

Overcome the Problem in Effectively Providing Public Goods in the South China Sea----- Taking Vietnam as an example

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Abstract: Joint development of the South China Sea is a typical regional cooperation, which cannot succeed without comprehensive and effective supply of regional public goods. However, the effective supply of public goods in the South China Sea has been in dilemma: the lacking of regional identity, the contradiction between the suppliers, and the insufficient demand. In this paper, in order to overcome the problem, the author takes Vietnam as an example to explore how to optimize the supply structure of the South China Sea regional public goods, improve its institutional providing level and give full play to the role of China.

1. The concept of international public goods and the production of regional public goods

1.1. Related research in the field of international public goods

Charles Kindleberger and Robert Gill explained the “Hegemonic Stability Theory” with the theory of international public goods, and believed that hegemonic powers maintained the hegemonic order by providing international public goods. Hegemonic powers have enormous economic surpluses, which can bear the cost of the supply of international public goods and tolerate “free-riding” behavior in exchange for other countries’ recognition of the international political and economic order established and dominated by hegemonic powers.

However, the fundamental purpose of providing international public goods by the hegemonic powers is to achieve hegemonic protection. The critics of the “Hegemonic Stability Theory” believe that the existence of hegemon can be positively or negatively related to the stability of the international political and economic system, which means that the correlation between the two is difficult to determine. Therefore, it is difficult to determine whether a hegemonic state is truly effective in providing international public goods.

In order to overcome the above-mentioned defects of international public goods, the scholars have developed the relevant practices and theories of regional public goods. Olson explicitly indicates that in the interpretation of “Collective Action”, the fewer the number of actors, the more help to avoid “free riders” to promote sustainable in-depth cooperation.

1.2. Related research in the field of regional public goods

In the 1990s, regional public goods theory began to receive attention. Todd Sandler defines regional public goods as: non-exclusive and non-competitive benefits generated within a certain range. Catherine Girvan thinks that multiple countries make joint efforts to adopt issue-oriented cooperative measures to solve the transnational problems of the regional public goods. The master of regional public goods research is Anthony Ansteward. The main idea of his representative work “Regional Public Goods: from Theory to Practice” is that regional cooperation enables individual countries to obtain public goods at a lower cost, build trust between countries, lay the foundation for future cooperation, promote the regional economic development, and promote greater integration of countries into the global economy. However, due to the existence of international anarchy, spontaneous international cooperation and international collective action have become the main

providers in the world. Based on this, in order to effectively meet the needs of regional development, countries in the region take the “beneficiary payment” as the basic principle, and allocate public goods with a set of well-defined rights and responsibilities mechanism.

The most important factor for promoting international cooperation as emphasized by neoliberalism is the international system, which itself is an international public good. The establishment and development of an international system, especially a tangible international organization, is itself the result of collective action. Duncan Snidal indicated that international cooperation often face “the coordination problem”, that is, there are several cooperative game balanced, and there is no uniform solution.

Currently, with the complex and challenging security situation in South China Sea, regional cooperation in public security and service areas has just started, is still very weak. Large countries within and outside the region have competed with each other around the design, demand and supply of regional public goods, and have so far failed to shape a regional public goods system that meets regional development needs. On the one hand, this is a chance for China to meet regional development needs, properly handle peripheral relations, and transform rising strength into regional influence; on the other hand, China's ability to improve relations with its neighbors in the south China Sea has been severely hampered by fragmented affairs and high levels of involvement by other countries, which has spawned many new problems.

This paper will start from the effective supply of regional public goods, and investigate how to combine the structural characteristics of the South China Sea with the needs of public goods, and determine what methods is useful.

2. Supply of public goods in the South China Sea

Currently, the supplier of public goods in the South China Sea mainly included the US-led alliance system and multilateral security mechanism, China-based diversified fields of economic development. The dilemma of the joint development of lies in the difficulty in reaching the basic consensus of the collective supply of public goods in different regions. Unsuccessful collective supply actions have led to the dilemma of joint development in the South China Sea.

The public goods supplied by the United States in the South China Sea mainly include the US-led alliance system and the multilateral security mechanisms. The United States has long relied on military security alliances in the South China Sea to provide public security products and services to the region. However, the United States provides regional public goods and services with clear thresholds and objectives, and cannot provide effective supply and don't know the real needs of the region. Moreover, after Trump took office, the willingness and ability of providing public goods to the world and the region also dropped significantly.

