

CHINA'S STRATEGY IN THE SOUTH CHINA SEA

ROLE OF THE UNITED STATES AND INDIA

SALONI SALIL

Introduction by

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INTRODUCTION

I feel privileged to introduce the reader to this series of **New Delhi Papers** which contain focused research on one or two issues concerning India's national security and interests. It is also a matter of satisfaction that these objective studies have been carried out mostly by young academic and military scholars (normally below 30 years age) affiliated to this Centre on a 9-month "Non-Resident Fellowship" programme. The details of this programme are to be found at the end of this paper.

National security is a multidisciplinary subject ranging from core values, theory, security interests, challenges, options for management and other aspects covering almost all areas of national enterprise like defence, internal security, economic and technological security etc. all linked in a holistic manner. But unfortunately this is absent in our education system at the hundreds of universities and other teaching establishments. Without adequate education and understanding of national security India's multicultural diversity within the liberal democratic freedoms, therefore, tends to only progressively strengthen regionalism and parochialism with far-reaching consequences. Hence this modest attempt to fill a serious vacuum in our education system which for three centuries has remained mired in Lord Macaulay's educational model leading to narrowly conceived approach to national imperatives which, by definition, require a broader *national* approach.

I am confident you will enjoy reading this paper and you are welcome to raise comments and critique so that we can improve future efforts. The views expressed in the study are those of the author and do not necessarily reflect those of the Centre or any other institution.



Jasjit Singh

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New Delhi

ACRONYMS

| | |
|---------------|---|
| ARF | Asian Regional Forum |
| ASCM | Anti-Ship Cruise Missile |
| ASEAN | Association of South-East Asian Nations |
| C4ISR | Command Control Communication Computer and Intelligence Surveillance Reconnaissance |
| EEZ | Exclusive Economic Zones |
| ONGC (VIDESH) | Oil and Natural Gas Corporation |
| PLAN | People's Liberation Army Navy |
| PRC | People's Republic of China |
| PSC | Production Sharing Contract |
| SCS | South China Sea |
| SLBM | Submarine Launched Ballistic Missile |
| SLOCs | Sea Lines of Communication |
| SSBN | Submarine Ballistic Missile Nuclear Powered |
| UN | United Nations |
| UNCLOS | United Nations Convention on the Law of the Sea |

1. A THEORETICAL UNDERSTANDING OF THE SOUTH CHINA SEA AND AN OVERVIEW OF THE DISPUTES

The map below gives a geographical understanding of the region.



(See Reference No. 1)

The South China Sea is now an area of strategic interest for major powers and is on the verge of becoming a highly volatile zone where the Asia-Pacific countries, especially China, are trying to assert their claims over its resource-rich islands that offer both geostrategic and geopolitical value. In the Cold War era, the South China Sea held no strategic interest.² However, with the change in the global security environment, the significance attached to this area has undergone major changes. One theory explains that this change can be understood in three

phases, Pre-Modern; Modern; and Post-Modern. In the pre-modern period, territories belonged to no one and were technically considered as abandoned and acquirable-by-appropriation. There were no major disputes over the islands at that point. The modern era, lasting from the European period to the post-Cold-War period, was marked by power shifts and increasing disputes. Though the global powers retained control during most of the initial period, the end of the cold war resulted in a power vacuum in the region. This allowed the East Asian littorals to redefine their sovereignty claims on the South China Sea islands. In the Post-Modern era, the disputes over the territory in the South China Sea are conditioned by shifts in the global landscape and the strategic interest of the claimant states.

Though most of the claims made on the ownership of these islands are based on historical grounds, it is suggested that the geographic and resource implications of this region are the actual driving factors. The South China Sea roughly extends up to 150,000 sq. miles. Its littoral states comprise the Philippines, Malaysia, Brunei, Thailand, Singapore, Indonesia, the Indo-China countries Vietnam and Cambodia, Taiwan and China. It provides a waterway through the choke points of Straits of Taiwan in the north and Straits of Malacca in the south. It consists of three main archipelagos which include the Pratas Islands, the Macclesfield Bank, the Scarborough Shoal, the Paracel Islands and the Spratly Islands. The importance of this region lies in its commercial and military sea lanes, extensive maritime resource ownership and territorial space. Its diverse ecosystem is a source of food, livelihood and marine trade for most of the claimant states. It is rich in natural resources and has large reserves of oil and natural gas.

These littoral states are now involved in a number of conflicts over South China Sea islands. China is the most aggressive claimant and has been accused of pursuing a policy of unilateral action in resolving these conflicts. Though it has now shifted to a more diplomatic approach as a result of its association with ASEAN (Association of South-East Asian Nations) member states, it still controls a majority of the claimed territory through economic and military power projection as well as soft power tactics. Some of the disputed cases include multiple parties, and the resultant political scenario bears implications for the maintenance of peace in the surrounding areas. For example, China, Taiwan and Vietnam over Paracel Islands; Taiwan and China over Pratas and Macclesfield Bank; the whole of Spratly Islands are claimed by China, Taiwan, Vietnam and some parts of it are claimed by Brunei, the Philippines and Malaysia; Indonesia

and China over the Natuna Islands group; The Philippines, China and Taiwan over the Scarborough Shoal etc.

A classic case study in addition to the existing problem can be addressed by adding a new dimension in this issue, that is, India's responses and growing role in the South China Sea. On the one hand, India has been expanding its naval reach from the Arabian Sea to the South China Sea through various naval exercises and, to further project its blue-water capability, the Indian Navy had deployed five of its front-line warships in the South China Sea in the year 2004, also on the other hand India's deepening ties with the littoral states of South China Sea, are a step forward for India in signalling its capabilities and outreach, especially with Japan and Vietnam. Since 1994, the relations between India and Vietnam have been progressing, becoming an irritant for China and its interests which already has been in conflicting terms with Vietnam over the claims on Paracel and Spratly Islands. In the recent past, China very overtly and assertively warned India's ONGC (Oil and Natural Gas Corporation) Videsh from going ahead with exploration projects in the South China Sea and clearly showed an intent of using all possible measures, despite its policy of Peaceful Rise,³ to stop India in its efforts of expanding its co-operation with Vietnam through exploration projects, as it is a violation of China's sovereignty (since the disputed area is claimed by China to be a part of its territory in all rights). However, India has clearly stated that it would go ahead with its joint exploration plans as it is well within the territory of Vietnam. India also believes in the freedom of navigation in the South China Sea and would continue with its exploration efforts. It would be interesting to analyse this latest stand-off between the two Asian giants making the South China Sea a major flashpoint as it becomes an area of Struggle for Supremacy.⁴

This dissertation makes a modest attempt in highlighting the fact that the South China Sea will be an area of Struggle for Supremacy among the major powers. The objective of this study will be—to highlight the geopolitical and geostrategic importance and implications of the South China Sea; to assess the contemporary debates on the South China Sea in India and China; to highlight the US-China rivalry in the South China Sea; to scrutinise China's enlargement policy in the South China Sea; to highlight Vietnam and China's diverging views and conflicting perspectives; to assess the conflict resolution effort initiatives; to analyse a probable scenario in the region and to recommend ways by which a peaceful resolution can be arrived at.

Notes

1. Frederik Van Lokeren, "The Naval Balance of Power: The South China Sea," May 2011, available at <http://gcreport.com/index.php/analysis/190-the-naval-balance-of-power-the-south-china-sea> (accessed on January 3, 2012).
2. Professor Geoffrey Till, "The South China Sea Dispute: An International History." Paper presented at the International Conference on The South China Sea: Towards a Co-operative Management Regime, Singapore between May 16 and 17, 2007 organised by the S. Rajaratnam School of International Studies, Nanyang Technological University.
3. Esther Pan, "The Promise and Pitfalls of China's Peaceful Rise," *Council on Foreign Relations*, April 14, 2006, available at <http://www.cfr.org/china/promise-pitfalls-chinas-peaceful-rise/p10446>.
4. Krishnan Srinivasan, "Struggle For Supremacy," *The Telegraph (Calcutta, India)*, January 25, 2012, available at http://vv.telegraphindia.com/1120125/jsp/opinion/story_15050527.jsp.

