

SOUTH CHINA SEA IMBROGLIO: AN INDIAN PERSPECTIVE

SANA HASHMI

It is universally accepted that the rise of a great power has never been frictionless and introduces fundamental changes at the very core of international politics.¹ China's rise is an impeccable paragon of the above mentioned argument. China's rise, which Chinese initially termed as 'peaceful rise' and later changed to peaceful development' in 2004, is accompanied with inevitable changes in the world order. China, as of now, is the second largest economy in the world which overtook Japan's economy in late 2010, and it is realistic to say that within 10 years China will be roughly the same size as the United States (U.S.) economy which is almost three times the size of Chinese economy in dollars terms.² China's ambition to surpass the U.S. economy in a few years is notably achievable. It is deemed that China's economy will surpass the U.S. in 2025 to become the world's largest economy, with a GDP of around U.S. \$ 31 trillion.³ Apart from China's remarkable economic advancement, People's Liberation Army (PLA), over the time, has become one of the most competent militaries in the world. It is significant to note that since the emergence of China as a communist state in 1949, China has been demonstrating its potential in almost all the expanses across the world. Against all odds and despite the

Sana Hashmi is a Research Associate at the Centre for the Air Power Studies, New Delhi.

1. Available at http://www.idsa.in/idsacomments/ObamasFaultyTrade-OffinEastAsia_rmishra_091209 accessed on December 30, 2011.

2. Available at <http://www.bbc.co.uk/news/business-12427321> accessed on March 2, 2012.

3. Available at <http://business.rediff.com/slide-show/2010/apr/22/slide-show-1-china-will-be-the-worlds-largest-economy.htm>(accessed on September 26, 2011).

U.S. still being the only superpower, China has much greater influence in the regions where the U.S. still endeavouring to establish its foothold such as South Asia and Southeast Asia. It is indubitable that in the recent past, China has become a dominating feature in the foreign policies of almost all the countries of Asia and the U.S.

Territorial and maritime disputes have been the subjugating factors of the international system in the twentieth and twenty-first centuries. The point of distinction is that the scope of attention has been shifted from Europe to Asia and gradually deviating from land to water disputes. Interestingly, China has long-standing territorial and maritime disputes with many of its neighbours. With regard to territorial disputes, India is the only country with which China has not yet resolved its differences; the border dispute on the Northeastern front of India is still intact. While many conflicts have been resolved, no amicable solution has been reached upon regarding South China Sea dispute and has become a bone of contention for China and its relations with most of the Southeast Asian countries. Interestingly, China's assertive behaviour in relation to territorial and maritime disputes makes most of the Asian countries no less than anxious of China's ulterior motives. In this context, Robert Kaplan upholds that China, whose land borders are more secure than at any time since the height of the Qing dynasty at the end of the 18th century, is engaged in an undeniable naval expansion.⁴ China's rising military capabilities coupled with its ever-rising aggressive behaviour in the region and its territorial and maritime claims have caused concerns especially in those countries which are involved with China in South China Dispute i.e., Association of Southeast Asian Nations (ASEAN) member states and those wary of China's rise, mainly India, Japan and the U.S.

SOUTH CHINA SEA ENTANGLEMENT

In today's time, South China Sea dispute has become one of the most capricious and precarious issues involving China and key Southeast Asian

4. Available at http://www.foreignpolicy.com/articles/2011/08/15/the_south_china_sea_is_the_future_of_conflict accessed on January 20, 2012.

countries and has indeed transpired as the biggest predicaments in China's relations with its neighbouring countries lately. This dispute, to a large extent, has not only scraped China's so called good neighbourly policy⁵ but also its already dubious peaceful development theories which are beheld by most of the countries with strong apprehensions. The matter gets more convoluted in the light of the fact that Beijing has affirmed it as its 'core interest', the term which was previously reserved for sensitive areas and close to China's heart, like Taiwan and Tibet. China's declaration of South China Sea being a core interest issue demonstrates that Chinese deem it as an inalienable part of China and not going to compromise its stand of sovereignty over the islands. What makes the issue more complex is that despite suggested proposals by other involved parties of opting for multilateral solutions, China is reluctant for any multilateral elucidation to the problem, instead desires to unravel it bilaterally.

