Regional Dimensions of South China Sea Issues
by Amb. Hemant Krishan Singh

Although world attention has lately been focused on North Korea’s nuclear bluster and China’s attempts to coerce Japan over the Senkaku Islands (called Diaoyu by China), the South China Sea is in many ways the centre point of regional geo-politics of the emerging Indo-Pacific theatre. South China Sea – related issues reflect not only China’s growing power but also a new pattern of Chinese behaviour increasingly evident since 2009. The US has responded by “rebalancing” within Asia to pay greater attention to Southeast Asia. And a host of regional powers from Japan to Indonesia, Vietnam to India have stepped up support for rule-based architecture that can sustain a more stable regional order.

The South China Sea is indisputably a critical waterway. It is located immediately beyond the choke points at the eastern reaches of the Indian Ocean and the Indonesian archipelago. More than half of China’s sea lanes (21 out of 39) traverse the South China Sea, accounting for an estimated 60% of its trade. So does an estimated one-third of the world’s trade with the most dynamic emerging economies as well as much of the energy and commodity supplies on which they are dependent. All this may matter less but for the fact that the tiny islands which dot the South China Sea are the subject of maritime territorial disputes involving China, Vietnam, Philippines, Malaysia and Brunei. Not least, these tensions are also driven by the perception of the South China Sea’s bountiful resources, from hydrocarbons to fishing.
Asia’s emergence as the world’s economic powerhouse is most likely but not inevitable. The South China Sea exposes Asia’s leading challenge: the creation of regional institutions that address insecurity, reduce prospects of conflict, promote collective action on non-traditional security issues and provide the basis for a peaceful resolution of disputes under international law. ³ No such overarching architecture currently exists. The East Asia Summit has potential but is still weak and its future role in regional security undecided. Not only is the EAS limited to discussion of soft security issues, it also lacks institutionalised mechanisms for follow-up. China cannot assert domination over the ASEAN-led EAS given its balanced, region-wide composition. Hence its reluctance to accord a more vital role to this forum.

So, why exactly does the South China Sea come to occupy such an important role in regional geo-politics? To arrive at a reasoned conclusion, it is important to borrow the Han expression popularised by Deng Xiaoping: “Seek truth from facts”. Perhaps no single other reason is more significant than the remarkable erosion of another Deng dictum: “Hide your strength and bide your time”. Since 2009, the world has witnessed a new dimension of what was once known as China’s “peaceful rise” or “peaceful development”. Snowballing assertions of China’s “core interests”, which are now buttressed by a “China dream” based on the growing military power of an authoritarian state, have become the root cause of instability in Asia.

Back in the “peaceful rise” days of 2002, China had been willing to sit down at the table with the ASEAN states to conclude a “Declaration on the Conduct of Parties in the South China Sea”, including respect for freedom of navigation in accord with universally recognised principles of international law, and an undertaking to resolve territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force. ⁴ The Declaration set out the hope that it would lead to the adoption of a Code of Conduct in the South China Sea which would further promote peace and stability in the region. ⁵ It is another matter that this hope has yet to be fulfilled, while territorial disputes have progressively escalated. An increasingly powerful China has become even more intransigent and difficult to bring to the negotiating table.

The global financial crisis originating on Wall Street in 2008 was followed shortly thereafter by the advent of the Obama Presidency which came to power pledging America’s withdrawal from foreign entanglements. Obama’s initial attempt at a “G-2” US-China condominium may have been short-lived, but was exploited by China as signalling the inevitability of US decline in Asia and to announce its own rise. The US has been reacting ever since to this ongoing power shift through its “pivot” or rebalance towards the Asia-Pacific, asserting its will to remain the region’s predominant power.

There was another related opportunity in the region waiting to be exploited by China: the decline of an ageing, economically weakening Japan. The DPJ came to power in Japan in 2009 projecting its desire to pivot towards a Sino-centric Asia and going so far as to suggest that Japan’s security could be equally underpinned by its long-time ally the United States and a rising China next door. The result was not only a virtual end to China-Japan negotiations on the sharing of gas resources in the East China Sea, but also...
Japan’s humiliation in an opportunistic standoff over the Senkaku Islands in 2010. Coercive economic sanctions against Japan and the harassment of its businesses operating in China followed, and have continued ever since in different forms.

Which brings us back to the core of China’s new template: diplomatic and military assertion of ever expanding “core interests”. Until 2009, Taiwan, Tibet and Xinjiang had been pronounced as China’s core interests. That year, these were enlarged to include other domestic goals, in particular maintenance of the power of the Communist Party in China’s political system.

