



Issue Brief

South China Sea and the Changing Regional Dynamics:

A Case study of Vietnam- China conflict

*Dr. Vikash Ranjan**

Security architecture in the Asia-Pacific region is in a flux on account of China's navy modernization, and its implications on regional issues like South China Sea dispute, recurrent skirmishes of China with regional countries, etc. Illustrating South China Sea dispute in reference to Vietnam-China conflict in the South China Sea this paper will try to understand the changing regional dynamics and its impact on evolving security architecture.

South China Sea:

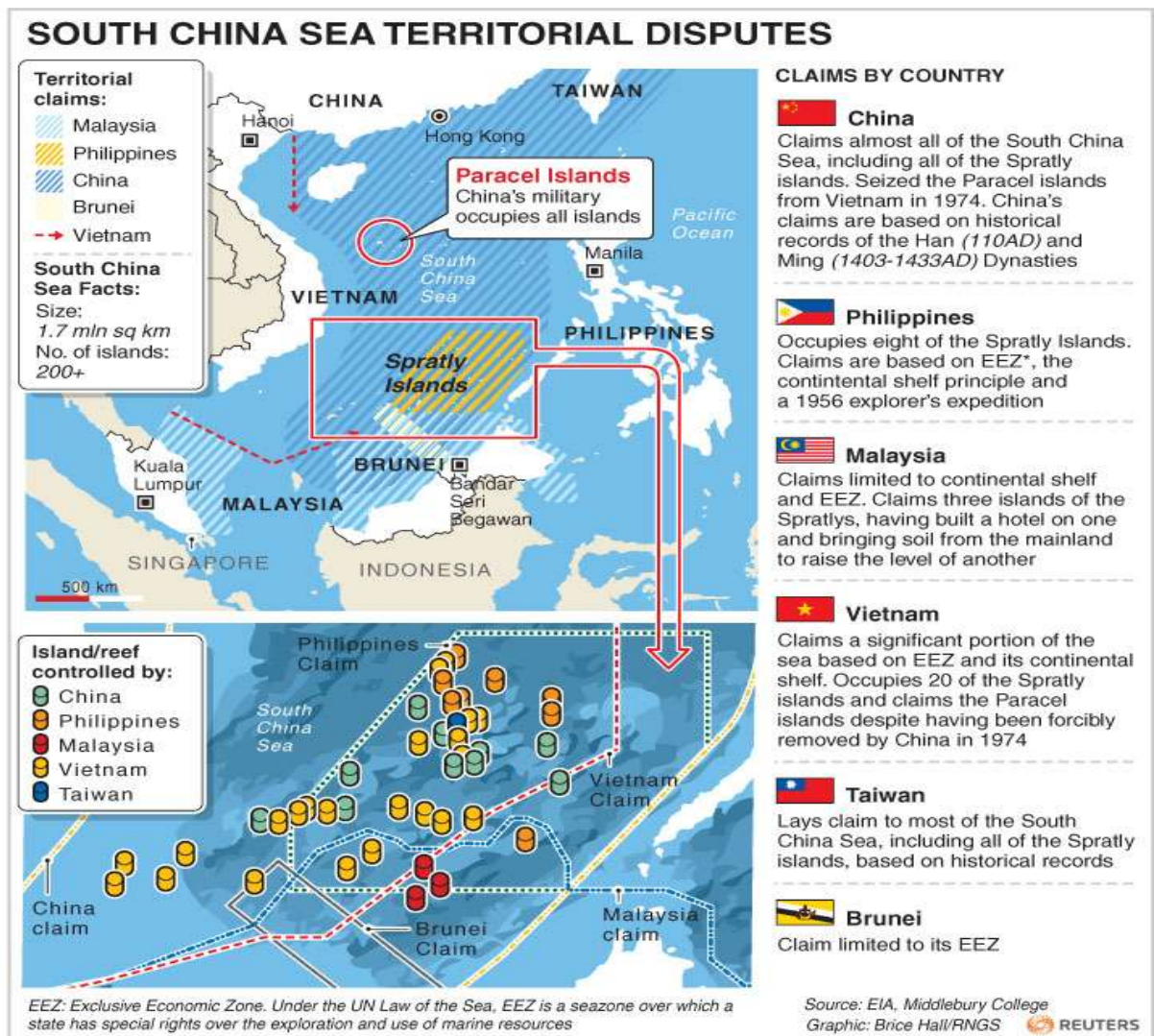
South China Sea area is of geo-strategic importance due to its location straddling vital sea-lanes for both commercial and military vessels. It is rich in marine natural resources and the underlying sea-bed purportedly contains deposits of hydrocarbons including oil and natural gas. Apart from the full fledged islands, the region consists of a number of uninhabited rocky outcrops, atolls, sandbanks and reefs, which has given rise to overlapping claims over territory and sovereignty over ocean areas by a number of littoral countries. Though there has been little detailed exploration of the area; the estimates of the natural resources in the area are largely extrapolated from the mineral wealth of the neighbouring areas. Chinese officials have given the most optimistic estimates of resource wealth in the area. According to figures quoted by the US Energy Information Administration, one Chinese estimate puts possible oil reserves in the area as high as 213 billion barrels, an estimate about ten times the proven reserves of the USⁱ. But American scientists have estimated the amount of oil reserves at only about 28 billion barrelsⁱⁱ. According to the EIA, the real wealth of the area may well be natural gas reserves. Estimates say the area holds about 900 trillion cubic ft (25 trillion cubic m) of natural gas, an amount similar to the proven reserves of Qatarⁱⁱⁱ.