China has a long-standing historic claim to sovereignty over the Spratly Islands, a group of reefs, islets, atolls, sand cays, banks and islands, in the South China Sea, which it refers to as the Nansha Island. China has perpetually demurred to the other plaintiffs claiming sovereignty over the islands. Moreover, China has not only claimed its sovereignty rights over the Spratly Islands but also on their adjacent waters⁶ in its official submissions to the United Nations. To substantiate its claim on South China Sea, China maintains that it has historical linkages with the sea and was the first to discover, name, develop, conduct economic activities on and exercise jurisdiction of the Nansha Islands.⁷ While China's expansive and imprecise claims to most of the waters, islands and natural resources of

5. Good neighbourly policy is described by Chien-peng Chung, in his article "The "Good Neighbourly Policy" in the context of China's Foreign Relations" in *China: An International Journal* in 2009, as a comprehensive approach to pursuing better relations with neighbouring states in the Asian and Pacific region, and has always been considered by the ruling Communist Party of China (CPC) as a major part of its foreign policy interests since 1949.

6. The 'adjacent waters' refer to the 12 nautical mile territorial sea which can be claimed from any land territory, including islands. According to UN provision of *Article 3 of Territorial Sea and Contiguous Zone, Breadth of the territorial sea*: "Every State has the right to establish the breadth of its territorial sea up to a limit not exceeding 12 nautical miles, measured from baselines determined in accordance with this Convention".

7. Available at <http://www.fmprc.gov.cn/eng/topics/3754/t19231.htm> accessed on August 15, 2012.

the entire South China Sea, which are echoed by Taiwan, the other “one China”, rest on a mixture of hoary historical accounts and international law; the other claimants claiming sovereignty over islands, Brunei, Malaysia, the Philippines and Vietnam, all base their cases on the United Nations Convention on the Law of the Sea (UNCLOS), to which China is also a party since 1996.⁸ China’s protest at submissions by Vietnam (including a joint submission with Malaysia) to the United Nations Commission on the Limits of the Continental Shelf (UNCLCS) in May 2009 and China’s submission of a u-shaped map containing nine-dashed lines shows virtually the entire South China Sea on Chinese maps as, in fact, China’s rightful international boundary.⁹

China maintains that by claiming South China Sea, China is just attempting to protect its sovereignty and avert containment from countries like the U.S. and Japan; however, ASEAN member states, particularly Brunei, Malaysia, Philippines and Vietnam have a different story to recount. They speculate that it is merely another maneuver by China to take hold of resources of South China Sea and eventually dominate Southeast Asia and for that matter whole of Asia-Pacific.

The dispute, involving the overlapping claims of six governments to territorial sovereignty and maritime rights, encompasses the main sea lines of communication that connect Southeast Asia with Northeast Asia, covers large fishing grounds and may contain vast reserves of oil and natural gas.¹⁰ As former PLAN Commander Admiral Liu Huaqing observed, “whoever controls Spratlys will reap huge economic and military benefits”.¹¹ What makes it more imperative for China is that it is one of the most busiest sea-lanes in the world with one-third of the sea-borne trade passes through it and about 80 per cent of China’s crude-oil imports go through the South China Sea; moreover, it has proven oil reserves of 7 billion barrels and an

8. Available at <http://www.bloomberg.com/news/2012-08-12/a-good-neighbor-policy-for-peace-in-the-south-china-sea.html> accessed on August 25, 2012.

9. Marvin Ott, “Southeast Asia’s Strategic Landscape”, *SAIS Review*, Vol. 32 No. 1, Winter Spring 2012, pp. 113-124.

10. M. Taylor Fravel, “China’s Strategy in the South China Sea”, *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, Vol. 33 No. 3, December 2011, pp. 292-319.

