

# ASEAN'S EXPANDING BLOC: A PATHWAY FOR FURTHER CHINESE INFLUENCE IN THE MARITIME SECURITY OF THE SOUTH CHINA SEA?

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Photo: Timor-Leste President Jose Ramos-Horta (left) with Chinese leader Xi Jinping at the Great Hall of the People in Beijing on 29 July 2024. Credit: Associated Press

The South China Sea (SCS) has become a serious geopolitical flashpoint for escalating tensions and

power projection in the 21st century. China is at the forefront of this, employing gray zone operations such as island reclamation, militarization, and the deployment of maritime constabulary forces to exploit the ambiguity between peace and war. These tactics are designed to advance Beijing's geopolitical goals and assert its dominance in the SCS. Underlying this volatile situation are longstanding territorial and jurisdictional issues among claimant states such as Brunei, China, Malaysia, the Philippines, Taiwan (de facto), and Vietnam. The SCS's economic and security significance further complicates matters, drawing in extraregional states such as the United States, Japan, and Australia, among others, which advocate for principles such as freedom of navigation and overflight as codified in international law, particularly the United Nations Convention on the Law of the Sea (UNCLOS).

# ASEAN: A Mechanism for Regional Peace and Stability in the South China Sea

Having brought the notion of a de facto security community into the region, the Association of Southeast Asian Nations (ASEAN) plays a crucial role in promoting a peaceful resolution to all territorial and jurisdictional issues in the SCS. To complement the implementation of UNCLOS, which instituted concepts of precise legal demarcation and clearly defined national maritime borders and exclusive economic zones towards a rules-based international order in the region, ASEAN has utilized its 'ASEAN Way' and 'Centrality' in managing conflicts. It has also served as a forum for its member states and international partners to achieve regional peace and stability.

ASEAN navigates the complex SCS territorial and jurisdictional issues by facilitating diplomatic engagement and actively pursuing agreements with China to manage territorial and jurisdictional issues. Through mechanisms like the ASEAN Foreign Ministers' and Defense Ministers' Meetings, the ASEAN Regional Forum, the ASEAN-China Joint Working Group and Ministerial Meeting, and the East Asia Summit, the bloc provides crucial platforms for dialogue. Building on its foundational 1967 ASEAN Declaration and 1976 Treaty of Amity and Cooperation, ASEAN has consistently sought to establish norms and principles for

conduct in the sea, reflected in initiatives such as the 2002 Declaration on the Conduct of Parties, the 2011 Implementing Guidelines, the 2012 Six-Point Principles, the 2018 Single Draft Code of Conduct (COC) Negotiating Text, and the 2019 ASEAN Outlook on the Indo-Pacific. These efforts consistently underscore the non-use of force and the peaceful settlement of disputes through UNCLOS, aiming to counter growing power asymmetry and intensifying competition. However, a legally binding COC remains elusive, with negotiations stalled by irreconcilable differences both within ASEAN and among the claimant parties, as a consensus is required for its implementation.

At the recently held 2025 Dialogue on ASEAN Maritime Security, international relations and security experts suggested the maximization of the 'ASEAN minus X' conceptual formula, among potential remedies. for overcoming other constraints in the stalled COC negotiations between ASEAN and China. This comes as tensions have escalated to new heights and relations have gone to new lows, especially between China and the Philippines, following extensive gray zone operations and excessive militarization of artificial islands by the former. Given that the stakes on the SCS issue go beyond claimant states, impacting regional stability and hampering international trade, non-claimant ASEAN member states in these territorial and jurisdictional issues cannot be discounted. The 'ASEAN minus X' formula may not be suitable and acceptable in this regard.

# Recent Developments in ASEAN: A Path towards Regional Stability or a Stumbling Block to the COC?

Following recent developments in the region's maritime security agenda, both ASEAN and China have shown resolve and political commitment to complete and conclude the COC by 2026, though this commitment is not novel. This is heavily supported by Philippine President Ferdinand Marcos Jr., as the Philippines holds the ASEAN Chairmanship in 2026.

Another key development concerns Timor-Leste's status in ASEAN. Recently, Malaysian Prime Minister Anwar Ibrahim, whose state holds the

2025 ASEAN Chairmanship, <u>announced</u> that Timor-Leste will be granted full membership at the next regional meeting scheduled for October. This is after consensus was achieved following several rounds of negotiations since the country's admission in principle as the 11th member state of ASEAN back in 2022.

