion Yuan.¹³

These criteria are not always met when decisions to promote a region are made. For example, when China decided to establish a new city in the contested island territories of the South China Sea, the Ministry of Civil Affairs applied a different rationale. The establishment of a new city in China is not what Westerners would typically imagine; no one came to the region with building materials and built a new city where there was not one before. The territory of Sansha was simply moved up the hierarchy from county-level to prefecture-level.¹⁴ The ceremony was attended by the city's elite and Party members, the provincial Party chief and his personnel, military leaders, and the Vice-minister of Civil Affairs. An official announcement was also made on the Ministry of Civil Affairs website and news stories were broadcast. No immediate material changes were made to the territory and the states which compete with China for control over the region, Vietnam and the Philippines, were not participants in the decision to upgrade Sansha. Despite not fitting the criteria cited earlier, Sansha was promoted to city-status and very little reorganization of the territory itself has occurred.

¹³ Junliang Dai, *Zhongguo Shizhi (China's City System)* (Beijing: Zhongguo Ditu Chubanshe, 2000).

¹⁴ "Minzhengfu Guanyu Guowuyuan Pizhun Sheli Diji Sanshashi de Gonggao (The Ministry of Civil Affairs Statement about the Establishment of a Prefecture-Level City of Sansha)," June 21, 2012, <http://www.mca.gov.cn/article/zwgk/mzyw/201206/20120600325063.shtml>.

The promotion of Sansha's administrative status is not a result of its huge population or economic power: there are only 600 residents in Sansha city. In China's administrative hierarchy system, the level of a city decides the scope of its activity and authority in its domain; the higher a region is ranked in the hierarchy, the greater authority it can exercise.¹⁵ In the 1960s and 1970s, hydrocarbon resources were discovered in the South China Seas. Since then, intense competition over accessing gas and oil has become one of the most important reasons for tension between Southeast Asian governments and China.¹⁶ China very clearly states that Sansha's designation as a prefecture-level city "announces to the rest of the world that China has indisputable sovereignty over this region." The political geographer James Scott provides a useful explanation for why China might decide to promote Sansha, "These neglected and seemingly useless territories ...were suddenly of great value to the economies of mature capitalism. They contained valuable resources ...that might in many cases be the linchpin of state revenue."¹⁷ Estimates for exactly how much gas and oil might be available for extraction in the South China Sea vary. Chinese analysts often find that the domain is a critically important source of energy for China's future economic development.¹⁸ The oil and gas reserves near Sansha give "reason to project state power to the nethermost reaches of these ungoverned regions and bring their inhabitants under firm control."¹⁹ Under China's political-economic system, when a county is promoted to a city, its physical area, population size as well as its authority will usually increase simultaneously.²⁰ Sansha's upgrade means an increase of its administrative power, as illustrated by a greater number of government bodies and more industrial units, and more control of policy-making but very little in terms of physical construction or migration.

In 2012, 21 companies had already been approved to set up offices in Sansha, including big state-owned enterprises since July 2012, but Sansha is still a tiny island, not originally long enough even for an airport runway (the island was extended to accommodate one earlier), and not able to support many new residents. Despite this, Sansha has launched its official government website and has opened its first newspaper.²¹ Soon after, China released a plan on how to build Sansha which included four infrastructure projects and housing program.²² According to the development plan, road construction, water supply and drainage would be initiated. To connect Yongxing Island and other islands, an inter-island transportation and a dock will be built too. Those infrastructures sustain Sansha's development and also let China better manage Sansha and other island.

¹⁵ Fitzgerald, "The Province in History."

¹⁶ Jian Zhang, "China's Growing Assertiveness in the South China Sea," n.d., <http://nsc.anu.edu.au/documents/occasional-5-brief-4.pdf>.

¹⁷ James C Scott, *The Art of Not Being Governed: An Anarchist History of Upland Southeast Asia* (New Haven: Yale University Press, 2009), 10.

¹⁸ Yang, "Lun Zhongguo Zai Nanhai Wenti Shang de Guojia Liyi (On China's National Interests in the South China Sea Dispute)."

¹⁹ Scott, *The Art of Not Being Governed*, 10.

²⁰ Him Chung, "The Change in China's State Governance and Its Effects upon Urban Scale," *Environment and Planning A* 39, no. 4 (2007): 789-809.

²¹ "China's Sansha City Launches Government Website," accessed Dec. 28, 2014, http://news.xinhuanet.com/english/china/2014-01/01/c_133011878.htm.

²² "China Speeds Up Construction of Newly Founded City of Sansha," accessed Feb. 27, 2015, http://news.xinhuanet.com/english/china/2012-09/29/c_131882186.htm.

