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Article:	Two-Faced” Strategy in South China Sea Dispute: Between Soft or Hard Power Approach?
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ABSTRACT

China's active presence in the South China Sea (SCS) revolves around soft power and hard power. In recent years, China launched the Belt and Road Initiative strategy as the embodiment of Beijing's geo-economic ambitions in the Indo-Pacific by inviting countries to invest in infrastructure in the Asia Investment and Infrastructure Bank (AIIB) on the one hand. Meanwhile, on the other hand, China is taking a firm stance in the region by continuing the Nine-Dash Line claim with several unilateral military actions in securing the Spratly and Paracel Islands. This study uses a qualitative method of explanation in explaining the question: how is China's "two-faced" strategy in its foreign policy in dealing with the SCS dispute? The literature review found a gap between China's security policy and studies on the South China Sea, namely the two-faced strategy. This study uses a double standard foreign policy and also Joseph Nye's smart power. With the concepts offered, this study can elaborate on the role of decision-makers in formulating Chinese security policies. Besides, it examines the different responses of the claimant and non-claiming countries in the South China Sea such as Brunei Darussalam, the Philippines, Indonesia, Malaysia, and Vietnam. In the end, this research resulted in the conclusion that China is using a "two-faced" strategy with a tendency to achieve two goals at once: geo-economic interests in BRI as well as demonstrating its existence in the Indo-Pacific region.

Keywords: The South China Sea, Two-Faced Strategy, smart power, Belt and Road Initiative, China

INTRODUCTION

In the past decade, the South China Sea (SCS) has become an essential stake in the regional political constellation, especially between disputing countries such as China and several ASEAN member countries. This paper is essential to review further by looking at China's strategy, which is connoted as a "two-faced" strategy. This study utilizes the term "two-faced" to describe smart power, a combination of soft power and hard power. Besides, ASEAN countries, both territorial claimants and non-claimants, seem to have failed in building a consensus in jointly securing the central waters passed by these international trading vessels (China Power Team, 2017)

The most contrasting effort from China is its strategic approach to Southeast Asian countries within the Belt and Road Initiative (BRI) cooperation framework. Through the BRI, China intends to offer a megaproject that provides leniency in investment and loan conditions for massive infrastructure development in the fields of connectivity and energy. The BRI has undoubtedly been responded positively by Southeast Asian countries, as evidenced by the number of state leaders who attended the first Belt and Road Forum in Beijing in 2017 (Clarke, 2017)

Besides BRI, China's soft power is also vital in the bilateral scheme. Even some ASEAN member countries ended up using bilateral cooperation in the economic sector to cultivate the SCS resources. Meanwhile, China's hard power began to appear long before the US conducted war games in the SCS recently, namely China's unilateral action to deploy coast guards while fishers were looking for fish in the area. China's Unilateral action is undergone to strengthen China's claim that the SCS is a traditional fishing ground that is closely related to China's history as a great nation. (Kurniaty et al., 2018)

The preliminary findings above influence this study to try to offer a double-standard approach. While China's strategy in formulating its foreign policy known as anti-violence ways, the usage of armed forces still exists even though China carried out its Coast Guard. Therefore, this study proposes the research question, how China's "two-faced" strategy is in its foreign policy in dealing with the South China Sea dispute.

Based on the literature review divided into two categories, this study states that this research takes a double-standard approach. Previously, no scholars have investigated using the two-sided approach in analyzing the central role of the Beijing government in the geopolitics of the SCS. Thus, this research has an urgency in presenting a new discussion regarding the double standard foreign policy applied by China to the public.

II. LITERATURE REVIEW

This study categorizes the literature review into three categories.

The first category is about the SCS studies that includes seven articles analyzing the dynamics of political security in the SCS. Weissmann (2015), wrote on transforming the SCS conflict from 1991 to 2007. In his work, the study understood that the possibility of armed conflict was very minimal, although the conflict in the region was getting worse day by day. The next article from Dieter-Evers (2014), found that certain spheres' cultural views can make a difference, especially in comparison to the Mediterranean and Baltic regions

The third article belongs to Poling (2013) from CSIS, which explicitly discusses the Spratly and Paracel Islands' claimants in Southeast Asia. Compared to other studies on the SCS,

Poling's point of view is more on the existence of claimant states of China's existence in the region.

