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No. 137/2011 dated 29 September 2011

The South China Sea Dilemma: Options for the Main Actors

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Synopsis

Beijing's attempt to halt Delhi's oil and gas exploration off the Vietnamese coast is reviving tensions in the South China Sea. What are the challenges and implications for the key actors in the region?

Commentary

CHINA RECENTLY objected to an Indian-Vietnamese joint venture to explore for oil and gas off the coast of Vietnam, on the ground that it infringed China's sovereignty over the whole South China Sea. As China's definition of its core interests expands into areas beyond territorial limits, Chinese assertion of de jure sovereignty over the sea is renewing tensions and exacerbating anxiety among its neighbours in East Asia.

Geostrategic ambitions, historical claims and legal interpretations have led to overlapping claims by other key actors Philippines and Vietnam, as well as disputes with the United States and ASEAN over navigation rights.

Emerging Regional Challenges

The fundamental challenge for the actors is striking a balance between growing Chinese assertiveness and greater regional cooperation, and most importantly avoiding a miscalculation in the process. While economic considerations take precedence, nevertheless the Chinese strategic perspective is crucial to prospects of regional stability. It is imperative that Washington exercise patience and caution to avoid any great-power confrontation and for regional institutions to bolster a unified response to China's contentious claims.

Beyond historical rights to adjacent seas, Beijing has a keen interest in securing South China Sea waters as a strategic frontier vis-à-vis the US bases in the Asia-Pacific. Beijing's challenge hardens claimants' refusal to relinquish their competing rights, while a disconnect between Chinese ambitions and regional needs has its limitations. Hence, it engages in a unique bilateral-multilateral foreign policy with regard to the South China Sea. Multilateralism is invoked as part of its charm offensive to engage with non-East Asian countries such as the US and India, while bilateral ties are employed to pursue interests with individual East Asian countries.

The primacy of economic considerations has underpinned China's success in pushing its political agenda and expanding its influence, thus placing regional stakeholders in an unfavourable bargaining position. Smaller stakeholders in the Philippines and Vietnam do not want to "lose face" by consenting to China's every geostrategic move. Moreover, the Philippines and Vietnam have sought to cooperate in maritime and ocean ventures and are keen on having joint ventures in oil and gas exploration with other countries. Hence, they would like to work with China on the South China Sea given a cooperative platform.

But, Beijing's uncooperativeness and assertiveness have left these countries with no choice but to balance diplomatic engagements with China with economic cooperation with the US or India and joining the US and ASEAN in calling for multilateral resolution of disputed claims.

Bridging the Gap

The US and ASEAN are now faced with the task of bridging the gap between a geopolitically assertive China and a region which sees the need for a multilaterally engaged China focused on a regional agenda rather than just its national interests. The US is increasingly finding itself treading the dangerous line between saying too much and doing too little. If Washington says too much at the behest of regional stakeholders, it will risk a power confrontation with Beijing which sees external interference as an infringement on its sovereignty. If the US does too little it runs the risk of China entrenching itself as the central power in the region.

While the former scenario has the potential to escalate to a military stand-off, the latter will establish new power dynamics ensuring the loss of Washington's strategic front in Southeast Asia and the erosion of US security and strategic agenda in the Asia-Pacific region. Both these trajectories are unacceptable to the US and creates situations which it wants to eschew. However, ASEAN's strategic position, political leverage and architecture have the potential to be a catalyst in resolving the South China Sea dilemma, but a lack of consensus among members stalls action.

The US-China relationship will shape global governance as seen in the US debt crisis, with China being the largest foreign holder of US treasuries. It will be unwise for the US to be aggressive in China-Taiwan relations and over the South China Sea. The US must understand China's needs and challenges and adopt a nuanced policy position. The US should understand the predicament of a new rising power as it was in the same position as China is now, before World War 2. It is time for the US to be gracious in viewing the new rising power as a partner rather than a competitor. If managed carefully, the US can assist China to integrate fully into the evolving and stable international system.

Measured Steps

On the other hand, the role of ASEAN in the South China Sea is crucial in strengthening its multilateral institutional mechanisms and ensuring Washington undertakes measured steps to prevent any miscalculation. Members of ASEAN have taken varying positions in the South China Sea dispute: Laos, Cambodia and Myanmar are sympathetic to China; Malaysia and Indonesia have been cautious towards US interference; Thailand and Singapore are neutral while Vietnam and the Philippines are wary of balance-of-power considerations.

China is approaching a stage of "economic maturity" with the characteristics of a normal rising economic giant whose goal is stability and growth, and will possibly evolve to be a more mature and responsible international actor. Nevertheless, it is natural to expect greater assertiveness and tensions to continue to afflict the South China Sea. But these changes could be more a blessing than a bane; they can help to strengthen the fundamentals of ASEAN and encourage a more proactive and responsible relationship between the traditional superpower and the rising power -- the US and China.

Given the dynamics in the South China Sea disputes, Churchill's dictum "to jaw-jaw is better than to war-war" has a timeless relevance in the changing geopolitical situation in East Asia.

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