On June 14, 2014, China began construction on a kindergarten and primary school for the citizens of Sansha city. This might not seem significant, but the Chinese government plans to spend 36 million yuan, or \$5.6 million, for approximately 40 children on the Island. China opened the school not because it was overly concerned with the education of 40 children (at \$140,000 each), but because giving Sansha city status is a strategy for international recognition of China's claim to the Island. China's official news agency, *Xinhua News*, announced the decision by noting that China needs Sansha city "to ensure efficient management" of the region.

The prefecture-city of Sansha administrators about 260 islands, reefs, and sandbanks and it is subdivided into three islands-districts at county-level, and three towns at the township level based on China's administrative hierarchy. The three counties are located in Xisha, Nansha, and Zhongsha, which the international society respectively calls Paracel Islands, Spratly Islands, and Macclesfield Bank and over which several other countries including Malaysia, the Philippines, and Vietnam claim to have sovereignty. The United Nations Convention of the Law of the Sea, ratified by China and most other countries, permits an exclusive economic zone extending 200 nautical miles from its costal baselines.²³ Sansha's jurisdiction will therefore cause international controversy on the claims of maritime rights especially to exclusive economic zones and continental shelves. Although the US does not claim sovereignty over any of the islands in the South China Sea, it concerns "the freedom of navigation, including the security of the sea lines of communication that pass through these waters"²⁴ and has shown special attention to and involvement in South China Sea disputes. China's decision to make Sansha a city has influenced South China Sea international relations by making the region increasingly tense and increasing US involvement. However, contrary to the way many foreign policy and military analysts describe the situation, the decision to make Sansha a city reflects changing ways of governing a territory in modern complex and interactive geopolitics.

Indisputable disputes and increasing hostility

M. Taylor Fravel states that the South China Sea dispute "involves the overlapping claims of six governments to territorial sovereignty and maritime rights, encompasses the main sea lines of communication that connect Southeast Asia with Northeast Asia covers large fishing grounds and may contain vast reserves of oil and natural gas."²⁵ The upgrade of Sansha and simultaneous tensions between China and other claimant states over the disputed territories in the South China Sea have engendered international concerns about China's assertiveness, especially considering China's history of using forcing over island territorial conflicts and its growing economic power. The Sansha case alone is important, but the South China Sea also represents "the projection of the cultural consciousness of the centuries-long relationship that each costal nation has had with its adjoining seas."²⁶

²³ Jerome A Cohen and Jon M Van Dyke, "Limits of Tolerance," *South China Morning Post*, Dec. 7, 2010, <http://www.scmp.com/article/732659/limits-tolerance>.

²⁴ Patrick M Cronin, *Cooperation from Strength: The United States, China and the South China Sea* (Center for a New American Security, 2012), 35.

²⁵ M. Taylor Fravel, "China's Strategy in the South China Sea," *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 33, no. 3 (2011): 292.

²⁶ Peter Dutton, "Three Disputes and Three Objectives: China and the South China Sea," *Naval War College Review* 64, no. 4 (2011): 42.

The decision to make Sansha a city is a good example of how contemporary Chinese territoriality functions. China's decision to make it a city has nothing to do with the number of people or GDP there. Instead, it is an attempt to control a region, the resources in that region, and a way to delegitimize other country's claims to that territory. The decision to make Sansha a city, as a function of Chinese territoriality, is not a matter of domestic policy, but has always been a decision about how to manage the South China Sea so as to limit other state's control of the region in other words it is a foreign policy concern.

Stephen Krasner points out that "the sovereign state model is a system of political authority based on territory, mutual recognition, autonomy, and control."²⁷ Territory becomes a key issue among all the disputes which especially on the question of which littoral states have the sovereignty over the territory of the islands in the South China Sea. Upgrading Sansha's status means Sansha's local government has the authority to administer its areas and surrounding waters. The areas that Sansha administrates are Xisha Islands (Paracel Islands,), Nansha Islands (Spratly Islands), and Zhongsha Islands (Macclesfield Bank), all of which are disputed by China and some of its Southeast Asian neighbors. China completely controls the Xisha Islands but Vietnam claims it has indisputable sovereignty over them. Nansha roughly has 230 maritime features such as islands, islets, and reefs. Vietnam currently occupies 22 of the largest features, the Philippines occupies 8 features, and China occupies 7, while Vietnam and China both claim indisputable sovereignty over all these land features. Zhongsha is a sunken atoll of underwater reefs and shoals, currently claimed by China and Taiwan. Vietnam and China both claim indisputable sovereignty over all these land features.