2. GEOPOLITICAL AND GEOSTRATEGIC IMPORTANCE AND IMPLICATIONS OF THE SOUTH CHINA SEA

Nicholas Spykman, a Dutch-American geostrategist and geopolitician, described the South China Sea as the “Asiatic Mediterranean.” Just as Rome and the United States have sought control over the Mediterranean and the Caribbean, China now seeks dominance over the South China Sea.

In the existing international security environment, the South China Sea is being considered as the new geopolitical node. Hence, there seems to be a struggle for supremacy among the major powers in the region. As it is known, most of the world trade is sea-borne. The South China Sea region is considered to be the world’s second busiest international sea lane as more than half of the world’s supertanker traffic passes through the region’s waters. The importance and the significance of this region lie in the fact that it contains abundant oil and gas resources which are strategically located near large energy-consuming countries. Over 50% of the annual merchant fleet tonnage passes through the Straits of Malacca, the Sunda Straits, and the Lombok Straits. The Straits of Malacca accounts for nearly 10 million barrels of crude oil every day. There are enormous mineral and fishing resources, and the South China Sea is estimated to hold about 70 billion barrels of oil and 900 trillion cubic feet of natural gas. At the same time, a lot of threats to the national security of regional and out-of-the-region countries are associated with those waters.¹ The growing hunger of the major powers for energy to keep their economies running has pulled countries to pay importance to this region.

In addition to these topographic features and the geographical location, the region can also become highly volatile as the countries that surround the periphery of the Sea are in conflict with each other over territorial rights. The ownership of the territories and islands, especially the Paracel and Spratly, has been contested by the countries. Most of these claims are historical, but they are also based upon internationally accepted principles extending territorial claims

offshore onto a country's continental shelf, as well as the 1982 United Nations Convention on the Law of the Sea.²

The UNCLOS, also known as Law of the Sea Treaty, came into force in 1994, due to rising concerns over status of islands, continental shelves and territorial limits. These articles have been taken from the original UNCLOS text and have been interpreted thereafter.

- Article 3, establishes that the territorial limit of any country's coastline cannot exceed 12 nautical miles.
- Articles 55–75, describe the concept of an Exclusive Economic Zone (EEZ), which is up to 200 nautical miles adjoining the territorial seas. The EEZ provides states to have sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the waters superjacent to [above] “the seabed and of the seabed and its subsoil.”
- Article 76, defines the continental shelf of a nation, which “comprises the seabed and subsoil of the submarine areas that extend beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin, or to a distance of 200 nautical miles” This is important because Article 77 allows every nation to exercise “over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources.”
- Article 121, states that “rocks which cannot sustain human life or economic life will have no EEZ or Continental shelf.”³

The claims made by the littoral states on the islands in the South China Sea can be understood by the articles cited above. According to these articles, the claims made by the countries are given in the table below.

| Claims by Country | | | | |
|--------------------------|------------------------|------------------------------------|------------------------|-------------------------|
| Country | South China Sea | Spratly Islands⁴ | Paracel Islands | Gulf of Thailand |
| <i>Brunei</i> | UNCLOS | no formal claim | no | n/a |
| <i>Cambodia</i> | (n/a) | n/a | n/a | UNCLOS |
| <i>China</i> | all* | All | all | n/a |
| <i>Indonesia</i> | UNCLOS | No | no | n/a |
| <i>Malaysia</i> | UNCLOS | 3 islands | no | UNCLOS |

| | | | | |
|--|----------------------|-----------|-----|--------|
| <i>Philippines</i> | significant portions | 8 islands | no | n/a |
| <i>Taiwan</i> | all* | All | all | n/a |
| <i>Thailand</i> | n/a | n/a | n/a | UNCLOS |
| <i>Vietnam</i> | all* | All | all | UNCLOS |
| UNCLOS = UN Convention on the Law Of the Sea | | | | |
| n/a = not applicable | | | | |
| *excluding buffer zone along littoral states (calculations for buffer unknown) | | | | |

Competing territorial claims over the South China Sea and its resources are numerous, with the most contentious revolving around the Spratly Islands and Paracel Islands.⁵ The establishment of the EEZ created the potential for overlapping claims in the South China Sea as it provides a country with the right to explore and exploit the resources of the region. This region, due to its richness in natural gas and oil, has made countries even hungrier to get access to them. The claimants have established outposts on the islands (mostly military) in order to conform to Article 121 in laying emphasis on their claims. The Law of the Sea Convention, or UNCLOS, states that countries with overlapping claims must resolve them by good faith negotiation. However, the “differences in the interpretation of the 1982 UNCLOS provisions on the EEZ and the clash of interests in the South China have led to incidents like the 2001 collision between an American ‘intelligence’ EP3 aircraft with 24 on board and a Chinese fighter plane, which killed the Chinese pilot and forced the US plane to make an emergency landing on Hainan.”⁶

For reasons given in the preceding paragraph, it is clearly understood why the great powers are looking towards this region and trying to establish a prominent position to secure their interests in this part of the world. The region has not only economic potential but also geostrategic value. This gives us a clear understanding of the topography and geopolitical as well as geostrategic importance of the South China Sea.

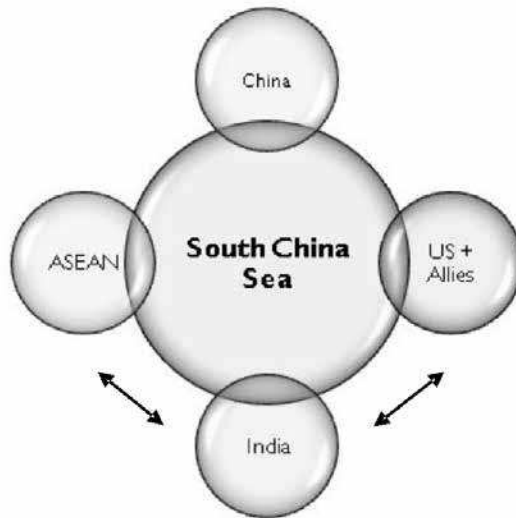
The map below gives an understanding of the South China Sea dispute.⁷



Notes

1. Prokhor Tebin, "South China Sea: A New Geopolitical Node," October 14, 2011, available at www.asiatimes.com (accessed on January 7, 2012).
2. "South China Sea Region," Country Analysis Brief, 2003, September, available at <http://www.eia.doe.gov/emeu/cabs/schina.html> (accessed on January 7, 2012).
3. "United Nations Convention on the Law of the Sea," available at http://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf (accessed on January 3, 2012).
4. "Spratly Islands Conflicting Claims," available at <http://www.globalsecurity.org/military/world/war/spratly-conflict.htm> (accessed on February 25, 2012).
5. Ibid. Global Security.
6. Covered in a paper presented by Rodolfo C. Severino, "Issues in the South China Sea Dispute," at the workshop on the South China Sea organised by the Carlos P. Romulo Foundation for Peace and Development and ISEAS, Makati, Philippines, October 17, 2011 available at <http://carlospromulo.org/wp-content/uploads/2009/12/Rodolfo-Severino.pdf>, p.4
7. Ian Storey, "Conflict in the South China Sea: China's Relations with Vietnam and Philippines," *The Asia Pacific Journal: Japan Focus* (China Brief: April 2008), v. 8, n. 8, available at <http://japanfocus.org/~Ian-Storey/2734> (accessed on February 1, 2012).

3. UNDERSTANDING THE CONUNDRUM BETWEEN CHINA AND THE MAJOR ACTORS IN THE SOUTH CHINA SEA



The Actors and Their Interests

- **China** claims the whole of South China Sea based on historical claims and for the resource-base as well as strategic interests.
- **The United States and its traditional allies** have strategic interests in this region and seek to get access to the resource base. China's claims can pose a threat to US national interests.
- **The Other Claimant Countries:** The Philippines, Vietnam, Indonesia, Malaysia, Brunei have claims over the Economic Exclusive Zones of some islands of the South China Sea and have interest in the resource base of the region.
- **India** has energy requirements and hence is attracted to the resource base as well as has strategic interests in the region. However, India has kept itself mostly isolated in South China Sea until recently. Despite the exchange of words between India and China, India has not come to play a very prominent role in this regard.

