

Southeast Asia and China in Maritime Asia

By Satu Limaye



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China-Southeast Asia Contestation in the South China Sea

The ten countries of Southeast Asia¹ straddle maritime Asia, or what has been called the “long littoral”² or the Indo-Pacific.³ Southeast Asia’s maritime core is the South China Sea, where overlapping claims to land features exist among China, Taiwan, Việt Nam, the Philippines, Malaysia, Brunei, and Indonesia (see map below of SEA/SCS and overlapping claims). The main disputes today are essentially between China and Việt Nam and China and the Philippines. However, in recent months, China-Malaysia and China-Indonesia tensions over disputed claims have increased. In all cases, the disputes center on who owns or has sovereignty over the rocks, reefs, islands, and other features in the South China Sea. Such “ownership” is also important because it provides a basis for claims to the surrounding waters, including food and energy resources.

Moreover, the South China Sea dimension of maritime Asia has enormous implications

for global economic prosperity, politics, and security. The US Energy Information Administration (EIA) estimates that “more than half of the world’s annual merchant fleet tonnage passes through the Straits of Malacca, Sunda, and Lombok, with the majority continuing on to the South China Sea. Almost a third of global crude oil and over half of global LNG trade passes through the South China Sea, making it one of the most important trade routes in the world.”⁴ So any serious conflict that were to disrupt the safe passage of trade and energy supplies would have global consequences.

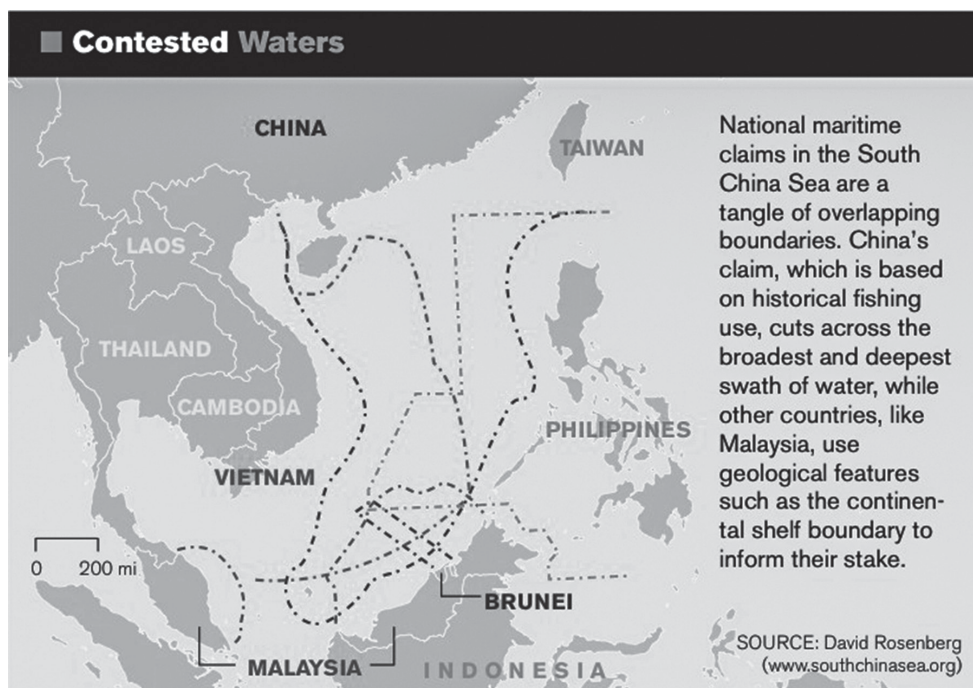
The competing claims are complex but revolve around two basic factors: historical claims and claims based on an exclusive economic zone and continental shelf allowed under international law. Underlying these specific factors are issues of nationalism and domestic politics, as well as control of energy and fishing resources. The most problematic claim is posed by China’s so-called “U-shaped” or “nine-dashed” line that

essentially encompasses the entire South China Sea and overlaps the exclusive economic zones and continental shelves of several Southeast Asian countries. China has so far refused to offer any legal basis for the U-shaped or nine-dashed lines on maps, saying simply that they constitute “historic waters.” International law does not allow for claims based on “historic waters.”