The upgrade of Sansha has stirred a barrage of international reactions among the countries claiming sovereignty over those disputed islands. In the earlier stage of the proposed plan for upgrading Sansha, Vietnam protested Sansha's proposed establishment. When asked about Vietnam's position to news of China's State Council approval of upgrading Sansha to an Island (which Vietnam also claims to have sovereignty), the spokesman of Vietnam's Ministry of Foreign Affairs responded that "Vietnam possesses adequate historical evidence and legal foundations to proclaim its indisputable sovereignty...Vietnam objects to China's establishment of Sansha city on the Hainan Island to administer three islands...This action is a violation of Vietnam's sovereignty."²⁸ Following this, Vietnam's government allowed demonstrations outside the Chinese embassy for the first time in recent memory. After China officially upgraded Sansha and decided to build a military garrison there in 2012, Vietnam filed a formal protest with China against the plan to station troops in Sansha. Vietnam states that "the city's establishment and related activities are against the ground rules for resolving maritime issues the countries agreed to last October and the Declaration of Conduct (DOC) signed between ASEAN and China in 2002."²⁹ The Philippines summoned the Chinese ambassador and verbally protested China's establishment of Sansha city. Philippine President Benigno Aquino called on the nation to show strong resolve against China's strident rhetoric and stated that his government had

²⁷ Stephen D. Krasner, "Rethinking the Sovereign State Model," *Review of International Studies* 27, no. 05 (2001): 18, doi:10.1017/S0260210501008014.

²⁸ "- Vietnam Objects to China's Establishment of San Sha City on the Hainan Island," MLNews, accessed Aug. 18, 2014, http://www.mofa.gov.vn/en/tt_baochi/pbnfn/ns071204135539.

²⁹ "Vietnam Continues to Protest China's Establishment of Island City," *Thanh Nien Daily*, accessed Aug. 18, 2014, <http://www.thanhniennews.com/politics/vietnam-continues-to-protest-chinas-establishment-of-island-city-6142.html>.

shown forbearance and goodwill in the long-running disputes with China.³⁰ Despite this, *Global Times*, a strong pro-government newspaper in China, argued that as a great power, China should not realize its goal by dealing with diplomatic protests but with actions, and that establishing Sansha shows that China can ignore all the claims and laws that the Philippines and Vietnam made regarding the South China Sea and China restates its strategic initiative.³¹

According to Fravel, “Behavior in territorial disputes is a fundamental indicator of whether a state is pursuing status quo or revisionist foreign policies.”³² International society considers that recent developments in Sansha to be strategically significant as they challenge the common interpretation of China’s overall behavior in the South China Sea, namely that “China has been moderating its policies toward the South China Sea in the past after recognizing that its actions escalated tensions too much.”³³ However, Sansha’s upgrade may send a different signal to China’s neighbors that it may be more assertive and provocative in its approach to territorial disputes.

Fravel also gave a very specific explanation on the strategies that a state may pursue in managing territorial disputes. According to him, there are three: “First, it can pursue a strategy of cooperation, which excludes threats or the use of force and involves an offer to either transfer control of contested land or drop claims to an existing piece of territory. Second, by contrast, a state can pursue a strategy of escalation, engaging in coercive diplomacy to achieve a favorable outcome at the negotiating table or using force to seize contested land. Finally, a state can adopt a delaying strategy, which involves maintaining a state’s claim to a piece of land but neither offering concessions nor using force. In essence, a delaying strategy is premised on maintaining existing claims in a dispute”³⁴ China normally pursued a delaying strategy to consolidate its claims in South China Sea and deter other states from reinforcing their own claims, disputes that China insists on solving bilaterally. By contrast Vietnam and the Philippines ask to engage the US and the Association of Southeast Asian Nations (ASEAN). By choosing delay, China has tried not to “pursue a strategy of escalation of seizing disputed features from other states or compelling them to abandon their own claims to maritime rights. Instead, the strategy seeks to consolidate China’s ability to exercise jurisdiction over the waters that it claims.”³⁵

China’s action in Sansha causes neighboring countries to worry that China may increase its acquisition of and assertiveness over territory disputes as China becomes a global and regional player. When assessing China’s rise, international relations scholars use different theories to examine the impact of China’s huge economic power. Power transition and offensive

³⁰ “Vietnam, Philippines Slam China Garrison Plan,” Text, *Australia Network News*, (July 24, 2012), <http://www.abc.net.au/news/2012-07-24/an-philippines-vs-china-sprtlys/4152262>.