“Core interests” have been in an expansionist mode ever since. In 2010, coverage was extended to China’s sovereignty over much of the South China Sea. In 2012, the Japan-administered Senkaku Islands were added to the list. It would have been one matter if these assertions had been limited to diplomatic discourse and pronouncements. But it soon became clear that they had a military edge as well. In November 2012, China’s outgoing President Hu Jintao pledged to “resolutely safeguard China’s maritime rights and interests, and build China into a maritime power”. His successor Xi Jinping has enunciated the “dream of a strong nation and a strong military” by 2049. He has also signaled a “core interests”-based policy on which there can be no compromise: “We will stick to the road of peaceful development but absolutely will not abandon our legitimate rights and interests, and absolutely cannot sacrifice core national interests.”

Unsurprisingly, the Pentagon’s latest assessment is that China is pursuing long-term comprehensive military modernization designed to “fight and win short duration, high intensity regional military conflicts”.

Experts tell us that Beijing usually does what it says it is going to do, capitalizing on opportunities such as signs of weakness among potential adversaries.

Seen in this light, China’s dream and new core interest is to become a power at sea befitting its status as a major power. In the East China Sea, it aspires to extending its sea power to the first and second island
chains, but finds its path blocked by the formidable presence of the US Navy and the Japan MSDF. The South China Sea on the other hand presents a perfect opportunity, with relatively weak states divided by competing claims. Lying beyond the straits of the Indonesian archipelago, its waters are both a strategic waterway and a soft underbelly for China. It is here that Chinese sea power assertions will be focused in coming years.

Asia’s regional security outlook has deteriorated steadily since China’s 2009 promulgation of its so-called “Nine-dash line” covering 90% of the South China Sea. This claim is based purely on China’s interpretation of history and unrelated to any UNCLOS-based continental shelf or other maritime jurisdictional claims.

The pattern of China’s “core interests” driven assertions is not limited to the South China Sea. It is remarkably similar to what has transpired in the East China Sea. In April 2013, China repeatedly sent maritime patrol ships into the territorial waters of the Senkaku Islands. Capt. James Fanell, a US Navy officer, recently concluded that China Marine Surveillance “is a full time maritime sovereignty harassment organization.” Meanwhile, in March 2013, a Chinese Navy task force travelled to James Shoal, an outcrop claimed by Malaysia barely off its coast, at the southern end of the South China Sea. Chinese “tourists” have cruised among the Paracel Islands claimed by Vietnam in another show of “sovereignty rights protection.”

By its vigorous territorial assertions and coercive actions over the past four years, China has virtually ensured that the South China Sea is in effect a multilateralised concern. First, there are competing claims by several countries, limiting prospects for purely bilateral discussions. Second, asymmetries of power have led the ASEAN states to insist on multilateral approaches, including a Code of Conduct. Third, China has done little to assure the international community that while its claim of historic rights is subject to negotiation, this claim is distinct from the concept of historic waters or inland seas, and China will not impede the freedom of navigation for commercial and normal peaceful purposes. Nor has it provided reassurances over exploitation of resources by suggesting interim arrangements for joint development of the kind which Japan and China unsuccessfully attempted in the East China Sea until 2008.
ASEAN has suffered the greatest collateral damage in the course of attempting to engage China within multilateral frameworks to resolve the South China Sea disputes. ASEAN cohesion collapsed under China’s pressure in July 2012, just as China was closing off access of the Philippines to the disputed Scarborough Shoal. In November 2012, ASEAN Summit host Cambodia issued a statement claiming agreement among ASEAN leaders not to “internationalise” the South China Sea, only to be publicly contradicted by the Philippines. In April 2013, ASEAN Ministers have reiterated their desire to engage China in talks to resolve maritime tensions and to reach common ground on disputed areas of the South China Sea ahead of planned discussions on a Code of Conduct. However, prospects seem remote. China has indicated that it will progress the Code of Conduct only when “the time is ripe”.

If ASEAN cohesion remains under threat, it is inevitable that countries bearing the brunt of Chinese pressure such as Vietnam and the Philippines will actively look for greater American reassurance and the support of other regional powers. This implies that China’s approach of weakening ASEAN will eventually result in a greater presence of “extra regional powers” which it stoutly opposes. It will have no one but itself to blame. Already, efforts are under way to shore up ASEAN unity.