Although this may be perceived as a positive outcome, as it means admitting all sovereign states within the geographical boundaries of Southeast Asia to the regional bloc and expanding the political and economic reach of ASEAN and its member states among each other, it also poses as a source of concern and fear for ASEAN's efficiency and effectiveness as a regional mechanism in addressing internal and external challenges. Timor-Leste may bring an additional bureaucratic layer to the already complex ASEAN consensus principle, which may make procedures and processes slower and less productive. This is similar to the criticisms leveled when ASEAN last expanded its membership.

### **Blossoming Ties: Timor-Leste's relations with China**

The bilateral relations between China and Timor-Leste have deep historical roots, dating back to the 15th and 16th centuries when Chinese traders sourced sandalwood from Timor-Leste for incense and medicine. Following the restoration of Timor-Leste's independence in May 2002, China was one of the first states to establish diplomatic ties and acknowledge its independence. It has also helped and provided aid to Timor-Leste in nation-building, infrastructure construction, material assistance, and human resource support, among others. Most notably, China has contributed to the construction of the Presidential Palace and the office buildings of the Ministries of Foreign Affairs and Defense.

In 2023, Timor-Leste and China <u>elevated</u> their bilateral relations to a comprehensive strategic partnership to further enhance high-level military exchanges and strengthen cooperation in areas such as personnel training, equipment technology, and the conduct of joint exercises and training. Regarding Timor-Leste's potential role for greater regional cooperation, China has been supporting and advocating for its accession to ASEAN.

Following China's growing economic and financial influence in developing states through its Belt and Road Initiative, in a May 2025 interview with CGTN, a Chinese state-run media outlet, Timor-Leste President José Ramos-Horta said that "the world would be much worse without China." This is because Timor-Leste has become an attractive destination for Chinese companies engaged in public-private partnerships, with about 80% of Timor-Leste's major projects awarded to Chinese entities between 2010 and 2016. Furthermore, China ranks second in Timor-Leste's top trading partners for goods, services, and investments. Chinese nationals have also been among the top foreign arrivals in the state, as Timor-Leste aims to diversify its economic drivers away from oil.

## The Fate of an SCS COC in 2026: Timor-Leste as a Tool for Derailment?

China has been <u>observed</u> to aggressively advance its interests and engagements with developing states. This is often achieved through the extensive use of heavily criticized strategies like elite capture, a practice which involves targeting key leadership figures, and debt-trap diplomacy, a lending strategy where a creditor nation extends substantial loans with the alleged intent of leveraging the borrowing nation's subsequent inability to repay to gain political, economic, or strategic concessions. Such approaches are widely viewed as a scheme to exploit a state's local vulnerabilities and weaknesses, thereby leveraging unprecedented influence to attain Beijing's political and economic objectives.

Regarding previous developments related to the SCS COC negotiations, China is believed to have greatly influenced the negotiations by exerting pressure on ASEAN Chairs and members heavily reliant on Chinese aid and investment. As such, during the 2012 ASEAN Meeting where, for the first time in ASEAN's history, it failed to issue a joint communiqué on the SCS territorial and jurisdictional issues; and the 2016 ASEAN Meeting, when the joint statement regarding the SCS issue neglected to refer to the 2016 Permanent Court of Arbitration ruling against China's nine-dash line.

Following some recent pronouncements by President Ramos-Horta in an interview with CNA, a Singaporean state-owned media outlet, he stressed the importance of China in stabilizing and de-escalating regional and global challenges, such as in the SCS, Myanmar, and between Russia and Ukraine. Furthermore, he mentioned that China shouldn't be seen as a threat to anyone and further enjoined Western states not to view China as a threat. He even further suggested Beijing's preference for negotiation and bilateral dialogue for any dispute settlement.

Given the reality and circumstances of Timor-Leste's position, including the position and pronouncements of its President on its bilateral relations with China, the SCS COC conclusion may see itself moving beyond 2026, as China may influence Timor-Leste's decisions, particularly as a non-claimant state to the SCS territorial and jurisdictional issues, to ensure that outcomes align with Beijing's interests.

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