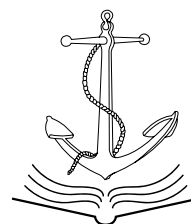


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Security in the South China Sea

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Key Points

- The management of relations between China, Vietnam, Taiwan, Malaysia, the Philippines and Brunei, who all claim the Spratly Islands either completely or in part, is an important indicator for the nature of future relations in the region. The dispute is a particularly sensitive issue due to the strategic importance of the South China Sea. It contains major sea-lanes including some of the busiest shipping routes in the world. Most contentiously, it is widely speculated that the Spratlys sit atop vast deposits of oil and gas.
- Tensions rose in 2010 due to an apparent return to assertiveness by China that drew the US into the dispute. In March it was reported that the Chinese told the US that the South China Sea was a 'core interest' related to its sovereignty and territorial integrity (which puts it at the same level as Taiwan and Tibet). The Americans responded through statements by both the Secretary of Defense and Secretary of State re-iterating the US position that it considers freedom of navigation through the South China Sea as a matter of 'national interest' and would oppose the use or threat of use of force by any claimant.
- How the dispute develops will provide a clearer indication as to the type of state that China intends to be in the region and the nature of the China-US relationship.

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Security in the South China Sea

Craig A. Snyder

Introduction

The management of relations between the various claimants to the territorial disputes in the South China Sea and over the Spratly Islands¹ in particular, are important indicators for the nature of future relations in the region. China, Vietnam, Taiwan, Malaysia, the Philippines and Brunei all claim the Spratlys either completely or in part. The dispute is a particularly sensitive issue due to the strategic importance of the South China Sea, and the Spratly Islands in particular. The South China Sea contains major sea-lanes of communications including some of the busiest shipping routes in the world. It also holds important natural resources such as vast fishing grounds and large deposits of valuable minerals. Most contentiously, it is also widely speculated that the Spratly Islands and their adjacent waters sit atop vast deposits of oil and gas.² The 1988 clash between Chinese and Vietnamese naval forces over Chinese occupation of six of the features in the group demonstrates the potential for military conflict over the Islands.³

Tensions over the dispute have risen over the past few years due to an apparent return to assertiveness by China over the issue. US-China relations have also suffered with diplomatic accusations exchanged by both sides. This paper explores the security implications of the territorial disputes over the Spratly Islands. I argue that the dispute is a good test to assess the nature of the role of China in the region and indeed globally. Following a period of tensions from 1988 to the mid-1990s, China has, over the past decade, embarked on a period of engagement with Southeast Asian states in general and with the other claimants in particular. Over the past year, however, China's relations with these states has deteriorated with some commentators announcing the end of the so-called 'Charm Offensive'.⁴ China's actions, as

the largest claimant as well as a potential regional hegemon, are understandably the focus of many of the regional actors even though the other claimants have made similarly provocative moves since 1995, when China's occupation of Mischief Reef was discovered⁵, such as occupying features, building lighthouses, airstrips and even diving resorts in the disputed area.

Diplomatic Approaches to Security in the South China Sea

Over the past 15 years a series of diplomatic approaches to preserve regional peace and stability through the gradual adoption of confidence- and security-building mechanisms have been initiated. In the South China Sea this approach has had some success in reducing the level of enmity among the littoral states through the creation of joint development projects and increased transparency in foreign and defence policies of the various claimants. In 1994 the then Philippine President, Fidel Ramos argued for the increase in inter-governmental contacts, as well as joint resource development in the Spratlys in order to reduce tension in the region. Following a meeting with the then Vietnamese Prime Minister, Ramos reported on the two countries acceptance of this cooperative approach. 'We agreed on the need to devise confidence-building mechanisms - cooperative ventures in the area - that will assure the claimant countries and the rest of the region that the South China Sea can be transformed from waters of contention to an area of cooperation'. Elaborating on this statement, the then Philippine undersecretary for Foreign Affairs, Rodolfo Severino stated that this confidence-building would be conducted in the Asian way, which is 'gradual, step by step, in a consensual manner.' He added that the two leaders also agreed to encourage a wide range of informal contacts between the claimants. These would range from the national leaders to local military commanders.⁶

