

CHAPTER I

INTRODUCTION

The first chapter begins with a brief problem explanation on the background of South China Sea dispute. It explains briefly about South China Sea's strategic location and resources that affect the countries. Then this chapter will mention research question, which lead to focusing on specific problem. It follows with research purposes, research contributions and literature review. Theoretical framework that use to analyst the problem will be mentioned later, as well as hypothesis, research method and research range. Last is systematical writing that provides the content of the thesis.

A. Background

China is one of the biggest countries in terms of its economy, society, and geographic. Economically, China is one of fastest-growing GDP aiming to grow its GDP 6.5 percent annually along with 1.3 billion populations in the country, which makes China as one of the biggest populations in the world¹. Geographically, China is covering around 9.6 million square kilometers where it borders with 14 nations including Vietnam, Laos, and Myanmar on the land, East

¹Taken from: <http://www.worldbank.org/en/country/china/overview>, accessed on Monday, 9 October 2017 at 6.03 PM MYT

China Sea and Yellow Sea on the east side, and South China Sea on the south².

Bordering with those countries make China has an important role in deciding its foreign policy, as well as in South China Sea area that borders with some countries like Vietnam, Philippines, Malaysia, Brunei, and Indonesia in South East Asia. Maintain the stability in South China Sea makes the cooperation among those countries stable.

South China Sea that covering around 3,500,000 square kilometers which surrounding Malacca Strait and Strait of Taiwan³ and consist of more than 250 small islands and reefs, believed to have natural resources that can provide benefits to the countries surround it. China as number two largest consumer on oil after the USA, import its 52 percent of oil from the Middle East and try to increase its oil needs from South China Sea. Nevertheless, Vietnam with its Petrol Vietnam produces 26 percent of its production from three South China Sea oil fields.⁴

Besides the oil resources, South China Sea becomes fishery attraction to the countries around. South China Sea is

² Taken from: https://en.wikipedia.org/wiki/China#Political_geography, accessed on Monday, October 9, 17 at 7.27 PM WIB.

³ Taken from: https://en.wikipedia.org/wiki/South_China_Sea, retrieve on Wednesday, 11 October 2017, at 10:38 AM MYT.

⁴ Leszek Buszynski, The South China Sea: Oil, Maritime Claims, and U.S.—China Strategic Rivalry, taken from: https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/twq12springbuszynski.pdf, retrieve on Wednesday 11 October 2017, at 11.32 AM MYT.

estimated to contribute around 12 percent of total fish production around the world especially by China, Vietnam, and Thailand⁵. The contribution of fishery provides impact on their national economic development.

Located in the middle of those countries, South China Sea becomes the center of attraction with its strategic location and its natural resources. Geographically, South China Sea is maritime part of China, Taiwan, the Philippines, Vietnam, Brunei, Malaysia, Indonesia, and Singapore. The regulation of its dividend is based on the Exclusive Economic Zones (EEZ) under the United Nations Convention on the Law of the Sea (UNCLOS).

In the Article 57 – Breadth of the exclusive economic zone:

“The exclusive economic zone shall not extend beyond 200 nautical miles from the baselines from which the breadth of the territorial sea is measured.”⁶

Referring to the EEZ that has been ratified under UNCLOS, maritime zone is clear unless when the border is less than 200 nautical miles between two countries which the

⁵ Taken from:

https://nsc.crawford.anu.edu.au/sites/default/files/publication/nsc_crawford_anu_edu_au/2017-07/policy_option_3_v3.pdf, retrieve on Wednesday, 11 October 2017 at 4.17 PM MYT.

⁶ Part V: Exclusive Economic Zone, the United Nations Convention on the Law of the Sea, taken from http://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf, retrieved on October 12, 2017, at 9:28PM MYT.

maritime border divide by bilateral treaty. In South China Sea, the maritime border is clear among the country but not in the middle area.

