

CHAPTER III

THE SOUTH CHINA SEA DISPUTE

A. The South China Sea

The South China Sea is an area which has the most seeds of conflict in it. The South China Sea stretched from the Strait of Malacca in the southwest to Taiwan Strait in northeast.⁶² The South China Sea, covering an area of 800,000 square kilometers (310,000 square miles), semi-enclosed, with ninety percent of its circumference rimmed by land.⁶³ The South China Sea consists of approximately 1,000,000 square kilometers of continental shelf, with a depth of about 200m, and 2,000,000 square kilometers of ocean surface with a depth exceeding 200m. Geographically, the South China Sea are surrounded by nine States. In the north bordering with China and Taiwan, in the west bordering Vietnam, Thailand, south bordering Malaysia, Singapore, Indonesia, Brunei, and the east is bordered by the Philippines. (Ngunyen, 2006)

This area has different types of island, islands, rocks and ocean basins. Various features of the sea divided into 4 major groups namely Parcel, Spratly, Pratas, and Maccalesfield. The most frequently contested areas are Spratly and Parcel Islands. Even though Natuna Islands, Scarborough Shoal, Gulf of Thailand, Strait of Johore and Strait of

⁶² U.S Energy Information Administration, *Loc, Cit.*

⁶³ Simi Mehta, *Loc, Cit.*

Singapore are areas which also disputed by States around them. (Mehta, 2013)

A.1 Natural Resources and Geostrategic in The South China Sea

The South China Sea dispute can not be separated from the national interest of the claimant States, such as oil, fish, and to certain extent, transportation.⁶⁴ The abundant fish resources are expected to provide for the needs of protein for one billion people in Asia, or at least 500 million people in the coastal areas.⁶⁵ The statement is also supported by the U.S Energy Information Administration, this area present 23% of total catch in Asia region, and about 10% of the total catch in the world. The University of British Columbia's Fisheries Center estimated that catch statistics in the South China Sea is increased from 4.7 million tons in 1994 to 5.6 million tons in 2003 in average about 5 million tons. (OLA, 1992) The UN has warned that global fish stocks are in jeopardy as demand rises which intensifies the competition to exploit the fisheries of the area. The fish stocks of the area have been overexploited and catch rates have been declining, resulting in smaller fish sizes and the gradual move from large, high-value fish to smaller, lower-value fish. (Buszynski, 2013)

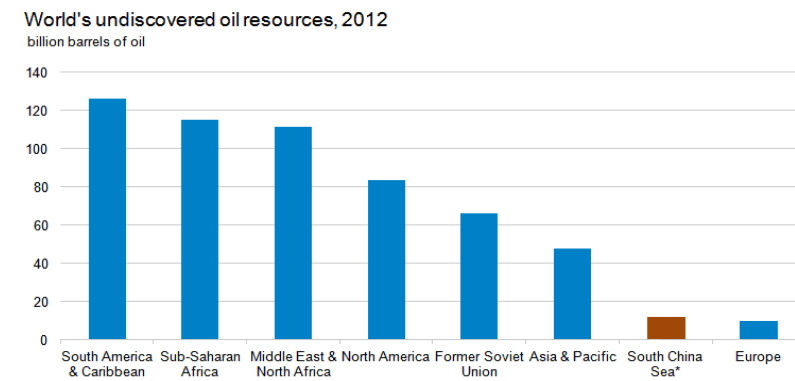
Beside the availability of fish stocks, the South China Sea also contains non-renewable resources. These natural resources are oil and natural gas. The U.S. Geological Survey (USGS) estimates that it may contain anywhere between 5 and 22 billion barrels of oil and between 70 and 290 trillion cubic feet of gas in as-yet undiscovered resources (not

⁶⁴ Bambang Cipto, *Op. cit.*, p. 204

⁶⁵ *Ibid*, p. 205

including the Gulf of Thailand and other areas adjacent to The South China Sea).⁶⁶ (See Chart I and II)