Chinese Engagement post-Asian Financial Crisis

While China in the past has been reluctant to engage in multilateral regional security approaches this changed following the 1998 launch of its 'New Security Strategy'. In this the Chinese advocated an approach to safeguard its independence and sovereignty by creating an international environment favourable to its economic reforms and modernisation efforts, and to maintain world peace and foster common developments. As a result China has instigated what many called a 'Charm Offensive', (or what *The Economist* refers to as 'Smile Diplomacy') with the Southeast Asian states.⁷ Renato Cruz De Castro argues that this represents a Chinese policy of being a 'cooperative hegemon'. Cooperative hegemons seek to neutralize the balance of power mechanism through cooperation rather than counter-balancing acts. 'Faced with a more powerful hegemon with more resources and a powerful military, a cooperative hegemon will not form a counter-hegemonic coalition. Rather, it may set up a formalized cooperative regional substructure to neutralize the more powerful traditional hegemon'.⁸ The strategy of a cooperative hegemon is to use economic influence such as the granting of favours to small states through side-payments. The cooperative hegemon will also allow some political freedom for the smaller states by giving them a 'seat at the table' in an asymmetrical regional organisation. China achieves this through promoting ASEAN access to China's growing economy, increased Chinese political and economic engagement with the ASEAN states through the ASEAN plus Three and ASEAN Regional Forum.⁹

While in the past the Chinese were fearful of smaller states using multilateral fora to punish and constrain China, the Chinese are increasingly adept at using these fora to advance their policy objectives throughout Asia but with the Southeast Asian states in particular. In overcoming this fear of multilateralism the Chinese have had to ignore or rise above their political culture and national historical experiences that made them reluctant to engage in multilateral regional security organisations. In the South China Sea, China was especially concerned over three trends. First, many of the littoral states were increasing their military procurement with a particular focus to

extend their maritime capabilities. This was occurring for several reasons such as the reduction in the US presence in the region, their economic recovery from the 1997-8 Asian Financial Crisis and the increased role and responsibility that the UN Convention on the Law of the Sea (UNCLOS) gives the littoral states over their territorial waters and exclusive economic zones (EEZs). Second, China was concerned with the ASEAN states' preference to internationalize the dispute. For the Chinese they felt that by including the South China Sea disputes on the agenda of international fora such as the ARF the dispute became much more internationalised. By including regional and extra-regional powers such as the US, Japan, Canada and the European Union in the discussion there was a concern that international sympathy would be with the smaller claimants. China was also concerned with the ASEAN states' attempts to draw the United States and Japan more directly into the dispute. This played into the Chinese fears that the United States was seeking to reassert its hegemony in the region with the ultimate goal of 'containing' China. Third, China feared the other claimants were in collusion with one another to restrict Chinese interests in the region.¹⁰

China's previous reluctance to internationalise the dispute was evident following the discovery of the Chinese occupation of Mischief Reef in 1994. China turned down the Filipino proposal to host a multilateral conference on the Spratlys and said it would only consider bilateral negotiations with the individual claimants. One reason that China was reluctant to internationalise the dispute is that the Chinese leadership felt that China was unjustly branded the aggressor in the South China Sea. In 1995 Qian Qichen, the then Chinese foreign minister, sought to allay concerns in the region over a perceived Chinese drive for hegemony. He highlighted China's desire to play a positive role in maintaining regional peace and stability. Qian stated that 'China will never threaten or invade other countries. Instead, it will always be a positive factor for world peace and development'.¹¹ China does not consider itself the aggressor in the South China Sea in that it has only relatively recently pursued its national interests in the area. Rather, China's enemies took advantage of Chinese weakness in the past to press their claims in the region. Moreover, the others have continued to increase their occupation and control

of parts of the disputed area while talking about the need for a peaceful settlement of the dispute.¹²

The Chinese were slow in accepting the multilateral approach as there was a great deal of uncertainty among the Chinese decision makers between not wanting to be isolated in the region while at the same time not wanting to give in on historical national issues. This ambiguity can be seen in a much-quoted 1992 statement by Qian Qichen where he stated, 'We can seek a solution to these issues through negotiations. When conditions are ripe, we can start negotiations. When negotiations are not ripe, we can shelve these disputes'.¹³ While at the time this was seen as evidence of Chinese aggressive intentions in the region, it can also be interpreted to indicate unwillingness by the Chinese to press the sovereignty issue when the other claimant states were galvanised in their opposition to China. When this occurs, Qian argues, the sovereignty issue should be 'shelved' while the claimants engage in exploring the potential for joint development projects and the like in the disputed area.