China that is not ratifying the EEZs claims the South China Sea area and covering Malaysia, Vietnam, Brunei, the Philippines, Indonesia, and Singapore's territory. With the nine-dash line, China occupying the islands including Spratly and Paracel Islands and start to take hard power to protecting its area from other country. As the area that contributes the economic of surround countries by its resources, South China Sea stability becomes an important issue.

To strengthen the claimant of South China Sea, China builds men-made islands on the reef features in South China Sea. It mostly in Spratly and Paracel Islands. Additionally, besides building the artificial islands, China set military equipment on the islands such as military vessel that called Nan Hai Jiu 115, which can carry helicopters.⁷ Since the placement of China's military within the dispute area, the Philippines received 46 radio warnings from China's military

⁷ Philip S. Davidson, China Expands its Aggressive Activities in South China Sea, Raising New Concerns, Forum Indo-Pacific Defence, August 14, 2018, accessed from <http://apdf-magazine.com/china-expands-its-aggressive-activities-in-south-china-sea-raising-new-concerns/> on 2 December 2018 at 8:15 PM MYT.

base during the patrol by aircraft nearby the man-made islands.⁸

China threatens the countries that exploit the natural resources in South China Sea, even though the area is within their exclusive economic zone (EEZ). In 2017, Vietnam received a warning from China to stop a project on oil and gas, or else China will use military force. The closure of the project caused Vietnam to lose 200 million USD value.⁹

However, China has also built its international relations with the region surrounding South China Sea, which is legally under the Association of Southeast Asian Nations (ASEAN). Diplomatic relations are important in international relations among countries. It affects the relations between China and other countries related to the South China Sea dispute.

China itself has economic and security relations with Southeast Asian countries. The relations are in terms of bilateral, trilateral and also multilateral cooperation. Each state's foreign policy affects reactions from the parties. Hence, stability in the region is important both for China and Southeast Asian nations.

⁸ *Ibid*

⁹ Bill Hayton & Chatham House, China's Intimidation in the South China Sea Poses an Economic Threat to Vietnam, East Asia Forum, 28 April 2018, accessed from <http://www.eastasiaforum.org/2018/04/25/chinas-intimidation-in-the-south-china-sea-poses-an-economic-threat-to-vietnam/> on 2 December 2018 at 8:21 PM MYT.

B. Research Question

According to the background, this research focuses on answering the research question of **“What are China’s Foreign Policy Decision Making Factors in South China Sea Stability?”**

C. Research Purposes

The purposes of the research on China’s Foreign Policy Decision Making Factors on the South China Sea Stability are:

- a. To understand China’s foreign policy decision-making factors on maintaining the stability in South China Sea.
- b. To understand the importance of China’s foreign policy toward its relations with the surrounding countries.
- c. To analyze foreign policy decision-making factors from different point of view.

D. Research Contributions

This research aims to contribute on several aspects:

- a. This research aims to contribute on broaden the knowledge about decision making factors of a country especially China in the purpose of maintaining stability and relations of the countries.
- b. This research aims to contribute the knowledge to students about the importance of stability in a region.

E. Literature Review

There are many researches that discuss and analyze about China's foreign policy approach and decision-making factors in South China Sea issue. Those researches can be used as reference for this thesis, which aims to expand the idea and analysis. It also aims to continuing the research on foreign policy decision-making factors toward South China Sea.

The first research is a written journal by Christopher Roberts that entitled *The South China Sea: Beijing's Challenge to ASEAN and UNCLOS and the Necessity of a New Multi-Tiered Approach*¹⁰, which published on 29 August 2017. It discusses about the South China Sea disputes after the Philippines filed for international arbitration in 2013. The dependence toward the United States is not totally securing the Philippines on South China Sea dispute, which brings the Philippines seek a solution through ASEAN. This research is divided into two part, the first one is discussed about the reaction of ASEAN and China toward the South China Sea dispute and the arbitration that taken by the Philippines. The second part is discussed about the future prospects of the Association toward the South China Sea disputes, and the possibility of new institutional approach toward the settlement of the dispute.