Chart I. World Oil Resources⁶⁷



Note: Undiscovered resources are mean undiscovered technically recoverable resources.
* Does not include Gulf of Thailand, Indonesia's Java, Borneo and Sumatra basins, or Sulu Sea.
Source: U.S. Energy Information Administration, USGS World Estimate of Undiscovered Resources 2012, USGS Assessment of Undiscovered Resources of Southeast Asia 2010

In November 2012, the Chinese National Offshore Oil Company (CNOOC) estimated the area holding around 125 billion barrels of oil and 500 trillion cubic feet of natural gas in undiscovered resources although independent studies have not confirmed this figure.⁶⁸ If the estimate is correct, it means that the entire region of the South China Sea contains enormous natural gas. (See Chart II)

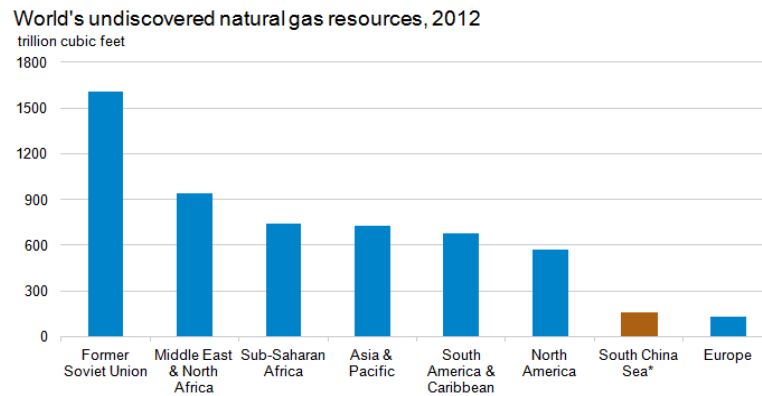
⁶⁶ U.S Energy Information Administration, *Loc. Cit.*

⁶⁷ Download from

http://www.southchinasea.org/files/2013/02/oil_recoverable_resources-US-EIA-2012.png

⁶⁸ U.S Energy Information Administration, *Loc. Cit.*

Chart II. World Natural Gas Resources⁶⁹



Note: Undiscovered resources are mean undiscovered technically recoverable resources.
 * Does not include Gulf of Thailand, Indonesia's Java, Borneo and Sumatra basins, or Sulu Sea.
 Source: U.S. Energy Information Administration, USGS World Estimate of Undiscovered Resources 2012, USGS Assessment of Undiscovered Resources of Southeast Asia 2010

The South China Sea also has strategic geographical location which becomes another cause in claiming the South China Sea. . This area is also a strategic spur for more than forty thousand ships to pass through the paths each year.⁷⁰ Strategically, the South China Sea considered as the sea lines of communication (Sea Lanes of Communication - SLOC) and the Sea Lines of Trade (SLOT) which connects the region of Europe and Asia, the East Asian region with the Indian Ocean and the Middle East. Some Sea lanes in the South China Sea are the Strait of Malacca and Singapore, the Strait of Sunda, Lombok and Makassar Strait is the busiest shipping lanes in the world for almost half of all ships in the world of trade through these areas. In terms of oil trade line only, approximately 14 million barrels of crude oil pass through the South China Sea and Gulf of Thailand per day, or almost a third of global oil distribution, as the data

⁶⁹ Download from http://www.southchinasea.org/files/2013/02/natural_gas_recoverable_resources-US-EIA-2012.png

⁷⁰ Bambang Cipto, *Op. Cit.* p. 205

shown from Lloyd's List Intelligence tanker-tracking service and GTIS Global Trade Atlas.⁷¹

Map I. The South China Sea major crude oil trade flows⁷²



In addition, the US Energy Information Administration in its official website presents the data of flow and the amount of oil passing ships in the waters of the South China Sea. Approximately 15.2 million barrels per day (MMbbl/d) of oil passing through the Strait of Malacca in 2011, the shortest sea route between African and Persian Gulf suppliers and Asian markets. A significant amount of crude arriving in the strait (1.4 MMbbl/d) goes to terminals in Singapore and Malaysia in which it is processed and shipped out again as refined petroleum products.