China’s complaint that the US pivot has exacerbated regional tensions does not square up with the self-defeating consequences of its own coercive behaviour. It has been pointed out that while China’s April 2013 defence white paper denounces “increasing hegemonism, power politics and neo-interventionism”, these words can also be used to describe China’s approach to Southeast Asia over the last two years. The only way for China to reverse this adverse cycle is to meaningfully engage ASEAN on a mutually acceptable Code of Conduct that binds all parties under established norms, pending the resolution of territorial disputes.

The China-ASEAN standoff over the South China Sea has led to a recalibration of American diplomacy. While maintaining its consistent position since 2010 on the freedom of navigation, unimpeded lawful commerce and respect for international law, the US now also emphasises ASEAN’s “indispensable” role in maintaining regional stability. It has expressed strong support for ASEAN unity and has backed ASEAN’s efforts to create a rules-based framework for the South China Sea. The US has also prioritised economic ties with ASEAN, even as it pursues the TPP which includes several ASEAN states.

This modulation of the US approach blunts criticism that the US “pivot” is exacerbating regional tensions. As Deputy Secretary of Defence Ashton Carter pointed out in his speech at CSIS in April 2013, the US “rebalance to Asia is mostly a political and economic concept, not a military one.” The “concept” is reinforced by the “four pillars of rebalancing”: partnerships, presence, power projection and principles of the freedom of seas. However, with its long-standing foundational presence in the Asia-Pacific, the accretion of US military power will be gradual. US Navy deployments will rise from 52 warships at present to 62 by 2020.

Of course, the US “pivot” is facing an uncertain future of its own with signals of weakening resolve and a desire to seek accommodation with China which can largely be on the latter’s terms. With budgetary stress and a withdrawal syndrome prevailing in Washington, the “pivot” may well decline or even fade away in coming months. The interests of regional stability can be served only if the US stands firm behind what is aptly described as its most consequential strategic choice of the day: to maintain strong security commitments in the Asia-Pacific.

India has traditionally been cautious about forays into regional geo-politics, but that reticence is gradually disappearing. The South China Sea issue has directly facilitated this change.
India’s mercantile trade has grown to 41% of GDP (2011). In 2012, almost one-third of India’s trade was with economies in East Asia and more than half of India’s trade (55%) with the Asia-Pacific is conducted through the South China Sea. In 2011, China warned India’s ONGC that its offshore exploration activities in Vietnam were illegal and violated China’s sovereignty. That was also the year when India and Vietnam signed a three-year deal covering investment and cooperation in energy exploration, production and refining. ONGC has been working in the region for the past 30 years, and India’s response was to stand its ground.

As the China-Philippines confrontation over the Scarborough Shoal grew in 2012, the Indian Foreign Office spokesman took the unusual step of stating that the “maintenance of peace and security in the region is of vital interest to the international community. India urges both countries to exercise restraint and resolve the issue diplomatically according to principles of international law.” At ASEAN/EAS summits, India joined others in demanding the freedom of navigation and maritime access in the South China Sea, in accordance with international law. In response to questions about the South China Sea, the Indian Navy Chief, Admiral D.K. Joshi, clarified on December 3, 2012 that India’s primary concern was the “freedom of navigation in international waters”. However, he went on to add: “Not that we expect to be in those waters very frequently, but when the requirement is there for situations where the country’s interests are involved, for example ONGC Videsh, we will be required to go there and we are prepared for that.” His matter-of-fact observation raised political hackles but reflected the reality.

Since 2006, when no less than the Chinese Ambassador to India claimed that “the whole of the (Indian) state of Arunachal Pradesh is Chinese territory”, India has faced escalating provocations by China over their unresolved territorial dispute. The list is long but these transgressions continue unabated. Maps contained on China’s passports issued in 2012 showed parts of Indian territory, as well as most of the South China Sea, as part of Chinese territory.

The April 2013 incursion by Chinese PLA troops 19 kilometres deep into Indian territory in the Depsang region of Ladakh has shaken India’s complacency about China’s intentions. While the matter was eventually resolved after a 20-day standoff with the Chinese withdrawing, experts are still perplexed. Minxin Pei, citing Henry Kissinger’s insights on China, has suggested that this seemingly irrational behaviour could...
be part of a “strategy of offensive deterrence”\textsuperscript{33}. Despite agreements for maintenance of peace and tranquility along the disputed border signed in 1993 and 1996 as well as a 2005 protocol on military CBMs, China’s behaviour has not been constrained.\textsuperscript{34} It is now apparently demanding further accords on military CBMs and has, rather disingenuously, suggested that China wishes to speed up the resolution of the boundary dispute. It can hardly promote prospects for that by surreptitious encroachment into Indian territories.