¹⁰ Christopher Roberts, 29 August 2017, S.Rajaratnam School of International Studies, taken from <https://www.rsis.edu.sg/wp-content/uploads/2017/08/WP307.pdf>

The second research is done by Bruce Vaughn and Wayne M. Morrison that published by the CRS Report for Congress on 4 April 2006. The research is entitled “China-Southeast Asia Relations: Trend, Issues, and Implications for the United States” that discusses about the relationship between China and Southeast Asian Member States and its developing relations. The report also discussed about the bilateral relations between China and ASEAN nation and possible implications for the United States toward China-ASEAN Free Trade Agreement (CAFTA).

The third research is written by A. Doak Barnett, entitled “The Making of Foreign Policy in China: Structure and Process”. The book discusses about the structure and process of foreign policy making in China. Barnett started to gather data about China's foreign policy making in 1982 and since then he has met and interview the experts in Chinese foreign policy. The book by Barnett describes and explains the role and relationship of the decision making actors in China's foreign policy. The decision-makers are from institution and individual. From this book, the writer could understand about how the process of foreign policy making in China and where foreign policy is made, as every country has different process and scope.

The fourth research is done by Ueno Hideshi that based on discussions at the "Security Environment of the Seas in East Asia" International Conference”, which analyse about “The Problems in the South China Sea: Review of Island

Studies”¹¹. The research discusses about the importance of the security environment in the South China Sea. Ueno Hideshi describes and explains about the aims of China toward South China Sea territorial claims, as China is the main player in the dispute of area. It describes the American response, and also the ASEAN response as an Association in East Asia and Southeast Asia region. Some of the ASEAN members itself involve in the South China Sea dispute.

The fifth literature is written by Bob Catley from University of Adelaide and Makmur Keliat from Airlangga University, with their book entitled “Spratlys: The Dispute in the South China Sea”. The book discusses about the historical background of South China Sea dispute especially in Spratly area, from different point of view of countries involved. From this book we can understand the importance of South China Sea by its economic aspects and strategic aspects from China and ASEAN view. It also explains China’s rising power in East Asia and in the South China Sea.

Literature Review Summary

No.	Research Title	Author	Review

¹¹ Accessed from <https://www.spf.org/islandstudies/readings/docs/b00004r.pdf>

1.	The South China Sea: Beijing's Challenge to ASEAN and UNCLOS and the Necessity of a New Multi-Tiered Approach	Christopher Roberts	Reaction of ASEAN and China toward the South China Sea dispute and the arbitration that taken by the Philippines and the future prospects of the Association toward the South China Sea disputes.
2.	China-Southeast Asia Relations: Trend, Issues, and Implications for the United States	Bruce Vaughn and Wayne M. Morrison	The relationship between China and Southeast Asian Member States and possible implications for the United States toward China-ASEAN Free Trade Agreement (CAFTA).
3.	The Making of Foreign Policy in China:	A. Doak Barnett	The book explains the role and relationship of the decision making

	Structure and Process		actors in China's foreign policy and how foreign policy is made.
4.	The Problems in the South China Sea: Based on Discussions at the "Security Environment of the Seas in East Asia" International Conference	Ueno Hidashi	This paper discuss about China's aims in South China Sea dispute and the importance of security environment in South China Sea.
5.	Spratlys: The Dispute in the South China Sea	Bob Catley & Makmur Keliat	The book explains the importance of South China Sea from China and ASEAN member states' point of view.

F. Theoretical Framework

In order to analyze and understand the problem that mentioned above, this research will use Foreign Policy and Hegemonic Stability as the theoretical framework.

a. Foreign Policy

There are more than two hundreds nation-states—a territory that inhabited by the people with the same cultures and language—in the world especially those that registered in The United Nations. To manage the action-reaction of those states, it needs regulation that controls the interactions toward each other whether with other states and with non-state actors. The interaction towards other states to reach their goals is regulated as foreign policy.