Next, the rest of the flow (12.8 million MMbbl/d) continues on through the South China Sea to China and Japan (4.5 and 3.2 MMbbl/d,

⁷¹ U.S Energy Information Administration, *Loc. cit*

⁷² Download from

http://www.eia.gov/countries/analysisbriefs/South_China_Sea/images/oil_trade_flows_map.png

respectively), the two largest energy consumers in Asia. Finally, around 15 percent of oil moving through the South China Sea goes on to the East China Sea, mostly to South Korea. Crude oil flow in the South China Sea also comes from Intra-Southeast Asia regional trade, particularly from Malaysian (0.4 MMbbl/d), Indonesian (0.3 MMbbl/d), and Australian (0.2 MMbbl/d) oil exports. Intraregional trade is equally distributed between Singapore, South Korea, Japan, and China, with smaller amounts going to other Southeast Asia countries. The fifth of the intra-regional crude oil flow, the most for any importer, goes to Singapore for refining. Around 0.2 MMbbl/d of crude oil passing from the south of Lombok Strait to Australia and the Pacific (See Map.1). (U.S Energy Information Administration, 2013)

In other words, the South China Sea region as it is viewed by the governance of the International Ocean, this area has economic, political, and strategic values. It makes this area having the potencies for conflict as well as potential cooperation. If one of the claimants States has the South China Sea region, the fate of the region which was previously considered as an international sea will turn into State's territorial sea (which belong to the State) in which every passing ship in this area should obey the regions owners law.

B. Claimant States and The Development of The Conflicts

B.1 China and Taiwan

The main reason of China claims over the South China Sea is the base on historical facts from earlier Dynasty of China, which are the

discovery of ancient site, ancient documents, and maps. Chinese archeologists assert the islands in the SCS were the ancient site of fishing and merchant activities, and Chinese records the note of naval expeditions into the South China Sea during the Han Dynasty in A.D 110. Then in the 1403-1433, the Ming Dynasty also strengthens ownership of the South China Sea.⁷³ Another historical reason is the discovery of sites and cultural heritage of Tang in Spratly Islands during the Song Dynasty. Wujung Zongyao, an ancient China's military literature, also has listed Paracel Islands as a part of China's empire territory. In the literature is also mentioned that Paracel Islands is a part of Changsha archipelago, but the fate of the island is unclear after the Song Dynasty.⁷⁴

After World War II, precisely in 1947, the government of China made an official map of China's territory. In that map, China gave nine dotted lines around the South China Sea which shaped "U". That map was denied in Developments in the South China Sea and Its Impact for Political Stability and Security in the Asia Pacific Region forum in Bandung 2010. On that forum, the experts agreed that in the terms of international law, a China's map of the South China Sea is contrary to the provisions of UNCLOS in 1982.⁷⁵

In 1976, China reiterated its ownership of Spratly and Paracel Islands are part of Hianan province. China ratified UNCLOS on 7 June

⁷³ U.S Energy Information Administration, *Loc, Cit.*

⁷⁴ Dadang Sobar, *Loc, cit.*

⁷⁵ Kementerian Luar Negeri Republik Indonesia, Pertemuan Kelompok Ahli (PKA), "Perkembangan di Laut Cina Selatan dan Dampaknya bagi Stabilitas Politik dan Keamanan di Kawasan Asia Pasifik: Penguatan Posisi dan Strategi RI, 2010. Accessed in March 2015

<http://kemlu.go.id/Pages/PressRelease.aspx?IDP=1038&l=id>

1996 and took advantage from Article 310, which allows claimant States to make declarations relating to their application and provides them not to 'exclude or modify' the legal effect of those claims. China's exception was Article 2 of the Law on the Territorial Sea and the Contiguous Zone, which was announced on 25 February 1992.

