CHAPTER III

THE DYNAMICS OF SOUTH CHINA SEA

This chapter will discuss about the dynamic of South China Sea that involving China and Southeast Asian nations as the parties of dispute and neighbouring countries of South China Sea. It also explains about China's decision-making process and structure that resulted as its foreign policy which being implemented towards China's neighbouring countries and the South China Sea.

A. South China Sea Dynamical Relations

South China Sea is covering 3.5 million kilometer square and covering maritime area of some countries like China, Taiwan, and some of the ASEAN member states. The area is located in a strategic position and having important effect to some countries' economy.

The area is affecting economic income because of its natural resources. Due to its importance, South China Sea becomes a center of attraction for China and Southeast Asia nations. Hence, the dispute that happens in that area attracts the countries surround it.

To prevent the instability in the area and the nations around it, China and the Association of the Southeast Asia Nations (ASEAN) Member States signed an agreement. The

agreement is the 2002 Declaration on the Conduct (DoC) of Parties in the South China Sea, which include China, Vietnam, the Philippines, Brunei, Malaysia and the other ASEAN Member States that directly or indirectly involved in the claimant of South China Sea.⁹⁹

The Declaration is aimed to maintain the stability of South China Sea. It is to enhance the relations between China and ASEAN Member States in term of peace, stability, economic growth and prosperity by implementing mutual trust. The parties build relationship and peaceful coexsistance by following the international law during the dispute. ¹⁰⁰

However, on 6 May 2009 after the DoC ended its seven years agreement, Malaysia and Vietnam did a join submission for the southern part of South China Sea to the Commission on the Limit of the Continental Shelf (CLCS) regarding the outer limits of the continental shelf beyond 200 nautical miles from the baseline.¹⁰¹ But, according to China,

⁹⁹ Sinaga, L. C. (2015). China's Assertive Foreign Policy in South China Sea Under Xi Jinping: Its Impact on United States and Australian Foreign Policy. Journal of ASEAN Studies, 3(2), 133-149.

https://doi.org/10.21512/jas.v3i2.770, retrieve from http://nbn-resolving.de/urn:nbn:de:0168-ssoar-461429 on 22 August 2018.

¹⁰⁰ Declaration on the Conduct of Parties in the South China Sea, Association of Southeast Asian Nations, October 17th, 2018, accessed from https://asean.org/?static_post=declaration-on-the-conduct-of-parties-in-the-south-china-sea-2 on 15 October 2018 at 11:58 PM MYT.

¹⁰¹ United Nations: Division of Ocean Affairs and the Law of the Sea, based on the update on 3 May 2011, retrieve from

http://www.un.org/depts/los/clcs_new/submissions_files/submission_mysvnm_33_2009.htm on 22 August 2018.

the submission to CLCS is a violation towards Article 5 of the 2002 DoC of Parties in the South China Sea. 102

In the Article 5 of the 2002 Declaration in the Conduct of Parties in the South China Sea mentions that:

"The Parties undertake to exercise self-restraint in the conduct of activities that would complicate or escalate disputes and affect peace and stability including, among others, refraining from action of inhabiting on the presently uninhabited islands, reefs, shoals, cays, and other features and to handle their differences in a constructive manner." 103

On 7 May 2009 China submit a verbal note, along with its U-shaped Line map, to the United Nations as a respond for Malaysia and Vietnam joint submission to the Commission on the Limit of the Continental Shelf (CLCS) and attached its Nine-Dash Line map. 104

¹⁰² Sinaga, L. C. (2015), ibid.

¹⁰³ 2002 Declaration on the Conduct of Parties in the South China Sea, retrieve from https://cil.nus.edu.sg/wp-content/uploads/2017/07/2002-Declaration-on-the-Conduct-of-Parties-in-the-South-China-Sea.pdf on 23 August 2018.

United Nations, CML/18/2009, retrieve from http://www.un.org/depts/los/clcs_new/submissions_files/vnm37_09/chn_2009r e vnm.pdf on 23 August 2018 at 11:34PM MYT.



