



## EMERGING SECURITY ARCHITECTURE IN SOUTHEAST & EAST ASIA GROWING TENSIONS IN SOUTH CHINA SEA



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The new leadership of Xi Jinping and Li Keqiang in China has inherited escalating tensions in China's neighbourhood. The region is a lens through which analysts are seeking indications of the foreign policy approach of the new government in China.

This essay looks at the region in the context of the recent shifts in foreign policy and changes in the ground situation.

### I

#### **SOUTH CHINA SEA: AN INTRODUCTION**

South China Sea has attracted considerable attention in the last one

year because of increased tension between China and its neighbours over competing maritime claims. Littoral nations in the South China Sea are competing to establish sovereign control over fisheries, mineral and oil and gas deposits in the region. Also at stake is the freedom of navigation and military deployment in this geo-strategically important region.

The region comprises a collection of about 250 small islands, shoals, reefs and atolls. Many of these marine features are partially or fully submerged and therefore traditionally has been uninhabited. However, this situation has changed in the past decade with countries building structures on the islands and other features to stake ownership. This process has been gradual and despite the long-standing dispute, the region has not been unstable with all sides choosing to push claims on the ground and dealing with the fall out these actions through diplomatic means. There have been some exceptions where armed conflict did



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break out, but since the 1995 Mischief Reef incident between China and the Philippines, despite frequent flare up of tensions, the region has been largely stable.

South China Sea is seeing the unintended consequences of Obama administration's 'Pivot to Asia' policy (Clinton 2011). Under this policy, recognizing the shift in global power alignments the US intends to augment its political and military involvement in the South China Sea. As Hillary Clinton stated:

The region is eager for our leadership and our business -- perhaps more so than at any time in modern history. We are the only power with a network of strong alliances in the region, no territorial ambitions, and a long record of providing for the common good. Along with our allies, we have underwritten regional security for decades -- patrolling Asia's sea-lanes and preserving stability -- and that in turn has helped create the conditions for growth (Clinton 2011).

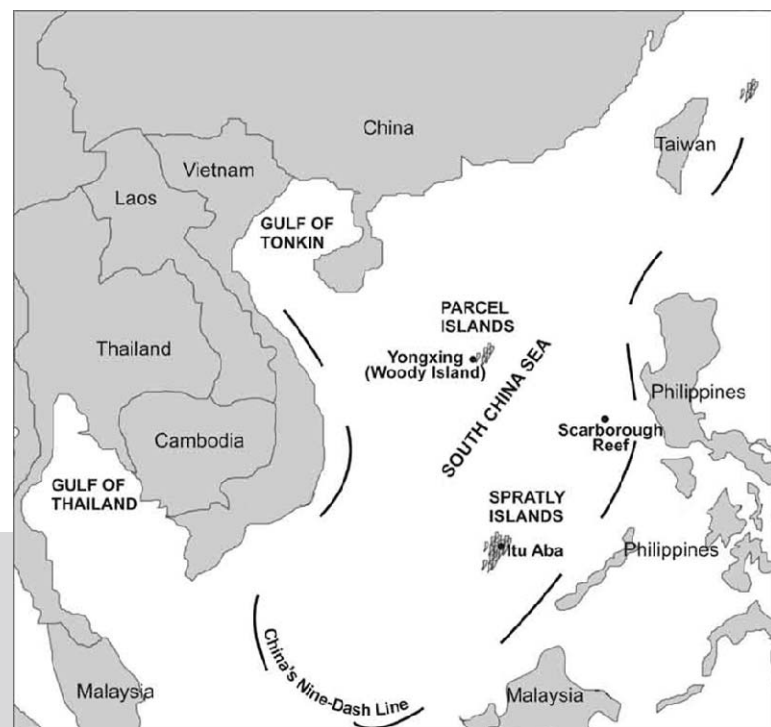
This has had the preliminary effect of stirring up long standing disputes in the region like the Senkaku/Diaoyuai dispute as well as territorial claims in the South China Sea. US allies and partners in the region look at the greater American focus as an opportunity to be more assertive on their respective claims albeit through non-military means. In response, Beijing has signaled its intentions by aggressive enforcement of its claims. The most significant among these is the inauguration of Sansha City on Woody

Island in the Spratlys, laying claim to nearly two million square kilometers of the South China Sea. This is not to argue that the Chinese policy towards the region is seeing any major shift as China has always had the most expansive claims in South China Sea. One may, however, be witnessing an urgency in the strategies that Beijing employs to push its claims.