China claims by far the largest portion of the South China Sea's territory including the Spratly and the Paracel archipelagos, as an integral part of the Chinese nation for the past 2,000 years of history. In 1947 China issued a map detailing its

claims, which shows the two island groups as falling entirely within its territory. Vietnam disputes China's historical account, saying China never claimed sovereignty over the islands until the 1940s. Vietnam says both island chains are entirely within its territory. It says it has actively ruled over both the Paracels and the Spratlys since the 17th Century, and has the documents to prove it.

Apart from Vietnam and China, there are other major claimants to the area like the Philippines, Malaysia, Brunei, and Taiwan. Philippines invoke its geographical proximity to the Spratly Islands as the main basis of its claim for part of the grouping. Malaysia and Brunei also lay claim to territory in the South China Sea which they say falls within their economic exclusion zones, as defined by the United Nations Convention on the Law of the Sea in 1982. Brunei does not claim any of the disputed islands, but Malaysia claims a small number of islands in the Spratlys. Taiwan's claims overlaps with Chinese claims in the area, as the two countries are involved in historical settlements sharing common origin.

A glance at the South China Sea Territorial dispute^{iv}



The regional grouping ASEAN, whose membership includes all of the main players in the South China Sea dispute except Taiwan, signed a Code of Conduct with

China in 2002. Under the agreement, the countries agreed to resolve their territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force, through friendly consultations and negotiations. Besides this, the Philippines and Vietnam also signed bilateral agreements on codes of conduct with China in the South China Sea. But these agreements have made little difference in curbing the conflicts.

Vietnam China conflict in the South China Sea

Diplomatic row ensued between Vietnam and China following the cutting of a submerged cable of a oil and gas survey ship Binh Minh 02 of Petro Vietnam (a state owned company), by Chinese patrol boat in May 2011^v. The incident happened 120 km off the south-central coast of Vietnam, which is about 600 km south of Hainan island of China. A few days after the incident another incident was reported in which Vietnamese officials accused a Chinese fishing boat of intentionally ramming into cables of its another oil exploration vessel, inside the exclusive economic zone of Vietnam. However, China in the second incident claimed that one of its fishing boats got entangled with the cables of a Vietnamese oil exploring vessel, operating illegally in the area. China further claimed that its fishing boats were chased by armed Vietnamese ships and the entangled boat was dragged for more than an hour before it was cut free.

In both the instances the two countries accused each other of violating each other's sovereignty. Vietnam even accused China of using premeditated and carefully calculated tactics, as part of its attempts to control disputed waters.

To corroborate these incidents with an earlier incident where Vietnamese government gave permission to a Chinese company Chinalco to bring about a number of Chinese workers to explore bauxite in the central highland of Vietnam^{vi} was strongly opposed by the local population. A number of prominent personalities including the retired military leaders openly protested against the government's move. People disliked their areas or resources to be given to the foreign companies.

Following the incidents hundreds of Vietnamese turned out to protest against Chinese naval operations in disputed waters of the South China Sea and gave a call to China to get out of Vietnam's territorial waters. In June Vietnam also held live-fire exercises in the area off central Quang Nam province in the South China Sea^{vii}, and issued a decree specifying who would be exempt from military service in the condition of war^{viii}. Vietnam claimed the drills to be routine, but, the organization of live drills within days of escalating tensions raised some pertinent concerns.

Earlier, Vietnam government used to control public dissents directed against China in fear of offending its big neighbour. For which, Vietnamese government time and again was criticized by its people for being passive and weak before China. But in the aforementioned incidents Vietnamese authorities not only responded strongly against China, calling the incidents a serious violation of Vietnam's sovereignty, and claimed Vietnam's sovereignty as incontestable in the Spratly and Paracel islands areas; they also allowed two major demonstrations outside Chinese diplomatic missions in Hanoi and Ho Chi Minh City^{ix}.