In the South China Sea region, China's public goods are mainly economic, including politics, finance, and security. The first type is institutional arrangements. In 2012, China issued the “Framework for International Cooperation in the South China Sea and its Surrounding Oceans (2011-2015)”. The “dual-track approach” was issued in 2014. In May 2017, China and 10 ASEAN countries reached consensus on the draft framework of the Code of Conduct for Parties in the South China Sea, and finally finalized the framework. November 14, 2018, Chinese Premier Li Keqiang in the “Singapore Lecture”, said China is willing to complete the “South China Sea Code of Conduct” consultations in the next three years to contribute to regional peace and development. The second type is infrastructure construction, such as the construction of the Trans-Asian Railway in the Indo-China Peninsula, port, and island. As the spokesperson of the Chinese Ministry of Foreign Affairs said, “The Chinese government has carried out related construction and maintenance of some islands in Nansha, mainly to improve the relevant functions of the islands, improve the working and living conditions of the resident personnel, and better safeguard the country, territorial sovereignty and maritime rights and interests, better fulfill China's international responsibilities and obligations.” The third category is financial sector. Financial cooperation projects advocated or actively participated by China, such as the Asian Infrastructure Investment Bank and the China-ASEAN

Maritime Cooperation Fund. Establish economic cooperation zones across regions, regions and sub-regions in the South China Sea, such as the China-ASEAN Free Trade Area.

The public goods provided by ASEAN are mainly to balance the political stands of various countries, deal with conflicts within the countries and promote economic cooperation. For example, in order to coordinate conflicts in the South China Sea, several members of ASEAN became the main drivers of the South China Sea Code of Conduct. Therefore, ASEAN has proposed six “Core elements”, Indonesia has put forward a "Zero Draft". ASEAN and China jointly safeguard peace and stability in the South China Sea region, and on the other hand, attempt to effectively solve the sovereignty dispute. The public goods provided by ASEAN in South China Sea region has obvious duality: on the one hand, it coordinates the relationship among member states, enhances the cohesiveness and mutual trust of members in the region; On the other hand, it can maximize the collective power to seek balance in the two main providers.

As mentioned above, the dilemma of joint development in the South China Sea is that it is difficult for suppliers to reach a consensus. Unsuccessful collective supply actions have led to a common development dilemma in the South China Sea. A clear intention, a consensus, and a sustained supply mechanism may be a good medicine for the co-development. However, we should pay attention to the demand characteristics of public goods and the ability of supply continuously in the South China Sea. The following is mainly discussed from the aspects mentioned above.

3. The way to provide effective supply of public goods in the South China Sea

3.1. Regional identity.

Regional identity is a kind of collective identity, which reflects the sense of belonging of regional countries and regards itself as a part of the overall identity of the region. The difference in regional identity level has greatly affected the path selection and development prospects of regional integration. Taking China's island-reef construction in the South China Sea as an example, China hopes to provide high-quality public goods and data through the island-reef construction in the aspect of joint search and rescue, meteorological observation and forecasting, and maritime surveying. The shared public goods and data can maintain the stability and security around the South China Sea. On the other hand, the regional cooperation can be effectively promoted. However, Vietnam, which has the most disputed islands with China, believes that China has built at least three runways in the Nansha Islands, each of which is at least 3,000 meters long, and both military and civilian aircraft can take off and land. The completed Yongshu reef runway is 3,160 meters long. The Chinese authorities have landed a civilian aircraft. In addition, the Yongshu Reef and the Meiji Reef have been expanded respectively, making them the largest islands in the South China Sea. Yongxing Island, where the Sansha Municipal Government is located, and Huangyan Island, which is contested by the Philippines, form an inverted triangle, like a sword inserted into the South China Sea, blocking the passage of Vietnam into the South China Sea. However, Vietnam believed that the construction of three reefs, making the current Chinese fighter combat radius greatly improved, can effectively control the South China Sea.

The lack of regional identity has seriously affected the construction of strategic mutual trust between China and neighboring countries. The positioning of the regional public goods itself reflects the appeal of regional autonomy, which creates the basic premise for cultivating collective identity. More importantly, regional public goods are the main way to promote regional cooperation and shape collective identity. First, providing physical public goods to countries in the South China Sea directly solves the actual problems faced by the region and enhances the ability to withstand external risks. On the other hand, it can improve the division of labor within the region, reduce transaction costs, and enhance regional competitiveness. Secondly, institutional public goods mainly involve mechanism platforms for regional cooperation. For example, in May 2017, China and 10 ASEAN countries reached consensus on the draft framework of the Code of Conduct for Parties in the South China Sea. Coordinating the actions of the parties in the South China Sea in an institutional manner is also a core

indicator of regional cooperation. Finally, conceptual public goods is also a key step in enhancing regional identity. As it shows, the differences between China and Vietnam on the islands construction are rooted in the differences between the two countries in terms of history, territorial disputes, economic and trade, etc., which makes it difficult to form an identity. Furthermore, whether the claimants in the South China Sea have these problems, it will not discuss in detail here. In short, conceptual public goods is helpful to unite regional consensus, strengthen regional subjectivity, and guide the formation of collective identity.

