Session IV: South China Sea: 
What Issues and Whose Core Interest?

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Introduction

The South China Sea (Eastern Sea [Bien Đông] in Vietnamese) occupies an area of about 648,000 square miles or 15 square kilometer. It includes two major island-chains: the Paracels and the Spratlys. Actually the later consist of very small islets above water at low tide and many submerged reefs, and cannot sustain human habitation or economic life of their own. However, the importance of the South China Sea is explained by its critical geostrategic location and rich natural resource. Connecting Indian Ocean and Western Pacific whereby majority of energy supplies to Korea, Japan, Taiwan and China coming through the South China Sea is considered the breath of life of East Asia economies. So it is no exaggeration to say who controls the South China Sea will control world economy. Beside this, the importance of the South China Sea is seeing from its oil and gas reserves with 7 billion barrels and 900 trillion cubic feet respectively. Due to these factors the South China Sea turned in the battle field of increasing claims and conflicts among regional states since 1970s through 1980 and 1990s. While the Paracels are the object of bilateral disputes between the People’s Republic of China (PRC) and Vietnam, claims to the Spratlys are contested either entirely or in part by six parties, including Brunei, Chinese Taipei, Malaysia, the People’s Republic of China, the Philippines, and Vietnam. Except for Brunei, all the claimants have more or less a physical presence in the South China Sea. Among the claimants, Vietnam ranks first by occupying 25 islands and reefs... 12 reefs and shoals are currently occupied by the PRC, some of which have facilities. The Philippines ranks third with eight occupied islands Malaysia ranks fourth, occupying five areas in the Spratlys. Although Taiwan occupies only one island named Itu-Aba, this is the largest island and the one with the most facilities among the occupied islands.

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1 Robert D Kaplan, The South China Sea is the future of conflict. Foreign Policy Sep/Oct 2011; 188; p.82. (pp78-85). This amount makes 0.5 % of total world oil reserves (1.383 billion barrels on mainland). By the way, there is no unique information on the oil reserves of the South China Sea. One source even said this amount is 225 billion barrels of oil (see Mark Valencia) or 28 billion barrels according to the website Global security of American Geology investigation department. The same happens with gas reserves. According to Laurent Garnier, the South China Sea has 25.000 billion cubic meter of gas making 13,4% of total world gas reserves on mainland.
It became choppy especially in the second decade of this century. Why the situation of the South China Sea suddenly became so intense and complicated? The main objective of the paper is to analyze the dynamics of the South China Sea in the beginning of XXI century, and try to provide some suggestions for further cooperation to stabilize the situation. The paper is divided into 6 parts: the first part aims to provide a geological flux of Southeast Asia from theoretical perspectives. The second part shows the rise of China and its impacts on the region. The third part shows the meaning of the US come back. The fifth provides some implications for ASEAN, and the sixth explains the dynamics of Vietnamese foreign policies facing with the South China Sea issues. The paper concludes that in the beginning of the 21st century, the security environment of Asia-Pacific region witnesses many complicated manifestations, whereby the South China Sea is one of the most dangerous flashpoint. Regional stability is best therefore fostered and preserved with such a comprehensive approach in mind, an approach for which confidence-building measures through cooperation in solving non-traditional security problems are crucial.

1. Geopolitical flux of Post-Cold war Southeast Asia

The complicated circumstance of Asia-Pacific region was explained by a series of factors according to different schools.

First, according to realism, the rise of China and consequently the power ship will create conflicts among big powers in reconstructing the regional order. In the mean time, neorealism pointed out the possibility of a multipolar order leading to the challenges for securing a balance of power in a peaceful way. ² Among evolving big powers it is obvious that Asia-Pacific is the field where the competition takes place mainly between the US on the one side and China on the other, creating a new bipolar structure whereby China would be a pole having dominance on the mainland while the US would be the other one, but on the sea. ³

While emphasizing the primacy of both US and China in Asia-Pacific region, another more careful consideration of the region security dynamics during the last decade shows that there could be also two other scenarios namely a balance and a concert of powers. An Asian balance of power would consist of big powers in the region like the US, China, Japan and India, but its aim is to prevent a single power

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from achieving dominance. An Asian concert of powers which would be established based on a shared agreement among big powers and tries to prevent hegemonic war.\(^4\) Second, according to liberalism, the regional peaceful environment is threatened mainly because of such kind of factors like the absence of liberal democracies, the economic interdependence between countries of the region, and the lack of multilateral institutions.

Third, according to constructivism, the main idea of this school was that the small and middle countries in Southeast Asia became play more and more important role. They share the same historical experiences and traditional values, and regional elites still continue playing an important role. They all strive for regional communities in one or another way. The ASEAN and its way would be good example for this.