Tensions and conflict regarding the South China Sea between China and Việt Nam and China and the Philippines are not unprecedented. In 1988, a major clash between Chinese and Vietnamese forces in the Spratly Islands left nearly seventy Vietnamese dead. In 1995, China occupied and created permanent structures on the Philippines-claimed Mischief Reef. The ongoing tensions and skirmishes date from about 2009, and no military forces have clashed—nor have any lives been directly lost.

China and Southeast Asia are pursuing a number of different paths to resolving claims while simultaneously asserting their claims “on the water” through the use of Navy, coast guard and even fishing vessels to assert or challenge claims and “on the ground” through diplomacy. For example, the Philippines has filed an international arbitration case to challenge the validity of China’s nine-dashed line. Meanwhile, China and ASEAN countries are pursuing talks on a Code of Conduct (CoC) that would supplement the existing Declaration of the Code of Conduct (DoC) in order to set rules, norms, and procedures for resolving contested claims. And finally, claimant Southeast Asian states are meeting amongst themselves to try to resolve their own disputes. Broader efforts to prevent accidents or inadvertent clashes among maritime security forces are also continuing. In April 2014, at the Western Pacific Naval Symposium, some twenty countries—including the US, China, Japan, and the Philippines—agreed on a Code for Unplanned Encounters at Sea (CUES). However, it is not clear how, by which countries, or whether this agreement will be implemented. All indications are that the contested claims and various efforts to manage and even resolve them will continue for years, if not decades.

The South China Sea disputes between China and Southeast Asia and among the ASEAN countries themselves are having enormous implications in three specific areas: for China-Southeast Asia relations; for coherence or “centrality” of Southeast Asia/ASEAN; and for US relations with Southeast Asia and the large “rebalance/pivot to the Asia-Pacific,” announced by President Barack Obama’s administration.



The South China Sea disputes have major potential implications for US relations with the region.

China-Southeast Asia Relations in the Shadow of the South China Sea

China's economic and political rise has critical significance for Southeast Asia. Apart from historical relations, China is now the top trade partner for nearly every regional country and a growing partner on many other elements of societal interactions, from tourism to student exchanges. For a decade or more after China occupied Mischief Reef in 1995, Beijing undertook what has been called a "charm offensive" in relations with Southeast Asia. Chinese officials stressed "win-win" relations with its southern neighbors. But since about 2009, China's flimsy South China Sea claims based on the nine-dashed line, its increasingly assertive actions at sea and through domestic regulations; its economic sanctions toward the Philippines; pursuit of a separate dispute with Japan over the Senkakus/Diaoyu Islands in the East China Sea, including an assertive announcement of an Air Defense Identification Zone (ADIZ); and its sharp warnings to regional countries, as well as the US, have created great concern throughout Southeast Asia and beyond.

Not all Southeast Asian countries are implicated in the South China Sea disputes, and some countries are more reliant upon or close to China than others, but the general trend is increasing suspicion and distrust about China's rise as a great power. Earlier Chinese proclamations of its "peaceful rise" seem hollow to many in the region. Of particular significance are the increasing tensions in China-Malaysia and China-Indonesia relations. While both Kuala Lumpur and Jakarta have historical difficulties with China, they have been measured about emerging concerns in recent years. China's activities around the Malaysian-claimed James Shoal (exacerbated by the missing MH-370 flight with a majority of Chinese tourists on board) and indications that the nine-dashed line implicates Indonesian-claimed Natuna Island have soured attitudes toward the PRC in both countries. In an unprecedented move, the head of Indonesia's armed forces wrote an opinion piece in *The Wall Street Journal* on April 25, 2014, about Indonesia's concerns regarding China's South China Sea claims.

The currently acute tensions in many China-Southeast Asia relations do not mean a win-lose or "zero-sum" dynamic has been established

in China-Southeast Asia relations. Most of Southeast Asia is very keen to continue to develop constructive economic ties and maintain diplomatic relations with Beijing. Still, Southeast Asia is increasingly looking toward the US to remain committed and engaged in the region to offset concerns about China's behaviors. Moreover, Southeast Asian governments involved in disputes with the PRC about South China Sea claims have remained very cautious about linking these disputes with the ongoing Sino-Japan dispute in the East China Sea. Some countries such as Việt Nam and the Philippines, however, have been highly receptive to Japan's increased engagement assistance in building maritime capacities covering coast guards and navies that will allow Hanoi and Manila to be able to better monitor and respond in their "maritime domains." Japan's Prime Minister Abe Shinzō visited all ten Southeast Asian nations in 2013—the first time a Japanese prime minister has ever done so.