Fourthly, Kembara (2018), found the role of ASEAN in the South China Sea and the dynamics of the cooperation between the actors through Confidence Building Measures, Preventive Diplomacy, and Crisis Management.

The fifth is Agus Rustandi's work that discussed ASEAN's substance in handling conflict through increased policy implementation. Rustandi (2016), criticized how ASEAN could take a role as more than just an undirected forum in his writing.

Sixth, Wang tries to analyze the safeguarding of fisheries resources that are fair to claimant countries in the SCS dispute to avoid a more prolonged conflict. In line with Wang (2015) & Khan & Maseeh Ullah (2018), also reiterated the importance of an international maritime law framework in settling disputes in a peaceful manner.

In the second category, the authors provide four readings that investigate different approaches applied by China in order to secure its interest in South China Sea.

Firstly Ji, (2013) states that China brings up the issue of sovereignty in the formulation of security policies in the SCS. In the maritime policy formulated by the Chinese Communist Party as the main actor, Beijing considers the strategic positions of the United States and ASEAN. Tertia & Perwita (2018), took it further by providing comparisons between China and other major powers in the Indo-Pacific, such as Australia, India, and Japan. Meanwhile, Rahman (2010) from ASPI analyzes using a different perspective by perceiving that the Chinese PLA Navy attempts to project a blue water-class power that has been applied before by the US and Britain.

Another perspective comes from Rosenberg & Chung's article whom focuses on comparing China's overlapping interests as the leading player in the SCS region (Rosenberg & Chung, 2008). The convergence and divergence of the disputing countries' interests viewed from the motives behind their respective goals and means of achieving ideal maritime security conditions.

By reviewing those articles, the authors found that the SCS is still being contested by China and some ASEAN member countries. Meanwhile, the authors also found that China applies different approaches, which are hard and soft approaches, to obtain what China needs. Thus, the authors question why China tends to implement different strategies in order to achieve China's interest in the SCS.

III. METHODOLOGY

This research mainly uses literature study as the method of data collection. Moreover, this research is classified in qualitative descriptive research because the research intends to investigate China's strategy in formulating foreign policy in dealing with the SCS disputes on a double standard basis. Data collection will be taken primary from in the form of official government document sources and speeches from several heads of government to secondary ones such as journals, books, and policy briefs.

This research is divided into five parts. Firstly, the introduction introduces the background of the topic. Moreover, the introduction provides the explanation why this topic is important to be investigated. Secondly, the literature review assists the authors to discover the research gap. The gap, then, is the main focus of the topic to be analyzed. Thirdly, methodology

provides the way how the research is structured and undergone. Fourthly, the part of result and discussion provides the data found from primary and secondary sources. Then, the data is analyzed comprehensively using the theories of hard and soft power. Lastly, the authors find the red line to conclude the research. After that, the authors also provide a recommendation for further research related to this topic.

IV. RESULT AND DISCUSSION

China's existence as a powerful country in the South China Sea region has a long history from the imperial era to the present. China has experienced the heyday of power that gave the myth of "threat from the north" that the Australian public believes to this day. Australian PM Scott Morrison also considers China to be Australia's strategic trading partner and the biggest threat to the economy. China's bargaining power in the SCS is also an indisputable fact by looking at the great potential associated with China's latest weapons technology development. Within the scope of the dispute between China and Taiwan, China dominates the hard power between them that share the same historical line. In terms of the number of personnel and defense equipment alone, China's number has far exceeded Taiwan's (McCarthy, 2020b). In terms of personnel, there are one million active troops. Besides, the possession of two aircraft carriers has had a significant deterrent effect on other Southeast Asian countries. **Figure 1** demonstrates the composition of China's military defense equipment.