Establishing Relationship among the Actors

India and ASEAN countries share an evolving economic relationship today with a trade volume of US \$55.4 billion in 2010, a growth of over 41.8% from 2009, which accounted for 2.7% of total ASEAN trade in 2010.¹ The US has defence commitments with the Philippines and has been trying to forge closer defence alliances with Vietnam as well. The United States and India share close strategic ties. India and the United States both share an uneasy relationship with China and are wary of China's military growth and assertiveness in the region.

Hence, the United States, to secure its interests in the region, is looking towards India as a counterbalance to China in the region. India, with its evolving relationships with the countries involved in the dispute and the region as a whole, is now creating a sphere of influence which may later be helpful in deterring China's ambitions. However, India solely cannot ward off China in the South China Sea. Similarly, the ASEAN countries are looking up to both India and the United States to counterbalance China's rise in the region. Thus, through this equation we can understand that a zero-sum game is established where, we can assume, the United States, India and the ASEAN countries, on the one side, ally against China on the other side, and China would be isolated. The gain of one party would be a loss for the other. China with its military and economic growth can challenge the adversaries, and if China is able to take over the claimed islands, the United States, India and the other claimant countries would lose access to the resource base that is crucial for the continuous growth of their economies. If the reverse happens, China would lose a vital vantage point. In addition, China's adversaries would come too close to the country's border and its national interests and security could be jeopardised.

This physical model explains how the major actors have come to pay more attention to this region. The economic potential and geopolitical importance of the South China Sea are the primary motivating factors for the surrounding countries to claim the islands and their resources. The bountiful fishing opportunities within the region are yet another motivating factor for the overlapping territorial claims in the South China Sea.

Notes

1. Remarks by H.E. Bagas Hapsoro, at the Inaugural Session of the New Delhi Dialogue IV, India on February 13, 2012, available at <http://www.aseansec.org/speechDSG-Bagas.htm> (accessed on February 25, 2012).

4. CONTEMPORARY DEBATES ON SOUTH CHINA SEA IN INDIA AND CHINA

The long-standing dispute between China and the claimant states has become a major security flashpoint which could have global consequences. China's growing assertiveness in the region has also come to affect India and Indian interests. Hence, although keeping itself away from the South China Sea disputes, India has come into the picture because of commercial interests in the region. The Indian Naval Doctrine (revised version 2007) has clearly mentioned that India's area of interest "extends from the north of the Arabian Sea to the South China Sea."¹

To understand the current situation, one needs to know about the background. The new geopolitical order at the end of the cold war, and a markedly evolved security and economic environment, impelled India into embarking on a strategy of greater economic engagement with its eastern neighbours. From an import substitution system, India had switched to export promotion. The "Look East Policy," adopted in 1991, was one of India's responses to the balance of payments crisis that had very nearly depleted the nation's reserves. With the new policy, India sought closer economic engagement with the East—a region that was fast emerging as a big market for Indian products. But beyond the building of relations with the countries in South-East Asia and East Asia, especially the forging of strong economic ties, there were several other areas of co-operation between India and the South-East Asian countries. Some among those many areas were maritime concerns such as protection of the Sea Lines of Communication, piracy, terrorism, etc. The decision to move towards the South-East Asian region was a part of India's foreign policy driven largely by the need to expand for economic benefits.

India's quest for partners in the maritime domain got it closer to countries in South-East Asia where Vietnam emerged as one of the important partners although majorly restricted to Joint Oil Exploration.

In the past two decades, both India and Vietnam, guided by their historical experiences of colonialism, have been co-operating closely with each other. They share a close economic relationship with a bilateral trade of more than US \$2.7

billion in 2010 and US \$2.38 billion in 2011.² Also, in 2000, a fresh protocol on defence co-operation was signed (earlier in 1994 an agreement of defence co-operation could not be operationalised). Indian companies have invested in oil and gas, steel, spices, pharmaceuticals, edible oil, steel furniture, sugar, plastics, coffee, consumer products and other sectors. Interestingly, in the opening years of close engagement and co-operation, the two nations have been found to share not just common interests but common threat perceptions as well. It is, perhaps, no surprise that the China factor has come to feature in their relationship in the twenty-first century as one of the important factors. China's rapid emergence as a military and economic power has, for both India and Vietnam, come to represent both an opportunity and a challenge. Both nations well appreciate the short-term and long-term geostrategic implications of China's rise and have in the recent past moved towards forging a broader strategic partnership.

The South China Sea, and regions surrounding are at the centre of a number of disputes resulting from the close proximity of landmasses, maritime territorial disagreements and an overlapping of interests. The number of incidents involving maritime forces—over fishing rights; over oil and gas rich areas and claims to various islands—are on the rise, resulting in a deterioration of the security scenario.³ The importance of this region lies in its commercial sea lines of communication, extensive maritime resource ownership and territorial space. Its diverse ecosystem is a source of food, livelihood and marine trade for most of the claimant states. The South China Sea region has proven oil reserves estimated at about 7 billion barrels approximately, and oil production in the region is currently around 2.5 million barrels per day⁴ and the entire South China Sea has been estimated by the Chinese to contain more than 2,000 Tcf of natural gas resources. However, the US Geological Survey (USGS) estimates the sum total of discovered reserves and undiscovered resources in the offshore basins of the South China Sea to be 266 Tcf.⁵

The complexities generated in the past few years, by China's assertive and aggressive military build-up in the South China Sea, have led countries in the region, as well as extra-regional powers, to look towards India as a counterbalancing force. The Indian political and military leadership, by itself, looks at China's dramatic rise with some wariness. The growing economic and military might of China and its increasing sphere of engagement and influence pose a challenge to India's regional interests as it has always emphasised the need for a peaceful regional environment and for prosperity among nations, and China's rapid rise can bring about instability in the region. India-China relations,

despite a closer bilateral trade and potential economic ties which amounted to US \$63,095.61 million in the year 2010-2011, with India at a negative trade balance of US \$118,633.24 million with China⁶ (not to mention the converging stand on climate change and environmental issues), have not overcome a fundamental mistrust and suspicion that the two countries have been sharing over the years.

China's disputes with Vietnam too are serious and longstanding. The disagreements are rooted in the disputed status of the Paracel and Spratly Islands in the South China Sea. More than 200 tiny islands and several uninhabited rocky outcrops, atolls, sandbanks and reefs populate the South China Sea, with a majority of them located in the Paracel and Spratly Island chains. These islands have emerged as the major flashpoint of conflict in the South China Sea.⁷ China, greatly conscious of the security implications of the strong network of alliances forged by the US in the Asia Pacific, claims the whole of South China Sea as its own territory. The sole objective seems to be to acquire an edge over US military presence, as also to undermine the influence of American allies and partners in the region.

Against the backdrop of this intense and all-pervasive insecurity, China perceives the deepening ties between India and Vietnam—especially the signing of an agreement on Joint Oil Exploration in the South China Sea by India and Vietnam in October 2011—with a degree of suspicion.

In actual fact, the starting-block of the co-operation was the signing of a Production Sharing Contract (PSC) in May 1988 between Hydrocarbon India Ltd (as OVL was then called) and Petro Vietnam; under that agreement, the Indian company was allowed to explore gas in Block 06.1, which contributes about 50 percent of Vietnam's gas requirement.⁸

China made its displeasure known by warning India's ONGC (Oil and Natural Gas Corporation) Videsh, partnering British Petroleum and Petro Vietnam, against going ahead with exploration projects off the Vietnamese coast. This, the Chinese claim, amounts to a violation of China's sovereignty. India, on the other hand, has made its position clear with equal firmness stating that it would go ahead with its joint exploration plans as it is well within the legitimate rights of Vietnam, and hence would continue with its exploration efforts.

The Chinese responded by calling it India's way of challenging China's growing presence in the Indian Ocean region. They also accused Vietnam of breaching the agreement that it signed with China on settling maritime disputes in South China Sea in June, 2011.⁹ They had agreed to address the issues through peaceful negotiations and to avoid actions which could complicate their

relationship, but Vietnam went ahead with its deal with India on exploration efforts and this was seen by China as violation of trust and mutual respect. For India now, the issue is to protect its relationship with China, whilst also sending out a clear and firm message that it will pursue its national interest. The Indian leadership would certainly be keen to evaluate the pros and cons of entering the South China Sea and provoking China on the issue.