Later in October 2011 China and Vietnam signed an agreement outlining a series of measures, to manage their dispute over the South China Sea including a hotline to deal with emergencies, co-operation in the South China Sea on scientific research, that any final settlement on maritime borders should be based on international law and be acceptable to both sides, and a provision for authorities from both countries to meet twice a year^x. These agreements though seem positive on the face, still, how much it would be put into actual practice, is difficult to gauge at the present juncture.

Vietnam and China as communist states with rapidly developing economies are natural allies in some ways. But, Vietnam and China also have a long and turbulent history, as in 1974 Chinese seized the Paracel islands from Vietnam, killing several Vietnamese troops. Both the countries also fought a border war in 1979. In 1988 the two sides again clashed in the Spratlys, where Vietnam lost about 70 of its sailors. As a result of these conflicts, the mistrust between the two countries exists, and China's regular arm flexing raises alarm bells in Vietnam.

The spontaneity of the protests in Vietnam, the timing of the military drills and the decree was extremely sensitive. In the aftermath of the conflict, computer hackers from both the countries were reported to have attacked each other's websites including portals run by each other's government, and replacing content on the sites with abuse and national symbols. This shows the depth of hatred and suspicion the two countries have for each other.

China's foreign ministry blamed Vietnam for the incidents, saying Vietnam's oil and gas operations undermined China's interests and jurisdictional rights in the South China Sea. China also denounced Vietnam's military exercises as a show of force to defy China. Following the incidents, China sent one of its largest patrol ships Haixun-31 in the South China Sea to monitor shipping and protect its maritime interests in the area. China also imposed fishing ban in the area, and warned other Asian nations to halt any exploration for minerals in the area. China's unilateral bans was criticised by the other claimant countries.

Even India's exploration projects in two blocks, located near the Paracel Islands, in the Exclusive Economic Zones (EEZs) of Vietnam, in the South China Sea between India's Oil and Natural Gas Corporation (ONGC) Videsh and Vietnam's PetroVietnam was questioned by China. However, India went ahead and at the time of Vietnamese President Truong Tan Sang's visit to India, Petro Vietnam and ONGC Videsh Limited agreed to develop long term cooperation in oil and gas sector based on the principle of equality and mutual benefit, the framework for which was agreed during External affairs minister Mr. SM Krishna's visit to Vietnam in September 2011. Cooperation between ONGC Videsh (OVL) and PetroVietnam dates back to 1980s with signing of the Production Sharing Contract between Hydrocarbon India Ltd., renamed ONGC Videsh Limited later, and PetroVietnam on 19th May 1988 for Block 06.1. In June 2006, both the companies signed another agreement after the award of two exploration blocks 127 and 128 in Phu Khanh basin in Vietnam to OVL through regular bidding process^{xi}. Therefore, China just used the timing of its conflict with Southeast Asian countries to object to Indian projects in the region.

Apart from Vietnam, the Philippines has also been involved in a number of minor skirmishes with Chinese, Vietnamese, and Malaysian forces from time to time. In March 2011, Philippines accused two Chinese patrol boats of harassing a Philippines oil exploration ship. It claimed that new structures have been built on the islands by China flouting regional countries understanding under Declaration of Code of Conduct for parties to the dispute. The Philippines has even accused China of building up its military presence in the Spratlys.

Agreements such as the UN's 1982 convention appeared to lay the framework for a solution. Nevertheless, in practice, the convention led to more overlapping claims, and has not deterred China and Vietnam from pressing their historical claims. This event further suggests that Vietnam and China at least have failed to stick to the spirit of that agreement.

In this backdrop, to understand the changing regional dynamics one needs to understand the nuances of the growing Chinese navy's modernization, and the changing dynamics in the region.

China's naval modernization and the changing regional dynamics

A maritime arms race is under way in the South China Sea. China believes America is trying to encircle it and prevent its rise. America says China's military developments are opaque and shrouded in secrecy, its real intentions unclear.

Following the South China Sea incidents, US sent its Japan based carrier George Washington for deployment in the region. In response, China sent its one of the largest patrol ships Haixun-31 in the area, and also highlighted its second island chain defence strategy at around the same time.

China is already the dominant naval power in the region and many of its new systems are likely to threaten US naval dominance. China is seeking to wield its growing military might to 'win without fighting' by deterring actions that it views as detrimental to its core national interests^{xii}. China's strategy seems to rest on developing credible weapons systems to threaten US carrier battle groups in case of any intervention.