Li Mingjiang argues that the Chinese strategy in regards to the South China Sea is one of balancing their economic development needs with issues of security and sovereignty. As such, the Chinese have promoted greater relations with Southeast Asian states, in particular, as they are seen as important trade and investment partners for the development of China's economic sector. Likewise, by engaging with the Southeast Asian states China can constrain these states in regards to forcing a decision on the question of sovereignty, something that could potentially lead to a breakdown in relations between the ASEAN claimant states and China. Such tensions could also increase the involvement of extra-regional powers such as the United States that would be detrimental to Chinese interests.¹⁴

Following a decade of engagement with ASEAN, China has begun to not only appreciate the value of the multilateral approach they are actively proposing ways to extend this cooperation. The Chinese have been successful in limiting the multilateral discussion on the South China Sea to the low politics issues of search and rescue, and joint scientific research activity, rather than on any

negotiation on issues that would affect the sovereignty claims of the various states. However, at the 2006 ASEAN-China Summit in Nanning, the Chinese Premier Wen Jiabao indicated that China was ready to expand its cooperation with the ASEAN states to include a military dimension. He called for expanded military dialog and exchanges, practical defence cooperation and joint development of the South China Sea. He also called for closer collaboration in maritime security, search and rescue, disaster relief, counter-terrorism and curbing transnational crime.¹⁵ However, the Chinese are unlikely to agree to any formal attempt to resolve the dispute through multilateral fora as this would need to include Taiwan that China does not recognise as an independent state.

ASEAN Led Approaches

There have also been several attempts by the ASEAN states to promote diplomatic mechanisms to address the issue. The Chinese occupation of Mischief Reef sparked greater interest in the Spratlys among the ASEAN states and led to a more coordinated ASEAN response to developments in the South China Sea. In 1992 at the ASEAN Ministerial Meeting in Manila the members issued a Declaration on the South China Sea. This 'Manila Declaration' as it has become known adopted the commitment not to resort to force to resolve disputes. The declaration also called on all the claimants to exercise self-restraint in the South China Sea and not to make any provocative or destabilizing moves in the area.¹⁶

In response to the 1994 Chinese occupation of Mischief Reef, the ASEAN states once again raised the issue of a common ASEAN position on the South China Sea. In the period immediately following the announcement of the occupation, the various ASEAN leaders issued statements condemning the Chinese actions. The first indication of a growing consensus among the ASEAN members was at the ASEAN Defence Cooperation/Coordination meeting held in Manila in March 1995. At this meeting, the representatives of

the ASEAN member-states issued a statement that reiterated the 1992 Manila Declaration and called on the claimants not to make any further moves that would destabilise the situation.¹⁷

However, the ASEAN position on the Spratlys is not particularly strong or well developed, as there is little consensus among the ASEAN states as to the legal status of the Spratlys. The ASEAN attempts to maintain cohesion on the Spratlys issue has put an enormous strain on the association. While ASEAN is considered an effective regional economic and political grouping, it has not been able to match its successes in these fields with any form of conflict management mechanism.¹⁸ Tension and mistrust is rampant among the ASEAN membership and many have not been able to resolve bilateral or multilateral disputes over territorial delineation with each other in their own territorial waters, let alone in the Spratlys. Each of the ASEAN claimants to the Spratlys has as much of a dispute with the other ASEAN claimants as they have with China. While being unable to resolve these intra-ASEAN disputes, the ASEAN members have been successful in reducing tensions. Indeed the ASEAN members have developed an 'ASEAN Spirit' among themselves in which they have pledged not to use force to resolve their differences and not to allow these disputes to interfere with their cooperation on economic and political issues.