The territorial sea of the People's Republic of China is the sea belt adjacent to the land territory and the internal waters of the People's Republic of China. The land territory of the People's Republic of China includes the mainland of the People's Republic of China and its coastal islands; Taiwan and all islands appertaining there to including the Diaoyu Islands; the Penghu Islands; the Dongsha Islands; the Xisha Islands; the Zhongsha Islands and the Nansha Islands; as well as all the other islands belonging to the People's Republic of China. The waters on the land ward side of the baselines of the territorial sea of the People's Republic of China constitute the internal waters of the People's Republic of China (MSAPRC).⁷⁶

From the statement above, China called Spratly Islands as Nansha Qundao, Paracel Islands as Xisha Qundao, Pratas Island as Dongsha Qundao, and Scarborough Reef as Huangyan Dao. On 7 May 2009, the Chinese government officially registers its claim to the UN. As the reaction of China's claims, The Philippines, Vietnam, Malaysia, Brunei Darussalam, and Indonesia filed a formal protest to UN.⁷⁷ So far, the region has been claimed by China is the entire region of the South China Sea and the Natuna Islands.

Taiwan claims over the South China Sea area is not much different with the claims made by China. Taiwan asserts historical viewed over all features drawn within the dashes which was originally shown on a map

⁷⁶ Administrative Law, Law of the People's Republic of China on the Territorial Sea and the Contiguous Zone. Accessed in March 2015

http://www.npc.gov.cn/englishnpc/Law/2007-12/12/content_1383846.htm

⁷⁷ _____, Indonesia, ASEAN, dan Laut China Selatan, 2012. Accessed in march 2015 <http://megapolitan.kompas.com/read/2012/10/14/02181554/twitter.com>

published by the Kuomintang government in 1947—including Spratly Islands, Paracel Islands, Pratas Island, and Scarborough Reef.⁷⁸ In Spratly Islands area Taiwan controls Itu Aba Island. It can be done because Taiwan is the first government which builds infrastructure in that area. Although the basis for claims over the islands is the same with China which is based on the exploration of the Chinese nation in the past, but the government of Taiwan states Itu Aba Island is under Taiwan's control, not China's.

B.2 Vietnam

In Vietnam's official map called the South China Sea by Bien Dong, the main reason for Vietnam's claims on the South China Sea is based on historical sites of discovery and occupation.⁷⁹ In the 15th century, the people of Vietnam had conducted economic activity in the Paracel and Spratly Islands under the rule of Emperor Thanh Tong. Vietnamese people have exploited marine products in the Paracel islands which based on ancient encyclopedia written by a geographer Vietnam during the reign Can Trinh (1680-1705). It has detail explanation about the territorial sovereignty of Vietnam toward Paracel Island (Bau Cat Vang or Golden Sand Party). That ancient encyclopedia which contains 4 chapters, then it was refined in the encyclopedia entitled Tu Duong Phu Thien Phung and Chien Thamh which explain that Paracel Island's location in more detail to the extent of the range. In addition to historical facts,

⁷⁸ U.S Energy Information Administration. *Loc. Cit.*

⁷⁹ _____, Laut Cina Selatan, 2011. *Loc, cit.*

Paracel Island also has buildings constructed by Emperor Minh Mang in 1833. (Wirasuta, 2013)

Nevertheless, there are some independent evidences from non-Vietnamese sources which support Vietnam's assertion stating that the government has been sending ships and men to the Paracels Island on early 17th century. The early 17th century Portuguese and Dutch maps from purportedly identify the Paracel Island as Vietnamese territory. These maps are consistent with 1701 writings of a Western missionary on the French ship *Amphitrite* (*Mystere des atolls Journal de voyage aux Paracels* (Mystery of the atolls—Journal of the voyage to the Paracel Island)), which reflect that the Paracels belonged to the Kingdom of Annam. Even Chinese writings (Hai Lu's *Hai Quoc Do Chi*) of the same era (1730) confirm Vietnamese sovereignty over the Paracels. Additionally, a Chinese map of Kwangtung (Guangdong) Province and a description of the Quiongzhou Prefecture published in 1731 do not mention either the Paracel Island or the Spratly Island as the part of China. (Pedrozo, 2014)

The transfer of territory made by France to Vietnam was denied by China because before the World War II began, the Japanese took over the Islands. The dispute then discussed at the Peace Conference in San Francisco, 4 – 8 September, 1951. During the conference the Russian proposes to hand over both of the Islands to China which is rejected by the forum (46 States declined and 3 States Agree). The conference resulted in a peace treaty in which Japan revoked all rights and it claimed over the Paracel Island and Spratly Island. Vietnam states that by this agreement,

both Paracel Island and Spratly Island remained under French's rule until it is returned to Vietnam.