In the report “Southeast Asia: Patterns of security cooperation” published by the Australian Strategic Policy Institute on September 30, 2010, Professor Carlyle Thayer analyzed the characteristics of Southeast Asia strategic environment which is being shaped by eight major trends. They include “the global economic and financial crisis, China’s military modernization and transformation, the United States stepped-up engagement, increased arms procurements, the heightened importance of the maritime domain, the increasing salience of transnational security issue, the persistence of ‘everyday security challenges’, and the evolution of the regional security architecture.”\(^5\) Among these factors the competition between China on the one side and the US on the other side are considered the main trend.

2. The Rise of China

In general there is common understanding on the relations between the rise of China and the increasing tension in the South China Sea. However, there are different perceptions on the origin of the tensions in the South China Sea between scholars outside and inside China. While the majority of scholars outside China are point of views that the tensions in the South China Sea was originated from an assertive policy that followed by China,\(^6\) the Chinese view explained the roots of the tensions by the

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5 Thayer C. Southeast Asia Patterns of Security Cooperation , ASPI 2010, p.2.
collusion between the United States and regional claimant states against China. In
the recent years, Chinese scholars concentrated to counter the American point of view
on the freedom of navigation. According to Chinese analysts the freedom of
navigation is pure rhetoric, no more a tool and an excuse used by the US in order to
intervene in the South China Sea dispute. In short, as one Chinese concluded: “the
real freedom of navigation that the US wants to maintain is American freedom to
military threaten other countries.”

To cope with the challenges in the South China Sea it should be noted that there is no consensus between hardliners and moderates
camps among Chinese scholars.

The South China Sea’s policy of China has been changing from assertiveness and
aggressiveness in the first decade to a new approach, mixed between soft and hard
power in the second decade of the 21st century. Starting in 1974 by seizing the
Paracels from the Republic of Vietnam, which was still on an-going war with North
Vietnam, China for the first time showed its interest in the South China Sea. Following this in 1988 China again confronted with the unified Vietnam by attacking
the Spratly islands. However, in 1995 China challenged ASEAN when it seized
Mischef Island also in Spratly from the Philippines. From then China publicly
challenged the legitimacy of all foreign investment of companies in maritime energy
of Vietnam by insisting its sovereignty in the South China Sea. Exxon and Conoco
Phillips were just some cases to name. Further more, Beijing arrested hundreds of
Vietnamese fishers around occupied by China islands, and harassed ships of
Vietnamese and the Philippines ships carrying out the seism investigation in the South
China Sea which China claimed its sovereignty. During the period between 2005 and
2010, China arrested altogether 63 fishing ships of Vietnamese and only released as
long as they paid to China requested amount of money. In doing so China became
more aggressive and assertive in defending its pronounced territory in the South
China Sea. There were, however, “good old days” in Chinese foreign policy. These
referred to the two years of 2006 and 2007, after US Deputy Secretary of State Robert
Zoellick called in September 2005 for China to become a “responsible stakeholder” in

7 Ji Peijuan, China needs to accelerate development in the South China Sea, in National Defense
Times, June 29, 2011; Wang Xi, China smartly fights back at American “soft containment”, in
National Defense Times, August 5, 2011; Ding Gang, Why the South China Sea issue has
become so hot, in People’s Daily, August 2, 2011; Zhou Biao and Jiao Dongyu, The next step in
the South China Sea game, in National Defense Time, August 17, 2011; Li Xiaokun, navigation
8 Liu Feitao, “Who says there is no freedom of navigation in the South China Sea?”, in National
10 Thong tan xa Viet Nam, Trung Quoc dieu chinh chinh sach Bien Dong, Tai lieu tham khoa dac
biet (Vietnam News Agency, China adjusted the South China Sea Policy, the Specific Reference
Documents), Saturday April 4, 2012, p.3.
international affairs. The evidence was that China continued to host the sixth-party talks on North Korea’s nuclear program. In early 2006, it even made bilateral economic pressure on North Korea. China also backed UN Secretary-General Kofi Annan’s plan for peace and stability in Sudan. The outcome was that more than 300 Chinese military engineers were sent to Darfur in early 2007. In late 2008, China sent a naval contingent to the Gulf of Aden to counter piracy off the coast of Somalia. However, China could not keep on track this positive policy. One of the most obvious evidence for this was the fact that China continued supporting North Korea through intensification of the bilateral trade and investment relations. Despite of the fact that an International Commission accused a North Korea in sinking the Cheonan from Korea, China continued protecting North Korea. China’s reaction on the US Secretary of States Hilary Clinton’s statement at the ASEAN Regional Forum meeting in Hanoi in July 2010 created more tensions between China on the one side and the US and other ASEAN states on the other side because the US called for peaceful settlement of dispute in peaceful way based on international law including the law of the sea of 1982, freedom of navigation and multilateral confidence building measures. Actually the claims of China are ambiguous, vague based on the so-called U-shape or nine-dot-line maps that predate the People’s Republic of China and have no validity in international law. China’s reaction could be explained by a combination of confidence on the international arena and insecurity at home. The rise of China, and its economic successful performance, the global financial crisis and the decline of US power, popular nationalism and the increase of media outlets, democracy and increasing number of bodies in policy making process, all these factors together created a heated political environment calling for a “more muscular Chinese foreign policy.”