The next major milestone was in 2002 with the signing of the 'Declaration on the Conduct of Parties in the South China Sea' between all of the ASEAN states and China. While the declaration was in essence a re-statement of the 1992 Manila Declaration, it was significant in that it was the first time the Chinese formally signed on to these principles. While the declaration was short of a formal 'Code of Conduct' for the region, it was an important step in the process towards an eventual resolution to the dispute. During the negotiations the major sticking point was over the territorial scope of the agreement. China wanted to restrict the agreement to the waters around the Spratly Islands while the Vietnamese also wanted to include the Paracel Islands.¹⁹ The Malaysians were reluctant to include a geographic reference or to include a restriction on improving the infrastructure on already occupied

features. For Malaysia the concern was that their 1998-99 occupation of Investigator Shoal and Erica Reef, which was in technical violation of the 1992 Manila Declaration, would be raised and they would be pressured to withdraw from these features. In the end, no geographic reference was included in the declaration except for the title, which implies a broad coverage but is sufficiently vague to allow some flexibility for various states.

Bilateral and Trilateral Negotiations

In addition to the multilateral discussions several bilateral and trilateral initiatives have also been developed. These have ranged from bilateral codes of conduct for state action in the area to the establishment of bilateral working groups to discuss territorial boundary issues. While other claimants have engaged each other on a bilateral basis, the primary proponent of the bilateral process has been China. The bilateral talks, that China hosts with the other claimants, have had some success in reducing tensions, primarily between China and Vietnam and China and Malaysia. There is, however, some concern over the utility of bilateral discussions between the Chinese and the smaller South China Sea littoral states. Jusuf Wanandi, the Chairman of the Center for Strategic and International Studies in Indonesia, warned of the dangers of bilateral discussions with China stating that the Chinese 'will divide us and clobber us one by one'.²⁰

Philippines-China

Despite the Filipino preference for a multilateral approach, they have engaged with the Chinese on a number of bilateral agreements. In 2004 the Philippines and China agreed to allow their state oil firms to undertake a joint seismic exploration in part of their overlapping territorial claims. The agreement was signed during a three-day state visit by the Philippines President Gloria Arroyo

in early September where the two states also signed an agreement to combat illegal fishing in the disputed area.²¹ In late September of that year the Philippine's Secretary of National Defense, Avelino Cruz stated that China and the Philippines had also agreed to establish an annual security dialogue. Cruz stated that the purpose of the talks were to 'pinpoint areas where we can have closer cooperation, like exchange of training and mutual help in sea disasters'.²² This agreement came under a high degree of scrutiny and criticism especially from the press and members of the Philippines legislature when its details were leaked to the press in February 2008. The concern was that the Philippines effectively surrendered part of its sovereignty to the Chinese (and the Vietnamese when the agreement was expanded) by including in the joint exploration area parts of the Philippine's continental shelf and EEZ that is not part of any claim by either China or Vietnam. Barry Wain argues that '[t]hrough its actions, Manila has given a certain legitimacy to China's legally spurious "historic claim" to most of the South China Sea'.²³

China-Vietnam

The Chinese also made conciliatory moves with the Vietnamese. The two have created a working group to discuss their joint maritime boundaries. In 1993 they agreed not to resort to force to settle any of their border disputes on land or at sea.²⁴ This was reiterated in May 1995, when Qian Qichen and Nguyen Manh Cam, the then foreign ministers of China and Vietnam respectively, met in Beijing and issued another statement agreeing on the need to settle the territorial disputes in the South China Sea through negotiations.²⁵

This cooperation was expanded when in March 2005 Vietnam agreed to join the Chinese-Filipino joint marine seismic surveys. In this, the three national oil companies agreed to a three-year Joint Marine Seismic Undertaking (JMSU) in a portion of their mutually overlapping claims in the Spratlys.²⁶ In December 2007 the three cooperating national oil companies announced that they had

completed the first phase of the seismic survey covering 11,022 line kms and were preparing to conduct the second phase that will cover 11,300 kms after 'encouraging' results from the first phase. In addition, in a meeting between Philippine President Arroyo and Chinese Premier Wen at the Leaders Summit of the Association of Southeast Asian Nations in Singapore the two expressed their interest in expanding the joint exploration on a 'development level'.²⁷ Again, Barry Wain is critical of the implications of this agreement arguing that the Philippines in particular have given up too much. Citing Mark Valencia, Wain claims that around one sixth of the joint survey zone is outside any Chinese or Vietnamese claimed area.²⁸