Figure 3.1 China's 2009 nine-dash line map submission to the UN¹⁰⁵

In the statement that China submitted to the UN, China requested not to consider the submission regarding the outer limit beyond 200 nautical miles in the South China Sea. 106

In the United Nations Convention on the Law of the Sea (UNCLOS), there is no regulation on the dispute resolution by submitting the claim to the International

¹⁰⁵ Retrieve from

https://es.m.wikipedia.org/wiki/Archivo:China%27s 2009 ninedash_line_map_submission_to_the_UN.pdf, accessed on 23 August 2018 at 11:38PM MYT.

¹⁰⁶ United Nations, CML/18/2009, ibid.

Jurisdiction. ¹⁰⁷ However, there are other articles in the UNCLOS that mentions about the maritime border and disagreement of the states. According to the convention, each state has to respect the border and follow the safety zone of the exclusive economic zone, as mentioned in the UNCLOS Article 59:

"... and a conflict arises between the interests of the coastal State and any other State or States, the conflict should be resolved on the basis of equity and in the light of all the relevant circumstances, taking into account the respective importance of the interests involved to the parties as well as to the international community as a whole." 108

Since the parties have submitted its claimant, the decision can be taken after consideration of land sovereignty following the regulation in the UNCLOS. However, the tension in South China Sea still happening until now since the clarification might result to the clash between the parties.

The claimant of China does not stop there. For every year, there is a military training that held by the People's Liberation Army Navy (PLAN) in the South China Sea. The

¹⁰⁷ Gregory B. Poling, The South China Sea in Focus: Clarifying the Limits of Maritime Dispute, July 2013, Center for Strategic & International Studies (CSIS), retrieve from https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/publication/130717_Poling_SouthChinaSea_Web.pdf

on 14 October 2018.

¹⁰⁸ United Nations Convention on the Law of the Sea, Article 59: Basis for the resolution on conflicts regarding the attribution of rights and jurisdiction in the exclusive economic zone, retrieve from

http://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf on 14 October 2018 at 9:03PM MYT.

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"Maneuver 5" by the PLAN is aimed to test the equipment capability, tactics and also effectiveness of the military action. 109

To shows that China tries to strengthen its territorial claim in the South China Sea, the PLAN send the Liaoning. The Liaoning is an operational aircraft carrier and China's latest series of maneuvers. The aircraft carrier is sent to South China Sea through the Strait of Taiwan. 110

The other strategy to show ith influence in the South China Sea, China is building the artificial islands in South China Sea area. The area itself is having reef and no feature that can be stated as island. However, China expand the reefs and trying to habitating the constructed island.

Meanwhile, according to the UNCLOS, Islands definition is

"An island is a naturally formed area of land, surrounded by water, which is above water at high tide; ...; Rocks which cannot sustain human habitation or economic life of their own

http://web.isanet.org/Web/Conferences/AP%20Hong%20Kong%202016/Archive/81673df0-1a83-4288-80f8-4365d18def22.pdf

¹⁰⁹ Jiye Kim, China's Diplomacy towards the South China Sea Disputes, retrieve from

¹¹⁰ Ben Westcott & Zachary Cohen, US Challenge by China's Navy in South China Sea, CNN, 1859 GMT, March 28, 2018, accessed from https://edition.cnn.com/2018/03/28/asia/south-china-sea-drills-liaoning-intl/index.html on 15 October 2018 at 11:16PM MYT.

shall have no exclusive economic zone or continental shelf." 111

Based on the explanation above, it can be called as an island if the land is always shown, with water surround it. An island also naturally form, which no artificial or man-made land can be called as island. Islands are land where human can have activity in daily basis which lead to the economic life.

However, China is building the islands by depositing materials that have been taken from the seabed to the reefs. The sediment that collected will be used for land reclamation and construct the reefs to become larger.

