

# Vietnam, ASEAN, and the South China Sea: Unity or Diverseness? \*

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## Abstract

Against the backdrop of China's growing assertiveness on sovereign and strategic interests in the South China Sea, territorial disputes in this resource-rich sea area have re-emerged among the claimants, including some ASEAN members. Vietnam in particular has been increasingly concerned about China's expanding physical presence and assertive, sometimes aggressive, actions to manage natural resources. Vietnam strives to check China's rise not by "containing" the country using military options, but to place the issue on the agenda of ASEAN-centered multilateral dialogue frameworks and achieve a breakthrough by making use of the collective diplomatic power of ASEAN, and as appropriate, the engagement of countries outside of the region. Furthermore, Vietnam endeavors to strengthen its hedging against the rise of China by carefully forging closer ties with the US. The Philippines, too, increasingly views China's movements with caution, and is reinforcing its ASEAN-centered diplomatic activities as well as promoting security cooperation with the US. In contrast, Malaysia has not made any notable moves other than modernizing its naval capabilities. Indonesia, as the ASEAN Chair in 2011, was proactive in conducting multilateral talks by hosting a series of ASEAN-related meetings. ASEAN members are expected to continue to pursue multi-dimensional diplomacy toward the peaceful settlement of disputes. The challenge will be how ASEAN will be able to maintain its unity.

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This paper examines territorial disputes in the South China Sea, focusing on Vietnam and other ASEAN countries' responses to China's growing assertiveness. Six parties—China, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei—currently claim sovereignty over all of or part of the sea area, as well as the islets, notably the Spratly and Paracel Islands. Potentially rich in natural resources, particularly oil and natural gas, and given its importance as a productive fishing ground and as sea lanes of communication (SLOC) that links the Indian Ocean and East Asia, the littoral countries make competing claims of sovereignty over the sea area. Territorial disputes escalated from the 1970s to 1990s, with an armed clash, although small in scale, occurring between China and Vietnam in 1988. Nevertheless, China agreed to pursue dialogue at ASEAN's initiative, and the Declaration on the Conduct of Parties in the South China Sea (DOC) which set forth the peaceful settlement of the issue was signed in 2002. The ensuing events therefore seemed to put the countries on track to peacefully settling the territorial disputes in the South China Sea.

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\* Originally published in Japanese in *Boei Kenkyusyo Kiyo* (NIDS Security Studies), Vol. 14, No. 1, December 2011. Some parts are updated.

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However, tensions over the sea have again flared in recent years. Underlying this are China's resurgent efforts to consolidate and even expand its interests in the South China Sea. China has reinforced its naval power in the sea area, and based on increasing maritime law enforcement capabilities, bolstered patrol activities aimed at safeguarding the fishing activities of Chinese fishing vessels. At the same time, it has strengthened the political discourse on sovereignty of the South China Sea. Claimants in Southeast Asia, particularly Vietnam, are increasingly concerned about China's re-expansion. This dispute is re-emerging as a grave and vital security issue also for the entire ASEAN, including non-claimants. Furthermore, the United States (US), which has maintained security in the Asia-Pacific region and the freedom of navigation in major sea lanes through military power, has begun to engage in the South China Sea issue, treating it not as an issue among claimants but as an issue concerning the entire Asia-Pacific region.

This paper therefore examines Vietnam and other ASEAN countries' responses to China's growing assertiveness in the South China Sea, combined with analyzing the US engagement in the issue. This paper is organized into four sections. The first section provides a broad overview of the issue. It then discusses the resurfacing of the territorial disputes, with a focus on China's re-expansion in the South China Sea. The second section looks at the response of Vietnam, a country that has the largest interests of any Southeast Asian nation in the sovereignty of the sea area. The political discourse of the Vietnamese government and the Communist Party forms the main basis of the analysis. Section three analyzes the moves of the US which has indicated its intention to engage in the South China Sea issue as well as Vietnam's response to the US engagement. The fourth section examines the responses of other members of ASEAN, in particular, the Philippines and Indonesia. In light of the considerations presented, the paper concludes with a summary of the current status of the South China Sea issue and an outlook on the future situation. The conclusion will emphasize the "diverseness" of the responses of ASEAN countries, while referring to the salience of keeping ASEAN's "unity" to conduct tough negotiations with China.

### **The Resurfacing of the Territorial Disputes in the South China Sea—China's Growing Assertiveness**

The territorial disputes in the South China Sea began in the 1970s. Following the battle with South Vietnam in 1974, China had effective control of the entire Paracel Islands, and in the 1980s, expanded into the Spratly Islands. Later, incidents broke out over the sovereignty of the Spratly Islands which had direct implications on the territorial claims of Southeast Asian nations. These included the armed clash between China and Vietnam (1988) and China's seizure of the Mischief Reef over which the Philippines claimed sovereignty (1995). These events precipitated a sense of crisis among Southeast Asian nations.<sup>1</sup> China's active expansion in the South China Sea took place against the backdrop of the end of the Cold War, coupled with the US disengagement, as symbolized by the withdrawal of US bases from the Philippines. This in turn created a "power vacuum" in the strategic environment of Southeast Asia.<sup>2</sup> ASEAN, sensing crisis with respect to

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<sup>1</sup> Koichi Sato, "Chiiki Funso to ASEAN no Kino: Minamishinakai wo Meguru Kyocho to Tairitsu," in *Tenkanki no ASEAN: Arata na Kadai eno Chosen*, ed. Susumu Yamakage, The Japan Institute of International Affairs, 2001, pp. 183-188.

<sup>2</sup> Alice Ba, "China and ASEAN: Renavigating Relations for a 21st Century Asia," *Asian Survey*, Vol. 43, No. 4, July/August 2003, pp. 627-628.

China's expansion in the South China Sea, established the ASEAN Regional Forum (ARF)—an Asia-Pacific security cooperation framework that included the US and China. ASEAN, thereby, succeeded in engaging the major powers in a regional security framework, where ASEAN plays a central role. Furthermore, the pursuit of dialogue on the South China Sea issue, exemplified in starting a track 2 workshop “Managing Potential Conflicts in the South China Sea” under Indonesia's initiative, succeeded in establishing a framework for convening regular, although informal, discussions with China on the South China Sea issue.<sup>3</sup>

Thenceforth, the issue began to be discussed at the track 1 level at ASEAN and ASEAN-China foreign ministers' and summit meetings, and discussions proceeded on the development of a code of conduct (COC) for the South China Sea. It is deemed that against concerns about the increasing complexity of the negotiations on the South China Sea issue, China gave priority to strengthening economic and other relations with ASEAN and thus agreed to hold multilateral consultations on this issue with the body. In 2002, the DOC was signed between ASEAN and China. The DOC pledged to promote cooperation in a range of areas, including the peaceful settlement of disputes, the exercise of self-restraint by the parties concerned towards the stabilization of the situation, and marine research. The DOC furthermore set forth that, “The Parties concerned reaffirm that the adoption of a code of conduct in the South China Sea would further promote peace and stability in the region and agree to work, on the basis of consensus, towards the eventual attainment of this objective.”<sup>4</sup> While tension over the political discourse continued among the claimants, it was believed that the parties concerned would take further steps in order to evolve the DOC into a legally binding COC.<sup>5</sup>

Moreover, in the first half of the 2000s, a trend to promote “joint exploration” emerged among the claimants, exemplified in a trilateral agreement to implement seismic surveys between China, Vietnam and the Philippines. Chinese security expert Li Mingjiang in a 2008 paper forecasted, “With this kind of economic integration, if ultimately realized, together with the Chinese expressed willingness to accept a formal COC and the intention to expand the ‘joint development’ scheme, we can perhaps have some reason to be optimistic about the stability in the SCS (South China Sea) at least in the foreseeable future.”<sup>6</sup>

As such, the outlook for a peaceful settlement of the South China Sea issue was described rather optimistically. Nonetheless, the Southeast Asian nations concerned once again have rising apprehensions about the issue in recent years. The tensions are mainly fueled by China's policy

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<sup>3</sup> “The South China Sea Informal Working Group at the University of British Columbia,” <http://faculty.law.ubc.ca/scs/> (accessed February 15, 2011). This workshop has been hosted by Indonesia annually since its establishment in 1990, and its 20th workshop was held in 2010. (Ministry of Foreign Affairs, Republic of Indonesia, “20th Anniversary of Managing Potential Conflict in the South China Sea Workshop,” <http://www.deplu.go.id/Pages/News.aspx?IDP=4150&l=en> [accessed February 15, 2011]).