The three states have also agreed to increase cooperation in the area to protect their respective fishing fleets from pirate attacks following a May 2006 incident where four Chinese fishermen were killed in an apparent pirate attack. Speaking after a meeting with his Chinese and Vietnamese counterparts the Chief of Staff of the Philippines armed forces, General Generosa Senga stated that, '[w]e have agreed that we will continue our direct communication in the area so that these problems ... piracy, smuggling, transnational crimes ... can be resolved'.²⁹

Jörn Dosch argues that Vietnam has become sceptical of the multilateral approach based on consensus-building and the non-binding commitment to the non-use of force. He argues that for Vietnam, such approaches lost their credibility in advancing Vietnam's interest in the South China Sea, when the Philippines signed its bilateral deal with China in 2004. Even though Vietnam joined the agreement in 2005, it does not represent a success for the diplomatic approach. Rather the agreement demonstrates an international environment where the various Southeast Asian states compete in a zero-sum environment for Chinese preference and favours.³⁰ Dosch argues that this view was confirmed by a Chinese government official who stated that, '[w]hen we signed the agreement with the Philippines in 2004 it meant that Vietnam had fallen behind. And although Vietnam joined the agreement later, we are still more advanced in our negotiations with the Philippines. We are also speaking to Malaysia but these talks are less developed than those with the

Philippines and Vietnam.’³¹

This lack of norm building can be seen in the increase in tensions between China and Vietnam as recently as December 2007 when China announced plans to establish a new administrative zone called Sansha covering the Spratly Islands, Paracel Islands and the Macclesfield Bank. To voice their displeasure at this, groups of Vietnamese citizens held protests over two weekends outside the Chinese Embassy in Hanoi and the Consulate in Ho Chi Minh City.³² In addition, relations were strained between the two in April 2007 over a Vietnamese plan to develop the Moc Tinh (Block 5.3) and Hai Thach (Block 5.2) gas fields and to build a gas pipeline from these gas fields to the Vietnamese mainland. The Chinese protested this development, although not in a formal statement but rather in response to a reporter’s question during an unrelated press conference. When asked about the Vietnamese announcement the then Chinese foreign ministry spokesman, Qin Gang stated that ‘China has irrefutable sovereignty over the Spratly Islands and neighbouring marine areas. With everyone’s hard work, at present the situation in the South China Sea is stable. Vietnam’s series of new actions [are] infringing on China’s sovereignty, sovereign power and administrative rights in the Spratly Islands, [and] goes against the important consensus reached by [the] leaders of the two countries on the maritime issue.’³³ This follows the 2007 Chinese announcement that it would allow PetroChina to drill exploration wells in the Huaguang trough area³⁴ and a Vietnamese announcement in January 2007 that PetroVietnam would carry out joint operations with the US oil company ExxonMobil in an area (Blocks 117, 118 and 119) which overlaps the PetroChina’s exploration area in the Huaguang trough.

Malaysia-China

Malaysia has been the most supportive of bilateral discussions on the issue with China. Malaysia is in a unique situation in that its claim, aside from

Brunei, is the farthest away from the Chinese mainland. As such, the Malaysians feel that they will be able to retain most, if not all, of their claim area under a bilateral deal with China. The then Malaysian Prime Minister, Mahathir Mohamad stated in August 1993 that as Malaysia claims 'only a few underwater atolls' China is willing to discuss the issue in a bilateral meeting.³⁵ As the Malaysian claim area is so far from China the Malaysian's are also confident that the Chinese would not be able to occupy forcibly the features within the Malaysian claim. Abdul Razak Abdullah Baginda, the Executive Director of the Malaysian Strategic Research Centre argues that China is not a major threat to Malaysia and that he does not envision a scenario in which Malaysia would be forced to defend the islands.³⁶ Indeed, in November 2004, the Chinese Premier, Wen Jiabao, told the Malaysian Prime Minister that the two countries could jointly develop the South China Sea.³⁷