By now, China is building and constructing islands and reefs in the South China Sea. The reefs that are under construction are Friery Cross Reef, Subi Reef, Gaven Reef, Johnson South Reef, Hughes Reef and Mischief Reef. 112 Referring to the map below, reefs that mark with white and red circle are occupied by China and are under construction.

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¹¹¹ UNCLOS, Article 121: Regime of Islands, retrieve from http://www.un.org/Depts/los/convention_agreements/texts/unclos/closindxAgr ee.htm on 16 October 2018.

¹¹² Derek Watkins, What China Has Been Building in the South China Sea, The Newyork Times, October 27, 2015, accessed from https://www.nytimes.com/interactive/2015/07/30/world/asia/what-china-hasbeen-building-in-the-south-china-sea.html on October 16, 2018, at 12:32PM MYT.



Figure 3.2 Spratly Islands Features 113

The occupation of reefs' location is more than five hundred miles from China. It leads to a higher tension in the region as Southeast Asia nations refer the maritime territorial border with the exclusive economic zone. Even though the construction of the reefs get high attention from the other countries whether in the region or not, China keep continuing to build islands on the feature of Spratly Islands.

 $^{^{113}}$ C.I.A., NASA, China Maritime Safety Administration , retrieve from $\it ibid.$



Figure 3.3 Building under construction on Fiery Cross Reef¹¹⁴

All the "islands" that China is building will become a land where people habitat themselves there. However, in the UNCLOS, there is no mention about the details of an island beside the requirements above. After the reef has changed becomes an island where it never sink during high tide, there is no article explanation about how many people minimum to stay on the islands, how the economic life will, or any other details on how to sustain human on the islands.

As the issue is getting more serious attention, there are twist and back on China relations with ASEAN Member States. It is especially the Southeat Asian countries that borders directly with South China Sea and those that

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¹¹⁴ Source: DigitalGlobe, via CSIS Asia Maritime Transparancy Initiative, retrieve from *ibid*.

strengthen its claimant towards the features in South China Sea.

B. China's Dynamical Relations with ASEAN Member States

In the relations among countries that neighbouring with the South China Sea, each foreign policy decision is relating to each other. Each country will have a different point of view toward the issue and the action of other counties.

There are many challenges to maintain the stability in the region surround the South China Sea. China that has been submitted the claimant of nine-dash line area of the South China Sea has a big role and impact in the relations with Southeast Asian nations, especially with the countries that related directly with the issue on South China Sea dispute like the Philippines, Vietnam, Malaysia and Brunei Darussalam.

However, As the consequence of the claimant, the relationship of China with the Southeast Asian nations is fluctuated. The dynamical relations can be seen by the interaction between China and the ASEAN Member States, also on the respond towards China's action related to South China Sea.

1. The Philippines

In the 1990s, the activity on Mischief Reef made China became an attention for the Philippines. The expansion of that reef feature which located still within the Philippines' EEZ, created a suspicion and made the Philippines be aware of the tention between China. 115

However, in 1992, the Military Bases Agreement between the United States and the Philippines broke down because of some opinion toward the negotiation between the US and Philippines was a kind of the US colonialism. The agreement itself is part of the US-Philippines Defence Treaty that signed in 1947. 116

The end of negotiation between the US and Philippines led to the political shift for the Philippines. Philippines became more open and expanding its relation with China, since China shown its intended to placate posture toward the Philippines. ¹¹⁷ In September 2004, President Gloria Arroyo paid a vsit to China as a support of China's policy. In the next year, 2005, President Hu Jintao return the visit to the Philippines. ¹¹⁸

Years up to now, the Philippines is following the claimant that have been implemented by the Treaty of

¹¹⁵ Bruce Vaughn & Wayne N. Morrison, China-Southeast Asia Relations: Trends, Issues, and Implications for the United States, CRS Report for Congress, April 4, 2006.

¹¹⁶ Eleanor Albert, The U.S.-Philippines Defense Aliance, Council on Foreign Relations, October 21, 2016, accessed from

https://www.cfr.org/backgrounder/us-philippines-defense-alliance on 22 October 2018 at 10:52 PM MYT.