Can China gain something from such kind of situation? Does an assertive policy help China in solving problem? What can China do facing reserving course of the US in the beginning 2010 when the Obama administration intended to sale defensive weapon to Taiwan, criticizing China’s limitation on freedom and democracy, and preparing for a meeting between Obama and Dalai Lama. Actually China could retaliate against the US by preventing nuclear proliferation in Iran and North Korea or destabilizing the US economy through sale of US Treasury bills. But this does not help at all and it would be not correct. Ironically almost what the United States would like China to do is the same of what China considers as core interests. Here the interests of both the US and China fall in line directly with each other. The nuclear proliferation or the control of international waters do not only protect interest of the

US, but also serve China’s interests as well. If China will not cooperate with the US, it will certainly harm China’s own interest and image in international arena.

According to China the most important interest of involving party so far was oil exploitation. With enormous oil reserves the South China Sea could be considered “the world second Persian Gulf”, and there are totally more than 200 energy corporation from the West, and they bored more than 1,000 oil wells in the South China Sea. According to Chinese sources all claimant countries in the South China Sea like Brunei, Malaysia, the Philippines and Vietnam had activities relating to oil investigation and exploitation in relative size in the South China Sea. The total oil exploited by these countries reached more than 50 million tons annually. Among these, Vietnam planned to exploit in 185 blocks, and signed agreements with more than 50 foreign companies. Everyday Vietnam could exploit 400,000 barrels, and export 53,000 barrels/day. The total value of oil exploited by VietSo Petro (Vietnam National Oil-Gas Corporation and Soviet Union Oil-Gas Corporation) from the South China Sea reached 478.400 billion Dong, and made 24% of Vietnam’s GDP. In recent years, Malaysia ready planned many oil blocks to tender for foreign countries, and exploited from 13 blocks which located totally or partly in the South China Sea. According to Global Times among Southeast Asian countries Malaysia profited most from exploitation of nearly 100 wells in the South China Sea, and the total amount of oil exploited reached 30 million tones, and brought this country 23 billion USD what made 11% of total export value of Malaysia. Brunei cooperated with Shell to build up more than 240 wells. The Philippines tendered for 15 oil blocks, among which block number 3 and 4 clearly locate in Chinese maritime territory. A part of the block 5, which located in the north-west of Palawan, overlapped on the area of “9 dot line map” of China. In short, according to Global Times, while all claimant countries in cooperation with Western companies carried out dynamic investigation and exploitation of oil in the South China Sea, China has no single oil well in the rich resource Spratly area. The exploitation in deep sea would lead to more disputable situation.

What can Beijing gain from this environment? I think Beijing can gain nothing from such kind of situation. Beijing saw it being circled from everywhere, and their “core national interests” were violated. If throughout 2009, there was a common assumption among Chinese officials that President Obama was seeking to accommodate China, either because of global power transition or of China’s rise. Both side discussed and could agree on several problems like the necessity of mutual

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strategic reassurance, avoidance of new arms sales to Taiwan and preventing meeting between President Obama and Dalai Lama before his visit to China in November.