China has, on more than one occasion in the past, shown its displeasure over Indian activities in the South China Sea. In 1958, the Chinese authorities had objected to an Indian Navy vessel when it transited about 12 miles from the Chinese coastline but well outside the then internationally accepted three-mile territorial water limit.¹⁰ In 2000, Indian Navy transited through South China Sea and announced exercises in the area. This Indian plan was perceived by China as a direct challenge since it considers the entire South China Sea as its waters.¹¹ The latest incident involving the *INS Airavat* has shown that the Chinese sensitivities remain as fraught as in the past. When the amphibious assault vessel *INS Airavat*, belonging to the Indian Navy, paid a friendly visit to Vietnam between July 19 and July 28, 2011, it was intercepted on the radio by an unidentified Chinese Naval vessel.¹² On July 22, *INS Airavat* sailed from the Vietnamese port of Nha Trang towards Haiphong, where it was to make a port call. At a distance of 45 nautical miles from the Vietnamese coast in the South China Sea, it was contacted on an open radio channel by a caller identifying himself as the “Chinese Navy” stating that “you are entering Chinese waters.” The caller identified himself as a PLA Navy’s officer, and warned the Indian vessel that it was entering Chinese territorial waters and hence, should move out of there.¹³ However, the Indian Naval ship ignored the radio messages and continued.

Today, India and China are encountering each other at different places such as West Asia and Africa, and are competing in the same geographical space for resources and markets. Conceivably, the two Asian giants share a relationship of cold peace which could turn hostile. However, after assessing the past events, and in spite of these time-to-time exchange of hostile words and assertive stances, it is unlikely that India will be militarily attacked by China, especially in the recent turn of events, where the countries in the region are forging closer ties with the United States, Japan and India due to China’s growing assertiveness. This has isolated China in the region.

India’s growing international stature gives it strategic relevance in the area ranging from the Persian Gulf to the Strait of Malacca.¹⁴ With globalisation, the stakes for India in this part of the world have only become high. The

South China Sea, or the broader Asia-Pacific region, is important for Indian interests as it provides a pathway to greater economic integration. It is not only a strategic maritime link between the Pacific and the Indian Oceans, but also a vital gateway for shipping in East Asia. Apart from helping secure energy supplies for countries like Japan and Korea, India has the unique distinction of shipping oil from Sakhalin to Mangalore through sea routes of the region. Therefore, it is vital for India to have access to the region. If China continues to assert dominance over these waters, it will be difficult for India to continue with its activities through this channel. India would doubtless look to establish itself in the region and advance its economic and strategic interests.

China claims full sovereignty over the entire South China Sea, ignoring the claims of other countries. It has warned all countries, including India, to refrain from undertaking any oil exploration in blocks offered by Vietnam. These oil and gas fields lie on the continental shelf within the Exclusive Economic Zone under the sovereign rights of Vietnam and in total conformity with the 1982 UN Convention on the Laws of the Sea.¹⁵ Nevertheless, China has time and again asserted that the whole of the South China Sea is under the limits of its territorial waters. Vietnam defies these claims made by China according to the UNCLOS. The recent deal between India and Vietnam on Joint Oil Exploration in the South China Sea, which according to both Vietnam and India is well within the territorial waters of Vietnam, has become an issue of contention between India and China, as well as Vietnam and China. The deal was seen by China as an intrusion by an external country into its territory, which is unacceptable to it.

China had expressed its displeasure to India and wanted it to suspend all such exploration activities in the South China Sea. Another incident involved an Indian Naval ship, the *INS Airavat*. These two incidents led to debates in both India and China. The debates by Indian scholars highlight two perspectives; firstly, that India should ignore all the commotion made by China and go ahead with its exploration efforts in Vietnam, and secondly, India's actions in the South China Sea may push China to the limit and this may affect the other border-disputes which till date have not been resolved. However, the popular demand by scholars was in favour of India's continuing with the projects in the South China Sea as "India supports freedom of navigation in international waters including South China Sea ... in accordance with the accepted international law ... to be respected by all."¹⁶ Hence, after all the debates, India has decided to continue with its joint oil exploration efforts in the South China Sea.

As far as China is concerned, when the incident took place there seemed

to be a mismatch in the stand of China as analysed by scholars after several statements made by media and government officials in the public domain. At the media level one of the Chinese newspapers was quoted: "It's not worthwhile for Vietnam and India to damage the greater interests of peace, stability and economic development between China and Vietnam, China and India, and in the whole region, for the sake of these small interests in the South China Sea."¹⁷ At the official level, a spokesperson of the Chinese foreign ministry, in response to a pointed media query on the ONGC oil exploration, said, "Our consistent position is that we are opposed to any country engaging in oil and gas exploration and development activities under Chinese jurisdiction." Claiming its indisputable sovereignty over the South China Sea and its islands, he stressed: "We hope foreign countries will not get involved in the dispute. For the countries outside the region, we hope they will respect and support countries in the region to solve this dispute through bilateral channels."¹⁸ However, the debates still reflect that China's stand on this issue has been consistent. It still believes that the joint exploration between India and Vietnam is infringing in China's jurisdiction and that it will not accept any outside interference in the regional territorial dispute. A leading Chinese think tank which enjoys government support stated that India will have to face political and economic risks if its companies continue with the exploration projects. Also, the President of National Institute for South China Sea Studies, Wu Shichun, supported by the Foreign Ministry, mentioned that the involvement of Oil and Natural Gas Corporation (ONGC) Videsh in exploration projects in the two blocks will make the dispute "more complicated."¹⁹

These debates have clearly highlighted India and China's intent. India has now adopted a policy of playing a proactive role in the region without getting involved in the disputes. However, for China, any outside interference, even if it is from India will be taken as an infringement in China's jurisdiction and will not be tolerated. However, it would be in India's interest to continue with its projects. India need not worry about the border issue here or China's involvement in the Indian Ocean Region as India may actually be in a position to counterbalance China in the IOR with the help of its growing influence in the South China Sea. Adding another dimension, one cannot ignore that the economic factor is one of the driving factors for nation states today. Indulging in any kind of armed conflict could result in blockade of vital sea lanes through which more than half of the world's annual merchant fleet tonnage transits through the Straits of Malacca, Lombok and Sunda

with the majority continuing in the South China Sea.²⁰ It would impact economic growth no matter whether the damage inflicted is more or less in comparison to the adversary.

Notes

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5. THE US-CHINA RIVALRY IN THE SOUTH CHINA SEA

Today the South China Sea is considered to be the new geopolitical node. Hence, this is the area where the interest of the major players in International Relations, that is, the US, China and India, intersect each other. Taking China as the common factor, the aim would be to establish the relationship between the other three actors individually with China and bring in the areas of conflict in the South China Sea among them.

China versus the US

Apart from the resources and vital sea lanes, the region is vital for US interests because it has treaty allies in the region, needs to contain China's assertiveness and views the waters as critically strategic. This position, however, infuriates China. The long-standing dispute between China and its South-East Asian neighbours over the control of the sea has suddenly become a new source of tension between the US and China. According to China, its claims are rooted in its history.

The year, 2010 witnessed escalation of tensions in the South China Sea, with the United States increasing its presence in the region, followed by a series of confrontations between the US and China over the disputes related to territorial claims. According to some US media outlets, Chinese officials made it clear to the visiting administrative officials of the US that they will not tolerate any interference in the seas. In response to this, Hillary Clinton, US Secretary of State, said that the disputes were sensitive to regional security and important for leading diplomatic priority.¹

According to several scholars, China now perceives the peaceful resolution of South China Sea as its Core Interest.² The fact remains that the Sea has always been of core interest to China, but was not officially articulated to the World as such until March 2010.³ The various skirmishes that occurred between China and the other parties to the dispute in the region—be it with Vietnam in the 1970s and the Philippines in the 1990s—have only reinforced this premise.