11. Ibid.

estimated 900 trillion cubic feet of natural gas, a potentially huge bounty.¹² It also has strategic significance for China. In case of war with the U.S. over Taiwan, it will act as a buffer for China where it has a new nuclear submarine base on the South China Sea.¹³

Though China has an upper hand in the conflict, but China's proximity to South China Sea is not that close as compared to its proximity with Vietnam and Philippines. The main Chinese naval bases in the South China Sea, Yulin on Hainan Island and Zhanjiang, the headquarters of China's South Seas Fleet on the mainland, are much farther from the disputed islands than are the bases of potential enemies.¹⁴ This could prove as a major disadvantage for China. Moreover, with the demise of the Soviet Union, China now has the world's second largest submarine fleet, after the U.S. But all of the PLAN's diesel powered boats are based on 1950s Soviet designs. Only forty-six of the fleet's one hundred boats are on active duty.¹⁵

SOUTHEAST ASIA'S POLICY IN SOUTH CHINA SEA

It is no hidden fact that China and key Southeast Asian countries are unequal powers which makes ASEAN member states all the more apprehensive and fretful. Moreover, they are entirely conscious of China's mounting naval capabilities and their militaries are in no comparison to that of Chinese. Though Sino-ASEAN economic relations is at its peak in the contemporary period and have the biggest Free Trade Agreement (FTA) in terms of population; despite thriving economic ties, apprehensions still linger on.

ASEAN had been pressuring China to sign the Declaration on the Conduct (DOC) of Parties in South China Sea since 1992 but China ratified it only in 2002 on its own terms. The declaration reaffirmed UNCLOS, the Treaty of Amity and Cooperation (TAC), and China's five principles of peaceful coexistence and the parties in conformity with these norms eschewed the

12. See http://www.foreignpolicy.com/articles/2011/08/15/the_south_china_sea_is_the_future_of_conflict?page=0,1 accessed on January 20, 2012.

13. Lyle Goldstein. "Chinese Naval Strategy in the South China Sea: An Abundance of Noise and Smoke, but Little Fire", *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, Vol. 33 No. 3, December 2011, pp. 320-347.

14. Ibid.

15. Tai Ming Cheung, "Lacking Depth," *Fur Eastern Economic Review*, February 4, 1993, p.11.

use of force, assumed a practice of self-restraint, and sought to build an atmosphere of trust and cooperation through dialogue and joint initiatives.¹⁶ ASEAN DOC was seen as a step towards peaceful resolution without non-binding provision. Nonetheless, it was just a mere illusion and was apparent that signing of DOC in 2002 and TAC in 2003 was no more than a meager formality to project its benign image to the world and condense the perceived China threat as China continued to maintain its claim in an assertive manner.

Intriguingly, in the 1970s, Vietnam was the only contender in the Paracels, called Xisha Islands in Chinese and Hoang Sa in Vietnamese. In contrast, presently China must share the Spratly Islands with other nations and China has garrisoned seven atolls, but Vietnam has occupied 21 atolls, the Philippines has placed troops on eight, and the Malaysian flag flies over two atolls.¹⁷ However, after the Sino-Vietnam clashes in 1974, whole of Paracel comes under the jurisdiction of People's Republic of China (PRC). Vietnam assumed the chair of ASEAN in 2010 and made the prolific use of its tenure by bringing the issue of South China Sea on the agenda. H.E. Pham Gia Khiem, Deputy Prime Minister and Minister of Foreign Affairs of the Socialist Republic of Viet Nam, stressed on the importance of maintenance of peace and tranquility in South China Sea and also on the significance of DOC for ASEAN and China which paved the path for reconvening of the ASEAN-China Joint Working Group on the Implementation of the DOC held in Vietnam in April 2010.¹⁸

China has been detaining and seizing Vietnamese fishing crafts particularly near Parcels. In 2009, 33 ships were detained and 433 crew members were impounded.¹⁹ In 2011 again, China began to create obstacles for Vietnam by intimidating Vietnamese oil exploration vessels operating within Vietnam's Exclusive Economic Zone (EEZ). Vietnam also claims that

16. ASEAN Secretariat, "Declaration on the Conduct of Parties in the South China Sea," November 4, 2002, available at <http://www.aseansec.org/13163.htm>. accessed on 12 Sep 12.

17. Michael G. Gallagher, "China's Illusory Threat to the South China Sea", *International Security*, Vol. 19 No. 1, Summer 1994, pp. 169-194.

18. 43rd AMM/PMC/17th ARF VIETNAM 2010 Chairman's Statement 17th ASEAN Regional Forum Ha Noi, 23 July 2010 available at <http://www.aseansec.org/24929.htm>.