India has so far insulated deeper engagement with China in various spheres from the boundary dispute. This benign and trusting approach will no longer be feasible, given the outcry in the Indian public and media against the Chinese incursion. During the visit of China’s new Prime Minister Li Keqiang to New Delhi on May 20, 2013 his Indian counterpart Manmohan Singh made it clear that “the basis for continued growth and expansion of our ties is peace and tranquility on our borders.”\textsuperscript{35} Going forward, it will be difficult for New Delhi to countenance further provocations or attempts to alter the status quo by China without adverse repercussions on its wider relations with China. It may also reorient approaches towards boundary settlement negotiations and seek greater transparency on China’s plans to build a series of dams on the Brahmaputra river.

India has stepped up its strategic partnership with ASEAN in recent months. For the first time, India and ASEAN have committed to “work together more purposefully for the evolution of an open, balanced, inclusive and transparent regional architecture.”\textsuperscript{36} India has also pledged to intensify its engagement with ASEAN “for maritime security and safety, for freedom of navigation and for peaceful settlement of maritime disputes in accordance with international law.”\textsuperscript{37}

Further strengthening of maritime security ties between India and Japan is likely to be another consequence of China’s regional assertiveness. And India may also move on strengthening its defence cooperation framework with the US and lift its current restraint on multilateral security activities/exercises in the Indo-Pacific region.

Signalling this new trend, Indian Prime Minister Manmohan Singh outlined India’s approach to maritime security issues in the Asia-Pacific and cooperation between India and Japan on 24 May, 2013 in the following terms:

“Both India and Japan are important maritime nations. Therefore, safety and security of the sea lanes of communication, especially in the Indian and Pacific oceans, is vital for both countries. India supports freedom of navigation and un-impeded lawful commerce in international waters, and the right of passage in accordance with accepted principles of international law. We believe that where disputes exist, these should be peacefully resolved by concerned parties through negotiations. This is essential for peace and stability in our region.”\textsuperscript{38}

“India has vital stakes in security, stability and prosperity in the Asia Pacific region. Our shared values (with Japan), our convergent interests and the potential of our economic partnership, anchor our strategic and global partnership. This partnership is indispensable for promoting deeper economic integration, cooperation and connectivity, maritime security and the emergence of a rule based open and balanced regional architecture.”\textsuperscript{39}
During his visit to Japan on 28-29 June, 2013 Prime Minister Singh described Japan as a “natural and indispensable” partner in the “quest for stability and peace in the vast region in Asia that is washed by the Pacific and Indian Oceans.” He also announced an updated version of India’s Look East Policy that is more strategic in content, based on three pillars: strengthening regional mechanisms for cooperation and evolving commonly accepted principles for managing differences; promoting wider economic integration and enhanced regional connectivity; and ensuring maritime security across the Indo-Pacific by upholding the principles of freedom of navigation and unimpeded lawful commerce in accordance with international law.

On its part, Japan has revived its “value-based” diplomacy with ASEAN, harking back to the “arc of freedom and prosperity” approach which it had followed in 2006-2007 during Prime Minister Shinzo Abe’s earlier term in office. Japan is providing security assistance to the Philippines, Vietnam and Indonesia and has made rapid inroads in Myanmar. It is expanding defence and security ties with India, particularly bilateral naval exercises and maritime security cooperation. Abe’s concept of a “broader Asia” which integrates India is coming to fruition.

Indonesia, the largest and most influential ASEAN state, has strongly championed a “dynamic equilibrium” in which all EAS countries have an equal stake in building regional trust and norms through overlapping institutions like the EAS, the ADMM+8 dialogue and the expanded ASEAN Maritime Forum (AMF). Jakarta has also propagated a new EAS-wide set of legally binding principles to manage regional tensions based on the Treaty on Amity and Cooperation (TAC) and the Bali Principles adopted during the Indonesian presidency of ASEAN in 2011. Holding China to the process of the 2002 Declaration on Conduct in the South China Sea by concluding a binding Code of Conduct is seen by Indonesia as a central element of its ASEAN policy.

While it is not the intent of this paper to cover all regional reactions to China’s assertiveness, a mention must also be made to the role of Australia. Michael Green of CSIS has pointed out that Australia’s 2013 defence white paper, which incidentally has been welcomed by China, places emphasis on preventing hostile powers from using coercion in the Indo-Pacific, but surprisingly represents a partial “retreat from attempting to maintain a favourable strategic equilibrium as Chinese power rises.” He goes on to add that “if the Indo-
Pacific strategic space is so important and the objective of Australian strategy is to impair hostile coercion strategies in that space, why not explain how Australia will work with other like-minded maritime states facing the exact same challenge? It seems to me that countries like Japan and India merit a more ambitious vision for strategic levels of cooperation, but perhaps this is a case where good manners (not upsetting Beijing) prevented explicit discussion of what should be an obvious dimension of an effective Indo-Pacific strategy.