China and the United States differ over the concept of “freedom of

navigation.” The principle of freedom of navigation was developed in international law. The 1982 United Nations Convention on the Law of the Sea (UNCLOS) successfully codifies Article 90 which states that: “Every State, whether coastal or landlocked, has the right to sail ships flying its flag on the high seas.”

UNCLOS also states in Article 87 that, “Freedom of the high seas is exercised under the conditions laid down by this convention and by other rules of international law. ...” and that “These freedoms shall be exercised by all states with due regard for the interests of other states in their exercise of the freedom of the high seas.”

The United States is backed by India and several other littoral states. During the 17th ARF meeting, Hanoi, Vietnam in July 2010, India joined other countries to openly declare that the South China Sea should remain open for international navigation. The Indian position on the security situation in the South China Sea was made clear by the Indian Foreign Secretary, Nirupama Rao, in her address at the National Maritime Foundation, New Delhi on July 28, 2011,⁴ where she reiterated the region’s importance as an important shipping route and India’s support for freedom of navigation in sea lanes.

However, China holds an alternate view; it contests the “freedom of navigation” by saying that there are no international waters in the South China Sea and that China should act with strength to repel US interference in the contested area.⁵

A confrontation is looming between China and the United States over Beijing’s claims of sovereignty over the South China Sea in conflict both with US assertions of its right to patrol there and claims from other nations that they, too, have rights in the gas- and oil-rich region. There have been a series of confrontations between the United States and China in the South China Sea. The Chinese government has warned United States oil companies not to engage in joint oil exploration activities with other nations. In the year 2001, a Chinese fighter jet intercepted a US Navy surveillance airplane in international airspace over the South China Sea, causing a midair collision. It resulted in a Chinese pilot’s death which further led to the detention of the 24 American crew members for 11 days after their plane made an emergency landing on Hainan.⁶

In the spring of 2009, Chinese vessels came within a few yards of the US Navy Surveillance Ship, “The Impeccable.” China lashed out on the navy ship and blamed it for violating international law by conducting surveillance activities in waters where China claims jurisdiction.

According to Chinese officials, the United States had conducted activities in China's special economic zone in the South China Sea without China's permission.⁷

The confrontation began when the Chinese vessels surrounded the *Impeccable* and came within 25 feet of it. The United States report suggests that the Chinese sailors waved flags and ordered it to leave. The crew on the ship told the Chinese vessels that it had the right of safe passage in international waters. But two of the Chinese ships blocked the *Impeccable*, after it requested safe transit, while Chinese sailors dropped pieces of wood in its path and wielded hooks. During the confrontation, the *Impeccable's* crew sprayed some of the Chinese sailors with a fire hose, causing some of the sailors to strip to their underwear.⁸ According to Pentagon officials, the Chinese ships consisted of a naval intelligence vessel, two smaller trawlers, a fisheries patrol boat and an official oceanographic ship.

Chinese officials have made clear statements that since the United States is not a claimant state to the dispute of the South China Sea, it is better for them to leave the dispute to be sorted out among the claimant states. Chinese vice Foreign Minister, Cui Tiankai's commented to foreign reporters: "While some American friends may want the United States to help in this matter, we appreciate their gesture but more often than not such gestures will only make things more complicated. If the United States wants to play a role, it may counsel restraint to those countries that have been taking provocative action and ask them to be more responsible in their behaviour. I believe the individual countries are actually playing with fire and I hope the fire will not be drawn to the United States."⁹

These recent stand-offs indicate a possible hostile confrontation between the US and Chinese forces. The Chinese are growing wary of US involvement in the South China Sea, especially with the US extending its military presence by sending additional military personnel to Australia in the coming years in Darwin. Also, China has clearly said that it will not bear any international interference in this regional dispute. Although the US has not supported any individual claims of the states, it is pressing upon a multilateral solution based on international maritime laws.

The role of the United States in this context in the South China Sea can be further understood by summarising Mark J. Valencia's views in "The South China Sea: Back to the Future?" published in December 2008 by *Global Asia (Journal)*¹⁰ thus: China's growth in naval power can challenge the United States' intention to play a leadership role in Asia, and also its allies. The US considers

that its presence in the region is important for peace and stability in the region. They believe that it is their responsibility to be involved in the affairs of virtually every country, so as to fledge democracy and international laws; to keep US companies and trade protected; to secure the important SLOCs, etc. The United States is trying to elevate its relationship with the ASEAN countries, and build defence ties by making them strategic partners.

The role played by United States in the region is driven basically by their national and economic interests. They see China as a threat, and hence are trying to ally with other countries to isolate China. The question that arises is whether the United States is trying to counterbalance or contain China, or to protect their economic and strategic interests. Moreover, the rising friction between China and its neighbours in recent times over security issues has provided the United States with an opportunity to assert itself.

Notes

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6. CHINA'S ENLARGEMENT POLICY IN THE SOUTH CHINA SEA

China's economic might has been growing directly in proportion to its military might. With growing GDP and being the second largest economy in the world today, China is also one of the most robust military powers across the globe. As a result of China's economic success, the globe has witnessed an accelerated growth in its military modernisation programme as well.

The twenty-first century has witnessed the Chinese Navy's rapid strides in modernisation. To understand China's enlargement policy in the South China Sea, views taken from the Pentagon Report on "Military and Security Developments Involving the People's Republic of China," 2011¹ can be summarised as: China in the past few years has been demonstrating a robust naval presence in the South China Sea. As a part of its Military Modernisation Programme, China has been shifting resource base from its PLAN's (People's Liberation Army Navy's) North Sea Fleet to the South Sea Fleet deployed in the South China Sea. It is making an extensive effort to make the South Sea Fleet more forceful by expanding its capabilities and by positioning a strong strategic and conventional military presence off its southern coast. This move of China has created an uneasy environment for the major powers. It also has a growing impact on regional rivalries and power dynamics.

The South Sea Fleet has expanded extensively since its inception. China had captured the Paracel Islands from Vietnam in the year 1974 and occupied a number of islands in the Spratly Archipelago in 1988. The significant changes in Chinese threat perceptions—which can be understood from the physical model explained in Chapter 1—coupled with increased interest in the South China Sea, have caused China to begin to shift its priorities to the South Sea Fleet. Hence, since the late 1980s, China has been seeking to develop a "blue-water" navy force capable of operating in the regions beyond its offshore waters.²

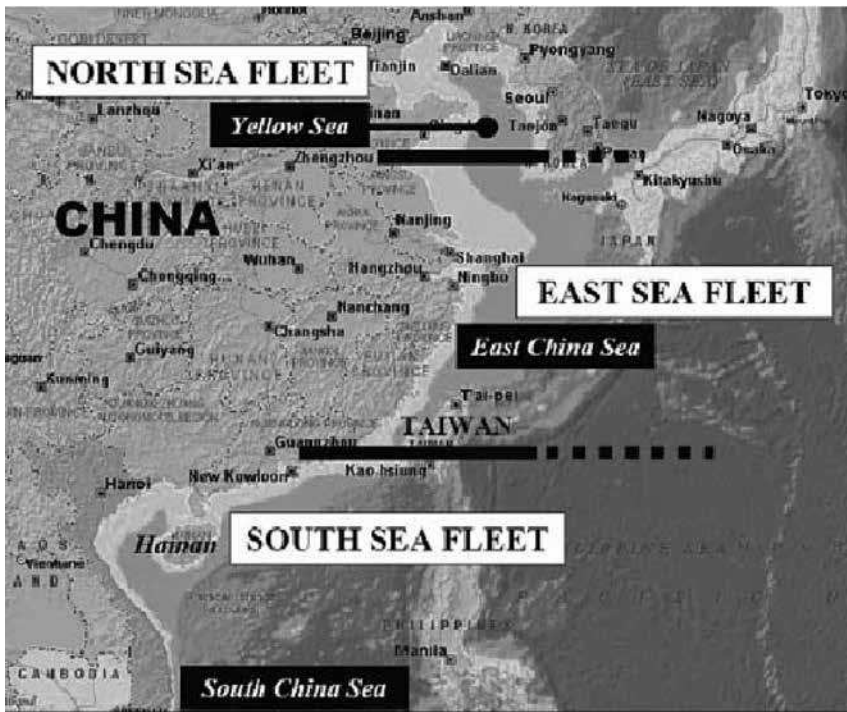
In this regard, China has been following a three-stage strategy to build up its naval capabilities. The first stage being a well modernised naval capacity, which can operate within the perimeter of the first chain of islands, that is, from Japan in the North to Taiwan and the Philippines in the South. The second

stage comprises development of a regional force that can operate beyond the first chain of islands, which includes Guam, Indonesia, and Australia. The final stage would be to build a global force by the middle of the twenty-first century. China has been following this three-stage development strategy to continue with the modernisation of its national defence and armed forces. The first step was to lay a solid foundation by 2010, the second is to make a major progress by 2020 and the third to reach the strategic goal of building informationised armed forces capable of winning informationised warfare by the twenty-first century.³ Therefore the People's Liberation Army Navy is rapidly building itself into a modernised maritime force consisting of combined arms with both conventional and nuclear capabilities.

