



## **China and the South China Sea--A Conference Summary Report**

by Michael McDevitt

The issue of China's claims in the South China Sea (SCS) and the resulting interplay with ASEAN is a subject that has received only episodic attention in Washington since the 1995 Mischief Reef "flap" between the Philippines and China. That incident resulted in a U.S. policy statement asserting the "sanctity" of the sea-lanes and, subsequently, a strong unified protest by the ASEAN states. In turn Beijing and Manila agreed on a code of conduct to avoid potentially destabilizing actions.

Today, there is the growing perception that China is taking advantage of ASEAN preoccupation with economic issues to improve its position in the South China Sea. Beijing is also capitalizing on the extremely focused and narrowly construed existing position of the United States to take actions at the margins of U.S. policy (i.e., doing nothing that could be construed as interference with sea-lanes) that disadvantage American friends and allies in the region.

China is clearly improving its ability to back up its claims in the Spratlys with the PLA. Press reports are that China has expanded airfield facilities on Woody Island in the Paracels. China's failure to live up to its code of conduct with the Philippines was revealed last fall with the discovery that China was improving with larger concrete facilities what it characterized as "fishing shelters" on Mischief Reef in the Spratly Islands. Substantial buildings were constructed using labor--based on naval landing ships. Predictably this outraged the Government of the Republic of the Philippines (RP) which contests China's claim, and it vehemently protested Beijing's action.

The RP made a late effort during last December's ASEAN meeting in Hanoi to try and build a consensus to again confront China, as it had in 1995, over China's unilateralism on Mischief Reef. This time the attempt failed. ASEAN was and remains preoccupied with economic crises and the disintegration of Indonesia. These understandable preoccupations plus lingering gratitude for China's economic help during the crisis meant that ASEAN, as a body, was unwilling to multilateralize the RP's outrage toward China. Since that time there has been a sense that ASEAN muffed an opportunity to confront China.

There is also the sense, according to experts who recently assembled at the Center for Naval Analysis for a workshop on the Spratlys, that the U.S. bears some of a blame for ASEAN's fecklessness. Some argued that U.S. policy appeared to Southeast Asians as being bent on seeking accommodation with China; accordingly, Southeast Asians were unwilling to go out on a limb versus China because they were uncertain of U.S. backing. True

or not, this perception relates to one of the central points emerging from the workshop, as addressed below.

In a critique of current U.S. policy the following points pertain:

The policy the U.S. adopts regarding the competing claims of sovereignty in the Spratlys will be a major factor in shaping Southeast Asian judgements regarding the relevancy of U.S. presence in Asia. As one participant put it, Asians are now convinced we are going to remain militarily present in East Asia. They now wonder whether it will make any difference.

There was general consensus that U.S. policy as regarding the South China Sea is adrift because the U.S. lacks an overarching strategy toward China. The argument that "engagement" is a tactic not a strategy pertains in this case.

Consensus that China's actions were a probe of ASEAN resolve in the face of economic difficulties and U.S. inattention to Southeast Asia.

There was also a general consensus that by defining U.S. interests in the SCS in narrow legalistic terms, "non-interference with the sea lanes," the U.S. has played into China's hands. As long as Beijing can claim that nothing it does impedes those sealanes, it keeps the U.S. out. It also keeps the issue from being internationalized--which is the last thing China wants.

There was consensus that U.S. leadership was required in this issue, but that we did not want to Americanize the Spratly territorial dispute. There are a number of recommendations that emerged that will allow the U.S. to be more helpful without becoming the leading player. These will be addressed below.

What is China up to? It does not need the Spratlys to project military power into the South China Sea; bases in the Paracels already provide that capability, and the Spratlys are too small in any case. The issue is sovereignty. Not sovereignty for the sake of sovereignty, but as a hedge. Sovereignty over the Spratlys keeps all of China's options open regarding resources, should any be discovered. Without Spratly sovereignty it can never lay claim to any oil or gas that might be discovered either in the islands or on the South China Sea continental shelf. China's continental shelf is too far away to be able to claim any rights to discoveries on the continental shelves of the Philippines and Vietnam. But, with sovereignty in the Spratlys, the 200 nautical mile economic zone permits the Chinese to at least compete for claims.