In 1979 and 1982, Vietnam issued an official report stating Spratly Island and Paracel Island as part of its territory, entitled Vietnam's Sovereignty Over the Hoang Sa and Trung Sa Archipelagoes (Hoang Sa: Spratly, Trung Sa: Paracel). In May 2009, Vietnam and Malaysia jointly submitted their territorial claims on the South China Sea to the UN Commission on the Limits of the Continental Shelf.⁸⁰

B.3 The Philippines

The Philippines claim that the South China Sea (Spratly Island) based on historical discoveries. The Philippines claim is also based on a peace agreement between the US and Spain in 1900 regarding the takeover of the Philippines. In addition, it is reinforced in the Philippines constitution in 1935 and the Mutual Defense Treaty between the Philippines and the United States in 1951 stating that the area was not included in the Spratly Islands. The Philippines also refers to the San-Francisco agreement in 1951, stating that among other states, Japan has released its right over Spratly Islands.⁸¹

In 1956, the historical discovery made by Thomas Cloma stating that the Spratly Island is a part of Kalayaan Island and in 1971 The Philippines was officially declared 8 islands in Spratly Island as part of the Palawan province. The Philippines considers Kalayan Island and

⁸⁰ U.S Energy Information Administration, *Loc, Cit.*

⁸¹ Harmen Batubara, *Melihat Konflik Laut Cina Selatan sebagai Konflik Bilateral Biasa*. Accessed in April 2015, <http://www.kawasanperbatasan.com/page/13/>

neighboring islands as *Terra Nullius* or an area which is not owned by anyone.⁸²

In 1974, the existence of the Deed of Assignment and Waiver of Rights agreement considered as the momentum for the transfer of the ownership of Spratly Island to The Philippines. Ferdinand Marcos (1978) in Presidential Decree No. 1599 formally declared the Kalayaan Island into the Philippines territorial. To maintain these islands, the Philippines put navy on eight islands, as well as military bases that have been equipped with heavy artillery, radar facilities, weather monitoring station, and ammunition.⁸³

B.4 Malaysia and Brunei Darussalam

In 1979, Malaysia published a map which was named *Peta Baru* or New Map which shows its claim to the most southern region of the South China Sea including Amboyna Cay, Commodore Reef, Mariveles Reef, Dallas Reef, and Swallow Reef (Layang-Layang Coral). In the same year, Malaysia officially declared Spratly Island (Swallow Reef, Mariveles Reef, and Dallas Reef), and Louisa Reef which based on the EEZ and continental shelf.⁸⁴ Malaysia's basic claim is an extension of the continental shelf of Malaysia in accordance to the UNCLOS 1982. Here sure that Malaysia has the right to own the islands which are still belonged

⁸² Dadang Sobar. *Op. Cit.* p. 85

⁸³ Christopher C. Joyner, *The Spratly Islands Dispute in the South China Sea: Problems, Policies, and Prospects for Diplomatic Accommodation.* p. 62

Download from <http://www.stimson.org/images/uploads/research-pdfs/cbmapspratly.pdf>

⁸⁴ Danie; J. Dzurek, *The Spratly Islands Dispute: Who's on First,* p. 21

Download from <http://www.nguyenthaihocfoundation.org/lichsuVN/SpratlyDispute.pdf>

to the continental shelf.⁸⁵ Malaysia also strengthened its claim by built resorts and military bases on the islands. At least, Malaysia has built obelisks in Louisa and Commodore reef and put forces in Swallow reef in September 1983.⁸⁶ Overall Malaysia has claimed 12 islands in the Spratly Islands.

On the other hand, Brunei adhered to the UNCLOS 1982 claiming Louisa Reef one of the coral in south Spratly Island as it is included in the continental shelf to the depth 100 fathom. According to Malaysia, in 1958 U.K. Order in Council set the proper maritime boundary between Brunei and Malaysia (when both countries were British territories) at the 100-fathom isobaths from the coast.⁸⁷ Despite the lack of any formal claims, Brunei's continental shelf claim implies the ownership of the Louisa Reef which is technically a part of Spratly Islands. Brunei claim is similar to Malaysia which is based on the doctrine of the Continental Shelf.