## II SOUTH CHINA SEA: GEO-STRATEGIC SIGNIFICANCE & THE MULTIPLE CLAIMS

The parties to the dispute include China, Vietnam, Philippines, Malaysia, Brunei and Taiwan. The Chinese and Taiwanese claims are identical, claiming practically all of South China Sea. The Chinese claim runs along the nine dashed line as shown in the image below.

It is not clear in Chinese claims whether they include all of the maritime area



China's Nine Dash Line in the South China Sea

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Source: <http://www.indiandefencereview.com/news/disputes-in-the-south-china-sea/>

within this line as Chinese territory or does the claim refer to exclusive economic rights. The former claim would have serious implications for freedom of navigation in the South China Sea. Additionally, the latter, has implications for defining the EEZ claims of the other competing nations as well as their access to resources of the South China Sea. China seems to be moving towards asserting indisputable sovereignty over the South China Sea.

Vietnam stakes ownership over the Paracel Islands that China physically claimed in 1974. Both China and Vietnam also claim the Spratly Islands further south of the Paracel Islands. China and Philippines disagree over ownership of islands in the Spratlys and those closer to the Philippine coastline. Philippines' claims of exclusive economic zone (EEZ) as defined under the UN Convention on the Law of the Seas (UNCLOS) is in contest with China's territorial claims. Malaysia and Brunei have EEZ claims to the maritime resources of the South China Sea.



### Conflicting Claims

Source: <http://www.economist.com/blogs/analects/2012/08/south-china-sea>

### GEO-STRATEGIC SIGNIFICANCE

The South China Sea region sits astride crucial sea-lanes of communication from the Persian Gulf and Africa to the Pacific Ocean. Energy supplies from the Persian Gulf region for China, Japan, South Korea, Malaysia, Indonesia and Australia are dependent on stability and freedom of navigation in the South China Sea. The Malacca Strait, as the entrance to the South China Sea is vital to maintaining smooth energy supplies to all countries in the region.

South China Sea is also emerging as possible major source of oil and gas for the countries in the region. According to US Energy Information Administration, South China Sea has approximately 11 billion barrels of oil and 190 trillion cubic feet of natural gas in proved and

probable reserves (Energy Information Administration Country Briefs: South China Sea 2013).

As estimated by the U.S. Geological Survey in 2012, the region might additionally hold 12 billion barrels of oil and 160 trillion cubic feet of natural gas (Contested areas of South China Sea likely have few conventional oil and gas resources 2013). The area is currently underexploited because of territorial disputes and lack of technological or commercial feasibility. Most of the proven and currently operational energy deposits lie along shorelines of states and largely in the undisputed territories. Under the UNCLOS, countries with habitable islands can extend their claims to any energy resources in the waters

surrounding them. This struggle is, therefore, over controlling a larger share of the South China Sea and thereby establishing control over the probable reserves.

With rapid development in blue water extractive capabilities by energy firms in the past one decade, the struggle to control the energy deposits in the South China Sea has heated up (Klare 2012). China's state-owned Oil Company (CNOOC) started deep sea drilling operations in May 2012, 320 kilometres southeast of Hong Kong at a water depth of 1,500 meters in the South China Sea (Kate 2012). Significantly, according to latest EIA analysis, the contested areas, especially those around the Spratly and Paracel Islands are not likely to have probable reserves (Contested areas of South China Sea likely have few conventional oil and gas resources 2013). The conflict also involves competing claiming over Exclusive Economic Zones as defined under the UNCLOS. The U shaped Chinese claim line as seen in the image above claims all of South China Sea as Chinese territory. This claim denies the other littoral states such as Philippines and Vietnam their 200 nautical miles EEZ.

Over the past two decades, as the Chinese economic and military muscle in the region has grown, its neighbours have stepped up their own efforts to press their claims in the region. Nationalistic feelings in the littoral nations with regard to these territorial claims are on the rise. There have been street protests in 2012 most

notably in China, Vietnam, and the Philippines with the issue also getting a high degree of attention in the social media. The tone of these protests is stridently nationalist and in support of strong defense of territorial claims by the respective governments. While in Vietnam and Philippines, the popular discourse is dominated by China's behaviour as a big brother in the region, Chinese popular opinion reflects a strong sense of entitlement and some victimization by neighbouring countries. The strong outpouring of the nationalist sentiment is also reflected in the recent foreign policy behaviour of respective states. There has been a marked rise in the use of aggressive rhetoric as well as display of force in the South China Sea as discussed below.