The lesson one can draw from this ambivalent Australian posture is the importance of not only diagnosing the reasons behind China’s aggressive foreign policy and regional assertiveness, but also applying the correct remedies which lie in bolstering Asian multi-polarity. This process must involve all emerging regional powers, and not be limited to the US and China alone determining regional architecture, as some in Australia seem to suggest.

No one country can single-handedly shape and sustain the security architecture in Asia. China should join hands with the US, India, Japan and ASEAN to reinvigorate efforts to advance rule-based and balanced multilateral security architecture through the EAS process.

***

Whatever the domestic motivations of China’s “core interests”-based territorial assertions across Asia, they appeared to be designed to create new facts on the ground and subvert the status quo through both furtive and overt means. The question is how we should judge China: by its actions or by its rhetoric of “peaceful development”? It strains credulity that China’s push on multiple fronts constitutes isolated incidents which are not part of a concerted strategy sanctioned by the leadership. In playing up history and China’s “victim complex”, what Chinese leaders conveniently gloss over is the fact that China is hardly alone in having a past where it was exploited and humiliated. If domestic priorities drive China’s projection of nationalist power abroad, it may find itself increasingly isolated.

So, we can legitimately raise a “history issue” with China: is it headed towards the resurrection of its past imperial hegemony in East Asia? If so, China’s self-created challenges will rise, and hopes of an Asian century marked by widespread regional prosperity will recede.

Along with the need for a Code of Conduct in the South China Sea to prevent irrational or accidental conflict and establish norms based on international law, it is also important to bolster regional power balances. Even if a Code of Conduct is eventually agreed to between China and ASEAN, its efficacy will be contingent on the presence of a “suitable eco-system” under the EAS umbrella.

To paraphrase US historian Walter Russell Mead’s preferred prescription, while there can be no containment of China, there can be no hegemonic domination of Asia by China either. China must recognise the inevitability of Asian multi-polarity.

Much will depend on America’s resolve to walk the talk on the “pivot”. The US will need to check a growing tendency in Washington to revert to a China-centred Asia policy and to recognise the intrinsic importance of its key regional partners like India and Japan.

Finally, the US “pivot” can be credibly sustained only as a signal of American strength and resolve, and not weakness. Proponents of America’s withdrawal from the world should understand that a robust US “pivot”
will reduce the growing tendency towards a competitive arms build-up and the likelihood of further nuclearisation of the region. Above all, it will ensure extensive economic benefits to the US from its continued investment in Asia-Pacific security. The fundamental logic of the “pivot”, as pointed out repeatedly by US leaders, is a recognition that America’s prosperity and security in the 21st century is heavily dependent on the Asia-Pacific region.

Meanwhile, China would do well to reconsider its strategic choices in the South China Sea and the adverse impact of its intimidation based on self-proclaimed territorial "core interests" that endangers regional stability and security across the Indo-Pacific. The problem is that a China that is determined to become a power at sea will continue to regard its dominance over the South China Sea as critical. Intensive diplomacy will be required to secure the elusive Code of Conduct between ASEAN and China. Rebalancing efforts of all EAS countries in that direction is more than a necessity, it is regional imperative.

Finally, India’s emergence as a pan-Asian power, as evidenced by its newly announced willingness to be a net provider of security in its immediate region and beyond, will have a profound impact on the future architecture of security cooperation in Asia, bolstering strategic stability in the emerging geopolitical axis of the Indo-Pacific.

*****

**Amb. Hemant Krishan Singh is Chair Professor at the ICRIER-Wadhwani Chair in India-US Policy Studies**
5. Ibid.,
7. Ibid.,
21. Ibid.,
24. Ibid.,
37. Ibid.,
39. Ibid.,
40. “PM’s statement to the media after meeting the Prime Minister of Japan,” Prime Minister of India, 29 May 2013, Tokyo, available at http://pmindia.nic.in/speech-details.php?nodeid=1320
42. Also see, “Joint Statement on Prime Minister’s visit to Japan: Strengthening the Strategic and Global Partnership between India and Japan beyond the 60th Anniversary of Diplomatic Relations,” Prime Minister of India, 29 May 2013, Tokyo, Japan, available at http://pmindia.nic.in/press-details.php?nodeid=1628
46. Ibid.,
d
50. Ibid.
afghanistan/article3813090.ece