One participant captured well another Chinese motive. This was a "test" to probe the effectiveness of the newly-expanded ASEAN's resolve. Indonesia, which was the vital center of ASEAN since its founding, is totally self-absorbed with managing the post-Suharto transition. No new ASEAN leader has

yet to emerge--although many felt that Thailand had great potential. Some point out that this reflects an ongoing shift to a new generation of leaders of ASEAN countries. The December Hanoi meeting involved a number of new leaders who have not yet developed the solidarity of ASEAN's founding fathers. This is not to say that these new leaders will not develop greater effectiveness. In any event, if it was a test, ASEAN failed!

China is also exploiting the United States' understandable reluctance to become embroiled if the sea-lanes are not imperiled. Assertions of sovereignty without a U.S. rejoinder provide a marvelous opportunity to drive wedges between the U.S. and our allies and friends in Southeast Asia. By taking advantage of ASEAN preoccupation without much of a murmur from Washington, Beijing also calls into question the credibility of the U.S. as a force for stability. Indirectly this supports China's arguments that U.S. bilateral alliances are relics of the past and are not relevant to today's problems.

What is American policy to do? The opportunity exists to demonstrate to China that they have once again miscalculated U.S. responses to their activities.

Part of the problem is that ASEAN doesn't know for certain what it wants the U.S. to do. American policy needs to help shape that view. That will demonstrate concern without elbowing ASEAN out of the way.

We need to support the assumption of a greater leadership role in ASEAN by Thailand and Singapore since Indonesia is unlikely to be a serious force in ASEAN circles for some time to come.

The U.S. needs to send stronger messages to China regarding China's activities. First we need to reject the notion that creeping landgrabs under the guise of asserting sovereignty are acceptable behavior. (This would necessarily also include actions by Vietnam and the Philippines.) The potential for conflict is too great. For example, what if Philippine special forces seized Mischief Reef? Second, the U.S. needs to hoist China on its own petard by reminding its leaders that their actions on Mischief Reef directly contradict the soothing nostrums of cooperation and consultation in their "New Concept of Security."

We need to define our interests more broadly by asserting that the Spratly dispute clearly has the potential to trigger conflict, even if inadvertently, and that the best course of action is to internationalize resolution of the dispute before resources become an issue. It should not be left to fester. A mechanism needs to be put in place to solve the claims.

We need to increase the full range of our bilateral activities with those ASEAN states directly affected--Vietnam and the Philippines. Interestingly, Malaysia, Brunei, and Taiwan never came up during the workshop, yet they too are claimants of some of the Spratlys. They will have to be included at some point.

U.S. military presence in the SCS needs to be more visible and openly obvious. There is no need for chest thumping; let China and ASEAN draw their own conclusions regarding a more frequent and visible presence. Because the economic crisis has cut the funds Southeast Asian nations have available for

exercises, we need to be more willing to bi-laterally exercise with observers only.

Bottom line: As this is being written, arguments regarding NATO "credibility" are offered to rationalize involvement in Kosovo. Using credibility as a justification for a more involved policy can be a slippery slope, as students of U.S. involvement in Vietnam recall. Nonetheless, in the case of the South China Sea and China it is true that U.S. credibility is an issue. An aloof legalistic position that ignores the concerns of our friends and allies over China's activities does raise questions about the value of supporting the U.S. presence in the region in the face of China's opposition.

*The above is a report of a roundtable held on 3/11/99 at The Center for Naval Analysis, Washington D.C. which was attended by about two dozen officials and analysts. The workshop summary was prepared by Michael McDevitt. RADM (Ret.) McDevitt is a Senior Fellow and Director, Project Asia at the Center for Naval Analysis.*