Foreign policy of a state is made for many reasons. It aims to secure the national interest of the state as sovereign country while concerning its people from international actors. The development of foreign policy is also important for economic development, aiming for people's economy prosperity. Another aim, but not limited, is to maintain the relations between the country and others while implementing power toward other countries.

Foreign policy is a reflection of national interest of a country's community. Each state will not share the same foreign policy as it depends on the community needs, geographical condition, time, and government interest. Foreign policy as an outcome of national interest might focus on some aspects such as economic prosperity for the people, security, and sovereignty.¹²

Foreign policy makers—the president, prime minister, and its government, need to decide their policy differently with their domestic policy in order to manage the relations and control the external matter with other countries¹³. The decision is made to reach their goals as a sovereign country, in accordance to its national interest that provides benefit to the country and its citizen.

1. Foreign Policy by William D. Coplin

Foreign policy is made differently by countries based on the people's needs creates foreign policy differently and it usually differs from one another. In his

¹² Rahman, Saif Ur, and Shurong, Zhao, *Art and Social Sciences Journal: Analysis of Chinese Economic and National Security Interests in China-Pakistan Economic Corridor (CPEC) under the Framework of One Belt One Road (OBOR) Initiative*, July 19, 2017, Retrieve from: <https://www.omicsonline.org/open-access/analysis-of-chinese-economic-and-national-security-interests-in-chinapakistan-economic-corridor-cpec-under-the-framework-of-one-be-2151-6200-1000284.pdf>, accessed on December 23, 2017, at 10:37PM.

¹³ Jackson, Robert, & Serensen, Georg, *Pengantar Studi Hubungan Internasional: Teori dan Pendekatan*, fifth edition, 2013: Oxford University Press Inc., New York. P. 439

book of *Introduction to International Politics*, William D. Coplin analyzes foreign policy of a state by rational approach to understand foreign policy decision-making process by a state.

Rational approach by Coplin means that state is an important actor to reach national interests by calculating international politics of every country with rational aspect. In this rational approach, a state's foreign policy is a reaction that determined by how other states act in international relations. Every action and reaction in international relations that shown by other states is analyze by rational approach. The alternatives from reactions are all analyze to select the best way to respond the acts by other states, which is why it called rational approach.¹⁴

According to Coplin, the decision making process also decided by foreign policy decision making actors. The actors of foreign policy decision making need to consider some aspects within country. As mentioned by Coplin in his book of *Introduction to International Politics*, there are few aspects of foreign policy decision making factors:

¹⁴ Wangsa, Rd. Rikan Krisna, William D. Coplin: *Introduction to International Politics—Model of Decision Making Process*, Universtas Muhammadiyah Yogyakarta, 2013.

“To be interested in why states behave as they do interest area, we have to be interested in why their leader make decisions ... On the contrary, any given foreign policy act may be viewed as the result of three board categories of considerations affecting the foreign policy decision maker state. The first is the domestic politics within the foreign policy decision makers state; the second is the economic and military capability of the state; the third is the international context the particular position in which his state finds itself especially in relation to other state in system”¹⁵

Based on the statement by Coplin above, foreign policy is not simply made by foreign policy decision makers. There are three aspects that influence foreign policy decision maker in a state; domestic politics, economic and military capability and international context.

1.1 Domestic politics

Foreign policy is made by head of government aims to achieve its national interest and domestic goals. It varies for each state where its decision maker has different personalities. Foreign policy decision maker has an important key to decide what the state wants to achieve domestically, based on what people needs.