The profile of China's military cannot be separated from the central role of strong leadership. There are two aspects which are the Chinese Communist Party and the figure of President Xi Jinping as the holder of the highest power in the Politburo. In the three development periods, China exhibits the hallmark of dual identity: self-superiority and self-inferiority (Weissmann, 2015).

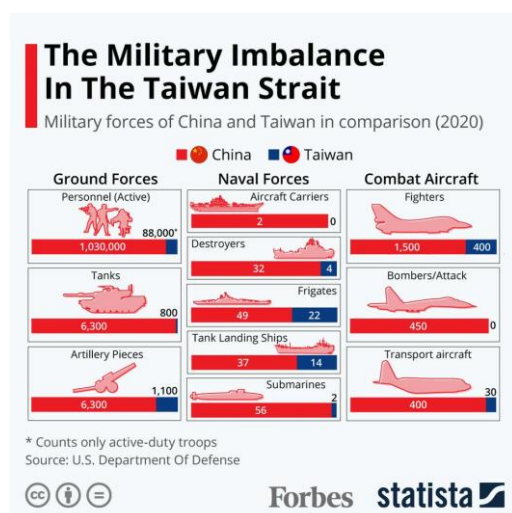


Figure 1. The Military Imbalance in The Taiwan Strait (McCarthy, 2020a).

Perceptions of Chinese identity are built with big questions about how to build China's self-image from inside. It starts with the involvement of various scholars, academics, and policymakers to define how China responds to an increasingly dynamic global constellation (Zhu & Lu, 2015). From the idea of identity perception, an inward-looking idea emerges, stating that there was a revival of the Chinese state. Several academics with various indicators

consider China as a developing country as well as a global power in the future. Moreover, based on its capabilities, China must take regional leadership in the Indo-Pacific context (Breslin, 2013).

Besides, the role of Xi Jinping's leadership has been highlighted as a continuation that reminds us of notable Chinese leaders such as Mao Zedong, Deng Xiaoping, Jiang Zemin, and Hu Jintao. In the Chinese leadership structure, the presence of the President, who also doubles as general secretary in the Chinese communist party has a crucial position in decision making. This position was concurrent with ten other organizations where Xi was chairman, head, and commander-in-chief (Gueorguiev, 2018). The existence of Xi as the supreme leader provides a significant decision in maximizing China's position as the world's second-largest economy and developing nuclear and ICBM capabilities that provide significant deterrence to the Indo-Pacific region (Bader, 2016).

Xi's close friends such as Yu Zhengsheng and Wang Qishan in the Politburo's important inner circle have a significant impact on decision-making in Beijing. The group later referred to as the Shaanxi Gang or "Iron Triangle", became the main policymakers, even since Xi Jinping and his colleagues started a career as political officials in Shaanxi province (Cheng Li, 2012). However, groups of academics consider Xi's role to be too dominant and perceived Xi as carrying the shadow of a dictator (Heath, 2019).

Some reform agendas carried out by Xi and his inner circle have had a significant impact on the PLA's body as a professional military. The agenda for organizational reform, regulatory mechanisms, propaganda, commitment to anti-corruption, and support for Xi Jinping's authority are some of the key agendas that demonstrate the PLA's substantial role in the security policy of the Xi era. Likewise, the strengthening of the bodies that oversee the paramilitary and police are tasked with ensuring security and law enforcement in the country (Blackwill & Campbell, 2016).

In the establishment of BRI and the Asia Infrastructure Investment Bank (AIIB), Xi Jinping's central involvement in compiling the master plan proved by a working group's existence. BRI is an effort to get around the idle 3.5 trillion US dollars of foreign exchange so that it can be rotated in the form of loans or grants (Anam & Ristiyani, 2018). BRI is a geo-economics cooperation initiative targeting countries in the Indo-Pacific region, from Africa to Latin America, consisting of the Silk Road Economic Belt reminiscent of China's silk route in the past connecting Asia with Europe via toll roads and railways. Railways and the Maritime Silk Road ensure essential ports in the Pacific Ocean and the Indian Ocean waters connected in one line as a continuation of the String of Pearls policy.