<sup>4</sup> ASEAN Secretariat, “Declaration on the Conduct of Parties in the South China Sea,” <http://www.aseansec.org/13163.htm> (accessed February 14, 2011).

<sup>5</sup> After the signing of the DOC, ASEAN and China established a senior officials meeting and a working group on the DOC and are continuing their talks on the implementation of the DOC and the establishment of a code of conduct (Rodolfo C. Severino, “ASEAN and the South China Sea,” *Security Challenges*, Vol. 6, No. 2, Winter 2010, p. 45).

<sup>6</sup> Li Mingjiang, “Security in the South China Sea: China's Balancing Act and New Regional Dynamics,” RSIS Working Paper No. 149, February 11, 2008, <http://www.rsis.edu.sg/publications/WorkingPapers/WP149.pdf> (accessed February 15, 2011), pp. 16, 22.

shift on the South China Sea to a more active, sometimes aggressive, policy, against the backdrop of the country's increasing national strength. China's increasing activeness has been especially prominent since 2007. On the military front, China has not only increased the number of submarines and surface vessels. It has also rapidly strengthened its naval power, including the construction of submarine bases and aircraft carriers, and bolstered its patrols and exercises in the sea area. According to "Military and Security Developments Involving the People's Republic of China 2010," an annual report submitted to the US Congress by the Office of the Secretary of Defense, construction of a new Chinese navy base on Hainan Island is essentially complete. The base, as it has underground facilities that provide the navy with direct access to vital international sea lanes, offers the potential for stealthy deployment of submarines into the South China Sea. Furthermore, China is projected to have plans to base the Type 094 nuclear powered ballistic submarine (SSBN) at the Hainan Island. This is believed to signify the Chinese navy's strengthening of patrol activities in the South China Sea.<sup>7</sup> In addition, Chinese navy officers have made clear their intentions to deploy the Chinese navy to the Persian Gulf and the Strait of Malacca to stabilize energy transportation and to increase naval power to help secure Chinese interests in the East and South China Seas.<sup>8</sup>

Chinese maritime law enforcement capabilities have likewise increased markedly in recent years. The China Maritime Surveillance (CMS) and the Fisheries Law Enforcement Command (FLEC) are key players for protecting China's rights and interests in the South China Sea. In recent years, FLEC has deployed two fisheries patrol boats, the *Yuzheng* 311 and 310, while CMS patrol vessels, the *Haijian* 75 and 84, embarked on operations respectively in 2010 and 2011. CMS is planning to further reinforce its capabilities by adding 36 patrol ships in the period of the Twelfth Five-year Plan (2011-2015).<sup>9</sup> In terms of reorganizing the agency, CMS established in May 2011 a "Southwest Zhongsa Unit" responsible exclusively for conducting patrols in the South China Sea.<sup>10</sup>

On the political discourse front, China has begun to take a strong stance on the sovereignty of the South China Sea. A *New York Times* article dated April 23, 2010 reported that in March 2010, when Jeffrey Bader, Senior Director for Asian Affairs on the National Security Council of the US, and James Steinberg, Deputy Secretary of State of the US, visited China, Chinese senior officials told them that China would not tolerate any interference in the South China Sea, now part of China's "core interest" of sovereignty. This statement provoked extensive international reaction, as it was the first time China identified the South China Sea a "core interest," on par with Taiwan and Tibet.<sup>11</sup> At the same time, this news was seen as China's expression of expanded interests leveraging its capabilities in the South China Sea, and spread security concerns among not only the countries claiming sovereignty in the sea area, but also the entire ASEAN. At the Second Round of

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<sup>7</sup> Office of the Secretary of Defense, "Military and Security Developments Involving the People's Republic of China 2010: Annual Report to Congress," pp. 2, 38-39, [http://www.defense.gov/pubs/pdfs/2010\\_CMPR\\_Final.pdf](http://www.defense.gov/pubs/pdfs/2010_CMPR_Final.pdf) (accessed January 18, 2011).

<sup>8</sup> *New York Times*, April 23, 2010.

<sup>9</sup> National Institute for Defense Studies, *NIDS China Security Report 2011*, pp. 7-8.

<sup>10</sup> *Nihon Keizai Shimbun*, May 27, 2011.

<sup>11</sup> *New York Times*, April 23, 2010. According to *Washington Post*, this statement was made by Cui Tiankai, Vice Minister of Foreign Affairs (*Washington Post*, July 30, 2010).

the US-China Strategic and Economic Dialogue, which was held on May 24-25, 2010 in Beijing, State Councilor Dai Bingguo is alleged to have told US Secretary of State Hillary Clinton that China viewed its rights and interests in the South China Sea as a “core national interest.”<sup>12</sup>

However, these “assertive” remarks by the Chinese authorities should be carefully examined from a multi-angle perspective. In fact, discourses of the Chinese government on the South China Sea have been complicated, inspiring various speculations. According to a Japanese newspaper, the Chinese military strongly claims that the basic principle of China’s foreign policy should be shifted to “core interest” from “conceal ambitions and hide claws.”<sup>13</sup> Nevertheless, many scholarly arguments tend to refrain from concluding that China has formally defined the South China Sea as a core interest of its sovereignty.<sup>14</sup> There is also an argument that the confusing situation about the official status of the South China Sea implies ongoing debates within the Chinese government.<sup>15</sup> Furthermore, a Japanese expert points out that the “core interest” arguments have brought about a “side effect” in terms of provoking suspicions from the Asia-Pacific countries, whereas US experts maintain that militarily, Beijing still lacks adequate measures to cover the entire South China Sea as China’s exclusive sphere of sovereignty.<sup>16</sup>

It is probably true that China continues to seek a stable environment in the area for economic development. There is no doubt that China as such attaches priority to maintaining favorable relations with ASEAN. However, it is critical to recognize how China should maintain a balance between keeping cordial ties with ASEAN and asserting national interests related to sovereignty and natural resources. This will have to do with as well the dynamics between the party, military, and the Ministry of Foreign Affairs in regard to Chinese politics. The issue is also linked to how much China can be assertive to ASEAN in the context of reinforced partnerships between the two parties.

Despite China’s inconsistent political discourse, the Chinese navy and maritime law enforcement agencies certainly have an increasing physical presence in the South China Sea. Against the backdrop of its expanding physical presence, China has been increasingly assertive about territorial and economic rights in the South China Sea, and this assertiveness has aroused serious concerns in Vietnam, mainly in terms of conflicting interests of natural resources. First, Vietnam has been greatly influenced by China’s unilateral actions to restrict Vietnamese fishing activities. In recent years, during the June-July period, China has been imposing an annual unilateral fishing ban in the South China Sea. Furthermore, in a series of incidents, Vietnam has seen its fishing boats operating near the Paracel Islands seized by Chinese patrol vessels, long-term detainment of its fishermen, confiscation of vessels, and, at times, reparations demanded. Arrests

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<sup>12</sup> *Washington Post*, July 31, 2010.

<sup>13</sup> *Asahi Shimbun*, December 30, 2010.

<sup>14</sup> See Carlyle A. Thayer, “Recent Developments in the South China Sea: Grounds for Cautious Optimism?” RSIS Working Paper No. 220, December 14, 2010, pp. 2-6, <http://www.rsis.edu.sg/publications/WorkingPapers/WP220.pdf> (accessed February 14, 2011); and Lyle Goldstein, “Chinese Naval Strategy in the South China Sea: An Abundance of Noise and Smoke, but Little Fire,” *Contemporary Southeast Asia*, Vol. 33, No. 3, 2011, p. 337.

<sup>15</sup> Sarah Raine, “Beijing’s South China Sea Debate,” *Survival*, Vol. 53, No. 5, October/November 2011, p. 78.