3. The US coming back

With power changes from President George W. Bush to President Barack Obama, the US seems to have been back to Southeast Asia since the Vietnam War. Speaking with Deputy Prime Minister of Thailand in July 2009, US Secretary Hillary Clinton emphasized: “On behalf of our country and the Obama administration, I want to send a very clear message that the United States is back, that we are fully engaged and committed to our relationship in Southeast Asia.”13 Keeping this promise, the US acceded to ASEAN’s Treaty of Amity and Cooperation but first in 2009 only after North Korea (2008) and before Canada and Turkey (2010). The coming back of the US to Southeast Asia was explained by some factors. First, it was a commitment to engage Southeast Asia, and further to engage East Asia in order to join the East Asia Summit which excluded the US from the beginning in 2005.14 On this occasion the US State Department noted: “US accession is a symbol of the United States’ desire to engage more deeply and effectively with ASEAN on regional and global priorities.”15 Second and it was more important. The “China factor” was a crucial factor in America’s reengagement with Southeast Asia. Challenging with Chinese rise and especially with its assertive activities after 2007 like not allowing US energy companies to join exploration work with claimant countries in the South China Sea and especially when Beijing stated that it considered the South China Sea as “core national interest” equally with Taiwan and Tibet in March 2010. This statement pushed the US officially more engaging in the region through statement made by Secretary of State Hilary Clinton on July 23, 2010 on the 17th ARF meeting in Hanoi: “The United States, like every nation, 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...The U.S. supports the 2002 ASEAN-China declaration on the conduct of parties in the South China Sea. We encourage the parties to reach

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14 The US together with Russia became members of EAS later in 2011.
agreement on a full code of conduct. The U.S. is prepared to facilitate initiatives and confidence building measures consistent with the declaration.”

4. The Challenges

The complication of the problem lies partly as a legacy of the past, partly because of the different interpretations of the 1982 United Nations Convention on the Law of the Sea (UNCLOS), partly because of the lack of institutions, and last but not least, because of the complex multilateral nature of the issue. There is not a standard and recognized formal process for each party to assert their individual sovereignty claims.

The situation in the South China Sea has therefore become more complicated because there is no mechanism to resolve these problems. The single regional security mechanism is the ASEAN Regional Forum (ARF) which was established in 1994. However, neither ASEAN nor the ARF is able to solve these disputes. The single achievement made to date on the security front vis-à-vis the South China Sea was the signing of a Declaration on a Code of Conduct by ASEAN and China, many countries claimants in the South China Sea (DOC), on November 4, 2002 during the 8th ASEAN Summit in Phnom Penh. It took about three years for the DOC to be officially signed, starting from the Declaration on the South China Sea signed in Manila in 1999.

The DOC consists of three main parts, including fundamental principles for interstate relations and dispute management, confidence building measures, and

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16 Clinton 2010.
17 Article 121, paragraph 3 of the United Nations Convention on the Law of the Sea says that “rocks which cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf”. The question arises whether certain small islands in the South China have such sustainability.
18 China’s argument for its sovereignty is based mostly on the claim of prior discovery and the decision made by the 1951 San Francisco Conference to require Japan to turn islands back to the PRC. Vietnam bases its sovereignty claims in the South China Sea on two pillars. The claim on the Paracel Islands is based on historical documents issued by the Nguyen Dynasty in the 19th century (Tim thay Sac chi co ve Hoang Sa 2009), while its claims over the Spratlys have been seen as a continuation of a claim held by the French colonial regime after 1933. The Philippines’ claim was strengthened by two facts: prior discovery by Tomas Cloma in the 1950s, and the declaration made by Carlos Garcia and Ferdinand Marcos in 1957 and 1971 respectively. Malaysia bases its claim on the basis of its continental shelf. Taiwan claimed the whole South China Sea and stated that this is its “historical maritime territory.”
cooperation between the parties. For example, points 4 and 5 stress the duties of the parties to resolve their territorial disputes by peaceful means, without resorting to the threat or the use of force, and to exercise self-restraint from activities that would complicate and escalate disputes and affect the peace and stability of the region. Point 7 maintains that “The Parties concerned stand ready to continue their consultations and dialogues concerning relevant issues, through modalities to be agreed by them, including regular consultations on the observance of this Declaration, for the purpose of promoting good neighbourliness and transparency, establishing harmony, mutual understanding and cooperation, and facilitating peaceful resolution of disputes among them.”

The significance of the DOC is multifaceted. First, it was the first time that China agreed to join with ASEAN in signing such a document on a multilateral basis, reflecting the “new security concept” presented by China on August 1, 2002 at the ASEAN meeting. Second, it prevents all parties from enlarging their current area of occupation, and from using force in resolving disputes. However, signing the DOC also prevents ASEAN from involving the U.S. more closely in the dispute. Until now the main argument of China was to solve the disputes bilaterally because according to China the DOC was signed by the Governments of the member states of ASEAN and the Government of the PRC. So any other countries including the US would not be involved. Although the DOC does not forbid the involvement by other countries, the Document used uniquely only the term “the parties” for the Governments of the member states of ASEAN and the Government of PRC throughout. In addition, the DOC did not prevent the parties from building up facilities on their occupied islands. As a consequence, all parties tried to reinforce their presence in the Spratlys. For example, Vietnam consolidated its construction on Lagos (or Spratly Island), Pugad Island, or Pentley Reef. The island with the most extensive facilities occupied by the Philippines is Pag-Asa, which together with other islands occupied by the country, belongs to the Municipality of Kalayaan. Among the Chinese-occupied islands in the Spratlys are Mischief Reef and Johnson Reef, which have more physical infrastructure and equipment. Malaysia has facilities on its two occupied islands, namely the Swallow Reef (or Layang-Layang) and Ardasier Reef. As mentioned