C. The Development of Armed Conflict in South China Sea

Armed conflict is inevitable in the struggle for territorial disputes in the South China Sea. At least, during the 1970s and in 1992 China collided with the ASEAN claimants States over territorial rights in the South China Sea. Armed conflict in the South China Sea is concentrated on the two main islands, Paracel Island and Spratly Island.

⁸⁵ Christopher C. Joyner, *Loc. cit.* p. 64

⁸⁶ Steven Kuan-tsyh Yu, *Who Owns the Paracels and Spratlys? – An Evaluation of the Nature and Legal Basis of the Conflicting Territorial Claims*, p.8

Download from <http://colp.sjtu.edu.cn/image/20130227/20130227112060586058.pdf>

⁸⁷ *Ibid.*,

The armed conflict in the South China Sea was started during 1970 – 1974 in which the race for both main islands in the South China Sea began to heat up. In 1970, China began to focus more on the Paracel Island (a chain of small islands approximately 375 nautical miles south of Hong Kong, are separated into two groups: Amphitrite (Xuande) and Crescent (Yongle)) with the Chinese People's Liberation Army Navy (PLAN) conducting survey operations to include gathering meteorological, geological, and topographical data starting from the Amphitrite transiting towards the Crescent group. In 1971, China developed a military infrastructure within the Amphitrite Group to include a concrete pier and dredged harbor at Woody Island in support of PLAN warships. At the same year, Vietnam allowed foreign companies to search for oil in the South China Sea and by 1973, Vietnam were awarded eight offshore exploration contracts. In November 1973, a Republic of Vietnam patrol ship rammed a Chinese fishing vessel and the crew was detained in Vietnam for interrogation. (Benson, 2013)

In January 1974, the competition between Vietnam and China increasingly uncontrollable and an armed conflict named the Battle of the Paracels Islands broke. The conflict escalated when RVN forces fired two Chinese fishing vessels which entered the Crescent Group.⁸⁸ China took control of the Crescent Group of Paracel Island from Vietnam. Thirty-six

⁸⁸ Jeff W. Benson, South China Sea: History of Armed Conflict, 2012. Accessed in March 2015
<http://news.usni.org/2012/06/20/south-china-sea-history-armed-conflict>

troops from both sides were killed in the war.⁸⁹ Besides, there were 110 wounded victims, and more than 160 Chinese and Vietnamese military personnel were. Following the incident, China consolidated the two island groups and made the Paracel Islands a top priority for further military construction.⁹⁰

After the armed conflicts, fears of each Claimants State began to appear. In the early of 1980s, the Philippines and Malaysia began to put their troops to defense the claimed islands. Even the Philippines has built military installations in several islands and Malaysia has built obelisks in Louisa and Commodore reef and put forces in Swallow reef in September 1983.⁹¹ In 1986, Malaysia also put its troops on the Mantanani and Ubi Islands. In 1988, the tensions arose between Malaysia and the Philippines although it did not lead to armed conflict. It began when Malaysia caught the Philippines fishing naval in the waters off the coast of Sarawak 120 miles from the northwest of the Kinibalu city.⁹² Although these tensions can be resolved peacefully, the event was followed by an increase in the State's forces on the islands which are considered as their territory indicating that they were ready to defend their demands.⁹³

China and Vietnam were involved in an armed conflict again in 1988. It began in November 1987 when the PLAN received the approval

⁸⁹ Center for New American Security, Flashpoint "Security in East and South China Sea", Timeline: 1955-Present. Accessed in March 2015
<http://www.cnas.org/flashpoints/timeline>