1.2 Economic and military capability

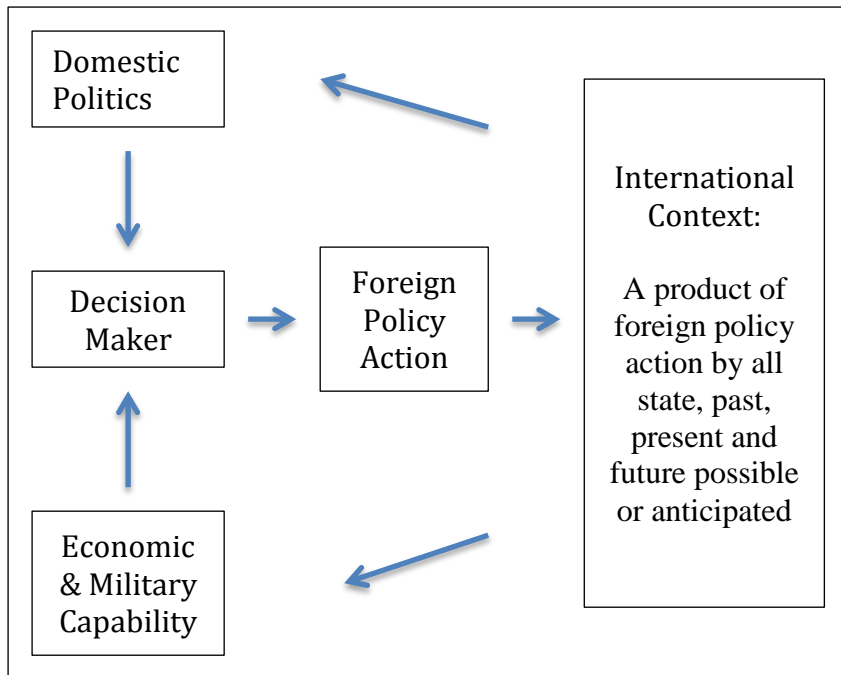
¹⁵ Coplin, William D., Introduction to International Politics, 2003, taken from <http://repository.uy.ac.id/bitstream/handle/123456789/11992/BAB%20I.pdf?sequence=5&isAllowed=y> retrieve on Sunday, July 8, 2018, at 7:07 PM MYT.

A state needs to know its economic and military capability before deciding foreign policy. It aims to know the limit of power that a state can apply to achieve its national interest through foreign policy in international relations. Geography is an important aspect that influences military strategy of a state especially on its security.

1.3 International context

A state's relationship with other countries in international context also determines a foreign policy decision making process. According to Coplin, there are three important elements that affect foreign policy decision; geography, economic, and politics. State's location is important aspect, where foreign policy of each state is different regarding of its international environment. Economic and political relations with other countries also affect the decision on foreign policy.

To understand better regarding the aspects that influence foreign policy decision maker, it figures as the flow below:



Source: Introduction to International Politics by William D. Coplin¹⁶

According to the feature above, foreign policy decision maker or head of government is influenced by domestic politics, economic and military capability and international context to decide foreign policy of a state. All of them are influencing another.

¹⁶ Wangsa, Rd. Rikan Krisna, William D. Coplin: Introduction to International Politics—Model of Decision Making Process, Universtas Muhammadiyah Yogyakarta, 2013. Retrieve from http://www.academia.edu/11030333/William_D._Coplin_Introduction_to_International_Politic_Model_of_Decision_Making_Proces on July 8, 2018, at 9:00 PM MYT.

b. Hegemonic Stability

The word hegemony is taken from Greek—*hegemonia*, which means leadership or dominance. It brought to the International Relations term by Robert Keohane.¹⁷ According to Robert Keohane, hegemony is defined as

“a situation in which one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so”.¹⁸

There is potential that a state, which govern by its state leader with its government, is having power to dominate the international system. It can influence and control the reactions by other countries in the system of international relations.