The BRI cooperation offers a competitive advantage compared to the Washington Consensus monetary system supported by Western countries. At the very least, neither the IMF nor the World Bank can offer investment in energy and transportation infrastructure at low-interest rates for participating countries. Even BRI had a comparative advantage when aligned with the Asia Development Bank (Jinping, 2017b). BRI mainstreamed five connectivity plus exchanges on three aspects, including policy, infrastructure, trade, financial, and people-to-people connectivity and education, cultural, and scientific exchanges.

A focus on international cooperation is Xi's goal, although most academics have criticized the motive for Beijing's geo-economic ambitions behind the AIIB loan program (Jinping, 2017a). Given that Xi's speech offered an optimistic view of the great opportunity for

countries in the region to join the Chinese initiative (Carminati, 2019; Damuri et al., 2019). However, for Xi, a collaboration between countries is a key element in developing connectivity to have a major impact on economic development in the region.

On the one hand, BRI proved China's superiority in building a diplomatic approach to countries in the Indo-Pacific regional scope. Even though China often bombarded with criticism such as the implementation which is often debt-trapped, in fact, in certain conditions, countries can receive assistance well (Moramudali, 2020). One of them is Indonesia, which at least tries to compile the ASEAN Connectivity Master Plan that has been compiled together with other member countries with BRI which is purely a unilateral initiative from China (Ameyaw-Brobbe, 2018). One good effort to filter out the negative impact of BRI is to make strict regulations on capital inflows.

On the other hand, BRI is a Chinese instrument in using its soft power. With BRI's position as a regional cooperative initiative program, China can convince member countries to ensure Chinese state-owned enterprises are involved in existing projects. Compared to Indonesia as the previous example, countries such as Sri Lanka and Djibouti provide China's flexible position in building strategic ports (Lai et al., 2020). Sri Lanka injected funds amounting to 15 billion US dollars to build the port of Hambantota. The pros and cons of debt-traps arose when the Sri Lankan government authorized China to lease-use rights over the main trading port for 99 years.

The embodiment of soft power returned to each country. However, China's position in offering BRI cooperation has shown how big the bargaining position is in the Indo-Pacific countries, particularly in Southeast Asia. In Southeast Asia, BRI through AIIB has injected funds amounting to US\$ 1.1 billion in Southeast Asian countries located in the Mekong River such as Thailand, Myanmar, Laos, Vietnam, and Cambodia (BBC, 2019). Significantly, it also encouraged various countries such as Indonesia and Malaysia which were caught also accessing funds from AIIB.

In Indonesia, the pros and cons are insignificant because no one has yet been able to prove that a BRI project such as the Jakarta-Bandung Fast Train worth US\$ 5.9 billion provides a red carpet for foreign workers including manual workers. Government opposition groups used this issue in the 2019 Presidential election, which Joko Widodo won (Lo, 2019). Meanwhile, in Malaysia, BRI had a significant geopolitical impact when PM Mahathir Mohamad finally decided to conditionalize BRI's strategic projects (BBC, 2019). Mahathir's decision followed by his resignation a few months later and the election of new Prime Minister Muhyiddin Yasin.

China's hard power most clearly demonstrated by the PLA's involvement in the South China Sea issue. This issue begins with the spread of the Beijing government's narrative that the South China Sea is a historical/traditional fishing area for Chinese fishers since a past era. The area in question marked by nine dashed lines (NDL) that stretch from China's mainland to the area directly bordering Taiwan in a curved way. The massive development carried out through the Paracel and Spratly islands' reclamation has made the waters of the South China Sea a gamble for the countries claiming the territory. This conflict has at least broken out since the late 1980s (Milivojević, 1989). Previously discussed, the injection of funds into the Mekong River area flows through Vietnam. In this case, Vietnam and countries such as Brunei, the Philippines, and Malaysia were the losers due to China's unilateral claim to the NDL. Even

within certain limits, China has begun inviting Indonesia into disputes because of Beijing's unilateral claim to waters north of Natuna Island. Indonesia considered to be in contact with the NDL (Zachary Keck, 2014).