Key US bases around the Asia-Pacific region^{xiii}

China's first aircraft carrier, stealth fighter', and the long-range ballistic missile capable of hitting a moving ship at sea, are emblematic of China's broadening strategic horizons. China's capabilities seem to focus on developing a regional anti-access or area denial strategy, not only to challenge American interests where they need to be challenged, but also to prevent Taiwan from declaring independence. The aircraft carrier Varyag will operate the new J-15 Flying Shark strike fighter, based on Russian Sukhoi SU-33 jet design. China's aircraft carrier is part of its 2004 historic mission that the People's Liberation Army will increasingly defend the Communist Party's interests outside of China, for which it wants a military that will be globally deployable by 2020.



Western experts believe that the carrier will only confer prestige of a rising great power on China, and serve a training role, as carrier operations require significant expertise which can only be built up over time. Besides the aircraft carrier, China is also deploying DF-21D (known in the West as the CSS-5) anti-ship ballistic missile, a land-based system having a range in excess of 1,500 km which would potentially target US carrier battle groups. The DF-21D is fired from a wheeled transport vehicle armed with a manoeuvrable warhead that gives the Chinese military the ability to strike ships in the western Pacific Ocean. Apart from the aircraft carrier and the ballistic missiles, China's Chengdu J-20 is believed to have the radar-evading stealth capability. China tested the maiden flight of the stealth aircraft in January 2011, just hours before a visit by the US Defence Secretary Robert Gates to Beijing; a rare coincidence which many analysts believe to be a deliberate signal to US.

The aircraft carrier in combination with the stealth fighter and the ballistic missile, designed to sink aircraft carriers manoeuvring at sea up to 1,500 km (930 miles) offshore, will limit the preeminent power of US in the region, and will prevent it from intervening in any future crisis involving Taiwan. All of these can target US bases, US ships and US carriers in Asia. They will make it much more dangerous for US carrier fleets to operate close to China's coast, pushing them out further offshore. This in turn would open up more room for China to flex its military muscles and help it in protecting its strategic and economic interests.

Therefore, though China has repeatedly said that it would not resort to the use of force in resolving maritime disputes, countries like Vietnam, the Philippines and Malaysia, and others having territorial disputes with China, are concerned about China's military's modernization. So are concerned US allies like Taiwan, Korea and Japan, as China's military's modernization undermines US security guarantees and influence in the region. In an incident in 2009, five Chinese vessels shadowed and aggressively manoeuvred in dangerously close proximity to USNS Impeccable, in an apparent coordinated effort to harass the US ocean surveillance ship while it was conducting routine operations in international waters. They waved Chinese flags and told the US ship to leave the area. After the Impeccable alerted the Chinese ships that it was

seeking a safe path to depart the area, two of the Chinese ships stopped directly ahead of USNS Impeccable, forcing Impeccable to conduct an emergency all stop in order to avoid collision^{xiv}. This incident suggests China's growing confidence to challenge US dominance in the region.

Recently, Vietnam's navy took delivery of its first locally-made 54m long warship having an operational range of more than 2,000 nautical miles, equipped with artillery and missile systems^{xv}. Vietnam has also said that it intends to build more warships in the future. At the moment most of its vessels come from Russia and the former Soviet Union.

Even, U.S. and Vietnamese militaries have steadily increased their cooperation in recent years. In August 2011 the two navies signed a Statement of Intent (SOI) on Military Medical Cooperation, promising to institutionalize cooperation in military medicine through exchanges of experts, joint research, and various other mechanisms^{xvi}. In July 2011, the two navies held joint training exercises in non-combat capabilities, including navigation, search and rescue^{xvii}. Though US-Vietnam military cooperation is a far cry from the close relationship the United States has with Thailand, the Philippines, or Singapore, the SOI marks the first official military to military relationship between the United States and Vietnam since the fall of Saigon in 1975. Numerous U.S. ships, including aircraft carriers and the 7th Fleet's flagship *Blue Ridge*, have made calls and received repairs in Vietnamese ports over the last three years^{xviii}.

Even to the Philippines US is likely to transfer a ship the Coast Guard Cutter Dallas to help it in defending its waters^{xix}. In May 2011, US already gave US cutter, the Hamilton, to the Philippines, following the South China Sea dispute. These incidents reflect the growing insecurity and the ensuing arms race among the regional countries, on China's account.

In this context, let us try to understand the possible scenarios which might have happened between Vietnam and China in the South China Sea dispute.