⁹⁰ Jeff W. Benson, *Lo, cit.*

⁹¹ Steven Kuan-tsyh Yu, *Loc, cit.*

⁹² Christopher C. Joyner. *Op, cit.* p.72

⁹³ Asnani Usman and Rizal Sukma, Konflik laut China Selatan dan Tantangan bagi ASEAN. Jakarta: Centre for Strategic and International Studies, 1997. p.14

from the Central Military Commission (CMC) and State Council to occupy a total of nine reefs in the Spratly Islands.⁹⁴ In response, Vietnam confirmed to China about the status of ownership of the Spratly Islands. China ignored the protest and reportedly occupied Fiery Cross Reef in which the construction works for a permanent base were commenced. To counter this action, Vietnam occupied four more Islands on the first two months in 1988, and China followed by occupying a few more reefs.⁹⁵

From January to March 1988, both navies encountered each other near various reefs without violence. However, in March 14, this uneasy peace was broken when both nations' forces were apparently directed to evict the other at Johnson (Chigua) Reef — east of Fiery Cross reef. After deploying more than 100 troops combined between China and Vietnam at Johnson reef, shoving occurred and shots were fired. Within 30 minutes, the PLAN routed the Vietnamese, sinking or destroying three ships and killing seventy-four sailors. (Benson, 2013)

Conflicts which occurred did not make other claimants State to a peace negotiation. However, the conflict even became the main driver of the militarization of the South China Sea in an effort to assert and secure the claimed area. The disputes in the South China Sea increasingly became warmer because of such actions, like raising the flag, occupying, built and signs on the top of the island, conducting research station of knowledge which should be under the mandate of international organizations, military

⁹⁴ Jeff W. Benson, *Lo, cit.*

⁹⁵ Global Security, Spratly Skirmish – 1998. Accessed in March 2015
<http://www.globalsecurity.org/military/world/war/spratly-1988.htm>

exercises around the disputed islands, the passage of legislation territorial, and granting exploitation rights on foreign in the disputed area and the placement of military forces, as well as other measures.⁹⁶

After the 14 March incident, other claimants started to react. Taiwan resupplied its troops on the Taiping Island (Itu Aba) and reinforced the garrison. Even by showing a low profile, by only occupying a single island, Taiwan's navy still maintained its presence on Itu Aba Island and regularly sent aid and food supplies to the troops of occupation. A permanent garrison had been formed with the strength of 600 troops and built the foundation of aircraft and other military installations. In addition, two missile destroyers and supporting ships were dispatched to conduct an exercise based on the later defending on the island. At about the same time, the Taiwan Minister of Defense made a statement to Parliament that Taiwan would avoid getting involved in the Chinese-Vietnamese conflict, but emphasizing that Taiwan would defend its territory in the Spratly Islands to the last man. The Philippines also responded to the event. On 17 March, the Philippines issued a warning statement to both Chinese and Vietnamese not to disturb its territories in the Kalayan. By May, all the occupied Islands which the Philippines claimed were reinforced with additional personnel and weapons systems. The troops assigned to these islands were put on full alert and had once reacted to foreign "intrusion". Four Taiwan fishing boats were seized in the Kalayan waters in August

⁹⁶ Asnani Usman and Rizal Sukma, *Op, cit.* p.9

after being accused of intruding into the Philippines territories. (Security G. , 2014)

Malaysia reacted in the same manner as the Philippines to protect its claims in the Spratlys Island. On 5 April, the Malaysian Navy arrested 49 Philippine fishermen near the Commodore Reef. They were alleged to have entered into Malaysian territorial waters illegally. After some protests from Manila, the Malaysians finally released these people without any prosecution. More charges were later raised by the Philippines over naval and air activities which were supposedly to be Malaysian In the vicinity of Palawan Island. In September, the Filipino Defense Secretary announced that the Philippines Armed Forces had already reinforced Its naval and air forces in the South and that its fishermen would be given naval protection. (Security G. , 2014)

In 1992, the armed conflict between China and Vietnam rose again. On 19 March, Vietnamese and Chinese forces clashed over Da Lac Reef, after Vietnam accused China of landing forces on Da Lac Reef. Their militaries engage in a small conflict. During June – September China Seizes Vietnamese Cargo Ships. China seized 20 Vietnamese cargo ships transporting goods from Hong Kong, at the times detaining the crews and demanding that they confess to smuggle contraband. In July, Chinese troops erect landmark, three Chinese boats land on the Da Lac coral reef in the Spratly Islands to deposit troops and materials to erect a stone landmark of sovereignty. (Security Center of America, 2015)