<sup>16</sup> Aki Mori, “Toko-Yokai no Owari,” *Toa*, No. 521, November 2010, p. 98; and Toshi Yoshihara and James R. Holms, “Can China Defend a ‘Core Interest’ in the South China Sea?” *Washington Quarterly*, Vol. 34, No. 2, Spring 2011, p. 54.

of Vietnamese fishermen by Chinese authorities greatly increased in 2009 and 2010, resulting in the total number reaching nearly 200.<sup>17</sup> Second, China has expressed its strong protest against Vietnam's attempts to explore oil and gas in the South China Sea. China's resolute attitude was exemplified in an incident on May 29, 2011, where three *Haijian* vessels harassed the *Binh Minh 02*, Vietnam's exploration ship sailing 120 nautical miles off the coast of Phu Yen province and the *Binh Minh* had its cable cut by the Chinese. On the same day, the Vietnamese Ministry of Foreign Affairs held an emergency press conference and strongly condemned China's interference inside Vietnam's exclusive economic zone (EEZ), stating that China's actions breached the sovereignty of Vietnam.<sup>18</sup>

### **Vietnam's "Modest" Reaction**

For Vietnam, the relationship with its giant neighbor, China, is the most important relationship and requires a careful selection of policies. Vietnam received the full support of China during the war of independence from the 1940s through the 1970s. However, bilateral relations rapidly deteriorated after the war, and the China-Vietnam War broke out in 1979. In 1991, the two countries normalized diplomatic relations, and the development of their economic ties is now remarkable.<sup>19</sup> Without a doubt the territorial dispute in the South China Sea is one of Vietnam's most critical security issues. Nevertheless, in view of the clear disparity in their national strength, the history and continuation of political and party relations as two socialist countries, and their rapidly deepening economic relations, simply confronting China on the South China Sea issue is not one of the options of Vietnam's China policy.

Indeed, in its official views, Vietnam has cautiously avoided drawing direct linkages between the country's security issues and China. The defense white paper issued by the Vietnamese Ministry of National Defence in December 2009 is one example. While it recognizes the security situation in Southeast Asia as follows, i.e., "Territorial disputes over land and sea have been more complicated, in particular those relating to sovereignty and national interests in the East Sea (South China Sea) have been on the rise," the country name "China" is not found in the text.<sup>20</sup> On January 12, 2011, the first day of the eight-day 11th National Congress of the Communist Party of Vietnam (CPV), (then) General Secretary Nong Duc Manh presented the Political Report of the Central Committee of the Communist Party, outlining the government's policy for the next five years. On this occasion, General Secretary Manh discussed the South China Sea issue in an extremely roundabout way, summarizing the policy of the previous five years since the 10th National Congress as, "The

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<sup>17</sup> *Thanh Nien News*, April 4 and May 6, 2010.

<sup>18</sup> *Thanh nien*, ngày 30-5-2011, *Bo Ngoai giao Viet Nam*, "Thong bao tai cuoc hop bao ngay 29/05/2011 cua Bo Ngoai giao ve viec tau Hai giam Trung Quoc da cat cap tham do cua tau Binh Minh 02 thuoc Tap doan Dau khi Viet Nam," [http://www.mofa.gov.vn/vi/tt\\_baochi/tcbc/ns110529201615#9kvIKZWkKPPg](http://www.mofa.gov.vn/vi/tt_baochi/tcbc/ns110529201615#9kvIKZWkKPPg) (accessed July 1, 2011).

<sup>19</sup> As of 2009, China was Vietnam's third largest export destination and the largest import source. In terms of total exports and imports, China is Vietnam's no. 1 trading partner. However, Vietnam suffers a huge trade deficit with China (according to JETRO statistics, <http://www.jetro.go.jp/world/asia/vn/> [accessed February 17, 2011]).

<sup>20</sup> *Bo Quoc phong, Nuoc Cong hoa Xa hoi Chu nghia Viet Nam, Quoc phong Viet Nam* (Hanoi, thang 12 nam 2009), tr. 15.

defense of strategic areas, such as territorial waters and islands, is still insufficient.”<sup>21</sup>

Based on this premise, the Vietnamese government has presented so far two types of formal discourse on the territorial dispute of the South China Sea. The first type claims sovereignty over the entire Spratly and Paracel Islands, and underscores that Vietnam’s claims have sufficient historical and legal basis. Like China, Vietnam has never shown any intention to compromise on these claims. The National Boundary Commission of the Vietnamese Ministry of Foreign Affairs, for example, has established an Internet website called, “Vietnam’s Sovereign Boundaries” (Bien gioi Lanh tho). This website makes historical documents available from the 18th to the early 20th centuries as grounds for Vietnam’s sovereignty of the Spratly and Paracel Islands.<sup>22</sup>

The second type of discourse expresses that Vietnam, alongside continuing to claim sovereignty of the territories, seeks to settle the dispute in a peaceful manner. The 2009 defense white paper makes note of the South China Sea issue, while stating that, “Vietnam’s consistent policy is to solve both historical and newly emerging disputes over territorial sovereignty in land and at sea through peaceful means on the basis of international laws,” and with regard to the Spratly and Paracel Islands, “Vietnam is always ready to negotiate with all parties concerned to find peaceful solutions to those disputes in conformity with regulations of the 1982 United Nations Convention on the Law of the Sea.”<sup>23</sup> Vietnam wishes to explore solutions on the South China Sea issue through dialogue, and gives considerations to ensure that the issue is not stressed excessively as a security threat.

It is necessary for Vietnam to strike a balance between the two policies of maintaining cooperative ties with China and exercising caution on China’s expansion in the South China Sea. In this regard, Vietnam’s stance vis-à-vis China bears complex aspects. In recent years, however, while this balance is being maintained in principle, it can be observed from a variety of political discourses that Vietnam has further strengthened its caution toward China. Although official statements still do not deem China as a security threat, the Vietnamese government has begun to express concerns about the South China Sea issue more explicitly through a range of channels. In a recent example, Vietnamese military officers, in a formal interview with a Vietnamese newspaper, made frequent references to the South China Sea issue. Such statements were not previously seen from members of the military, who in principle, refrained from making specific comments on sensitive security issues, including its relations with China, and just used general rhetorical expressions to refer to Vietnam’s security.

An example which illustrates the opinion of the Vietnam People’s Army on the South China Sea issue is an interview conducted with Defense Minister Phung Quang Thanh following the 9th Shangri-La Dialogue in June 2010. Regarding the South China Sea issue, Thanh believed as follows. Recognizing that an armed conflict over the sea area would affect the security of not only the countries concerned but also of Southeast Asia, of the Asia-Pacific region, and of the entire world, the countries concerned should take into account the interests of the whole region and exercise self-restraint, while emphasizing a peaceful settlement based on a COC. In particular, with

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<sup>21</sup> “Bao cao Chinh tri cua Ban Chap hanh Trung uong Dang Khoa X tai Dai hoi Dai bieu Toan quoc lan thu XI cua Dang,” [http://daihoi11.dangcongsan.vn/cpv/Modules/News/NewsDetail.aspx?co\\_id=28340735&cn\\_id=403545](http://daihoi11.dangcongsan.vn/cpv/Modules/News/NewsDetail.aspx?co_id=28340735&cn_id=403545) (accessed April 27, 2011).

<sup>22</sup> “Bien gioi Lanh tho,” <http://biengioilanhtho.gov.vn/vie/Home.aspx> (accessed December 10, 2010).