The implementation of its power to influence other actors is differentiate by two approach. The first is direct approach, which is hard power. Another is indirect approach, or soft power. The direct approach can be seen by a state’s domination and military force or reaction

¹⁷ Goda Dirzauskaite & Nicolae Cristinel Ilinca, Understanding “Hegemony” in International Relations Theories, Aalborg University: Development and International Relations, May 31, 2017. Retrieve from https://projekter.aau.dk/projekter/files/260247380/Understanding__Hegemony__in_International_Relations_Theories.pdf on 2 November 2018 at 11:56 AM MYT.

¹⁸ Yucel Bozdaglioglu, Hegemonic (In)stability and the Limits of US Hegemony, Adnan Menderes University, New York, 2009. Retrieve from <http://www.dagarcikturkiye.com/dosyalar/dosyayonetici/dosya/24052011170243.pdf> on 2 November 2018 at 12:01 PM MYT.

towards other country. Meanwhile, indirect approach is seen in the leadership and diplomacy of the state's leader.¹⁹

Referring to the situation above, some scholars combined the international political economy (IPE) with the international relations and established a theory from both perspective. One of them is Hegemonic Stability Theory by Charles P. Kindleberger.²⁰

The Hegemonic Stability Theory according to Charles Kindleberger is drawn because “for the world's economy to be stabilized there has to be stabilizer, one stabilizer”²¹. It means that there should be a state that has a dominance in international system to create a hegemony which aims to stabilize the international relations and economy relations. For building a hegemony in the leadership, international stability can be achieved by the dominancing on the military and economy.²²

G. Hypothesis

According to theoretical framework that uses to analyze the problem, writer draws hypothesis that China's foreign

¹⁹ Goda Dirzauskaite & Nicolae Cristinel Ilinca, *ibid.*

²⁰ *Ibid.*

²¹ Charles P. Kindleberger, *The World in Depression, 1929-1939*, (Berkeley: University of California Press, 1973), p. 305. Retrieve from Yucel Bozdaglioglu, *Ibid.*, p. 4.

²² Yucel Bozdaglioglu, *Ibid.*

policy decision-making factors are influenced by its domestic politics. The stability in South China Sea is an important aspect for China because China wants to build more power and expands its influence on economy and security to other countries, where China as the new superpower country rivalry with the United States.

H. Research Method

To analyze China's foreign policy decision making factors on the South China Sea stability, the research conducts a deductive method that means the hypothesis is drawn after the theoretical framework and approach are explored first. The hypothesis will be drawn through data and analysis.

The research is using qualitative method by collecting data through library research in which the data is secondary sources. The data are from scientific books, research journal, research paper and electronic books whether from database website and other relevant data. The data is to prove that the hypothesis is accurate and answering the main problem.

I. Research Range

This research focuses on answering of what are China's foreign policy decision-making factors in the South China Sea stability by analyze and find the factors of its foreign policy decision-making factors. The problem background history is

started since the declaration of nine-dash line in the South China Sea by China into the international community. This research observe China's foreign policy decision making factors starting from the Philippines submission to international arbitration until 2017, with foreign policy as theory basis in analyzing the phenomenon.

J. Systematical Writing

Chapter I gives a brief explanation about the paper. It explains the background of the research and the main problem that need to figure out in the research question. This chapter includes the research purposes, research contributions, literature review, theoretical framework, hypothesis, research method and range of research.

Chapter II elaborates the origin of historical background of South China Sea dispute. It explains the development of the issue. This chapter also explain China's foreign policy in Southeast Asia.

Chapter III gives an understanding about the dynamic of South China Sea. This chapter will explain the impact of South China Sea to the surround countries. It also elaborate foreign policy decision-making process and actors in China.

Chapter IV explains what are China's foreign policy decision-making factors in the South China Sea stability. It will give an

understanding on China's foreign policy that affect the stability in South China Sea.

Chapter V describes the conclusion that taken from Chapter I to Chapter IV, which concludes the analysis on the problem include the answer of theoretical framework.