¹¹⁷ Bruce Vaughn & Wayne N. Morrison, *ibid*.

¹¹⁸ Ibid

Paris. The possibility of the claim itself is within 12 nautical miles. To maintain the legality of its claim, the Philippines follows the baseline law 2009. 119

Following the Treaty of Paris, the Philippines' border with Malaysia is clear and no dispute arose. However, the Philippines' border with South China Sea is referring to the exclusive economic zone (EEZ), which is up to 200 nautical miles. This condition creates a turn up and down relations between the Philippines and China, along with the dispute in South China Sea.

To resolve the dispute and issue in South China Sea, the Philippines offered an agreement, named Zone of Peace, Freedom, Friendship, and Cooperation (ZoPFFC). ¹²⁰ The vision of the cooperation is to

"transform the West Philippines Sea (South China Sea) from a region of a conflict into a zone of peace, freedom, friendship and cooperation among the littoral states in the region. To achieve this, the disputes area must be clarified from the non-disputed waters of the WPS (SCS)". 121

¹²⁰ Ueno Hideshi, The Problem in the South China Sea: Based on Discussions at the "Security Environment of the Seas in East Asia" International Conference, Review of Island Studies.

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¹¹⁹ Gregory B. Poling, The South China Sea in Focus: Clarifying the Limit of Maritime Dispute, Center for Strategic & International Studies (CSIS), July 2013.

¹²¹ Philippine Paper on ASEAN-China Zone of Peace, Freedom, Friendship and Cooperation (ZoPFF/C) in the WPS (SCS).

However, after the Philippines proposed the cooperation agreement, China refused it. The resolution that offered by the Philippines did not result the way Philippine plan due to lack to support from China and other country like Malaysia that opposed the plan because it might result as another source of conflict.

The tension in the region is getting higher, which proven that China was stopping the Philippines navy that sailed to Second Thomas Shoal for the Philippines Marine Unit's logistics in September 2014. Meanwhile, the location is still in the Philippines' zone which is 200 nautical miles. 122

Few years after that, on November 2017, Premier of the State Council of the People's Republic of China, H.E. Li Keqiang visited the Philippines upon the invitation of President Duterte. Both sides agree on the Joint Statement with 14 documents signed during the meeting. The Philippines and China agree to implement the Six-Year Development Program for Trade and Economic Cooperation that starting on the same year in 2017 to 2022. Both also agree to strengthen the cooperation

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¹²² Sinaga, L. C. (2015). China's Assertive Foreign Policy in South China Sea Under Xi Jinping: Its Impact on United States and Australian Foreign Policy. Journal of ASEAN Studies, 3(2), 133-149. https://doi.org/10.21512/jas.v3i2.770, retrieve from http://nbnresolving.de/urn:nbn:de:0168-ssoar-461429 on 23 October 2018.

between the two in education, investment, education, tourism development and other sectors. 123

On 18 October 2018, Enrique A. Manalo, the Philippine's Foreign Affairs Undersecretary, and Kong Xuanyou, the Chinese Vice Foreign Minister, met in Beijing for the Third Meeting of the Bilateral Consultation Mechanism (BCM). The aim of the BCM is to maintain the stability and cooperation bilaterally between the Philippines and China. Both the parties agree to use peaceful means and friendly negotiation, accordance to the international law including the UNCLOS. 124

2. Malaysia

Malaysia's claimant toward the area of South China Sea is concerning on East Malaysia, which is Sabah and Sarawak State, that located on Borneo Island. In 2009, Malaysia and Vietnam together joint submission of its continental shelf, to the Commission on the Limit of the Continental Shelf (CLCS).