<sup>23</sup> *Quoc phong Viet Nam*, tr. 19.

regard to China, Thanh underscored the multitier relations between the two countries, including party and government relations, and opined that the South China Sea issue should be dealt with so that it does not adversely affect these relations. At the same time, Thanh urged China to exercise self-restraint to prevent the radicalization of the issue.<sup>24</sup>

Lately, the Diplomatic Academy of Vietnam (Hoc vien Ngoai giao), a research institute affiliated with the Vietnamese Ministry of Foreign Affairs, has been implementing the “East Sea (South China Sea) Studies” (Nghien cuu Bien Dong) project. The website posts a comprehensive range of news articles and editorials from various countries on the territorial disputes between China and neighboring countries, with a focus on the South China Sea issue, as well as on the modernization of the Chinese military. It also introduces relevant academic studies, including those of Vietnamese researchers, and creates a forum in Vietnam for discourse on the broader issues of the South China Sea.<sup>25</sup> The website containing relatively candid opinions is interesting in how it reveals Vietnam’s cautious concerns about China. One entry entitled, “Will China’s military buildup become a threat to ASEAN?,” provides a detailed account of China’s military buildup, while citing an editorial in the Hong Kong newspaper *South China Morning Post*, and concludes with concerns about the stagnating process of creating a COC for the South China Sea.<sup>26</sup> The project also posts numerous discussions of Vietnamese researchers. For instance, a paper called “The Background of China’s Shifting Approach to the South China Sea,” describes the process in which China began to take a firm approach toward the South China Sea against the backdrop of its increasing national strength, and forecasts that while there is little possibility of a full-fledged armed conflict occurring, China will continue to keep the option of using military force.<sup>27</sup>

By comparing the 11th CPV National Congress’s draft Political Report presented in September 2010 with the final version submitted to the National Congress in January 2011, one can see how CPV perceives the South China Sea issue, and more broadly, the issue of territories and territorial waters.<sup>28</sup> Several new texts that suggest the South China Sea issue, not contained in the original draft, have been added to the final report. For example, in the appraisal of the past five-year period, the sentence, “The linkage of economic development and strengthening national defense and public order capabilities, especially the defense of strategic areas such as territorial waters and islands, is still insufficient,” was newly inserted into the final report as an unresolved security challenge. Furthermore, as one of the policies for strengthening national defense, “defense

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<sup>24</sup> *Quan doi Nhan dan*, ngày 8-6-2010.

<sup>25</sup> Diplomatic Academy of Vietnam, “East Sea (South China Sea) Studies” website: <http://nghienquubiendong.vn/>. The Academy has been organizing an international workshop on the South China Sea since 2009. The workshop is believed to be a track 2 activity aimed at peacefully settling the South China Sea issue (<http://nghienquubiendong.vn/toa-dam-hoi-thao> [accessed February 23, 2011]).

<sup>26</sup> “Phat trien quan su cua Trung Quoc khong de doa ASEAN?” <http://nghienquubiendong.vn/tin-ncbd/896-phat-trien-quan-su-cua-trung-quoc-khong-de-doa-asean> (accessed June 29, 2010).

<sup>27</sup> Do Thanh Hai va Nguyen Thuy Linh, “Dang sau nhung thay doi trong cach tiep can cua Trung Quoc doi voi Bien Dong,” <http://nghienquubiendong.vn/nghien-cuu-vietnam/1431-ng-sau-nhung-thay-i-trong-cach-tip-cn-ca-trung-quc-i-vi-bin-ong> (accessed July 6, 2011).

<sup>28</sup> The Political Report is a crucial document that sets forth the basic policies of the party regarding the administration of the state for the next five years, and is submitted to the National Congress by the party’s Central Committee. The draft Political Report was printed in newspapers, including the official newspaper of CPV, *Nhan Dan* (meaning “The People”), and opinions on the draft report were solicited from the public. It is believed that based on the opinions received, the Political Report was once again discussed within the party, following which the final document was decided.

of the sovereignty of territorial waters, national borders, and airspace,” was added to the final report.<sup>29</sup> It is believed that by ultimately adopting the draft version that makes further references to the territorial disputes as the main political document of the National Congress, CPV reflected the increasing sense of crisis felt among the political leadership toward the South China Sea issue. Furthermore, with the disputes causing the public to increasingly view China as a security concern and to harbor anti-Chinese sentiments, it is projected that it was necessary for CPV and the government to further clarify its recognition of the issue.<sup>30</sup>

On the basis of such sense of crisis, what sort of policies can Vietnam take on the South China Sea issue? In general, one of the countermeasures that states take to cope with a rising potential threat is “internal hedging” through military buildup.<sup>31</sup> Amidst the resurfacing of the South China Sea issue, analysts debate that the expansion of China’s navy power is promoting the military buildup of Southeast Asian nations, and in turn, this will lead to an arms race among Southeast Asian nations. Indeed, Vietnam’s recent military buildup, in particular, its active procurements from Russia, appears to be connected to movements in the South China Sea—Vietnam’s most vital and grave security issue. For example, in December 2009 Vietnam signed with Russia to purchase six *Kilo*-class submarines, and another contract to procure two *Gepard*-class frigates was signed in December 2011. This deal between Vietnam and Russia will cover the supply of the frigates equipped with anti-submarine equipment and weapons.<sup>32</sup> Moreover, in March 2011, the Vietnamese Navy commissioned its first *Gepard*-class frigate, purchased in 2007 and delivered in late 2010, at the Cam Ranh naval base.<sup>33</sup>

Is it possible to interpret these procurements as Vietnam’s military buildup policy in response to China’s growing military power in the South China Sea? The Vietnamese government, for obvious reasons, has not admitted officially that there is such a causal relationship. At a press conference on January 7, 2010, Prime Minister Nguyen Tan Dung addressed the question of his country’s procurement of submarines from Russia. After speaking in generalities about how, like other nations, economic development has made it possible to modernize the military, Prime Minister Dung touched on the need to defend Vietnam’s vast territorial waters.<sup>34</sup> While not referring directly to the South China Sea, this statement related broadly to the territorial disputes in the sea area and, at the very least, did not deny the objective of protecting Vietnam’s territorial interests in the South China Sea. In an interview with *Thanh nien* (meaning “Youth”), one of the leading newspapers in Vietnam, Deputy Minister of Defense Nguyen Chi Vinh noted on the connection between the military buildup and the peaceful settlement of the South China Sea issue, stating, “(In resolving the South China Sea issue), we are not favoring the threat or use of violence over other

<sup>29</sup> *Nhan dan*, ngày 15-9-2010. However, the September 2010 draft already forecasted the future regional situation as, “Territorial and territorial water disputes will gradually escalate.”

<sup>30</sup> For more on the development of a language space and anti-Chinese sentiments among the civil society in Vietnam, see Alexander L. Vuying, “Vietnam: A Tale of Four Players,” *Southeast Asian Affairs 2010* (Singapore: ISEAS, 2010), pp. 375-382.

<sup>31</sup> Kuik Cheng-Chwee, “The Essence of Hedging: Malaysia and Singapore’s Response to a Rising China,” *Contemporary Southeast Asia*, Vol. 30, No. 2, August 2008, p. 160.

<sup>32</sup> *Jane’s Defence Industry*, December 16, 2009, December 8, 2011.

<sup>33</sup> *Jane’s Navy International*, March 14, 2011.

<sup>34</sup> *Vietnamnet*, ngày 8-1-2010, <http://vietnamnet.vn/chinhtri/201001/Co-chung-cu-khoi-to-toi-nhan-hoi-lo-vu-PCI-888378/> (accessed September 29, 2010).

countries, but we can't negotiate with bare hands. We should affirm a sufficient feasibility and our determination to defend our country in the event of invasion.”<sup>35</sup> These comments indicate that they expect Vietnam's military modernization will contribute to demonstrating their will to protect their sovereign rights, despite the fact that their forces cannot fully deter the growing military power of China.

### **US Engagement and Vietnam's “Closer Relations” with the US?**

Can Vietnam then “externally hedge” against China by forming alliances or pursuing broader security cooperation with other countries? Evelyn Goh contends that because Vietnam does not have a strategic partner that would allow a more proactive balancing against China, there is no choice but to pursue “weak hedging” against the country.<sup>36</sup> In fact, in order to forge cooperative ties with the US, which can be the best partner for Vietnam in terms of balancing the rise of China, Hanoi faces challenges to overcome the historical legacy of the Vietnam War, and serious differences of view over human rights and religious freedom. Regarding its giant neighbor, factors like the geographical adjacency (“tyranny of geography”), traditionally close ties of the two governments and parties, and deepening economic relations prevent Vietnam from “strongly hedging” against China's rise.

Under these strategic environmental constraints, strengthening cooperative ties with such countries as the US, Japan, India, and Russia is expected to contribute to strengthening Vietnam's position diplomatically and politically in an abstract and indirect meaning. However, it should be deemed that the conditions for Vietnam to forge more full-fledged security cooperative ties are still not in place. Vietnam, itself, officially rules out the option of concluding military alliances with other countries and attempts to achieve security based on omnidirectional foreign policy, including military aspects.<sup>37</sup> In this sense, it is difficult for Vietnam to predict what actions China will take, and it is unclear whether the territorial disputes will be settled in the future. Nevertheless, Vietnam is looking to the ASEAN framework for ways to settle the disputes and stabilize the situation. Moreover, Vietnam is building closer ties gradually and carefully with countries other than China outside of the region, including the US.