19. Crlyle A. Thayer, "The Tyranny of Geography: Vietanmese Stratagese to Constrain China in the South China Sea", *Contemporary Southeast Asia: A Journal of Internal and Strategic Affairs*, Vol, 33 No. 3, December 2011, pp. 348-369.

Chinese ships cut the cables towing seismic equipment on two occasions, May 26 and June 9, 2011.²⁰

Since the wounds of the Sino-Vietnam war are still fresh, Vietnam is trying to enhance its naval capabilities by having benign relations with major powers of Asia and for that matter with the U.S. also. For instance, Vietnam will take delivery of six *Kilo*-class submarines from Russia in 2014.²¹ Moreover, Vietnam has also offered Cam Ranh Bay as a repair facility to all navies in the world in an effort to encourage the presence of foreign navies in the South China Sea.²²

Philippines always advocated the presence of the U.S. and other powers in the region which eventually leads to internationalisation of the issue basically for containing China and preventing China threat. Its strategy is somewhat similar to that of Vietnam's strategy. As far as Brunei is concerned, despite having a sovereignty claim over the Louisa Reef, a small atoll in the South China Sea that overlaps with Chinese claims, Brunei tends to downplay the issue with Beijing by focusing on multilateral mechanisms for dispute resolution and joint development.²³

However, Malaysia has a different approach towards China. The bandwagon approach adopted by Malaysia was intended to compel the Chinese through declarations of friendship. However, Malaysian officials reacted negatively to China's territorial law in 1992 and were inclined to view China as a threat; this attitude changed after former Malaysian Prime Minister Muhammed Bin Mahathir's visit to Beijing in June 1993 when friendship with China was proclaimed.²⁴ This stand led Malaysia to adopt China's method of going for bilateral solutions rather than multilateral solutions.

20. Available at <http://www.reuters.com/article/2011/05/27/vietnam-china-idAFL3E7GR15720110527> (accessed on July 27, 2011).

21. Available at <http://www.thanhniennnews.com/index/pages/20110703195314.aspx> (accessed on August 4, 2011).

22. M. Taylor Fravel, "China's Strategy in the South China Sea", *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, Vol. 33 No. 3, December 2011, pp. 292-319.

23. Available at http://www.atimes.com/atimes/China_Business/NK09Cb01.html accessed on November 12, 2012.

24. Lezek Buszynski, "ASEAN, The Declaration on Conduct and the South China Sea", *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, Vol. 25 No. 3, December 2003, pp. 343-362.

The most peculiar and disturbing verity about ASEAN's approach towards the problem is that its approach is estranged towards China's claims of sovereignty. All the ten states have different attitudes towards China. In simpler terms, there is no consensus among them while dealing with the issue. While Vietnam and Philippines have a firm stand against Chinese claims and yearn for a multilateral solution, preferably with the intervention of a foreign power; Malaysia wants to opt for a friendlier approach with agreeing to China's demand of bilateral resolution of the problem. Since Singapore and Indonesia are not parties to the conflict and non-claimants, they have somewhat neutral stand on the issue while hoping for an amicable and prompt resolution. However, China's long-time ally Cambodia has a very positive approach towards China which is accounted for China's financial aid to the country. In 2011, China's investment in Cambodia was more than ten times that of the U.S.²⁵ 2012 ASEAN Summit was hosted and chaired by Cambodia and evidently had immense pressure to keep the issue of South China Sea out of the agenda from China's side. Philippines wanted Cambodia to include confrontation between Philippine and Chinese ships over Scarborough Shoal in March 2012 in the discussion. However, the summit ended not even without mentioning of South China Sea, but for the first time in the history of ASEAN, joint communiqué was not issued. ASEAN Secretary-General Surin Pitsuwan called the meeting outcome "very disappointing" while Marty Natalegawa, the foreign minister of Indonesia who tried but failed to forge common positions said it was "irresponsible" for the group to skip a joint statement for the first time in its 45-year history.²⁶ This incident clearly shows the apparent division in the strategies of ASEAN countries for dealing with China which makes the issue complicated and far from a solution.