Beijing has a special aptitude for combining hard power with soft power. This is China's strategic culture that has shaped this perception from the time being. Confucian ideas and wisdom in war by Sun Tzu became the main inspiration for policymakers in Beijing. China will continue to this traditional value. Similar to several Eastern Asian countries. Confucian-based value inspired a defensive culture pattern, such as they would not attack unless they attacked. However, it will remain committed to carrying out military reform as formulated by the political elite in the Chinese Communist Party and the PLA military elite driven by China's interests at the global level (Breslin, 2013; Green & Kliman, 2011; Swaine et al., 2000).

One main thing that caused China's consideration to continue its security policy is the US's behavior that frequently provokes China's activity in this region. The US Pacific Command (USPACOM) deployment presumably caused the PLA, especially its navy, to act aggressively. One of the implementations was joint exercises between USPACOM and the Singapore Navy on 27 May and Japan on 24 June 2020 (Chatmas, 2020b, 2020a).

The US-Singapore joint exercise sparked a significant response from Beijing, by holding large-scale military exercises. From August to September 2020, at least PLA launched 30 training programs that covered the South China Sea and Taiwan's border nearby maritime areas (Xuanzun, 2020). Besides, this military exercise was held as a counter-action for USPACOM's military exercises in Guam, where US military headquarters have ever existed since World War II. In this exercise, the US deployed 100 fighters and 11,000 personnel from the Navy, Air Force, Army, and Marine Corps (Oktavianti, 2020).

Apart from the issue of military training, China's active role to promote its unilateral claim is supported by coast guard "patrols" who often violate the sovereign rights of its neighboring countries, especially in the exclusive economic zone in the South China Sea. For example, the Chinese Coast Guard often conducts patrols and violates Indonesia's territorial border in the North Natuna Sea. Thus, the Coast Guard act implicitly positioned the South China Sea as a Chinese "front yard" (Associated Press, 2020). Indonesia responded to this action wisely by sending Bakamla, the Indonesian coastal guard equal to its Chinese counterparts. Previously, the Indonesian government took provocative action by sending its Navy face to face with the Chinese coast guard. This disproportionate situation also shows the Indonesian Navy's weakness, which is still at the green-water navy and facing its overlapped maritime regulation.

It also shows that China has taken firm action against Filipino fishers in the South China Sea. The incident in May 2020 began when Filipino fishermen went fishing in the area around the Scarborough Shoal, an area also claimed by China. This area is also included in the master plan for developing the South China Sea by the Beijing government. The Scarborough Shoal is categorized as an exclusive economic zone of the Philippines according to UNCLOS. But in reality, Filipino fishermen caught had been arrested and accused of violating Chinese historical waters fishers (Chu, 2020).

Several countries have protested China's unilateral claim., As a non-claiming country, Indonesia submitted a protest note to the United Nations based on its state-centric national interest (Oktavianti, 2020). Nevertheless, Indonesia can become a role model for other

countries because it prioritizes multilateralism to resolve dispute resolution. Meanwhile, Brunei, Malaysia, and Vietnam trapped in bilateral protest schemes (Associated Press, 2020; Chu, 2020).

Despite its neighborhood protest, China has some reasons to defend the South China Sea waters, even though policymakers in Beijing in the Deng Xiaoping era sent representatives at the international maritime law convention (UNCLOS). As a continental country, China agreed and ratified the points in UNCLOS in 1996 (Chu, 2020). However, in international forums, China tends to avoid discussing its border according to international maritime convention and prefers to focus on its historical claims. Besides, Beijing often shows a playing-victim strategy by blaming the US as one of the countries that often violates innocent passage principles in countries. Beijing often urges Washington to immediately agree to UNCLOS, since the US has not ratified this convention yet. The paradoxical position of the US and China in the South China Sea has increasing debate among international law scholars, especially in its juridical positions (Colin, 2016).