Vietnam served as the ASEAN Chair in 2010. Leveraging this position, Vietnam included the South China Sea issue in the agenda at various ASEAN meetings and appeared to have carried out active diplomatic activities to deliberate this issue at a multilateral setting. For example, the Joint Communiqué of the 43rd ASEAN Foreign Ministers Meeting held in Hanoi on July 19-20 underscored the conclusion of a Regional Code of Conduct in the South China Sea and urged the reconvening of the ASEAN—China Senior Officials' Meeting on the DOC at the earliest opportunity. At the same time, the Joint Communiqué noted on maintaining peace and stability in the South China Sea and encouraged the continued exercise of self-restraint by all the parties concerned and the promotion of confidence-building measures in this area, and stressed resolving disputes through peaceful means. Compared to the Joint Communiqué of the previous 42nd

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<sup>35</sup> *Thanh nien*, ngày 30-1-2011.

<sup>36</sup> Evelyn Goh, *Meeting the China Challenge: The U.S. in Southeast Asian Regional Security Strategies*, Policy Studies 16 (Washington: East-West Center, 2005), pp. 22-23.

<sup>37</sup> *Quoc phong Viet Nam*, tr. 19.

ASEAN Foreign Ministers Meeting, the aforementioned Joint Communiqué allotted more space to the South China Sea issue.<sup>38</sup>

Furthermore, the US was expected to engage “moderately” at ASEAN-related meetings, which included countries outside of the region. Much of the debate on the issue of the South China Sea and China revolves around the role of the US, as the only actor considered capable of dealing with China’s expanding influence. The interest of the US in this issue is, in fact, increasing once again, in response to the China’s stepped up activity and also, one may guess, in response to appeals for more involvement from the parties concerned in the region. Statements made by US political leaders clearly point to this. For example, at the 9th Asia Security Summit (Shangri-La Dialogue) sponsored by the International Institute for Strategic Studies (IISS) on June 4-6, 2010, Secretary of Defense Robert Gates described the South China Sea as an “area of growing concern,” saying that the South China Sea was not only vital to those directly bordering it, but to all nations with economic and security interests in Asia. Secretary Gates made it clear that US policy on the South China Sea would focus on maintaining freedom and stability of navigation and free and unhindered economic development, and that while the US would not take sides on any competing sovereignty claims, it strongly opposed the use of force and actions that hinder freedom of navigation.<sup>39</sup>

Likewise, Secretary of State Clinton, who attended the 17th ARF Ministerial Meeting in Hanoi, Vietnam, said at a press conference on July 23, 2010 that “The US...has a national interest in freedom of navigation, open access to Asia’s maritime commons, and respect for international law in the South China Sea.” Secretary Clinton also noted that the US supported a collaborative diplomatic process by all claimants for resolving the various territorial disputes without coercion and the 2002 ASEAN-China DOC, and encouraged the parties to reach agreement on a full COC.<sup>40</sup> Indeed, it is said that the territorial disputes in the South China Sea were raised at the ARF Ministerial Meeting, and a vigorous debate took place, especially between the US and China. Nevertheless, the differences of opinion of the two parties were not overcome.<sup>41</sup> And at the first ASEAN Defense Ministers’ Meeting-Plus (ADMM Plus) on October 12, 2010, the US, Vietnamese, Singaporean, Malaysian, Japanese, Republic of Korea (ROK), and Australian representatives made note of the South China Sea issue in their addresses.<sup>42</sup>

The US navy has a growing presence in the South China Sea. This is particularly evident from the expansion of US-Vietnam military exchanges. In June 2010, the US forces carried out a humanitarian assistance project called Pacific Partnership in Vietnam and Cambodia. On August 8 of that year, nuclear powered aircraft carrier, the USS *George Washington*, arrived off Danang in central Vietnam and invited on board members of the Vietnamese military and government,

<sup>38</sup> ASEAN Secretariat, “Joint Communiqué of the 43rd ASEAN Foreign Ministers Meeting: ‘Enhanced Efforts towards the ASEAN Community: from Vision to Action,’” Ha Noi, July 19-20, 2010, <http://www.aseansec.org/24899.htm> (accessed August 17, 2010).

<sup>39</sup> Dr. Robert Gates, “Strengthening Security Partnerships in the Asia-Pacific,” June 5, 2010, First Plenary Session, The 9th IISS Asian Security Summit (Shangri-La Dialogue), <http://www.iiss.org/conferences/the-shangri-la-dialogue/shangri-la-dialogue-2010/plenary-session-speeches/first-plenary-session/robert-gates/> (accessed August 12, 2010).

<sup>40</sup> Secretary’s Remarks, Secretary of State Hillary Rodham Clinton, US Department of State, <http://www.state.gov/secretary/rm/2010/07/145095.htm> (accessed July 29, 2010).

<sup>41</sup> *Straits Times*, July 24, 2010.

<sup>42</sup> *Asahi Shimbun*, October 13, 2010.

including the commander of the Vietnamese Navy Zone 3. On that occasion, signaling that the purpose of the *George Washington's* navigation to the South China Sea was to restrain China's attempts to expand effective control, Commanding Officer Capt. David Lausman stated that the waters "belong to nobody, yet belong to everybody" and that "China has a right to operate here, as do we and as do every other country of the world."<sup>43</sup> Subsequently, on August 10, the US navy's Aegis destroyer, the USS *John S. McCain*, docked at the port of Danang in Vietnam. This was part of the exchange activities between the US 7th Fleet and the Vietnamese navy to commemorate the 15th anniversary of the normalization of diplomatic relations between the US and Vietnam.<sup>44</sup> Then, on August 17, the first-ever meeting at the deputy defense minister level was held between the US and Vietnam.<sup>45</sup>

Not surprisingly, these moves by the US and Vietnam raised strong suspicions on the part of China. Following the ARF meeting, China conducted a large-scale military exercise in the South China Sea.<sup>46</sup> Regarding the remarks made by Secretary Clinton at the ARF meeting, a spokesman of the Ministry of National Defense of China repeated its position that China opposed discussing the South China Sea issue within a multilateral framework and said that China would seek to resolve the disputes on a bilateral basis with the party concerned.<sup>47</sup> Moreover, the website of the Chinese Ministry of Foreign Affairs posted the Chinese government's official policy on the South China Sea issue, in which Secretary Clinton's remarks were sharply criticized as "an attack on China."<sup>48</sup> Further still, in a television interview with a broadcaster based in Hong Kong, Major General Yang Yi, former Director of the Institute for National Strategic Studies at the National Defense University of China, remarked that although Vietnam has been eager to use the US power to increase its bargaining chips with China, it will regret it in the future.<sup>49</sup>

The Vietnamese media, while cautiously wording it, drew links between the strengthening of security cooperation with the US, as symbolized by the visits of the US vessels, and the disputes over the Spratly and Paracel Islands.<sup>50</sup> However, in the face of the fierce reactions from China, Vietnam revised its balance with China. Vietnam had encouraged the "internationalization" of the disputes through multilateral meetings as well as the US engagement in order to respond to China's re-expansion in the South China Sea. Nonetheless, this required "moderate" engagement, and Vietnam itself was in a situation in which it should avoid excessive confrontation with China as a result of such a policy. Deputy Minister of Defense Nguyen Chi Vinh, as a spokesman, moved proactively to explain Vietnam's position on the developments of Vietnam-US military exchanges and the South China Sea issue. The August 14, 2010 edition of the publication of the Vietnam

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<sup>43</sup> *Washington Post*, August 10, 2010.

<sup>44</sup> "USS John S. McCain Arrives in Vietnam to Commemorate 15th Anniversary of Diplomatic Relations," *Navy mil.*, [http://www.navy.mil/search/display.asp?story\\_id=55216](http://www.navy.mil/search/display.asp?story_id=55216) (accessed August 11, 2010).

<sup>45</sup> *Viet Nam News*, August 16, 2010.

<sup>46</sup> *Reuters News*, July 29, 2010.

<sup>47</sup> *Xinhuanet*, July 30, 2010.

<sup>48</sup> Ministry of Foreign Affairs of the People's Republic of China, "Foreign Minister Yang Jiechi Refutes Fallacies On the South China Sea Issue," <http://www.fmprc.gov.cn/chn/gxh/tyb/zyxw/t719371.htm> (accessed August 17, 2010).