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¹²³ Full Text: Joint Statement of the Philippines and China, Philstar Global, November 16, 2017, 3:15 AM. Accessed from https://www.philstar.com/headlines/2017/11/16/1759478/full-text-joint-statement-philippines-and-china on 23 October 2018 at 3:41 PM MYT. ¹²⁴ Third Meeting of the Philippines-China Bilateral Consultation Mechanism (BCM), Republic of the Philippines: Department of Foreign Affairs, accessed from https://dfa.gov.ph/dfa-news/dfa-releasesupdate/18199-third-meeting-of-the-philippines-china-bilateral-consultation-mechanism-bcm on 23 October 2018 at 2:58 PM MYT.



Figure 3.4 Malaysia maritime border¹²⁵

The submission is about the pointing area in South China Sea which is covering 200 nautical miles according to the exclusive economic zone regulation in the UNCLOS. The submission bring a disappointment for China, since China and ASEAN Member States signed an agreement to maintain the peaceful approach to solve the dispute in South China Sea before.

However, the relations between China and Malaysia in term of economic cooperation is close. It proves that Malaysia is the highest trade partner for China as in 2010. The trading value between China and Malaysia is 22.2 billion US dollar. 126

126 Alexander C. Chandra & Lucky A. Lontoh, Indonesia-China Trade Relations: The Deepening of Economic Integration Amid Uncertainty?,

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¹²⁵ Borders of Malaysia, Wikipedia. Retrieve from https://en.wikipedia.org/wiki/Borders_of_Malaysia on 24 October 2018 at 4:24 PM MYT.

Following the 44 years relationship between China and Malaysia, Daim Zainuddin, the former finance minister and the chairman of the five-member Council of Eminent Persons (CEP), visit China under Mahathir presidential era. By Mahathir's letter that Daim brought for China, Mahathir and the government ensure that Malaysia welcomes Chinese investment and maintain its bilateral peaceful relations. ¹²⁷

China itself has two pipeline projects and East Coast Railway Line. However, during Mahathir visit to China, he was stating that the projects may be in pending process due to Malaysia domestic issue that is going on. But, Malaysia still positively support and participate China's Belt and Road Initiative. 128

3. Brunei

Brunei Darussalam is one of the welthiest country in Southeast Asian. The position of its annual income is on 27th place in the world. The increasement of its economy

International Institute for Sustainable Development (IISD), 2011. Retrieve from https://www.researchgate.net/publication/324152818_Indonesia-

China_Trade_Relations_The_deepening_of_economic_integration_amid_unce rtainty on 24 October 2018 at 1:07 PM MYT.

¹²⁸ *Ibid*.

¹²⁷ Lye Liang Fook, Mahathir's China Visit and Malaysia-China Relations: The View from China, ISEAS Yusof Ishak Institute, Singapore, 7 September 2018. Retrieve from

https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2018_53@50.pdf on 25 October 2018 at 2:35 PM MYT.

is influenced by the oil and natural gas, which contribute around 60 percent of its GDP. 129

The relations between Brunei and China is mostly on its oil resources. Brunei export its oil and gas to China—to provide the energy-intensive economy, as in 2013 China became the largest country that import oil. Along with the dispute within South China Sea, both of the countries happen to claim the same feature in Spratly Islands, which is Louisa Reef.¹³⁰

According to Brunei's authority, Louisa Reef is located in Brunei's sovereignty as a part of the maritime territory of Brunei. For Brunei, the hydrocarbon and oil resources are important, as those are the main source of income for Brunei. The dispute of the area makes the Brunei's sultanate keeps a low-key approach to provide the reactions toward China. 131

¹²⁹ Nargiza Salidjanova & Iacob Koch-Weser, China's Economic Ties with ASEAN: A Country-by-Country Analysis, US-China Economic and Security Review Commission, March 17, 2015. Retrieve from https://www.uscc.gov/sites/default/files/Research/China%27s%20Economic%20Ties%20with%20ASEAN.pdf on December 22, 2018, at 9:50 PM MYT.
¹³⁰ Ibid.