China's position on the NDL can be said to be "two-sided" if it is compared with its friendlier behavior in offering multilateral cooperation such as in the BRI and AIIB scheme. A mixture of friendly economic cooperation, accompanied by a military reform agenda that threatens regional stability. DeLisle (2020) illustrates how China makes policymakers in Washington have to plan countermeasures policies.

Besides, the US General Election in 2016, who favored Donald Trump as US President is considered one of the vital turning points for Beijing's foreign policy. The US foreign policy has taken a different approach concerning China's power in the Indo-Pacific region. Under President Barack Obama's administration, the US has initiated the TPP trade agreement with more than 12 countries. On the contrary, under President Donald Trump's policy, the US has aborted the trade agreement immediately and replaced it with the Free and Open Indo-Pacific strategy. This different approach changes US foreign policy towards BRI, which is considered a threat to liberalism values that the US had strongly promoted from the beginning and turned it into a security threat resolved by military means (The US Department of Defence, 2019).

The series of Chinese foreign policies in its neighborhood, including Southeast Asia, has brought a trend of state-led industrial and development policies. This is in line with the trend of reviving the Keynesian school's ideas, which focuses on strengthening the role of the state in international economic-political cooperation. A World Bank report in early 2010 also stated that cooperation between countries began to dominate, and change the direction of regionalism through cooperation in development and infrastructure projects. How will China's "two-face" strategy on the South China sea conflict for countries in the region?

Indonesia took different responses and perspectives towards China in this issue. Even though Indonesia seemingly had a further capability to filter China's influence in the dominating infrastructure investment offered under BRI, Indonesia takes a pragmatic approach concerning the South China Sea conflict. There are two ways of Indonesia to counteract China's unilateral claim to the outer islands of Indonesia which face directly by the South China Sea. First, the construction of an integrated military base on Natuna Besar Island. Second, the naming of the waters in the northern Natuna Islands as the North Natuna Sea through the United Nations and the International Maritime Organization (IMO). Policymakers in Jakarta have begun to wary of a series of protests from the Chinese Ministry of Foreign Affairs as a response

to the central government's reactive policy under President Joko "Jokowi" Widodo (Hunt, 2017).

President Jokowi's main agenda which focused on infrastructure development cooperation is in line with China's foreign policy approach in economic cooperation. It makes China one of Indonesia's largest investors. Although Indonesia's role often challenged due to China's economic dependence, Indonesia has prominent chances to decrease conflict escalation in the South China Sea. Jakarta can take advantage of its position as a significant economic partner by putting pressure on Beijing to become more aggressive in deploying its military. This momentum can also be a turning point for Indonesia's economic independence by reducing its economic dependency on China, by increasing opportunities for strategic cooperation and partnership with other countries from the Middle East regions (Rakhmat, 2020).

Meanwhile, Malaysia, despite being a claimant in the dispute, still maintains a low-profile attitude. CSIS has several assumptions on why the actions were taken by Malaysia tend to "play safe" with backchannel diplomacy. First, conflict will become a backfire for Kuala Lumpur policymakers if the elites from Malaysia and China. The backfire will affect the future of diplomacy between Kuala Lumpur and Beijing government. Second, Malaysia must secure the potential oil and gas reserves contained in the waters of the exclusive economic zone which it considered to overlap with China's NDL claims (Hunt, 2017). Malaysia differs from Indonesia, because of the attitude from the start as a claimant state. Meanwhile Indonesia's principle was "as long as Indonesia's sovereignty and territorial integrity in Natuna is not disturbed." Tensions between Malaysia and China have been heightened due to the incidence of Chinese survey ships entering China's exclusive economic zone in April 2020 (Kwek & Hoo, 2020).

A different response can be identified through comparisons with Vietnam. Vietnam has tended to take a firm stance against China's efforts to claim the NDL, joining an alliance formed by the US, Australia, India, and Japan is known as the Quad. With the joining of Vietnam (along with New Zealand and South Korea), this alliance turned into Quad Plus. In the Quad Plus, Vietnam agreed to hold integrated maritime patrols and military exercises with Quad powers. Thus, Vietnam is trying to "crash" directly between the US and China in the South China Sea (Rakhmat, 2020). The strategic plan prepared by Hanoi included in the Vietnam Ministry of Defense's 2019 white paper (Grossman, 2020).

