



## US–CHINA STRATEGIC RIVALRY IN THE SOUTH CHINA SEA: THE IMPACT OF CHINA’S ISLAND MILITARIZATION ON ESCALATION RISK (2013–PRESENT)

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### Abstract

*This paper examines the competition between the United States and China in the South China Sea, focusing on China’s construction and military use of artificial islands and the extent to which this activity raises the risk of a larger conflict between 2013 and the present. Using security dilemma theory as its analytical lens, the paper examines how actions initially framed as defensive have instead intensified regional tension. China has built runways, radar installations, and missile systems on artificial islands in the Spratly archipelago to extend its military reach, while the United States has responded with naval and air patrols intended to signal that it will not accept the closure or unilateral control of these sea lanes. Drawing on academic literature, research reports, and official government sources, the paper argues that intensifying military activity by both states in this narrow and contested space raises the likelihood of misperception and unintended clashes. While some scholars contend that military build-up can deter conflict by raising its costs for a potential aggressor, this paper concludes that weak bilateral communication channels and deeply conflicting interests make the South China Sea one of the most dangerous flashpoints in contemporary international relations.*

**Keywords:** South China Sea; United States; China; Militarization of Artificial Islands; Escalation Risk; Security Dilemma

### INTRODUCTION

The South China Sea is among the world’s most strategically significant bodies of water. A substantial share of global maritime trade transits this route each year: using shipping-





route and bilateral trade-flow data, the CSIS China Power Project estimates that approximately USD 3.3–3.4 trillion in goods passed through the South China Sea in 2016 alone, equivalent to roughly one-fifth of global trade — a more methodologically robust figure than the often-cited but unverified USD 5.3 trillion estimate that circulated in earlier commentary (CSIS China Power Project, 2017). The region also holds substantial oil and natural gas reserves and forms a vital link between the Pacific and Indian Oceans, which explains why multiple states have pressed competing claims over its waters and features.

Since 2013, the situation in the South China Sea has changed markedly as China has undertaken large-scale construction of artificial islands from coral reefs in the Spratly archipelago, subsequently equipping them with runways, radar systems, aircraft hangars, and missile launchers (Asia Maritime Transparency Initiative [AMTI], 2020). This construction extends well beyond routine infrastructure development; it signals China's intent to establish a permanent military presence in a region still contested by multiple claimant states.

The United States has responded by increasing military patrols and continuing Freedom of Navigation Operations (FONOPs) that directly challenge China's claims in the region. Washington maintains that China's nine-dash line claim lacks a sound legal basis under the UN Convention on the Law of the Sea (UNCLOS), a position reinforced by the 2016 ruling of the Permanent Court of Arbitration, which rejected China's historical claims to the area (Permanent Court of Arbitration, 2016).

The situation becomes volatile whenever two major military powers operate within a narrow, contested space in which their claims directly overlap. Chinese fighter jets have repeatedly intercepted US military aircraft at distances considered unsafe, and naval vessels from both countries have manoeuvred close enough to risk collision. Under these conditions, even a minor incident carries the potential to escalate into a far more serious crisis.

This paper examines how China's construction and military use of artificial islands since 2013 has affected the risk of escalating conflict with the United States. Applying security dilemma theory, it argues that the military actions and reactions of both states are producing a self-reinforcing cycle of tension that is difficult to control, and that the risk of a serious, unintended clash is more pronounced today than at any point in the preceding decade..

This paper focuses specifically on the 2013–present period, since 2013 marks the point at which China began systematic, large-scale island construction that has since reshaped the region both physically and strategically. Three issues receive particular attention: (1) the construction and militarization of artificial islands; (2) the United States’ response through FONOPs and the deployment of military assets; and (3) maritime and aerial incidents that carry the potential to trigger broader conflict. The analysis draws on academic journals, reports from established research institutions, and official government documents, interpreted through the lens of security dilemma theory.

Several limitations should be acknowledged. First, the paper does not examine in depth the roles of other claimant states — Vietnam, the Philippines, Malaysia, and Brunei — even though their positions also shape the dynamics under study. Second, the analysis relies on existing secondary sources, which may be incomplete or may not capture the most recent developments. Third, the analysis is qualitative and does not attempt to quantify escalation risk numerically. These limitations do not, however, undermine the validity of the analysis in addressing the paper’s central questions.