CHINA-U.S. RIVALRY IN SOUTH CHINA SEA

It is most pertinent to say that the U.S.'s somewhat faded engagement

25. Available at <http://www.voanews.com/content/china-considered-cambodian-king-ally/1526697.html> accessed on November 1, 2012.

26. Available at <http://www.rfa.org/english/east-asia-beat/asean-07132012125100.html> accessed on October 26, 2012.

precisely in Asia-Pacific is revisited with its entry into sixth East Asia Summit (EAS) in Bali, Indonesia in 2011. Earlier, the U.S. President Barack Obama indirectly hinted that due to financial constraints,²⁷ the U.S. was never so keen on expanding its paws in the Asia-Pacific region and like any other country; the U.S. also was ignorant of the significance of the growing markets of Southeast Asia for a very long time. The U.S. increased presence and participation in the region is merely a result of China's expanded influence and assertiveness in Asia-Pacific along with vast and lucrative markets of Southeast Asia. In order to countervail China's ever-increasing influence in Asia-Pacific region, Southeast countries involved in South China Sea dispute welcome U.S.'s increasing presence in the region. Moreover, anticipating that dealing with China alone is not an astute alternative, the Southeast Asian countries; particularly the Philippines and Vietnam have sought the U.S. support, which regards as it a chance to make its presence inexorable in the region.

It is no less than a surprise that "The U.S. is taking active moves aimed at developing military cooperation with the countries of the Asia-Pacific region, stationing troops in Australia, building a base in the Philippines. And starting from 2013, the U.S. Navy ships will be permanently based in Singapore, i.e. in the narrowest place of the Strait of Malacca, which can be easily blocked off in case of an aggravation of the conflict and thus China will be almost completely cut off from the deliveries of hydrocarbons from the countries of the Middle East and Africa".²⁸ Freedom of navigation in the region is also a contentious issue, especially between the U.S. and China over the right of U.S. military vessels to operate in China's two-hundred-mile EEZ, thus potentially denying access to the U.S. Navy in the western Pacific.²⁹

The U.S. in its first meeting at EAS solicited China and all its members to solve the dispute peacefully and multilaterally, abided by the 1982 UN

27. Available at <http://www.eastasiaforum.org/2012/11/11/what-obamas-second-term-means-for-asia/> (accessed on November 11, 2012).

28. See http://indrus.in/articles/2012/05/16/conflict_in_the_south_china_sea_and_indias_interests_15782.html accessed on June 15, 2012.

29. Available at <http://www.cfr.org/east-asia/armed-clash-south-china-sea/p27883> accessed on November 2, 2012.

Convention on the Law of the Sea. The U.S. wants nothing less than to bring hard security issues to the table, including free navigation and the avoidance of hegemonic dominance over the South China Sea, China will do anything to avoid this.³⁰

While countries like Vietnam, Philippines, Brunei, Malaysia, India and Japan are admiring U.S. presence in the region, U.S. existence is excruciating for China knowing that U.S. is the only country which has the potential to intimidate its hegemony in Asia. China wants the U.S. to maintain a distance from Southeast Asia and for that matter, from whole Asia. China's apprehensions regarding the U.S. soon turned into reality when the U.S. in the very first meeting of its entry into EAS brought the matter of South China Sea, asked for more clarity and suggested China to go for multilateral solution. However, the bringing of South China Sea issue by the U.S. on the forum of EAS and for that matter on any other forum is seen by Chinese as a ploy to counterbalance China's pivot to Asia. Even the U.S. Defence Secretary Leone Panetta at the 11th Shangri-La Dialogue held on June 2, 2012 in Singapore acknowledged that differences between the two largest economies of the world, the U.S. and China exist; South China is one of the major issues of differences and he further said that the US will shift a majority of warships to the Asia-Pacific region by 2020 which is perceived by the Chinese officials as an attempt to fence in the country and frustrate Beijing's territorial claims.³¹

It's not a recent happening that the U.S. has been discussing about the dispute on various international forums. In 2010, U.S. Secretary of State Hillary Clinton at the July 2010 ASEAN Regional Forum of which China and the U.S. are members, in Hanoi stated that "the sea lanes through the South China Sea constituted a major international artery that, like other important sea lanes, were a part of "global commons," that is, they belonged

30. Available at <http://www.eastasiaforum.org/2011/06/01/2011-east-asia-summit-new-members-challenges-and-opportunities/> accessed on November 29, 2011.