The Chinese government has been investing in modern hardware and technology which has benefited the modernisation programme. Out of them, many have reached criticality and some will be operational in the following years. China's three-island strategy is based on the conceptualisation of its maritime domain as *jinan* (inshore) to *jinhai* (offshore).⁴ Hence, China has envisaged three concentric rings in its maritime strategy of sea-control/denial ensuring the security of its shipping lanes and its maritime interests.

The PLAN is currently structured around three fleets, each with a definite geographic focus: the North Sea Fleet, headquartered in Qingdao; the East Sea Fleet, headquartered in Ningbo; and the South Sea Fleet, headquartered in Zhanjiang. Nevertheless, it is suggested by a newspaper article that the change is brewing on a wider scale than most envisage.⁵ All these fleets are linked to roughly ten major naval bases. Each fleet has under its command fleet aviation, support bases, flotillas, maritime garrison commands, aviation divisions and marine brigades.⁶

The map below shows PLA Navy's Fleet positions.



(See Reference No. 7)

According to several reference sources, it is understood that China has come to pay more attention to the South Sea Fleet in recent years which can be analysed as resulting from China's growing threat perceptions in the region.

China's Naval Deployments in the South China Sea—Drawing an Inference

Through various media reports it can be determined that, firstly, China has been building an underground nuclear submarine base in Sanya in the Hainan Islands, the southernmost part of China. This base will have the potential to accommodate roughly 20 nuclear submarines and aircraft carriers, thus giving China a deterrent capability in times of hostility. The first of the new Type-094 SSBN submarines have already been deployed to its new base on Hainan Islands. It has been involved in large-scale construction of new patrolling vessels which will be used for keeping an eye on movements in the South China Sea.

The PLAN is adding to the strength of the South Sea Fleet by improving its amphibious warfare capabilities. Currently the PLAN incorporates the largest submarine force in Asia, and they hope to use the submarine fleet as a means of supporting naval and deterrence strategies. The navy has developed and deployed four new classes of indigenously built submarines including the Jin Class-Type 094 nuclear-powered ballistic missile submarine, the Shang Class-Type 093 nuclear-powered attack submarine and the Yuan Class and Song Class which are both conventional modern attack submarines. These submarines and frigates are armed with any of these: ASCMs, wire guided and wake-homing torpedoes and mines. Additionally, each Jin Class nuclear-powered ballistic missile submarine is expected to be armed with JL-2 nuclear armed submarine-launched ballistic missiles (SLBMs). One of the main focus areas of the Chinese naval modernisation programme has been research and development of new nuclear submarines as well as diesel and electric submarines.

Apart from this China has also deployed the following:

- “Guangzhou,” a destroyer.
- It has launched a ship-building programme, including the Type 094 and 093 ballistic missile and nuclear attack submarines.
- China has 10 nuclear submarines and 50-60 diesel-electric submarines.
- China’s South Sea Fleet has already been improving 3-D combat at sea—surface, subsurface and air—with numerous exercises over the past two years.
- Surface warships and submarines, helpful in precision strikes on surface targets, which can perform anti-missile air defence operations.
- The J-17C radar with early warning capability, and anti-ship cruise missile installations.

For further understanding, the views of Cortez A. Cooper on “The PLA Navy’s ‘New Historic Missions’: Expanding Capabilities for a Re-emergent Maritime Power,” in June 2009,⁸ have been summarised below:

China has a well-established mine inventory and a fleet of attack submarines. It has also been working on building new destroyers and frigate fleets. It has a Russian Sovremenny class destroyer with advanced anti-ship cruise missiles (ASCM), and is building eight new classes of indigenous destroyers and frigates. These frigates will have the ability of ship-borne area air defences and the capacity to conduct long-range anti-surface warfare missions with supersonic ASCMs. These frigates will employ stealth technology. China has been producing fast attack missile platforms which are extremely capable of combat

operations. It has plans for modernising a sea-based nuclear force. Also a new SSBN, the Type 094 class, has entered service with a possible range of 12,000 km. China has been trying to acquire essentially C4ISR (Command Control Communication Computer and Intelligence Surveillance Reconnaissance) capabilities such as joint command and control, long-range surveillance and reconnaissance, maritime area air defences, and a joint targeting architecture which probably will be in place between 2015 and 2020.⁹

Watching China's naval power growing every day, the claimants as well as third parties to territorial disputes are visibly responding to China's gradual move into the waters of South China Sea with obvious suspicion. Countries such as Singapore, Malaysia, Indonesia, and even Vietnam are getting their fleets ready and are trying to obtain necessary naval power to hedge against China. As of today, although India has been modernising its naval capabilities, there is no comparison with China. Hence, except for the United States, no other country can challenge China's naval supremacy in the region.

In fact, it is also quite interesting to note that some of the capabilities China is acquiring, may be able to challenge the United States' naval invincibility despite the fact that the US has the foremost naval forces. China's posturing in the South China Sea is signalling to the United States and the other countries and the major powers that any sort of involvement, covert or overt, will not be tolerated by it. The growth in defence capabilities of China may deter any country from turning hostile against it.

Notes

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7. CHINA-VIETNAM RELATIONS: A CASE STUDY

The Vietnam War is one of those conflicts considered part of the greater global clash of the Cold War between the Communist bloc led by the Union of Soviet Socialist Republics (USSR), and the “Capitalist” West led by the United States of America. The conflict kicked off as nationalist forces pushed for decolonisation from the French, after the peninsular had been taken over and returned by the Japanese by the end of 1945. This nationalism was identified by the paranoia of anti-communism—evident in the views of renowned strategists of the time, such as, Secretaries of State Dean Acheson and John Foster-Dulles—as leftist-communist movements. Slowly the US took over the role of the French, while the Soviets through the Chinese and others, provided moral and materials support for the populist movement which established itself in the north of the coastal peninsular state. The subsequent “Domino Theory” first coined by William Bullitt, was the realisation of US strategy with regard to the spread of communism in South-East Asia. It was based on the argument that the momentum of revolutionary communist conversion could only be curbed with active intervention, benign or otherwise.

The Vietnam War ended in 1975 followed by unification of South and North Vietnam in 1976, which were partitioned by the 17th Parallel in 1954 at the Geneva Conference. Prior to this, South Vietnam in the year 1975 had occupied the Spratly Islands. This marked the beginning of the still existing dispute between China and Vietnam. In 1978, the relations between them worsened when Vietnam signed a “Treaty of Friendship and Co-operation” with the erstwhile Soviet Union, formerly an ally of China.

In 1979, China fought against the occupation of Cambodia by the Vietnamese, which ended in a stalemate. Throughout the 1980s China threatened Vietnam with constant mortar shelling on its borders. In the late 1980s, China and Vietnam fought their second war. This was a naval battle just off the coast of Spratly Islands (in 1974, China had already taken over the Paracel Islands). After this era of historical animosity, they normalised relations in the 1990s.

But this normalisation did not stay stable for long. By 1992, the territorial dispute came back as a source of irritation. There were differences of opinion over: overlapping claims to the Paracel and Spratly archipelagos, to water and continental shelf areas in the South China Sea and in the Gulf of Tonkin, and to areas along the land border, prevalent from May to November 1992. Differences relating to oil exploration in the South China Sea and the signing of contracts with foreign companies for exploration were prevalent during parts of the mid-1990s, and so on.