## ANALYSIS FRAMEWORK

To explain why US–China competition in the South China Sea has become so pronounced, this paper applies security dilemma theory as its principal analytical framework. The concept was first introduced by John Herz (1950) and later developed by Robert Jervis (1978) in his influential essay, *Cooperation Under the Security Dilemma*.

At its core, the security dilemma describes a situation in which measures one state takes to increase its own security are perceived by other states as threatening. When China builds military facilities on artificial islands, Beijing frames this construction as a defensive measure intended to protect its territory and interests. From the perspective of the United States and neighbouring states, however, the same construction appears as a clear threat to freedom of navigation and to the regional balance of power. The United States responds by increasing its military presence, a step China in turn perceives as provocation — producing a self-reinforcing cycle.

Jervis (1978, pp. 169–170) argues that the security dilemma becomes most dangerous when two conditions hold simultaneously: first, when offensive and defensive weapons and strategies are difficult to distinguish from one another; and second, when defence is costlier

than offence. Both conditions are present in the South China Sea, where the radar and missile systems installed on China's artificial islands are capable of both defensive and offensive use. Because Beijing's intentions are difficult to verify from outside, this ambiguity itself intensifies regional tension.

Not all scholars accept this pessimistic reading. Tang (2009, pp. 597–598) argues that a security dilemma need not culminate in conflict, particularly where states are willing to be transparent about their intentions and to build mutual trust. In the US–China case, however, such trust-building efforts remain limited and vulnerable to collapse. The 2023 spy balloon incident illustrated how easily bilateral communication channels can be disrupted by a single unexpected event.

Taken together, this framework indicates that tensions in the South China Sea cannot be reduced to a simple question of which party is in the right. They are instead a structural consequence of an international system in which no external authority can guarantee any state's security, compelling states to act unilaterally — actions that, in aggregate, make the system as a whole less secure. This framework structures the analysis presented in the Results and Discussion section below, which first situates the case within the wider security dilemma literature before applying the theory directly to the empirical record of island construction, US response, and escalation risk.

## **RESEARCH METHOD**

This study adopts a qualitative, descriptive-analytical approach appropriate to a theory-guided case analysis of an ongoing strategic rivalry. Rather than generating original quantitative measures of escalation risk, the study synthesises existing secondary evidence — peer-reviewed academic literature, reports from established research institutions such as the Asia Maritime Transparency Initiative (AMTI) at the Center for Strategic and International Studies (CSIS), and official government and international-legal documents, including releases from the US Department of Defense and the ruling of the Permanent Court of Arbitration — and interprets this evidence through the lens of security dilemma theory as set out in the Analysis Framework above.

The analytical procedure follows three stages. First, relevant primary and secondary sources on island construction, militarization, and US–China incidents between 2013 and the present were identified and reviewed. Second, the evidence was organised thematically around

the paper's three focal areas: island construction and militarization, the US policy response, and specific escalatory incidents. Third, each theme was interpreted against the propositions of security dilemma theory, in particular Jervis's (1978) conditions for a severe dilemma and the competing view offered by Tang (2009), to assess whether the empirical pattern supports a deterrence-stabilising interpretation or an escalation-inducing one.

As noted in the Introduction, this method carries inherent limitations: it relies on existing documentary sources rather than original data collection, does not incorporate the perspectives of other claimant states in the region, and does not yield a quantitative escalation-risk estimate. These constraints are consistent with the qualitative, theory-driven design of the study and do not compromise its capacity to address the research questions posed.

## **RESULTS AND DISCUSSION**

### **Security Dilemma and Interstate Competition in the Literature**

The security dilemma literature offers a useful foundation for understanding the dynamics between the United States and China. Jervis (1978) shows that interstate tension frequently arises not from malicious intent but from the uncertainty inherent in international relations: measures genuinely intended to strengthen defence can be misread by other states as threatening.

Tang (2009) offers a more optimistic reading, arguing that the security dilemma is not necessarily insurmountable. Where states are willing to clarify their intentions and establish shared rules of engagement, tension can in principle be managed and reduced. This diplomatic-solution framing is instructive, although in the South China Sea case it has proven difficult to translate into practice.

Glaser (2015) extends this literature by asking whether the United States and China can avoid the so-called Thucydides trap — the tendency for conflict between a rising power and an established one. Glaser argues that war is not inevitable, but avoiding it requires careful issue management and a willingness by both sides to set aside secondary disputes in favour of core interests.