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above, Taiwan’s one island, Itu-Alba, is the largest with the most facilities, including over 50 buildings and a very modern helipad.22

Although ASEAN has been successful in its role as the driving force for regional integration, it has failed to settle the dispute among claimants in the South China Sea. Sixteen years after its establishment, the ARF still remains at the first stage of confidence-building measures. As its 2001 “Concept and Principles” note, such “confidence-building,” along with the “development of preventive diplomacy and elaboration of approaches to conflicts” is of great importance.23

The ARF has proposed three ways of confidence building including: the definition and clarification of positions on regional and global issues; the extension of the “ASEAN way”; and the promotion of transparency, networking and cooperation. The first mode of confidence building is exercised in both formal and informal contacts of participants in the annual ARF Ministerial Meeting and the ARF Senior Official Meetings. Due to the extremely large number and broad subjects of their agenda, the meetings are very insufficient, lacking focus, depth and concrete outcomes. However, the meetings serve as a forum for views and position exchanges, a networking of contacts and deduction of misunderstandings. The second mode of confidence building, the acknowledgment of the ASEAN way, extends the visibility of ASEAN to other non-ASEAN members of the ARF, including countries as far apart geographically as Canada, Mongolia and India. The informal, non-binding, non-coercive character has now become the ARF’s way. ASEAN leaders were convinced in their ways because they were proved by ASEAN experiences: “ASEAN’s well established practices of consultation and consensus (musyawarah and mufakat) have been significantly enhanced by the regular exchanges of high-level visits among ASEAN countries. This pattern of regular visits has effectively developed into a preventive diplomacy channel. In the Asian context, there is some merit to the ASEAN approach. It emphasizes the need to develop trust and confidence among neighbouring states.”24 The last mode of confidence-building includes the promotion of transparency in military affairs, networking and joint activities which could include the issuing of defence white papers, exchanges of military officials, observation or participation in joint military exercises. In short, confidence-building is the first and most important step of the ARF, although there have been many challenges and

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critics.\textsuperscript{25} Notwithstanding, as Rodolfo Severino has noted, the ARF “can build confidence to the extent that it brings some light and air to these questions and, where possible, sorts them out so as to reduce the mutual suspicion and uncertainties inherent in a region where power relationships are in flux.”\textsuperscript{26}

The weak response of ASEAN to the rising disputes in the South China Sea can be attributed to several factors. First, countries in the region share a commonly-held attitude that prefers to keep the environment peaceful and stable to allow continued economic development, especially in dealing with China as a rising power. Despite having disputes or tension with China every country in the region wants to have a good relationship with the country. In this new context, economic relations have transitioned from a zero-sum game to a win-win cooperative situation. In 2008, the trade volume between China and ASEAN grew increasingly. Since the China-ASEAN FTA took effect in January 2010, bilateral trade between China and the individual countries in Southeast Asia has strengthened and increased. The following table shows how important ASEAN trade is with China in comparison with that with Japan.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|c|c|}
\hline
 & \textbf{Value of Trade} & \textbf{Percentage of Total} \\
 & \textbf{Exports from ASEAN} & \textbf{Imports by ASEAN} & \textbf{Total trade} & \textbf{Exports from ASEAN} & \textbf{Imports from ASEAN} & \textbf{Total trade} \\
\hline
\multicolumn{2}{|c|}{\textbf{China}} & \textbf{81,591,028.2} & \textbf{96,594,336.8} & \textbf{178,185,365.0} & \textbf{10.1} & \textbf{13.3} & \textbf{11.6} \\
\hline
\multicolumn{2}{|c|}{\textbf{Japan}} & \textbf{78,068,589.7} & \textbf{82,795,138.7} & \textbf{160,863,728.4} & \textbf{9.6} & \textbf{11.4} & \textbf{10.5} \\
\hline
\end{tabular}
\caption{Comparison of ASEAN Trade with China and with Japan (as 15 July 2009) (in US thousand) }
\end{table}