Malaysia-Vietnam

Malaysia and Vietnam have also increased their bilateral contacts. The two have entered into joint development agreements for disputed areas in the Gulf of Thailand. Malaysia and Vietnam have also discussed the possibility of increasing the level of defence cooperation between them. In March 1996, the Malaysian and Vietnamese Prime Ministers agreed to adopt a series of confidence-building measures designed to increase the level of transparency between the two state's armed forces. In this they agreed to establish a regular pattern of consultations and exchanges of information between the armed forces of each state. This is an important building block to develop the precedents for even greater military-to-military cooperation such as joint exercises. In relation to their respective claims to the Spratlys' Mahathir in a 1996 visit to Vietnam, stated that the Spratlys would not be on the agenda of the meeting between the two leaders, 'we have already discussed that. We have no dispute. Vietnam has Vietnam's part and we have ours'.³⁸

In 2009 Malaysia and Vietnam cooperated in drafting a joint submission to the UN Committee on the Limits of the Continental Shelf (CLCS) beyond its 200nm EEZ.³⁹ The submission effectively divides the southern part of the South China Sea between the two. China, not surprisingly, responded to this by submitting a *Note Verbale* to the CLCS objecting to the Malaysian-Vietnamese claims. In its protest, China stated that it 'has indisputable sovereignty over the islands in the South China Sea and the adjacent waters, and enjoys sovereign rights and jurisdiction over the relevant waters as well as the seabed and subsoil thereof'.⁴⁰

While the Chinese protest is not in and of itself assertive (or any more assertive than the Malaysian-Vietnamese claim), there are a couple of important aspects of the nature of the protest and the implications of the wording that was used. First, as part of the protest note China attached the 1947 9 dashed line map to its submission. This is important as it was the first formal use of the map by the Chinese government. Second, this seems to clarify the nature of China's claim. By referring to its sovereignty of 'the islands and adjacent waters' it appears that the Chinese are referring to 12nm territorial seas that could possibly be generated from the features, rather than claiming the entire South China Sea as territorial or historic waters.⁴¹ While the legality of the Spratly features to generate territorial seas (let alone EEZs) is highly dubious, the Chinese may be playing a long game by seeking to formalise its claim to the features while also seeking to get international support in changing international law to allow non-island features to generate territorial seas.

Impact on Sino-United States Relations

The South China Sea dispute has also recently had an impact on Sino-American relations. In March 2010, it was reported that the Chinese told the US that the South China Sea was a "core interest"⁴² related to its sovereignty and territorial integrity (which puts it at the same level as Taiwan and Tibet).⁴³

In response to this assertiveness the United States responded with US Secretary of Defense, Robert Gates at the Shangri La dialogue meeting in early June 2010 reiterating the US position from 1995 stating '[o]ur policy is clear: it is essential that stability, freedom of navigation, and free and unhindered economic development be maintained. We do not take sides on any competing sovereignty claims, but we do oppose the use of force and actions that hinder freedom of navigation.'⁴⁴

This message was repeated by the US Secretary of State, Hillary Clinton at the ASEAN Regional Forum in Hanoi on 23 July 2010. Secretary Clinton stated that freedom of navigation through the South China Sea was a matter of US 'national interest'. The US also offered support for 'a collaborative diplomatic process by all claimants for resolving the various territorial disputes without coercion. We oppose the use or threat of force by any claimant.'⁴⁵ Here both Secretary Gates and Clinton were reiterating long-standing US policy on the issue. In 1992 the US Ambassador to the Philippines, Frank Wisner stated that the US would oppose the use of force and that it would not allow threats to the peace and stability of the area to go unchallenged.⁴⁶ Later that year the then US Assistant Secretary of Defence for International Security Affairs, James Lilley commented that the continuing American military presence in the Asia Pacific is an effective deterrent to any aggressive action in the Spratlys even though the Americans have no specific treaty commitments to act in the area.⁴⁷ Further statements in 1995 indicated a strong American commitment to protect international shipping rights through the South China Sea in times of conflict. In May 1995, the State Department issued a statement affirming American interests in maintaining peace and stability in the area and calling on the claimants to intensify their efforts to resolve the dispute peacefully and in accordance to international law. The statement also warned that any action restricting maritime activity in the South China Sea would be of great concern to the United States.⁴⁸ Further, in June 1995 Joseph Nye, the then United States Assistant Secretary of Defense for International Security, warned that should freedom of the seas be threatened by any military action in the South China Sea the United States Navy would be prepared to escort and protect civilian ships passing through the area.⁴⁹