Vietnam –China Conflict in the South China Sea: Some Possible Scenarios

Vietnam is one of the front-line states surrounding China. In any conflict, if Vietnam faces China alone, it will lose. If Vietnam succumbs to China, the government will face strong domestic opposition. But if Vietnam government faces domestic political crisis, China's anti-government elements will also be encouraged. Therefore, China would try to strike a balance between assertiveness and accommodation with Vietnam. For other countries, this would look like a communist Vietnam being ally of a communist China. But, it will be important to look at how Vietnamese people react to China in the next decade or two, because the government needing Chinese assistance may react warmly to China, which may not be liked by its people; as Vietnamese people may not like the increasingly dominant role of China in their internal affairs. This would link anti-government feeling with anti-Chinese sentiment in Vietnam. As a result, Vietnamese government will tread very carefully on the issue.

On the other side let us take China. After the conflicts and military excises in Vietnam, the attitude of the Chinese people toward Vietnam may be hardened.

Chinese people are likely to draw a direct link between the recent incidents and the strategy of maintaining US's hegemony in the Asia-Pacific region. Chinese government may try to portray Vietnam as the initiator of the conflict reasoning to Chinese people that Vietnam is initiating the conflict in the hope that China will not resort to force. Because if China uses force, it will display an image of bullying a weak and small neighbour, and end up facing pressure from the international community. The second reason which Chinese government may give to its people is that Vietnam's hardball with China will bring other littoral states in South China Sea together to confront China. This will display some sort of power game in the South China Sea, where US with the support of its allies is trying to continue its hegemony in the region.

Whatever may be the Vietnamese or, Chinese claims there is no doubt about the increasing assertiveness of China in dealing with its neighbours, for promoting its own national interests.

The Way Forward

In South China Sea context it can be said that South China Sea is a single ecosystem shared by various littoral States. Therefore, South China Sea needs to be managed collectively by all stakeholders in the region, to obtain optimum utilization of the resources, as well as to provide effective protection for them. China and Malaysia supports joint development of resources in the South China Sea^{xx}, yet, other claimants seem to be wary on this account.

Over the years, China has tended to favour arrangements negotiated behind closed doors with the individual countries, while the other countries in the disputes like to have international mediation.

In a meeting of military officials in December 2011, Chinese President Hu Jintao said that China's navy should 'accelerate its transformation and modernisation in a sturdy way, and make extended preparations for warfare in order to make greater contributions to safeguard national security'^{xxi}. This reflects that in the future China is likely to become more assertive in defending its national interests even taking the way to warfare. Defending one's interest is every sovereign country's right, but, taking the method of arms twisting to pursue one's unilateral perceived national interests seems a bit problematic for the region.

At the ASEAN Regional Forum Meeting in Hanoi in 2010, US Secretary of State Hillary Clinton called for a binding code of conduct for the parties involved in the dispute, and argued that South China Sea is a U.S. 'national interest', where 'freedom of navigation' needs to be maintained for all. Chinese Foreign Ministry dismissed Clinton's suggestion as an attack on China.

During ASEAN and East Asia Summit meetings in November 2011 US announced to reengage with the Asia-Pacific region. It also announced to have maritime bases in Darwin in Australia to assure its allies against China's assertiveness in the South China Sea. In Philippines, US Secretary of State Hilary Clinton even termed South China Sea as 'West Philippines Sea', and signed 60th anniversary of the US-Philippines Mutual Defence Treaty onboard the USS Fitzgerald. However, taking into

account US's own domestic compulsions, US- China economic interdependence, changing dynamics across the globe particularly in the West Asia, North Africa, Afghanistan and Pakistan, US commitment to the region at least in the short term seems highly unlikely.

Here, ASEAN role must be lauded for the fact that despite its limitations in interfering in disputes involving sovereign nations, it has not allowed any regional dispute to take a serious turn. Moreover, lately there has been talk of having a 'declaration' on South China Sea among the parties to the dispute.

Still, it needs to be pointed out that a declaration is not a binding code of conduct, although the South China Sea issue needs some binding commitments, to lower down frictions among the claimant countries. Taking this into account, it can be suggested that any solution to the South China Sea dispute can only come through a regional and multilateral understanding involving all stakeholders, and not the bilateral one, as propounded by China.

For India it can be said that the disputed nature of the territory does not prohibit India from undertaking projects in South China Sea. Still, the dispute is to be settled amicably among regional countries themselves.

In sum, it can be said that US and China are both trying to calibrate their powers in the region. Regional countries dependent on both are trying to keep a fine balance between the two, as they need China to secure their economic development, and US to maintain their security. This nexus of economic development and security-cum stability is critical for the survival of the nation and the region.

** Dr. Vikash Ranjan, Research Fellow at Indian Council of World Affairs, New Delhi 110001*

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