Source: ASEAN Secretariat

Despite then the China-ASEAN FTA (2010) there is no common position among the ASEAN members (including both disputants as well as non-disputants) about how to deal with China over the disputes in the South China Sea. Since 2007, China has increased its efforts to query the claims of others in the disputed areas. By the end of 2007, China created within Hainan province a new district-level city named Sansha that included the Paracel and Spratly Islands. In 2007-2008, China protested against British Petroleum and American Exxon Mobil because they cooperated with Vietnam to explore oil and gas fields in the South China Sea, eventually prompting both to suspend their work. In the beginning of 2009, China also protested to the Philippines

\begin{thebibliography}{99}
\end{thebibliography}
when that country enacted its revised March 2009 baseline law. As mentioned above, China protested against the joint submission by Vietnam and Malaysia to the U.N. Until today, China has been successful in preventing ASEAN from acting together with a common voice by arguing that the disputes in South China Sea must be discussed through bilateral negotiations (between China and each of the four ASEAN claimants). During the 2009 ASEAN-China Summit in Cha-am (Thailand), the security problem in the South China Sea was absent from the agenda.

Third, the Chinese navy has undergone significant modernization. At this moment, no single ASEAN country can compete with Chinese naval strength. China has advanced past neighbouring countries in both the quality and quantity of submarines, destroyers, patrol boats and frigates; this allows China to dominate in the disputed areas. All countries in the Asia-Pacific region are concerned about the size and growth of China’s military budget. For example, Australia’s 2009 Defence White Paper expressed the following concern about China’s military transformation and modernization: “We would be concerned about the emergence of a security environment dominated by any regional power, or powers, not committed to the same shared goals. It would be in our strategic interests in the decades ahead that no power in the Asia-Pacific region would be able to coerce or intimidate others in the region through the employment of force, or through the implied threat of force, without being deterred, checked or, if necessary, defeated by the political, economic or military responses of others in the region.”27 Since late 2007, the construction of a naval base at Sanya by China has raised tension in the region. Through satellite imagery, it was clear that a Chinese Type 094 Jin-class submarine was present. The presence of this class of submarine marked “the first permanent deployment to China’s Southern Fleet.”28

5. Implications for ASEAN

The situation in the South China Sea will become more complicated if problems are not thoroughly resolved. Statements such as “setting disputes aside in order to pursue common exploitation” seem unrealistic because no party seems willing to give up its

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sovereignty even temporarily. Each respective government would be criticized by their population for not being able to protect their country. The legitimacy of the government will be in doubt for not fulfilling their responsibility to safeguard national sovereignty. Among the countries with disputes over the South China Sea, the division among ASEAN members has diminished a sense of a common objective in this area and has provided advantages for China in dealing with ASEAN, as from unity comes a greater bargaining position. China’s actions are partially at least coordinated to the reactions of external actors. So ASEAN might strive to increase the engagement of global players. Along with the UN itself, among these actors the United States is considered the most important. In addition, ASEAN also might not exclude the consideration of new proposals offered by former Australian Premier Minister Kevin Rudd on an Asia-Pacific Community or by Japan on an East Asia Community.

Among many suggestions, it is important that all parties respect the DOC, neither expanding their occupation, nor using force or the threat of force in dealing with each other. Although the DOC is only a non-binding document, it is considered a step toward a code of conduct. The DOC can at least help to keep the South China Sea a relatively cooperative and stable environment – which all countries need.

Second, ASEAN should continue its diplomatic endeavors to resolve differences through dialogue and confidence-building measures. Among other things, the countries in the region might promote and increase Track II diplomacy, considered an approach appropriate to the ASEAN way. Given that resolving the problems in the South China Sea remains a long-term challenge, ASEAN and other countries in the region might arrange more workshops, seminars and meetings of experts, researchers, and professors where a discussion and exchange of views and research can take place. In 1994, Track II diplomacy became an integral part of ASEAN documents. In fact, the ASEAN-ISIS (ASEAN Institute of Strategic and International Studies), established 1988 with the participation of strategic and international relations institutes of ASEAN countries, has been recognized as fulfilling a valuable function to this end.29

Third, in the long term, ASEAN might include the status of the DOC in its agenda, considering this a common regional issue, both for claimants and non-claimants. As long as the DOC does not become a fully-fledged Code of Conduct (COC) for all parties, the security situation remains vulnerable. The greatest difficulty, as mentioned