While the timing of the 2010 US statements was important, more striking was who said them and where. That the US Secretary of State raised the issue at the ARF was groundbreaking as the Chinese had previously been able to prevent states from raising the issue in such a multilateral forum. The Chinese criticised the US and the other 12 ARF members that subsequently also raised the issue, claiming that the Americans risked inflaming the situation by 'internationalising' what was a bilateral issue.⁵⁰

Conclusion

In conclusion, what does this tell us about the role China sees for itself in the region? In many ways, the Chinese behaviour is contradictory. Through engagement with the regional actors the Chinese can seek to shape multilateral mechanisms to achieve their policy objectives while conceding only limited power and influence to the smaller states. However, when adopting a confrontational stance the Chinese risk isolating themselves and building coalitions against them, but they also send explicit signals as to the limits they will allow in any compromise.

Finally, there is a danger of an over emphasis on China. All the claimant states have been provocative at some point and in any sovereignty dispute each of the claimants has to both exercise its sovereignty and dispute any such actions by others. Moreover, this is not a bilateral issue between China and ASEAN. Not all of the ASEAN states are claimants to the Spratlys and those that are have not reached agreement among themselves as to sovereignty. A peaceful resolution to the South China Sea disputes will only be achieved through dialogue between all of the claimants. Whether a third party such as the United States or Indonesia or even a regional organisation such as ASEAN or the ARF, can facilitate these discussions is a matter for the claimants themselves to agree on. In the meantime, China's actions in the South China Sea will continue to be the focus of international attention as a bellwether of the nature of China as a regional and indeed global actor.

Endnotes

- ¹ The Spratlys are also called the *Nansha* Islands by the Chinese, the *Truong Sa* by the Vietnamese, and the *Kayalaan* Islands by the Philippines. In this paper, in order to avoid confusion I use the English names of the group and any individual features.
- ² It needs to be stressed that to date no deposits of hydrocarbons have been discovered in quantities that would be commercially viable to extract in or around the main area of the Spratlys. Nor have any comprehensive geological seismic surveys been conducted of the seabed within the Spratlys that could determine the probability of any hydrocarbon deposits.
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- ⁵ See Craig A. Snyder, 'The Implications of Hydrocarbon Development in the South China Sea', *International Journal*, 52, no. 1, 1996-7, pp. 142-58; and, Ian James Storey, 'Creeping Assertiveness: China, the Philippines and the South China Sea Dispute', *Contemporary Southeast Asia*, 21, no. 1, 1999, pp. 95-118.
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- ¹⁶ 'Reacts to ASEAN Declaration on South China Sea', *The Xinhua General Overseas News Service*, 22 July 1992.

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- ¹⁷ 'China Denies Recent Spratly Survey', *Japan Economic Newswire*, 23 March 1995; and, Tim Johnson, 'ASEAN Hails Expansion, But Fears Spratly Dispute', *Japan Economic Newswire* 30 July 1995.
- ¹⁸ See Amitav Acharya, *A New Regional Order in South-East Asia: ASEAN in the Post-Cold War Era*, Adelphi Paper 279, London: Brassey's for the International Institute for Strategic Studies, 1993.
- ¹⁹ Clive Schofield, 'A Code of Conduct for the South China Sea?', *Jane's Intelligence Review*, 12, November 2000, pp. 36-40.
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- ²¹ Benjamin Kang Lim, 'China, Philippines Ink Pacts on Arroyo Visit', *Reuters News*, 2 September 2004.
- ²² Manny Mogato, 'Manila, Beijing Work to set up Security Dialogue', *Reuters News*, 30 September 2004.
- ²³ Barry Wain, 'Manila's Bungle in the South China Sea', *Far Eastern Economic Review*, 171, no. 1, 2008; and, Barry Wain, 'Gloria Arroyo at Sea with China', *Far Eastern Economic Review*, 171, no. 3, 2008.
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