<sup>49</sup> *South China Morning Post*, August 13, 2010.

<sup>50</sup> "Tau san bay My USS George Washingotn dau ngoai khoi Da Nang," *VITINF*, ngày 8-8-2010, <http://vitinfo.com.vn/MMuctin/Quocte/LA80002/default.html> (accessed August 11, 2010).

People's Army, *Quan doi Nhan dan* (meaning "People's Army"), published an interview with Deputy Minister Vinh. In the interview, Deputy Minister Vinh stated that the visits of the US navy's vessels to Vietnam were proposed by the US to commemorate the 15th anniversary of the establishment of diplomatic relations between the US and Vietnam; Vietnam no more than accepted the proposal, and it did not represent Vietnam's "closer relations" with the US. The exchange programs with the US navy were planned before the escalation of the South China Sea issue and have no connection with the disputes. He insisted that the claims made by some overseas media that Vietnam was "strengthening ties with the US with the purpose of responding to the South China Sea issue" are groundless and lack an understanding of Vietnamese defense policy.<sup>51</sup> As such, it is necessary to keep in mind that the US and Vietnamese explanations to the outside world regarding the stepped up military exchanges between the US and Vietnam have discrepancies. Whereas the US stresses the strengthening of security cooperation with Vietnam in connection with the South China Sea issue, Vietnam treats China's expanding influence in the South China Sea and Vietnam's strengthened cooperation with the US as issues on different dimensions.

Deputy Minister Vinh visited China immediately after the joint military exercises between the US and Vietnam. The Deputy Minister met on August 25 in Beijing with Ma Xiaotian, Deputy Chief of the General Staff, and paid a courtesy call on Defense Minister Liang Guanglie. At a press conference following his meetings, Deputy Minister Vinh underscored that Vietnam will not form an alliance with the US, that the military exchanges with the US were nothing special and were no more than one of the military exchanges conducted with other countries including China, and that US-Vietnam relations and China-Vietnam relations should be differentiated.<sup>52</sup> As can be guessed from the comments at the press conference, it is believed that Deputy Minister Vinh at his meetings with Chinese military leaders explained to China that the military exchanges with the US were unrelated to the South China Sea issue and to China-Vietnam relations. These series of remarks of Deputy Minister Vinh can be understood as Vietnam's explanation of its more subtle position and relations with the US and China in response to opinions published by many mass media, which, in light of the resurfacing of the South China Sea issue, gave extensive coverage to the military exchanges with the US beyond Vietnam's expectations and gave headlines as Vietnam "establishing closer relations with the US and keeping China at bay."

With Vietnam revising its balance against China, the tensions between Vietnam and China appeared to have slightly alleviated. However, tensions between the two countries resurfaced at the end of May 2011, when a Chinese patrol vessel cut the cables of a Vietnamese surveying vessel. Although Vietnam continued to manage its relations with the US and China, the statements of Vietnamese government officials began to show stronger "criticisms of China" as well as greater signs of "closer relations with the US" than ever before. In his address to the 10th Shangri-La Dialogue on June 5, 2011, Defense Minister Phung Quang Thanh touched on the incident of the Chinese vessel cutting the cables of the Vietnamese surveying vessel, saying that this incident "causes a considerable concern on the maintenance of peace and stability in the South China Sea," and expected that there is no repetition of similar incidents. The address exhibited consideration toward China, including Defense Minister Thanh not specifically naming "China" in this context,

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<sup>51</sup> *Quan doi Nhan dan*, ngày 14-8-2010.

<sup>52</sup> *Quan doi Nhan dan*, ngày 27-8-2010.

and in the same address, noting the cooperative activities between the Vietnamese and Chinese navies.<sup>53</sup> However, in the question and answer session which followed the address, Defense Minister Thanh named “China” this time, and regarding the recent outbreak of incidents in the South China Sea, criticized that “China has violated the DOC (between China and ASEAN which lays out the peaceful settlement of the disputes), raising concern in Vietnam and in the rest of the region.” He said that the territorial disputes over the Spratly Islands should be settled by multilateral negotiation, making it clear that its view is different from China’s which stressed bilateral negotiations.<sup>54</sup>

On June 13, the Vietnamese navy carried out live-ammunition exercises off the central coast of Vietnam. Regarding the implementation of exercises at a time when tensions in the South China Sea ran high, the Vietnamese Ministry of Foreign Affairs explained that the exercises were part of the routine drills conducted every year and were not in response to the situation in the South China Sea.<sup>55</sup> *Quan doi Nhan dan*, meanwhile, presented that the exercises were connected to the South China Sea issue, underlining that they were conducted to “resolutely defend sovereignty over the sea, islands, and continental shelf.”<sup>56</sup>

Vietnam furthermore showed a readiness to take another step forward in strengthening its relations with the US over the South China Sea. At the 4th US-Vietnam Political, Security, and Defense Dialogue (deputy foreign ministerial level) held on June 17, the two countries discussed the South China Sea issue and released a joint statement following the Dialogue. The South China Sea section of the joint statement did not raise China by name but took a restrained approach by stating, “The two sides acknowledged that the maintenance of peace, stability, safety, and freedom of navigation in the South China Sea is in the common interests of the international community and that all territorial disputes in the South China Sea should be resolved through a collaborative, diplomatic process without coercion or the use of force.” Still, in the final section the statement noted that “The US side reiterated that troubling incidents (in the South China Sea) in recent months do not foster peace and stability within the region.” This made plain the US interest in the friction arising between Vietnam and China.<sup>57</sup> Steady progress of US-Vietnam military cooperation was exemplified in a joint exercise conducted in July, the visit of the US aircraft carrier *George Washington* to Vietnam in August, as well as *Richard Byrd*, a US high-speed combat support ship’s visit to Cam Ranh Bay in the same month.

Although relatively speaking one can observe that Vietnam is forging closer relations with the US, one may still have to wait to conclude that Vietnam has adopted a policy to “move closer to the US and balance against China” as a typical balancing measure. Indeed, Vietnam-China

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<sup>53</sup> General Phung Quang Thanh, “Responding to New Maritime Security Threats,” <http://www.iiss.org/conferences/the-shangri-la-dialogue/shangri-la-dialogue-2011/speeches/fifth-plenary-session/general-phung-quang-thanh/> (accessed July 8, 2011).

<sup>54</sup> “Fifth Plenary Session: Question & Answer Session,” <http://www.iiss.org/conferences/the-shangri-la-dialogue/shangri-la-dialogue-2011/speeches/fifth-plenary-session/qa/> (accessed July 8, 2011).

<sup>55</sup> Bo Ngoai giao Viet Nam, “Hoat dong huan luyen cua Hai quan Viet Nam tai vung bien tinh Quang Nam la hoat dong binh thuong hang nam,” [http://www.mofa.gov.vn/vi/tt\\_baochi/pbnfn/ns110613185402#7JQFiAVrJCq0](http://www.mofa.gov.vn/vi/tt_baochi/pbnfn/ns110613185402#7JQFiAVrJCq0) (accessed June 20, 2011).

<sup>56</sup> *Quan doi Nhan dan*, ngay 15-6-2011.

<sup>57</sup> US Department of State, “U.S.-Vietnam Political, Security, and Defense Dialogue,” June 17, 2011, <http://www.state.gov/r/pa/prs/ps/2011/06/166479.htm> (accessed June 20, 2011).

security cooperation has continued to advance even as tensions rose in the South China Sea. On June 21, two Vietnamese naval patrol boats visited Zhanjiang in Guangdong Province and later conducted a joint patrol of the Gulf of Tonkin with the Chinese navy. *Quan doi Nhan dan*, which reported on this activity, described China's remarks on the need to "contribute to maintaining calm and ensuring stability in the region" regarding the South China Sea issue.<sup>58</sup> In October 2011, when General Secretary Nguyen Phu Trong visited Beijing, Vietnam and China concluded an agreement on basic principles for resolving maritime issues.<sup>59</sup>

This delicate balancing act of Vietnam continued in 2012 as well. In June, US Defense Secretary Leon Panetta visited the historically symbolic Cam Ranh Bay, where he declared to further promote US-Vietnam security cooperation.<sup>60</sup> However, Hanoi emphasized its "cordial ties" with Beijing in a meeting held during almost the same period between top leader Nguyen Phu Trong and a delegation of the Chinese Communist Party.<sup>61</sup> With its bilateral relations still rippling amid the South China Sea, particularly Vietnam's enacting a "Maritime Law" and China's countermeasure to establish a new local government in the Spratlys and Paracels, Vietnam will certainly keep balance between the US and China, although pursuing incremental development of security cooperation with Washington.