29 Luan Thuy Duong, Qua trình hình thành và phát triển của kênh đối thoại không chính thức về an ninh và chính trị của ASEAN (Kenh 2) (The Process of Establishment and Development of Non-Official Dialogue Channel on Security and Politics of ASEAN (Track Two), PhD. Dissertation, Vietnam National Library 2010.
above, is that there has been no consensus among ARF members. While China tries to keep the situation in the South China Sea at status quo by calling to “set aside dispute and pursue joint development”\(^{30}\) and opposing internationalizing the issue, ASEAN wants to establish a formal code of conduct in the South China Sea to avoid tension around the disputed territories. ASEAN’s idea is supported by the Association’s non-ASEAN interested parties because many need a free and save sea route in the South China Sea. At the 17\(^{th}\) ARF Meeting on July 23\(^{rd}\), 2010 in Hanoi, U.S. Secretary of State Hillary Clinton made it clear: “The United States, like every nation, 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…The U.S. supports the 2002 ASEAN-China declaration on the conduct of parties in the South China Sea. We encourage the parties to reach agreement on a full code of conduct. The U.S. is prepared to facilitate initiatives and confidence building measures consistent with the declaration.”\(^{31}\) In the light of certain concerns of ASEAN members over China’s apparent increasing assertiveness, Clinton’s view finds a resonance in ASEAN. ASEAN members have become worried by China’s increasingly assertive stance including modernization of its navy, military exercise etc. Erlinda Basilio, Philippine foreign affairs under secretary for policy, has noted that it is time for the ARF to propose a more formal and legally binding code of conduct in the South China Sea “to ensure that the South China Sea remains a peaceful and stable place where vessels can pass safely.”\(^{32}\)

Fourth, ASEAN might increase the role of the ADMM (ASEAN Defence Ministers Meeting)-Plus format in a way that this can take the initiative in addressing the security issues through the ARF. The next ADMM Meeting will include the participation of 18 defence ministers, including those of the US and Russia, and will take place in Hanoi in October 2010. It is expected to create a new realistic mechanism to solve security problems, especially in the South China Sea.


6. Implications for Vietnam

If International Economic Integration is a long term strategy, the day by day happenings force the VCP making frequent adjustments appropriated to the reality. This is absolute correct for the case of Asia-Pacific, as the region is one of the most dynamic and complicated ones in the world. A competition for enlargement of influence sphere in the region among and between big powers has begun since the end of the Cold war, but has intensified with higher tempo since the beginning of the 21st century.

The “center court” of the race took place mainly between China- a rising power on mainland - on the one side and the US – ‘an invited empire”, a maritime power on the other side. The first tries to build up a new multilateral regional order through opposing “the enlargement of the existing bilateral military alliances in Asia-Pacific, which were left over from the Cold War” and the later would like to consolidate the military bilateral relations with its alliances through “hub and spokes model”. This race influenced deeply on peace and cooperation of the region, and made more tension for the problems in Korean peninsula, Taiwan Strait and the South China Sea, and had negative impacts on ASEAN consensus and unity.

Facing with the new situation, in July 2003 the VCP called a meeting of the 8th Central Committee (Section IX) to discuss a new security strategy for Vietnam. The outcome of the meeting was “The Resolution on Strategy for Fatherland Defense in the new context.” In the complicated context transformed from Bipolarity order to the Post-Cold war era, when the game just begun and the players were still explored each other, and there was not a clear constellation, it was not easy to determine how to play the game, and who shared the same idea. In this context, the Resolution No 8 (Section IX) provided for the first time the new definitions different from previous ones in Vietnamese foreign policy. For example, relating to the question of partner (doi tac) and opponent (doi tuong), the Resolution explained:

“Everyone who advocates to respect independence, sovereignty and to promote friendly, equal and mutual interest relationship and cooperation with Vietnam is considered our partner; everyone who shows conspiracy and action to against the objectives of our country to build up and to defense the fatherland is opponent that was to be fought.”

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34 Cuc Luu tru Van phong Trung uong Dang, Nghi quyet Trung uong 8 (Khoa IX) ve chien luoc bao ve To quoc trong tinh hinh moi (Department of Archive of CPV Central Committee, Resolution No.8 (Section IX) on strategy for fatherland defense in the new context), Hanoi 2003, p.17.
It is necessary to say that the previous determination of “ours and yours” in Vietnamese policy was based mainly on the assumption of Marxist class struggle and ideology, and influenced deeply by the division of the world into two poles and camps. However, the Resolution No.8 also remained:

“It is necessary to have a dialectical point of view: in every opponent there may be some elements that (we) could cooperate with and take advantage of; in some partners there may be differences and conflicts. Based on these facts, it is needed to overcome both trends, namely being vague and lacking of vigilance or being inflexible in perception, guideline and in dealing with concrete situation.”35

It may say that since beginning of Renovation in 1986, the Resolution No.8 (Section IX) of the VCP was the second strategically important document after the Resolution No.13 (Section VII) in Vietnamese foreign policy. It determined the main principles and guideline of Vietnamese foreign policy toward other countries that may have different political system and economical level of development.