31. Available at <http://www.reuters.com/article/2012/06/03/us-asia-security-idUSBRE85100Y20120603>(accessed on September 26, 2012).

to all nations and were not subject to a sovereign claim by any one of them.³² Clinton's statements including a U.S. offer to mediate the South China Sea disputes not only triggered an angry response from China at what it views as U.S. interference in its affairs, in reply to that Jiang Yu, Chinese Foreign Ministry spokesperson "We resolutely oppose any country which has no connection to the South China Sea getting involved in the dispute, and we oppose the internationalisation, multilateralisation or expansion of the issue. It cannot solve the problem, but make it more complicated. China tells U.S. to keep out of South China Sea dispute".³³ A *China Daily* article criticised the Obama administration as attempting "to cozy up to ASEAN countries" and "strengthen its influence in the region so as to contain China by forcing countries to take sides."³⁴

The U.S and China are like two swords in one scabbard. Since both the countries are aspiring and competing to establish their hegemonies in Asia, it becomes quite difficult for them to tolerate each other in the international system. However, when it comes to dealing with each other, they are friends in front and no less than a foe at the back. U.S.'s increased presence and interference in what China calls as internal matters and China's somewhat stiff stand on its dealing with the dispute and ever-escalating opposition to the U.S. make their relations more unstable. Thence, it won't be a wrong assertion to make that if the rise of a superpower is not -frictionless then tiff of two superpowers will indeed be fretful and bound to have an impact on the entire international order.

INDIA'S DILEMMA

In contemporary international politics, India is widely envisaged as a key major power and one of the dominant stakeholders in the emerging East Asian security dynamics. The expectations from India's rise have also

32. U.S. Department of State, Secretary of State Hillary Rodham Clinton, "Remarks at Press Availability," Hanoi, Vietnam, July 23, 2010 available at <http://www.state.gov/secretary/rm/2010/07/145095.htm>.

33. Available at <http://mobile.reuters.com/article/politicsNews/idUSTRE68K1DB20100921?i=5> (accessed on July 10, 2011).

34. Available at Lyle J. Morris, "Incompatible Partners: The Role of Identity and Self-Image in the Sino-U.S. Relationship", *Asia Policy*, No. 13, January 2012, pp. 133-165.

instigated it to inject a new dynamism into India's relations with the great powers of world that have strong foothold the region: the United States, China, and Japan; furthermore, India's relations with these countries are heavily dependent on how India's economic and political rise will attribute to the new world order. As a consequence, India is no longer seen as marginal to either the regional politics of Southeast Asia or the great power system that shapes it.³⁵

India is very well aware of the fact that despite flourishing China-ASEAN relations, Southeast Asia is apprehensive of China particularly because of its greater self-assertiveness in South China Sea. Since China has not only been a potential threat but also a competitor of India that might be the reason for India's increasing presence in Southeast Asia.

It is presumed that despite disapprovals from China and some of the ASEAN's members, India was invited to the EAS predominantly because of its potential to contain China. The U.S. and Russia were included later in the summit largely for the same reason. However, diversifying the summit was another major reason.

India-Vietnam cooperation in oil exploration began in 1988 and in 2006, it reached another level with the signing of another bond between India's Oil and Natural Gas Corporation (ONGC) Videsh Ltd and Vietnam's Petro Vietnam in two blocks, 127 and 128 in Phu Khanh, Vietnam. China protested at the time that both blocks were in its waters, and maintains that position now, according to the People's Daily article.³⁶ Protest by China resulted into India eventually succumbed to the pressure and withdrawn from Vietnam's oil block 127.

Spark again ignited in 2012 when ONGC decided to involve in oil exploration activities with Petro Vietnam in two blocks which Vietnam said is outside the purview of the Chinese claim. In reply to that Wu Sichun, president of the National Institute for South China Sea Studies, a Chinese government supported think-tank, argued that the 40 per cent of the two blocks come under

35. C. Raja Mohan, "India's Geopolitics and Southeast Asian Security, *Southeast Asian Affairs*, Volume 8, pp. 43-60.

36. Available at <http://online.wsj.com/article/SB10001424053111904563904576586620948411618.html> accessed on January 26, 2012.