### III

#### CREEPING OCCUPATION: RECENT CHANGES AND IMPLICATIONS

China has been accused since the 1990s of pursuing a policy of "creeping occupation" of marine feature to enforce its territorial claims (Snyder, Glosserman & Cossa 2001). In 1995, China and Philippines clashed over Mischief Reef, after discovery of some structures built by the former on islands claimed by the latter. While the Chinese claims have attracted the most attention, all parties to the dispute have sought to extend and solidify their claims over time. This includes the Itu Aba island in the Spratlys currently under Taiwanese control. Taiwan has officially included Itu Aba Island in its territory by extending its local administration to the island. It has also built an airstrip on the tiny island to land military planes. Itu Aba is also claimed by Vietnam that protested the construction of the airstrip in 2008.

The Chinese claims being the most comprehensive in scope, all other claimants are in direct contest with China

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and therefore share a common interest in containing Chinese expansion in the sea. Other parties in the dispute accuse China of using force to extend its claims by intimidation and physically occupying marine features in the South China Sea. Some of the recent instances of show of aggressive behaviour by China include cutting underwater cables survey vessels belonging to Petro Vietnam (Page 2012). The first incident happened in May 2011 followed by one in December 2012. Both these incidents attracted international attention as China objected to the US issuing statements on them. In June 2012 China also announced the auction of oil blocks that Vietnam claimed fell within its sovereign territory (Vietnam decries 'illegal' South China Sea oil bid 2012). Vietnam has witnessed rare nationalistic protests in response to these incidents. Along with its disputes with Vietnam, China has a major showdown with the Philippines disputed maritime features.

China's dispute with Philippines took an urgent turn when the two clashed in April 2012 over Scarborough Shoal, 124 nautical miles of Luzon Island in Northern Philippines. The incident involved as standoff between a Philippines Naval frigate and a Chinese Marine Surveillance ship over the presence of Chinese fishing boats off the coast of Philippines. The incident set off strong protests in Philippines reviving memories of Chinese occupation of Mischief Reef in 1995. The incident came just before a US-Philippines scheduled military exercise to promote interoperability. Manila's was dissatisfied with the mild US statement on the Scarborough Shoal advocating restraint. Domestic popular opinion in Philippines demanded that the US take a more active role in the protection on Manila's territorial claims under Mutual Defense Treaty of 1951 (Representative reports of domestic public opinion in Philippines on the incident 2012)

While the incident was resolved diplomatically, it led to Philippines taking its case to the International Tribunal of the

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UNCLOS, or ITLOS. In January 2013, Manila approached ITLOS with the argument that since China claims virtually all of the South China Sea, its claim is unlawful under UNCLOS. Manila also accused China of building structures on submerged marine features that are not islands, but part of the Philippines' continental shelf or international seabed (Mabasa 2013).

China has refused to engage with this Tribunal on the grounds that the Tribunal doesn't have jurisdiction to try this dispute (Jieyu 2013). China insists on only bilateral negotiations in the South China Sea and has agreed only to a non-binding ASEAN Code of Conduct negotiated in 2002. China has accused Philippines of internationalizing a bilateral dispute and has also asserted that this is in contravention with commitments under the ASEAN Code of Conduct. The Tribunal is, however, not dependant on Chinese assent to carry out its task and this creates a situation where China might be forced to reject any unpalatable outcome of this arbitration in the face of international censure. The ITLOS arbitration has taken the issue out of the immediate sphere of Chinese influence to the international stage where China faces a more complex foreign policy challenge in pressing its claims in the South China Sea.

Manila's decision to take the dispute to the ITLOS also signals the lack of faith in ASEAN as the preferred multilateral framework within which disputes in the

South China Sea may be resolved. ASEAN as a consensus based multilateral forum has played a limited role in negotiating the South China Sea disputes. China has effectively prevented any binding multilateral engagement within the ASEAN on the South China Sea. While the ASEAN Declaration on the Conduct of Parties in the South China (2002) provides guidelines for competing nations in the South China Sea, but the non-binding nature renders it ineffective. It was in this context that the US called for a code of conduct to be concluded prior to the ARF

summit in July 2012.

ASEAN Foreign ministers' meeting failed to agree on a joint communiqué owing to differences on the South China Sea issue. This was the first time in the 45-year history of the ASEAN that members failed to reach a consensus. Philippines accused Cambodia of sabotaging the consensus process to China's advantage. This highlights the deepening divisions within the ASEAN that plays out to China's eventual advantage in pushing for bilateral negotiations with each of the claimants. Meanwhile, the Chinese push in the South China Sea has solidified with the inauguration of Sansha City on Woody Island in the Paracel Islands.