³¹ “Sansha Bushi Zugei Feiyue Kande Huajiazi (Sansha Is Not Just a Formality to Show the Philippines and Vietnam),” accessed Aug. 18, 2014, <http://china.huanqiu.com/newchinahotcomment/2012-07/2947439.html>.

³² M. Taylor Fravel, “Regime Insecurity and International Cooperation: Explaining China’s Compromises in Territorial Disputes,” *International Security* 30, no. 2 (2005): 47.

³³ Oriana Skylar Mastro, “The Sansha Garrison: China’s Deliberate Escalation in the South China Sea,” accessed Aug. 18, 2014, <http://www.cnas.org/content/bulletin-5-sansha-garrison-china%E2%80%99s-deliberate-escalation-south-china-sea>.

³⁴ M. Taylor Fravel, *Strong Borders, Secure Nation: Cooperation and Conflict in China’s Territorial Disputes* (Princeton: Princeton University Press, 2008), 10–39.

³⁵ Fravel, “China’s Strategy in the South China Sea,” 299.

realism both predict that conflicts are possible. The most famous offensive realist and author, John Mearsheimer, University of Chicago, asserts that power is the ultimate source of security in an anarchic world, states is prone to expand their influence, and therefore China is going to cause armed conflict.³⁶ Their logic, I combination with the Sansha upgrade causes some Southeast Asian countries to believe there is no hope for a solution to these disputes. However, since development and a peaceful international environment are very important as to China's economic growth is its core interest, China will likely continue to pacify neighboring countries to promote peace, stability and cooperation in Asia.

The South China Sea and the US

The US does not claim sovereignty over any of the disputed islands, but it has shown special interest in this area due to strategic and economic concerns. The geostrategic significance of the South China Sea, located at the intersection of East Asia and the Indian Ocean area, is hard to ignore if we use historian Alfred Mahan's maritime strategy theory.³⁷ The South China Sea areas "exhibit characteristics similar to the Mediterranean Sea and the Caribbean Sea, as well as some revealing differences."³⁸ When Mahan compared the Caribbean Sea and Gulf of Mexico to the Mediterranean he noted the strategic features of those areas.³⁹ For the US, the South China Sea has geopolitical significance importance in its global leadership. The South China Sea links the Pacific and Indian Oceans, "a mass of connective economic tissue where global sea routes coalesce, accounting for \$ 1.2 trillion in US trade annually. It is the demographic hub of the 21st century global economy, where 1.5 billion Chinese, nearly 600 million Southeast Asians and 1.3 billion inhabitants of the Indian subcontinent move vital resources and exchange goods across the region and around the globe."⁴⁰ This background is why the US feels it has responsibility to keep the South China Sea peaceful and stable.

China's establishment of a garrison in Sansha sent a signal to the US that Beijing is willing to exercise hard power. The Department of State quickly responded to Sansha's upgrade by having its spokesperson declare that the US "remain concerned should there be any unilateral moves of this kind that would be seen to prejudice an issue that we have said repeated can only be solved by negotiation, by dialogue, and by a collaborative diplomatic process among all of the claimants."⁴¹ Jim Webb, chair of the Senate Foreign Relations East Asian and Pacific Affairs Subcommittee, made a speech about China's action and argued that China's establishment of Sansha is "literally the unilateral creation from nowhere of a government body in an area that is claimed also by Vietnam. This city they are creating will administer more than 200 islets, sand banks and reefs covering 2 million sq. km of water. They have populated and garrisoned an

³⁶ John J. Mearsheimer, *The Tragedy of Great Power Politics*, Reprint edition (New York: W. W. Norton & Company, 2003).

³⁷ A. T. Mahan, *The Influence of Sea Power Upon History, 1660-1783*, New edition edition (New York: Dover Publications, 1987).

³⁸ James R Holmes, "Strategic Features of the South China Sea: A Touch Neighborhood for Hegemons," *Naval War College Review* 67, no. 2 (Spring 2014): 30.

³⁹ Mahan, *The Influence of Sea Power Upon History, 1660-1783*.

⁴⁰ Cronin, *Cooperation from Strength: The United States, China and the South China Sea*, 5.