### **Militarization of China's Artificial Islands**

Fravel (2011, pp. 296–297) offers a more sympathetic reading of China's behaviour, arguing that Beijing's policy in the South China Sea is fundamentally defensive, driven by

territorial concerns and the need to safeguard sea lanes vital to its economy. This interpretation is significant because it challenges the more common Western framing of China as an aggressive revisionist actor.

Data from AMTI (2020), however, provides concrete evidence that China's island facilities extend well beyond what a purely defensive posture would require. Satellite imagery documents missile systems, long-range radar, fighter jet hangars, and, on some features, submarine support infrastructure across several artificial islands in the Spratlys — an infrastructure footprint oriented toward projecting force across a wide area rather than toward narrowly defensive purposes.

Storey (2013) adds important historical context, noting that disputes in the South China Sea long predate the current era of reclamation. This context matters because it cautions against reducing the conflict to the ambitions of a single leader or administration; competing claims in the region reflect interests that have accumulated over decades.

### **Risk of Escalation in the Literature**

Schelling (1966, pp. 2–6) advances a classic deterrence argument: credible and visible military power can prevent war by causing a potential adversary to reconsider the costs of conflict. In this light, China's military deployments in the South China Sea can be read as an effort to discourage the United States and neighbouring states from directly challenging Beijing's claims.

Buszynski (2012, pp. 140–141), by contrast, warns that the greater the concentration of military forces in a confined space, the higher the probability of an accidental incident. When ships and aircraft from opposing states operate in close proximity under differing rules of engagement, the risk of misreading the other side's intentions and overreacting rises correspondingly.

Christensen (2015) reinforces this concern, arguing that the principal danger in the South China Sea is not a premeditated attack but an unplanned conflict triggered by a minor incident that escalates beyond either side's control. He emphasises the continuing need for stronger institutional mechanisms, such as agreed procedures for handling incidents at sea (INCSEA), to manage this risk.

### **Reclamation and Militarization: Facts on the Ground**

Over the past decade, China has transformed seven coral reefs in the Spratly Islands into artificial islands equipped with substantial military infrastructure. The most prominent — Fiery Cross Reef, Subi Reef, and Mischief Reef — each now feature runways of roughly 3,000 metres capable of accommodating fighter jets and bombers (AMTI, 2020), giving China the ability to project air power across the South China Sea in a way it previously could not.

Beyond aviation infrastructure, multiple reports confirm that China has installed anti-ship missile systems, HQ-9 air-defence systems, and short-range weapons on several of these islands. Were these systems fully activated in concert, the islands could function as a de facto anti-access/area-denial zone, complicating US entry into and operation within the region (AMTI, 2020).

This build-up carries three interrelated consequences. First, the regional balance of power has shifted significantly in China's favour. Second, a permanent physical presence reinforces China's diplomatic position in asserting its sovereignty claims. Third, the pace of change on the ground consistently outstrips the capacity of international legal mechanisms to resolve the underlying disputes, complicating any prospective negotiated settlement.

### **United States Response and Escalation Dynamics**

The United States has responded with a strategy that might be characterised as “deliberate presence.” FONOPs — operations in which US military vessels and aircraft deliberately operate within twelve nautical miles of Chinese-claimed features — are conducted routinely to underscore the US position that China's claims lack legal standing. Between 2015 and 2023, the United States conducted dozens of such operations in the South China Sea (US Department of Defense, 2023).

Alongside FONOPs, the United States has deepened military ties with regional allies. The Enhanced Defense Cooperation Agreement (EDCA) with the Philippines was expanded in April 2023 to include four additional sites, bringing the total to nine — several located near Taiwan and the South China Sea (US Indo-Pacific Command, 2023). Rotational deployments of US Marine Corps personnel and increasingly frequent joint exercises with the Philippines, Australia, and Japan form part of a broader US strategy to counterbalance Chinese influence in the region.

From the perspective of security dilemma theory, each of these measures is read in Beijing as evidence that Washington intends to encircle China militarily (Christensen, 2015,



p. 225), which in turn drives China to reinforce its position in the South China Sea — prompting a still stronger US response. This is the reinforcing cycle of tension that scholars in this field have long identified as the central danger of the rivalry.