At least in the period 1974 – 1992, there have been frequent conflicts. Besides the development of militarization by the claimant States over the claimed area, the tension of territorial dispute increasingly happens. Reviewing these incidents gives two important lessons. First, the existence of military bases which continues growing shows that the situation in the South China Sea provides flexibility for claimant States in maintaining the region claim. However, the presence of military bases also shows that the claimant States do not hesitate in using military force to defend its claim. Second, the conflict will have great impact for peace and security in the Asia-Pacific regions.

This is also supported by the statements of high-ranking claimant States in 1992. General Muhamed Ali Hashim (Malaysia) said that Malaysia considers the Spratly Islands as a region that could affect the situation of security and regional peace. Geneneral Lisandro Abadia (Chief of the Armed Forces of the Philippines) are willing to fight if the opponent strikes eight Spratly island occupied by troops. (Asnani, 1997) Based on the situation and the statements of official claimant States, it can be assured that the likelihood of open conflict among the claimant States will occur.

D. The Effect of South China Sea Dispute toward Peace and Regional Security in Southeast Asia

The South China Sea disputes that involving four ASEAN member States, China, and Taiwan clearly has effects to regional security in Southeast Asia. The involvement of four ASEAN member States and the

importance of the South China Sea lanes to States in Southeast Asia becoming one of the things that must be considered. With the involvement of four ASEAN member States inevitably ASEAN member States who are not involved will also be affected if the conflict can not be resolved peacefully. Moreover, if we see the geographical aspects, the South China Sea region is the area that connects two oceans, the Indian Ocean and the Pacific, is surrounded by many coastal states. The importance of the South China Sea contiguous directly with Southeast Asian waters is not only intended for ASEAN member States, but also for non ASEAN member States, especially big States.

The sea lanes in this region is economically very important for the ASEAN member States in view of the increasing trade relations between ASEAN member States with Japan, South Korea, the People's Republic of China (Hong Kong) and Taiwan. The insecurity of the region will affect ocean freight both coming from non-member States to the Southeast Asia area or vice versa. In the judicial aspect, the South China Sea region has the sources of conflict concerning maritime boundaries of the South China Sea coast that has been controlled by the State which includes the territorial sea, continental shelf, exclusive economic zone and additional zones. The recognition of the status quo of each country towards the islands in the region that has been occupied will make it easier for countries that dispute to establish maritime boundaries and will avoid conflict. However, lack of clarity maritime boundaries has been a source of conflict, which generally begins the charge of one party against the

other party well into violations of territory by fishing vessels, as well as the efforts of exploration and exploitation in the region.

The presence of small conflicts between the States concerned feared will lead to larger-scale conflict. This concern is also reinforced by the statements of some representatives of the Claimant States. For example, in 1992, General Muhamed Ali Hashim of Malaysia suggested that (Asnani, 1997)

Malaysia considers the Spratly Islands as a region that could lead to conflict and may affect the peace and security situation of the region.

Later in the same year, the Philippine armed forces chief, Gen. Lisandro Abadia confirms that the Philippines is willing to fight if the opponent attacks the eight islands of Spratly Islands were occupied by troops.

With ASEAN's involvement as a mediator there are several possibilities that may occur related to the South China Sea dispute:

1. The possibility of military conflict among the Claimant States.

Territorial disputes that occur include various aspects, jurisdiction, geographical, historical, and ideological aspects which have potential military conflict in the region is high enough. Besides, the South China Sea is an area which is a strategic and potential to become a military base for non-ASEAN members States in extending its influence in Southeast Asia. The possibility of a major threat which must be considered

by ASEAN is how to maintain regional security in Southeast Asia region.

2. The possibility of cooperation among Claimant States both in terms of resource management in the South China Sea and cooperation in other fields.
3. The possibility of the emergence of a peaceful agreement on the settlement of the conflict in the South China. Although until now have not been implemented due to the arrogance and distrust of each Claimant States among one another which raises suspicions of excess.