### **The Responses of Other Members of ASEAN and the Pursuit of Multilateral Consultations**

The responses toward China of ASEAN nations other than Vietnam, in particular, the Philippines and Malaysia, both claimants, embody contrasting elements. Since assuming office in May 2010, Philippine President Benigno Aquino has been proactive in resolving the South China Sea issue by multilateral dialogues, claiming that ASEAN should jointly work on negotiations with China for defining a code of conduct.<sup>62</sup> An incident which occurred in March 2011, in which an oil exploration ship of the Philippines was harassed by Chinese patrol boats in a disputed area of the South China Sea, provoked more diplomatic and military actions from the Philippines.<sup>63</sup> Diplomatically, the Philippine government intensified bilateral meetings with Indonesia, Singapore and Vietnam as well as sent a protest to the United Nations over China's sovereign claim to the South China Sea.<sup>64</sup> Further, since June 2011 Manila has used the term "West Philippine Sea" to indicate a Philippine-controlled area in the South China Sea, supposedly for strongly claiming its sovereign rights over that area. The Philippine military has made various plans for strengthening their defense capabilities, including setting radar sites in the Spratly Islands, improving the airfield in the Pag-Asa Island, and purchasing more fighters and even submarines, as well as increasing its budget for coastal defense.<sup>65</sup>

The Philippines has set forth a clearer vision than Vietnam to strengthen security cooperation

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<sup>58</sup> *Quan doi Nhan dan*, ngay 21-6-2011.

<sup>59</sup> *Nhan dan*, ngay 12-10-2011.

<sup>60</sup> *Thanh nien*, ngay 4-6-2012.

<sup>61</sup> *Nhan dan*, ngay 6-6-2012.

<sup>62</sup> *Manila Bulletin*, October 28, 2010; and *Philippine Daily Inquirer*, October 30, 2010.

<sup>63</sup> *Manila Standard*, March 4, 2011.

<sup>64</sup> *Jakarta Post*, March 9, 2011; *Philippine Star*, March 8, 2011; *Philippine Daily Inquirer*, March 10, 2011; *Reuters News*, April 13, 2011; and *Manila Bulletin*, May 10, 2011.

<sup>65</sup> *Manila Standard*, March 8, 2011; *Philippine Star*, March 24, 2011; and *Manila Bulletin*, April 15, 2011.

with the US with which it has had historically close ties. Manila repeatedly confirmed the US's commitment to the Philippines' defense based on the mutual defense treaty.<sup>66</sup> The US responded to their requests by conducting the 2011 CARAT joint exercise in the South China Sea for the first time.<sup>67</sup> In terms of military equipment for coastal defense, in August 2011 the US provided the Philippines with a retired coast guard cutter *Hamilton*, pledging to give two more *Hamilton*-class cutters in 2012.

In 2012, the US "rebalancing" toward the Asia-Pacific, combined with emerging tensions between the Philippines and China amid the Scarborough Shoal in the South China Sea, led the Philippines to further reinforce security ties with Washington. It has been reported that in bilateral strategic dialogues at various levels, Manila and Washington are considering more frequent military exercises, increased US military aid to the Philippines, and even rotational deployment of the US Navy in Philippine bases. Reinvigorating the alliance partnership with the US, the Philippines has clearly shifted to a "balancing" against China. This balancing act of the Philippines may cause more frictions and tensions with China in the South China Sea, potentially leading to destabilize the security environment of the entire East/Southeast Asia.

Viewing its economic ties with China as critical and showing a relatively benign attitude toward China's position on the South China Sea, Malaysia has rarely issued a political discourse that is cautious about the emerging military power of China. In the 2011 Shangri-La Dialogue, Defense Minister Ahmad Zahid Hamidi mentioned the salience of multilateral talks to balance between ASEAN and China.<sup>68</sup> However, military moves which are speculated to be connected to the South China Sea issue are also found in Malaysia. The Malaysian navy purchased two *Scorpene*-class submarines, and from July 29 to August 6, conducted its first-ever fleet exercise in the South China Sea, which included the first *Scorpene*-class submarine delivered in January 2009, the *Tunku Abdul Raman*. In addition to demonstrating the Malaysian navy's presence in the South China Sea, this exercise is deemed to have the objective of verifying Malaysia's emergency response plan for defending areas under its effective control in the Spratly Islands.<sup>69</sup> The second *Scorpene*-class submarine, the *Tun Razak*, arrived at Lumut naval base in Malaysia on July 2.<sup>70</sup> The Malaysian government then announced its intent to purchase three multipurpose supply ships, as part of its purchase plan for the period 2011-15, and is making active efforts to reinforce its naval power.<sup>71</sup> Furthermore, commanding officers in the Malaysian navy and air force have both stated explicitly that there is a need to enhance patrol capabilities over the sea area in order to ensure the security of the South China Sea.<sup>72</sup>

An ASEAN member that speaks proactively on the South China Sea issue is Indonesia. Indonesia is confronted with the illegal operation of Chinese fishing vessels within its EEZ, and

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<sup>66</sup> US Department of State, "Remarks with Philippine Foreign Secretary Albert del Rosario after their Meeting," June 23, 2011, <http://www.state.gov/secretary/rm/2011/06/166868.htm> (accessed July 13, 2011).

<sup>67</sup> *BBC News*, June 28, 2011.

<sup>68</sup> Fifth Plenary Session- Dato' Seri Dr. Ahmad Zahid Hamidi, <http://www.iiss.org/conferences/the-shangri-la-dialogue/shangri-la-dialogue-2011/speeches/fifth-plenary-session/dato-seri-dr-ahmad-zahid-hamidi/> (accessed July 13, 2011).

<sup>69</sup> *Jane's Navy International*, August 11, 2010.

<sup>70</sup> *Jane's Defence Weekly*, July 2, 2010.

<sup>71</sup> *Jane's Defence Industry*, July 9, 2010.

<sup>72</sup> *Jane's Defence Weekly*, October 14, 2010.

thus China's expansion in the South China Sea is not irrelevant to Indonesia. As evidenced from the example of its organization of the track 2 workshop, Indonesia, as a major regional power in ASEAN, shows readiness to actively discuss the South China Sea issue through a multilateral framework. For example, at the ARF Ministerial Meeting in July 2010, Indonesia got on board with the claimants, including Vietnam, and the US to raise the territorial disputes in the sea area in the discussions.<sup>73</sup> Also, when Indonesia became the ASEAN Chair in 2011, President Susilo Bambang Yudhoyono stated his intention to propose holding a multilateral dialogue on the South China Sea issue at the East Asian Summit in 2011.<sup>74</sup> In an interview with the *Yomiuri Shimbun* on April 19, 2011, President Yudhoyono of Indonesia once again announced that the South China Sea issue would be on the agenda of the East Asia Summit in October 2011.<sup>75</sup>

Nevertheless, it is not exactly a monolithic approach being taken by ASEAN in terms of handling the South China Sea issue under the ASEAN framework or exploring a resolution through talks with countries outside of the region, including the US and China. As is also evident from the careful wording used in the Joint Communiqué of the ASEAN Foreign Ministers Meeting, some countries in Southeast Asia which have no direct interests in the South China Sea, and furthermore, have strong ties with China may be treading cautiously on the issue. These are the “pro-China” countries which have no interests in the South China Sea, such as Myanmar, Cambodia, and Thailand. In October 2010, Premier Wen Jiabao, who was in Hanoi to attend ASEAN-related meetings, met with Prime Minister Samdech Hun Sen of Cambodia and pledged to provide economic assistance to Cambodia, while getting Prime Minister Hun Sen to state that Cambodia was opposed to the internationalization of the South China Sea issue.<sup>76</sup> Likewise, on the occasion of his visit to China in May 2011, President Thein Sein of Myanmar expressed support for China's position on the South China issue.<sup>77</sup> Perhaps owing to the cautious moves of these countries, the Joint Statement of the US-ASEAN Leaders Meeting in September 2010 settled with “We reaffirmed the importance of regional peace and stability” with regard to territorial disputes—more moderate than the initial draft that had employed tougher wording against China. Whereas it is difficult for ASEAN to maintain a consistent position on the South China Sea issue, it is possible that China's ASEAN-disjuncture policy would significantly affect the response of ASEAN to this issue. Even then, ASEAN continues to explore ways to resolve the South China Sea issue through dialogue with China. At an informal ASEAN Foreign Ministers Meeting held on January 16, 2011, foreign ministers from members of ASEAN discussed the South China Sea issue and agreed to pursue joint consensus with China toward creating a COC.<sup>78</sup> In this way, ASEAN makes efforts to sustain the dialogue channel for discussing the South China Sea issue.