Chinese claim and involvement of ONGC Videsh in exploration projects in the two blocks will make the dispute “more complicated”, India will face “political and economic risks” if its companies continue exploring for oil in blocks off the coast of Vietnam in the disputed South China Sea and further alleged that “Vietnam’s maritime strategy to try and invite international oil companies and governments to get involved.”³⁷

Time and again, apart from the U.S., China has warned India several times not to engage in any oil and gas exploration activities in the water of disputed South China Sea which comes under China’s jurisdiction. As if opposing and then pressurising India to withdraw from blocks was not enough, it was reported by *Financial Times, London* that Indian Navy vessel *INS Airavat* was harassed by Chinese navy when it was on a friendly visit to Vietnam between July 19 and 28.³⁸ The most probable cause for the pestering can be comprehended as the China’s opposition to any external country’s intrusion into South China Sea and to some extent India’s escalated cordial relations and joint naval exercises are unendurable to China.

Another incident of China’s opposition to any external company getting involved in oil and gas exploration activity came into light when in August 2011 the U.S. giant oil company Exxon Mobil Corp proclaimed that it had discovered hydrocarbons in August off Central Vietnam, in an area also claimed by China.³⁹ Later it was reported that executives of the ExxonMobil, had been approached by Chinese officials and warned not to proceed with a deal the company had signed in June to explore for energy resources off the Vietnamese coast.⁴⁰

CONCLUSION

While most of the scholars, party to the conflict and observer believe that China and ASEAN member states should craft a code of conduct in a more

37. Available at <http://www.thehindu.com/news/international/article3281437.ece> accessed on April 10, 2012.

38. Available at <http://www.ft.com/intl/cms/s/0/883003ec-d3f6-11e0-b7eb-00144feab49a.html#axzz2C7eU4uSr> accessed on September 26, 2011.

39. Available at <http://in.reuters.com/article/2011/10/31/idINIndia-60218620111031> (accessed on September 26, 2011).

40. Ian Storey, “Maritime Security in Southeast Asia: Two Cheers for Regional Cooperation”, *Southeast Asian Affairs*, Volume 2009, pp. 36-58.

formalised way, China is still reluctant to compromise on any of its stands. It seems Chinese current leadership is a stern follower of erstwhile Paramount leader of PRC, Deng's Xiaoping's thought. Once he said *hide your strength bide your time* which current leadership is following without fail. China has been delaying any solution to the problem for a very long time and just buying the time so that it consolidates its claim on the sea and enhances its naval capabilities. This strategy is certainly analogous to what China has been doing with India in regard to its border dispute since 1962.

What remains to be seen is that what new leadership has to offer in relation to South China Sea, is it going to be all the more assertive and aggressive or is it actually going to resolve the dispute by adopting moderate solutions. However, the latter scenario seems to be far from reality. Since, in the current scenario, China cannot afford and less likely to use force against antagonists, China has to deal with them through negotiations, compromises and concessions. China had adopted and strengthened two-pronged strategy while dealing with claimants. On the one hand, China continues to maintain its claim and on the other hand, strengthening its ties with the claimants and other states involved in it like the U.S. and India through prospering economic relations. It is not a surprise that China is the biggest trading partner of ASEAN and has almost established its foothold in Asia-Pacific region. It is sensible to say that in the recent times, China's policy towards the South China Sea and claimants over the sea is the flawless depiction of Deng Xiaoping's concept, *sovereignty is ours, set aside disputes, pursue joint development* which seeks peaceful settlement of the dispute and enhancement of the relations with the opponents while maintaining claims on the territory in a courteous manner. In apposite terms, Chinese are dealing with the problem with Chinese characters and to be precise, according to its own convenience. Nonetheless, what remains in doubt is the future of the dispute and China-ASEAN relations with the changing dynamics and whether China can afford to risk its relation with vast market of Asia on the grounds of its expansionist hunger.