⁴¹ Bureau of Public Affairs Department of State. The Office of Website Management, "Daily Press Briefing - July 24, 2012," Daily Press Briefing, *US Department of State*, (July 24, 2012), <http://www.state.gov/r/pa/prs/dpb/2012/07/195425.htm>.

island that is in contest in terms of sovereignty, and they have announced that this governing body will administer this entire area in the South China Sea.”⁴² China showed strong opposition to the US tone. China’s Ministry of Foreign Affairs also issued a statement that the US “completely ignored the facts, deliberately confounded right and wrong, sending a seriously wrong signal, which is not conducive to the efforts safeguarding the peace and stability of the South China Sea and the Asia Pacific region.”⁴³

The US tried to maintain a position of neutrality regarding sovereignty issues over the disputed territories in the South China Sea. But after the establishment of the garrison in Sansha, US explicitly pointed out that, “China’s upgrading of the administrative level of Sansha City and establishment of a new military garrison there covering disputes areas of the South China Sea run counter to collaborative diplomatic efforts to resolve differences and risk further escalating tensions in the region.”⁴⁴ As a result, “the US appeared to be turning toward much more active involvement in the dispute and potentially taking sides.”⁴⁵ In particular the US boosted relations with Vietnam and the Philippines, which will impact the Sino-US relationship, the most important international relationship in the international system.

As a world power, the US has vital interests in Asia. Vietnam and the Philippines are strong allies. Those two countries have been trying to expand and strengthen relations with the US and have “intensified efforts to encourage the US to increase its presence as tensions in the South China Sea escalate.”⁴⁶ The US increasing presence in this area “has made Beijing more suspicious of ASEAN’s moves on the South China Sea issue: it interprets the organization’s initiatives as the result of American urging. A greater US presence could intensify US-China strategic competition and further alarm regional states which seek to avoid having to choose between two giants.”⁴⁷

Conclusion

Many of the debates on contemporary Chinese territory assume that sovereignty is tied to the specific territory of a sovereign power. In his work for example, Taylor Fravel applies a Westphalian understanding of territoriality which no longer explains Anglo-European territoriality, let alone Chinese territoriality. Instead, it is better to think of sovereignty as a function rather than a thing which states, institutions, or people hold. China is not claiming

⁴² “Senator Webb: China’s Military and Governmental Expansion into South China Sea May Be a ‘Violation of International Law,’” Dec. 15, 2012, <http://web.archive.org/web/20121215031546/http://www.webb.senate.gov/newsroom/pressreleases/2012-07-25-03.cfm>.

⁴³ “China Opposes US Statement on S. China Sea CCTV News - CNTV English,” accessed Aug. 18, 2014, <http://english.cntv.cn/program/newsupdate/20120805/103205.shtml>.

⁴⁴ Bureau of Public Affairs Department Of State. The Office of Website Management, “South China Sea,” Press Release|Press Statement, *US Department of State*, (Aug. 3, 2012), <http://www.state.gov/r/pa/prs/ps/2012/08/196022.htm>.

⁴⁵ M. Taylor Fravel, “US Policy towards the Disputes in the South China Sea Since 1995,” *S. Rajaratnam School of International Studies*, March 2014, 7.

⁴⁶ “Stirring up the South China Sea (II): Regional Responses - International Crisis Group,” accessed Aug. 18, 2014, <http://www.crisisgroup.org/en/regions/asia/north-east-asia/china/229-stirring-up-the-south-china-sea-ii-regional-responses.aspx>.

⁴⁷ Ibid.

sovereignty over Sansha or the surrounding region so much as it is performing a sovereign function, acting as though it has always had sovereign control over the Island and then making sovereign decisions about its placement within the Chinese administrative hierarchy. A complex set of arrangements between China, Vietnam, the Philippines, and the United States makes this possible. Simply planting a flag, or a city, on an island is no longer sufficient to claim a territory as part of a state. Instead, by building a city, along with the buildings and functions we expect from a city, China is ensuring that its nodes and networks are the primary ones through which other actors must operate.

Thus, analyses like that by Fravel have a difficult time explaining why China must go through all the complicated and expensive performances of city-building on an Island which cannot be inhabited by enough people, buildings, and material to be an urban city. Rather than apply Western conceptions of the state as a “bordered power-container”⁴⁸ and territory as a property of states, China’s decision to make Sansha a city and import dirt to make the Island bigger are better understood as an effort to manage flows than claim the South China Sea as Chinese territory. Everyone knows that Sansha is not a real city in Western terms, even China, but they all agree to pretend that China’s decision to make Sansha a city fits within old models of territorial sovereignty so that capital continues to flow and resources can be put into global circulation. China does this to make sure that its “nodes and networks”⁴⁹ are the primary ones through which capital, material, and people in the South China Sea must flow.

⁴⁸ Giddens, *A Contemporary Critique of Historical Materialism*, 5–6.

⁴⁹ Nick Srnicek, *Assemblage Theory, Complexity and Contentious Politics: The Political Ontology of Gilles Deleuze*, 2007, 52.

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