On the other hand, the Chinese diplomatic posture is increasingly aimed at preventing ASEAN's monolithic approach. Premier Wen Jiabao visited Malaysia and Indonesia at the end of April, shortly before the ASEAN Summit. Immediately preceding these visits Premier Wen was interviewed by leading Malaysian newspaper *Star* on April 25, in which Premier Wen said

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<sup>73</sup> *Reuters News*, July 23, 2010.

<sup>74</sup> *Asahi Shimbun*, February 17, 2011.

<sup>75</sup> *Yomiuri Shimbun*, April 20, 2011.

<sup>76</sup> *People's Daily*, October 29, 2010.

<sup>77</sup> *Irrawaddy*, May 30, 2011.

<sup>78</sup> *Reuters News*, January 17, 2011; and *Asahi Shimbun*, January 17, 2011.

that territorial disputes were by far bilateral issues and opposed taking up such bilateral issues within multilateral frameworks.<sup>79</sup> China proactively holds bilateral talks also with Vietnam and the Philippines. On April 21, 2011, when a mission on national borders and territories led by Vice Minister of Foreign Affairs Zhang Zhijun of China visited Vietnam, both countries affirmed to conclude an agreement on the basic principles for resolving the South China Sea issue at an early date.<sup>80</sup> In addition, the Philippines searched for ways to calm the situation at the bilateral talks with China, and on July 8, 2011, when Secretary of Foreign Affairs Albert F. Del Rosario of the Philippines visited China, the two countries issued a joint declaration.<sup>81</sup>

The Chair's Statement of the 18th ASEAN Summit held in Jakarta on May 7-8 underwent an interesting process of reaching agreement on the reference to the South China Sea issue. The statement released on May 8 included the statement that the South China Sea issue was best handled either bilaterally or among the states concerned—closely reflecting the Chinese position. This wording does not appear in the Chair's Statement of the 17th Summit, and according to press reports, it was not included in the final draft statement prepared before the meeting; it seems this addition was made hurriedly at some point, including during the meeting, after the completion of the final draft. By May 11, however, this sentence was removed and replaced with “the need to further intensify the efforts of both ASEAN and China.” With that as the final version, the statement was posted on the ASEAN Secretariat's website. It is reported that the change resulted from Vietnamese objection to the reference to a “bilateral solution.” Based on all of the press reports, it is envisioned that when Premier Wen visited Malaysia and Indonesia, he urged that the Chinese assertion is reflected in the ASEAN Summit Chair's Statement, with Indonesia, the Chair, initially accepting China's argument. Later, however, in the face of objections from Vietnam and other member states that did not favor a bilateral solution, the phrasing in the final draft was returned.

However, ASEAN managed a series of meetings in 2011: in July, ASEAN and China agreed on the guidelines of implementation of the DOC, and finally in November, China agreed to begin to talk with ASEAN about COC. In 2012, ASEAN held Senior Officials' Meetings (SOMs) to make a draft of the COC, which resulted in the final approval at the foreign-minister level in the July ASEAN Ministerial Meeting. ASEAN seems to be entering a higher phase, at which ASEAN negotiates with China to reach agreement on the final version of COC. Still, the way forward is to be seen, in terms of uncertainties amid China's intention to promote dialogue with ASEAN; ASEAN is yet to be sure whether China is willing to conclude with ASEAN a legally binding COC in the South China Sea in a foreseeable future.

## **Conclusions**

In short, the territorial disputes in the South China Sea all come down to the issue of ASEAN's policy on China. The resurfacing of the South China Sea issue mainly stems from the unilateral

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<sup>79</sup> *The Star Online*, April 27, 2011.

<sup>80</sup> Bo Ngoai giao Viet Nam, “Thong bao tai cuoc hop bao thuong ky lan thu 6 nam 2011 cua Nguoi Phat ngon Bo Ngoai giao,” [http://www.mofa.gov.vn/vi/tt\\_baochi/pbnfn/ns110421165111](http://www.mofa.gov.vn/vi/tt_baochi/pbnfn/ns110421165111) (accessed April 27, 2011).

<sup>81</sup> “Philippine-China Joint Press Statement,” July 8, 2011, <http://www.gov.ph/2011/07/08/philippines-china-joint-press-statement-july-8-2011/> (accessed July 13, 2011).

policy changes made by the major power of China. In response to China's moves, ASEAN, comprised of small- and medium-sized nations, are attempting to unite, and coupled with the promotion of the engagement of countries outside of the region including the US and Japan, is encouraging China to rethink its South China Sea policy through dialogue under a multilateral framework. However, it should be kept in mind that ASEAN's South China Sea policy is not to "contain" China by inviting the engagement of countries outside of the region; the feasible military options are extremely limited. ASEAN makes effective use of its diplomatic power as a group, together with its multilateral dialogue framework in which ASEAN plays a central role. In particular, while encouraging the "moderate" engagement of the US, ASEAN keeps ASEAN's claimants, including Vietnam, from establishing a decidedly confrontational situation with China. Indeed, at an informal ASEAN Foreign Ministers Meeting held on January 16-17, 2011, Indonesia is reported to have expressed concerns regarding the "interference" of the US and Japan in the South China Sea issue.<sup>82</sup> Also, it is not an easy task for ASEAN to keep its unity facing China; Vietnam and the Philippines are insisting that ASEAN should strongly promote dialogue with China for COC, while Cambodia, ASEAN Chair in 2012, seems more reluctant to place the South China Sea on the agenda of ASEAN-related meetings.

Against the further strengthening of China, virtually ASEAN's only measure at its disposal is to explore ways to peacefully resolve the South China Sea issue through a multilateral dialogue framework. In this context, the main activity is discussions at ASEAN's various meetings, while as appropriate making use of expanded multilateral dialogue frameworks which seek the participation of countries outside of the region, including the US, such as the ARF Ministerial Meeting, ADMM Plus, and the East Asia Summit.<sup>83</sup> Through these efforts, ASEAN struggles to strike an appropriate balance between China and countries outside of the region. Although Southeast Asian nations formerly welcomed the rise of China with "cautious optimism," optimism is shifting to a more cautious posture in the face of China's stronger claims.

ASEAN's claimants, including Vietnam, are expected to continue to pursue pluralistic diplomacy in order to settle the disputes in a peaceful manner. As long as China needs a peaceful and stable environment to promote its economic development, ASEAN's policy is anticipated to be beneficial to both sides. Amid neighboring countries' concerns about China, China is the decisive cause for the territorial disputes in the South China Sea. Even today, China's South China Sea policy continues to exhibit "non-confrontational assertiveness,"<sup>84</sup> and its activities are escalating on both the military and diplomatic fronts. Especially on the military front, China has carried out frequent maritime exercises since the start of 2011. While the road to resolving the disputes is a difficult one ahead for the claimants in Southeast Asia, it is deemed that there is no other choice for the parties concerned but to continue the efforts which would increase the chances of an optimum solution for the nations, while hedging against China diplomatically. In this context, Vietnam's moves in response to the reuse of Cam Ranh Bay should also be closely monitored.

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<sup>82</sup> *Sankei Shimbun*, January 21, 2011.

<sup>83</sup> *Nihon Keizai Shimbun*, January 18, 2011; and *Asahi Shimbun*, February 17, 2011.

<sup>84</sup> Li Mingjiang, "Non-Confrontational Assertiveness: China's New Security Posture," RSIS Commentaries, May 16, 2011.