The Philippine response is an interesting one to observe. Philippine President Rodrigo Duterte in a speech at the UN plenary stated that the Philippines' position is caught between two major powers that are exercising a balance of power. The position of the Philippines depends on the two major powers in question, namely the US and China, to resolve the dispute. He also mentioned western powers to be present in the South China Sea until the problem resolved (Minister of National Defence (MND) Socialist Republic of Vietnam, 2018). Long before Duterte's advancement at the UN session, the Philippines both diplomatically faced China on a bilateral basis. International Relations scholars have debated President Duterte's position because of a point of view that perceives President Duterte as a close ally of Beijing. The Institute in Frankfurt translated Duterte's efforts to counter China's unilateral claims through the approach of international legal norms more specifically UNCLOS (Strangio, 2020)

Still, in response to China's behavior in the South China Sea, Brunei Darussalam took a similar approach to the Philippines. The Ministry of Foreign Affairs' authority in Bandar Seri

Begawan emphasized that negotiations related to the South China Sea must fulfill respect for the values of international law. This statement suddenly reversed Brunei which was initially considered a silent claimant (Kreuzer, 2018). The total investment value that Brunei will receive is US \$ 3.4 billion and the additional US \$ 15 billion in the next phase (Hunt, 2017; Tomacruz, 2020)

Apart from the perspective of actors at the state level, China's political strategy in the South China Sea regional conflict also impacts regionalism in the Southeast Asian region. The obstruction of dispute resolution over the South China Sea shows the decline in ASEAN's capacity as a regional organization in the Southeast Asian region. The hegemony of China's interests, especially in Indochina countries, was seen when ASEAN in 2012 and 2016 failed to produce a joint agreement on maritime disputes in the South China Sea region. The principle of non-intervening and regional self-determination, which is ASEAN's direction in resolving internal conflicts among its members, is becoming increasingly biased. The South China Sea conflict, if not handled properly, becomes a latent danger defining ASEAN's future as a regional organization. The case tested ASEAN whether it can maintain its identity as an organization that fights for its member countries' interests from pressure from outside parties or whether it is a catalyst for regional divisions in the Southeast Asia Region (Davies, 2016)

There was an anomaly while comparing the attitudes between countries claiming the exclusive economic zone of the South China Sea vis-a-vis China. The problem centralized at the dependence phenomena of claimant countries on the funding programs offered at BRI and AIIB. The coronavirus pandemic (Covid-19) has a serious impact on the economy, which attracts countries in both developed and developing levels to a recession. The emergency situation including any source of funds to reverse the effect of the pandemic changed countries' strategy in distinctive ways (Tiezzi, 2018). In full, the table below will provide a list of countries involved in the South China Sea dispute accessing project funds from AIIB:

No.	Country	Project, Year	Values (in million US\$)
1	The Philippines	Metro Manila Flood Management, 2017	207,6
2	The Philippines	COVID-19 Active Response and Expenditure Support (CARES) Program, 2020	750
3	Indonesia	National Slum Upgrading Project, 2016	216,5
4	Indonesia	Regional Infrastructure Development Fund, 2017	100
5	Indonesia	Dam Operational Improvement and Safety Project Phase II, 2017	125
6	Indonesia	Strategic Irrigation	250

		Modernization and Urgent Rehabilitation Project, 2018	
7	Indonesia	Mandalika Urban and Tourism Infrastructure, 2018	248,4
8	Indonesia	PLN East Java & Bali Power Distribution Strengthening Project	310
9	Indonesia	COVID-19 Active Response and Expenditure Support Program, 2020	750
10	Indonesia	Emergency Response to COVID-19 Program, 2020	250
11	Indonesia	Emergency Response to COVID-19 Program, 2020	150
12	Vietnam	VP Bank COVID-19 Response Facility	100
13	Brunei Darussalam & Malaysia	Using a bilateral scheme, not through AIIB.	