¹³¹ Elina Noor & Thomas Daniel, NASSP Issue Brief Series: Key Issues and Dilemmas for Brunei and Malaysia in the South China Sea Dispute, The Japan Institute of International Affairs. Retrieve from https://www.unsw.adfa.edu.au/sites/default/files/uploads/nassp-pdf/2.1%2C%20%20Key%20Issues%20and%20Dilemmas%20for%20Brunei%20and%20Malaysia%20in%20the%20South%20China%20Sea%20Dispute.pdf on December 22, 2018, at 12:32 AM MYT.

The sultanate focuses on its multilateral approach of resolution towards the dispute in Spratly Islands. Both of the parties also keep improving their economic relations. However, Brunei seek for the security from the United Kingdom, the United States and also from one of Southeast Asian country, Singapore, to maintan the stability in the country's area. 132

4. Vietnam

In this 2018, China and Vietnam are marking its 68 years of bilateral relations. Both of the countries agree to maintain its economic cooperation and share the same ideology interest. However, South China Sea dispute becomes an obstacle that slowering their relationship development.

Vietnam's clarification toward its claimant in South China Sea area is when Vietnam made a joint submission together with Malaysia in 2009 to the Commission on the Limit of the Continental Shelf (CLCS). The clarification needed as Vietnam is getting the impact directly by the claimant of South China Sea especially in the Paracel Islands area. The submission leads to the tension between China, Vietnam and Malaysia.

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¹³² *Ibid*.

The claims by Vietnam is strengthen by the Law of the Sea of Vietnam in 2012. It is stating that Vietnam's exclusive economic zone is 200 nautical miles and its continental shelf is up to 350 nautical miles from the baseline.¹³³

Unfortunately, in 2014, the tension between China and Vietnam become serious. The oil-rig crisis and Paracel Island issue turn thousand Vietnamese to an anti-Chinese demonstration. The issue lowers the trust from Vietnam to China, and leads Vietnam to build more relations with the United States, India and Japan. 134

China reminds Vietnam to keep the bilateral cooperation remains on the "correct path" ¹³⁵ and follow the mutual understanding, especially in term of security and defense. However, in 2014, Vietnam government filed

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¹³³ The Law of the Sea of Vietnam, Article 15: Exclusive Economic Zone & Article 17: Continental Shelf, Vietnam News, August 7, 2012, 15:35 PM. Accessed from https://vietnamnews.vn/politics-laws/228456/the-law-of-the-sea-of-viet-nam.html#t7jDtzHV1IkdACaA.97 on 26 October 2018 at 3:54 PM MYT.

¹³⁴ Murray Hiebert, China's Relations with Burma, Malaysia, and Vietnam, Washinton: Center for Strategic & International Studies (CSIS), May 13, 2015. Retrieve from https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/attachments/ts150513_Hiebert_0.pdf on 28 October 2018 at 12:28 AM MYT.

¹³⁵ Phuong Nguyen, Vietnam's Careful Dance with the Superpowers, East Asia Forum, 21 January 2015. Retrieve from http://www.eastasiaforum.org/2015/01/21/vietnams-careful-dance-with-the-superpowers/ on 28 October 2018 at 12:30 AM MYT.

a statement to the Permanent Court of Arbitration (PCA) to reassure its rights and interests against China. ¹³⁶

To approach the balance in South China Sea issue, Vietnam improves its maritime capability and strategy. Vietnam also seeks for the support from the US. It proves by the join rescue and search between Vietnam and the US navy, and also "joint exercise to practice the Code for Unplanned Encounters". ¹³⁷

Carl Thayer, Vietnam Files Statement of Interest with the Permanent Court of Arbitration, CSIS: cogitAsia, December 15, 2014. Retrieve from https://www.cogitasia.com/vietnam-files-statement-of-interest-with-the-permanent-court-of-arbitration/ on 28 October 2018 at 12:32 AM MYT.
 Murray Hiebert, China's Relations with Burma, Malaysia, and Vietnam, Washinton: Center for Strategic & International Studies (CSIS), May 13, 2015. Retrieve from https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/attachments/ts150513_Hiebert_0.pdf.