Since “The Resolution No.8 (Section IX) on the Strategy for Fatherland Defence in the new context” was issued, Vietnam became more active and confident in the game of Asia-Pacific region and in the relationship with other countries, organizations and in dealing with regional and international problems.

As chairman of ASEAN in 2010, Vietnam was able to show other countries its capacity and skills to approach complicated questions and deal with different actors with different interests through successful organization of a series of meeting such as the ASEAN Summit, ASEAN Regional Forum meeting, East Asia Summit and ASEAN Defense Minister Meeting plus, just some to name. While the prestige of Vietnam is increasing and the trust of international community is growing, Vietnam should use international and regional forums to propose initiatives to gain their support.

From regional perspective, Vietnam should consider ASEAN as a priority in its foreign policy having equal importance as its relations with big powers. The reason is that ASEAN played and is playing a role of “centrality” and “driving force” in the process of building of new security architecture. It is an important moment when there are only four years left for ASEAN to fulfill the goal of building up ASEAN community. During the East Asia Summit in October 2010 in Hanoi, Vietnam and other members were agreed to invite the US and Russia to become members of EAS in 2011. In doing so EAS will consist of teen ASEAN members and eight non-ASEAN countries including Australia, China, India, Japan, Korea, New Zealand, Russia and the US. There is no doubt that it is an important decision for an emerging

35 Cuc Luu tru Van phong Trung uong Dang, ibd., p.18.
multilateral security mechanism with participation of all big powers and that can replace other mechanism in the future.

As a littoral state, Vietnam should invest more for a maritime strategy because the sea is common denominator for all countries of Asia-Pacific except Laos. The main development field and the future of Vietnam and other countries will be connected with ocean. Having more than 3,000 km of coastal line in Pacific, owning deep and convenient harbors, locating on one of the most crowded maritime routes of the world, Vietnam will a converging place of diversified interests. Especially in the context of China rising, and because of rich experiences that Vietnam have had with China in the past, Vietnam gained more attention from big powers including the US, Japan, India as well as members of ASEAN. Vietnam should have a multidirectional and multidimensional approach in its relations with other countries.

In relations with ASEAN, Vietnam should follow on the one side respecting the principles of consensus and no interference in internal affairs, but on the other side try to find out the common voice in strategic and day by day issues of the Association.

In relations with the US, Vietnam should promote comprehensive relationship, especially defense cooperation including exchange of high ranking visits, arrangement of bilateral dialogues, organization of mutual visits of navy ships, participation in different military trainings, workshops and cooperation in ADMM plus…Especially, Vietnam needs to pay more attention to possibility of joining the Trans Pacific Partnership (TPP).

In relations with China, Vietnam should continue the traditional relations based on the principle of 16 words “friendly neighborhood, comprehensive, long lasting stability and future looking orientation”, and promote understanding between two peoples and building up confidence through exchanges, visits and cooperation at different levels and forms like party to party, state to state, people to people.

In relations with Russia, Vietnam could use its traditional relations for a new partnership in the new context through promoting Russia advantage in two fields, namely in military industry and oil and gas exploration.

In relations with Japan, Vietnam should promote its presence through foreign direct investment and foreign trade; especially provide Japan with priority for establishment of high technology zone as driving force for future development of Vietnam.

In relations with India, Vietnam could explore the strength of this country in information technology and nuclear industry.
Conclusions

In the beginning of the 21st century, the security environment of Asia-Pacific region witnesses many complicated manifestations, whereby the South China Sea is one of the most dangerous flashpoint. Among changes the strategic competition between China and the US rise of China came to the surface and makes the regional environment more complicated. Along this main stream there are unshakeable endeavors of ASEAN to establish a new cooperation mechanism evolving the participation of all powers with ASEAN as driving force.

In order to play this game, Vietnam should understand its rule, players, and first of all, have appropriate strategy, stable politics, high developed economy and smart diplomacy. In addition, it is very important to have good skills to play – that means the ability to transform challenges into chance, from disadvantage into advantage, from weakness into strength. With good skills one can enrich its own “chips” to play the game. In short, the partners in the integration of a region extend in some cases far beyond the region itself, especially in a globalization context. Regional stability is best therefore fostered and preserved with such a comprehensive approach in mind, an approach for which confidence-building measures through cooperation in solving non-traditional security problems are crucial.