Concrete incidents illustrate how this cycle plays out. On 24 October 2023, a Chinese J-11 fighter jet conducted what US Indo-Pacific Command described as an unsafe nighttime intercept of a US Air Force B-52 bomber over the South China Sea, closing to within ten feet of the aircraft and placing both in danger of collision (US Department of Defense, 2023). Earlier, in August 2023, a China Coast Guard vessel fired water cannon at a Philippine vessel resupplying troops stationed at Second Thomas Shoal. Although the United States was not a direct party to that incident, the US–Philippines Mutual Defense Treaty means that a serious escalation involving the Philippines could draw Washington directly into the conflict.

### **Militarization: Preventing War or Inducing It?**

A central question follows from this record: does China’s military build-up ultimately stabilise the region by making potential opponents more cautious, or does it instead raise the risk of a war that neither side wants?

Schelling’s (1966) deterrence argument retains some relevance here. By stationing a substantial military force on these islands, China raises the anticipated cost of any attempt to dislodge that presence by force, which can stabilise the situation in the short term by making direct confrontation less attractive to either side.

This argument nonetheless has clear limits in the South China Sea context. First, deterrence of this kind functions only when both sides interpret the same signals in the same way. When China installs a new radar system or missile battery, the United States and neighbouring states cannot always determine with confidence whether the move is defensive or preparatory for offensive action, and this uncertainty can produce divergent and escalatory responses (Jervis, 1978, pp. 186–187).

Second, as the density of military assets operating in a confined space increases, so does the frequency with which ships and aircraft from both sides encounter one another at close range. Differing operational procedures, divergent rules of engagement, and incomplete situational awareness raise the probability of unintended incidents. As Buszynski (2012) observes, war does not always originate in a deliberate plan; it can equally originate in a minor accident that subsequently escalates beyond either side’s control.



Third, weak bilateral communication compounds these risks. Dialogue mechanisms such as the Military Maritime Consultative Agreement (MMCA) exist but have repeatedly proven inadequate to prevent incidents, and China has on occasion suspended military-to-military communication with the United States in protest at rising tensions. In the absence of reliable communication channels and sufficient mutual trust, both sides possess limited means of preventing an incident from escalating once it occurs.

### **The South China Sea in the Context of Great Power Competition**

The South China Sea dispute should not be read purely as a territorial conflict; it forms part of a far broader and deeper contest between the United States and China that spans technology (semiconductors and artificial intelligence), economics (China's Belt and Road Initiative against Western infrastructure strategies), and ideology (liberal democratic governance against China's own governance model).

Within this larger competition, the South China Sea carries symbolic weight that exceeds its economic or military significance alone. For Beijing, the capacity to defend its claims in the region serves as evidence that China has become a major power that cannot be disregarded. For Washington, preserving free access to the South China Sea tests whether the United States can sustain the rules-based international order it has underwritten since the end of the Second World War.

With stakes framed in these terms, both sides have strong incentives not to back down, which is precisely what makes the dispute difficult to resolve: even minor signals of restraint risk being read as weakness, both by the opposing state and by domestic audiences at home.

### **CONCLUSION**

The South China Sea remains one of the most consequential and dangerous flashpoints in contemporary international relations. The analysis presented here indicates that China's construction and military use of artificial islands since 2013 has meaningfully increased the risk of a major conflict with the United States, although increased risk does not equate to inevitability.

Viewed through the security dilemma framework, measures that each side characterises as defensive have in practice continued to worsen the overall situation. China has reinforced its position on the artificial islands; the United States has responded with FONOPs and

strengthened regional alliances; Beijing has read this response as an attempt at encirclement and has answered with further military deployment; and Washington has, in turn, responded more forcefully still. This cycle has no clear endpoint so long as communication channels remain underdeveloped and mutual trust between the two states remains unbuilt.

The greatest danger lies not in a large, premeditated attack but in an unplanned conflict triggered by a minor incident — a collision at sea, an overly aggressive aerial intercept, or a misread military signal. Given the increasing density and intensity of military activity in the region, such a trigger event has become markedly more likely than in previous years.

Averting the worst-case outcome requires several urgent steps. First, both states need durable military communication channels that cannot be readily severed over minor diplomatic disputes. Second, clearer rules of conduct at sea and in the air — including minimum safe distances between military assets — are needed to reduce the probability of accidental incidents. Third, opening dialogue on the limits of military activity in contested areas, while politically difficult, remains preferable to allowing the present trajectory to continue unchecked.

The South China Sea thus stands as a clear test of whether two major powers can manage an intense rivalry without allowing it to escalate into open military conflict — an outcome that would serve neither state's interests.

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