For further understanding, the views of Ian Storey in his article, “Conflict in the South China Sea: China’s Relations with Vietnam and the Philippines” (Japan Focus: April 2008)¹ have been analysed as follows: In order to resolve most of these issues, joint efforts were made by both the parties. They established Joint working groups to discuss the disputes. In the year 1997, they decided to resolve their border issue by mutual understanding by the end of the year 2000. Also in 1999, China and Vietnam signed a Land Border Treaty which came into effect in 2000.²

On the issue of the Gulf of Tonkin, substantial progress was achieved after several rounds of negotiations. In 2000, China and Vietnam had signed an agreement on Demarcation of Waters, Exclusive Economic Zones and Continental Shelves which divided the gulf equally between the two nations. However, these agreements were not ratified by either of the parties until 2004. Despite the ratification there was constant exchange of accusation from both sides over infringement of the agreement, followed by a serious incident in 2005 when Chinese patrol vessels had opened fire on Vietnamese fishing trawlers killing some men of Vietnamese descent. Following the incident, both sides agreed to a series of measures designed to prevent further incidents and enhance co-operation in the area. However, the issue of overlapping claims still remains contentious. The territorial claims over the islands have not been resolved until today. The period from the 1990s has witnessed a number of stand-offs between the two countries.

In 2002, A Code of Conduct of Parties in the South China Sea declaration was put forward which aimed at freezing the status quo and encourage CBMs among the disputant countries. This too was not able to bring Vietnam and China on the same table of negotiations. By the year 2007, relations continued to deteriorate sharply over the dispute, followed by several incidents.

China had accused Vietnam of violating its sovereignty by allowing foreign energy companies to develop gas fields off the coast of Vietnam. However,

Vietnam considered this accusation as false since the gas fields fell well within the EEZ of Vietnam. However, British Petroleum, the foreign company, put a hold on the work which could be due to pressure from Chinese sources.

The second incident took place when in 2007 Chinese Naval patrol vessels fired on a Vietnamese fishing boat. In August 2007, China had made loud announcements about their plans to begin tourist cruises to the Paracels, leading Vietnam to reaffirm its sovereignty claims over the archipelago. In November, Vietnam protested Chinese military exercises in the Paracels.

“The third incident concerned the allegation—not yet confirmed by the PRC government—that the National People’s Congress had passed a law in early December 2007 creating a county-level city in Hainan province called Sansha to administer China’s claims in the South China Sea, including the Parcel and Spratly Islands.³ For the Vietnamese government the Sansha proposal was the last straw. Over two consecutive weekends in December it allowed hundreds of students to conduct anti-China protests near the Chinese embassy in Hanoi and consular office in Ho Chi Minh City. The demonstrators expressed anger over China’s claims in the Paracels and Spratlys, accusing Beijing of pursuing hegemonic ambitions (*Straits Times*, December 17, 2007).”⁴ China and Vietnam in July 2011 agreed to mutually resolve the issue of overlapping claims. They agreed to a peaceful negotiation process.

The two sides also agreed to intensify efforts to speed up negotiations and work out a mutually agreeable solution to the issue. They pledged to work hard to sign an agreement as early as possible.⁵ This resulted in more detailed commitments: twice-yearly meetings of “heads of government-level delegations” and a “hotline mechanism” to deal with “issues in a timely manner.” However, it does not refer at all to the 2002 China-ASEAN code of conduct to which both China and Vietnam are parties. (It cites a document that it calls the “Declaration on the Conduct of Parties in the East Sea,” but there is no mention whatsoever of the ASEAN.)⁶

Even the past few years have seen acts of mistrust and aggressive claims. The problem today has grown due to Vietnam’s expanding relations with the United States and India. In recent years Vietnam has carried out a number of activities in the South China Sea which have threatened China’s sovereignty. Seizing 29 islands claimed by China, it co-operated with Russia in developing oil exploration technologies and purchased advanced submarines and other weapons. As the United States launched its “return to Asia” strategy last year, Vietnam also enhanced its military co-operation with the US.⁷

India's recent Joint Oil Exploration deal with Vietnam has made China wary of India's intentions in the region, as also Vietnam's efforts to strengthen its military power by co-operating with Russia and buying defence equipment such as Kilo-class submarines to use it as a hedge against China. With Vietnam's relationships improving with China's adversaries, the issue of South China Sea disputes is becoming more and more complicated in nature. Reconciliation efforts seem to be fading in the background as extra-regional powers now come to play an important role. In this context India's role as of now is not very prominent, and Russia too has not shown any overt involvement in this region. Hence, the main extra-regional actor here becomes the United States.

The next chapter of this book will deal with Conflict resolution efforts made in this region, and also present a probable scenario of conflict management. The chapter will try and analyse a hypothetical scenario of confrontation in the South China Sea among the major players.

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8. CONFLICT RESOLUTION EFFORTS

Conflict management is about preventing escalation in a conflict that has already erupted, and bringing about its eventual settlement. The basis of both prevention and management of conflict is the rapid and immediate communication of intentions to prevent the other side from assuming the worst-case scenario and escalating in turn.¹

China's growing aggressiveness in the region has led the disputant countries to seek help from extra-regional powers. The United States has been calling for a multilateral solution to the disputes, however, China has been very loud and clear in terms of expressing its willingness to solve the problems bilaterally and without any outside interference.

The issue which began as a mere territorial dispute over rights of the islands and sea territories which involved China and five ASEAN countries, namely, Vietnam, the Philippines, Brunei, Malaysia and Indonesia, has now become much bigger than when it actually started. The issue is now more about getting access to oil and gas reserves due to growing energy demands of the countries. As a result of this, the situation which was earlier restricted to six countries within the periphery of the South China Sea, has now become internationalised due to the involvement of the United States, especially, and India as they have major stakes in this region. The issue, which could have been resolved by mutual understanding between the claimant countries, has now become a global issue. Although China wants bilateral arrangements to be made, the littoral countries are seeking assistance from the United States in resolving this dispute. China feels that because of US presence in the region, the peaceful settlement of the dispute is becoming a myth instead of an assumed reality. The South China Sea dispute would now require all the actors to come together on a common table for negotiations which would include China, the five ASEAN countries and the United States as well.

Major Initiatives to Resolve the Conflict

Since the 1990s several efforts have been made by the claimant countries for peaceful resolve of the South China Sea dispute. These initiatives have been unilateral, bilateral as well as multilateral in nature. According to some data,

in the 1980s, China was the first one to call for a resolution for settling the issue; however, it did not reach anywhere. In 1995, the Philippines had proposed demilitarisation of the islands, but this too did no good.

At the bilateral level, the Philippines and China, and the Philippines and Vietnam in the years 1995-1996, had signed the "Code of Conduct." Despite the fact that the parties urged for Confidence Building Measures restraining them from use of force, it did not contain proactive action by the signatories on each other. China-Vietnam had signed an agreement in 2000 for resolving the Gulf of Tonkin issue.

At the multilateral level, ASEAN member states and China made efforts in order to defuse tensions on the issue. After the 1995 confrontation with Vietnam on the occupation of Mischief Reef followed by criticism of China, China agreed to include Spratly Islands in the discussion. Ever since, disputes are discussed at the China-ASEAN meetings where all ASEAN members are involved.

The year 1997 marked the summit between China and ASEAN. They issued a joint statement which spoke about the disputes as well. The statement said that the two sides shall "continue to exercise restraint and handle relevant differences in a cool and constructive manner."² A negotiation for a regional code of conduct was proposed in 1998 which was finally agreed upon in 2002 by the ASEAN countries and China. The agreement was not legally binding, however, it holds the parties to some common laid down principles—those embodied in the UN Charter, the UN Convention on the Law of the Sea, the South-East Asian Treaty of Amity and Co-operation, and the "Five Principles of Peaceful Coexistence" as well as to consultative and peaceful processes of dispute settlement.³ Others include notification prior to military exercises, promoting exploration, safety of navigation, search and rescue etc. Other provisions of the declaration include calls for the exercise of self-restraint; mutual notification of military exercises; and the extension of humanitarian treatment to all persons in situations of danger or distress in the area. The declaration also includes provisions promoting exploration or co-operation in marine environmental protection, scientific research, safety of navigation, search and rescue, and efforts aimed at combating transnational crime.