3.2. Practice of trial-error testing in the South China Sea.

The formation of identity is an external manifestation of the elimination of international conflicts. But consensus cannot be achieved through simple diplomatic negotiations. Of course, diplomatic consultations and negotiations, such as strategic dialogue between bilateral and multilateral countries and “endless” negotiations on border issues, are important and fundamental ways to build consensus. In addition, other more important ways include sanctions, aid and alliances. Specifically, in many cases, positive consultations and negotiations didn’t work. Therefore, territorial disputes between countries can lead to strategic confrontation and even international crisis. In crises, conflicts and wars, the interests, the distribution of power and the expectations of both sides will realign, laying the foundation for a new consensus. The weak will lower their expectations and see the limitations of their own strength on the target. For example, in the area of Wan’antan Basin, there have been confrontations and even conflicts between the Chinese and Vietnamese navies. Both parties are trying to lower their expectations afterwards and see the limitations of their own strengths, thus providing a basis for the joint development. In order to further reduce the difficulty of the negotiations, China and Vietnam can reach a phased agreement. When China and Vietnam made an agreement, they can add as much capital, technology, and site as possible to reduce the geographical and sovereign factors in their respective shareholdings, which will help their respective governments to report to the domestic people and obtain support. Therefore, a paradoxical conclusion, in order to resolve the conflict, it is necessary to form more consensus and eliminate conflicts as much as possible. but this will pass through the means of crisis, conflict and even war. This also coincides with the war strategy that China calls “promoting peace by attacking”.

3.3. The income-related issues.

The externalities of income have a profound impact on the relationship of state cooperation, whether it is the “absolute gain” of realism or the “relative benefit” of liberalism. As long as the overall situation in the South China Sea region is more peaceful and stable, even if the international community is in anarchy, most of the countries in the South China Sea prefer “relative returns”, not only paying attention to their own income, but also paying attention to the income of other countries. Therefore, collective action on public goods is not isolated from international relations. The externality of benefits can be completely changed through state behavior. Collective actions in the field of public goods must be carried out in the context of the relations among countries in the South China Sea. It is very necessary to understand the relations between countries and their mutual interests. The purpose of providing public goods to the South China Sea is not to conflict with the United States and other countries, but to maintain peace and stability and promote economic development. China, the United States and ASEAN should foster mutual trust and jointly promote the whole region more peaceful and stable situation, respect for each other's interests, abandon the traditional idea of power competition, establish cooperation, mutual benefit and win-win concept, construct a cooperation mechanism for public goods in the South China Sea region.

4. Conclusion

Disputes in the South China Sea are difficult to resolve quickly and completely because they involve maritime delimitation, allocation of resources and strong nationalist sentiment. In general, joint development is a more effective way to solve the problem. However, the supply of public goods

in the South China Sea is far from meeting the needs of the joint development. It lacks regional identity, and the demand is not clear.

The supply of public goods in the South China Sea region is the basic path to ease the dilemma of joint development in the South China Sea. The supply of public goods in the South China Sea region is an important form of deepening cooperation between China and the South China Sea region. It is an important means for China to improve its national image and form regional identity. The idea of regional public goods accord with the core concept of “close, sincerity, benefit, and tolerance” of China’s peripheral diplomacy, which helps to enhance the cognitive identity between China and the countries in the South China Sea.

China and the claimant of South China Sea have successfully provided regional public goods in the South China Sea, and all countries in the South China Sea have the opportunity to enjoy it. The claimants in the South China Sea will have no incentive to destroy the joint development of the South China Sea, or even take the initiative to jointly develop the South China Sea with China, because the benefits from regional public goods in the South China Sea are far greater than the gains from the unilateral development of the South China Sea, which provides an idea to overcome the effective supply of public goods in the South China Sea. In short, public goods in the South China Sea have become an important carrier for the joint development of the South China Sea.

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