Table 1. List of AIIB Projects on Negotiating countries in the South China Sea Dispute (Asia Infrastructure Investment Bank (AIIB), 2020b, 2020a),

This difference in attitude shows a significant contradiction between the disputing countries' diplomatic actions in the South China Sea and China. On the one hand, denial on the grounds of sovereign rights or even maritime sovereignty over the partition of the South China Sea which intersects with UNCLOS is primarily shown openly by Vietnam and Indonesia. Meanwhile, Brunei, The Philippines and Malaysia still considered the status quo if they give a firm response to China. China's position as a strategic trading partner of these countries was the main cause of this deadlock condition.

The situation developed by Beijing in the South China Sea region is sufficient to prove that the combination of hard power and soft power causes a daunting effect, which shown by differences in countries' behavior. In the dictionary of international relations, Nye calls it smart power. Although its effectiveness is debatable, as noted by Jia, Chinese diplomacy is an element that is difficult to predict (Nye Jr., 2009). In addition to adhering to the principle of *guojia zunyan shi da chulai de*. It can be interpreted that national honor is obtained by fighting. China used the self-image shown by Johnston's strategic culture analysis as a country that takes a defensive stance (Jia, 2010; Johnston, 1995, 2003, 2019).

V. CONCLUSION

Based on the above analysis, this study observes China's "two-faced" strategy in security policy in dealing with the South China Sea dispute. China's attitude is evidenced by the dynamic response and central role of President Xi Jinping and the inner circle within the Chinese Communist Party. Furthermore, China's actions have triggered different responses in response to the South China Sea dispute because the point of view taken in the context of

manifesting each country's interests is different. China has succeeded in breaking down the concentration of countries into bilateral schemes while at the same time proving that ASEAN regionalism does not work in this case.

There are three recommendations formulated to provide input on how the two parties, both claimants and non-claiming countries, should respond to disputes in the South China Sea. First, China with its projection of power that is ready to go to war should refrain from a prolonged conflict that has the potential to trigger World War III due to the dispute over the South China Sea. Second, China can balance its geo-economics ambitions within BRI and AIIB in a positive way by continuing to promote investment in infrastructure. The most crucial point two comprehend is the promotion of the value of openness to demonstrate alignment with the Washington Consensus. And the last, countries in Southeast Asia that are both claimants and non-claimers can encourage China to comply with the code of conduct being discussed in ASEAN. Also, adhere to the UNCLOS agreement which has been ratified by the Beijing government itself. Multilateralism schemes must be prioritized at every stage of the negotiations.

Based on these recommendations, it can be concluded that China's foreign policy related to the South China Sea's dispute brings several consequences both at the state level (bilateral or multilateral) and organizational level. First, with the increasing level of economic dependencies between South-Asian countries to China, regional stability in this area will be at stake if the elite of each country does not have common understanding in managing this issue. Second, ASEAN as the main actor of regionalism in this area could potentially play a more dominant role in this dispute despite the increasing gap between Indo-China's states (Cambodia, Vietnam, Lao) with 5 original member states (Indonesia, Singapore, the Philippines, Malaysia and Brunei Darussalam). Third, China's maneuver in the South-China Sea could be dimmed if only both Claimant and non-Claimant States agreed to solve this problem in accordance with international law such as UNCLOS. Since disputes in this area could be enlarged not only affect territorial claims but also being projected in several issues such as energy scarcity, global trade and organized crimes.

This study's findings can broaden the scope of discussion regarding the "two faces" attitude or double standards in international relations. Given that the previous research was limited to discussing smart power as written by Joseph Nye, there is a high urgency for the next researchers to develop a theoretical framework so that more detail can provide evidence that China's attitude also applies to other countries which under certain conditions face a similar situation. Limitation in this study is also heavily affected by uncertain results on how far the dispute will be managed since both claimant and non-claimant state is still in vague movement, especially when global focus is shifted on COVID-19 pandemic as well as ensuring economic recovery at domestic level.

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