#### IV SANSHA CITY & THE CHINESE ROADMAP

Along with a more aggressive posture in confronting claims of its neighbor, China has also sought to change the situation on the ground. In July 2012, China formally inaugurated Sansha City Prefecture, a newly established city, with its capital on Woody (Yongxing) Island in the Paracel Islands. This is arguably in response to Vietnam passing a law in June 2012 declaring all of Paracels and Spratlys to be its territory. Sansha City is a part of China's southern most province, Hainan. Sansha is officially responsible for administering Spratly Islands, Paracel Islands and Macclesfield Bank. Rejecting criticism about Sansha's inauguration being an expansionist move, China refers to it as "a readjustment by the Chinese government to existing administrative bodies, which is an issue within China's sovereignty" (Establishment of Sansha City within sovereignty 2012).

With the establishment of Sansha, China's historical claims in the South China Sea have solidified. China now officially claims an area of about two million square kilometers of water surrounding the new



Sansha City

Source: Beijing Review Vol. 55 No. 27 July 5, 2012, [http://www.bjreview.com.cn/Cover\\_Stories\\_Series\\_2012/red\\_flag\\_over\\_sansha\\_city.htm](http://www.bjreview.com.cn/Cover_Stories_Series_2012/red_flag_over_sansha_city.htm)

city as under its own administration (Xinzhen 2012). The actual land area of the city is less than three square kilometers (Cronin & Dubel 2012). Following the inauguration of Sansha, in December 2012 China passed a provincial law in Hainan enabling its ships to patrol the area between Sansha and Hainan Island. The law authorized the Hainan border police to board or seize foreign ships that 'illegally' enter the province's waters and could order them to change course or stop sailing (Yiming & Qian 2012). This has also been backed up by stationing a Marine Surveillance detachment at Sansha in March 2013 to carry out routine patrols in the waters off Sansha, effectively covering the whole South China Sea (China marine surveillance detachment stationed in Sansha City 2013).

In establishing Sansha, Beijing has made no bones about the intent of this action. China intends Sansha as a "real political, economic and social and defense maneuver" that will strengthen China's historical territorial claims, provide protection for Chinese fishermen and act as hub for attracting companies to develop oil and gas resources in the South China Sea (Xinzhen 2012). The Chinese commitment to developing Sansha can be gauged by the fact that there is no fresh water on the island and all of it has to be shipped to the local population of about a 1,000 residents, from Qinglan port in Hainan Island of Hainan province, which is nearly 13 hours away.

China also announced the establishment of a military garrison in Sansha. The military implications of this are debatable at this stage. Since 1990, Woody (Yongxin) Island has had an airstrip that can be used by military aircraft. This improves China's reach in the South China Sea with Sansha being launch pad for islands further south, i.e., the Spratly Islands that China is in dispute with Vietnam and Philippines. Given China's well-established naval superiority in this

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region, China already possesses the ability to defend its claims in the South China Sea. The establishment of a military garrison is, therefore, more symbolic than an operational upgrade.

Contrary to what has been suggested in the past by some scholars, China's latest push in the South China Sea does not seem to be an outcome merely of bureaucratic politics but a concerted policy at the highest levels to take a hard-line approach on Beijing's territorial claims (Garver 1992). This is also reflected in the Chinese dispute over the Diaoyutai/Senkaku islands with Japan in the East China Sea. Recent flare up of border tensions between China and India is seeing a similar push from the Chinese government on its territorial claims. While this is not to argue that China is not willing to resolve matters in a peaceful manner, it does point to the more muscular approach in consolidating territorial claims.

Finally, the US is neither a new player in the region nor does it make a major departure under its "pivot to Asia" in its foreign policy for the South China Sea. However, having declared itself as a Pacific nation that has core interests in the region, the US has stated its intention to involve itself more in regional matters. Despite the preliminary stirring of tensions as an outcome of greater US focus in the region, the US and China are likely to reach some accommodation in balancing their respective interests in the

South China Sea. However, given US commitment to allies and partners in East Asia and Southeast Asia, this is a complex equation. Southeast Asia is heavily dominated by China in economic, military and political terms and the US will have to carve out its 'rebalance' or its increased role in the face of Chinese dominance. This might actually tie the fate of bilateral disputes in the region to movements in US-China relations and vice-versa.

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