Diverse stances of Cambodia, Philippines, Brunei, Malaysia and somewhat neutral stands of Singapore and Indonesia tend to create problems

in the way of discerning amicable solution. It is advisable for the nations to resolve their internal differences and disparity in opinion and then deal with China since unity is most vital while dealing with external powers. There is a fair probability that Southeast Asia will become a battleground for China and U.S. and will become a victim of their rivalry. What they need to do is play safe and the focus should remain on reaching upon the solution of the dispute. ASEAN needs to prove its metal and be more efficient in coming up with more robust strategies for dealing with China on the issue. As far as this issue is concerned, ASEAN has somewhat been laidback and hasn't been proved as an effective organisation which has come to become one of the major weaknesses of this regional organisation. Southeast Asian nations should not overshadow the fact that both the U.S. and China are trying to establish their hegemonies in China, one by supporting ASEAN on the stand of South China Sea and another by getting more and more assertive and claiming sovereignty over South China Sea. The U.S. knows that if it needs to establish its foothold in Asia, it needs to countervail China's increasing hegemony. In the event of war between China and the U.S., which is less likely to occur in the near future, U.S. will be having an upper hand since it has more advanced naval force than PLAN and China is aware of this fact. Hence, taking into account China's sagacity, given a chance it won't go for war with the U.S.; instead deal with it diplomatically. Considering the economic relations between the two giants, war is the least possible scenario. Thus, it is a challenge for both the nations to maintain cordial relations with each other on the sidelines of their common desire to be a hegemon without being threatened by each other. Since Asia is the growing region of the world, both the countries have their eyes on the blooming economy of Asia. Another challenge remains in front of these two giants as to whether contain each other or to balance each other. They are in dilemma whether this hate-love relationship would be of any benefit to them or would prove more hazardous for them. These are the little skepticism which will persist to linger for a very long time.

As far as India is concerned, it is aware of the importance of Southeast Asia in terms of economy and strategic position in the world order but at

the same time, it is also conscious of the status of China in the contemporary times. Very recently Southeast Asia has occupied a central stage in the world's economy. Hence, it has become quite arduous for India to decide whether it want to be a friend or foe of China when it comes to Southeast Asia. It won't be wrong to say that competition is at its peak in Asia-Pacific with the China, U.S. and India competing to be a superpower in the *Asian century*⁴¹. If India wants to upgrade its status from South Asian power to Asian Power, it has to adopt a balanced strategy which neither hurts nor benefits China but at the same time, India should know that ASEAN is an important step in realising India's dream as it is indeed India's bridging gap to East Asia. India should take advantage of the fact that despite thriving economic relations, ASEAN is equally apprehensive of China due to its greater assertiveness in South China Sea and gain the conviction of these strategically important nations. Indubitably, India's policy in Southeast Asia should be similar to that of China's policy in South Asia. China took advantage of India's differences with other South Asian countries and created its own space in Indian subcontinent. To a great extent, countering China threat was one the major reasons why India's Look East Policy, initiated in 1991 with economic motives, has added political facet to its dimension. It is beyond the shadow of doubt that ASEAN perceive India as a potential partner to balance China with regard to South China Sea. However, it is very much a reality that since ASEAN-CHINA FTA is the biggest FTA in the world in terms of population, ASEAN won't risk its economic relations.

Most scholars argue that South China Sea dispute is the dispute of the future and going to unfold more in the near future but there won't certainly be a war; status quo will be maintained with a stalemate. It is in the best interest of China-ASEAN relations to resolve the dispute with a sense of urgency. China's intentions and future course of action remain secretive and appear to be apprehensive to ASEAN as PRC's former Leader Hu Jintao urged the next leaders of PRC to work towards the rise of the country as a

41. The term *Asian Century* was coined during the meeting of the then Prime Minister of India and China's Paramount Leader, Deng Xiaoping in 1988 who were of the opinion that 21st century will be dominated by India and China and other powers of Asia.

maritime power on the eve of leadership transition on November 8, 2012. It is indeed an ambiguous situation with China, ASEAN, the U.S. and India being deeply involved in the matter and hence, its effects on the respective parties remain to be seen in the future. No matter what is the fate of South China Sea; however, one thing is for sure, all the stakeholders and observers of the dispute require employing strategies to prevent escalation of tension in the region and make the Asia-Pacific region a more harmonious and let blooming trade ties dominate the relations.