China-Southeast Asia South China Sea Disputes and the Future of the Southeast Asian Community

The South China Sea disputes among Southeast Asian countries and with China are also calling into question the idea, strongly promoted by the ten member countries of the Association of Southeast Asian Nations (ASEAN) themselves, that they are moving toward an economic, political, and social-cultural community. Disagreements about their own overlapping claims and differing approaches about how to deal with China on the maritime contestations have created sharp tensions and mutual criticisms within Southeast Asia, further complicating efforts to manage the disputes. Something of a mini-crisis in Southeast Asia/ASEAN unity occurred in 2012, when Cambodia chaired the organization and sought to keep the South China Sea issues off the summit agenda, most likely under pressure from Beijing. In response, Indonesia, the largest and most powerful Southeast Asian country, and until recently only marginally implicated in the South China Sea disputes, led a diplomatic initiative to rally Southeast Asian states.

United States-Southeast Asia Relations and the US "Rebalance" to Asia

The South China Sea disputes have major potential implications for US relations with the region. Southeast Asia matters to the US tremendously. Taken together, ASEAN constitutes approximately the fourth-largest market for US goods in the world, and the value of US exports to ASEAN countries was approximately US \$100 billion in 2012. Nearly 7 percent of US jobs come from exports to Southeast Asia. ASEAN is the number one destination for US foreign direct investment in Asia—some \$190 billion. Southeast Asian tourists spend about \$4 billion a year annually in the US, and students from ASEAN

contribute about \$1.6 billion to the US economy.⁵ Hence, any conflict in the region would directly harm US interests. The US is therefore taking a multitrack approach, including calls for peaceful resolution, urging China and ASEAN countries to adopt and implement a Code of Conduct, discussions to prevent unintentional outbreak of conflict, and working with allies and partners to strengthen their capacities to monitor the maritime areas. President Obama's April 2014 visit to Kuala Lumpur, the first by an American president to Malaysia since 1966, and the announcement of a "comprehensive partnership" between the two countries is one indication of Malaysia's growing interest in relations with the US against the backdrop of concerns about China. Similarly, the signing of an Enhanced Defense Cooperation Agreement (EDCA) between the US and the Republic of the Philippines on the eve of Obama's visit to Manila is another indication of how Southeast Asian countries are reaching out to the US at a time of tensions with China. Such developments are part of what Obama has called a "rebalance" to the region—even though the US has been a Pacific power for more than a century.

Importantly, however, the US, as in the maritime dispute between China and Japan in the East China Sea, is not taking a position on ultimate "ownership" or sovereignty of the contested land features in the South China Sea. Under these circumstances the US will continue to be seen by China as seeking to contain or challenge its rise, and Southeast Asian countries will continue to need reassurance that the US will protect them in a time of rising Chinese power. ■

NOTES

1. This article uses Southeast Asia to refer to the ten member countries of the Association of Southeast Asian Nations (ASEAN).
2. The term "East Asian littoral" was used to describe the area from the "Sea of Japan to the Bay of Bengal" in the September 10, 2001, Department of Defense Quadrennial Defense Review (QDR) issued in the first term of President George W. Bush. The "long littoral" refers to a set of six reports by the Center for Naval Analyses Corporation, available at <http://www.cna.org/long-littoral>. This author participated in meetings of the project and contributed background papers, as well as writing one section of the report.
3. The label "Indo-Pacific" is intended to "expand" Asia to include India as part of US policy toward the Asia-Pacific and to emphasize the maritime security focus of the US approach to the region. See Secretary of State Hillary Clinton, "America's Pacific Century," *Foreign Policy*, October 2011, <http://tinyurl.com/qbd-brec>.
4. US Energy Information Administration, "South China Sea," February 2013, <http://tinyurl.com/qdsn7c5>.
5. See East-West Center, www.AsiaMattersforAmerica.org/ASEAN.