The ASEAN Regional Forum (ARF), initiated by ASEAN in 1993, also took keen interest in resolving the issue, however, since China was against any outside involvement of parties, it never included the dispute on its agenda.

The United Nations General Assembly has also been called upon for help

by the Philippines in 1999 for assistance in this dispute. During the meeting, China, with the support of Malaysia, stressed that it advocated settlement through peaceful means but opposed intervention from nations outside the region.⁴ Vietnam and the Philippines, meanwhile, called for restraint and peaceful settlement but asserted before the General Assembly their rights as coastal states. Fifteen Disagreements among the four major claimants at the 1999 General Assembly is indicative of the difficulties the United Nations faces should it attempt to define a role for itself with respect to the conflict.⁵

So far the efforts made at the official level have not been satisfactory. In spite of putting several key issues to be addressed at the meetings, no real progress has been made. Beijing seems prepared only to support a non-binding multilateral code of conduct that would be limited to the Spratly Islands and focus on dialogue and the preservation of regional stability, rather than on the problem of sovereign jurisdiction. The South-East Asian claimants are equally unwilling to make concessions with regard to their territorial claims. The absence of a consensus among the ASEAN states over the South China Sea is also relevant. The members have differing relationships with China and contrasting views on China's potential threat. In addition, some members have conflicting claims in the Spratlys, while others are not concerned about the problem of sovereignty.⁶ China has made promises that it will not use force against its neighbours over the dispute, and it would be an incredibly risky move for it to do so. Given that China relies so heavily on fuel imported from the Middle East—most of which makes its way through the South China Sea—a conflagration that shuts down that transit area would have devastating repercussions for the emerging world power. But, analysts say, all sides are acting aggressively. And the dispute is happening at sea, with ships that are increasingly less restrained. A small spark could set off a chain of events that leads to a real showdown, or worse.⁷ In the last few months, a number of incidents have occurred, highlighting what appears to be a growing willingness on the part of China to use its armed strength to pressure and influence rival claimants, particularly the Philippines and Vietnam, in the disputed South China Sea.

Conflict Management—Recommendation

A viable option to resolving the issue in the South China Sea would be to establish a multilateral regional governing body composed of all the top-level officials of the claimant countries and the major powers in the region. This body would then bring all the issues to the table and also bring the countries together

to negotiate. Before the negotiations commence, all the claimant countries need to make an effort to mutually freeze all their claims in the region. The negotiations should be held bilaterally under the supervision of the governing body as there are several overlapping claims within ASEAN as well, and hence, a multilateral approach may not be very feasible in this context. The countries need to come to an understanding where they provide some concessions to each other in exchange of certain rights. The common interests in the region may serve as a grounding element for the countries to take a more peaceful stance, rather than an aggressive one, especially when the stakes are high. The UNCLOS needs to be adhered to as a reference point for all the countries in order to support their claims. After deliberations and discussions, when a consensus is reached, a legally binding treaty should be put in place in order to prevent violent confrontation from taking place in the waters. In case of any violation of the agreements, severe sanctions should be imposed on the violators. But, to adopt this approach, the most important element required is the political will of the countries involved in resolving the dispute. The aims of the body will only be achieved if the claimant parties are ready to adhere to the agreements concluded during the debates and discussion. Mutual respect and trust has to be developed during the course of the negotiations and several concessions would have to be made to see how best a win-win situation can be arrived at.

Hypothetical Scenario

Looking at the current situation in the waters of South China Sea, intensive militarisation of this area may either act as a deterrent for any real time war, or instead may escalate the problem. However, if we build upon a hypothetical scenario—Where China is becoming more and more aggressive with its claims and is now militarily threatening the other claimant countries to stay off the waters, this may bring the extra-regional powers to come and indulge in a war which is not theirs. The situation can worsen, especially if the ASEAN members call upon India and the United States for help. India, due to its pacifist policies, may not enter the war directly, but it is possible that the United States may deploy their fierce fleets in the waters.

Two situations can occur due to this: either there will be a full-fledged war between the US, ASEAN and the United States' traditional allies on the one side, and China and probably North Korea (also a nuclear weapons state) on the other, which means two nuclear weapons states versus one nuclear weapons state. The results would be disastrous, no matter who wins this war. The other

situation can be: if China feels threatened by the combined forces of the US plus allies and ASEAN members and avoids real time confrontation, it may try to resolve the issue peacefully.

Nevertheless, such a scenario may be impossible for now as today; economic factors and energy security are the driving forces for any country. Any kind of war will put tremendous pressure on the economy of the country, and will cause severe damage to life and property, followed by possible sanctions which will crunch the economy and development completely. Also North Korea has never overtly lent its support to China in the South China Sea disputes. It is in the interest of both the ASEAN countries and China to exercise stronger political will and take a more pragmatic stance to prevent maritime boundary disputes from jeopardising their mutual economic interests.⁸

The event has escalated from something that was local, containable, and manageable, to something that has now become a state-on-state sort of conflict. No matter which perspective you adopt, it is (the South China Sea) critically important for security and stability. It is the critical node to all the economic activity. Any interruption there would create a real problem.⁹ Thus, after analysing the situation in the South China Sea, one can comprehend from the facts that a mere conflict between the countries around the periphery of the sea, has the potential to turn hostile in the coming future if not given ample attention today. The role of the United States would be very vital in resolving the dispute peacefully.

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9. CONCLUSION AND RECOMMENDATIONS

After analysing the current situation, one can come to the conclusion that the South China Sea has become an area of struggle for supremacy. There is a high potential for conflict to remain and occur especially in the wake of the fact that the states' energy needs are growing and so are their militaries. China's efforts to modernise its navy are continued, and it has constantly stated that its sovereignty over the South China Sea is indisputable. Similarly, the South-East Asian states who also claim rights over some of the islands in the region, have been unwilling to make concessions with regard to their territorial claims. China's strategy in the South China Sea still remains a mystery. As a result, the situation in the South China Sea is delicate, dynamic, and possibly unpredictable. The situation prevalent in the region today is making all the conflict resolution efforts a failure, leaving a direct impact on the region's security environment, and making peaceful settlement of the dispute far from reality right now. The changing dynamics in this region need to be given importance and have to be observed very carefully. Any kind of serious confrontation can have implications for peace and stability of the whole region. India and the United States have to be watchful of China's moves. Basically, any developments in the South China Sea, and the outcome, will have major implications not only for countries in the region but for the world at large, as many nations have considerable economic interests in the region. The dispute is multifold in the current scenario. The dispute stands between China and ASEAN member states, and between China and the United States.

The recent visit of US Defence Secretary, Leon Panetta, has reiterated the fact that the US holds high stakes in that region. The decision to move over 60% of its navy by 2020 in the Asia-Pacific region during the Shangri-La Dialogue in June 2012 left China in jitters. Their description of India as a key ally and the need to bolster defence and security co-operation highlighted US eagerness to make a strategic shift towards the Asia-Pacific.

However, in strategic considerations, it would be in China's interests and benefit not to aggravate the situation in the South China Sea as its resource base might not be sufficient for China's energy needs. Escalation tensions could compromise its resource diplomacy and sea-borne trade, which mostly

comprises the oil coming from the Persian Gulf, if India and the United States block the straits of Malacca, Hormuz, and interdicting Chinese energy trade through the Northern Indian Ocean. Hence, freezing of the dispute could be a more viable option. As for the United States, its presence in the region helps create a stabilising force for all concerned, to help neutralise tensions and not escalate them to serious hostilities. India, on the other hand, should continue to engage frank and peace-building measures with friends in the region. Further commitments of Indian companies in energy exploration and development initiatives in the South China Sea to seek larger economic benefits, only means an expansion of the global energy base, which is still beneficial to China as it continues to project itself as the core of the global economy of the “Asian Century.” Demonstrating its historical benevolence only drives home the point that China is good for the world, and in the process the world will be all the more good for China.

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